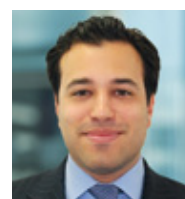


## Fund Update

### BlackRock UK Income Fund



**Nick McLeod-Clarke**  
Co-manager of Fund  
since February 2007



**Adam Avigdori**  
Co-manager of Fund  
since October 2009

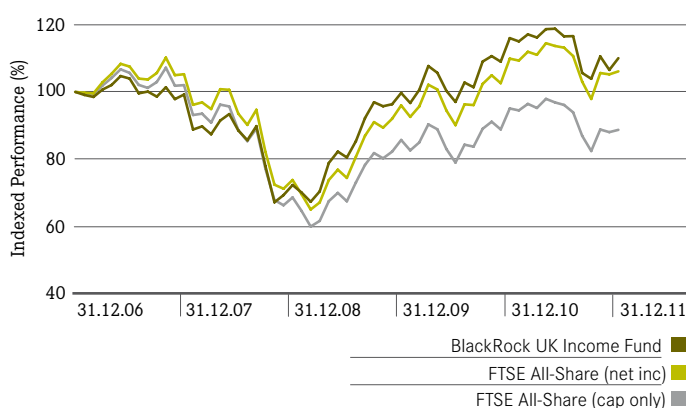
**Launch date**  
16.03.1984

**Fund size**  
£740m  
(as at 31.12.2011)

### Fund Objective

To provide an above-average and growing income without sacrificing the benefits of long-term capital growth by investing primarily in the shares of companies incorporated or listed in the UK. The Fund may also invest in collective investment schemes.

#### Five Year Performance relative to benchmark to 31.12.2011\*



#### Cumulative performance to 31.12.2011

	1 Year %	3 Years %	5 Years %	10 Years %
BlackRock UK Income Fund	-5.16	52.30	10.06	80.12
UK Equity Income Sector	-2.43	37.49	-4.01	55.94
FTSE All-Share Index (net inc)	-3.46	43.84	6.13	59.43
Quartile Ranking	3	1	1	1

#### Annual Performance to last quarter end\*

	31.12.10-31.12.11 %	31.12.09-31.12.10 %	31.12.08-31.12.09 %	31.12.07-31.12.08 %	31.12.06-31.12.07 %
BlackRock UK Income Fund	-5.2	16.4	38	-27.2	-0.8
FTSE All Share Index (net)	-3.5	14.5	30.1	-29.9	5.3

\*Source: Fund: BlackRock; Index: Datastream; Sector: Morningstar UK Equity Income Sector - © 2007 Morningstar, Inc. All rights reserved. Performance is based on bid to bid prices (the prices at which units are redeemed), with net income reinvested in sterling terms. Annualised performance is shown for complete 12 months periods only. "Quartile Ranking" is the ranking achieved in the relevant Morningstar sector. 1st quartile means ranked in the top 25% of funds in the sector, 2nd quartile is the next 25% and so on.

Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product. For up-to-date performance information please visit [blackrock.co.uk](http://blackrock.co.uk)

### Why BlackRock UK Income Fund?

- ▶ **Strong long term performance** – the Fund ranks in the top 25% of funds in the UK Equity Income sector over, three, five and ten years. In fact over the last three years the Fund is ranked 7th out of 84 to 31 December 2011.
- ▶ **Flexible Fund** – a solid performer in the UK Equity Income sector which has a flexible approach and is able to quickly adapt to changes across the UK stock market.
- ▶ **Total return approach** – this will aim to capture a combination of capital growth and income which should drive this Fund's future performance.
- ▶ **Experienced co-managers** – Nick McLeod-Clarke is co-head of the UK Equities Team and has more than 24 years' investment experience. He also holds the maximum AAA Citywire rating. Adam Avigdori with 9 years' investment experience, joined as co-manager on the Fund in November 2009 after working closely with Nick for the previous year.



Standard & Poor's look beyond fund performance and conducts in-depth fund research, analysis, and extensive face to face interviews with fund managers. S&P Fund Ratings, Copyright© 2007. The McGraw-Hill Companies, Limited trading as Standard & Poor's. All rights reserved. Ratings are given from A – AAA; AAA is the highest rating. OBSR operate a similar system and also rate A – AAA. Citywire also award three levels of ratings A – AAA and a maximum of AAA.

Investors in this Fund should understand that capital growth is not a priority and values may fluctuate and the level of income may vary from time to time and is not guaranteed. Some or all of the Manager's annual charge for the Fund is taken from capital rather than from income. Whilst this increases the yield, it reduces the potential for capital growth.

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.

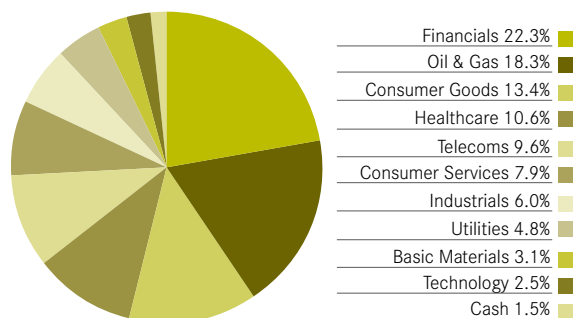
## Investment Process

The Fund will focus on a total return approach, looking for those companies that offer capital appreciation combined with the potential to pay significant dividends in the future. It could, therefore, include stocks which do not currently pay a yield but are able to deliver above-average profit growth further down the line, generating both income and capital growth.

A proportion of the portfolio will focus on those stocks where the yield is currently higher than the market average. This does not mean the Fund needs to hold less exciting, lower growth shares. There are many opportunities in recovery stocks and the team has the scope to uncover other prospects by using their extensive research capabilities to identify more poorly researched companies which pay significant dividends.

Nick and Adam adopt a high conviction approach. This relies on developing a high degree of confidence in investment ideas. The majority of the portfolio will be held in significant positions in shares that the team believes will contribute to the success of the Fund. The portfolio will typically hold between 30-50 shares.

### Sector Allocation (as at 31.12.2011)



### 10 largest holdings (as at 31.12.2011)

Allocation	%	Allocation	%
Royal Dutch Shell (CL B)	9.6	Tullow Oil	4.7
Vodafone Group PLC	9.6	British American Tobacco	4.6
GlaxoSmithKline PLC	7.5	Imperial Tobacco	4.6
HSBC Holdings PLC	5.4	Unilever	4.2
Severn Trent	4.8	3i Infrastructure	3.3

## Key information

Fund codes: A-Shares	
ISIN:	GB0005804942
SEDOL:	0580494
Bloomberg:	MRCINCA LN
Fund characteristics:	
Launch Date:	16.03.84
Fund Manager Location:	London
Dealing Currencies:	Sterling
Morningstar Sector:	UK Equity Income
Benchmark:	FTSE All-Share (net)

## Fund characteristics

		Equity Fund
Stockmarket Capitalisation	Large	30-50*
	Mid	
	Small	
Style		Yield Bias

\*number of stocks

The number of shares quoted for the Fund is indicative and actual numbers may fall outside of the ranges shown.

BlackRock have not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether our product is suitable, please read the Simplified Prospectus or Key Investor Information Document, when implemented. UCITS schemes are required to replace the Simplified Prospectus with the Key Investor Information Document by 30 June 2012. Investors should read the fund specific risks in the Simplified Prospectus or Key Investor Information Document, which details more information about the risk profile of the investment. We recommend you seek independent professional advice prior to investing. If, after reading this brochure, you have any questions or would like any additional information please contact your financial adviser or speak to our Investor Services Team on 0800 445522.

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