

Annual Financial Report

30 JUNE 2011

BlackRock Investment Management (Australia) Limited

ABN 13 006 165 975

Australian Financial Services Licence No 230523

BlackRock Australian Quant Strategies Fund

ARSN 101 267 252

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Annual Report - 30 June 2011

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Directors' report

The directors of BlackRock Investment Management (Australia) Limited, the Responsible Entity of the BlackRock Australian Quant Strategies Fund (the "Fund"), present their report together with the financial statements of the Fund, for the year ended 30 June 2011.

Fund Objective

The objective of the Fund is to progressively wind up operations and return capital to investors.

Principal Activities

The Fund invested in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

The directors of the Responsible Entity approved the commencement of wind up procedures on 20 October 2010, in accordance with the Fund's Constitution.

Directors

The following persons held office as directors of BlackRock Investment Management (Australia) Limited during the year or since the end of the year and up to the date of this report:

Director	Date appointed	Date resigned
D Frawley	Appointed 18 March 2005	
G A Boyle	Appointed 7 March 2007	Resigned 12 May 2011
C Tzatzakis	Appointed 11 September 2007	
R Bhagat	Appointed 2 December 2009	Resigned 9 September 2011
M S McCorry	Appointed 2 December 2009	
H Capra	Appointed 23 May 2011	

Review and Results of Operations

On 20 October 2010, and in accordance with the Fund's Constitution, the directors gave approval to terminate the Fund. As such the Fund is no longer a going concern.

Results

The performance of the Fund, as represented by the results of the operations, were as follows:

	30 June 2011	30 June 2010
	\$	\$
Operating profit/(loss) before financing costs attributable to unitholders	2,097,189	17,187,628
Distributions paid and payable	1,033,193	5,713,620

Directors' report (continued)

Returns

The table below demonstrates the performance of the Fund as represented by the total return:

	Returns [^]		
	1 Year % p.a.	3 Year % p.a.	5 Year % p.a.
BlackRock Australian Quant Strategies Fund			
- D Class Units	10.01 *	(5.25) **	0.29 ***
- E Class Units	2.05 #	(8.96) ##	(5.90) ###

[^] Returns (after-fees) are calculated on the assumption that all distributions are reinvested in the Fund, and include the effect of compounding.

* Returns are from 30 June 2010 to 20 October 2010 and have not been annualised.

** Returns are from 30 June 2008 to 20 October 2010 and have been annualised.

*** Returns are from 30 June 2006 to 20 October 2010 and have been annualised.

Returns are from 30 June 2010 to 22 July 2010 and have not been annualised.

Returns are from 30 June 2008 to 22 July 2010 and have been annualised.

Returns are from 30 June 2006 to 22 July 2010 and have been annualised.

Reconciliation of Net Asset Value for Unit Pricing Purposes to Financial Reporting Purposes

The key differences between net assets for unit pricing and net assets attributable to unitholders as reported in the financial statements prepared under Australian Accounting Standards have been outlined below:

	Year ended	
	30 June 2011 \$	30 June 2010 \$
Net Assets for Unit Pricing purposes	-	32,072,403
<i>Permanent Differences</i>		
Difference between net market value (for unit pricing) and fair value (for financial statements) of financial assets held at fair value through profit or loss	-	(129,000)
<i>Timing Differences</i>		
Distribution Payable	-	(1,180,909)
Net Assets Attributable to Unitholders as at 30 June	-	30,762,494

Changes in State of Affairs

The last remaining unitholders of BlackRock Australian Quant Strategies Fund redeemed their unitholdings on 15 January 2011 (D class) and 22 July 2010 (E class).

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the financial year under review.

Matters Subsequent to the end of the financial year

Except as disclosed in the financial statements, no other matter or circumstances has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Fund in future financial years.

Directors' report (continued)

Likely Developments and Expected Results of Operations

The last remaining unitholders of BlackRock Australian Quant Strategies Fund redeemed their unitholdings on 13 January 2011 (D class) and 22 July 2010 (E class).

Indemnification & Insurance of Officers & Auditor

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of BlackRock Investment Management (Australia) Limited or the auditor of the Fund. So long as the officers of BlackRock Investment Management (Australia) Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Fees paid and Interest Held in the Fund by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 7 of the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year (2010: nil). Pursuant to ASIC Class Order relief, the Responsible Entity may individually negotiate fees with certain sophisticated or professional investors.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 7 of the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year are disclosed in Note 4 of the financial statements.

Value of Assets

The value of the Fund's assets and liabilities is disclosed on the Balance Sheet and derived using the basis set out in Note 2 of the financial statements.

Environmental Regulations

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Additional Disclosures

The Fund has applied the relief available in Class Order 98/2395 issued by the Australian Securities & Investments Commission in the preparation of this report. Accordingly, the additional information otherwise required to be included in the directors' report has been disclosed in Notes 4, 6 and 7 to the financial statements.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

Directors' report (continued)

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 5.

The financial statements were authorised for issue by the directors on 27 September 2011.

This report is made in accordance with a resolution of the directors.

Director
H Capra

Director
D Frawley

Sydney
27 September 2011

The Board of Directors
BlackRock Investment Management (Australia) Limited
120 Collins Street
Melbourne VIC 3000

Independence Declaration – BlackRock Australian Quant Strategies Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of BlackRock Investment Management (Australia) Limited, the Responsible Entity of BlackRock Australian Quant Strategies Fund.

As lead audit partner for the audit of the financial statements of BlackRock Australian Quant Strategies Fund for the financial year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants
Melbourne, 27 September 2011

Balance Sheet

BlackRock Australian Quant Strategies Fund			
	Note	2011	2010
		\$	\$
Assets			
Cash and Cash Equivalents	5(a)	-	158,252
Income Receivable		-	551,779
Receivables from Related Schemes	7	-	13,025
Other Receivables		-	91,261
Financial Assets held at Fair Value Through Profit or Loss			
Equity Securities		-	28,974,595
Units in Related Schemes	7	-	2,211,724
Financial Assets held for Trading			
Swaps		-	18,179
Total Assets		<u>-</u>	<u>32,018,815</u>
Liabilities			
Distribution Payable	6	-	1,180,909
Accounts Payable and Accrued Expenses		-	75,412
Total Liabilities (Excluding Net Assets Attributable To Unitholders)		<u>-</u>	<u>1,256,321</u>
Net Assets Attributable to Unitholders (Liability)	4	-	30,762,494
Net Assets		<u>-</u>	<u>-</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

		BlackRock Australian Quant Strategies Fund	
	Note	2011 \$	2010 \$
Investment Income			
Net Gain/(Loss) on Financial Assets held at Fair Value through Profit or Loss		1,526,019	11,404,153
Net Gain/(Loss) on Financial Assets held for Trading		120,021	338,259
Distributions from Related Schemes	7	29,674	268,520
Distributions from Unrelated Schemes		5,931	-
Interest Income		1,622	10,402
Dividend Income		307,152	5,866,138
Other Income		<u>172,997</u>	<u>17,291</u>
Total Investment Income/(Loss)		<u>2,163,416</u>	<u>17,904,763</u>
Expenses			
Responsible Entity's Fees	7(a)	41,812	707,943
Transaction Costs		3,685	9,192
Other Operating Expenses		<u>20,730</u>	<u>-</u>
Total Operating Expenses		<u>66,227</u>	<u>717,135</u>
Net Operating Profit/(Loss)		<u>2,097,189</u>	<u>17,187,628</u>
Financing Costs Attributable to Unitholders			
Distributions to Unitholders	6	1,033,193	5,713,620
Increase/(Decrease) in Net Assets Attributable to Unitholders	4	<u>1,063,996</u>	<u>11,474,008</u>
Net Profit/(Loss) for the year		<u>-</u>	<u>-</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Income Attributable to Unitholders		<u>-</u>	<u>-</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Cash Flows

	BlackRock Australian Quant Strategies Fund		
	Note	2011	2010
		\$	\$
Cash Flows from Operating Activities			
Proceeds from Sale of Financial Instruments held at Fair Value through Profit or Loss		78,487,838	347,987,374
Purchase of Financial Instruments held at Fair Value through Profit or Loss		(45,637,301)	(232,464,322)
Transaction Costs on Purchase of Financial Instruments held at Fair Value through Profit or Loss		(3,685)	(9,192)
Dividends Received		858,931	6,167,098
Interest Received		1,622	10,402
Distributions from Related Schemes		42,700	287,087
Distributions received from Unrelated Schemes		5,931	-
Responsible Entity Fee Paid		(67,479)	(745,922)
Other Income Received		264,258	17,291
Operating Expenses Paid		<u>(20,730)</u>	<u>(25,281)</u>
Net Cash Inflow/(Outflow) from Operating Activities	5(b)	<u>33,932,085</u>	<u>121,224,535</u>
Cash Flows from Financing Activities			
Proceeds from Applications by Unitholders		682,519	5,187,650
Payments for Redemptions by Unitholders		(33,057,736)	(125,756,477)
Distributions Paid		<u>(1,715,120)</u>	<u>(1,102,439)</u>
Net Cash Inflow/(Outflow) from Financing Activities		<u>(34,090,337)</u>	<u>(121,671,266)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		(158,252)	(446,731)
Cash and Cash Equivalents at the beginning of the financial year		<u>158,252</u>	<u>604,983</u>
Cash and Cash Equivalents at the end of the financial year	5(a)	<u>-</u>	<u>158,252</u>
Non-cash Financing Activities	5(c)	498,982	4,347,097

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

	BlackRock Australian Quant Strategies Fund	
	2011	2010
	\$	\$
Total Equity at the Beginning of the Financial Year		
Profit/(Loss) for the year	-	-
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	<u>-</u>	<u>-</u>
Transactions with owners in their capacity as owners	-	-
Total Equity at the End of the Financial Year	<u><u>-</u></u>	<u><u>-</u></u>

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a financial liability rather than equity. As a result there was no equity at the start or end of the year.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTE 1: GENERAL INFORMATION

This financial report covers the financial statements for BlackRock Australian Quant Strategies Fund (“the Fund”) as an individual entity. The Fund was constituted on 3 July 2002. The directors of the Responsible Entity approved the commencement of wind up procedures on 20 October 2010, in accordance with the Fund's Constitution.

The Responsible Entity of the Fund is BlackRock Investment Management (Australia) Limited (the “Responsible Entity”). The Responsible Entity's registered office is 120 Collins Street, Melbourne, VIC, 3000.

The financial statements were authorised for issue by the directors on 27 September 2011. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated in the following text.

(a) Statement of Compliance and Basis of Preparation

These financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and the *Corporations Act 2001* in Australia as they apply to a fund that is no longer a going concern.

As the Fund is no longer a going concern, the financial statements for the year ended 30 June 2011 have been prepared in accordance with the liquidation basis of accounting. Under the liquidation basis of accounting, assets are stated at their net realisable values and liabilities are stated at their anticipated settlement amounts.

The financial statements for the year ended 30 June 2010 are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Balance Sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

(b) Financial Instruments

(i) Classification

The Fund's investments are classified at fair value through the profit or loss. They comprise:

- Financial Instruments held for Trading

Derivative financial instruments such as futures, options, swaps, and forward contracts are included under this classification. The Fund does not designate any derivatives as hedging instruments in a hedging relationship.

- Financial Instruments held at Fair Value through Profit or Loss

These include financial assets that are not held for trading purposes and which may be sold. These are investments in listed equity, listed unit trusts, unlisted unit trusts and fixed interest securities.

Financial assets and financial liabilities held at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

(ii) Recognition/Derecognition

The Fund recognises financial assets and liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets and liabilities from this date.

Investments are derecognised when the rights to receive cashflows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed immediately. Subsequently to initial recognition all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

- Fair Value in an active market

The fair value of financial assets and liabilities traded in an active market is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices while financial liabilities are priced at current asking prices.

- Fair Value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not exchange traded in an active market are determined using valuation techniques. Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such differences exist, the Fund recognises the difference in the Statement of Comprehensive Income to reflect a change in factors, including time, that market participants would consider in setting a price.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the Responsible Entity of such trusts.

(c) Net Assets Attributable to Unitholders

The units are redeemable at any time at the option of the unitholder. Further to the obligation to redeem the units upon request, the Fund is required to fully distribute all taxable income, both obligations resulting in the units being classified as financial liabilities in accordance with AASB 132 Financial Instruments: Presentation. The units are presented as financial liabilities in the balance sheet and referred to as 'Net assets attributable to unitholders'. The units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The fair value of redeemable units is measured at the redemption amount that is payable at the balance sheet date if unitholders exercised their right to put the units back to the Fund. Because the Fund's redemption unit prices are based on different valuation principles to that applied in financial reporting, a valuation difference may exist. Changes in the value of this financial liability are recognised in the Statement of Comprehensive Income.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown as liabilities on the Balance Sheet.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

(e) Margin Accounts

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls.

(f) Investment Income and Expenses

Interest income and expenses are recognised in the Statement of Comprehensive Income for all fixed interest securities using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b).

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows, considering all contractual terms of the financial instrument (for example, prepayment options), but does not consider future credit losses.

The calculation includes all fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Dividend income is recognised on the ex-dividend date. The Fund may incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax on the Statement of Comprehensive Income. If a portion of the foreign withholding taxes is reclaimable, it is recorded as an asset.

Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date.

Trust distributions are recognised on an entitlements basis.

(g) Expenses

All expenses, including Responsible Entity's fees, are recognised in Statement of Comprehensive Income on an accruals basis.

(h) Income tax

Under current taxation legislation, the Fund is not subject to income tax provided the taxable income of the Fund is distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Fund).

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the Statement of Comprehensive Income.

(i) Distributions

In accordance with the Fund's Constitution, the Fund distributes its distributable (taxable) income and any other amounts determined by the Responsible Entity to the unitholders by cash or reinvestment. Distributions are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

(j) Increase/Decrease in Net Assets Attributable to Unitholders

Non-distributable income is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statement of Comprehensive Income as financing costs.

(k) Foreign Currency Translation

(i) Functional and Presentation Currency

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

The Fund does not isolate that portion of gains or losses on financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included in the net gains or losses on financial instruments at fair value through profit or loss.

(l) Receivables

Receivables may include amounts for dividends, interest, trust distributions and amounts due from brokers. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the balance sheet date from the time of the last payment using the effective interest rate method. Amounts due from brokers represent receivables for securities that have been contracted for but not yet delivered by balance sheet date.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency on payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the Statement of Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Comprehensive Income.

(m) Payables

Payables include amounts due to brokers, liabilities and accrued expenses owing by the Fund which are unpaid as at balance date. Trades are recorded on trade date, and normally settled within three business days. Purchases of securities and investments that are unsettled at reporting date are included in payables.

The distribution amount payable to unitholders as at the reporting date is recognised separately on the Balance Sheet as unitholders are presently entitled to the distributable income as at 30 June 2011 under the Fund's Constitution.

(n) Applications and Redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets for unit pricing purposes of the Fund divided by the number of units on issue at or immediately prior to close of business each day. Issue and redemptions of units are processed simultaneously.

(o) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund such as Responsible Entity fees, audit fees, custody fees and other expenses, have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC's) at a rate of 75% hence Responsible Entity fees, audit fees, custody fees and other expenses have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the Australian Tax Office ("ATO"). Accounts Payable and Accrued Expenses are stated inclusive of GST. The net amount of GST recoverable from the ATO is included in Other Receivables in the Balance Sheet. Cash flows relating to GST are included in the Statement of Cash Flows on a gross basis.

(p) Use of Estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

- (i) AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB9* and AASB 2010 *Amendment to Australian Accounting Standards arising from AASB 9* (December 2010) (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption.

AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded.

The Fund has not yet decided when to adopt AASB 9. Management does not expect this will have a significant impact on the Fund's financial statements as the Fund does not hold any available-for-sale investments.

- (ii) Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities. The Fund will apply the amended standard from 1 July 2011. The amendments will not have any effect of the Fund's financial statements.

- (iii) AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)

In November 2010, the AASB issued AASB 2010-6 *Disclosures on Transfers of Financial Assets* which amends AASB 1 *First-time Adoption of Australian Accounting* and AASB7 *Financial Instruments: Disclosures* to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Fund's disclosures. The Fund intends to apply the amendment from 1 July 2011.

- (iv) Amendments to AASB2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective for annual reporting periods beginning on or after 1 July 2010 / 1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The Fund does not expect that any adjustments will be necessary as the result of applying the revised rules.

NOTE 3: FINANCIAL RISK MANAGEMENT

The Fund's activities expose them to a variety of financial risks: credit risk, liquidity risk and market risk (including price risk, currency risk and interest rate risk). The Fund's overall risk management programmes focus on ensuring compliance with the Fund's Product Disclosure Statement and seek to maximise the returns derived for the level of risk to which the Fund is exposed. The Fund may use derivative financial instruments to moderate and create certain risk exposures. Financial risk management is carried out by the Investment Risk Management Committee (IRMC) under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Fund uses different methods to measure different types of risk to which they are exposed. These methods include Value at Risk ("VaR") analysis in the case of interest rate, foreign exchange and other price risks and ratings analysis for credit risk. VaR Analysis is explained in Note 3 (b).

(a) Market Risk

(i) Price Risk

As at 30 June 2011, the Fund has no financial assets and financial liabilities. As such, the Fund is not exposed to any significant price risk.

(ii) Foreign Exchange Risk

As at 30 June 2011, the Fund has no financial assets and financial liabilities. As such, the Fund is not exposed to any significant foreign exchange risk.

(iii) Interest Rate Risk

As at 30 June 2011, the Fund has no interest bearing financial assets and financial liabilities. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

(b) Summarised VaR Analysis

Value at Risk (VaR) is a risk model used to estimate the potential losses that could occur on the Fund's net asset value position due to movements in interest rates, currency and market prices over a given period and for a specified degree of confidence.

BlackRock uses VaR analysis and/or tracking error estimates to measure and manage risk as these are commonly used and understood models, are easily interpreted and are consistent across different types, asset classes and types of Funds. For the purpose of these accounts VaR analysis has been presented, in some classes derived from tracking estimates. The objective in all cases is to estimate potential losses and manage the downside risk.

The table below summarises the outputs of the VaR model in relation to interest rate, currency and price risk exposures. The total VaR figures are not the sum of individual risk components as this does not include correlations between the different risk factors.

BlackRock calculates VaR relative to the Fund's benchmark. The analysis implies that the Manager can be 95% confident that the value of the portfolio will not decrease by any more than the figures in the table below relative to a portfolio of the same value as the Fund's portfolios which replicates the composition of the benchmark over the 5 day period from 30 June.

	2011		2010 [^]	
	\$	%	\$	%
Total Portfolio Risk	-	-	136,179	0.44

[^] VaR has been calculated on Net Assets Attributable to Unitholders before rounding.

Detailed information about the models

There are a number of different VaR models used within the Funds Management industry. BlackRock uses one or more of ex-ante and ex-post estimates of portfolio risk relative to benchmark and the Monte Carlo simulation model depending on the Fund type. Models are calculated using historical data and a covariance matrix where applicable.

The VaR numbers shown in this account have the following features:

- VaR is calculated to a 95 per cent confidence level. VaR at a confidence level identifies the maximum expected loss under that confidence level.

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

- VaR is calculated for a 5 day holding. The time horizon of five days is selected to coincide with the period used to analyse the portfolio positions. The risk data is examined in various daily, weekly and monthly forums.
- The portfolio VaR is not the simple sum of the individual asset stand alone VaRs; the correlations among assets in the portfolio are considered.

Although VaR is a valuable risk management tool it should be interpreted, as with all predictive models, with consideration to its assumptions and limitations. The main assumptions and limitations are listed below:

- Models assume certain financial variables are normally distributed: The normality assumption allows BlackRock to scale portfolio risk estimates to the appropriate confidence levels. The normality assumption is derived from statistical analysis for examining sample populations of observations and the implications of not assuming normality would preclude the use of most statistical tools, including mainstream commercial models for risk measurement.
- The use of historical returns and correlations between assets would not take into account future potential events: It is a commonly stated and well-recognised limitation that past performance is not a reliable indicator of future performance.
- Model risk, in general terms, is a known limitation that includes: the quality or accuracy of the underlying data, where significant events occur within the data, the changing sensitivity of the Fund's assets to external market factors over time, and appreciating that using only one model may be limiting in itself to obtaining the best understanding of a Fund's risk position.

BlackRock acknowledges these limitations and thus compares ex-ante to ex-post risk estimates to review expectations versus actual outcomes. Should ex-post values differ significantly from ex-ante returns, an assessment of the reasons for this will be made.

The Fund's risk is managed with constant review of both performance and risk numbers by the investment professionals within the business. These reviews consist of:

- Weekly meetings between the global members of Risk & Quantitative Analysis (RQA). These meetings include RQA Australia.
- Monthly meetings between RQA and the fund managers.
- Monthly meetings between RQA and the Chief Investment Officer.
- Ad hoc presentations to the Investment Risk Management Committee (IRMC) to keep IRMC abreast of RQA processes and latest updates.
- Daily report of performance figures along with a comparison of ex-ante versus ex-post returns sent to RQA London.
- RQA professionals sitting and working closely with the fund managers every day.

(c) Credit Risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, when they fall due.

Credit risk primarily arises from investments in debt instruments and from trading derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. None of these assets are impaired nor past due but not impaired.

Market prices generally incorporate credit risk assessments into valuations and risk of loss is implicitly provided for in the carrying value of financial assets and liabilities as they are marked to market.

(i) Derivatives

All exchange traded derivatives are executed through brokers, and cleared through a clearing broker and approved by the IRMC. Over the counter derivative transactions are conducted only with approved counterparties, who meet the applicable specific Fund requirements and where trading documentation is in place.

To minimise credit risk, the Fund only transacts with counterparties of investment grade quality (BBB- or above as rated by Standard & Poor's). BlackRock has a process in place to assess the creditworthiness of counterparties and assess that the risk is evenly distributed. Matters arising in relation to counterparties are reviewed regularly by the IRMC.

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

(ii) Settlement of Securities Transactions

All transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

(iii) Other Credit Risk

Exposure to credit risk on cash and cash equivalents and, margin accounts is considered to be minimal due to the high credit rating of the relevant financial institution. VaR analysis is also used to manage and measure the credit risk of the Fund.

The clearing and depository operations for the Fund's security transactions are mainly concentrated with one counterparty, namely JP Morgan Chase Bank NA ("J.P. Morgan"). J.P. Morgan is a member of a major securities exchange, and at 30 June 2011 had a credit rating of A-1+ (2010: A-1+). At 30 June 2011, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by J.P. Morgan.

(d) Liquidity and Cash Flow Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions of redeemable units. The liquidity risks associated with the need to satisfy unitholders' requests for redemptions are mitigated by maintaining adequate liquidity to satisfy usual redemption volumes and restricting the investment activities of the Fund to securities that are actively traded and highly liquid. The Fund also maintains continuous monitoring of forecast and actual cashflows and matching the maturity profiles of financial assets and liabilities.

The Responsible Entity staff considers and maintains the liquidity of the Fund, in the context of the investment objectives and liquidity requirements of the Fund. Operational procedures are in place to review margin requirements on futures contracts. IRMC reviews liquidity reports to ensure the Fund has sufficient liquidity to pay client redemptions and meet margin calls as required.

(e) Fair Values of Financial Assets and Liabilities

The carrying amounts of the Fund's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through the profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

(i) Fair Value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of each reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2. For the majority of investments the Fund relies on information provided by independent pricing services for the valuation of investments.

The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual regularly occurring market transactions on an arm's length basis.

(ii) Fair Value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used estimate cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions.

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

For other pricing models, inputs are based on market data at the balance sheet date. Fair values for unquoted equity investments are estimated, if possible, using applicable price.earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount the Fund would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the Responsible Entity of such funds.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

(f) Fair Value Hierarchy

As the Fund has been closed, it has no financial assets or financial liabilities as at 30 June 2011. Therefore, a fair value hierarchy table for 30 June 2011 is not disclosed.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2010.

	Level 1	Level 2	Level 3	Total
30 June 2010	\$	\$	\$	\$
Financial Instruments held at Fair Value through Profit or Loss				
Equity Securities	28,724,529	250,066	-	28,974,595
Unlisted Unit Schemes	2,211,724	-	-	2,211,724
Financial Instruments held for Trading				
Swaps	-	18,179	-	18,179
Total	30,936,253	268,245	-	31,204,498

No transfers between levels occurred during the year for the Fund.

NOTE 4: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. Units are issued and redeemed at the holders' option at prices based on the value of the Fund's net assets at the time of issue/redemption less transaction costs.

Capital Risk Management

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

The Fund monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. As of 30 June 2011 the capital of the Fund is represented in the net assets attributable to unitholders tables.

In the event of a significant redemption, the Fund's Constitution allows the delay of payment beyond the usual redemption timeframe but no later than the maximum number of days specified in the Constitution for satisfying redemption requests. Further, in certain circumstances such as disrupted markets, the Constitution allows payment to be delayed beyond the maximum number of days.

Movements in number of units and net assets attributable to unitholders during the year were as follows:

	30 June 2011		30 June 2010	
	No. of Units	\$	No. of Units	\$
Unitholder Funds				
D Class Units				
Opening Unitholders' Funds	29,246,828	16,763,218	26,336,322	5,703,911
Application				
- Cash	1,141,495	681,286	6,238,372	4,039,632
- Distribution Reinvestment Plan	847,667	498,982	374,790	247,808
Redemptions	(31,235,990)	(18,652,003)	(3,702,656)	(2,419,619)
Increase/(Decrease) in Net Assets Attributable to Unitholders	<u>-</u>	<u>708,517</u>	<u>-</u>	<u>9,191,486</u>
Closing Balance	<u>-</u>	<u>-</u>	<u>29,246,828</u>	<u>16,763,218</u>
	30 June 2011		30 June 2010	
	No. of Units	\$	No. of Units	\$
E Class Units				
Opening Unitholders' Funds	24,215,795	13,999,276	213,405,876	33,685,914
Application				
- Cash	2,147	1,233	1,731,721	1,148,018
- Distribution Reinvestment Plan	-	-	6,228,252	4,099,289
Redemptions	(24,217,942)	(14,355,988)	(197,150,054)	(123,363,548)
Increase/(Decrease) in Net Assets Attributable to Unitholders	<u>-</u>	<u>355,479</u>	<u>-</u>	<u>98,429,603</u>
Closing Balance	<u>-</u>	<u>-</u>	<u>24,215,795</u>	<u>13,999,276</u>
X Class Units				
Opening Unitholders' Funds	-	-	-	96,147,081
Increase/(Decrease) in Net Assets Attributable to Unitholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>(96,147,081)</u>
Closing Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>53,462,623</u>	<u>30,762,494</u>

NOTE 5: NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

Cash and Cash Equivalents at the end of the financial year is reconciled to the Balance Sheet as follows:

	30 June 2011	30 June 2010
	\$	\$
Cash	-	6,853
Margin Accounts < 90 days	<u>-</u>	<u>151,399</u>
Total	<u><u>-</u></u>	<u><u>158,252</u></u>

(b) Reconciliation of Net Operating Profit/(Loss) to Net Cash from Operating Activities

	30 June 2011	30 June 2010
	\$	\$
Net Operating Profit/(Loss)	2,097,189	17,187,628
(Increase)/Decrease in Financial Instruments held for Trading	18,179	-
(Increase)/Decrease in Financial Instruments held at Fair Value through Profit or Loss	31,186,319	105,203,020
(Increase)/Decrease in Margin Accounts	-	59,044
(Increase)/Decrease in Income Receivable	551,779	294,914
(Increase)/Decrease in Receivables from Related Schemes	13,025	18,567
(Increase)/Decrease in Other Receivables	91,261	1,473,640
Increase/(Decrease) in Accounts Payable and Accrued Expenses	<u>(25,667)</u>	<u>(3,012,278)</u>
Net cash inflow/(outflow) from operating activities	<u><u>33,932,085</u></u>	<u><u>121,224,535</u></u>

(c) Non-cash Financing Activities

During the financial year, the following units were created as a result of distributions reinvested in the Fund under the distribution reinvestment plan.

	30 June 2011		30 June 2010	
	No. of Units	\$	No. of Units	\$
BlackRock Australian Quant Strategies Fund				
D Class	847,667	498,982	374,790	247,808
E Class	-	-	6,228,252	4,099,289

As described in Note 2(j), non-distributable income is included in net assets attributable to unitholders. The changes in this amount each year represents non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

NOTE 6: DISTRIBUTIONS

During the financial year, the following amounts of distributions were paid and payable for each class of units:

	2011		2010	
	Distributions Paid Cents/Unit	Distributions Payable Cents/Unit	Distributions Paid Cents/Unit	Distributions Payable Cents/Unit
BlackRock Australian Quant Strategies Fund				
D Class	40.49	-	2.03	2.34
E Class	-	-	2.16	2.05

	2011		2010	
	Distributions Paid \$	Distributions Payable \$	Distributions Paid \$	Distributions Payable \$
BlackRock Australian Quant Strategies Fund				
D Class	1,033,193	-	578,362	684,067
E Class	-	-	3,954,349	496,842

NOTE 7: RELATED PARTIES

Responsible Entity

The Responsible Entity of the Fund is BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975) whose ultimate holding company is BlackRock, Inc.

BlackRock Investment Management (Australia) Limited is incorporated in Australia and BlackRock, Inc is incorporated in the United States of America.

Parent Entities

As at 30 June 2011 and 30 June 2010 no party was considered to be the ultimate and controlling party of the Fund.

Key Management Personnel

Directors

Key management personnel includes persons who were directors of BlackRock Investment Management (Australia) Limited during the financial period and up to the date of this report.

Director	Date appointed	Date resigned
D Frawley	Appointed 18 March 2005	
G A Boyle	Appointed 7 March 2007	Resigned 12 May 2011
C Tzatzakis	Appointed 11 September 2007	
R Bhagat	Appointed 2 December 2009	Resigned 9 September 2011
M S McCorry	Appointed 2 December 2009	
H Capra	Appointed 23 May 2011	

NOTE 7: RELATED PARTIES (Continued)

Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly, during the financial year:

Name	Position	Employer
R J Maddox	Managing Director and Co/Chief Investment Officer	BlackRock Investment Management (Australia) Limited
K Liow *	Head of Quantitative Investors/Co-Chief Investment Officer	BlackRock Investment Management (Australia) Limited

* Resigned on 31 March 2011

Key Management Personnel Unitholdings

During or since the end of the financial year, none of the key management personnel including directors or their personally related entities held units in the Fund, either directly, indirectly, or beneficially.

Key Management Personnel Compensation

Key management personnel are paid by BlackRock Investment Management (Australia) Limited. Payments made from the Fund to BlackRock Investment Management (Australia) Limited do not include any amounts attributable to the compensation of key management personnel.

Key Management Personnel Loan Disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Other Transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving key management personnel's interests subsisting at year end.

Related Party Transactions and Balances

All related party transactions are conducted on normal commercial terms and conditions. Transactions with related parties include the following:

(a) Responsible Entity's Fees and other Transactions

Responsible Entity fees are accrued daily at the rate specified by the Constitution and Amendments based on the net asset value of the Fund. Fees charged for the year are included in the Statement of Comprehensive Income.

From time to time the Responsible Entity may waive fees in accordance with the terms of the Constitution and Amendments. Where Responsible Entity fees charged are less than the maximum permitted under the Constitution and Amendments, any amount forgone cannot be claimed in future years.

NOTE 7: RELATED PARTIES (Continued)

(b) Expense Reimbursement

Operating expenses include administration expenses incurred by the Responsible Entity and reimbursed by the Fund in accordance with the provisions of the Constitution and Amendments. Total operating expenses incurred for the year are brought to account on an accruals basis and are included in the Statement of Comprehensive Income.

Transactions and balances with related parties are summarised in the schedules below.

	BlackRock Australian Quant Strategies Fund	
	30 June 2011	30 June 2010
	\$	\$
Responsible Entity's Fees and Other Transactions		
Total Responsible Entity's fees paid or due and payable by the Fund:		
Class Responsible Entity Fees:		
D Class Units	(41,812)	(143,705)
E Class Units	-	(564,238)
Other	-	3,047
Class Responsible Entity Fees (Payable):		
D Class Units	-	(13,345)
E Class Units	-	(14,200)
Balances and Transactions with Related Schemes		
Distributions Receivable*	-	13,021
	<u>-</u>	<u>13,021</u>

* The amounts of distributions received and total amounts invested in Related Schemes are disclosed under the heading "Investments".

NOTE 7: RELATED PARTIES (Continued)

Investments

The Fund held investments in the following scheme which was also managed by the Responsible Entity or its related parties.

	No. of Units Held at Year End	Fair Value of Units Held at Year End	Value of Units Purchased During the Year	Values of Units Sold During the Year	Interest Held in Related Fund at Year End	Distribution Received from the Related Scheme During the Year	Distribution Receivable from the Related Scheme at Year End
2011	Units	\$	\$	\$	%	\$	\$
BlackRock Australian Quant Strategies Fund							
BlackRock Money Market Fund	-	-	20,614,021	22,825,745	-	29,674	-

	No. of Units Held at Year End	Fair Value of Units Held at Year End	Value of Units Purchased During the Year	Values of Units Sold During the Year	Interest Held in Related Fund at Year End	Distribution Received from the Related Scheme During the Year	Distribution Receivable from the Related Scheme at Year End
2010	Units	\$	\$	\$	%	\$	\$
BlackRock Australian Quant Strategies Fund							
BlackRock Money Market Fund	2,211,724	2,211,724	48,786,112	57,038,393	1.17	255,494	13,021

Related Party Schemes' Unitholding

No parties related to the Fund including the Responsible Entity, its affiliates or other schemes managed by the Responsible Entity held units in the Fund.

NOTE 8: SEGMENT INFORMATION

The Fund is organised into one main segment and operate solely in the business of investment management within Australia. Consequently, no segmental reporting is provided in the Fund's financial statements.

NOTE 9: AUDITOR'S REMUNERATION

The audit fees paid or payable are discharged by the Responsible Entity from the fees earned from the Fund.

NOTE 10: CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2011 (30 June 2010: Nil).

NOTE 11: EVENTS OCCURRING AFTER THE REPORTING PERIOD

No significant events have occurred since balance date which would impact on the financial position of the Fund disclosed in the Balance Sheet as at 30 June 2011 or on the results and cash flows of the Fund for the year ended on that date.

NOTE 12: TERMINATION OF THE FUND

Wind up procedures have commenced for the Fund in accordance with the Fund's Constitution and approval received from the directors of the Responsible Entity on 20 October 2010. The final redemptions out of the Fund were made on 15 January 2011 (D class) and 22 July 2010 (E class).

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

The financial statements and notes set out on pages 6 to 25 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards, the *Corporation Regulations 2001* and other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the Fund's financial position as at 30 June 2011 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the financial year ended on that date.

This declaration is made in accordance with a resolution of the directors.

Director
H Capra

Director
D Frawley

Sydney
27 September 2011

Independent Auditor's Report to the Directors of BlackRock Australian Quant Strategies Fund

We have audited the accompanying financial report of BlackRock Australian Quant Strategies Fund, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 6 to 26.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity, BlackRock Investment Management (Australia) Limited, are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards as they apply on a non-going concern basis as disclosed in Note 2 to the financial statements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the fund's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration


In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of BlackRock Australian Quant Strategies Fund is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants
Melbourne, 27 September 2011