

BlackRock Global Funds (BGF) Global Allocation Fund

Summary

- ▶ In times of market uncertainty, a flexible asset allocation strategy helps investors to capture the best opportunities globally while providing a lower level of volatility than an equity only portfolio.
- ▶ Investment opportunities can be found across all asset classes, however equities, particularly those with exposure to emerging markets, currently offer the best potential value.
- ▶ While we find it more difficult to locate value in the fixed income markets currently, particularly in the developed world, convertible bonds and emerging market sovereign debt are both attractive investment options.



Fund Management

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Fund launch date

03.01.1997

Fund size

US\$16.5 billion (as at 31.05.2011)



Why Invest?

1. Equity Valuations Remain Attractive

- ▶ The price paid for a security is the key to capturing outperformance. Currently, equities look to us as the most fairly valued asset class. Recovery in the developed world continues to be slow, however there are significant opportunities in emerging markets as well as globalised companies with exposure to overseas markets. Value is particularly pronounced in Asia, most notably Japan, where equities are trading at a significant discount in the wake of the earthquake. European equities also offer some compelling valuations, although increasingly, companies derive earnings globally so looking at equities on a regional or country-by-country basis could mean missed opportunities.

2. Fixed Income Investment Requires Careful Analysis

- ▶ The US Federal Reserve Chairman Ben Bernanke has confirmed that the quantitative easing programme (QE2) will be completed as planned and rates are likely to remain low for an extended period of time. In this environment, US Treasuries do not look to be an attractive investment vehicle for core investors. The concerns surrounding European sovereign debt crisis and the fiscal health of the Japanese budget make investing in the developed world equally difficult. We have a more positive view on fixed income with an equity component, such as convertible bonds, as well as emerging market sovereign debt.

3. Diversified Investment Risks Provide Balanced Portfolio Returns

- ▶ Volatility in the global financial markets remains elevated as concerns surrounding the speed and robustness of economic recovery persist. While value has emerged amongst certain markets and asset classes, investor confidence can be fragile. Flexibility in asset allocation can act as a safeguard against fluctuations in price while also benefiting from making timely transactions to enhance return.

Why BGF Global Allocation can be the core foundation for your portfolio ?

1. An instant diversifier for all seasons

- ▶ The Fund holds more than 700 stocks, bonds and cash equivalents related holdings to temper volatility while pursuing return.

2. Excellent performance

- ▶ As of end May 2011, the Fund has achieved a 8.0% annualized return (on an assumed 5% front end load basis) since launch beating the benchmark of 6.6%. Since inception, the Fund has also outperformed global equity indices such as the FTSE World Index (+141.7%) and the MSCI World Index (+110.0%) with approximately a third less volatility*. The Fund generated first quartile performance over three years, five years and since launch and is ranked first in its sector since launch**.

3. Highly experienced and consistent management team

- ▶ The team consists of 42 experienced professionals with over 200 years of combined investment experience. The team leverages BlackRock's world-class research and risk management resources to ensure risks and rewards of each portfolio holding is fully understood.

* Morningstar; basis: NAV price with gross dividends reinvested, net of expenses in US\$ to end May 2011 **Morningstar. As at end May 2011 in the Moderate Allocation sector.

	3 year standard deviation	5 year standard deviation
CITI Global Bond Index	3.96	4.75
BlackRock Global Allocation Benchmark	14.83	11.88
S&P500	24.00	19.48
MSCI Asia Pacific ex Japan	31.29	27.04
MSCI Emerging Markets	31.66	27.80

Source: Lipper, as at end of May, 2011

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Sources: BlackRock Investment Management (UK) Limited and DataStream

Performance of the Fund is shown as at 31 May 2011 in USD on NAV to NAV price basis with income reinvested. Also, where indicated, performance of the Fund is shown including the effect of assumed 5% front end load (FEL), which an investor might or might not pay. The above Fund data is for information only.

Investment involves risk. Past performance is not necessarily a guide to future performance. The value of investments and the income from them can fluctuate and is not guaranteed. Returns denominated in a currency other than the base currency of the Fund may increase or decrease as a result of foreign exchange currency fluctuations. Investors may not get back the amount they invest. Individual stock price/figure does not represent the return of the Fund. Levels and basis of taxation may change from time to time.

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