

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

Report Issued: October 2009

Peer Group:

Healthcare Equities

Fund Manager/Adviser:

Robert Hodgson (since April 2001)

Location:

Princeton

Launch Date: April 2001

Fund Size (May 2009):

US\$201m

Group Contact No:

+352 342 0101

Website:

www.blackrock.com

S&P ID Number: OS917251

Share class screened:

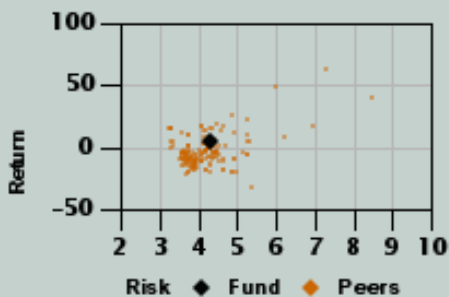
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INVESTMENT STYLE

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

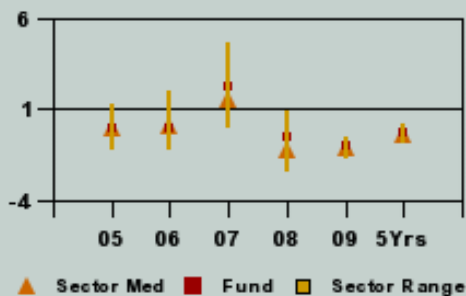
RISK RETURN (STD DEVIATION) OVER 5 YEARS



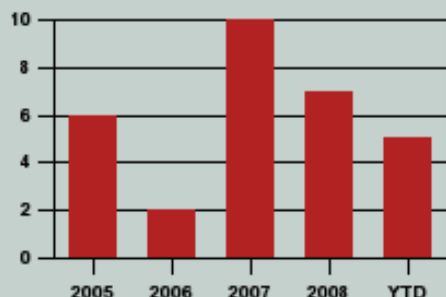
3 YEAR RISK CHARACTERISTICS

Maximum Drawdown (%)	Low	-31.0
Volatility	Low	15.7
Correlation	Medium	0.7
Beta	Low	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.

Please see page 2 for required research analyst certification disclosure.

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

www.FundsInsights.com

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STANDARD & POOR'S OPINION (AUGUST 2009)

Following a two-year transition period, Robert Hodgson assumed full control of this Global Healthcare mandate from Jordan Schreiber in December 2008. Hodgson has been involved with this fund since 2001, successfully managing 20% of it from 2006 and is also one of the most experienced investors in our review with over 25 years analysing healthcare companies.

Although Hodgson has lost Schreiber as a sounding board for ideas, he is well-supported by the fund's back-up manager Dan Hanson and the other healthcare specialists within the group. He also makes sound use of his sell-side and industry contacts.

There has been virtually no change to the underlying investment process that centres around dialogue with company management to assess the sales

potential of new products and the degree to which this will translate into earnings growth. Despite the process remaining consistent, we note that Hodgson's management style is faintly different to his predecessor's in that he is perhaps more risk averse, preferring to hold companies slightly further up the market-cap scale owing to superior liquidity. Subsequently, the allocation to micro-caps is also reduced.

Returns since Hodgson has been involved with the strategy are strong; the fund is comfortably within the top decile of our peer group on a three-year view.

Although the loss of Schreiber was significant, this was mitigated by a successfully managed transition and the experience of the manager coupled with the robust process and ongoing performance success ensures that the S&P AA rating is easily retained.

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: While operating as an autonomous unit at the group's Princeton head office, Hodgson participates in the broader research of the BlackRock group. Dan Hanson provides back-up.

Fund Manager: Hodgson joined the group in 1997 and worked alongside Jordan Schreiber for over 10 years. He became co-manager in 2005 assuming full

responsibility following Schreiber's retirement at the end of 2008.

Style: The portfolio ranges between 40-60 names, selected using a combination of sector positioning and stockpicking that leverages off Hodgson's extensive experience.

Performance: Over the five years to 29/05/2009, the fund has returned 5.1%, compared with -4.8% for the sector median and 2.3% for the index, ranking 32/168.

FUND MANAGER & TEAM

Princeton-based Robert Hodgson is responsible for BlackRock's healthcare funds. Dan Hanson (a member of Bob Doll's US team also based in Princeton) is back-up manager following the retirement of Jordan Schreiber. Between them, they have significant experience in the sector, particularly Hodgson who has over 20 years in this area.

Hodgson can draw on other fund managers and healthcare specialists within the group and he also chairs the twice monthly healthcare sector meeting.

Robert Hodgson - geology, MBA (University of North Carolina), has 20 years' experience of the healthcare sector, mostly gained as a high-profile sell-side pharmaceutical analyst, before joining MLIM (now BlackRock) in 1997.

Dan Hanson - research analyst - economics & French, MBA (Chicago University), CFA, has 10 years' investment experience. He joined MLIM (now BlackRock) in May 2003. He previously worked at CSFB and as an investment banker at Bear Stearns, where he focused on healthcare.

PORTFOLIO CHARACTERISTICS

No. of holdings	53
Turnover ratio (%)	N/A
% in top 10	40

TOP 10 HOLDINGS (01/05/09)

	%
Gilead Sciences	5.8
Celgene *	5.3
Genzyme	4.5
Express Scripts	4.4
HLTH *	3.7
Masimo	3.5
Cephalon	3.2
Vertex Pharmaceuticals	3.2
VNUS Medical Technologies	3.2
Shire	3.0

* In top 10 holdings a year ago

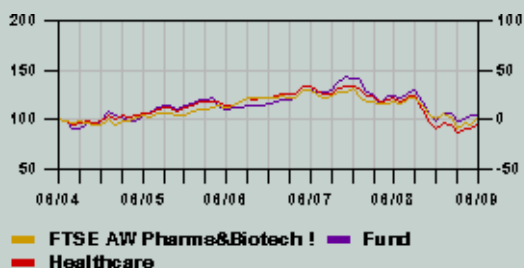
ALLOCATION BREAKDOWN (01/05/09)

	Fund %
Biotechnology	25.7
Health Technology	4.3
Healthcare Distributors	1.8
Healthcare Equipment	20.7
Healthcare Services	14.2
Healthcare Supplies	1.5
Internet software & services	1.4
Life Sciences Tools & Svcs	4.9
Managed Healthcare	7.3
Pharmaceuticals	13.3
Cash	4.9

PERFORMANCE STATISTICS

	3 Years	5 Years
Fund	-4.6%	5.1%
Standard & Poor's Peer Median	-16.1%	-4.8%
Index**	-9.1%	2.3%
Fund Rank	19/196	32/168
Standard Deviation	15.7	-
Relative Standard Deviation	1.0	-
Volatility Adjusted Ranking	23/196	-

CUMULATIVE PERFORMANCE



BLACKROCK GLOBAL FUNDS WORLD HEALTHSCIENCE FUND

Peer Group: Healthcare Equities



MANAGEMENT STYLE

- The fund manager seeks long-term capital growth in US dollars, by investing in healthcare, medical technology, biotechnology and pharmaceutical companies worldwide and across the capitalisation range.
- In the absence of a quantitative screening system, the manager uses coverage of newsflow at the company and product levels to highlight interesting stocks from the investment universe of over 2,000. Bottom-up analysis focuses on product sales estimates, valuation and management quality. Company meetings are extensive and expert opinions are sought to assess new product potential.

- In addition, the manager adopts a sector strategy based on the macroeconomic and market environment. Inputs are taken from a number of well-established contacts. The portfolio will be diversified across the sub-sectors but will tilt the portfolio towards positions in pharmaceuticals or biotech/HMOs. In addition, they amend market cap positioning and stage of development according to these views.

- The number of holdings varies with market condition (40-60). Deviation from the MSCI Healthcare index can be significant.

- Derivatives are not normally used. Currency positions are usually unhedged.

PORTFOLIO REVIEW

Now under Hodgson's full control, the fund has seen a slight increase in holdings - rising from 49 to 53 names which resulted in a reduction of the top 10 concentration from 45% to 40%.

The manager has been gradually reducing pharma names partially cutting Roche following the acquisition of Genentech (also held) and closing the position in Pfizer having taken profits. As such, pharma is the fund's largest underweight at index -50%. The level of this position results in overweights in all of the other sectors within the benchmark.

Favoured areas are biotech (although Hodgson has moved away from micro-caps preferring large players such as Genzyme and Celgene), equipment and services.

At the regional level, there has been a conscious decision to move back into dollar denominated names on the back of recent dollar strength. However, the country weightings versus the benchmark are slightly skewed owing to the manager holding ADRs where possible.

PERFORMANCE ANALYSIS (JUNE 2009)

Despite Hodgson only taking full responsibility for this fund in December 2008, he has successfully managed a 20% element of it since 2006, outperforming the main fund in both 2007 and 2008. This was achieved by differences in timing and position size principally an earlier move to overweight large-cap biotech stocks; underweights in J&J and Pfizer and positions in devices and biotechs (Zimmer and Cytyc) all making positive contributions.

The fund's longer term track record continues to impress - ranking well within the top quartile

of the S&P Healthcare equities peer group over both three and five years while returns compared to the MSCI World Healthcare benchmark are also strong.

During 2008, exposure to biotech was a slight detractor as the market sell-off hit this area disproportionately compared to the rest of the sector.

The move away from large-cap pharma and into biotechs hurt performance in 2006, but it recovered strongly in 2007 as large-cap pharma underperformed.

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2005		2006		2007		2008		YTD 29/05/2009	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	8.4	83/175	0.6	157/187	19.8	8/204	-24.3	71/221	-1.4	140/234
Index**	7.7		12.9		2.0		-14.0		-4.7	
Median	8.0		8.0		5.9		-26.5		-0.5	

** FTSE AW Pharms&BioTech!

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