

BlackRock Continental European Fund

Annual Short Report
to 25 July 2013

This Annual Short Report for the BlackRock Continental European Fund covers the year to 25 July 2013, the first six months of which were commented on in the Interim Report to 25 January 2013.

Summary of Performance over the Period

Over the twelve months to 25 July 2013, the BlackRock Continental European Fund delivered a total return of 39.2%* in Sterling terms but underperformed its benchmark, the FTSE All-World Europe Ex-UK Index, which was up by 41.8% over the same period. Over the six months ending 25 July 2013 the Fund slightly outperformed with a total return of 6.9%* compared to 6.6% for the Index.

Fund Manager's Commentary

The market environment was heavily influenced by Mario Draghi, head of the European Central Bank, as he made a commitment to support the euro 'whatever it takes' early in the period under review. This set the tone for a 'risk on' environment for the following twelve months. Capital inflows into European equities followed as global investors began to anticipate some form of recovery in the region, although corporate earnings were broadly disappointing.

Underperformance was primarily caused by sector allocation. An underweight position to the financials sector detracted the most from performance. Overweight positions to consumer goods and basic materials also detracted as the sectors underperformed the broader market gains.

Within chemicals, a position in Lanxess underperformed after the management team warned of a sharp drop in earnings for the first quarter.

On a more positive note, our exposure to the travel & leisure sector proved successful, including Ryanair and Deutsche Lufthansa. Positions in automobiles & parts (Continental, Renault) and engineering (Wartsila) also proved beneficial.

Performance over the past six months has proved more positive, driven by a combination of stock selection within the industrials and consumer goods sectors, and sector allocation in consumer services and telecoms.

Supportive monetary policies, recovering economic momentum and less political uncertainty have had a reassuring effect on investors, and we expect European equities to benefit from further asset allocation shifts into Europe as the economy improves.

August 2013

* Performance figures quoted are based on bid-to-bid dealing prices (the price at which units are sold) and are not the same as the net asset value reported in the financial statements which is at close of business. Performance is calculated net of fees and reported for the Fund's class A Accumulation Units.

Performance Record

Capital (Unit Prices)

Calendar Year	A Income Units		A Accumulation Units		D Income Units [#]		D Accumulation Units [†]	
	Highest Offer Price p	Lowest Bid Price p	Highest Offer Price p	Lowest Bid Price p	Highest Offer Price p	Lowest Bid Price p	Highest Offer Price p	Lowest Bid Price p
2013*	1,405	1,135	1,647	1,329	1,349	1,140	1,581	1,336
2012	1,190	911.8	1,394	1,061	1,139	1,036	1,335	1,062
2011	1,245	831.1	1,437	967.2	N/A	N/A	1,361	962.8
2010	1,162	853.1	1,342	981.0	N/A	N/A	N/A	N/A
2009	1,044	579.2	1,201	655.6	N/A	N/A	N/A	N/A
2008	1,001	594.7	1,124	673.2	N/A	N/A	N/A	N/A

* To 25 July. # D Income class commenced October 2012.

† D Accumulation class commenced June 2011.

Income (Net Distributions/Net Accumulations)

Calendar Year	A Income Units Per Unit p	A Accumulation Units Per Unit p	D Income Units [#] Per Unit p	D Accumulation Units [†] Per Unit p
2013*	14.6021	17.1229	23.6547	27.5393
2012	6.0385	7.0325	N/A	15.3680
2011	8.8745	10.2172	N/A	2.3786
2010	3.8402	4.4159	N/A	N/A
2009	11.9413	13.5177	N/A	N/A
2008	6.1538	6.9149	N/A	N/A

* To 25 September. # D Income class commenced October 2012.

† D Accumulation class commenced June 2011.

Unit Price Summary

	Unit Price as at 25 July 2013	Unit Price as at 25 July 2012
A Income Units	1,308p	942.2p
A Accumulation Units	1,549p	1,104p
D Income Units [#]	1,311p	N/A
D Accumulation Units	1,564p	1,105p

D Income class commenced October 2012.

A Income

The final distribution payable on 25 September 2013 is 14.6021p net per income unit (25 September 2012: 6.0385p net per income unit).

A Accumulation

The final accumulation payable on 25 September 2013 is 17.1229p net per accumulation unit (25 September 2012: 7.0325p net per accumulation unit).

D Income[#]

The final distribution payable on 25 September 2013 is 23.6547p net per income unit (25 September 2012: N/A).

D Accumulation

The final accumulation payable on 25 September 2013 is 27.5393p net per accumulation unit (25 September 2012: 15.3680p net per accumulation unit).

D Income class commenced October 2012.

Summary of Investment Objective and Policy

To achieve long-term capital growth for investors. The Fund invests primarily in the shares of larger companies incorporated or listed in Europe excluding the UK. The Fund may also invest in collective investment schemes.

Risk Profile

The Fund is exposed to movements in European stock markets and currency fluctuations which may cause the value of the Fund to fall or rise.

Fund Facts	
Fund Manager	Vincent Devlin
Establishment Date	8 November 1983
Benchmark	FTSE All-World Europe Ex-UK Index
Assets Under Management	£478,710,523
Income Allocation Date*	25 September
Accounting Dates*	25 January & 25 July

* Please note the following provisions take effect from 29 July 2013:
Income Allocation dates: 25 September 2013, and thereafter 30 April each year.
Annual Accounting date: 25 July 2013, and thereafter the last day of February each year.
Interim Accounting date: 31 August 2013, and thereafter 31 August each year.

All financial investments involve an element of risk. Therefore, the value of your investment and the income from it will vary and your initial investment amount cannot be guaranteed. Changes in exchange rates may cause the value of an investment to fluctuate. For up-to-date prices and performance, please visit our website blackrock.co.uk.

Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product.

Ongoing Charges

The ongoing charges figures are based on the expenses for the year ended 25 July 2013. These figures may vary from year to year.

Unit Class	25 July 2013	25 July 2012
A Income	1.67%	1.69%
A Accumulation	1.67%	1.69%
D Income#	0.92%	N/A
D Accumulation	0.92%	0.94%

D Income class commenced October 2012. Ongoing charges figure is based on annualised expenses for the period ended 25 July 2013.

Portfolio Information

Risk and Reward Profile

	Lower risk Typically lower rewards				Higher risk Typically higher rewards			
	1	2	3	4	5	6	7	
A Income	1	2	3	4	5	6	7	
A Accumulation	1	2	3	4	5	6	7	
D Income	1	2	3	4	5	6	7	
D Accumulation	1	2	3	4	5	6	7	

- ▶ The risk indicator was calculated incorporating simulated historical data and may not be a reliable indication of the future risk profile of each unit class.
- ▶ The risk category shown is not guaranteed and may change over time.
- ▶ The lowest category does not mean risk free.

For more information on this, please see the Fund's Key Investor Information Documents (KIIDs), which are available at www.blackrock.com.

Five Largest Investments at 25 July 2013

	% of Fund Value
Roche	6.27
Sanofi	3.85
Compagnie Financiere Richemont	3.72
Anheuser-Busch InBev	3.57
Continental	3.51

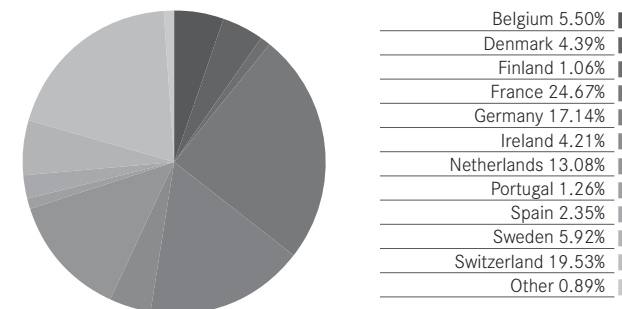
Five Largest Investments at 25 July 2012

	% of Fund Value
Novo Nordisk series 'B' shares	5.14
Nestlé	4.86
Kone	4.56
Roche	4.38
BASF	3.89

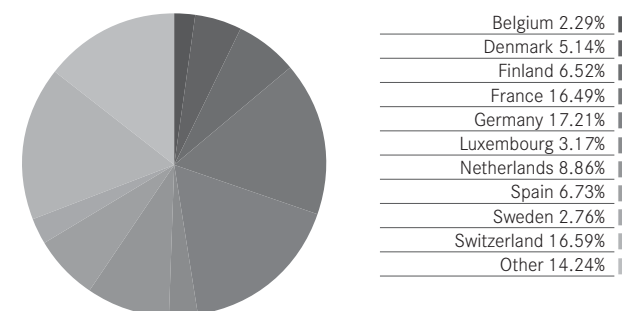
Report and Accounts

This report is to inform unitholders on the activities of the Fund during the reporting period, and the results of those activities at the end of the reporting period. For more information please contact the Manager. Copies of the Full Reports are available free of charge upon request from the BlackRock Investor Services Team on 0800 44 55 22.

Geographical Spread of Investments – 25 July 2013



Geographical Spread of Investments – 25 July 2012



Further Information

You can obtain further information on this Fund by contacting your Financial Adviser. Alternatively, for more details on this and other BlackRock® Funds, including up to date prices and performance, please contact BlackRock Investor Services on 0800 44 55 22 or visit blackrock.co.uk. For your protection, telephone calls are usually recorded. This Report relates to the packaged products of, and is issued by, the Manager and Registrar: BlackRock Fund Managers Limited, 12 Throgmorton Avenue, London EC2N 2DL. Authorised and regulated by the Financial Conduct Authority. Registered in England No. 1102517. Trustee: BNY Mellon Trust & Depositary (UK) Limited, 160 Queen Victoria Street, London EC4V 4LA. Authorised and regulated by the Financial Conduct Authority. Auditor: Ernst & Young LLP, 1 More London Place, London SE1 2AF.

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