

Sub-fund of Luxembourg domiciled Sicav - Part 1

Fund owner: BlackRock Investment Managers

Fund manager: BlackRock Investment Managers

Named portfolio manager(s):

Rob Weatherston (since launch)

Peer group: Japanese Mainstream Equities

Location: Tokyo

Launch date: February 2005

Fund size (April 2010): US\$228m, ¥20.7bn

Contact group: +352 342 0101 or

www.blackrock.co.uk

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



Report date June 2010

Investment style

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

Performance statistics

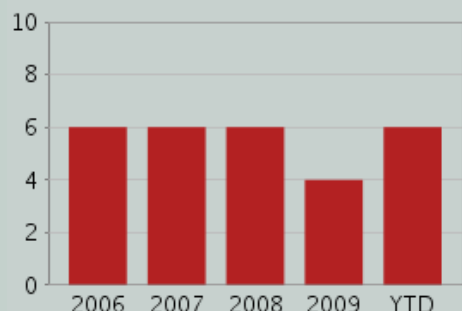
	3 Years
Fund	-45.2%
Standard & Poor's peer median	-43.3%
Index**	-39.7%
Fund rank	509/859

Note: returns are cumulative

Three-year risk characteristics

Maximum drawdown (%)	-21.2
Volatility	7
Correlation	1
Beta	1

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 - © 2010 Lipper Inc. All Rights Reserved. All statistical data on this report has been run to 31/03/2010 on NAV to NAV basis, with gross income reinvested, in Japanese Yen.

Standard & Poor's opinion (June 2010)

This fund is managed by a team of three, split between Tokyo and London. Lead manager Rob Weatherston relocated to Tokyo in 2007 to improve his access to small- and mid-cap companies (above ¥80bn), where the quantitative screen has produced a larger number of value opportunities historically, although illiquidity has limited investment in this area of the market. Weatherston is assisted in Tokyo by Manami Terashima, an experienced analyst. The third member of the team, Alex McDougall, is based in London. Although he looks at ideas across the cap scale, he is principally involved in analysis of larger-cap stocks, which the team believes are better accessed in London.

The team's consistent application of its value approach has led to performance that has been around median in each calendar year since launch, with the exception of 2009. This was the first year in which the fund did not outperform the median. Although Weatherston did not change his definition of value, the portfolio was tilted more towards companies with attractive price/book ratios and this did not prove helpful.

Nevertheless, the team remains disciplined and very focused on valuation, with changes to the portfolio largely driven by price targets. As a result, turnover at 100% in 2009 was higher than usual given the significant market volatility and intra-market rotation in the first half of the year. The team makes effective use of screening for ideas and has a variety of risk reporting systems at hand to ensure portfolio exposures are clear.

The fund retains an S&P A rating.

Fund manager & team

This fund is managed by Weatherston in Tokyo. He is supported by Terashima in Tokyo and McDougall in London. Additional help is received from the group's team of Japan all-cap manager/analysts in Tokyo, the risk monitoring team and the quants team. Company visiting and meeting management is an important, integral part of his research process.

Rob Weatherston - geography (Cambridge University), CFA, joined BlackRock in 1996 to cover Japanese equities. He is a member of the international value team where he is responsible for pan-Asian stocks. He has managed money since 1998.

Alex McDougall - economics (Cambridge University), joined BlackRock in 1990 and works closely with Weatherston on BlackRock's Japan Value product. He managed a number of retail and institutional Japanese mandates. He has also worked as a product specialist, including five years based in Tokyo.

Manami Terashima - BA law (Waseda University), MA international affairs & economics (Johns Hopkins), was an analyst in the large-cap equity team covering manufacturing companies. She joined from ING where she specialised in electronics. She has worked on the sell-side for ABN, Jardine Fleming and JPMorgan.

Management style

This fund, managed in a disciplined stockpicking manner with a clear, risk-controlled value approach, targets top-quartile performance over the cycle.

Around 500 TSE First Section companies capitalised over ¥80bn are screened quantitatively for valuation and earnings momentum. This identifies about 200 attractively valued companies.

The managers undertake fundamental analysis of these names. Company visits and management meetings are vital, with McDougall in London while Weatherston and Manami Terashima focus on mid- and small-caps in Tokyo. A price target list is put together for 120 stocks. Stock selection focuses on free cashflow yield and normalised ROE.

From this a portfolio of 35-40 names is constructed, with two-year price targets. The stop-loss and stop-gains targets are set at +/-20% over three months, the former in particular aimed at identifying value traps.

Maximum exposure to any sector is 20% of total assets. Active stock positions relative to the MSCI Japan index are +/-10%; the tracking error is normally maintained at 5-8%.

The fund is typically fully invested. Currency hedging is not undertaken.

BLACKROCK GLOBAL FUNDS JAPAN VALUE FUND

Sub-fund of Luxembourg domiciled Sicav - Part 1

Fund owner: BlackRock Investment Managers

Fund manager: BlackRock Investment Managers

Portfolio & performance analysis (April 2010)

2009 was the first calendar year since launch in which the fund did not outperform the median. Weatherston switched his attention to companies with attractive P/B ratios in the second half of 2008 and was less focused on P/E multiples. This style tilt did not prove helpful. Cash was a drag on performance and stock selection detracted in Q2 and Q3. Not owning Nintendo and Canon were amongst the biggest detractors. The benefit of having sold out of Toyota was mainly off-set by holding Toyota Industries. On the positive side, Asahi Breweries - the largest active bet at last review - was a strong contributor and was sold on hitting its price target.

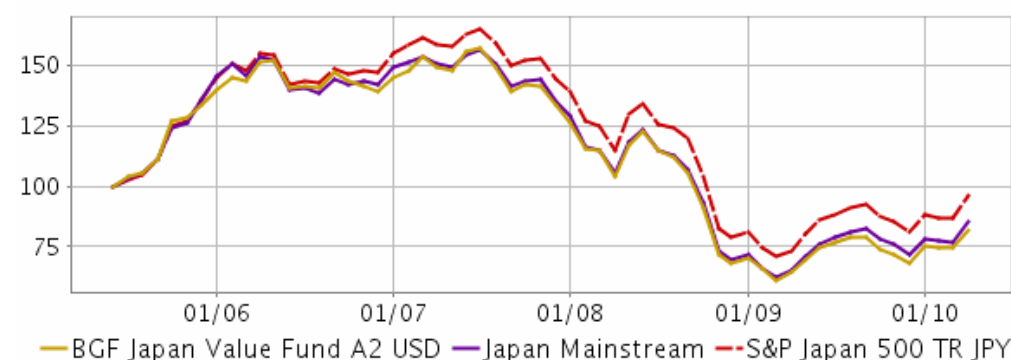
As a result of this underperformance, the fund has fallen into the third quartile of funds in the S&P peer group, while performance relative to the MSCI Japan and Japan Value indices has also been disappointing.

The fund suffered a high drawdown relative to peers in the second half of 2008. Weatherston admitted to having too much cyclical exposure. The main detractors were in the autos sector (Nissan Motor and Isuzu Motors) together with Mitsui & Co. A move to a more defensive portfolio improved returns towards the year end and into 2009. Stock selection successes included Chubu Electric Power.

In 2007, the underweight position in materials, telecoms and energy proved beneficial but the overweight in consumer discretionary hurt. The reduction in some small-caps mid-year proved timely. Strong stock contributions came from Sumitomo Metal Mining, Sumitomo Corp, NOK and Sumitomo Chemical. However, the fund was affected by not owning Nintendo and Sony.

At the end of March 2010, the portfolio continued to have a bias towards price to book. The underweight to materials had been closed through attractive stocks in the chemicals and paper industries. Telecoms was the most overweight sector, NTT DoCoMo had been purchased, and the team expect there to be consolidation in the sector.

Cumulative performance



STANDARD & POOR'S



Portfolio characteristics

No. of holdings	39
Turnover ratio (%)	100
% in top 10	36

Sector allocation (01/04/10)

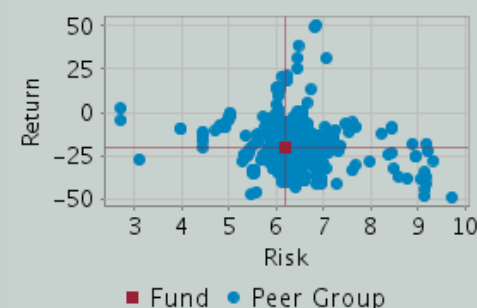
	%
Consumer discretionary	2.8
Consumer staples	20.1
Energy	2.2
Financials	14.0
Healthcare	4.2
Industrials	19.3
Information technology	14.0
Liquidity	2.7
Materials	8.5
Telecoms	6.2
Utilities	6.0

Top 10 holdings (01/04/10)

	%
Honda Motor	4.6
Takeda Pharmaceutical *	4.2
Toyota Industries *	4.1
Mitsubishi UFJ Financial Group *	3.7
Tokyo Electric Power *	3.5
Mitsubishi Corp *	3.4
Mitsui	3.3
Nomura Holdings	3.2
NTT DoCoMo	3.2
Nippon Telegraph & Telephone	3.0

* In top 10 holdings a year ago

Risk return (standard deviation) over five years



Discrete performance (calendar years)

	2006		2007		2008		2009		YTD 31/03/2010	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	3.5	260/619	-12.9	393/826	-44.4	434/950	6.9	664/1026	8.9	426/1044
Index**	6.9		-10		-42.1		9.1		8.7	
Median	2.6		-13.4		-44.4		9.3		8.5	

** S&P Japan 500!

Fund benchmark: MSCI Japan

Share class information

	Initial charge	Exit charge	Annual charge	Expense ratio	Lump sum	Savings plan	ISIN
A	5.00	0	1.50	2.01	1,000		LU0212924517
Registered for sale							Austria, Belgium, Finland, France, Germany, Hong Kong, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, Taiwan, United Kingdom

STANDARD & POOR'S

S&P's fund management research reports are, based mainly on public information, we don't audit the information and we may rely on unaudited information when we prepare the reports which are for institutional use only. A report is not investment advice, a financial promotion, or a recommendation to purchase, hold, sell or trade any security. A report should not be relied on when making an investment decision as the report is for information purposes only and not tailored to a specific investor. Past fund performance is no guarantee of future performance and we accept no responsibility if, in reliance on a report you act or fail to act in a particular way. We are paid for our fund management reports normally by the fund issuer. Our fees are based upon the analysis and time involved in the research process and are not conditional on awarding a fund a rating. Fund companies select the funds they want us to rate and may elect not to have published the rating they are subsequently awarded. Our fund management reports are continuously monitored and updated reports are posted to www.fundinsights.com. The funds described in this report are generally not available to US investors and are only available to US investors, if at all, who are "accredited investors" as that term is defined in Section 501 of Regulation D of the Securities Act of 1933, as amended or to investors who are deemed to be "qualified purchasers" as that term is used in Rule 2a51-1 under the Investment Company Act of 1940.

S&P and our affiliates provide a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services we rate, include in model portfolios, evaluate or otherwise address. The views expressed in a report reflect our committee's views and the committee's compensation is not related to specific rating or to the views expressed in a report. The trade marks of "Standard & Poor's" and "S&P" are the property of Standard & Poor's Financial Services LLC and are protected by registration in several countries. All rights in those marks are reserved. Copyright © 2010 The McGraw Hill Companies, Ltd 20 Canada Square, Canary Wharf, London, E14 5LH and all of its licensor sources. All rights reserved. No part of this publication shall be reproduced, stored in any retrieval system or transmitted in any form electronic or otherwise without the prior written consent of S&P. Any part of the publication by S&P of which this page is a part is made accessible subject to the terms and conditions which are accessible at the url address below ("S&P Terms") - by accessing and viewing this page and/or and pages associated with or attached to it you accept the S&P Terms. Go to <http://www.funds-info.standardandpoors.com>. This report is issued subject to the laws of England and all matters arising from it or its use shall be subject to the exclusive jurisdiction of the Courts of England. Because of the possibility of human or mechanical error by our sources, S&P or others, we can't guarantee the accuracy of any information and are not responsible for any errors.

Performance Data Source - © 2010 Lipper Inc. All Rights Reserved. The performance information contained herein: (1) is proprietary to Lipper and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Lipper nor its content providers are responsible for any damages or losses arising from any use of this information.

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 management's consistency of performance 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.

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

Specialist Fund Ratings

AAA The fund demonstrates the highest standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

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.

Tenure Review

The fund manager/team involved in the management of the fund does not currently have the minimum 12 months relevant investment management experience required to be eligible to be considered for a rating.

Long-term fund management rating The fund has been rated in the A/AA/AAA fund rating band for five consecutive years or more and continues to hold a rating.

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 less* 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.