



INTERIM SHORT REPORT

BLACKROCK UK SPECIAL SITUATIONS FUND

BLACKROCK®

For the period from 21 April 2013
to 31 August 2013

BlackRock UK Special Situations Fund

As communicated in a letter to investors dated 28 May 2013, the Manager has changed the Fund's annual and interim accounting dates to the last day of February and 31 August respectively in order to consolidate the publication of annual and interim reports. This Interim Short Report for the BlackRock UK Special Situations Fund covers the period from 21 April 2013 to 31 August 2013. For further information, please refer to the most recent Prospectus.

Summary of Performance over the Period

The BlackRock UK Special Situations Fund gained 7.1%* over the period from 21 April 2013 to 31 August 2013, outperforming the FTSE All-Share Index, which was up by 4.6%, but slightly underperforming its benchmark, the IMA UK All Companies Sector Average, which rose by 7.9%.

During the period, Global equity markets were characterised by a continuation of the 'risk-on/risk-off' mentality, largely driven by government policy and the outlook for growth. Improvements in the economic landscape were encouraging, though signs of a slowdown in China tempered expectations, with renewed geopolitical tensions in the Middle East also of concern to investors.

Fund Managers' Commentary

Over the period, the largest detractor from performance came from the Fund's position in Oxford Instruments, as the company's results highlighted some weakness in its end markets. However, we remain convinced of the long-term attractions of nanotechnology. The Fund's holding in SDL also hurt performance as the company's business is dependent upon corporate spending, which has suffered given that confidence levels have remained subdued.

Some of the underperformance was partially offset by a relatively positive contribution from the Fund's position in Xaar, the world's leader in the production of print heads. The stock continued to gain after reporting a significant increase in sales. Elsewhere, Howden Joinery continues to trade well and increase its market share. The company, like several other holdings in the Fund, has benefited from improved sentiment towards UK consumer businesses. In addition, aircraft part manufacturer Senior reported that sales have been boosted by higher demand from Airbus and Boeing.

Blinkx, an online video search engine and advertising service, also made a positive contribution as it reported a substantial rise in revenues and profits.

Fund activity over the period included increases to our existing holdings in GlaxoSmithKline, SIG and Jupiter Fund Management, and new positions in Dunelm and Workspace. We reduced the Fund's holdings in Carnival, Spirent Communications and SDL and sold all of our investments in Standard Chartered, Trinity Exploration and Active Risk.

Current macroeconomic data from the US is encouraging and there are clearly signs that the UK economy is beginning to improve. Currently, this is being balanced by mixed sentiment towards some emerging markets. However, Global GDP growth remains positive and we believe equity valuations continue to look attractive relative to most other asset classes. We continue to maintain an overall emphasis on high quality, well financed companies.

September 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.

A Income	The interim distribution payable on 31 October 2013 is 15.6764p net per income unit.
A Accumulation	The interim accumulation payable on 31 October 2013 is 26.1956p net per accumulation unit.
D Income	The interim distribution payable on 31 October 2013 is 20.9882p net per income unit.
D Accumulation	The interim accumulation payable on 31 October 2013 is 35.5571p net per accumulation unit.
X Income	The interim distribution payable on 31 October 2013 is 26.0813p net per income unit.

Performance Record

Capital (Unit Prices)

Calendar Year	A Income Units		A Accumulation Units		D Income Units [#]		D Accumulation Units [†]		X Income 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	Highest Offer Price p	Lowest Bid Price p
2013*	2,042	1,671	3,387	2,761	1,950	1,675	3,306	2,817	1,953	1,676
2012	1,750	1,423	2,891	2,321	1,670	1,424	2,809	2,351	1,671	1,529
2011	1,730	1,269	2,799	2,053	1,640	1,266	2,690	2,075	N/A	N/A
2010	1,660	1,125	2,677	1,795	N/A	N/A	2,562	1,840	N/A	N/A
2009	1,251	779.7	1,997	1,221	N/A	N/A	N/A	N/A	N/A	N/A
2008	1,391	758.4	2,173	1,188	N/A	N/A	N/A	N/A	N/A	N/A

* To 31 August. # D Income class commenced June 2011. † D Accumulation class commenced April 2010.

§ X Income class commenced September 2012.

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	X Income Units [§] Per Unit p
2013*	23.6892	39.5509	35.2283	60.1520	46.8123
2012	22.4965	36.7637	32.6296	58.1844	3.0416
2011	14.1627	22.9506	6.0873	39.4983	N/A
2010	13.3596	21.3949	N/A	17.2330	N/A
2009	17.9734	28.2725	N/A	N/A	N/A
2008	7.1537	11.1485	N/A	N/A	N/A

* To 31 October. # D Income class commenced June 2011. † D Accumulation class commenced April 2010.

§ X Income class commenced September 2012.

Unit Price Summary

	Unit Price as at 31 August 2013	Unit Price as at 20 April 2013
A Income Units	1,854p	1,753p
A Accumulation Units	3,103p	2,909p
D Income Units	1,855p	1,754p
D Accumulation Units	3,182p	2,974p
X Income Units	1,854p	1,753p

Fund Information

Summary of Investment Objective and Policy

The BlackRock UK Special Situations Fund (the “Fund”) aims to achieve long-term capital growth for investors. The Fund invests primarily in the shares of companies incorporated or listed in the UK and will normally have an emphasis on small or medium sized companies. The Fund may also invest in collective investment schemes. Small and medium sized companies are those whose market capitalisation is lower than that of companies in the FTSE 100 Index at the time of the Fund’s investment.

Risk Profile

The Fund is exposed to movements in UK stock markets which may cause the value of the Fund to fall or rise. It also invests in smaller companies which can be more unpredictable and difficult to buy and sell.

Fund Facts

Fund Managers	Richard Plackett & Roland Arnold
Establishment Date	27 January 1981
Benchmark	IMA UK All Companies Sector Average
Assets Under Management	£1,882,316,003
Income Allocation Dates	31 October & 30 April
Accounting Dates	31 August & last day of February


Ongoing Charges

The ongoing charges figures are based on expenses for the relevant period. These figures may vary from year to year.

Unit Class	21.4.2013 to 31.8.2013 [†]	21.4.2012 to 20.4.2013
A Income	1.66%	1.67%
A Accumulation	1.66%	1.67%
D Income	0.91%	0.92%
D Accumulation	0.91%	0.92%
X Income	0.16%	0.17% [#]

† Ongoing charges figures are based on annualised expenses for the period ended 31 August 2013. # X Income class commenced September 2012. Ongoing charges figure is based on annualised expenses for the period ended 20 April 2013.

Risk and Reward Profile

	Lower risk Typically lower rewards						Higher risk Typically higher rewards
							
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
X Income	1	2	3	4	5	6	7

The risk indicator was calculated incorporating historical or 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 (KIID), which are available at www.blackrock.com.

Portfolio Information

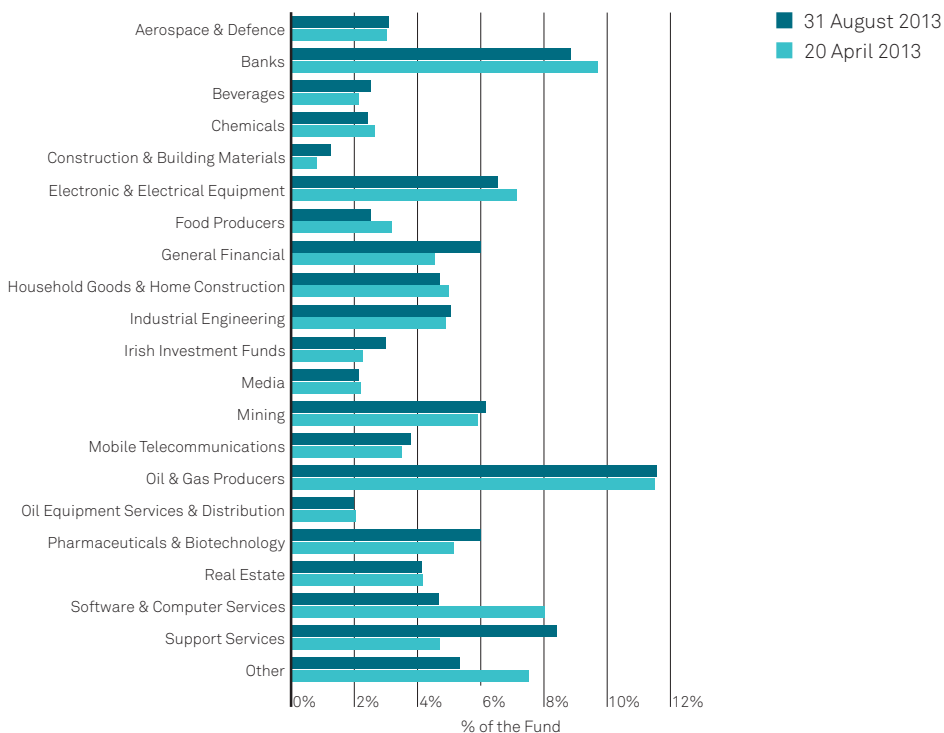
Five Largest Investments at 31 August 2013

	% of Fund Value
Royal Dutch Shell class 'B' shares	4.81
HSBC	4.53
GlaxoSmithKline	4.14
Vodafone	3.77
Rio Tinto	3.48

Five Largest Investments at 20 April 2013

	% of Fund Value
HSBC	4.87
Royal Dutch Shell class 'B' shares	4.65
Rio Tinto	3.54
Vodafone	3.51
GlaxoSmithKline	3.20

Classification of Investments



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.

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**.

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.

For more information

0800 44 55 22

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