

London Borough of Lewisham

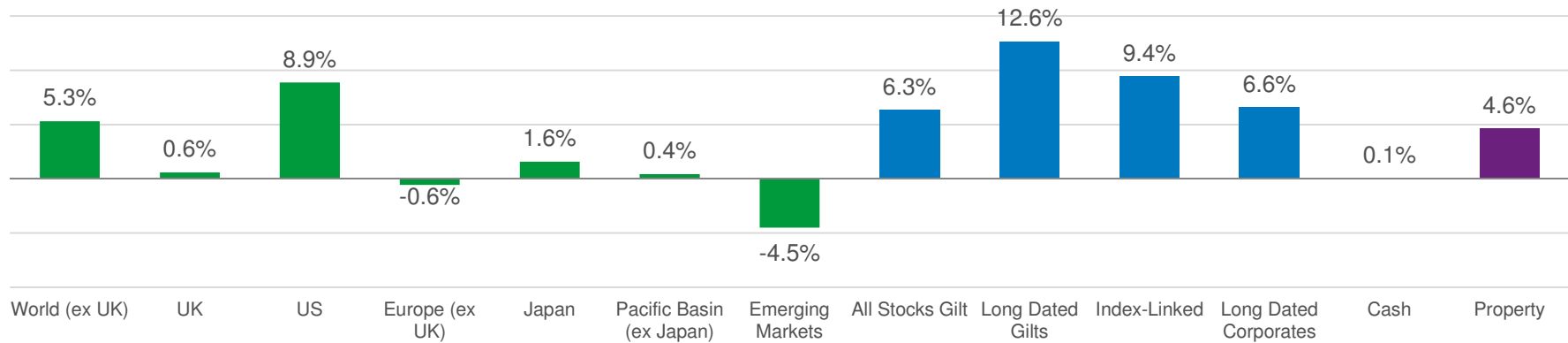
Christopher Head, Head of UK Local Authorities

Andrew Graver, Senior Investment Strategist

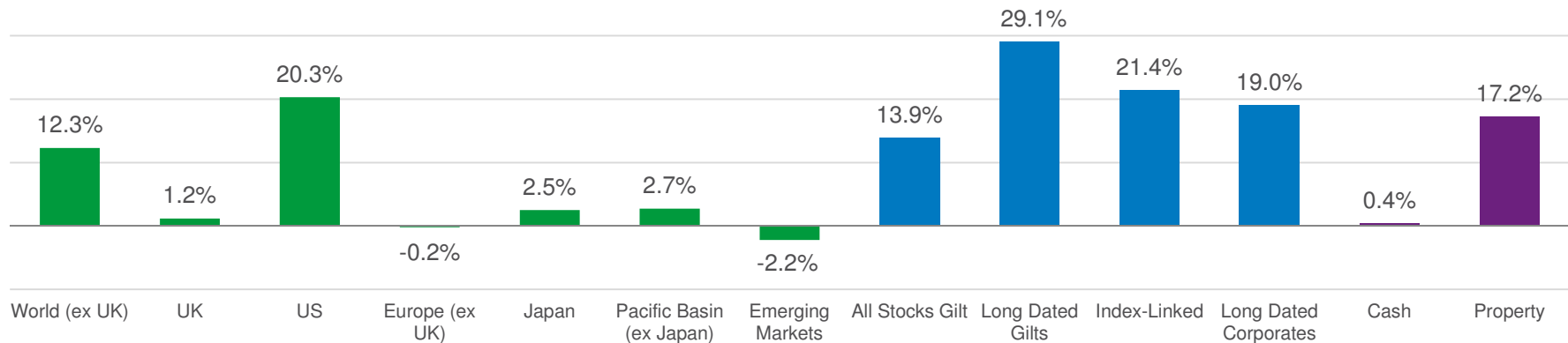
19 February 2015

Market returns to 30 September 2014

3 Months Index Performance



12 Months Index performance



GREEN = Equities, BLUE = Fixed Income, PURPLE = Alternatives. All returns shown in sterling, total return as of 31 December 2014. World (ex UK): FTSE AW DEV ex UK NET of TAX GBP, UK: FTSE All-Share TR Index, US: FTSE United States in GBP, Europe (ex UK): FTSE AW DEV Europe ex UK NET of TAX GBP, Japan: FTSE AW Japan NET of TAX GBP, Pacific Basin (ex Japan): FTSE AW DEV AsiaPac ex Japan NET of TAX GBP, Emerging Markets: MSCI Emerging Markets Index (Net), All Stocks Gilt: FTA All Stocks Gilts Index, Long Dated Gilts: FTSE AS Gilt 25+ Index, Index-Linked: FTSE Actuaries UK Index Linked Gilts Over 5 Years Index, Long Dated Corporates: iBoxx Sterling Non Gilt 15+ Index. Source: BlackRock, 2014

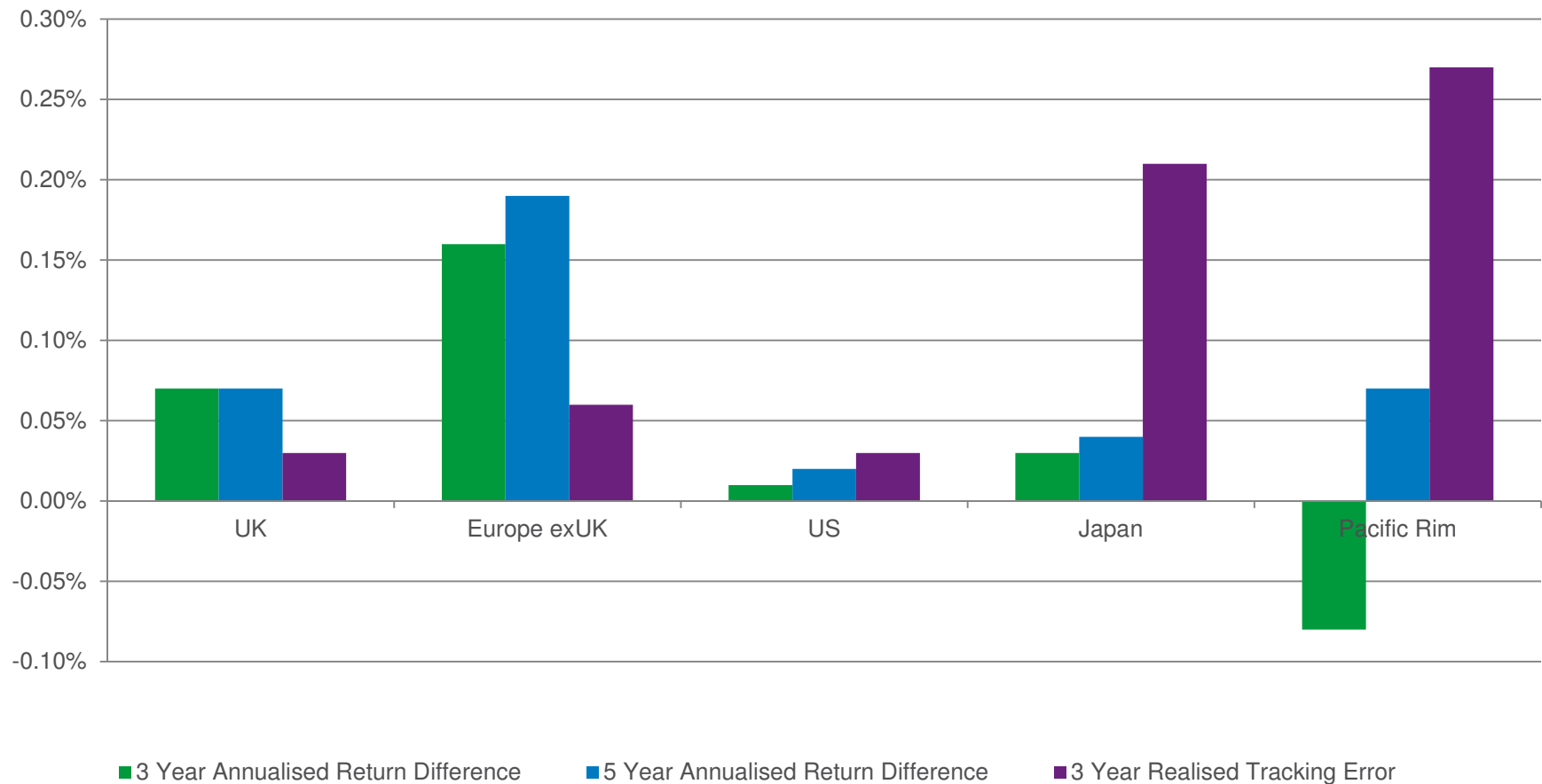
London Borough of Lewisham Valuation

	Benchmark	Valuation
Fixed Income		
Aquila Life Over 15 Years UK Gilt Index Fund	FTA Over 15 Year Gilt Index	30,444,002
Aquila Life Over 5 Year UK Index-Linked Fund	FTSE Actuaries UK Index Linked Gilts Over 5 Years Index	30,238,549
BlackRock UK Credit Bond Index Fund	Markit iBoxx GBP Non-Gilts Overall TR Index	30,715,976
Equities		
Aquila Life Canadian Equity Index Fund	FTSE Canada TR NET of TAX GBP	8,963,458
Aquila Life European Equity Index Fund	FTSE AW DEV Europe ex UK NET of TAX GBP	37,315,710
Aquila Life Israel Equity Index Fund	FTSE Israel Net	540,555
Aquila Life Japanese Equity Index Fund	FTSE AW Japan NET of TAX GBP	18,024,596
Aquila Life Pacific Rim Equity Index Fund	FTSE AW DEV AsiaPac ex Japan NET of TAX GBP	10,287,139
Aquila Life UK Equity Index Fund	FTSE All-Share TR Index	86,003,822
Aquila Life US Equity Index Fund	FTSE United States in GBP	131,806,402
BlackRock Emerging Markets Index Sub-Fund	MSCI Emerging Markets Index (Net)	24,783,888
Cash		10,548
London Borough of Lewisham valuation as at 31 December 2014¹		£409,134,645
London Borough of Lewisham valuation as at 30 January 2015¹		£422,003,951

1. Valuation is unaudited. Fund values are based on creation prices calculated as at the last working day of each valuation period. Source: BlackRock

Q4 2014 - Aquila Life relative performance and tracking error

Performance and risk vs. index



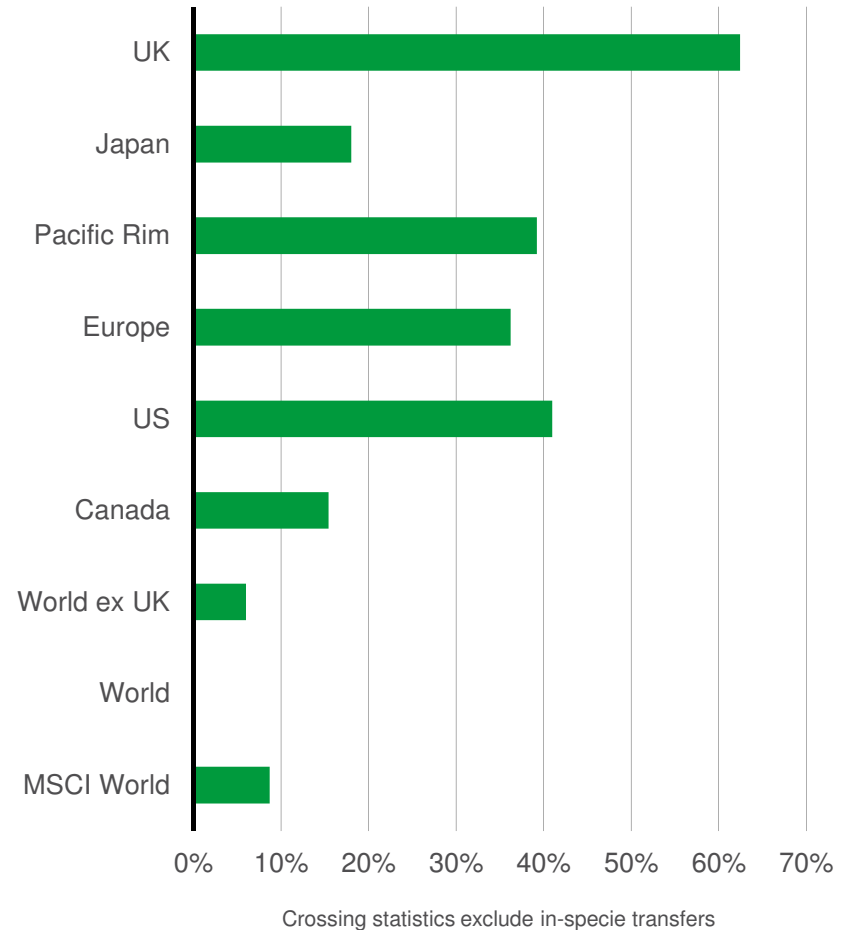
Source: Source: BlackRock and FTSE as at 31 December 2014. Aquila Life funds are benchmarked to the FTSE Net Indices. Past performance is not a reliable indicator of future results.

Q4 2014 - Trailing 12-month unit-level crossing statistics update

Aquila Life equity index funds

- ▶ Unit-level crossing is a **free service** provided to clients
- ▶ Est. **£16.9m saved** by clients over 12 months through December 2014 from unit level crossing in Aquila Life equity funds

Percent crossed by fund over trailing 12 months



Source: BlackRock as at 31 December 2014.

Governance

CORPORATE GOVERNANCE SNAPSHOT

BLACKROCK®

JANUARY 2015

Our half-yearly snapshot highlights the latest themes identified by our Corporate Governance and Responsible Investment (CGRI) team. In this issue, we focus on:

- ▶ Changes to UK Corporate Governance Code
- ▶ Audit reform
- ▶ Human capital

REGULATION – CHANGES TO THE UK CORPORATE GOVERNANCE CODE

During the second half of the year, the UK Financial Reporting Council updated the Corporate Governance Code with changes to a number of topics, including going concern, executive remuneration and shareholder engagement. The revised Code is intended to promote the inclusion of a 'viability statement' in the Strategic Report, providing investors with an improved forward-looking assessment of the long-term solvency and liquidity of the company.

The revised Code places greater emphasis on ensuring that executive remuneration is designed to promote the long-term success of the company and the sustained creation of shareholder value, focusing less on attracting and retaining talent. **Given this, we expect future engagements on remuneration to increasingly focus on how the design of executive incentive schemes acts as a support function to the sustainable creation of long-term returns.** The revised Code also encourages companies to explain how they intend to engage with shareholders when a significant percentage of shareholders have voted against a resolution. **As a result of this, there will likely be increased engagement activity following a significant vote against pay, especially outside the proxy season (i.e. during the second half of the year).**

AUDIT

As discussed in our first issue of Corporate Governance Snapshot, during H1 2014 we engaged frequently on audit-related issues with UK issuers, who seem to be responding to a structurally-changed market by tendering audit more frequently. And coupled with increasing investor awareness on the value of audit themed engagements and an expectation in the reduction of the average audit tenure, more issuers have approached investors wanting to ensure that they fully understand their tendering process. **Despite the relatively recent changes to the audit market, we expect the increase in audit-related engagement to continue as more UK issuers begin to tender their auditing services on the back of legislative changes.**



AMRA BALIC
Managing Director

At BlackRock, we view corporate governance in an investment context. We believe that a sound corporate governance framework promotes strong leadership from boards of directors and good management practices, which in turn help companies to achieve better returns for our clients. Our CGRI team develops and applies our environmental, social and governance framework.

HUMAN CAPITAL

In recent years, the CGRI team has increasingly focused its engagement efforts on human capital, driven by our belief that effective human capital management can be a driver of competitive advantage and contributor to sustainable shareholder returns over the long-term. Research shows that employee satisfaction is associated with positive abnormal returns in certain markets, while reputational issues associated with employee relations and safety issues can be an economic issue for investors.

Although human capital management challenges manifest themselves in different ways depending on the industry concerned, we expect boards of directors to dedicate more attention to ensuring the appropriate internal mechanisms are in place for attracting, incentivizing and retaining human capital, while ensuring safe working conditions and human rights protections in their global supply chains. **As such, we think companies will become increasingly active in discussing human capital with their investors, and we expect this topic to be an integral part of our future engagement efforts alongside more traditional corporate governance subjects.**

HUMAN CAPITAL: AN EXAMPLE OF EFFECTIVE ENGAGEMENT

Over the past four years, we have been engaging with a UK public transport company on issues concerning freedom of association, and staff and operational safety at its school bus operations. These engagements were initiated after a union raised concerns by claiming that the company had been neglecting the safety and treatment of its workers while discouraging union membership, thereby running major reputational and financial risks. In response to the concerns raised, we engaged with the company to understand the issues and assess its ability to carry out operations safely, and any potential impact on retaining and acquiring new operating licences.

During the engagement period, the company has significantly improved its transparency, while the number of injuries and accidents to employees has decreased considerably. It has also continued to deliver industry-leading retention rates of targeted contracts, and enjoyed a very successful bus bid season, all while achieving high levels of customer satisfaction. A further encouraging sign came when Board appointed a new non-executive director, currently Group Head of HR at a large UK plc, a move that we believe demonstrates a commitment to the essential matter of human capital. Despite these improvements, we will continue to engage with the company as its future success is dependant on its human capital and the safety of its transport operations.

Want to know more?



+44 (0)20 7743 3300



institutional.enquiries@blackrock.com



blackrock.co.uk

Source: BlackRock. All data as at December 2014 unless otherwise stated.

This material is for distribution to Professional Clients (as defined by the FCA Rules) and should not be relied upon by any other persons. Issued by BlackRock Investment Management (UK) Limited, authorised and regulated by the Financial Conduct Authority. Registered office: 12 Throgmorton Avenue, London, EC2N 2DL. Tel: 020 7743 3000. Registered in England No. 2020394. For your protection telephone calls are usually recorded. BlackRock is a trading name of BlackRock Investment Management (UK) Limited. Past performance is not a guide to future performance. The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested. Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time. Any research in this document has been procured and may have been acted on by BlackRock for its own purpose. The results of such research are being made available only incidentally. The views expressed do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of any company in the BlackRock Group or any part thereof and no assurances are made as to their accuracy. This document is for information purposes only and does not constitute an offer or invitation to anyone to invest in any BlackRock funds and has not been prepared in connection with any such offer. © 2015 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS, iSHARES, SO WHAT DO I DO WITH MY MONEY, INVESTING FOR A NEW WORLD, and BUILT FOR THESE TIMES are registered and unregistered trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

(003086a-INST Jan15)

BLACKROCK®

Smart Beta

What is Smart Beta?

An evolution in the concept of passive investing

Smart Beta strategies seek to capture systematic sources of return, while retaining many of the benefits of passive strategies

What is Smart Beta?

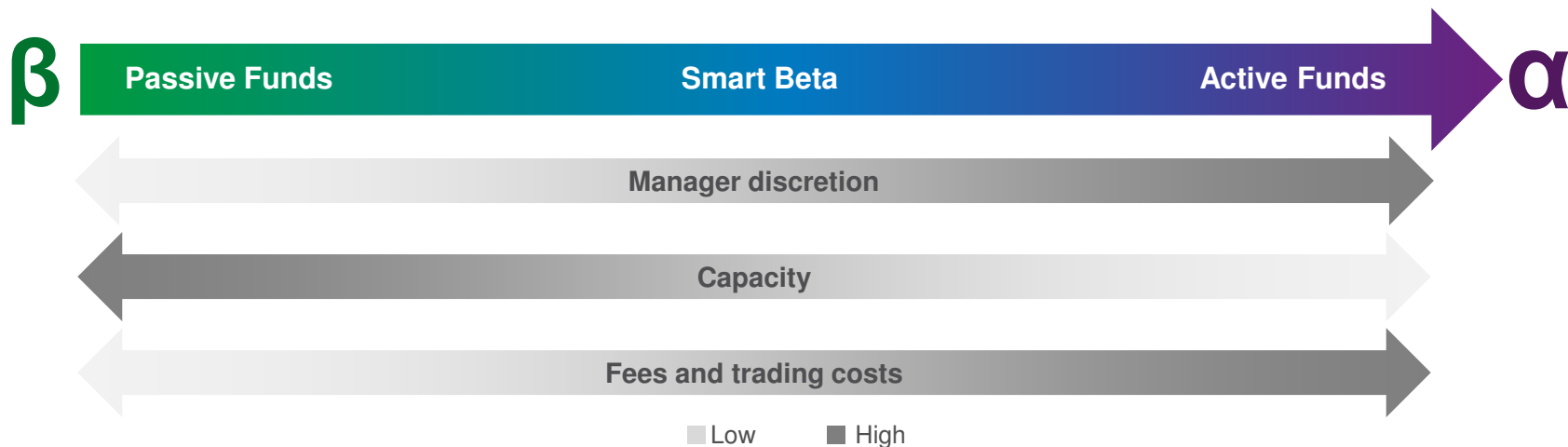
- ▶ Portfolio construction is rules-based, transparent, and generally not cap-weighted
- ▶ Seeks to enhance risk-adjusted returns through exposure risk premia, market anomalies or investment themes that are well-understood, persistent, and desirable
- ▶ BlackRock looks for Smart Betas that are value creating over time and not correlated with core asset classes

What can Smart Beta do for a portfolio?

A powerful tool to potentially improve investment outcomes:

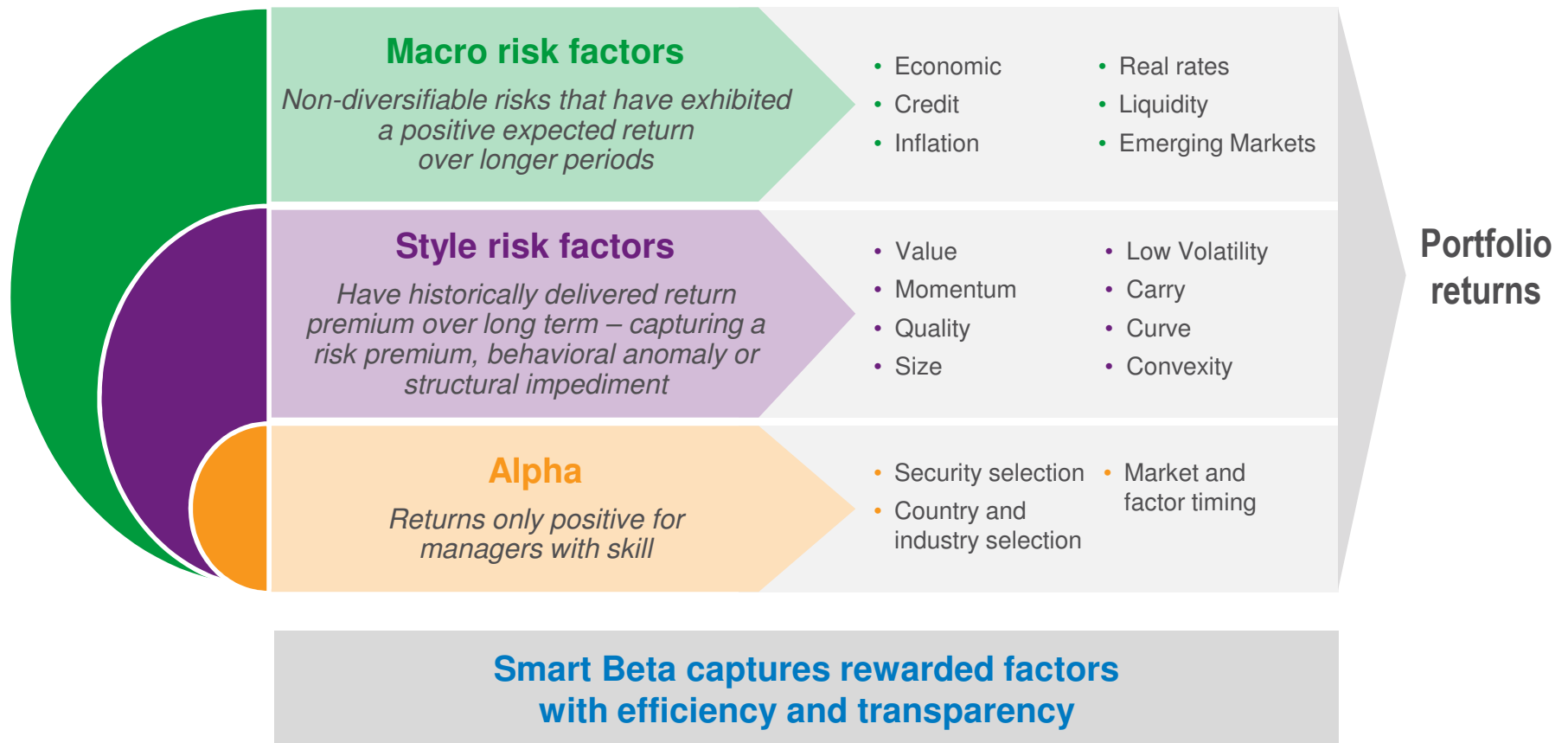
- ▶ Capture many of the themes present in active portfolios for a fraction of the cost
- ▶ Efficiently implement an investment view or theme
- ▶ Provides a factor-based view of the world to enhance returns or reduce risk

Smart Beta strategies reside in a continuum between active and passive



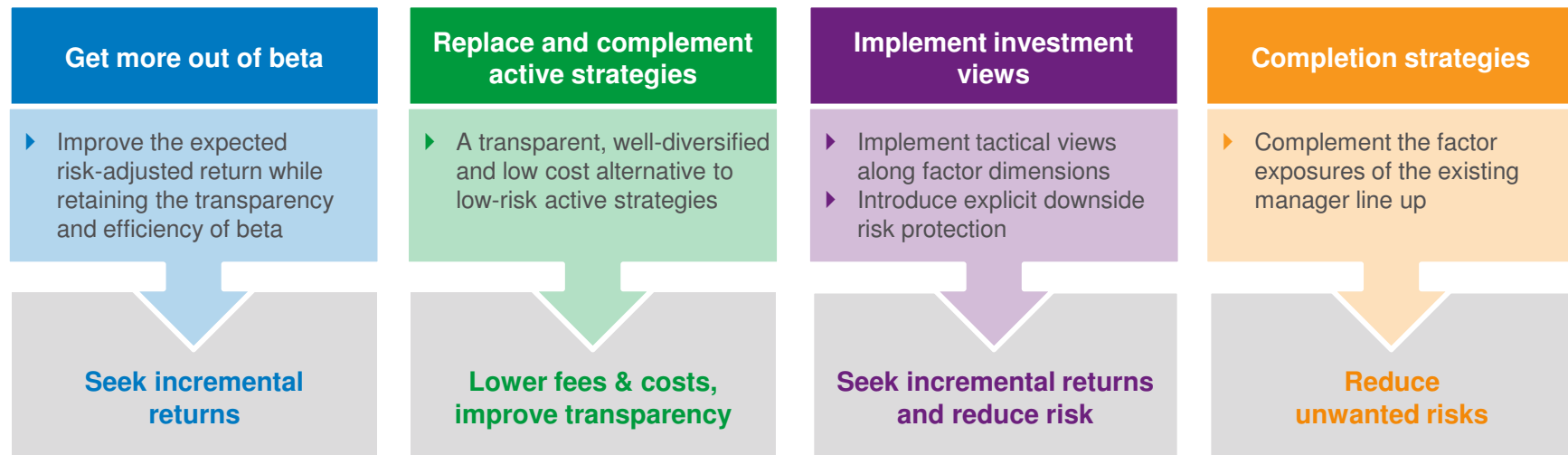
Understanding different types of factors: A framework for explaining investment returns

Investors increasingly seek to differentiate active manager skill from risk factor exposures which can be efficiently replicated



Reframing the investment opportunity set: Where Smart Beta fits into a portfolio

Smart Beta solutions may help investors enhance returns or reduce risk



Summary of alternative indexing methodologies

	Equal Weighted Indexing	Minimum Volatility Indexing	Fundamental Indexing Strategies
What is it?	Equal stock weights across universe	Global equity exposure with lower total risk	Fundamental rules-based investment strategy
Methodology	Equal weight rebalancing over various time intervals	Minimize volatility while maintaining global sector and country exposure	Fundamental factors determine strategy weights
Characteristics	Tilts away from large caps, higher volatility than cap weight	Global equities with 1/3 less risk and some downside protection	Tilt towards value and small cap stocks
Providers	MSCI Equal Weighted S&P Equal Weight	MSCI World Minimum Volatility Index	FTSE RAFI MSCI Value Weighted

Impact Investing

INVESTING WITH IMPACT

A new approach to ethical investing



JANUARY 2015

Ethical investing is high on the agenda for many UK local authority pension schemes. Following the recent clarification on whether their committees can consider the ethical implications of investments, schemes are looking to incorporate the ethical views of their stakeholders in portfolios. We propose new strategies that could increase positive impact and enhance investment returns.

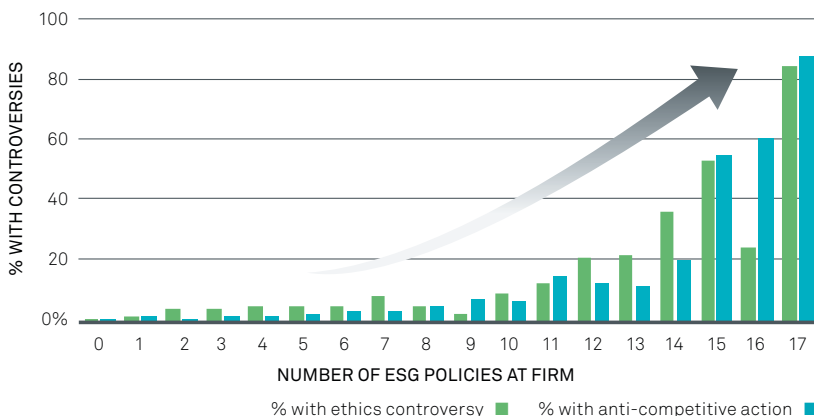
Ethical investors historically have implemented their views using a negative screen – excluding ‘sin’ stocks i.e. tobacco, arms and gambling. This limits the investable universe adversely and affects the risk and return characteristics of their portfolios.

Another approach is to look for desired outcomes and to search for companies that invest for social ‘good’. These goals could include renewable energy, human rights or progressive employment policies.

While we agree with this positive approach we see too much reliance on what companies are saying about themselves and the image they are trying to project and too little on what they actually achieve.

Our research (see exhibit 1) has shown that in many cases the companies that have the most policies governing these issues are the ones involved in the most controversies, attracting negative news and social media coverage.

EXHIBIT 1: FIRMS WITH MORE ESG* POLICIES HAVE HIGHER RATES OF CONTROVERSY



Sample universe: Russell 1000. Policy data source: Thomson Reuters Asset4Controversy likelihood is calculated from average number of controversies for firms in and out of the index in question, controlling for size, industry, country and multinational effects.

* ESG – environmental social and governance.

We expected firms with ESG-friendly policies to be less frequently involved in controversies and scandals. We couldn't have been more wrong. The firms that 'tick all the boxes' with employee leave and training programmes, human rights monitoring for their suppliers, signing on to UN and ILO directives and so forth, have by far the worst performance with respect to controversy.

WHAT DO WE PROPOSE?

We propose investors extend the analysis beyond policies and focus less on trying to extract disclosure from companies. A better approach is to leverage the vast ocean of data that goes far beyond what firms say about themselves.

Our scientific approach analyses thousands of public information sources, ranging from news feeds to government sources, regulators and social media, in a thorough and systematic way. Filtering the information into a manageable output and positive stock-holding decisions, identifies companies that have a measurable positive societal impact.

FRAMEWORK: What qualities do we look for in companies to identify outcome-oriented businesses?



Company focus

Does the company care about its impact on the environment and society?



Minimise controversies

Has the company limited the number of negative outcomes?



Impact outcomes

Do the company's achievements and actions demonstrate that it is committed?



Public perception

Do customers, employees, and suppliers believe the company?

Our approach allows investors to measure and capture impact by moving beyond the public image companies portray. Our platform, with its multiple data sources and deep experience in sorting out signal from noise, is used to avoid the biases present in traditional ESG approaches.

RESEARCH: Active and wide research agenda into impact factors across the globe covering three main areas



Health

- ▶ Medical treatments
- ▶ Global burden of disease
- ▶ Nutrition



Environment

- ▶ Carbon footprint
- ▶ Green innovations
- ▶ Resource efficiency



Welfare

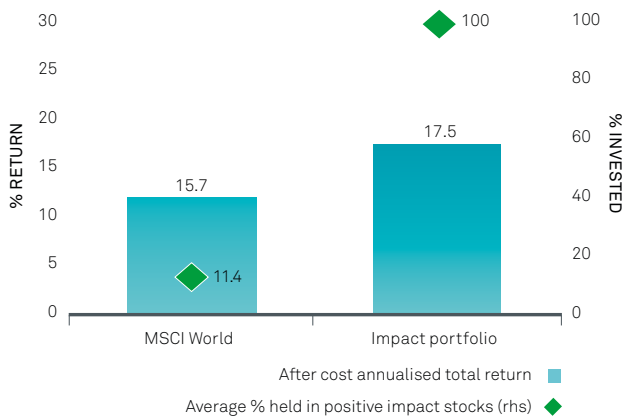
- ▶ Employee sentiment
- ▶ Labour relations
- ▶ Tax evasion

We are looking for companies with products, technologies and ways of doing business that have a positive societal impact. Companies that innovate create competitive advantages. The use of multiple measurements and data sources allows us to isolate companies whose words match their actions, assessing whether key stakeholders such as employees, customers and suppliers believe them.

We like to think the process conducts a 360 degree impact review for each firm in the portfolio for both positive and negative effects.

EXHIBIT 2: PERFORMANCE WITH IMPACT

Simulated returns



BENCHMARK	TRACKING ERROR	SIMULATION PERIOD
MSCI World	100bp	2010-2014

Source: BlackRock as of 7 November 2014.

ACCORDING TO OUR SIMULATED RETURNS:

- ▶ As shown in exhibit 2, the MSCI World index would have returned 15.7% pa annualised – with little emphasis on achieving ‘good’
- ▶ Positive impact portfolio would have returned 17.5% pa with 100% of portfolio in positive impact investments and 100 bps tracking error.

AN INVESTMENT APPROACH BUILT FOR CHANGING MARKETS

- ▶ Daily news flow is built into company scoring and portfolios are adjusted on a periodic basis.

BETTER REPORTING AND TRANSPARENCY

- ▶ You can quantify the social impact of your portfolio in your report & accounts with information we provide.

Examples:

- ▶ **Health:** portfolio has 101 clinical studies from 23 companies on Dengue fever
- ▶ **Environment:** portfolio has 66% more green innovations than the benchmark
- ▶ **Welfare:** employees are 26% happier and companies experienced 6x fewer lawsuits and litigation
- ▶ You can respond to information requests on your portfolio in ‘real time’ with our interactive performance tool.

EXHIBIT 3: NEXT GENERATION PERFORMANCE REPORTING



Source: BlackRock.

BENEFITS OF OUR IMPACT INVESTING PROCESS

- ✓ Exploits insights from vast amounts of data
- ✓ Removes emotion from the process
- ✓ Delivers transparent portfolios
- ✓ Quantifies your portfolio’s social impact

Want to know more?

Christopher Head



+44 (0)20 7743 2254



christopher.head@blackrock.com



blackrock.com

Simon Betteley



+44 (0)20 7743 4261



simon.betteley@blackrock.com



blackrock.com

Important information Unless otherwise specified, all information contained in this document is sourced by BlackRock and is current as at 16 January 2015. This material is for distribution to Professional Clients (as defined by the FCA Rules) and should not be relied upon by any other persons. Issued by BlackRock Investment Management (UK) Limited, authorised and regulated by the Financial Conduct Authority. Registered office: 12 Throgmorton Avenue, London, EC2N 2DL. Tel: 020 7743 3000. Registered in England No. 2020394. For your protection telephone calls are usually recorded. BlackRock is a trading name of BlackRock Investment Management (UK) Limited. Past performance is not a guide to future performance. The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested. Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time. Any research in this document has been procured and may have been acted on by BlackRock for its own purpose. The results of such research are being made available only incidentally. The views expressed do not constitute investment or any other advice and are subject to change. They do not necessarily reflect the views of any company in the BlackRock Group or any part thereof and no assurances are made as to their accuracy. This document is for information purposes only and does not constitute an offer or invitation to anyone to invest in any BlackRock funds and has not been prepared in connection with any such offer. © 2015 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS, ISHARES, BUILD ON BLACKROCK, SO WHAT DO I DO WITH MY MONEY and the stylized i logo are registered and unregistered trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. (002973a-INST Jan15) IMPEG-0008

BLACKROCK®

Appendix

London Borough of Lewisham

Performance to 31 December 2014

(%)	3 Months			12 Months		
	Fund	Index	Relative	Fund	Index	Relative
Fixed Income						
Aquila Life Over 15 Years UK Gilt Index Fund	11.19	11.19	0.00	26.23	26.13	0.10
Aquila Life Over 5 Year UK Index-Linked Fund	9.42	9.42	0.00	21.44	21.38	0.06
BlackRock UK Credit Bond Index Fund	4.37	4.35	0.02	12.21	12.20	0.01
Equities						
Aquila Life Canadian Equity Index Fund	-0.29	-0.37	0.08	8.92	8.73	0.19
Aquila Life European Equity Index Fund	-0.50	-0.57	0.07	-0.03	-0.21	0.18
Aquila Life Israel Equity Index Fund	3.87	3.82	0.05	24.23	24.07	0.16
Aquila Life Japanese Equity Index Fund	1.57	1.58	-0.01	2.50	2.52	-0.02
Aquila Life Pacific Rim Equity Index Fund	0.44	0.43	0.01	2.49	2.73	-0.24
Aquila Life UK Equity Index Fund	0.54	0.58	-0.04	1.18	1.18	0.00
Aquila Life US Equity Index Fund	8.87	8.87	0.00	20.31	20.32	-0.01
BlackRock Emerging Markets Index Sub-Fund	-0.48	-0.71	0.23	4.02	3.90	0.12
Total						

In-house figures. The returns shown are client specific, in sterling and gross of fees unless otherwise stated. Past performance is no guarantee of future results. Source: BlackRock

Platform provides comprehensive Smart Beta exposure

Key Institutional Smart Beta strategies								
Category	Equity \$77 b ETFs: \$47b Non-ETFs: \$30 b				Fixed Income \$34 b		Multi-Asset \$10 b	Alternatives \$1 b
Strategy	Income	Minimum Volatility	Fundamentally-weighted	Factor funds	Sovereign Screened	Credit Screened	Market Advantage	Commodities Plus
Lead PM	Alan Mason				Model-Based Fixed Income Team	Model-Based Fixed Income Team	GMSG Team	Rob Shimell
AUM	\$34 b	\$19 b	\$11 b	\$3 b	\$4 b	\$30 b	\$10 b	\$1 b
Benchmark	DJ Select Dividend, Morningstar Dividend Focus, FTSE Dividend, S&P Dividend Aristocrats, MSCI High Dividend	MSCI Minimum Volatility, Russell Defensive	FTSE RAFI, Russell Fundamental	MSCI Factor Indices	Barclays Global Treasury Index (customized)	Various global credit indices	Cash + 5%	Bloomberg Commodities Index, GSCI Commodities Index
Description	Seeks to achieve or exceed the return of a third party benchmark through Total Performance Management – the deliberate balancing of risk, return and cost	Seeks to achieve or exceed the return of a third party benchmark through Total Performance Management – the deliberate balancing of risk, return and cost	Seeks to achieve or exceed the return of a third party benchmark through Total Performance Management – the deliberate balancing of risk, return and cost	Seeks to achieve or exceed the return of a third party benchmark through Total Performance Management – the deliberate balancing of risk, return and cost	Seeks to provide broad exposure to corporate sovereign issuers, leveraging BLK's proprietary screening model to avoid bonds that are perceived to be the most at risk of downgrade or deterioration in price	Seeks to provide broad exposure to sovereign issuers, leveraging BLK's proprietary credit models to avoid bonds that are perceived to be the most at risk of downgrade or deterioration in price	Global multi-asset risk parity strategy designed to balance sources of return more optimally than traditional asset allocation portfolios. The strategy seeks to provide consistent, stable returns across market environments with two-thirds the risk of equity markets	An enhanced index solution that seeks to deliver more efficient exposure to the asset class by optimizing roll yield through a disciplined and systematic optimal contract selecting and roll timing

As of 31 December 2014. The views and strategies described may not be suitable for all investors. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, accounting, legal or tax advice. You should consult your tax or legal advisor regarding such matters. Please contact your account manager for further information

BlackRock at a glance

BlackRock Mission Statement

**Create a better financial future for our clients by building
the most respected investment and risk manager in the world**

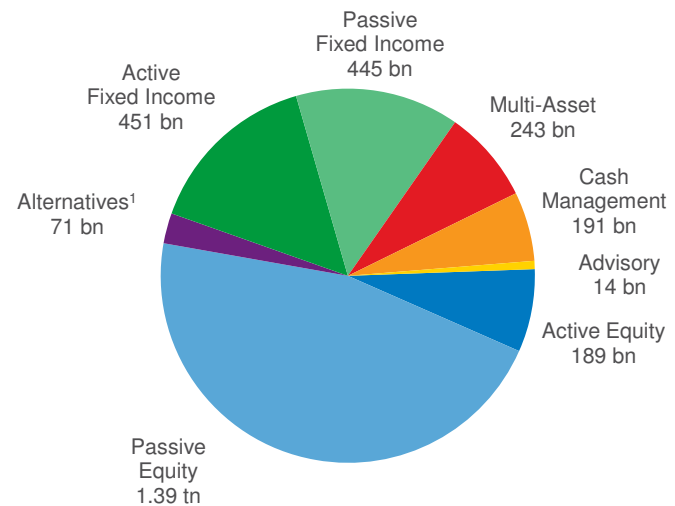
BlackRock facts *

- ▶ Established in 1988
- ▶ NYSE: BLK
- ▶ \$4.65 trillion assets under management
- ▶ More than 12,000 employees
- ▶ More than 1,900 investment professionals **
- ▶ Offices in over 30 countries
- ▶ 28 primary investment centers **
- ▶ Clients in over 100 countries
- ▶ Over 700 iShares® ETFs
- ▶ BlackRock Solutions® manages over \$15 trillion in assets
- ▶ Financial Markets Advisory business managed or advised on over \$8 trillion in asset and derivative portfolios
- ▶ Transition Management team partners with clients to save costs and reduce risks when changing investment exposures

* As of 31 December 2014

** As of 30 September 2014

£2.99 trillion managed across asset classes



Assets as of 31 December 2014

¹ Includes commodity and currency mandates

For further information

Christopher Head

christopher.head@blackrock.com T: +44 (0) 20 7743 2254 F: +44 (0) 20 7743 1000

Mike Huckle

mike.huckle@blackrock.com T: +44 (0) 20 7743 3911 F: +44 (0) 20 7743 1000

BlackRock at-a-glance

134 investment teams located in 18 countries connect through a common culture and operating platform

Diverse client base represented by more than 65 offices in over 30 countries

Daily global meeting for BlackRock's 1,900+ investment professionals to discuss markets, portfolio positioning and ongoing trends

Investment excellence and client service – related awards around the world

The BlackRock advantage

Strength in asset management and a culture of risk management

Focus on problem solving to meet our clients' unique situations

Culture of integrity, transparency, accountability and investment excellence

Global investment platform that maximises local insights

Widely held public company with a majority of independent directors

BlackRock capabilities and services

Investment strategies: Client-driven solutions

Comprehensive risk management

Flexible and targeted exposure

Creative solutions for complex challenges

Global presence, local efforts

BlackRock Investment Management (UK) Limited

12 Throgmorton Avenue, LONDON EC2N 2DL, UNITED KINGDOM

Tel: 020 7743 3000 | Fax: 020 7743 1000 | www.BlackRock.co.uk

The following notes should be read in conjunction with the attached document:

The following notes should be read in conjunction with the attached document:

- ▶ Issued by BlackRock Investment Management (UK) Limited, authorised and regulated by the Financial Conduct Authority. Registered office: 12 Throgmorton Avenue, London, EC2N 2DL. Tel: 020 7743 3000. Registered in England No. 2020394. For your protection telephone calls are usually recorded. BlackRock is a trading name of BlackRock Investment Management (UK) Limited.
- ▶ This material is for distribution to the named Professional Client (as defined by the FCA Rules) and should not be relied upon by any other persons.
- ▶ This publication is not directed to, or intended for distribution to, or use by, any person or entity who is a citizen or resident of, or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject BlackRock to any registration or licensing requirement within such jurisdiction.
- ▶ Without limiting any applicable provisions of BlackRock's standard terms of business/your investment management agreement with BlackRock, in relation to the giving of any investment advice (whether in this document or this presentation or subsequently), the following terms apply:
 - BlackRock shall not be under any duty to provide any advice to you other than that which relates to engaging in investment business with BlackRock, and any advice given will only be in relation to certain investments and products that BlackRock offers. BlackRock does not accept any responsibility for ensuring the on-going appropriateness of any investments or products in relation to which it advises you. You may not rely on any advice given by BlackRock for the purposes of section 36 of the Pensions Act 1995 unless BlackRock has agreed in writing to provide this.
 - Any advice given by BlackRock is given to you only, in your capacity as BlackRock's client. BlackRock does not accept any responsibility to any third parties in relation to any advice it gives to you. BlackRock's liability to you in relation to any advisory services provided to you, whether in connection with this presentation or any subsequent report, shall be capped as detailed in the terms of business/Investment management agreement.
- ▶ BlackRock does not provide tax advice or legal advice. If you require advice in relation to tax or legal matters, you should consult your respective tax or legal advisers.
- ▶ THIS MATERIAL IS HIGHLY CONFIDENTIAL AND IS NOT TO BE REPRODUCED OR DISTRIBUTED TO PERSONS OTHER THAN THE RECIPIENT. No part of this material may be reproduced, stored in retrieval system or transmitted in any form or by any means, electronic, mechanical, recording or otherwise, without the prior written consent of BlackRock.
- ▶ Past performance is not a reliable indicator of future results. The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested. Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time.

© 2015 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS, iSHARES, SO WHAT DO I DO WITH MY MONEY, INVESTING FOR A NEW WORLD, and BUILT FOR THESE TIMES are registered and unregistered trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

- ▶ UNLESS OTHERWISE SPECIFIED, ALL INFORMATION CONTAINED IN THIS DOCUMENT IS CURRENT AS AT February 2015.