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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

24 September 2018

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 24 October 2018 (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 Global Absolute Return Bond Fund ("GARBF")**

Additional disclosures are being included in the investment policy of GARBF to reflect the decision of the Directors to take into account 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 exposure to, or ties with, sectors which include but are not limited to controversial weapons (Nuclear, Cluster Munitions, Biological-Chemical, Landmine, Depleted Uranium, or Incendiary Weapons) and thermal coal extraction and generation.

Whilst these exclusions may reduce the range of assets that GARBF may gain exposure to, these are not expected to materially impact the risk-return profile of the fund, given GARBF is managed as a global absolute 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.

Reference to "non-investment grade securities" has been included in the investment policy of GARBF to clarify that the fund may invest in the full spectrum of permitted fixed income transferable securities including non-investment grade as defined in the Prospectus. There is no change to the way in which GARBF is managed and this change is for clarification purposes only.

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

2. **China Interbank Bond Market ("CIBM")**

With effect from the Relevant Date, additional disclosures will be included in the Prospectus to clarify that each of the

CIBM Funds (as defined in the Prospectus) may gain direct exposure to China onshore bonds via the CIBM (in each case for no more than 10% of its Net Asset Value) and such access may be via the Foreign Access Regime and/or Bond Connect. Investors should read the relevant provisions in the Company's Prospectus entering into force on the Relevant Date.

This clarification will not result in any change to the way the Fund is managed.

3. Net Asset Value and Price Determination: Anti-Dilution Adjustment

We have taken the opportunity to clarify the wording in relation to dilution and the adjustment that is applied by the Directors to reduce the effect of such dilution on the relevant Fund.

Wording has been included to clarify that the Directors may apply multiple thresholds, that is, they may adjust the Net Asset Value of a Fund if on any Dealing Day the value of the aggregate transactions in Shares of all Share Classes of that Fund results in a net increase or decrease which exceeds one or more thresholds that are set by the Directors for that Fund rather than a single threshold.

The wording relating to fiscal charges has been clarified to explain that such charges are extraordinary and are distinct from typical duties and levies that are already considered as part of anticipated dealing costs.

Furthermore, the wording has been broadened to provide the Directors with discretion and flexibility to decide not to make an adjustment to the Net Asset Value of a Fund where it would not be appropriate to do so. This discretion may include, but is not limited to, funds that invest primarily in government bonds or money market instruments.

These changes are intended to provide greater investor protection, and reduce the effect of dilution on existing investors within the relevant 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 under paragraphs 1 and 3 of 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
<p>BlackRock Global Absolute Return Bond Fund</p>	<p>The BlackRock Global Absolute Return Bond Fund seeks to achieve a positive absolute return for investors regardless of market movements.</p> <p>The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.</p> <p>The Fund will seek to gain at least 70% of its investment exposure through fixed income transferable securities, fixed income related securities (including derivatives) issued by, or giving exposure to companies, governments and agencies worldwide. The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in fixed income transferable securities, fixed income related securities and, when deemed appropriate, cash and near-cash instruments. The currency exposure of the Fund is flexibly managed. The Fund may, as part of its investment objective, invest in ABS and MBS, whether investment grade or not. These may include asset-backed commercial paper, collateralised debt obligations, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised debt obligations. The underlying assets of the ABS and MBS may include loans, leases or receivables (such as credit card debt, automobile loans and student loans in the case of ABS and commercial and residential mortgages originating from a regulated and authorised financial institution in the case of MBS). The ABS and MBS in which the Fund invests may use leverage to increase return to investors. Certain ABS may be structured by using a derivative such as a credit default swap or a basket of such derivatives to gain exposure to the performance of securities of various issuers without having to invest in the securities directly. The Fund's exposure to ABS and MBS may not exceed 60% of its Net Asset Value. Investors are encouraged to read the relevant risk disclosures contained in the section "Specific Risk Considerations".</p> <p>In order to achieve the investment objective and policy, the Fund will invest in a variety of investment strategies and instruments. In particular, the Fund will utilise strategies including the active management of interest rates and the flexible management of sector and currency exposure. The Fund intends to</p>	<p>The BlackRock Global Absolute Return Bond Fund seeks to achieve a positive absolute return for investors regardless of market movements.</p> <p>The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.</p> <p>The Fund will seek to gain at least 70% of its investment exposure through fixed income transferable securities, fixed income related securities (including derivatives) issued by, or giving exposure to companies, governments and agencies worldwide. The Fund will seek to achieve this investment objective by investing at least 70% of its total assets in fixed income transferable securities (including non-investment grade securities), fixed income related securities and, when deemed appropriate, cash and near-cash instruments. The currency exposure of the Fund is flexibly managed. The Fund may, as part of its investment objective, invest in ABS and MBS, whether investment grade or not. These may include asset-backed commercial paper, collateralised debt obligations, collateralised mortgage obligations, commercial mortgage-backed securities, credit-linked notes, real estate mortgage investment conduits, residential mortgage-backed securities and synthetic collateralised debt obligations. The underlying assets of the ABS and MBS may include loans, leases or receivables (such as credit card debt, automobile loans and student loans in the case of ABS and commercial and residential mortgages originating from a regulated and authorised financial institution in the case of MBS). The ABS and MBS in which the Fund invests may use leverage to increase return to investors. Certain ABS may be structured by using a derivative such as a credit default swap or a basket of such derivatives to gain exposure to the performance of securities of various issuers without having to invest in the securities directly. The Fund's exposure to ABS and MBS may not exceed 60% of its Net Asset Value. Investors are encouraged to read the relevant risk disclosures contained in the section "Specific Risk Considerations".</p> <p>The Investment Adviser will, in addition to the investment criteria set out above, take into account certain ESG characteristics when selecting the Fund's investments. The Investment Adviser intends to exclude issuers of securities which have exposure to, or ties with, sectors which include but are not limited to: controversial weapons (nuclear, cluster</p>

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	<p>take full advantage of the ability to invest in derivatives providing both synthetic long and/or synthetic short positions with the aim of maximising positive returns.</p>	<p>munitions, biological-chemical, landmine, depleted uranium, or incendiary weapons) and thermal coal extraction and generation. To undertake this analysis, the Investment Adviser may use data provided by external ESG Providers, proprietary models and local intelligence. The Investment Adviser may also review the resulting universe to remove the lowest scoring issuers within that universe.</p> <p>In order to achieve the investment objective and policy, the Fund will invest in a variety of investment strategies and instruments. In particular, the Fund will utilise strategies including the active management of interest rates and the flexible management of sector and currency exposure. The Fund intends to take full advantage of the ability to invest in derivatives providing both synthetic long and/or synthetic short positions with the aim of maximising positive returns.</p>