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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action to be taken you should consult your stockbroker, bank manager, solicitor, accountant, relationship manager or other professional adviser immediately.

**BLACKROCK STRATEGIC FUNDS
(the “Company”)**

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

9th January 2019

To the shareholders of BlackRock Strategic Funds – BlackRock European Absolute Return Fund (the “Fund”)

Dear Shareholder,

Closure of the Fund to further subscriptions

Background

In conjunction with our risk management and portfolio management teams, we continuously review the investment capacity across our strategies to ensure that our funds are kept within a size that enables them to be managed optimally and for the interests of shareholders to be protected.

Fund subscriptions and review of capacity limit

As a result of our ongoing analysis of the Fund’s investment capacity, a decision was taken to close the Fund to subscriptions, for both new and existing investors in the Fund. Closure of the Fund took effect on 9 January 2019 (the “**Effective Date**”). As a result, no further subscriptions were accepted into the Fund (subject to limited exceptions, including as detailed below) after the Effective Date.

We intend to continue to accept outstanding instalments from regular saver shareholders where the aggregate subscription amount has been contractually agreed with the relevant saver prior to the Effective Date. However, it will not be possible to support further subscriptions from any other regular saver shareholders.

We decided to control the size of the Fund in this way, in accordance with the terms of the prospectus of the Fund, to help us ensure that the proceeds of subscriptions could be suitably invested and that existing investments could be efficiently managed. This in turn helps us in our aim of achieving the investment objective of the Fund and in protecting the best interests of shareholders. Where steps are not taken to manage the size of a capacity constrained fund, a consequence may be a shortfall of available assets in which the proceeds of further subscriptions can be invested in compliance with the investment objective.

Re-opening of the Fund for subscriptions

In the future, we may deem it appropriate to re-open the Fund for further subscriptions, either on a temporary basis (for example for one or two dealing days if a limited amount of capacity becomes available) or on a permanent basis (which would mean that significant capacity becomes available

enabling normal dealing procedures to resume until further notice). A decision to re-open the Fund for further subscriptions on either a temporary or permanent basis may be taken by us for a number of reasons, including as a result of shareholder redemptions or market developments which may allow capacity for the proceeds of further subscriptions in the Fund to be used to purchase suitable investments.

If or when the Fund is re-opened for further subscriptions, this will be notified to shareholders on the BlackRock website (www.blackrock.com). In such circumstances, the size of any shareholder's proposed investment may be limited by the amount of capacity within the Fund that we have determined is available for further subscriptions.

The local Investor Servicing team will be able to confirm whether or not the shares in the Fund are available for subscription at any particular time.

Redemptions

Shareholders will be able to continue to redeem their shares in the Fund in accordance with the provisions of the prospectus.

Impact on Shareholders

Please note that no action is required from you upon receipt of this letter. There are no other changes to the Fund. Your rights as an existing shareholder of the Fund will not be affected as a result of the Fund being closed to further subscriptions due to capacity constraints.

Further Information

If you would like any further information, please contact your local Investor Servicing team at: investor.services@blackrock.com, telephone: +44 (0)20 7743 3300 or your local representative. For further information regarding the Fund or any of our other European equity funds please visit the BlackRock website at www.blackrock.com.

Yours faithfully,



Paul Freeman
Chairman