

Sub-fund of Luxembourg domiciled Sicav - Part 1

Fund owner: BlackRock Investment Managers

Fund manager: BlackRock Investment Managers

Named portfolio manager(s):

Nicholas Scott (since April 2007)

Peer group: South East Asian Equities

Location: Hong Kong

Launch date: January 1997

Fund size (November 2009): US\$527m

Contact group: +352 3420 101 or

www.blackrock.co.uk

Further information on S&P's fund coverage can be found at www.FundsInsights.com



Report date February 2010

Investment style

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

Performance statistics

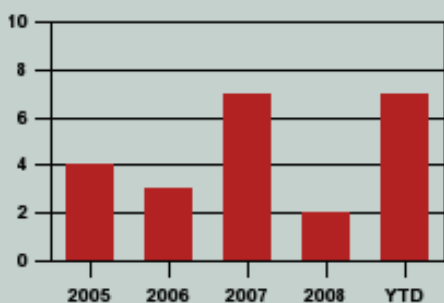
	3 Years
Fund	11.7%
Standard & Poor's peer median	14.6%
Index**	20.4%
Fund rank	439/730

Note: returns are cumulative

Three-year risk characteristics

Maximum drawdown (%)	High	-64.9
Volatility	Medium	33.3
Correlation	High	1.0
Beta	High	1.0

Calendar year decile ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank nine, with tenth decile as rank one.

Performance data source - © 2009 Morningstar, Inc. All rights reserved. All statistical data on this report has been run to 30/10/2009 on NAV to NAV basis, with gross income reinvested, in US Dollars.

Standard & Poor's opinion (January 2010)

Nick Scott has presided over this reasonably concentrated fund since his arrival at BlackRock in 2007. He joined with a strong record in Asian equities having spent 10 successful years managing the M&G Asian fund.

Behind the scenes, 2009 has been another busy year for the manager as he made further changes to the team which has seen some turnover among the junior and supporting members. There have also been some subtle changes to analytical responsibilities while the planned addition of a Hong Kong/China specialist should provide further support to this team of four managers and two dedicated analysts.

Following rigorous back-testing, a factor based model, originally used by Scott in the mid-90s, has been introduced to provide an additional source of idea generation. This supplements the existing methodology of a series of screens highlighting stocks for further in-depth fundamental analysis. Portfolio construction remains consistent and risk controls are sensibly applied - holding a minimum of 30 stocks and a 10% cap on companies capitalised below \$500m. Country and sector weights are unrestricted with the exception of Australia which is off-benchmark and therefore limited to 5%.

In terms of consistency, the fund's track record is still somewhat short of what Scott achieved with his M&G product. Nonetheless, we are pleased to see performance relative to both peers and the MSCI AC Asia ex Japan benchmark on an upward trend. This, coupled with the positive changes made within the team and enhancements to the investment process, supports the upgrade to S&P AA rated status.

Fund manager & team

Nick Scott heads a team of six responsible for around \$2.6bn on behalf of retail and institutional clients. Scott is the most experienced member of the team, while his three fellow fund managers' have average experience of over 10 years. Of these Joshua Crabb, who worked with Scott at Prudential and replaced a team member who left in October 2007, is the most experienced, with 14 years. Regional sector and country responsibilities are devolved across the team.

Scott is responsible for developing strategy and themes, while the others focus on country and sector analysis. The group also interacts with the London-based, global emerging markets team and the Singapore-based Asian credit team, while Scott's role within the strategy team provides an asset allocation perspective.

Nicholas Scott - international business & finance (University of Westminster), worked as a derivatives analyst at Morgan Stanley, before moving to Cantrade as a US fund manager in 1991. He joined M&G's US desk in 1993, transferring to the Asia team in 1995. He relocated to Hong Kong in April 2000. He joined BlackRock Merrill Lynch in January 2007.

Management style

The fund aims to outperform the MSCI AC Asia ex Japan index by 2-4% and to rank top quartile over rolling three-year periods.

Idea generation typically emanates from a range of sources. A recently introduced factor-based model scores around 1,250 stocks a range of value (50%), quality (25%), momentum (15%) and growth (10%) screens. A size, liquidity and relative price screen is also used to create a "heat map" of approximately 750 ideas. Additionally, the team uses tailored sell-side research, and visit approximately 600 companies per year.

Portfolio construction is driven by bottom-up stock selection. Fundamental research focuses on assessing the quality of a company, with the team scrutinising the company's use of excess cash, the competitive environment, corporate governance and historic value creation.

It holds between 50-80 stocks and with cash typically below 10%, the aim is to be fully invested. Single holdings are kept to a maximum 10% of active risk budget while sector bets are limited to +/- 20%. Off-benchmark exposure to Australia is capped at 5%.

BLACKROCK GLOBAL FUNDS ASIAN DRAGON FUND

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STANDARD
& POOR'S



Portfolio & performance analysis (November 2009)

At review the fund was invested across 76 holdings and while this represented a notable increase from the 60 previously seen, the additional names had little effect on the top 10 concentration which remained consistent at 28%.

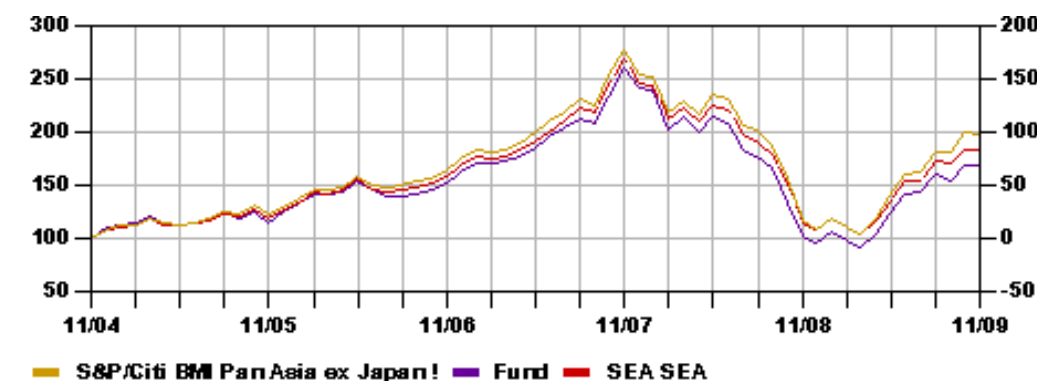
In keeping with the aim of adding most value from the stock level, index deviations were less pronounced at the country level. Korea (index +1.7%) moved to an overweight position as the team built positions in oversold domestically-focused stocks. China and Hong Kong (+4% combined) were also favoured, however the former has recently been reduced on the back of profit taking. A small (1.3%) off benchmark position to Australia was also added. Taiwan and Malaysia were the largest underweights at -3.3% and -3% respectively while the more defensively orientated Singapore market was sold down to a broadly neutral position.

Moving away from the defensive areas also saw a reduction to telecomms which shifted from a +8.4% overweight to -3.2% underweight. Financials (+4.6%) was the largest overweight as fears over Chinese Bank's non-performing loans allayed and low interest rates supported property stocks. Consumer related plays were switched, discretionary going to an overweight at the expense of staples.

Since Scott assumed responsibility for the fund in April 2007, performance has been mixed. Initial returns were strong as stock selection in India and Korea offset losses from the overweights to financials and the Philippines. 2008 proved more challenging as exposure to Satyam cost around 90bps early in the year and stock selection in Korea and Hong Kong detracted significant value. However, further losses were pared by the overweight to China and the large overweight to telecoms.

Not restructuring the portfolio swiftly enough hurt returns in Q1 of this year but by the overweight to, and stock selection within financials, and Chinese consumer plays have ensured the fund has outperformed the S&P peer median by 4% to our November cut-off.

Cumulative performance



Discrete performance (calendar years)

	2005		2006		2007		2008		YTD 30/10/2009	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	18.1	380/587	27.8	522/692	40.4	253/801	-55.8	721/888	59.7	354/964
Index**	21.1		33.9		37.7		-52.8		66.6	
Median	20.0		31.2		36.1		-51.8		55.8	

** S&P/Citi BMI Pan Asia ex Japan!
Fund benchmark: MSCI AC Far Est ex Japan

Share class information

	Initial charge	Exit charge	Annual charge	Expense ratio	Lump sum	Savings plan	ISIN
Ord	5.00	0	1.50	2.13	5,000		LU0072462343
Registered for sale	Austria, Bahrain, Belgium, Chile, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Italy, Japan, Jersey, Korea (South), Luxembourg, Macao, Mauritius, Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom						

Portfolio characteristics

No. of holdings	82
Turnover ratio (%)	140
% in top 10	29

Top 10 holdings (01/11/09)

	%
Samsung Electronics *	4.1
TSMC	4.1
Shinhan Financial Group *	3.2
Henderson Land Development	3.0
Hutchison Whampoa *	2.7
Hon Hai Precision Industry	2.6
CNOOC *	2.4
China Construction Bank	2.3
United Overseas Bank	2.3
Bank of China	2.1

* In top 10 holdings a year ago

Regional allocation

(01/11/09)

	%
Hong Kong	13.3
Indonesia	1.8
Korea	20.4
Philippines	0.3
Singapore	7.0
Australia	1.3
Cash	1.7
China	29.5
India	7.9
Malaysia	1.0
Taiwan	12.9
Thailand	2.9

Sector allocation

(01/11/09)

	%
Cash	1.6
Consumer discretionary	8.4
Consumer staples	4.9
Energy	9.4
Financials	37.7
Healthcare	1.0
Industrials	5.9
Information technology	17.0
Materials	6.8
Telecomms	3.8
Utilities	3.5

Symbols and definitions

Long-only fund ratings

AAA The fund demonstrates the highest standards of quality in its sector based on its investment process and performance consistency of the management team and/or approach as compared to funds with similar objectives.

AA The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

A The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-hedge-fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Absolute return fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

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All fund ratings

NR Funds designated as NR (Not Rated) currently do not meet the requisite performance standards and/or the minimum qualitative criteria.

UR Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.

New Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.

Bond fund volatility ratings

The bond fund volatility rating is our current opinion of a fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.

V1 Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprised of government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprised of the highest quality fixed-income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.

V2 Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.

V3 Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.

V4 Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.

V5 Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or liquid securities.

V6 Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute return fund N ratings

The N rating is Standard & Poor's indication of a fund's potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.

10/14/2008

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