

This Interim Short Report for the BlackRock European Absolute Alpha Fund covers the six months ended 30 June 2013.

Summary of Performance over the Period

The BlackRock European Absolute Alpha Fund returned 3.2%* over the period, compared to the 3 month Sterling LIBOR, which was up by 0.3%.

Fund Manager's Commentary

Within our long positions, industrials, consumer discretionary and healthcare performed especially well. Positive contributors to performance also included the French aerospace and defence company EADS, Ryanair, Renault and pharmaceutical companies Sanofi and Novartis.

A number of short positions were beneficial, including those in banks, as well as in companies with a higher exposure to a slowdown in emerging market growth.

In contrast, the worst contributors to performance were short positions in industrials and long positions in materials. Within materials, a position in German chemicals company Lanxess performed poorly and a long position in French bank Société Générale also detracted from returns.

At the end of the quarter, the Fund had the greatest exposure in industrials, consumer discretionary and consumer staples. The largest long positions were in consumer discretionary and consumer staples, while in telecoms and utilities it was short. The Fund maintained its positive overall market stance, reflecting an improving outlook for the European equities, and especially expectations for an economic recovery in the eurozone.

With central bank policies within the eurozone still standing firm as a backstop to sovereign risk, the European economy stands to benefit from the transition from severe austerity to structural reform for growth and most forecasters expect the region to return to growth towards the end of the year.

July 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 P Accumulation Units.

Performance Record

Capital (Unit Prices)

Calendar Year	P Accumulation Units		D Accumulation Units	
	Highest Offer Price p	Lowest Bid Price p	Highest Offer Price p	Lowest Bid Price p
2013*	123.1	113.4	120.7	116.4
2012	120.1	107.6	117.3	109.9
2011	113.4	97.64	110.2	98.74
2010	107.6	97.39	103.5	98.21
2009#	103.3	95.10	102.5	95.10

* To 30 June. # Fund launched on 31 March 2009.

Income (Net Accumulations)

No accumulation distribution has been reinvested since incorporation on either unit classes.

Unit Price Summary

	Unit Price as at 30 June 2013	Unit Price as at 31 December 2012
P Accumulation Units	117.1p	113.4p
D Accumulation Units	120.5p	116.4p

Accumulation

The Fund recorded a net shortfall after taxation for the period to 30 June 2013. Accordingly, no accumulation distribution was payable.

Summary of Investment Objective and Policy

To achieve a positive absolute return for investors and, as such, the Fund will not be managed against any European equity index. The Fund will seek to achieve this investment objective by taking long positions and using derivatives to take synthetic long and synthetic short investment positions.

The Fund primarily aims to gain investment exposure to equities and equity-related securities of, or giving exposure to, companies incorporated or listed in the European Economic Area and Switzerland. In order to gain this exposure, the Fund invests primarily in derivatives, equities and equity-related securities and, when determined appropriate, cash and near cash. The Fund may also invest in other transferable securities, permitted money-market instruments, permitted deposits and units in collective investment schemes.

BlackRock European Absolute Alpha Fund

Interim Short Report
to 30 June 2013

Risk Profile

The Fund will normally have lower market exposure than traditional long only funds so will therefore not correspond with the strength and direction in movements of European stock markets. Additional market exposure through derivatives will increase the impact of market movements. Currency fluctuations may also cause the Fund to fall or rise and techniques are used to control currency risk, although it does not remove it entirely.

Fund Facts	
Fund Manager	Vincent Devlin
Establishment Date	27 March 2009
Assets Under Management	£54,217,063
Income Allocation Dates*	31 August & last day of February
Accounting Dates*	30 June & 31 December

* Please note the following provisions take effect from 29 July 2013:

Income Allocation dates: 31 August 2013, 31 October 2013, and thereafter 30 April and 31 October each year.

Annual Accounting date: 31 December 2012, 28 February 2014, and thereafter the last day of February each year.

Interim Accounting date: 30 June 2013, 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 six month period ended 30 June 2013 and have been annualised. These figures may vary from year to year.

Unit Class	30 June 2013	31 December 2012
P Accumulation	1.72%	1.77%
D Accumulation	0.97%	1.02%

In addition to the above, the Fund is subject to a performance fee.

The performance fee is charged at 20% on any outperformance of the 3 month Sterling LIBOR return, subject to a high water mark as outlined in the Fund's Prospectus. The performance fee charged for the period was £190,511 on class P Accumulation units and £167,563 on class D Accumulation units.

Portfolio Information

Risk and Reward Profile

	Lower risk Typically lower rewards				Higher risk Typically higher rewards		
P Accumulation	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 30 June 2013

	% of Investments*
Diageo – Long contract for difference	2.17
Technip	2.09
Roche – Long contract for difference	1.70
Compagnie Financiere Richmont – Long contract for difference	1.68
Reed Elsevier	1.65

Five Largest Investments at 31 December 2012

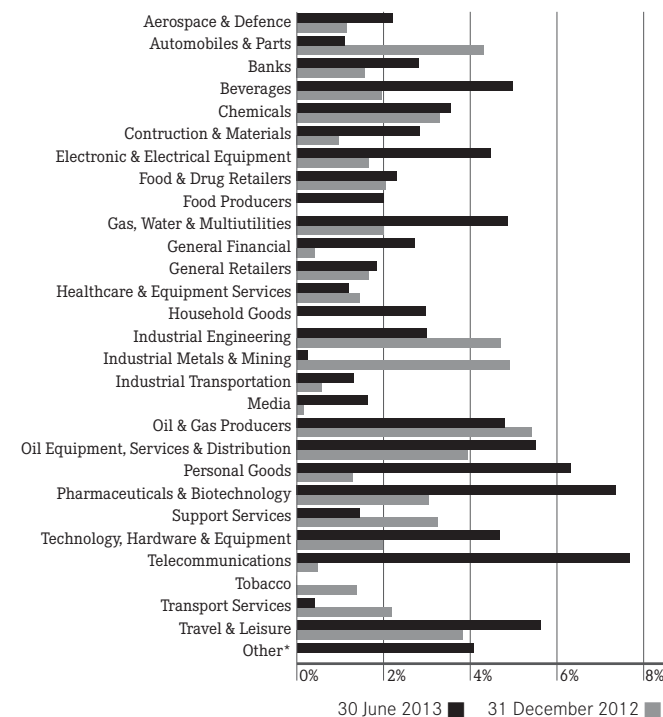
	% of Investments*
Remy Cointreau	3.29
Novo Nordisk – Long contract for difference	2.83
Schnieder Electric	2.78
BBVA	2.64
Compagnie Financiere Richmont – Long contract for difference	2.64

* Based on the market and notional values as a proportion of the assets under management.

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.

Classification of Investments



Based on the market and notional values as a proportion of assets under management. Cash held to cover contract for difference positions as at 30 June 2013: 45% (31 December 2012: 60%) of the assets under management. * This category includes derivatives held at the year end, these include forward currency contracts and sector index positions.

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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