

Tuesday 3 May 2016

Dear Unitholder,

**Notice of Fund Termination:
BlackRock Managed Income Fund
ARSN 088 047 821
APIR: PWA0012AU**

BlackRock Investment Management (Australia) Limited ("**Responsible Entity**", "**our**", "**we**" or "**us**") writes to inform you of our intention to wind up the BlackRock Managed Income Fund (the "**Fund**").

At BlackRock, we continually review our product suite and the Responsible Entity has established that the Fund has a pattern of declining funds under management. As such, the Fund no longer retains the scale necessary to remain viable. The Fund is being wound up pursuant to section 601NC of the Corporations Act 2001 ("**Corporations Act**") on the basis that the Responsible Entity considers the purpose of the Fund cannot continue to be accomplished.

WHAT DO YOU NEED TO DO?

You do not need to take any action for the Fund's winding up to occur.

The winding up of the Fund may have implications for your tax position. We therefore recommend that you speak to your tax adviser about your individual circumstances. A tax statement will be sent to you after 30 June 2016. You may also wish to speak to your financial adviser.

BlackRock is committed to Australian investors and we have a number of alternative funds available for you to consider*. For more information about these funds, speak to your Financial Adviser or contact our Client Services Centre on 1300 366 100. You may also like to visit our website at blackrock.com.au for further information on the investment options available to you.

We continue to develop innovative and high-quality strategies which are built for these times and hope you will also consider them in due course.

OTHER CONSIDERATIONS

In winding up the Fund pursuant to the Corporations Act you may request a meeting of unitholders of the Fund to consider the proposed winding up (and to vote on any extraordinary resolution that may be proposed at the meeting).

If you choose to request a meeting, please send your request in writing to **BlackRock Client Services at BlackRock, Reply Paid 225, Melbourne VIC 8060**. Your request should refer to this letter and must be received by us no later than Tuesday, 7 June 2016 (i.e. within 28 days of the date of deemed receipt of this letter).

Under the Corporations Act, the Responsible Entity is required to call and arrange to hold a meeting of unitholders if requested (within 28 days of the date of deemed receipt of this letter) by:

- at least 100 unitholders entitled to vote on the resolution; or
- unitholders with at least 5% of the units on issue entitled to vote on the resolution.

In addition, unitholders of the Fund with at least 5% of the units on issue that may be cast at the relevant meeting, may (within 28 days of the date of deemed receipt of this letter), call and arrange to hold a meeting, at their expense, to consider the proposed winding up of the Fund.

TERMINATION OF THE FUND

If a unitholder meeting referred to above is not called, we will commence winding up the Fund on 8 June 2016 ("**Proposed Termination Date**"). Please note we reserve the right to bring forward the Proposed Termination Date without prior notice (subject to it being held no earlier than 28 days from the date of deemed receipt of this letter).

We will provide additional information on the proposed winding up of the Fund once the 28 day period has expired.

The Fund will, up until the Proposed Termination Date, continue to accept application and redemption requests from existing unitholders. Any such requests will be administered in accordance with normal application and redemption processes.

Upon commencement of windup, the Fund will no longer be accepting application and redemption requests. At this time, we will also commence the process of realising the assets of the Fund and distributing the net proceeds to unitholders. It is anticipated the majority of termination proceeds will be distributed to you shortly after the Proposed Termination Date and the remainder of the proceeds will be distributed to you as and when they become available.

Termination proceeds will be paid automatically into your nominated bank account. If you would like to change your nominated bank account details or if you have not previously submitted bank details to us please complete the enclosed "Confirmation of Bank Account Details Form" and return this to us using the envelope provided prior to the 8 June 2016. In the event that we do not have bank account details for you, your termination proceeds will be issued to you by cheque.

Investors should be aware that the transaction costs incurred during the termination process will be dependent upon market conditions as at the date of disposal of the Fund's assets, and therefore may be more or less than the transaction costs that would have been incurred had the standard Sell Spread of 0.055% been applied.

FURTHER INFORMATION

If you would like further information regarding the termination of the Fund, please telephone the BlackRock Client Services Centre on 1300 366 100.

Yours sincerely



Kate McDermott

Wealth Advisory (Retail) – State Manager

**Please note this is general information only and does not take into account your objectives, financial situation or needs. You should read the Product Disclosure Statement and consider whether such products are appropriate for you before making a decision to invest.*