

Peer Group:

Energy
Fund Manager/Adviser:
 Robin Batchelor (since launch),
 Poppy Allonby (since October 2002)

Group Contact No:

+352 342 0101
Website:
www.blackrock.com
S&P ID Number: OS917250
Share class screened:



Location:

London

Launch Date: April 2001

Fund Size (June 2009):

US\$3.1bn

A USD

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

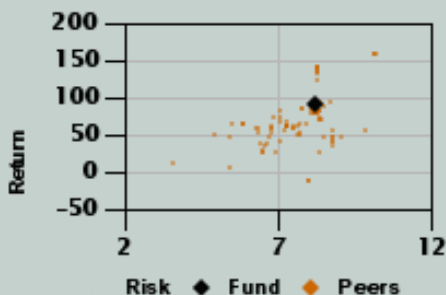
www.FundsInsights.com

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INVESTMENT STYLE

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

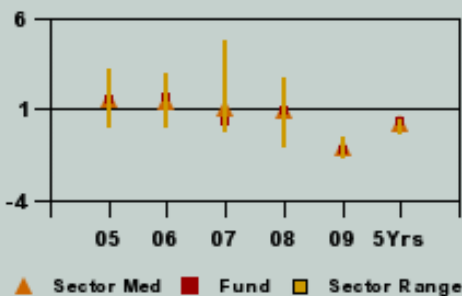
RISK RETURN (STD DEVIATION) OVER 5 YEARS



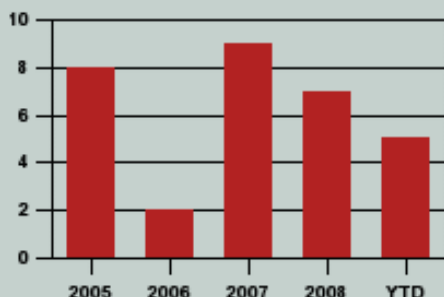
3 YEAR RISK CHARACTERISTICS

Maximum Drawdown (%)	Medium	-54.7
Volatility	Medium	29.0
Correlation	High	1.0
Beta	Medium	1.1

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.

STANDARD & POOR'S OPINION (AUGUST 2009)

Now in their eighth year managing money together, Robin Batchelor and Poppy Allonby have proved a prolific partnership on this global energy fund. It has outperformed the sector median in all but one calendar year under their management, and ranks within the top quartile of our energy sector over five years. While the majority of alpha derives from timely top-down calls and superior stock selection, it should be noted that the fund's structural underweight to integrated oil companies can also influence returns relative to the MSCI World Energy index and our peer group.

Such performance success has brought significant cash inflows over the years, and despite market falls last year, at \$3.1bn this fund remains the largest within the sector. This has not inhibited the investment approach however - currently the fund is

heavily invested in highly liquid large-cap names, but the team is still willing to invest further down the cap-scale where conviction is high.

While Batchelor and Allonby are the ultimate decision makers, they are supported by three other portfolio managers (one senior, two relatively junior). They take a collegial approach to idea generation, which has proved an effective work ethos for a team that also manages a sizeable alternative energy fund. It has also allowed for a smooth transitional period as Batchelor fills in as co-head of the broader natural resources team during Graham Birch's sabbatical.

Overall, the team's considerable experience, consistent investment approach and track record comfortably allow the retention of an S&P AA rating.

FACT FILE

Group: BlackRock was founded in 1988 and has become one of the world's leading asset managers, with over \$1.2 trillion of assets under management and over 5,000 employees.

Team: Within the natural resources team, headed by Graham Birch, the energy team numbers four portfolio managers, supported by a product specialist and a fund administrator.

Fund Manager: Robin Batchelor joined the natural resources desk in 1996 and has led the energy team

since 1999. Poppy Allonby joined MLIM in 2000 and the energy team in 2001.

Style: Portfolio construction is bottom-up, guided by top-down themes determined by worldwide energy prices. Preferred companies have strong operational management and sound financials.

Performance: Over the five years to 29/05/2009, the fund has returned 89.8%, compared with 67.2% for the sector median and 76.0% for the index, ranking 17/88.

FUND MANAGER & TEAM

The energy team works alongside metals and mining as part of the natural resources team, headed by Graham Birch (currently on sabbatical). There are three senior fund managers specialising in energy, Robin Batchelor, Poppy Allonby and Sandy Christie, and one junior portfolio manager, Joshua Freedman. Portfolio manager Desmond Cheung, a Mandarin and Cantonese speaker, provides support on Chinese stocks. Malcolm Smith is the product specialist and the fund administrator is Simon McClure.

Robin Batchelor - geology (Glasgow University), MSc investment analysis (Stirling University), joined the resources desk in 1996 and has led the energy team since 1999.

Poppy Allonby - physics (Imperial College, London), joined MLIM (now BlackRock) in 2000 (on the US desk) and moved to the energy team in 2001.

Graham Birch - team head - PhD mining geology (Imperial College), was a mining analyst from 1984 until joining MLIM (now BlackRock) in 1993. He has headed the global resources team since 1999.

PORTFOLIO CHARACTERISTICS

No. of holdings	47
Turnover ratio (%)	N/A
% in top 10	51

TOP 10 HOLDINGS (01/06/09)

	%
BP *	8.6
Exxon Mobil *	7.9
Chevron *	6.9
Royal Dutch Shell	6.1
ENI	4.4
BG *	4.3
Total	3.9
Schlumberger *	3.2
Conocophillips	3.0
Petrobras *	2.9

* In top 10 holdings a year ago

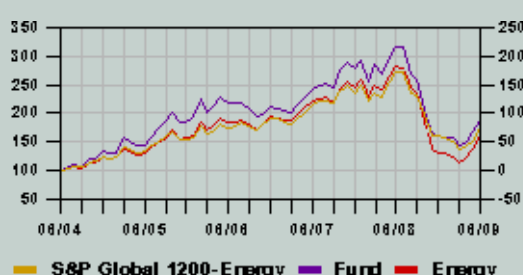
ALLOCATION BREAKDOWN (01/06/09)

	Fund %
Cash	4.8
Coal & Uranium	1.6
Distribution	0.8
Exploration and Production	29.7
Intergrated	55.5
Oil services	7.1
Refining and marketing	0.5

PERFORMANCE STATISTICS

	3 Years	5 Years
Fund	-13.7%	89.8%
Standard & Poor's Peer Median	-10.5%	67.2%
Index**	0.5%	76.0%
Fund Rank	91/131	17/88
Standard Deviation	29.0	-
Relative Standard Deviation	1.0	-
Volatility Adjusted Ranking	82/131	-

CUMULATIVE PERFORMANCE



BLACKROCK GLOBAL FUNDS WORLD ENERGY FUND

Peer Group: Energy



MANAGEMENT STYLE

- The portfolio is constructed using clear top-down themes and market-related assessments to frame bottom-up stock selection. Investments are made across the full range of fossil fuel-related companies including oil exploration, refining, marketing & service businesses, coal and gas. Exposure to each sub-sector will vary widely over an energy cycle.
- The MSCI World Energy index is used to gauge positioning but does not drive portfolio construction. The fund is usually underweight the largest index components, where the managers feel there is less opportunity to add value. Geographic weights are not considered but North America is unlikely to ever be zero-weighted.
- Stock selection is based on primary research. Criteria may differ between sectors, but the focus is always on efficient operating companies, sound financials and strong management. The team uses its own financial data, cross-referenced with broker estimates. Company meetings and onsite visits are an important part of the research process.
- With a portfolio of 50-60 names, stock positions range from 1-10%, reflecting size and conviction.
- The fund is run fully invested, with currency exposure usually left unhedged.

PORTFOLIO REVIEW

The number of holdings had fallen over the last 12 months to 47 (from 56), while the top ten concentration increased to 51% (from 44%). This reflected the team's shift further up the cap-scale and into large integrated oil companies. This is an area where the fund has typically been significantly underweight. However, a cautious outlook drove the team to take levels to near historical highs (peaking near benchmark weight in H2 2008).

In line with this view, exposure to oil services was reduced from overweight to underweight

and cash levels were higher than normal. The team did start to cut exposure to integrated oil names and add to small- and mid-caps at the margin in recognition of an increase in risk appetite by the market, although they remained sceptical about global demand and kept cash relatively high through H1 2008.

At the time of review, integrated oil stocks were 5.5% underweight, cash stood at 5% and some small positions were opened in a number of small private companies.

PERFORMANCE ANALYSIS (JUNE 2009)

Batchelor and Allonby have developed a strong track record on this fund, which ranks within the top quartile over five years. Performance has been driven primarily by a combination of regional/sub-sector allocations and stock selection, although the structural underweight to integrated oil companies has also influenced relative returns. This was seen in 2006, when the fund lagged both the peer group and the benchmark as integrated oil companies were re-rated and outperformed.

Performance in 2007 was helped by a number of stock specifics, including China Shenhua, Schlumberger and Valero.

In 2008, the team became cautious about increasing oil prices and raised exposure to integrated oil stocks (to near benchmark neutral at their peak), held higher levels of cash and reduced oil services stocks, helping secure top quartile returns.

Maintaining this cautious stance in H1 2009, the fund missed much of the market rally, leaving the fund marginally lagging the median.

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2005		2006		2007		2008		YTD 29/05/2009	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	49.5	27/103	8.1	104/121	40.2	27/146	-46.4	70/188	20.5	134/221
Index**	29.5		21.0		31.1		-36.8		11.8	
Median	34.9		17.2		34.3		-48.9		23.0	

** S&P Global 1200-Energy

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