

# Japan Value Fund

## Performance to 31 July 2010

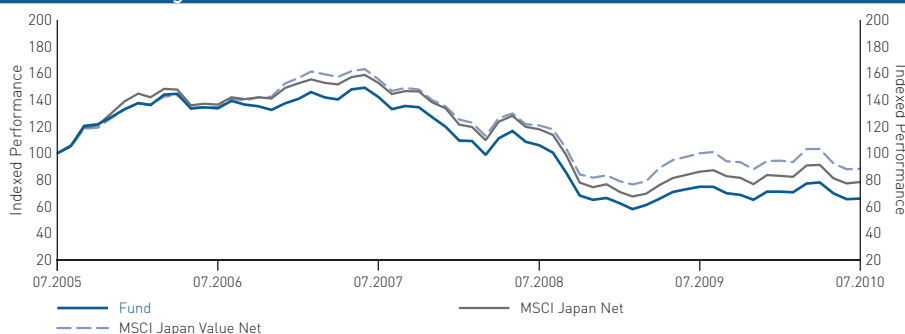
Not For Use As a Public Offer

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	0.7	-15.5	-7.3	-11.9	-7.3	-22.6	-8.0	-6.4
MSCI Japan Net	1.4	-14.0	-5.5	-8.9	-6.2	-19.9	-4.7	-3.9
MSCI Japan Value Net	0.3	-14.4	-6.4	-11.6	-6.2	-17.1	-2.4	-1.6
Quartile ranking	3	3	4	4	3	3	3	3

### Calendar Year Performance

	2006 %	2007 %	2008 %	2009 %
A Class	3.3	-12.8	-44.5	7.1
MSCI Japan Net	7.3	-10.2	-42.6	9.1
MSCI Japan Value Net	14.8	-11.3	-38.2	12.9

### Fund Data

Status	Sub-Fund of Luxembourg SICAV
Fund Manager	Rob Weatherston
Launch Date	28.02.2005
Base Currency	¥
Additional Dealing Currencies	€, US\$
Benchmark	MSCI Japan Net
Morningstar Sector	Equity Japan
Total Fund Size (m)	¥17,281.3

### Codes

CUSIP	L1049J767
ISIN	LU0249410860
Bloomberg Equity Ticker	MLJVA2Y
Reuters Page Id	LU0212924517.LUF

### Dealing & Prices

<b>Dealing Information</b>	
Trading Frequency	Daily, forward pricing basis
Settlement	Trade date + 3 days
<b>Fees</b>	%
Initial Charge (A shares)	5
Annual Management Fee (A shares)	1.50
<b>NAV</b>	(¥)
A Class	727.00
<b>12 Months High/Low NAV</b>	(¥)
A Class	877.00/699.00

### Additional Dealing Codes

Currency	CUSIP	ISIN
US\$	L1049J809	LU0212924517
€	L1049J833	LU0255399239

		Equity Fund
Stockmarket Capitalisation	Large	35-45 stocks
	Mid	
	Small	
Style		Value

### Awards & Ratings

S&P Fund Management Rating	A
Crosby Forsyth Rating	A
Morningstar Qualitative Rating	Standard

### Summary of Investment Objective

The Japan Value Fund seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in Japan. The Fund places particular emphasis on companies that are, in the opinion of the Investment Adviser, undervalued and therefore represent intrinsic investment value.

### 10 Largest Holdings

	%
Mitsubishi UFJ Financial Group	5.4
Toyota Industries	3.9
Mitsubishi Corp	3.7
Tokyo Electric Power	3.7
Takeda Pharmaceutical	3.6
NTT DoCoMo	3.2
Nintendo	3.2
Nissan Motor Co	3.2
Nippon Telegraph & Telephone Corp.	3.1
Hitachi Ltd.	3.0
Total	36.0

### Published NAV

[www.blackrocklatam.com](http://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

**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.** Sources: Fund n BlackRock Investment Management (UK) Limited (BIM(UK)L), Indices n Datastream, BIM(UK)L, Quartiles - © 2007 Morningstar, Inc. All Rights Reserved. This applies to UK residents only. ■ BIM(UK)L Risk Grading: Medium/High Risk (on a scale of Low, Medium, Medium/High and High). This grading applies to Funds which may be expected to have all, or at least a high proportion, of their assets invested in equities, or in bonds rated below investment grade. 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 Value Fund

## continued

### Fund Manager's Report as at 31 July 2010

The Fund underperformed its benchmark.

As we expected, Japanese corporate results were exceptionally strong, with sales up 13% y-o-y, operating profits up 200% and net profits up 500% despite the stronger currency. 25% of companies have revised up their interim forecasts while just 2% have downgraded forecasts.

During July sector allocation was positive with stock selection detracting. In terms of sector strategy the Fund benefited from being overweight information technology and underweight in utilities. The strongest performing stocks in the portfolio were oil refiner JX Group, Hitachi and Nissan. The weakest performers were Oji Paper, Funai Electric and Inpex.

The Fund sold out of Inpex on news of its public offering, which we consider to be value-detracting. The Fund switched the position in Mitsui Corp into a cheaper competitor, Marubeni, and sold Suruga Bank to buy Chiba Bank which is cheaper. A new position in Mitsui Real Estate was established.

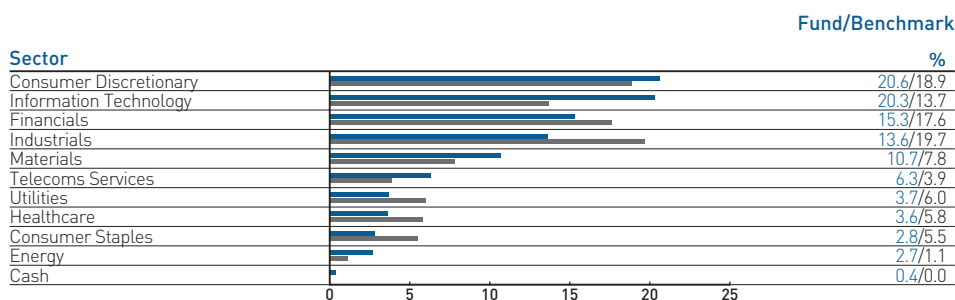
The fund remains exposed to the cheapest sectors in the market. At the end of May the Fund was overweight in materials, telecoms, information technology and underweight in industrials, consumer staples and utilities.

The Japanese market seems priced for bad news. It is now just 18% above a 26-year low, and is priced around book value, while experiencing very rapid profit growth. Japanese shares continue to offer extremely attractive valuations on book metrics and some of the strongest earnings momentum among developed markets. We will continue our strategy of investing in low valuation shares. As perceptions of growth improve, Japanese companies will see the double benefit of higher sales and better exchange rates, but they will also see a powerful impact from the productivity measures they have enacted during this period of Yen strength. The Yen at a 15-year high looks more likely to weaken than strengthen over the medium term.

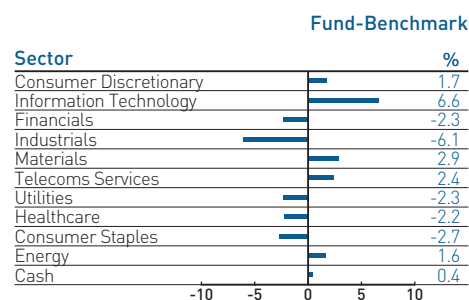
### Fund Risk Statistics

	3 Years	5 Years	Since Launch
<b>Volatility (%)</b>			
- Fund	24.2	21.7	21.0
- Benchmark*	23.8	21.3	20.6
<b>Beta</b>	1.01	1.00	1.00

### Composition of Fund



### Asset Allocations Analysis - Active Position



\* The Benchmark under Fund risk statistics for the Japan Value Fund is MSCI Japan Net. ■