

## This Interim Short Report for the BlackRock UK Fund covers the six months ended 12 June 2013.

### Summary of Performance over the Period

The Fund achieved a positive absolute return of 11.3%\* over the six months to 12 June 2013 and outperformed its benchmark, the FTSE All-Share Index, which was up by 9.1%.

### Fund Manager's Commentary

Over the period the majority of the outperformance came from stock selection, specifically within the industrial and financials sectors. Our holding in Ashted, the equipment rental business, continued to perform well as the company benefited from the recovery in US construction spending. Our position in Capital & Counties Properties, the owner of Covent Garden and Earls Court, was also beneficial as the company's prime central London properties were boosted by higher rents and the potential for a residential development at Earls Court. Also gaining from an upturn in the UK residential property market were shares in London-based developer Berkeley, and online search portal Rightmove.

Market performance over the latter part of the period reflected investors' concerns about downgraded economic growth forecasts for China. Specifically, the largest negative contributions to the Fund's returns came from within the basic materials sector, and included Antofagasta, Tullow Oil and Rio Tinto.

Recent indicators have suggested an improving economic outlook, particularly in the US, where manufacturing and construction-related activity have picked up from a low base. European economic activity remains subdued and without a clear path to growth. Meanwhile, an economic slowdown across emerging markets is putting pressure on the business models of resource companies, particularly those that had relied on rapid commodity price appreciation. Equity valuations have been lifted by a downward reassessment of risk levels in equity investment given higher levels of inflation and lower bond yields. We believe that equity valuations remain attractive compared to other key asset classes.

### 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 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*	315.8	255.7	415.9	336.8	303.1	257.0	405.7	344.0
2012	271.7	230.4	353.6	297.8	259.9	231.7	343.8	302.7
2011	290.2	207.6	370.2	266.5	269.8	208.5	354.9	269.6
2010	280.5	215.0	357.8	273.3	N/A	N/A	342.8	273.9
2009	253.5	151.3	316.6	187.6	N/A	N/A	N/A	N/A
2008	317.3	156.6	386.2	191.4	N/A	N/A	N/A	N/A

\* To 12 June. † D Income class commenced June 2011.

† D Accumulation class commenced June 2010.

### 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*	4.6667	6.0960	6.3178	8.8156
2012	3.1757	4.0925	4.6811	6.1258
2011	2.5942	3.2966	N/A	5.7022
2010	4.1571	5.2119	N/A	N/A
2009	3.8337	4.7121	N/A	N/A
2008	2.8771	3.4919	N/A	N/A

\* To 12 August. † D Income class commenced June 2011.

† D Accumulation class commenced June 2010.

### Unit Price Summary

	Unit Price as at 12 June 2013	Unit Price as at 12 December 2012
A Income Units	277.9p	253.3p
A Accumulation Units	368.2p	333.5p
D Income Units	279.3p	254.3p
D Accumulation Units	377.2p	340.4p

### A Income

The interim distribution payable on 12 August 2013 is 1.6500p net per income unit.

### A Accumulation

The interim accumulation payable on 12 August 2013 is 2.1738p net per accumulation unit.

### D Income

The interim distribution payable on 12 August 2013 is 2.5222p net per income unit.

### D Accumulation

The interim accumulation payable on 12 August 2013 is 3.2084p net per accumulation unit.

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

The Fund is exposed to movements in UK stock markets which may cause the value of the Fund to fall or rise.

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](http://blackrock.co.uk).

## Ongoing Charges

The ongoing charges figures are based on the expenses for the six month period ended 12 June 2013 and have been annualised. These figures may vary from year to year.

Unit Class	12 June 2013
A Income	1.66%
A Accumulation	1.66%
D Income	0.91%
D Accumulation	0.91%

### Risk and Reward Profile

- ▶ 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](http://www.blackrock.com).

	% of Fund Value
British American Tobacco	7.35
Royal Dutch Shell class 'B' shares	6.30
HSBC (UK Registered)	5.57
Next	4.85
Compass	4.81

	% of Fund Value
British American Tobacco	7.83
Royal Dutch Shell class 'B' shares	6.62
Next	5.27
Compass	5.16
HSBC (UK Registered)	4.71

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.

Sector	12 June 2013 (%)	12 December 2012 (%)
Aerospace & Defence	3.5	2.5
Banks	11.0	10.0
Beverages	3.0	3.5
General Financial	7.0	3.0
General Retailers	4.0	4.5
Household Goods	5.0	4.0
Media	3.0	3.5
Mining	3.5	7.0
Mobile Telecommunications	2.5	3.5
Non-Life Insurance	2.0	3.0
Oil & Gas Producers	11.0	12.5
Pharmaceuticals & Biotechnology	4.5	4.5
Real Estate	4.0	2.5
Support Services	6.0	4.0
Tobacco	7.0	7.5
Travel & Leisure	4.5	4.5
Other	9.0	12.0

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](http://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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