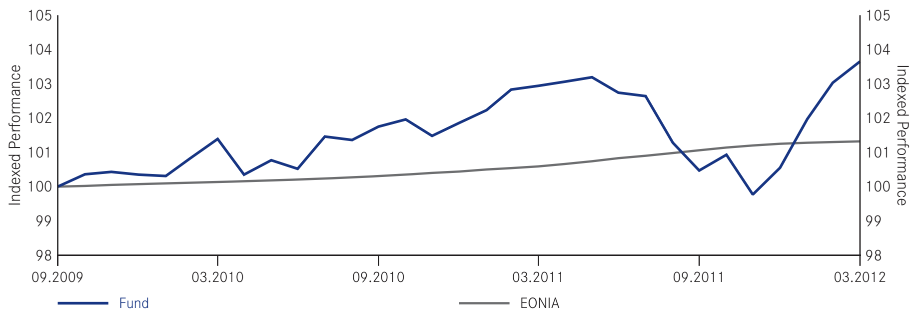
BlackRock Fixed Income Strategies Fund

A-Non-distributing Share Performance in €



Cumulative Performance

	1 Month %	3 Months %	6 Months %	1 Year %	Since Launch %	Year To Date %	Annualised (Since Launch) %
A Class	0.6	3.1	3.2	0.7	3.6	3.1	1.4
EONIA	0.0	0.1	0.3	0.8	1.5	0.1	0.6

Calendar Year Performance

	2010 %	2011 %
A Class	1.5	-1.3
EONIA	0.4	0.9

Fund Data

Status	Sub-Fund of Luxembourg SICAV
Fund Manager	Michael Krautzberger
Launch Date of Fund	30.09.2009
Launch Date of Class A EUR	30.09.2009
Base Currency	€
Additional Dealing Currencies	-
Benchmark	EONIA
Morningstar Category	EUR Diversified Bond
Total Fund Size (m)	€68.4
Average Maturity (years)	4.8
Average Yield to Maturity (%)	2.7

Codes

ISIN	LU0438336264
WKN	A0RLB7

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)	1.00
NAV	**(€)**
A Class	103.64
12 Months High/Low NAV	**(€)**
A Class	103.91/99.73

EU Savings Directive Data

EUSD Fund Status	In scope, distributions and redemptions
Taxable Income Per Share	-

		Fixed Income Strategies
Investment Region		Global
Investment Grade	Government & Supranational	Min. 30% Govt. Bonds Up to 70% Corporate Bonds
	Corporate	Up to 50% ABS/MBS
	High Yield	Up to 40% Non-Investment Grade
Average Duration		Flexible
Primary Currency Exposure		Multi/Euro
Style		Flexible Bond Fund Long/Short

Fixed Income Strategies

Awards & Ratings

S&P Fund Management Rating	AA

Summary of Investment Objective

The BlackRock Fixed Income Strategies Fund seeks to achieve positive total returns in Euro over a rolling three year cycle.The Fund will seek to achieve this investment objective by taking long, synthetic long and synthetic short investment exposures.The Fund will seek to gain at least 70% ofi ts investment exposure through fixed income transferable securities and fixed-income related securities(including derivatives) issued by,or giving exposure to, governments,agencies and/or companies worldwide.The Fund will seek to achieve this investment objective by investing at least 70% ofi ts total assets in fixed income transferable securities and fixed-income related securities,currency forwards and, when determined appropriate, cash and near-cash instruments.The asset allocation of the Fund is intended to be flexible and the Fund will maintain the ability to switch exposure as market conditions and other factors dictate.In order to achieve the investment objective and policy the Fund will invest in a variety ofi nvestment strategies and instruments.It intends to take full advantage of the ability to invest in derivatives providing synthetic long and/or synthetic short positions with the aim of maximising positive returns.No more than 50% of the Fund's total assets may be invested in ABS and MBS whether investment grade or not.Within this limit,no more than 40% of the Fund's total assets may be invested in non-investment-grade fixedincome securities including corporate bonds,ABS and MBS.These may include asset-backed commercial paper, collateralised debt obligations,collateralised mortgage obligations,commercial mortgage-backed securities,credit-linked notes,real estate mortgage investmentconduits,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.

Published NAV

www.blackrock.com/international
Börsen-Zeitung
Het Financieele Dagblad
Milano Finanza
The Standard
Der Standard
Hong Kong Economic Times
www.fundinfo.com
VSD

The fund invests in fixed interest securities such as corporate or government bonds which pay a fixed or variable rate ofi nterest (also known as theØ coupon') and behave similarly to a loan. These securities are therefore exposed to changes in interest rates which will affect the value of any securities held. The fund invests in high yielding bonds. Companies who issue higher yield bonds typically have an increased risk of defaulting on repayments. In the event of default, the value of your investment may reduce. Economic conditions and interest rate levels may also impact significantly the values of high yield bonds. The fund may invest in structured credit products such as asset backed securities (Ø ABS') which pool together mortgages and other debts into single or multiple series credit products which are then passed on to investors, normally in return for interest payments based on the cash flows from the underlying assets. These securities have similar characteristics to corporate bonds but carry greater risk as the details of the underlying loans is unknown, although loans with similar terms are typically packaged together. The stability of returns from ABS are not only dependent on changes in interest-rates but also changes in the repayments of the underlying loans as a result of changes in economic conditions or the circumstances of the holder of the loan. These securities can therefore be more sensitive to economic events, may be subject to severe price movements and can be more difficult and/or more expensive to sell in difficult markets. The strategies utilised by the Fund involve the use of derivatives to facilitate certain investment management techniques including the establishment of both 'long' and 'synthetic short' positions and creation of market leverage for the purposes ofi ncreasing the economic exposure of a Fund beyond the value ofi t's net assets. The use of derivatives in this manner may have the effect ofi ncreasing the overall risk profile of the Funds. Investors in this fund should understand that the Fund is not guaranteed to produce a positive return and as an absolute return product, performance may not move in line with general stock market trends as both positive and negative share movements affect the overall value of the fund. The Manager employs a risk management process to oversee and manage derivative exposure within the Fund. BlackRock Asset Management Switzerland Limited, Zurich Branch, Claridenstrasse 25, P.O. Box2118, CH-8002 Zurich, from where the Company's Prospectus, Simplified Prospectus, Articles of Association, Annual Report and Interim Report are available free of charge. Paying Agent in Switzerland is JPMorgan Chase Bank, National Association, Columbus, Zurich Branch, Switzerland Dreikönigstrasse, 21 CH-8002 Zurich.

BlackRock Fixed Income Strategies Fund

continued

Fund Manager's Report as at 31 March 2012

The BSF Fixed Income Strategies Fund returned 3.09% over the quarter, outperforming its EONIA benchmark, which returned 0.09%. The Barclays Capital European Aggregate Corporate index posted healthy excess returns of 4.59% for the quarter. The tightening was led by financials with subordinated bank bonds ahead of the pack returning 13.18% in excess of duration matched government bonds. Companies have continued to take advantage of the rally in spreads by coming to the primary market. Most issuers reported 2011 results in line with expectations eliciting little reaction in spreads. Spread sector positioning was positive on balance as Q1 was a very positive quarter for spreads. Security selection was a contributor as well; select new deals we have participated in tended to offer larger than expected concessions. Our Italy versus Spain relative value trade and our relative value US versus Europe inflation trade contributed to returns. Our active currency positions have been positive contributors on balance. We continue to hold a defensive stance to German rates, maintain our exposure to France and Spain, and add to our Netherlands exposure. We continue to hold a defensive position in Hungary but closed our underweight to Sweden. In credit, we are not chasing the market rally and have reduced beta by selling down our exposure to financials and moving risk into covered bonds and high-quality industrials. We continued to be involved in the new issue market. We see no value in Bunds, or other core countries, at these levels, and so have set the portfolios to be modestly short. We prefer to continue focusing on relative value trades between the other core markets. We believe a neutral position in credit is prudent given the rally that we have seen and because there is still volatility to come from the sovereign situation in Europe which will provide opportunities to add risk. We continue to be very selective in the new issue calendar using the calendar to cover some of our larger underweights especially in the high-quality, non-corporate sectors.

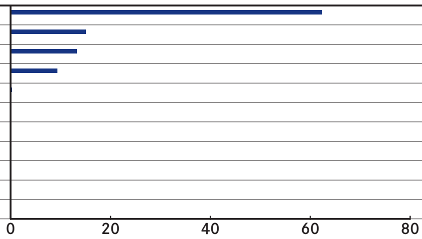
Fund Risk Statistics*

	3 Years	5 Years	Since launch
Volatility (%)			
- Fund	-	-	-
- Benchmark	-	-	-
Beta	-	-	-

Composition of Fund

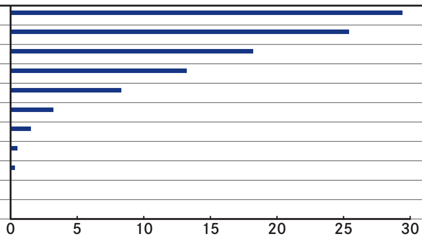
Fund

Country



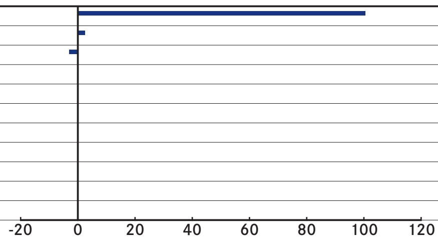
Country	%
Euro Bloc	62.3
UK	15.0
Cash	13.2
US	9.3
Other	0.2

Credit Rating



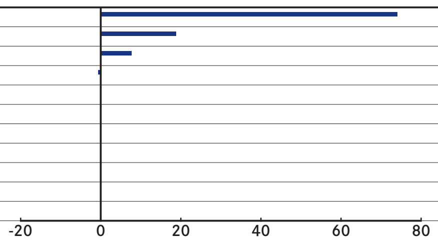
Credit Rating	%
AAA	29.4
A	25.4
BBB	18.2
Cash & Cash Equivalents	13.2
AA	8.3
BB	3.2
B	1.5
Non-rated	0.5
CCC	0.3

Currency



Currency	%
Euro	100.5
US Dollar	2.5
Other	-3.0

Duration



Duration	%
0-5 Years	74.1
5-10 Years	18.8
10-20 Years	7.7
20+ years	-0.6

10 Largest Holdings

	%
Germany (Government of) 2.25% 15 Apr 2013	6.0
CITIBANK NA EURO 0.22 04/02/2012	5.3
TREASURY BOND 4.75 2/15/2041	3.4
FRANCE (REPUBLIC OF) 4 04/25/2014	3.0
FMS WERTMANAGEMENT MTN 2.25 7/14/2014	2.0
FRANCE (REPUBLIC OF) 0.45 07/25/2016	1.9
BUONI POLIENNALI DEL TESORO 4.75 09/15/2016	1.8
POSTNL MTN 5.375 11/14/2017	1.8
POLAND (REPUBLIC OF) 5.25 10/25/2020	1.7
BAT International MTN 3.625 11/09/2021	1.4
Total	28.3

* Risk Data for this Fund will not be provided until 36 months of data is available.