

Annual Financial Report

30 JUNE 2011

BlackRock Investment Management (Australia) Limited

ABN 13 006 165 975

Australian Financial Services Licence No 230523

BlackRock Global Allocation Fund (Aust)

ARSN 114 214 701

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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 Global Allocation Fund (Aust) ("the Fund"), present their report together with the financial statements of the Fund, for the year ended 30 June 2011.

Fund Objectives

The Fund is focused on absolute returns and aims to provide investors with the best available investments worldwide across asset class, region and market capitalisation.

Principal Activities

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

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

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

During the year, the Fund continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

Directors' report (continued)

Results

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

	30 June 2011	30 June 2010
	\$'000	\$'000
- Operating profit/(loss) before financing costs attributable to unitholders	124,217	86,253
- Dividends paid and payable	121,234	19,114

Returns

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

Fund	Returns*		
	1 Year % p.a.	3 Year % p.a.	5 year % p.a.
BlackRock Global Allocation Fund (Aust)			
- C Class	16.78	4.49	6.23
- D Class	17.20	5.05	6.73
- S Class	16.98	4.72	6.44
- X Class	19.35	5.77	7.80

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

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 \$'000	30 June 2010 \$'000
Net Assets for Unit Pricing purposes	838,389	719,435
<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	(1,009)	(1,401)
<i>Timing Differences</i>		
Distribution Payable	(121,234)	(16,909)
Other	8	381
Net Assets Attributable to Unitholders as at 30 June	<u>716,154</u>	<u>701,506</u>

Directors' report (continued)

Changes in State of Affairs

In the opinion of the directors, there were no 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 matters or circumstance 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.

Likely Developments and Expected Results of Operations

The Fund will continue to be managed in accordance with its investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of its Constitution.

The results of the Fund's operations will be affected by a number of factors including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Fund and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Fund.

Indemnification and Insurance of Officers and 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 associated 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 are 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.

Directors' report (continued)

Rounding of Amounts to the Nearest Thousand Dollars

The Fund is a registered scheme of a kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial statements have been rounded to the nearest Thousand Dollars in accordance with that Class Order, unless otherwise indicated.

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.

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 Global Allocation Fund (Aust)

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 the BlackRock Global Allocation Fund (Aust).

As lead audit partner for the audit of the financial statements of BlackRock Global Allocation Fund (Aust) 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 Global Allocation Fund (Aust)			
	Note	2011 \$'000	2010 \$'000
Assets			
Cash and Cash Equivalents	5(a)	9,981	16,492
Income Receivable		872	109
Other Receivables		46,101	1,287
Financial Assets held at Fair Value Through Profit or Loss			
- Equity Securities		521,198	444,181
- Fixed Interest Securities		251,286	320,031
Financial Assets held for Trading			
- Options		2,149	713
- Swaps		17	-
- Forward Foreign Exchange Contracts		13,407	733
Total Assets		845,011	783,546
Liabilities			
Bank Overdraft	5(a)	2,170	1,760
Distribution Payable		121,234	16,909
Accounts Payable and Accrued Expenses		1,947	31,509
Financial Liabilities held for Trading			
- Futures		970	-
- Options		2,080	-
- Swaps		-	44
- Forward Foreign Exchange Contracts		456	31,818
Total Liabilities (Excluding Net Assets Attributable To Unitholders)		128,857	82,040
Net Assets Attributable to Unitholders (Liability)	4	716,154	701,506
Net Assets		-	-

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

BlackRock Global Allocation Fund (Aust)
Statement of Comprehensive Income
For the year ended 30 June 2011

Statement of Comprehensive Income

		BlackRock Global Allocation Fund (Aust)	
		2011	2010
	Note	\$'000	\$'000
Investment Income			
Net Gain/(Loss) on Financial Assets held at Fair Value through Profit or Loss		(55,711)	29,367
Net Gain/(Loss) on Financial Assets held for Trading		181,682	51,116
Interest Income		84	24
Dividend Income		9,985	8,364
Fee Rebates from Related Schemes	7(c)	-	2
Other Operating Income		<u>58</u>	<u>-</u>
Total Investment Income/(Loss)		<u>136,098</u>	<u>88,873</u>
Expenses			
Responsible Entity's Fees	7(a)	11,463	2,091
Transaction Costs		222	201
Other Operating Expenses		<u>196</u>	<u>328</u>
Total Operating Expenses		<u>11,881</u>	<u>2,620</u>
Net Operating Profit/(Loss)		<u>124,217</u>	<u>86,253</u>
Financing Costs Attributable to Unitholders			
Distributions to Unitholders	6	121,234	19,114
Increase/(Decrease) in Net Assets Attributable to Unitholders	4	<u>2,983</u>	<u>67,139</u>
Net Profit/(Loss) for the year		<u>-</u>	<u>-</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Total Comprehensive Income Attributable to Unitholders		<u><u>-</u></u>	<u><u>-</u></u>

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

BlackRock Global Allocation Fund (Aust)
Statement of Cash Flows
For the year ended 30 June 2011

Statement of Cash Flows

BlackRock Global Allocation Fund (Aust)			
	Note	2011	2010
		\$'000	\$'000
Cash Flows from Operating Activities			
Proceeds from Sale of Financial Instruments held at Fair Value through Profit or Loss		981,443	970,788
Purchase of Financial Instruments held at Fair Value through Profit or Loss		(979,269)	(1,004,242)
Transaction Costs on Purchase of Financial Instruments held at Fair Value through Profit or Loss		(222)	-
Dividends Received		9,013	8,616
Interest Received		83	106
Distributions from Related Schemes		-	(46)
Other Income Received		(345)	-
Responsible Entity Fees Paid		(11,438)	(2,067)
Operating Expenses Paid		<u>(151)</u>	<u>(320)</u>
Net Cash Inflow/(Outflow) from Operating Activities	5(b)	<u>(886)</u>	<u>(27,165)</u>
Cash Flows from Financing Activities			
Proceeds from Applications by Unitholders		158,522	142,668
Payments for Redemptions by Unitholders		(156,239)	(98,695)
Distributions Paid		<u>(8,735)</u>	<u>(1,763)</u>
Net Cash Inflow/(Outflow) from Financing Activities		<u>(6,452)</u>	<u>42,210</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		(7,338)	15,045
Cash and Cash Equivalents at the beginning of the financial year		14,732	922
Effects of Foreign Currency Exchange Rate Changes on Cash and Cash Equivalents		<u>417</u>	<u>(1,235)</u>
Cash and Cash Equivalents at the end of the financial year	5(a)	<u>7,811</u>	<u>14,732</u>
Non-cash Financing Activities	5(c)	8,174	443

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

BlackRock Global Allocation Fund (Aust)
Statement of Changes in Equity
For the year ended 30 June 2011

Statement of Changes in Equity

BlackRock Global Allocation Fund
(Aust)

2011	2010
\$'000	\$'000

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	-	-
Transactions with owners in their capacity as owners	-	-
Total Equity at the End of the Financial Year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a 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

These financial statements cover the BlackRock Global Allocation Fund (Aust) ("the Fund") as an individual entity. The Fund was constituted on 23 May 2005.

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.

The financial statements 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.

Compliance with International Financial Reporting Standards

The financial statements of the Fund and consolidated entities also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(b) Financial Instruments

(i) Classification

The Fund's investments are classified as held 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 at inception

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments, unlisted trusts and commercial paper.

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 or 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. 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.

- 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 in 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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 (ie. 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 to unitholders by cash or reinvestment. Distributions are recognised in the Statement of Comprehensive Income as finance costs attributable and any other amounts determined by the Responsible Entity to unitholders by cash or reinvestment.

(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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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 Sheets 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 Flow on a gross basis.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(q) Rounding of Amounts

The Fund is an entity of the kind referred to in Class Order 98/0100 (as amended), issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded off in accordance with that Class Order, unless otherwise indicated.

(r) 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 AASB 9* 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 AASB 7 *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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(v) IFRS 13 *Fair Value Measurement* (effective 1 January 2013)

IFRS 13 was released in May 2011. The AASB is expected to issue an equivalent Australian standard shortly. IFRS 13 explains how to measure fair value and aims to enhance fair value disclosures. The Fund has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Fund does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

NOTE 3: FINANCIAL RISK MANAGEMENT

The Fund's activities expose it 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 programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and seeks 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

The Fund is exposed to price risk. This arises from investments held by the Fund for which prices in the future are uncertain. They are classified on the Balance Sheet as fair value through profit or loss. Where non monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Note 3 (a) (ii) below sets out how this component of price and risk is managed and measured. Investments are classified in the Balance Sheet as at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

Market risk is managed and monitored by the Responsible Entity on a portfolio basis, with risks managed through ensuring that investment activities are undertaken in accordance with the Fund's investment model which is reviewed and updated regularly.

The Responsible Entity continuously monitors the Fund holdings relative to the recommended portfolio, and the exposure of the Fund is monitored to ensure that they remain within designated ranges or asset allocation constraints, taking into account any derivative position being used to manage risks.

In addition, the IRMC regularly reviews the Fund to ensure the Fund is following the appropriate investment models, its portfolio is in accordance with its stated guidelines and restrictions, and the performance of the Fund remain in expected bounds.

The summarised VaR analysis in Note 3 (b) explains how the risk is measured and summarises the potential exposure of the Fund's net assets attributable to unitholders.

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

At the reporting date, the notional principal amounts of derivative financial instruments held by the Fund were as follows:

	2011				2010			
	Notional Principal Amount			Fair Value	Notional Principal Amount			Fair Value
	Asset \$'000	Liability \$'000	Net \$'000	\$'000	Asset \$'000	Liability \$'000	Net \$'000	\$'000
Futures - Australia	-	-	-	-	320	-	320	-
Futures - International	-	(22,738)	(22,738)	(970)	9,980	(1,566)	8,414	-
Options - International	1,750	(2,077)	(327)	69	2,035	(567)	1,468	713
Swaps - International	4,673	(4,656)	17	17	9,648	(9,692)	(44)	(44)
Forward Foreign Exchange Contract	1,055,628	(1,042,677)	12,951	12,951	823,627	(854,712)	(31,085)	(31,085)

As at 30 June 2011, BlackRock Global Allocation Fund's financial liabilities included total return swaps with notional value of \$nil (fair value asset \$nil). As at 30 June 2010, financial liabilities included total return swaps with a notional value of \$19,336,639 (fair value \$43,513).

(ii) Foreign Exchange Risk

The Fund holds both monetary and non-monetary assets denominated in Australian dollars. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk. Foreign exchange risk arises as the value of monetary securities denominated in other countries will fluctuate due to changes in exchange rates. This risk is measured using VaR analysis.

Foreign exchange risk is managed using forward foreign exchange contracts and other derivatives in accordance with fund guidelines and restrictions. Daily monitoring is undertaken by Law and Compliance to ensure instruments used and exposures created are consistent with the investment strategy and objective of the Fund. For accounting purposes, the Fund does not designate any derivatives as hedging instruments in a hedging relationship, and hence these derivative financial instruments are classified as at fair value through profit or loss.

Section (b) Summarised VaR analysis explains how the risk is measured and summarises the potential exposure of the Fund's net assets attributable to unitholders.

The table on the following pages summarise the Fund's assets and liabilities that are denominated in a currency other than the Australian dollar.

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

	Euro A\$'000	United States Dollar A\$'000	Japanese Yen A\$'000	British Pounds A\$'000	Australian Dollars A\$'000	Canadian Dollars A\$'000	Other Currencies A\$'000	Total A\$'000
2011								
Financial Assets								
Cash and Cash Equivalents	1,675	2,068	173	584	4,702	277	502	9,981
Financial Instruments held at Fair Value through Profit or Loss*	54,381	502,178	51,033	28,828	11,984	10,254	113,826	772,484
Financial Instruments held for Trading**	-	2,133	-	-	13,425	15	-	15,573
Other Assets	<u>4,044</u>	<u>27,522</u>	<u>3,791</u>	<u>2,633</u>	<u>2,328</u>	<u>672</u>	<u>5,983</u>	<u>46,973</u>
Total Assets	<u>60,100</u>	<u>533,901</u>	<u>54,997</u>	<u>32,045</u>	<u>32,439</u>	<u>11,218</u>	<u>120,311</u>	<u>845,011</u>
Financial Liabilities								
Bank Overdraft	-	1,770	400	-	-	-	-	2,170
Distribution Payable	-	-	-	-	121,234	-	-	121,234
Accounts Payable and Accrued Expenses	-	1,122	35	204	130	-	456	1,947
Financial Instruments held for Trading**	<u>22</u>	<u>3,012</u>	<u>9</u>	<u>-</u>	<u>457</u>	<u>-</u>	<u>6</u>	<u>3,506</u>
Total Liabilities (Excluding Net Assets Attributable to Unitholders)	<u>22</u>	<u>5,904</u>	<u>444</u>	<u>204</u>	<u>121,821</u>	<u>-</u>	<u>462</u>	<u>128,857</u>
Net Assets Attributable to Unitholders - Liability	<u>60,078</u>	<u>527,997</u>	<u>54,553</u>	<u>31,841</u>	<u>(89,382)</u>	<u>11,218</u>	<u>119,849</u>	<u>716,154</u>
Increase in exposure from currency contracts	38,424	78,231	16,692	4,901	(170,340)	2,434	29,658	-
Decrease in exposure from currency contracts	<u>(147,148)</u>	<u>(671,631)</u>	<u>(92,188)</u>	<u>(43,106)</u>	<u>969,685</u>	<u>(670)</u>	<u>(14,942)</u>	<u>-</u>
Total Foreign Currency Exposure	<u>(48,646)</u>	<u>(65,403)</u>	<u>(20,943)</u>	<u>(6,364)</u>	<u>709,963</u>	<u>12,982</u>	<u>134,565</u>	<u>716,154</u>

* Includes equities, fixed interests, discount securities, unit trust holdings.

** Includes derivatives, Forward Foreign Exchange Contracts have been classified as Australian dollar exposure in the above analysis. The exposure of the Fund to foreign exchange movements in relation to forward foreign exchange contracts is reanalysed above.

The Fund holds a variety of swaps. The Manager uses currency swaps as part of the overall investment strategy and to manage the Fund within its limits. The gross notional value of these swaps at 30 June 2011 was \$520,000 resulting in an asset at fair value on the balance sheet of \$5,123 (30 June 2010 \$nil, fair value liability \$nil). The exposure figures above do not reflect the impact of these.

BlackRock Global Allocation Fund (Aust)
Notes to the Financial Statements
For the year ended 30 June 2011

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

	Euro A\$'000	United States Dollar A\$'000	Japanese Yen A\$'000	British Pounds A\$'000	Australian Dollars A\$'000	Canadian Dollars A\$'000	Other Currencies A\$'000	Total A\$'000
2010								
Financial Assets								
Cash and Cash Equivalents	741	646	212	202	12,871	113	1,707	16,492
Financial Instruments held at Fair Value through Profit or Loss*	31,779	567,102	45,544	13,913	5,949	12,133	87,792	764,212
Financial Instruments held for Trading**	-	-	-	-	1,400	46	-	1,446
Other Assets	<u>276</u>	<u>(27,283)</u>	<u>26</u>	<u>59</u>	<u>27,594</u>	<u>250</u>	<u>474</u>	<u>1,396</u>
Total Assets	<u>32,796</u>	<u>540,465</u>	<u>45,782</u>	<u>14,174</u>	<u>47,814</u>	<u>12,542</u>	<u>89,973</u>	<u>783,546</u>
Financial Liabilities								
Bank Overdraft	-	1,082	678	-	-	-	-	1,760
Distribution Payable	-	-	-	-	16,909	-	-	16,909
Accounts Payable and Accrued Expenses	231	1,540	-	231	29,506	1	-	31,509
Financial Instruments held for Trading**	<u>-</u>	<u>(666)</u>	<u>-</u>	<u>-</u>	<u>32,528</u>	<u>-</u>	<u>-</u>	<u>31,862</u>
Total Liabilities (Excluding Net Assets Attributable to Unitholders)	<u>231</u>	<u>1,956</u>	<u>678</u>	<u>231</u>	<u>78,943</u>	<u>1</u>	<u>-</u>	<u>82,040</u>
Net Assets Attributable to Unitholders - Liability	<u>32,565</u>	<u>538,509</u>	<u>45,104</u>	<u>13,943</u>	<u>(31,129)</u>	<u>12,541</u>	<u>89,973</u>	<u>701,506</u>
Increase in exposure from currency contracts	12,527	56,592	6,444	2,670	(90,808)	1,834	10,741	-
Decrease in exposure from currency contracts	<u>(167,818)</u>	<u>(541,089)</u>	<u>(81,523)</u>	<u>(40,967)</u>	<u>834,944</u>	<u>-</u>	<u>(3,547)</u>	<u>-</u>
Total Foreign Currency Exposure	<u>(122,726)</u>	<u>54,012</u>	<u>(29,975)</u>	<u>(24,354)</u>	<u>713,007</u>	<u>14,375</u>	<u>97,167</u>	<u>701,506</u>

* Includes equities, fixed interests, discount securities, unit trust holdings.

** Includes derivatives, Forward Foreign Exchange Contracts have been classified as Australian dollar exposure in the above analysis. The exposure of the Fund to foreign exchange movements in relation to forward foreign exchange contracts is reanalysed above.

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

(iii) Interest Rate Risk

The Fund's interest bearing financial assets and liabilities expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial positions and cash flows.

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

Interest rate risk is mitigated through ensuring activities are transacted in accordance with mandates, overall investment strategy and within approved limits. The summarised VaR analysis in Note 3(b) explains how the risk is measured and summarises the potential exposure of the Fund's net assets attributable to unitholders.

The disclosure for the BlackRock Global Allocation Fund have not been made on a look through basis for investments held indirectly through the underlying Fund. The disclosure of interest rate risk may not present the true interest rate risk profile of the Fund where the underlying Fund has significant exposure to interest rate risk.

Section (b) Summarised VaR analysis explains how the risk is measured and summarises the potential exposure of the Fund's net assets attributable to unitholders.

The table below summarises the Fund's exposure to interest rate risks. It includes the Fund's assets and liabilities at fair value.

30 June 2011	Floating Interest Rate A\$'000	Fixed Interest Rate A\$'000	Non Interest Bearing A\$'000	Total A\$'000
Financial Assets				
Cash and Cash Equivalents	9,981	-	-	9,981
Income Receivable	-	-	872	872
Other Receivables	-	-	46,101	46,101
Financial Instruments held at Fair Value through Profit or Loss:				
- Equity Securities	-	-	521,198	521,198
- Fixed Interest Securities	2,682	154,836	93,768	251,286
Financial Instruments held for Trading				
- Options	-	-	2,149	2,149
- Swaps	-	-	17	17
- Forward Foreign Exchange Contracts	-	-	13,407	13,407
Total Assets	<u>12,663</u>	<u>154,836</u>	<u>677,512</u>	<u>845,011</u>
Financial Liabilities				
Bank Overdraft	2,170	-	-	2,170
Distribution Payable	-	-	121,234	121,234
Accounts Payable and Accrued Expenses	-	-	1,947	1,947
Financial Instruments held for Trading				
- Futures	-	-	970	970
- Options	-	-	2,080	2,080
- Swaps	-	-	-	-
- Forward Foreign Exchange Contracts	-	-	456	456
Total Liabilities (Excluding Net Assets Attributable to Unitholders)	<u>2,170</u>	<u>-</u>	<u>126,687</u>	<u>128,857</u>
Net Assets Attributable to Unitholders - Liability	<u>10,493</u>	<u>154,836</u>	<u>550,825</u>	<u>716,154</u>

BlackRock Global Allocation Fund (Aust)
Notes to the Financial Statements
For the year ended 30 June 2011

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

30 June 2010	Floating Interest Rate A\$'000	Fixed Interest Rate A\$'000	Non Interest Bearing A\$'000	Total A\$'000
Financial Assets				
Cash and Cash Equivalents	16,492	-	-	16,492
Income Receivable	-	-	109	109
Other Receivables	-	-	1,287	1,287
Financial Instruments held at Fair Value through Profit or Loss:				
- Equity Securities	-	-	444,181	444,181
- Fixed Interest Securities	1,657	318,374	-	320,031
Financial Instruments held for Trading				
- Options	-	-	713	713
- Forward Foreign Exchange Contracts	-	-	733	733
Total Assets	<u>18,149</u>	<u>318,374</u>	<u>447,023</u>	<u>783,546</u>
Financial Liabilities				
Bank Overdraft	1,760	-	-	1,760
Distribution Payable	-	-	16,909	16,909
Accounts Payable and Accrued Expenses	-	-	31,509	31,509
Financial Instruments held for Trading				
- Swaps	-	-	44	44
- Forward Foreign Exchange Contracts	-	-	31,818	31,818
Total Liabilities (Excluding Net Assets Attributable to Unitholders)	<u>1,760</u>	<u>-</u>	<u>80,280</u>	<u>82,040</u>
Net Assets Attributable to Unitholders - Liability	<u>16,389</u>	<u>318,374</u>	<u>366,743</u>	<u>701,506</u>

The Fund holds a variety of swaps. The Manager uses interest rate swaps as part of the overall investment strategy and to manage the Fund within its limits. The gross notional value of these swaps at 30 June 2011 was \$4,145,000 resulting in an asset at fair value on the balance sheet of \$12,554 (30 June 2010 \$nil, fair value liability \$nil). The exposure figures above do not reflect the impact of these.

(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 risk 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 market risk exposures, incorporating price risk, foreign exchange risk and interest rate risk. This market risk exposure is reflective of the interdependencies.

BlackRock calculate 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 portfolio which replicates the composition of the benchmark over the 5 day period from 30 June.

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

Value at Risk for BlackRock Global Allocation Fund (Aust)

	2011		2010	
	\$'000 [^]	%	\$'000 [^]	%
Total Portfolio Risk	4,171	0.58	3,966	0.57

[^] VaR has been calculated on Net Asset 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.
- 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 the 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.

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

(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.

The Fund can invest in all types of debt securities. Debt securities include, but are not limited to: US and foreign government bonds, corporate bonds and convertible bonds, mortgage and asset backed securities and securities issued or guaranteed by certain international organisations such as World Bank.

(i) Interest Bearing Securities

An analysis of debt securities by rating is set out in the table below.

Rating	30 June 2011	30 June 2010
	Portfolio %	Portfolio %
GOV	-	31.36
AAA	37.56	15.04
AA+	0.17	
AA	-	0.95
A+	2.48	
A	2.91	8.76
A-	2.09	
BBB+	1.49	
BBB	4.71	10.31
BBB-	1.02	
BB+	3.05	
BB	2.69	7.24
BB-	1.42	-
B+	2.64	5.90
B & below	3.66	-
NR	-	20.44
Others	34.11	-
Total	<u>100.00</u>	<u>100.00</u>

(ii) 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.

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

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.

(iii) 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.

(iv) Other Credit Risk

Exposure to credit risk on cash and cash equivalents and, margin accounts considered to be minimal due to the high credit rating of the relevant financial institutions. 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, Brown Brothers Harriman & Company ("Brown Brothers Harriman"). Brown Brothers Harriman is a private firm and as at 30 June 2011 had a credit rating of A+ (2010: A+). At 30 June 2011, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by Brown Brothers Harriman.

(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 and daily margin calls on derivatives. 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 cash flows and matching the maturity profiles of financial assets and liabilities.

The Responsible Entity staff consider and maintain 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.

The table below analyses the Fund's financial liabilities into and derivative asset balances (as appropriate) relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date as at balance date. The amounts in the table are contractual undiscounted cash flows. Balances that are due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 12 months	1-3 years	3-5 years	>5 years	On Call
At 30 June 2011	\$'000	\$'000	\$'000	\$'000	\$'000
Bank Overdraft	(2,170)	-	-	-	-
Distribution Payable	(121,234)	-	-	-	-
Accounts Payable and Accrued Expenses	(1,947)	-	-	-	-
Derivatives*					
Outflows	(1,045,245)	(4,995)	-	-	-
Inflows	1,056,930	5,199	-	176	-
Net Assets Attributable to Unitholders	-	-	-	-	(716,154)
Total	(113,666)	204	-	176	(716,154)

* The analysis above includes gross cash flows from forward foreign exchange contracts and interest rate swaps (irrespective of whether they are gross or net settled) in both an asset or liability position at the Balance Sheet date. As cash inflows are generally realised simultaneously to cash outflows, this information has been included for clarity.

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

At 30 June 2010	Less than 12 months \$'000	1-3 years \$'000	3-5 years \$'000	>5 years \$'000	On Call \$'000
Bank Overdraft	-	-	-	-	(1,760)
Distribution Payable	(16,909)	-	-	-	-
Accounts Payable and Accrued Expenses	(31,509)	-	-	-	-
Derivatives*					
Outflows	(9,755)	-	-	-	-
Inflow	9,682	230	45	467	-
Net Assets Attributable to Unitholders	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(701,506)</u>
Total	<u>(48,491)</u>	<u>230</u>	<u>45</u>	<u>467</u>	<u>(703,266)</u>

* The analysis above includes gross cash flows from forward foreign exchange contracts and interest rate swaps (irrespective of whether they are gross or net settled) in both an asset or liability position at the Balance Sheet date. As cash inflows are generally realised simultaneously to cash outflows, this information has been included for clarity.

(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 apply 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.

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.

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

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

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 2011 and 30 June 2010.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
30 June 2011				
Financial Assets				
Financial Instruments held at Fair Value through Profit or Loss				
Equity Securities	489,296	31,901	1	521,198
Fixed Interest Securities	38,318	198,703	14,265	251,286
Unlisted Unit Schemes	-	-	-	-
Financial Instruments held for Trading				
Options	-	1,646	503	2,149
Swaps	-	17	-	17
Forward Foreign Exchange Contracts	-	13,407	-	13,407
Total	<u>527,614</u>	<u>245,674</u>	<u>14,769</u>	<u>788,057</u>
Financial Liabilities				
Financial Instruments held for Trading				
Futures	970	-	-	970
Options	-	1,206	874	2,080
Swaps	-	-	-	-
Forward Foreign Exchange Contracts	-	456	-	456
Total	<u>970</u>	<u>1,662</u>	<u>874</u>	<u>3,506</u>

NOTE 3: FINANCIAL RISK MANAGEMENT (continued)

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2010				
Financial Assets				
Financial Instruments held at Fair Value through Profit or Loss				
Equity Securities	421,017	23,164	-	444,181
Fixed Interest Securities	93,078	226,953	-	320,031
Unlisted Unit Schemes	-	-	-	-
Financial Instruments held for Trading				
Options	-	713	-	713
Swaps	-	733	-	733
Forward Foreign Exchange Contracts	-	-	-	-
Total	<u>514,095</u>	<u>251,563</u>	<u>-</u>	<u>765,658</u>
Financial Liabilities				
Financial Instruments held for Trading				
Options	-	-	-	-
Swaps	-	44	-	44
Forward Foreign Exchange Contracts	-	31,818	-	31,818
Total	<u>-</u>	<u>31,862</u>	<u>-</u>	<u>31,862</u>

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

The following table presents the movement in level 3 instruments for the year ended 30 June 2011 by class of financial instrument.

	Equity Securities	Fixed Interest Securities	Derivative
	\$'000	\$'000	\$'000
Opening Balance	-	-	-
Purchases	1	11,597	698
Sales	-	(1,213)	-
Transfers into Level 3	-	2,656	-
Transfers out of Level 3	-	-	-
Gains and losses recognised in profit or loss	-	1,225	(1,069)
Closing Balance	<u>1</u>	<u>14,265</u>	<u>(371)</u>

The majority of assets classified as Level 3 assets are; debt instruments priced using an external pricing source, derivatives priced using an internal pricing source, but that are infrequently traded and hence there is a degree of subjectivity associated with the accuracy of the price. Given the number of such investments it is not practical to provide reasonable alternative prices to each investment.

No movements occurred for the Fund in Level 3 instruments for the year ended 30 June 2010.

NOTE 4: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

As stipulated within the Fund 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 holder's option at prices based on 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.

	C Class Units			
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Net assets attributable to unitholders	No. '000	No. '000	\$'000	\$'000
Opening balance	21,706	23,644	22,128	22,053
Applications				
- Cash	747	603	831	604
- Distribution Reinvestment Plan	290	-	286	-
Redemptions	(2,779)	(2,541)	(3,045)	(2,587)
Increase/(Decrease) in Net Assets Attributable to Unitholders	<u>-</u>	<u>-</u>	<u>83</u>	<u>2,058</u>
Closing balance	<u>19,964</u>	<u>21,706</u>	<u>20,283</u>	<u>22,128</u>

	D Class Units			
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Net assets attributable to unitholders	No. '000	No. '000	\$'000	\$'000
Opening balance	456,647	414,214	473,975	387,561
Applications				
- Cash	131,208	127,718	146,869	129,054
- Distribution Reinvestment Plan	1,987	431	1,980	443
Redemptions	(86,278)	(85,716)	(95,463)	(86,385)
Increase/(Decrease) in Net Assets Attributable to Unitholders	<u>-</u>	<u>-</u>	<u>2,084</u>	<u>43,302</u>
Closing balance	<u>503,564</u>	<u>456,647</u>	<u>529,445</u>	<u>473,975</u>

BlackRock Global Allocation Fund (Aust)
Notes to the Financial Statements
For the year ended 30 June 2011

NOTE 4: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

	X Class Units			
	30 June 2011 No. '000	30 June 2010 No. '000	30 June 2011 \$'000	30 June 2010 \$'000
Net assets attributable to unitholders				
Opening balance	188,249	194,995	168,184	157,449
Applications				
- Cash	-	-	-	-
- Distribution Reinvestment Plan	5,780	-	5,877	-
Redemptions	(46,780)	(6,746)	(53,540)	(7,116)
Increase/(Decrease) in Net Assets Attributable to Unitholders	<u>-</u>	<u>-</u>	<u>608</u>	<u>17,851</u>
Closing balance	<u>147,249</u>	<u>188,249</u>	<u>121,129</u>	<u>168,184</u>

	S Class Units			
	30 June 2011 No. '000	30 June 2010 No. '000	30 June 2011 \$'000	30 June 2010 \$'000
Net assets attributable to unitholders				
Opening balance	41,428	29,936	37,219	23,634
Applications				
- Cash	11,728	15,464	10,822	13,011
- Distribution Reinvestment Plan	37	-	31	-
Redemptions	(3,228)	(3,972)	(2,983)	(3,354)
Increase/(Decrease) in Net Assets Attributable to Unitholders	<u>-</u>	<u>-</u>	<u>208</u>	<u>3,928</u>
Closing balance	<u>49,965</u>	<u>41,428</u>	<u>45,297</u>	<u>37,219</u>

NOTE 5: NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

Cash and Cash Equivalents as at 30 June is reconciled to the Balance Sheet as follows:

	30 June 2011 \$'000	30 June 2010 \$'000
Cash	9,981	15,065
Margin Accounts < 90 days	-	1,427
Bank Overdraft	<u>(2,170)</u>	<u>(1,760)</u>
	<u>7,811</u>	<u>14,732</u>

NOTE 5: NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(b) Reconciliation of Net Operating Profit/(Loss) to Net Cash from Operating Activities for the year ended 30 June

	30 June 2011	30 June 2010
	\$'000	\$'000
Net Operating Profit/(Loss)	124,217	86,255
(Increase)/Decrease in Financial Instruments held at Fair Value through Profit or Loss	(8,272)	(138,720)
(Increase)/Decrease in Financial Instruments held for Trading	(42,900)	-
(Increase)/Decrease in Income Receivable	(763)	1,255
(Increase)/Decrease in Other Receivables	(44,814)	(807)
Increase/(Decrease) in Accounts Payable and Accrued Expenses	<u>(28,354)</u>	<u>24,852</u>
Net cash inflow/(outflow) from operating activities	<u>(886)</u>	<u>(27,165)</u>

(c) Non-cash financing and investing 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	
	Units		Units	
	No. '000	\$'000	No. '000	\$'000
BlackRock Global Allocation Fund (Aust)				
C Class Units	290	286	-	-
D Class Units	1,987	1,980	431	443
X Class Units	5,780	5,877	-	-
S Class Units	37	31	-	-

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 for the year ended 30 June.

	2011				2010			
	Distribution Paid Cents/Unit	Distribution Payable Cents/Units	Distribution Paid \$'000	Distribution Payable \$'000	Distribution Paid Cents/Unit	Distribution Payable Cents/Units	Distribution Paid \$'000	Distribution Payable \$'000
C Class Units	-	15.66	-	3,127	-	2.41	-	523
D Class Units	-	16.49	-	83,037	0.50	2.11	2,206	9,642
S Class Units	-	13.61	-	6,799	-	2.09	-	867
X Class Units	-	19.20	-	28,271	-	3.12	-	5,877

NOTE 7: RELATED PARTIES

Responsible Entity

The Responsible Entity of the Fund is BlackRock Investment Management (Australia) Limited 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.

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	

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 and Co-Chief Investment Officer	BlackRock Investment Management (Australia) Limited

* Resigned on 31 March 2011

Key Management Personnel Unitholding

The Maddox Super Fund of which Mr Maddox is a Trustee invests into the Fund. Mr. Frawley and his spouse as well as the spouses of Mr G A Boyle and Mr R J Maddox also held units in the Fund. The details of the units held are summarised on the following pages under Investing Activities – Key Management Personnel and Key Management Personnel Related Entities.

During or since the end of the financial year, none of the other 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.

NOTE 7. RELATED PARTIES (continued)

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 before 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.

(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.

(c) Fee Rebates from Related Schemes

The Fund receives a rebate of all fees charged on monies invested in other related schemes with the same Responsible Entity. These rebates, which reflect an increase in the return from those related schemes, are included as revenue in the Statement of Comprehensive Income.

Transactions and balances with related parties are summarised in the schedules on the following page.

NOTE 7. RELATED PARTIES (continued)

BlackRock Global Allocation Fund (Aust)
30 June **30 June**
2011 **2010**
\$ **\$**

Responsible Entity's Fees and Other Transactions

Total Responsible Entity's Fees paid or due and payable by the Fund:

Class Management Fees:

- C Class Units	(138,058)	(138,568)
- D Class Units	(1,056,143)	(888,418)
- S Class Units	(172,710)	(123,476)

Class Performance Fees:

- C Class Units	(381,173)	(4,409)
- D Class Units	(8,982,167)	(912,741)
- S Class Units	(732,708)	(22,893)

Class Responsible Entity Fees and Expense Reimbursement Payable

- C Class Units	(12,089)	(12,039)
- D Class Units	(101,598)	(83,515)
- S Class Units	(16,966)	(12,542)

Total Responsible Entity's Fees received or due and receivable by the Fund:

Responsible Entity Fee Rebates -

- F Class Units	-	2,357
- D Class Units	-	-
- X Class Units	-	-

Investments

The Fund does not have any investment in other schemes managed by the Responsible Entity or its related parties.

BlackRock Global Allocation Fund (Aust)
Notes to the Financial Statements
For the year ended 30 June 2011

NOTE 7. RELATED PARTIES (continued)

Investments - Key Management Personnel and Key Management Personnel Related Entities

	Number of Units Held opening	Number of Units Held closing	Fair Value of Units Held at Year End	Value of Units Purchased During the Year	Value of Units Sold During the Year	Interest Held by Related Parties at Year End	Distribution s Paid by the Fund	Distribution Payable by the Fund
2011	Units	Units	\$	\$	\$	%	\$	\$
BlackRock Global Allocation Fund (Aust)								
The Maddox Super Fund	1,910,147	1,950,611	1,956,248	40,331	-	0.27	-	321,652
Mr Russell John Maddox	291,230	297,400	298,259	6,149	-	0.04	-	49,041
Helen Mary Boyle ^	42,714	-	-	902	-	-	-	-
Jodi E & Damien J Frawley	51,104	42,861	42,985	1,079	11,000	0.01	-	7,068

	Number of Units Held opening	Number of Units Held closing	Fair Value of Units Held at Year End	Value of Units Purchased During the Year	Value of Units Sold During the Year	Interest Held by Related Parties at Year End	Distribution s paid/payab le by the Fund	Distribution Payable by the Fund
2010	Units	Units	\$	\$	\$	%	\$	\$
BlackRock Global Allocation Fund (Aust)								
The Maddox Super Fund	42,714	1,910,147	1,938,417	49,835	-	0.42	-	9,505
Mr Russell John Maddox	289,822	291,230	259,340	1,449	-	0.46	-	1,449
Helen Mary Boyle	42,507	42,714	43,346	1,114	-	0.01	-	213
Jodi E & Damien J Frawley	65,651	51,104	45,508	254	15,000	0.01	254	1,079

^ Grant Boyle resigned as a director of the Responsible Entity on 12 May 2011, the information above for the 2011 financial year is for the period 1 July 2010 to 12 May 2011.

Related party schemes' unitholding

Parties related to the Fund (including the Responsible Entity and other schemes managed by the Responsible Entity), held units in the Fund as follows:

	Number of Units Held opening	Number of Units Held closing	Interest Held	Number of Units Acquired	Number of units Disposed	Distributions paid/payable by the Fund
2011	Units	Units	%	Units	Units	\$
BlackRock Global Allocation Fund (Aust)						
BlackRock Wholesale Balanced Fund	171,828,025	134,432,440	16.38	5,275,790	42,671,375	25,810,269
BlackRock Pooled Super Trust	16,421,238	12,816,766	1.56	504,196	4,108,668	2,460,747

	Number of Units Held opening	Number of Units Held closing	Interest Held	Number of Units Acquired	Number of units Disposed	Distributions paid/payable by the Fund
2010	Units	\$	%	Units	Units	\$
BlackRock Global Allocation Fund (Aust)						
BlackRock Wholesale Balanced Fund	175,112,875	171,828,025	24.27	-	(3,284,849)	5,364,423
BlackRock Pooled Super Trust	19,881,973	16,421,238	2.32	-	(3,460,735)	512,667

NOTE 8: AUDITOR'S REMUNERATION

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

NOTE 9. SEGMENT INFORMATION

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

NOTE 10: EVENTS OCCURRING AFTER THE REPORTING DATE

No significant events have occurred since the balance sheet 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 11: CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

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

Directors' Declaration

In the opinion of the directors of the Responsible Entity :

- (a) the financial statements and notes set out on pages 6 to 34 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations 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; and
- (b) the financial statements comply with International Financial Reporting Standards as disclosed in Note 2 (a); and
- (c) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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 Unitholders of BlackRock Global Allocation Fund (Aust)

We have audited the accompanying financial report of BlackRock Global Allocation Fund (Aust) ("the Fund"), which comprises the balance sheet 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 35.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

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 entity'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 entity'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

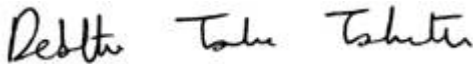
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Responsible Entity, would be in the same terms if given to the directors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

Opinion

In our opinion:

- (a) the financial report of BlackRock Global Allocation Fund (Aust) is in accordance with the Corporations Act 2001, including:
 - (i) 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
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants
Melbourne, 27 September 2011