

BlackRock Investment Managers

Sub-fund of Luxembourg domiciled FCP - Part 1

Report Issued: April 2009

Peer Group:

European Mainstream incl UK Equities

Group Contact No:

+352 342 0101

Website:

www.blackrock.com

Fund Manager/Adviser:

Michael Constantis (since April 2007), Nigel Bolton (since March 2008)

S&P ID Number: OS358218

Share class screened:

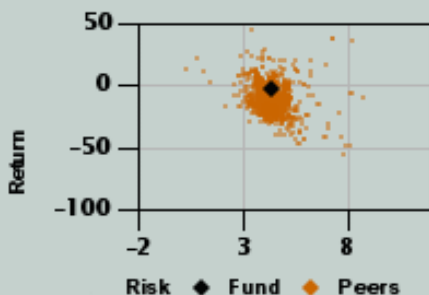
A EURO



INVESTMENT STYLE

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

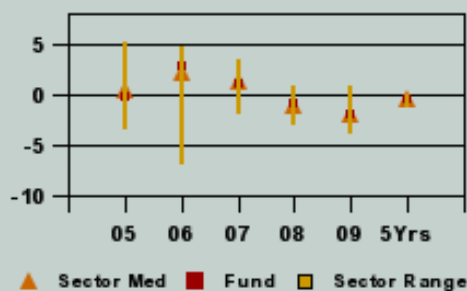
RISK RETURN (STD DEVIATION) OVER 5 YEARS



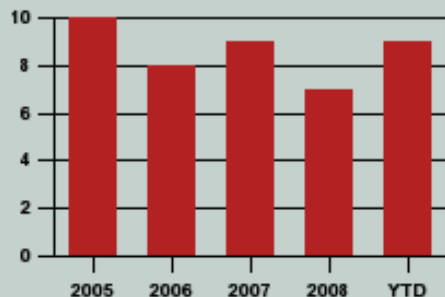
3 YEAR RISK CHARACTERISTICS

| | | |
|----------------------|--------|-------|
| Maximum Drawdown (%) | Medium | -45.7 |
| Volatility | Medium | 17.1 |
| Correlation | High | 0.9 |
| Beta | Medium | 1.0 |

SHARPE RATIO VS PEER GROUP



CALENDAR YEAR DECILE RANKS



Decile ranking in discrete annual periods. 1st decile shown as rank 10, 2nd decile as rank 9, etc. to 10th decile as Rank 1.

Please see page 2 for required research analyst certification disclosure.

Location:

London, Edinburgh

Launch Date: October 2002

Fund Size (February 2009):

€123m

Further information on S&P's fund coverage can be found at

www.funds.standardandpoors.com

Performance Data Source - © 2009 Morningstar, Inc. All Rights Reserved. All statistical data on this report has been run to 30/01/2009 on NAV to NAV basis, with gross income reinvested, in euro.

STANDARD & POOR'S OPINION (APRIL 2009)

This fund has been run by Michael Constantis since April 2007. His track record, although short, is solid, with the fund ranking comfortably above the S&P median over the period.

While initially under the supervision of James Macmillan then Nigel Bolton, Constantis has clearly made the day-to-day-decisions on this fund over the review period and he has grown impressively into the role. His investment approach is well defined - he seeks attractively valued stocks with greater-than-consensus earnings growth not yet appreciated by the market, with identifiable catalysts to trigger a market revaluation.

Constantis makes increasingly effective use of both internal screening tools and the in-house analytical resource. In the current challenging environment, he has laid even more emphasis on company contact

(without which he will not consider a stock for purchase) and detailed appreciation of specific stock risk. Encouragingly, the wider European team now appears settled after what has been a period of change, and looks to be working cohesively, providing a valuable forum for ideas generation and discussion on which Constantis can draw.

The fund slightly lagged its growth benchmark in 2008, but this was entirely understandable as Constantis (in common with a number of peers) did not hold Volkswagen, which exhibited extraordinary performance. Otherwise, stock selection was solid, reflecting the consistent application of a clear process by a thoughtful manager. His disciplined approach and the strong in-house resource underpin this fund's continued S&P A rating.

FACT FILE

Group: BlackRock was founded in 1988 and has become one of the world's leading asset managers, with over \$1.2trn of assets under management and more than 5,500 employees.

Team: The BlackRock European team numbers 14 investment professionals, with over 17 years' average experience. The team is split between Edinburgh and London, operating under the leadership of Nigel Bolton.

Fund Manager: Constantis has eight years' experience and has been at BlackRock since 2005.

He has specialised in researching the TMT sectors and has managed money for two years.

Style: This growth fund is measured against the MSCI Europe Growth index. It focuses on above-average sale growth, earnings growth momentum and high or rising ROE.

Performance: Over the five years to 30/01/2009, the fund has returned -2.3%, compared with -13.8% for the sector median and -5.2% for the index, ranking 176/1069.

FUND MANAGER & TEAM

The European team headed by Bolton comprises 14 investment professionals split between Edinburgh and London. After a period of change (H1 2008 saw four departures and two additions) the team is now looking more settled. Within this, there are 10 fund managers who have a research/sector responsibility and four analysts.

Research is presented in a uniform template to assist comparison. Analysts are rewarded on their ability to communicate their ideas as well as on the success of them. The managers follow their own styles and make independent stock decisions, but actively interact with the risk management team headed by Ed Fishwick. This fund is managed by Constantis, with co-manager Bolton acting as back-up.

Michael Constantis - vice president - portfolio manager - economics (University College London), joined BlackRock MLIM in 2005 following four years at Deutsche Asset Management, where he researched European telecoms stocks. He now also covers media and technology.

Nigel Bolton - economics (Nottingham University), began his career in 1985 as an analyst at Redmayne Bentley and then BZW, before becoming a UK equity manager at Abbey Life. Joined Citigroup in 1992, where he became head of European equities. After a brief spell at WP Stewart, he joined SWIP in 2004 and then BlackRock in early 2008.

PORTFOLIO CHARACTERISTICS

| | |
|--------------------|-----|
| No. of holdings | 47 |
| Turnover ratio (%) | N/A |
| % in top 10 | 42 |

TOP 10 HOLDINGS (01/02/09)

| | |
|--------------------------|-----|
| | % |
| Nestlé | 7.0 |
| Roche | 6.1 |
| Telefonica | 4.9 |
| Total | 4.3 |
| British American Tobacco | 4.0 |
| BG | 3.6 |
| Tesco | 3.4 |
| Bayer | 3.2 |
| BHP | 3.0 |
| Imperial Tobacco | 2.9 |

* In top 10 holdings a year ago

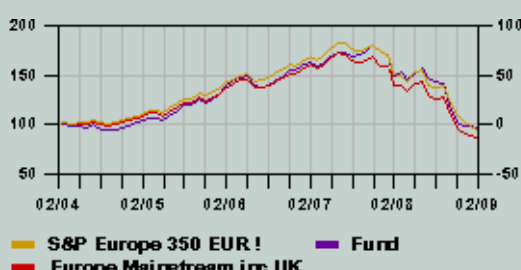
ALLOCATION BREAKDOWN (01/02/09)

| | |
|------------------------|--------|
| | Fund % |
| Cash | -0.1 |
| Consumer discretionary | 7.2 |
| Consumer staples | 21.8 |
| Energy | 11.7 |
| Financials | 5.9 |
| Healthcare | 17.7 |
| Industrials | 11.5 |
| Information technology | 6.8 |
| Materials | 6.0 |
| Other | 0.0 |
| Telecoms | 6.5 |
| Utilities | 5.0 |

PERFORMANCE STATISTICS

| | | |
|-------------------------------|----------|----------|
| | 3 Years | 5 Years |
| Fund | -30.5% | -2.3% |
| Standard & Poor's Peer Median | -37.0% | -13.8% |
| Index** | -33.7% | -5.2% |
| Fund Rank | 212/1362 | 176/1069 |
| Standard Deviation | 17.1 | - |
| Relative Standard Deviation | 1.0 | - |
| Volatility Adjusted Ranking | 186/1362 | - |

CUMULATIVE PERFORMANCE



BLACKROCK GLOBAL FUNDS - EUROPEAN GROWTH FUND

Peer Group: European Mainstream incl UK Equities



MANAGEMENT STYLE

Benchmarked against the MSCI Europe Growth index, this pan-European fund aims to be top quartile against growth peers over one, three and five years. Its tracking error ranges between 2.5-4.5% and it targets 40-60 holdings. It may have up to 15% in non-benchmark countries, with no more than 8% in non-benchmark non EU countries.

Constantis seeks reasonably valued stocks where forward earnings growth is either ahead of the average forecast or not yet fully discounted by the market, with a potential catalyst for revaluation. He makes effective use of screens to identify possible ideas for further research, and draws

extensively on the growth recommendations from the in-house analyst team; he also makes increasing use of the wider BlackRock resource (eg, fixed interest teams) for wider market insights. He views meeting management as key before considering purchase.

He maintains a disciplined gradation of active stock bets across the fund. Stock selection may lead to some large sector biases, although the spread of risk is monitored carefully with the aid of Ed Fishwick's risk team. Typically stocks are sold to fund faster-growing ideas or to anticipate major benchmark changes.

PORTFOLIO REVIEW

At review the fund held 47 names, with a slightly more concentrated top 10 than before (42% against 37%). It showed a clear tilt away from stocks capitalised between €10bn and €30bn (-8% relative) in favour of both larger-caps (€30bn-€100bn market cap) and smaller-caps (€1bn-€5bn).

The manager noted that the benchmark included stocks such as BP and Total, which he did not consider as growth, so the fund was underweight the energy majors, preferring BG Group and Tullow Oil (the largest active position).

The third quarter of 2008 saw a clear shift out of commodity-related stocks (Xstrata, Akzo) and oil service names in favour of consumer stocks such as Inbev and Eutelsat. Overall, however, sector weightings resulting from stock selection were quite close to benchmark at review.

Roche, United Business Media and Fresenius remained among the largest active positions, while Royal Dutch Shell, GlaxoSmithKline and VW were among the most significant underweights.

PERFORMANCE ANALYSIS (FEBRUARY 2009)

Constantis has been responsible for the fund from the second quarter of 2007. Since then performance has been comfortably above the S&P peer group median. The fund lost -42.5% in 2008, although it ranked clearly second quartile, 1.5% ahead of the median fund.

Over the 12 months to end-January 2009, however, it has fractionally lagged its MSCI Europe Growth benchmark. This was in large part due to Volkswagen (a significant weight in the growth index), which was not held. This cost around 125bps of performance.

Excluding Volkswagen, stock selection was solid. Major positive contributors included Roche and Tullow Oil; the move into consumer stocks in the latter part of the year also worked well, with Inbev, BAT and Imperial Tobacco performing particularly strongly.

Detractors included Forthnet, Xstrata and software company Aveva. An overweight position in Dolphin (real estate in Greece and Cyprus) was divested, locking in some underperformance.

DISCRETE PERFORMANCE (CALENDAR YEARS)

| | 2005 | | 2006 | | 2007 | | 2008 | | YTD 30/01/2009 | |
|---------|------|----------|------|----------|------|----------|-------|----------|----------------|----------|
| | % | Rank | % | Rank | % | Rank | % | Rank | % | Rank |
| Fund | 30.1 | 132/1207 | 21.7 | 298/1365 | 5.6 | 233/1551 | -42.5 | 662/1707 | -0.3 | 268/1731 |
| Index** | 26.6 | | 20.0 | | 3.5 | | -42.2 | | -4.3 | |
| Median | 24.7 | | 18.5 | | 0.9 | | -43.8 | | -2.8 | |

** S&P Europe 350 EUR

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