



INTERIM SHORT REPORT

BLACKROCK UK SMALLER COMPANIES FUND

BLACKROCK®

For the period from 26 August 2013
to 31 August 2013

BlackRock UK Smaller Companies 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 Smaller Companies Fund covers the period from 26 August 2013 to 31 August 2013. For further information, please refer to the most recent Prospectus.

Summary of Performance over the Period

The BlackRock UK Smaller Companies Fund declined by 0.1%* over the period from 26 August 2013 to 31 August 2013, outperforming its benchmark, the Numis Smaller Companies plus AiM ex-Investment Trusts Index, which fell by 1.1%.

Given the brevity of the reporting period, and given our wish to add greater context to fund performance, this commentary focuses on the three months to 31 August 2013, during which the Fund rose by 4.5%*, marginally underperforming its benchmark, which was up by 4.8%.

Fund Manager's Commentary

Principal detractors to performance over the three month period included Wolfson Microelectronics and Oxford Instruments, which both faced a tougher trading backdrop, and Salamander Energy which reported an unsuccessful exploration well.

A key positive contributor over the period was digital inkjet print head producer Xaar, which delivered excellent profits growth as the adoption of digital printing in the ceramics and labelling industries drove exceptional demand for its products. Fashion designer Ted Baker issued strong results, demonstrating success in the UK as well as overseas, where it reported improving sales momentum and growing brand awareness. Elsewhere, shares in Optimal Payments and Plexus were in demand and undervalued Scottish television broadcaster STV issued good results, having demonstrated its cash-generative capabilities and recommenced dividend payments.

Activity over the period included adding to our holdings in Countrywide and Bellway as well as opening a new position in Big Yellow. On the sell side we realised some profits in Workspace, Rathbone Brothers and Telecom Plus.

Despite market nervousness around an ending to quantitative easing in the US, we draw encouragement from the underlying momentum building in the economy, which will feed into the global economy. Emerging market growth rates are slowing but remain strong, helped by robust demographic drivers. The picture in continental Europe remains mixed as austerity and deleveraging themes are yet to fully play out. Whilst the domestic UK economy shares these structural issues, there are some promising signs of improvement. Business confidence remains lacklustre, but with cash rich corporate balance sheets we can be confident of a recovery in time.

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.

Income	Any income available will be distributed semi-annually on 31 October and 30 April. A distribution is being paid on 25th October 2013. Therefore to ensure there are only two income allocations in 2013, there will be no income allocations on 31 October 2013.
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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*	484.0	372.3	618.4	475.5	464.9	373.0	600.4	481.7
2012	395.2	292.9	504.8	373.7	377.1	347.1	487.0	375.7
2011	378.8	280.0	482.3	357.3	N/A	N/A	460.1	357.9
2010	357.7	228.4	455.4	288.8	N/A	N/A	N/A	N/A
2009	253.1	159.7	320.2	200.7	N/A	N/A	N/A	N/A
2008	296.4	163.0	371.2	204.6	N/A	N/A	N/A	N/A

* To 31 August. # 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*	0.8589	1.1003	3.5280	4.3918
2012	0.4708	0.6017	N/A	3.6838
2011	0.5436	0.6898	N/A	0.6989
2010	1.7052	2.1586	N/A	N/A
2009	1.6664	2.0933	N/A	N/A
2008	0.5011	0.6276	N/A	N/A

* To 31 October. # D Income class commenced October 2012. † D Accumulation class commenced June 2011.

Unit Price Summary

	Unit Price as at 31 August 2013	Unit Price as at 25 August 2013
A Income Units	443.3p	449.6p
A Accumulation Units	567.5p	575.6p
D Income Units	443.8p	450.0p
D Accumulation Units	577.8p	585.9p

Fund Information

Summary of Investment Objective and Policy

The BlackRock UK Smaller Companies Fund (the “Fund”) aims to achieve long-term capital growth for investors. The Fund invests primarily in the shares of smaller companies incorporated or listed in the UK which we consider to have above-average growth prospects. The Fund may also invest in collective investment schemes. Smaller companies are those whose market capitalisations are similar to that of companies in the Numis Smaller Companies plus AiM ex-Investment Trusts 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 and smaller companies which can be more unpredictable and can be more difficult to buy and sell.

Fund Facts

Fund Manager	Ralph Cox
Establishment Date	13 March 1973
Benchmark	Numis Smaller Companies plus AiM ex-Investment Trusts Index
Assets Under Management	£433,236,857
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	26.8.2013 to 31.8.2013†	26.8.2012 to 25.8.2013
A Income	1.67%	1.67%
A Accumulation	1.67%	1.67%
D Income	0.92%	0.92%#
D Accumulation	0.92%	0.92%

† Ongoing charges figures are based on the prior year annualised expenses for the period ended 31 August 2013. # D Income class commenced October 2012. Ongoing charge figure is based on annualised expenses for the period ended 25 August 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		

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 (KIIDs), which are available at www.blackrock.com.

Portfolio Information

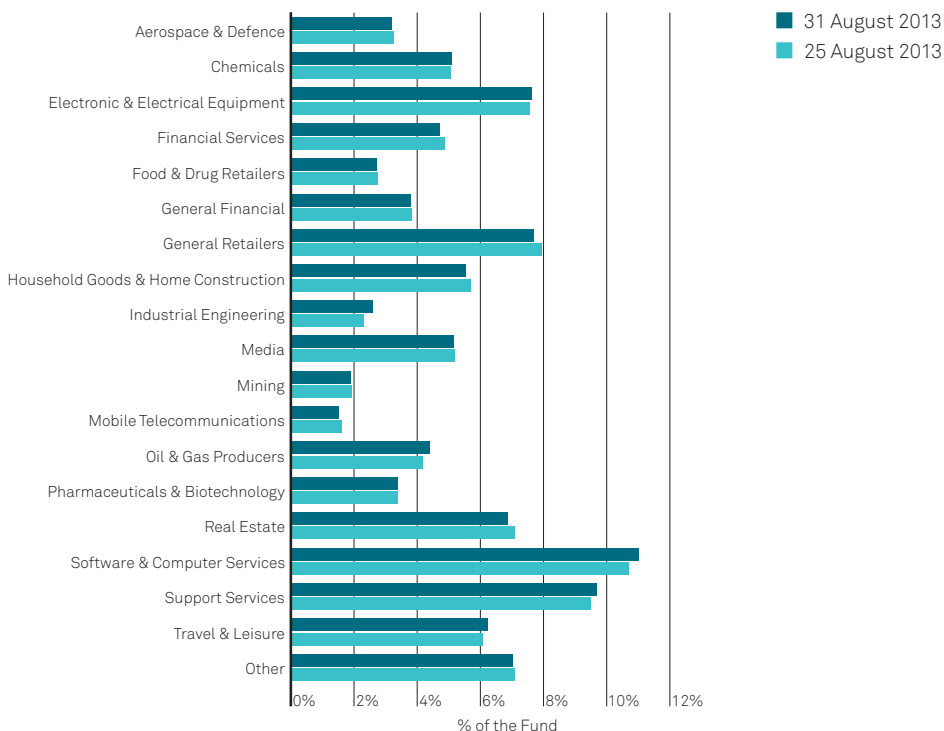
Five Largest Investments at 31 August 2013

	% of Fund Value
Bellway	2.46
Ted Baker	2.45
Dunelm	2.22
Howden Joinery	2.19
Xaar	2.18

Five Largest Investments at 25 August 2013

	% of Fund Value
Bellway	2.60
Ted Baker	2.57
Workspace	2.35
Senior	2.29
Jupiter Fund Management	2.28

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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