

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR ATTENTION.
If you are in any doubt about the content you should consult your relationship manager or other professional adviser.

BLACKROCK STRATEGIC FUNDS

Registered office: 49, avenue, J.F.Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
R.C.S. Luxembourg B 127481

30 September 2019

Dear Shareholder

The board of directors (the “**Directors**”) of BlackRock Strategic Funds (the “**Company**”) is writing to you to advise you of changes that will be made to certain Funds.

Unless otherwise indicated, the changes set out in this letter will take effect from 30 October 2019 (the “**Effective Date**”) and this letter forms notice to Shareholders of the facts set out below.

Terms not defined herein shall have the same meaning as set out in the Prospectus dated 20 June 2019 (available at www.Blackrock.com).

1. BlackRock Sustainable Euro Bond Fund

The below changes relate to the BlackRock Sustainable Euro Bond Fund (the “**Fund**” for the purposes of this section 1).

Changes to the ESG Investment Policy

Additional disclosures are being included in the investment policy of the Fund to reflect the decision of the Directors to take into account additional environmental, social and governance (“**ESG**”) characteristics when selecting the fund’s investments. As a result, issuers of securities may be excluded from the fund’s portfolio that have a certain level of exposure to, or ties with, sectors including (but not limited to) controversial weapons (i.e. nuclear, cluster munitions, biological-chemical, landmine, depleted uranium, or incendiary weapons), civilian firearms, tar sands, tobacco and thermal coal extraction and generation. The Investment Adviser also intends to exclude issuers of securities that are deemed to have breached one or more of the ten UN Global Compact Principles, which cover human rights, labour standards, the environment and anti-corruption. The United Nations Global Compact is a United Nations initiative to implement universal sustainability principles.

Whilst these exclusions may reduce the range of assets that the Fund may gain exposure to, these are not expected to materially impact the risk-return profile of the fund, given that the Fund is managed as a total return bond fund (providing the Investment Adviser with discretion to select the fund’s investments). It is intended that these changes will be beneficial to investors by providing a more ESG focused investment strategy providing additional governance to the existing investment process.

Please refer to Appendix A for the existing and revised investment objectives and policies for the Fund.

Change of Fund name

The Fund's name will be changed as of the Effective Date as detailed below. The reason for this change is to reflect the Fund's revised investment policy (as described above) and to be consistent with the rest of BlackRock's ESG range.

Current name	BlackRock Sustainable Euro Bond Fund
Revised name	BlackRock ESG Euro Bond Fund

Change of risk management measure

A fund's risk management measure is used to monitor and control the amount of risk a fund can take. The Fund's risk management measure will be changing from Absolute VaR to Relative VaR, using the Bloomberg Barclays MSCI Euro Aggregate Sustainable SRI Index as the appropriate benchmark. Further information on the types of risk management measure used can be found in the Prospectus.

The Fund's risk profile

The Fund's risk profile (as reflected by its SRRI number, which can be found on the Fund's Key Investor Information Document), will not change as a result of any of the changes listed in this letter.

2. Changes to expected levels of leverage

The Funds may use derivatives for the purposes of efficient portfolio management and, where relevant, investment purposes. Leverage is a Fund's investment exposure gained through the use of derivatives. Please refer to the "Risk Management" and "Leverage" sections in the Prospectus for further details of the Company's risk management policy and leverage calculation.

The expected level of leverage is not a limit and may vary over time. The expected level of leverage of the Funds listed below will be revised from their current levels in accordance with the table below.

FUND	CURRENT EXPECTED LEVEL OF LEVERAGE	NEW EXPECTED LEVEL OF LEVERAGE	RATIONALE FOR CHANGE
BlackRock Style Advantage Fund	1000%	1100%	The typical leverage for this Fund has been consistently higher than the quoted value as the Fund operated at a higher than average leverage in order to achieve its target returns in the current market environment.

BlackRock Americas Diversified Equity Absolute Return Fund	560%	600%	The typical leverage for this Fund has been consistently higher than the quoted value as the Fund operated at a higher than average leverage in order to achieve its target returns in the current market environment.
BlackRock European Diversified Equity Absolute Return Fund	500%	650%	The typical leverage for this Fund has been consistently higher than the quoted value as the Fund operated at a higher than average leverage in order to achieve its target returns in the current market environment.
BlackRock Asia Pacific Diversified Equity Absolute Return Fund	560%	600%	The typical leverage for this Fund has been consistently higher than the quoted value as the Fund operated at a higher than average leverage in order to achieve its target returns in the current market environment.
BlackRock UK Emerging Companies Absolute Return Fund	150%	200%	The typical leverage for this Fund has been consistently higher than the quoted value due to a revision during the final product review.

There will be no changes to the Funds' investment objective, policies, overall risk profile, SRRI number or change to the manner in which the Funds are currently managed as a result of these changes to the expected levels of leverage.

3. China Interbank Bond Market ("CIBM")

The BlackRock Dynamic Diversified Growth Fund, the BlackRock ESG Euro Bond Fund (as renamed), the BlackRock Macro Opportunities Fund and the BlackRock European Select Strategies Fund will be permitted to gain direct exposure to China onshore bonds via CIBM (in addition to the Funds already

named in the Prospectus).

4. BlackRock Fixed Income Strategies Fund (“FISF”)

The investment policy of FISF will be updated such that no more than 20% of the fund’s total assets may be invested in ABS and MBS (whether investment grade or not), a reduction from a previous limit of 50%.

Action to be taken by you

Shareholders are not required to take any action in relation to the changes described in this letter. If, however, you do not agree with the changes described in this letter you may redeem your Shares free of any redemption charges at any time prior to the Effective Date, in accordance with the provisions of the Prospectus. If you have any questions regarding the redemption process please contact your local representative or the Investor Services Team (see details below).

Redemption proceeds will be paid to Shareholders within three Business Days of the relevant Dealing Day, provided that the relevant documents (as described in the Prospectus) have been received.

General Information

Updated versions of the Prospectus will be available to download from our website (www.blackrock.com) and in hard copy format free of charge from the Effective Date. Copies of the Company’s articles of incorporation, annual and semi-annual reports are also available from our website and free of charge upon request from your local representative or the Investor Services Team at: Investor.services@blackrock.com, telephone: 00 44 (0)207 743 3300.

The Directors accept responsibility for the contents of this letter. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that this is the case) the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the impact of such information.

Yours faithfully



Paul Freeman
Chairman

APPENDIX A

BlackRock Sustainable Euro Bond Fund

Existing investment objective and policy	Revised investment objective and policy
<p>The BlackRock Sustainable Euro Bond Fund seeks to maximise total return.</p> <p>The Fund will seek to invest at least 80% of its total assets in investment grade, Euro denominated fixed income transferable securities, fixed income related securities (including derivatives) and, when determined appropriate, cash and near-cash instruments.</p> <p>Currency exposure is flexibly managed. The fixed income securities will be issued by, or give exposure to, companies, governments and agencies of, domiciled worldwide. The Fund will also, at the time of purchase, seek to invest at least 90% of its total assets in fixed income transferable securities which meet environmental, social and governance (“ESG”) criteria and, when determined appropriate, cash and near-cash instruments. The Fund will not invest in fixed income transferable securities that are issued by corporate entities which do not meet the ESG criteria.</p> <p>In order to achieve the investment objective and policy, the Fund will invest in a variety of investment strategies and instruments. The Fund intends to take full advantage of the ability to invest in derivatives (including total return swaps that have fixed income transferable securities and fixed income related securities as underlying assets) with the aim of maximising returns. The Fund’s exposure to ABS and MBS may not exceed 20% of its Net Asset Value.</p> <p>Important Note</p> <p>The ESG criteria will be applied to issues at the time of purchase, and consists of: (i) a rating of BBB or higher as defined by MSCI’s ESG Intangible Value Assessment Ratings or MSCI ESG Sovereign Ratings as applicable; and (ii) for corporate issues a score of one or above as defined by MSCI’s ESG Controversies score, or their equivalents as determined by the Investment Adviser from time to time. Further details regarding MSCI’s rating criteria is available on MSCI’s website at www.msci.com.</p>	<p>Investment Objective</p> <p>The BlackRock ESG Euro Bond Fund seeks to maximise total return.</p> <p>The Fund will seek to invest at least 80% of its total assets in investment grade fixed income transferable securities and fixed income related securities (including derivatives). When determined appropriate, the Fund will also invest in cash and near-cash instruments.</p> <p>The fixed income securities will be issued by, or give exposure to, companies, governments and agencies domiciled worldwide. 90% of the Fund’s total assets will be invested in accordance with the ESG Policy described below at the time of purchase (in respect of securities to be held directly by the Fund or via derivatives, rather than any securities held through undertakings for collective investment). The Fund will not make investments in fixed income transferable securities that are issued by corporate entities which do not meet the ESG criteria at the time of purchase. Currency exposure is flexibly managed.</p> <p>In order to achieve the investment objective and policy, the Fund will invest in a variety of investment strategies and instruments. The Fund intends to take full advantage of the ability to invest in derivatives (including total return swaps that have fixed income transferable securities and fixed income related securities as underlying assets) with the aim of maximising returns. The Fund’s exposure to ABS and MBS may not exceed 20% of its Net Asset Value. The Fund’s exposure to contingent convertible bonds is limited to 10% of its Net Asset Value.</p> <p>ESG Policy</p> <p>The ESG criteria will be applied to issues at the time of purchase, and consists of: (i) a rating of BB or higher as defined by MSCI’s ESG Intangible Value Assessment Ratings or MSCI ESG Sovereign Ratings as applicable; (ii) for corporate issues a score of one or above as defined by MSCI’s ESG Controversies score, or their equivalents as determined by the Investment Adviser from time to time (further details regarding</p>

	<p>MSCI's rating criteria is available on MSCI's website at www.msci.com); and (iii) the exclusion of issuers of securities that have a certain level of exposure to, or ties with, sectors including (but not limited to) controversial weapons (i.e. nuclear, cluster munitions, biological-chemical, landmine, depleted uranium, or incendiary weapons), civilian firearms, tar sands, thermal coal extraction and generation, gambling, adult entertainment and tobacco. The Investment Adviser also intends to exclude issuers of securities that are deemed to have breached one or more of the ten UN Global Compact Principles, which cover human rights, labour standards, the environment and anti-corruption. The United Nations Global Compact is a United Nations initiative to implement universal sustainability principles.</p> <p>To undertake this analysis and exclusion, the Investment Adviser may use data provided by external ESG Providers and proprietary models.</p>
--	---