

**BlackRock Investment Managers**  
**Sub-fund of Luxembourg domiciled Sicav - Part 1**

**Report Issued:** August 2009

**Peer Group:**  
 Global Mainstream Equities

**Group Contact No:**  
 +352 342 0101

**Fund Manager/Adviser:**  
 Dennis Stattman (since launch)

**Website:**  
 www.blackrock.com

**Location:**  
 Princeton

**S&P ID Number:** OS204996

**Launch Date:** February 2006  
**Fund Size (May 2009):**  
 US\$452m

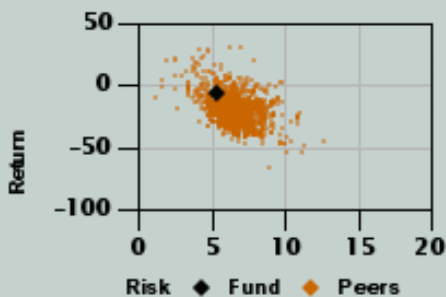
**Share class screened:**  
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## INVESTMENT STYLE

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

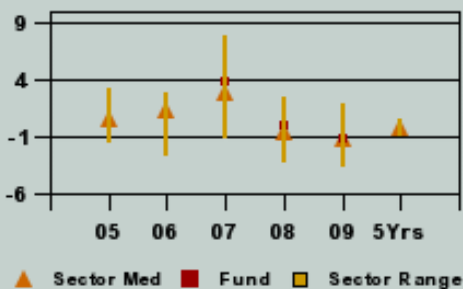
## RISK RETURN (STD DEVIATION) OVER 3 YEARS



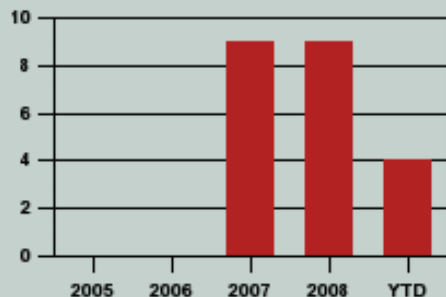
## 3 YEAR RISK CHARACTERISTICS

Maximum Drawdown (%)	Medium	-45.7
Volatility	Medium	18.7
Correlation	High	1.0
Beta	Medium	0.8

## 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.

Further information on S&P's fund coverage can be found at [www.FundsInsights.com](http://www.FundsInsights.com)

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## STANDARD & POOR'S OPINION (JUNE 2009)

This fund was launched in February 2006 and is managed in line with the equity portion of the S&P AAA rated BlackRock Global Allocation Fund, also managed by Dennis Stattman.

Stattman is one of the most experienced managers in the sector, with over 30 years' investment experience. He heads BlackRock's Princeton-based global allocation team, which has been expanded in recent months through the absorption of the Pacific team. It now numbers 24 with average experience of over 20 years.

There has been a small change to the way other resources are used. Previously the Europe equity portion of the fund was delegated to James Macmillan in London, who made all investment decisions. Stattman describes the relationship as evolutionary as he now takes advice from Macmillan

for European equities, rather than handing over a portion of the fund to manage.

The fund continues to be managed in a disciplined, low-turnover approach, in which top-down strategies are used to guide value-oriented stock selection. The resultant portfolio is one of the most diversified in the sector with almost 600 holdings. Deviation from index can be significant, but Stattman is always aware of the risks in the portfolio.

The fund ranks top decile in the S&P global equities peer group since launch. The relatively conservative stance resulted in strong outperformance at the end of 2008, although the fund has underperformed since the market rally in March. The wealth of knowledge and expertise supporting this disciplined style result in the fund retaining its S&P AAA 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 5,000 employees.

**Team:** Stattman leads the dedicated global portfolio management team of 24 based in Princeton, New Jersey.

**Fund Manager:** Stattman has over 30 years' investment experience and has managed global

asset allocation mandates since joining MLIM (now BlackRock) in 1989.

**Style:** The fund blends top-down strategies with value-based, bottom-up stock selection. Conservatively managed and well diversified, the fund nevertheless takes decisive country bets.

**Performance:** Over the three years to 29/05/2009, the fund has returned -7.1%, compared with -22.7% for the sector median and -19.0% for the index, ranking 203/2478.

## FUND MANAGER & TEAM

BlackRock's Princeton-based global allocation team, led by Stattman, comprises 24 investment professionals, following the merger with the Pacific team. The average experience across the team is over 20 years and around half the team members have worked on this portfolio for over 10 years. Stattman, Dan Chamby and Aldo Roldan have overall responsibility for the process; Karen Morely, Lisa O'Donnell and Kate Brady Rauscher have specific region and sector responsibilities. All are generalists and draw on European equity team in London. Eric Mitofsky provides quantitative support and program trades.

Dennis Stattman - senior portfolio manager - commerce (Virginia University), MBA (Chicago University), was director of research for Meridian Management Company and investment officer for the World Bank, managing US equities, before joining MLIM (now BlackRock) in 1989.

Dan Chamby - associate portfolio manager - graduate (Duquesne University), MBA (Wharton Business School), worked at Mellon Bank from 1982, before joining the team in September 1993.

Aldo Roldan - associate portfolio manager - PhD (Wharton School of Business), joined BlackRock from Merrill Lynch, having previously worked for Santander and JPMorgan Chase. Before this, he founded the emerging markets research group at Chase Econometrics.

## PORTFOLIO CHARACTERISTICS

No. of holdings	596
Turnover ratio (%)	N/A
% in top 10	13

## TOP 10 HOLDINGS (01/05/09)

	%
SPDR Gold Trust	2.8
Exxon Mobil	1.4
Microsoft	1.4
AT&T	1.3
Bristol-Myers Squibb	1.3
Johnson & Johnson	1.1
Petrobras	1.1
Chevron	1.0
Verizon Communications	0.9
Pfizer	0.7

\* In top 10 holdings a year ago

## ALLOCATION BREAKDOWN (01/05/09)

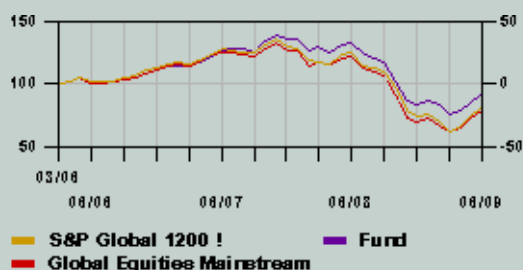
	Index %**	Fund %
Basic materials	6.3	9.9
Cash/Bonds	-	14.2
Consumer discretionary	8.3	4.7
Consumer staples	11.2	6.4
Energy	11.9	12.6
Financials	18.2	9.3
Healthcare	11.4	12.1
Industrials	10.5	8.7
Information technology	10.4	7.8
Others	-	4.4
Telecoms	6.2	7.4
Utilities	5.7	2.5

Units III permits net fund exposure to be less or greater than 100%.

## PERFORMANCE STATISTICS

	3 Years
Fund	-7.1%
Standard & Poor's Peer Median	-22.7%
Index**	-19.0%
Fund Rank	203/2478
Standard Deviation	18.7
Relative Standard Deviation	0.8
Volatility Adjusted Ranking	219/2478

## CUMULATIVE PERFORMANCE



# BLACKROCK GLOBAL FUNDS GLOBAL DYNAMIC EQUITY FUND

Peer Group: Global Mainstream Equities



## MANAGEMENT STYLE

The fund aims to maximise long-term returns in US dollars from a highly diversified global equity portfolio. It is virtually identical to the equity portion of the S&P rated, multi-asset class Global Allocation Fund.

The benchmark is a 60:40 composite of the S&P 500 and the FTSE World ex-US indices respectively. The managers are benchmark aware but not driven by it. There are no country, regional or sector constraints and deviation from index may be significant.

Top-down strategies are driven by Stattman, Chamby and Roldan and help direct stock selection, which has a value tilt. Team members consider all means of investing in a company they like. Changes

are made gradually to reflect changes in conviction from both top-down and stock factors.

The fund is kept diversified with around 600 holdings, taking exposures through ordinary shares, convertibles, warrants and ADRs.

The team conducts rigorous fundamental research on US and Asian companies and liaises with the Europe team in London with respect to stock selection in Europe.

Risk controls are self imposed and pragmatic. Cash/cash equivalents are actively managed. Significant use is made of futures options/currency forwards.

## PORTFOLIO REVIEW

Over the past 12 months, the fund has seen net inflows, although the size was still less than a year ago (\$452m against \$580m) owing to market falls.

The portfolio, while still defensive in character, was much less so than nine months before. While the team believes the risk appetite is coming back to the market following the recent market rebound, it remained cautious on the outlook for consumer spending in the US. Hedges on the S&P 500 index had been taken off and cash levels were down to a more normal 3% from 8%.

The biggest overweight was materials, of which the largest position was the holding in the SPDR Gold Trust. Other overweights included energy, with a bias to integrated companies such as Exxon and Petrobras, and healthcare (Bristol Myers-Squibb, Johnson & Johnson).

The biggest underweight was in technology where the team mistakenly did not expect performance, given the sector's reliance on financials and consumers. However, it was overweight in Microsoft.

## PERFORMANCE ANALYSIS (MAY 2009)

The fund ranks top decile in the S&P global equities sector since launch in February 2006.

For the first 12 months performance was in line with the median. In the second half of 2007, however, the mid-cap bias, together with underweights to the US and banks led to strong outperformance. Being overweight Asia and Brazil also helped.

The early part of 2008 was marginally ahead of peers, boosted by strong stock selection in the US, notably Burlington, Panera Bread and Union Pacific. Canada (Yamana Gold and

Kinross Gold) was less successful. At country level, Thailand, Brazil and Japan were positive.

It was in the final quarter, however, that relative performance really took off as the fund's defensive stance (underweight US consumers and financials) was rewarded. The fund also had hedges on the S&P index and around 8% cash. While some of the more defensive positions have since been removed, the fund still underperformed in the recent market rally.

## DISCRETE PERFORMANCE (CALENDAR YEARS)

	2005		2006		2007		2008		YTD 29/05/2009	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund		/		/	18.9	357/2713	-35.6	419/3197	7.0	2483/3601
Index**	10.2		21.5		10.2		-40.1		7.4	
Median	9.4		21.3		10.6		-43.6		9.5	

\*\* S&P Global 1200 (Industry)

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