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BLACKROCK STRATEGIC FUNDS

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

6 November 2017

Dear Shareholder

The board of directors (the "Directors") of BlackRock Strategic Funds (the "Company") is writing to you to advise you of changes that it proposes to make to the Company and its sub-funds (the "Funds").

Unless otherwise indicated, the changes set out in this letter will take effect from 6 December 2017 (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 on or around the date of this letter (the "Relevant Date") (available at www.Blackrock.com).

1. **Changes to the BlackRock Dynamic Diversified Growth Fund ("DDG") investment objective and policy**

(i) Use of derivatives

DDG currently has the ability to use derivatives for investment purposes and for the purposes of efficient portfolio management as set out in the Prospectus and the Key Investor Information Document ("KIID"). The Directors have decided for clarificatory purposes to include additional disclosure in the Fund's investment objective and policy in the Prospectus to reflect this. This clarification will not change the investment objective and policy or risk profile of DDG in any way.

(ii) Investments in UCITS and/or other UCIs

The statement in DDG's investment policy that the fund aims to achieve its investment policy "mainly through investments in the units of UCITS and/or other UCIs" could be interpreted as meaning the majority (i.e. more than 50%) of DDG's portfolio will comprise units of such funds, which is not the case. To avoid such interpretation, and on the basis that the fund's ability to invest in undertakings for collective investment is already provided for in the investment policy, the Directors have decided to remove this wording from the investment policy. This is a clarificatory amendment and will not change the investment objective and policy or risk profile of DDG in any way.

(iii) Exposure to Distressed Securities and contingent convertible bonds

Contingent convertible bonds are fixed-income securities that are convertible into equities if a pre-specified trigger event occurs. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other fixed income securities such as government issued bonds. For this reason, in order to provide Shareholders with greater transparency regarding their use, an appropriate disclosure will be added to the investment policy of DDG. Contingent convertible bond investors may suffer a loss of capital when equity holders do not. Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the relevant Fund to anticipate the trigger events that would require the debt to convert into equity. Furthermore, it might be difficult for the relevant Fund to assess

how the securities will behave upon conversion. Please refer to “Contingent Convertible Bonds” in the “Risk Considerations” section of the Prospectus for further information regarding the risks associated with investment in contingent convertible bonds.

Distressed Securities are securities issued by companies that are either in default or in high risk of default and investments in such securities involve significant risk. For this reason, in order to provide Shareholders with greater transparency regarding investment in Distressed Securities, an appropriate disclosure will be added to the investment policy of DDG. Please refer to “Distressed Securities” in the “Risk Considerations” section of the Prospectus for further information regarding the risks associated with investment in Distressed Securities.

The introduction of these disclosures will not result in a change to the investment strategy of DDG or the way in which DDG is managed.

Please refer to Appendix A for the existing and new investment objective and policy for DDG.

2. Changes to the dealing frequency for the BlackRock Latin American Opportunities Fund (“LAO”)

At present, dealings in shares of LAO are effected on the 15th day and the last Business Day of each month. In response to investor demand for greater flexibility and in order to provide greater market liquidity, dealings in shares of LAO will now be effected daily. Orders for subscription, redemption and conversion of Shares must be received by the Transfer Agent or the local Investor Servicing team before 12 noon Luxembourg time on any Dealing Day (the “Cut-Off Point”) and the prices applied will be the prices as at the close of business on the relevant Dealing Day. Any dealing orders received by the Transfer Agent or the local Investor Servicing team after the Cut-Off Point will be dealt with on the next Dealing Day.

3. Changes to the BlackRock Managed Index Portfolios – Defensive (“BMIPs - Defensive”), BlackRock Managed Index Portfolios – Moderate (“BMIPs - Moderate”) and BlackRock Managed Index Portfolios – Growth (“BMIPs - Growth”) (together, the “BMIPs Funds”) investment objectives and policies

In order to facilitate more effective risk profiling of the BMIPs Funds’ investment strategies by investors and to provide investors with greater transparency in relation to how the BMIPs Funds’ are managed, the Directors have decided to include in the BMIPs Funds’ investment policies some additional disclosures relating to their respective investment exposures and certain investment restrictions, as follows:

(i) Exposure to equities

The following additional disclosures will be included in the BMIP Funds’ respective investment policies:

- It is intended that BMIPs - Defensive’s direct and indirect exposure to equities will not exceed 30% of its Net Asset Value, however, this exposure may vary over time;
- It is intended that BMIPs - Moderate’s direct and indirect exposure to equities will not exceed 70% of its Net Asset Value, however, this exposure may vary over time; and
- It is intended that BMIPs - Growth’s direct and indirect exposure to equities will not exceed 90% of its Net Asset Value, however, this exposure may vary over time.

The BMIPs Funds are already managed in line with these equity exposures, so the disclosures will not affect the investment objective and policies or risk profiles of the BMIPs Funds.

(ii) Non-investment grade securities

An additional disclosure will be included in each of the BMIPs Fund’s investment policies that their direct and indirect exposure to non-investment grade fixed income securities will not exceed 20% of their Net Asset Value.

A maximum non-investment grade exposure is not currently provided for in the Prospectus for the BMIPs Funds. The BMIPs Funds do have guideline restrictions of approximately 30% non-investment grade exposure, but the funds have historically not exceeded a 10% exposure. The inclusion of this express disclosure in the investment policy of the BMIPs Funds will therefore not change how the funds have been managed, but does now introduce a hard limit on permitted non-investment grade exposure.

(iii) Commodity exposure

The BMIPs Funds are not permitted under the UCITS Directive to hold direct investments in commodities. However, they may gain indirect exposure to commodities through investments in undertakings for collective investment (including exchange traded funds (“ETFs”)), exchange traded notes and other debt instruments listed or traded on regulated markets and derivatives on commodity indices. Exchange traded notes and other debt instruments listed or traded on regulated markets would not embed derivatives and would have to fulfil the criteria to be eligible investments for a UCITS fund. Exposure to commodities has historically been utilised to add further diversification to the BMIPs Funds’ portfolios through investment in a commodity ETF managed by BlackRock.

The Directors have decided to include a new investment restriction in the investment policies of the BMIPs Funds to only permit exposure to ‘hard’ commodities (commodities which are natural resources that are mined or extracted (for example, gold, aluminium, copper, oil and natural gas)) and not ‘soft’ commodities (commodities which are agricultural products or livestock (for example, corn, wheat, coffee, sugar, soybeans and pork)), in order to seek to mitigate concerns from investors (particularly in Germany where major banks have placed restrictions on such investments) that investments in soft commodities may increase the prices of such commodities and result in a detrimental societal impact.

Whilst this restriction does limit the range of assets the BMIPs Funds may gain exposure to, it is not expected to result in a material impact to investors given the BMIPs Funds’ small existing exposures to these assets, the marginal diversification benefit such investments provide and the availability of alternative means of diversification.

Please refer to Appendix A for the existing and new investment objectives and policies for the BMIPs Funds.

4. UK Reporting Fund Share Classes

From 24 November 2017, share classes with UK Fund Reporting status will no longer include the letters “RF” within their name. This name change will not affect the tax status of the class but the identifier will not be used any more by the Company. A definitive list of all BlackRock share classes with UK Fund Reporting status can be found on the HM Revenue and Customs website at www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds.

5. 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 levels of leverage of certain Funds will be revised from their current levels. Please refer to Appendix B for details of the relevant Funds, the changes to the expected levels of leverage as well as the rationale for the changes. There will be no changes to the investment objectives, policies, overall risk profiles or how the relevant Funds are currently managed as a result of these changes to the expected levels of leverage.

6. German Tax Reform

In order to maintain tax efficiency for certain German domiciled investors, the Management Company aims to manage the Funds listed below in accordance with the so-called partial exemption regime for equity funds under Sec. 20 para. 1 of the German Investment Tax Act (as coming into effect on 1 January 2018). Accordingly, as of the Relevant Date:

(a) Each of the following Funds invests at least 51% of its Net Asset Value on a continuous basis directly into equities of corporations which are admitted for trading at a recognised stock exchange or are listed on an organised market:

- BlackRock Impact World Equity Fund
- BlackRock Latin American Opportunities Fund
- BlackRock Systematic European Equity Fund
- BlackRock Systematic Global Equity Fund

(b) Each of the following Funds invests at least 25% of its Net Asset Value on a continuous basis directly into equities of corporations which are admitted for trading at a recognised stock exchange or are listed on an organised market:

- BlackRock Managed Index Portfolios – Moderate
- BlackRock Managed Index Portfolios – Growth

This commitment will not result in any change to the way the relevant Funds are managed.

7. China Interbank Bond Market (“CIBM”)

With effect from the Relevant Date, an additional disclosure will be included in the Prospectus that each of the following Funds may gain direct exposure to China onshore bonds via the CIBM (in each case for no more than 10% of its Net Asset Value):

- BlackRock European Credit Strategies Fund
- BlackRock Emerging Markets Flexi Dynamic Bond Fund
- BlackRock Emerging Markets Short Duration Bond Fund
- BlackRock Fixed Income Strategies Fund
- BlackRock Global Absolute Return Bond Fund

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 Relevant 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

FUND	EXISTING INVESTMENT OBJECTIVE AND POLICY	NEW INVESTMENT OBJECTIVE AND POLICY
BlackRock Dynamic Diversified Growth Fund	<p>The BlackRock Dynamic Diversified Growth Fund seeks to deliver long term capital growth with a low tolerance for capital loss.</p> <p>The Fund invests globally in the full spectrum of permitted investments including equities, fixed income transferable securities (which may include some high yield fixed income transferable securities), units of undertakings for collective investment, derivatives, cash, deposits and money market instruments. The Fund has a flexible approach to asset allocation (which includes taking indirect exposure to commodities through investments in undertakings for collective investment, medium term notes, exchange traded funds and derivatives on commodity indices). The Fund may invest without limitation in securities denominated in currencies other than the reference currency (euro). The currency exposure of the Fund is flexibly managed. The Fund's exposure to ABS and MBS may not exceed 20% of its Net Asset Value.</p> <p>The Fund will aim to achieve the policy described above mainly through investments in the units of UCITS and/or other UCIs.</p> <p>The Fund may use total return swaps and contracts for difference that have, in accordance with its investment policy, equities, equity-related securities, fixed income transferable securities and fixed income related securities as underlying assets. Investors should refer to Appendix H for more details on the expected and maximum portion of total return swaps and contracts for difference held by the Fund.</p>	<p>The BlackRock Dynamic Diversified Growth Fund seeks to deliver long term capital growth with a low tolerance for capital loss.</p> <p>The Fund invests globally in the full spectrum of permitted investments including equities, fixed income transferable securities (which may include some high yield fixed income transferable securities), units of undertakings for collective investment, derivatives, cash, deposits and money market instruments. The Fund has a flexible approach to asset allocation (which includes taking indirect exposure to commodities through investments in undertakings for collective investment, medium term notes, exchange traded funds and derivatives on commodity indices). The Fund may invest without limitation in securities denominated in currencies other than the reference currency (euro). The currency exposure of the Fund is flexibly managed. The Fund's exposure to ABS and MBS may not exceed 20% of its Net Asset Value.</p> <p>The Fund's exposure to Distressed Securities is limited to 10% of its Net Asset Value and its exposure to contingent convertible bonds is limited to 10% of its Net Asset Value.</p> <p>The Fund may use derivatives for investment purposes and for the purposes of efficient portfolio management.</p> <p>The Fund may use total return swaps and contracts for difference that have, in accordance with its investment policy, equities, equity-related securities, fixed income transferable securities and fixed income related securities as underlying assets. Investors should refer to Appendix H for more details on the expected and maximum portion of total return swaps and contracts for difference held by the Fund.</p>
BlackRock Managed Index Portfolios – Defensive	<p>The BlackRock Managed Index Portfolios – Defensive aims to deliver a total return, which is a combination of capital growth and income, commensurate with a defensive level of risk.</p> <p>The Fund will seek to achieve its investment objective by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities, fixed income and fixed income-related securities, alternative assets, cash and near-cash instruments.</p> <p>Exposure to these asset classes will be achieved through investments in units of undertakings for collective investment, including but not limited to Exchange Traded Funds and other Index Funds managed by an affiliate of the BlackRock Group and, when determined appropriate, the Fund may invest directly in derivatives, cash and near-cash instruments. The Fund will not be subject to</p>	<p>The BlackRock Managed Index Portfolios – Defensive aims to deliver a total return, which is a combination of capital growth and income, commensurate with a defensive level of risk.</p> <p>The Fund will seek to achieve its investment objective by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities, fixed income and fixed income-related securities, alternative assets, cash and near-cash instruments.</p> <p>Exposure to these asset classes will be achieved through investments in units of undertakings for collective investment, including but not limited to Exchange Traded Funds and other Index Funds managed by an affiliate of the BlackRock Group and, when determined appropriate, the Fund may invest directly in derivatives, cash and near-cash instruments. The Fund will not be subject to any geographic restrictions. It is intended that the Fund's direct and indirect exposure to equities will not exceed</p>

FUND	EXISTING INVESTMENT OBJECTIVE AND POLICY	NEW INVESTMENT OBJECTIVE AND POLICY
	<p>any geographic restrictions and the asset allocations are expected to vary over time. The currency exposure of the Fund is flexibly managed.</p> <p>There can be no guarantee that the Fund will attain a defensive level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. Generally, the Fund will seek to be positioned such that the Fund's risk as measured by annualised volatility over a 5 year period falls within the range of 2%-5%, however, the Fund's risk profile may fall outside the stated range from time to time.</p>	<p>30% of its Net Asset Value, however, this exposure may vary over time. The Fund's direct and indirect exposure to non-investment grade fixed income securities will not exceed 20% of its Net Asset Value. The Fund may take indirect exposure to Hard Commodities (but not Soft Commodities) through investments in undertakings for collective investment (including exchange traded funds) and derivatives on commodity indices. The Fund may also, at times, take indirect exposure to the price of commodities through investments in exchange traded notes and other debt instruments listed or traded on regulated markets (which do not embed a derivative). The currency exposure of the Fund is flexibly managed.</p> <p>There can be no guarantee that the Fund will attain a defensive level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. Generally, the Fund will seek to be positioned such that the Fund's risk as measured by annualised volatility over a 5 year period falls within the range of 2%-5%, however, the Fund's risk profile may fall outside the stated range from time to time.</p>
BlackRock Managed Index Portfolios – Moderate	<p>The BlackRock Managed Index Portfolios – Moderate aims to deliver a total return, which is a combination of capital growth and income, commensurate with a moderate level of risk.</p> <p>The Fund will seek to achieve its investment objective by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities, fixed income and fixed income-related securities, alternative assets, cash and near-cash instruments.</p> <p>Exposure to these asset classes will be achieved through investments in units of undertakings for collective investment, including but not limited to Exchange Traded Funds and other Index Funds managed by an affiliate of the BlackRock Group and, when determined appropriate, the Fund may invest directly in derivatives, cash and near-cash instruments. The Fund will not be subject to any geographic restrictions and the asset allocations are expected to vary over time. The currency exposure of the Fund is flexibly managed.</p> <p>There can be no guarantee that the Fund will attain a moderate level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. Generally, the Fund will seek to be positioned such that the Fund's risk as measured by annualised volatility over a 5 year period falls within the range of 5%-10%, however, the Fund's risk profile may fall outside the stated range from time to time.</p>	<p>The BlackRock Managed Index Portfolios – Moderate aims to deliver a total return, which is a combination of capital growth and income, commensurate with a moderate level of risk.</p> <p>The Fund will seek to achieve its investment objective by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities, fixed income and fixed income-related securities, alternative assets, cash and near-cash instruments.</p> <p>Exposure to these asset classes will be achieved through investments in units of undertakings for collective investment, including but not limited to Exchange Traded Funds and other Index Funds managed by an affiliate of the BlackRock Group and, when determined appropriate, the Fund may invest directly in derivatives, cash and near-cash instruments. The Fund will not be subject to any geographic restrictions. It is intended that the Fund's direct and indirect exposure to equities will not exceed 70% of its Net Asset Value, however, this exposure may vary over time. The Fund's direct and indirect exposure to non-investment grade fixed income securities will not exceed 20% of its Net Asset Value. The Fund may take indirect exposure to Hard Commodities (but not Soft Commodities) through investments in undertakings for collective investment (including exchange traded funds) and derivatives on commodity indices. The Fund may also, at times, take indirect exposure to the price of commodities through investments in exchange traded notes and other debt instruments listed or traded on regulated markets (which do not embed a derivative). The currency exposure of the Fund is flexibly managed.</p>

FUND	EXISTING INVESTMENT OBJECTIVE AND POLICY	NEW INVESTMENT OBJECTIVE AND POLICY
		<p>There can be no guarantee that the Fund will attain a moderate level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. Generally, the Fund will seek to be positioned such that the Fund's risk as measured by annualised volatility over a 5 year period falls within the range of 5%-10%, however, the Fund's risk profile may fall outside the stated range from time to time.</p>
BlackRock Managed Index Portfolios – Growth	<p>The BlackRock Managed Index Portfolios – Growth aims to deliver a total return, which is a combination of capital growth and income, commensurate with a relatively high level of risk.</p> <p>The Fund will seek to achieve its investment objective by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities, fixed income and fixed income-related securities, alternative assets, cash and near-cash instruments.</p> <p>Exposure to these asset classes will be achieved through investments in units of undertakings for collective investment, including but not limited to Exchange Traded Funds and other Index Funds managed by an affiliate of the BlackRock Group and, when determined appropriate, the Fund may invest directly in derivatives, cash and near-cash instruments. The Fund will not be subject to any geographic restrictions and the asset allocations are expected to vary over time. The currency exposure of the Fund is flexibly managed.</p> <p>There can be no guarantee that the Fund will attain a relatively high level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. Generally, the Fund will seek to be positioned such that the Fund's risk as measured by annualised volatility over a 5 year period falls within the range of 10%-15%, however, the Fund's risk profile may fall outside the stated range from time to time.</p>	<p>The BlackRock Managed Index Portfolios – Growth aims to deliver a total return, which is a combination of capital growth and income, commensurate with a relatively high level of risk.</p> <p>The Fund will seek to achieve its investment objective by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities, fixed income and fixed income-related securities, alternative assets, cash and near-cash instruments.</p> <p>Exposure to these asset classes will be achieved through investments in units of undertakings for collective investment, including but not limited to Exchange Traded Funds and other Index Funds managed by an affiliate of the BlackRock Group and, when determined appropriate, the Fund may invest directly in derivatives, cash and near-cash instruments. The Fund will not be subject to any geographic restrictions. It is intended that the Fund's direct and indirect exposure to equities will not exceed 90% of its Net Asset Value, however, this exposure may vary over time. The Fund's direct and indirect exposure to non-investment grade fixed income securities will not exceed 20% of its Net Asset Value. The Fund may take indirect exposure to Hard Commodities (but not Soft Commodities) through investments in undertakings for collective investment (including exchange traded funds) and derivatives on commodity indices. The Fund may also, at times, take indirect exposure to the price of commodities through investments in exchange traded notes and other debt instruments listed or traded on regulated markets (which do not embed a derivative). The currency exposure of the Fund is flexibly managed.</p> <p>There can be no guarantee that the Fund will attain a relatively high level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. Generally, the Fund will seek to be positioned such that the Fund's risk as measured by annualised volatility over a 5 year period falls within the range of 10%-15%, however, the Fund's risk profile may fall outside the stated range from time to time.</p>

Appendix B

FUND	CURRENT EXPECTED LEVEL OF LEVERAGE	NEW EXPECTED LEVEL OF LEVERAGE	RATIONALE FOR CHANGE
BlackRock Emerging Markets Allocation Fund	200%	400%	The typical leverage for this Fund is normally higher than the currently quoted value due to a greater use of foreign exchange derivatives.
BlackRock Global Long/Short Equity Fund	250%	380%	The typical leverage for this Fund is normally higher than the currently quoted value due the use of a greater number of diversifying strategies.