

Japan Small & MidCap Opportunities Fund

Performance to 31 July 2010

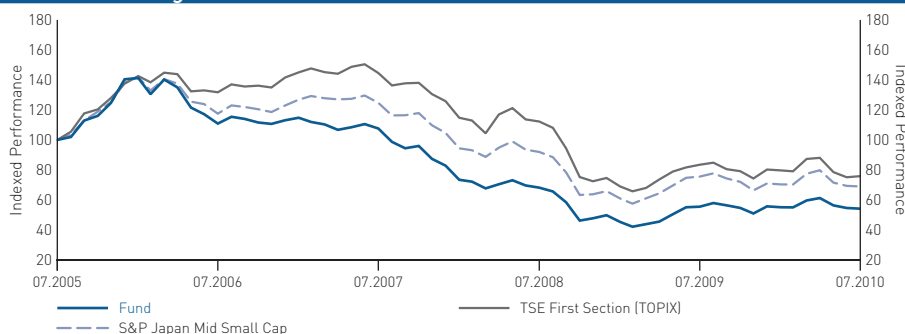
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Equity Fund

Risk Grading
↓
Low ■■■■ High

BLACKROCK

A-Non-distributing Share Performance in ¥



Cumulative Performance	1 Month %	3 Months %	6 Months %	1 Year %	Year to Date %	Annualised (3 Years) %	Annualised (5 years) %	Annualised (Since Launch) %
A Class	-0.9	-11.6	-1.7	-2.4	-2.8	-20.4	-11.5	3.3
S&P Japan Mid Small Cap	-0.6	-13.5	-1.9	-8.6	-2.7	-17.8	-7.1	-0.5
TSE First Section (TOPIX)	1.0	-13.8	-4.8	-9.0	-5.5	-19.3	-5.3	-3.0
Quartile ranking	4	1	1	1	1	2	4	1

Calendar Year Performance

	2005 %	2006 %	2007 %	2008 %	2009 %
A Class	57.2	-19.4	-26.7	-39.9	11.9
S&P Japan Mid Small Cap	58.8	-10.9	-14.9	-37.0	7.8
TSE First Section (TOPIX)	45.2	3.0	-11.1	-40.6	7.6

Fund Data

Status	Sub-Fund of Luxembourg SICAV
Fund Manager	Shin Murakami
Launch Date	13.05.1987
Base Currency	¥
Additional Dealing Currencies	€, US\$
Benchmark	S&P Japan Mid Small Cap
Morningstar Sector	Equity Japan
Total Fund Size (m)	¥13,486.2

Codes

CUSIP	L1049J643
ISIN	LU0249411835
Bloomberg Equity Ticker	MLJOPAY
Reuters Page Id	BLRKIH
Swiss Valoren Number	2559984

Dealing & Prices

Dealing Information	
Trading Frequency	Daily, forward pricing basis
Settlement	Trade date + 3 days
Fees	
Initial Charge (A shares)	5 %
Annual Management Fee (A shares)	1.50 %
NAV	
A Class	2,967.00 (¥)
12 Months High/Low NAV	
A Class	3,411.00/2,700.00 (¥)

Additional Dealing Codes

Currency	CUSIP	ISIN
US\$	L1049J676	LU0006061252
€	L1049J718	LU0255399742

		Equity Fund
Stockmarket Capitalisation	Large	
	Mid	
	Small	70-100 stocks
Style		Growth

Summary of Investment Objective

The Japan Small & MidCap Opportunities Fund seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of small and mid capitalisation companies domiciled in, or exercising the predominant part of their economic activity in, Japan. Small and mid capitalisation companies are considered companies which, at the time of purchase, form the bottom 30% by market capitalisation of Japanese stock markets.

10 Largest Holdings

	%
Nomura Real Estate Holdings	2.3
Nippon Meat Packers	2.2
JS Group	2.1
Chiba Bank	1.9
Hajime Construction	1.9
Sanrio	1.9
Suruga Bank	1.9
Bank of Yokohama	1.8
Tokyu Corp.	1.8
Nidec Copal	1.6
Total	19.4

Published NAV

www.blackrocklatam.com

Financial Times
Börsen-Zeitung
Het Financieele Dagblad

Il Sole 24 Ore
South China Morning Post
Der Standard

VSD
Hong Kong Economic Times
Neue Zürcher Zeitung

On 11 May 2009 the fund was renamed BGF Japan Small & MidCap Opportunities Fund. It was previously known as BGF Japan Opportunities Fund. **Effective 29 May 2006 the base currency of the fund has changed from US\$ to Yen. Euro and US\$ are available as additional dealing currencies. The Annual Management Charge for this Fund increased from 1.5% to 1.75% effective 21 October 2005. The fund does invest in smaller company shares. Shares in smaller companies can be more volatile and less liquid than those of larger companies.** Sources: Fund - BlackRock Investment Management (UK) Limited (BIM(UK)L), Indices - Datastream, BIM(UK)L, Quartiles - © 2007 Morningstar, Inc. All Rights Reserved. This applies to UK residents only. ■ BIM(UK)L Risk Grading: High Risk (on a scale of Low, Medium, Medium/High and High). This grading applies to Funds with emerging market, small capitalisation, or narrowly focused/concentrated equity mandates, which may restrict liquidity and increase the volatility of returns. It should only be used for comparison with other BlackRock Global Funds (BGF) and, in particular, should not be used in comparison with Funds not provided by BIM(UK)L. The grading is indicative of the level of risk of a particular Fund and is not supposed to be a guarantee of likely returns. If you are in any doubt as to the level of risk that you should take, you should seek Independent Advice. ■ This factsheet is available to Qualified Investors and Professionals in some jurisdictions on a limited private placement basis subject to applicable laws and regulations in the country of distribution. The factsheet is confidential and should not be reproduced or distributed to persons other than the recipient. Performance is shown as of the date listed on the top of the sheet on a NAV price basis with income reinvested. Prior to the introduction of single pricing on 4 February 2002, bid prices were used for Funds previously within the Mercury Selected Trust range. Performance figures are calculated net of annual fees. The above Fund data is for information only. The number of shares quoted for each fund are indicative and actual numbers may fall outside of the ranges shown. BGF is an open-ended investment company established in Luxembourg. Subscriptions in BGF are valid only if made on the basis of the current Prospectus, the most recent financial reports and the Simplified Prospectus which are available on our website. Fluctuation may be particularly marked in the case of a higher volatility Fund and the value of an investment may fall suddenly and substantially. Investors should read the fund specific risks in the Simplified Prospectus. Past performance is no guide to future performance. The value of investments and income from them can fluctuate and are not guaranteed. Rates of exchange may cause investments to go up or down. Investors may not get back the amount they invest. BGF is only available for investment by non-US citizens who are not residents of the US. It is not offered for sale or sold in the US, its territories or possessions. The Funds are not registered for sale to the public in all jurisdictions. The Fund Manager's report represents the views of BlackRock (Channel Islands) Limited, the Investment Manager of BGF. The Investment Objective stated above is a summary of the main objectives of the Fund. Please refer to the BGF Simplified Prospectus for further details. BlackRock Investment Management (UK) Limited (authorised and regulated by the Financial Services Authority). Registered office: 33 King William Street, London, EC4R 9AS. Registered in England No. 2020394. For your protection, telephone calls are usually recorded.

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Japan Small & MidCap Opportunities Fund continued

Fund Manager's Report as at 31 July 2010

The Fund underperformed its benchmark over the quarter.

Despite fears of an economic slowdown in the United States, Japanese equity markets rallied on strong results announced by both US and Japanese firms. However, the strength of the yen against the USD limited the upside. Yen appreciation was driven by expectations for a narrowing of the interest rate differential between Japan and the US.

While stronger than expected overseas sales pushed the share price of Sanrio, the manufacturer of "Hello Kitty" products, higher the positive contribution was offset by Aoi Electronics and Fuji Machine Manufacturing, which both declined on the fear of stagnant overseas sales and stronger yen. Nomura Real Estate Holding closed the month down on lower housing sales and an increase in office vacancy rates.

We increased domestic exposures by initiating positions in internet media company CyberAgent, advertising agency Dentsu as well as Daiseiki, a waste disposable operator. We reduced the fund's exposure to the electronics related companies of Enplas and Nidec Sankyo.

Japanese corporations have relatively higher earnings growth potential compared to companies in other developed countries; however external factors will likely to continue influencing the equity market. We continue to favour domestic demand sectors as well as companies that can continue to grow regardless of the macro economic condition. We will continue to invest in companies with differentiated products and services or companies restructuring in order to sustain their growth.

Fund Risk Statistics

	3 Years	5 Years	Since Launch
Volatility (%)			
- Fund	23.5	21.8	23.7
- Benchmark*	22.2	20.3	22.3
Beta	1.03	1.04	0.90

Composition of Fund

Sector	Fund %
Consumer Discretionary	26.3
Industrials	15.6
Financials	14.9
Information Technology	13.9
Materials	11.5
Consumer Staples	9.3
Healthcare	6.1
Energy	1.0
Utilities	1.0
Cash	0.4
Telecoms	0.0

* The Benchmark under Fund risk statistics for the Japan Small & MidCap Opportunities Fund is S&P Japan Mid Small Cap. ■