

Annual Financial Report

30 JUNE 2009

BlackRock Investment Management (Australia) Limited ABN 13 006 165 975

Australian Financial Services Licence No 230523

BlackRock Professional Investor Funds

BlackRock Professional Investor Managed Income Fund

ARSN 089 057 778

BlackRock Professional Investor Australian Share Fund

ARSN 089 057 518

BlackRock Professional Investor Global High Conviction Fund

formerly BlackRock Professional Investor International Share Fund

ARSN 089 057 876

BlackRock Professional Investor Balanced Fund

ARSN 089 057 670



BLACKROCK

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Directors' Report

The directors of BlackRock Investment Management (Australia) Limited, the Responsible Entity of the BlackRock Professional Investor Funds, present their report together with the financial report of BlackRock Professional Investor Funds ("the Funds") for the financial year ended 30 June 2009 and the auditor's report thereon. The BlackRock Professional Investor Funds comprise the BlackRock Professional Investor Managed Income Fund, BlackRock Professional Investor Australian Share Fund, BlackRock Professional Investor Global High Conviction Fund (formerly BlackRock Professional Investor International Share Fund) and BlackRock Professional Investor Balanced Fund.

Change of Name

On 27 October 2008 the name of the BlackRock Professional Investor International Share Fund was changed as outlined above.

Responsible Entity

The Responsible Entity of the Funds is BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975) ("the Responsible Entity").

The registered office and principal place of business of the Responsible Entity and the Funds is 120 Collins Street, Melbourne, Australia.

Principal Activities

The Funds invest in accordance with the provisions of the Funds' Constitutions. The Funds did not have any employees during the year. There were no significant changes in the nature of the Funds' 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/resigned
M J O'Shannassy	Appointed 23 July 1997
R Fairbairn	Appointed 29 November 2004, resigned 2 March 2009
D Frawley	Appointed 18 March 2005
G A Boyle	Appointed 7 March 2007
C Tzatzakis	Appointed 11 September 2007
J R Kushel	Appointed 2 March 2009

Review and Results of Operations

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

BlackRock Professional Investor Managed Income Fund

The BlackRock Professional Investor Managed Income Fund is fully invested in the BlackRock Wholesale Managed Income Fund.

The primary aim of the BlackRock Wholesale Managed Income Fund is to provide investors with a regular monthly income and some capital growth.

The BlackRock Wholesale Managed Income Fund continued to pursue these aims by investing predominantly in Australian and internationally sourced interest bearing instruments, such as government and corporate fixed income securities and convertible notes. The Fund also invests up to 35% in growth assets, predominantly a portfolio of Australian shares and property (direct and listed). These may also include a selection of international and infrastructure shares.

BlackRock Professional Investor Australian Share Fund

The BlackRock Professional Investor Australian Share Fund is fully invested in the BlackRock Wholesale Australian Share Fund.

The BlackRock Wholesale Australian Share Fund aims to achieve capital growth through investment in Australian shares and other securities and to provide investors with some tax-effective income.

BlackRock Professional Investor Global High Conviction Fund

The BlackRock Professional Investor Global High Conviction Fund is fully invested in the BlackRock Wholesale Global High Conviction Fund.

Following a restructure in October 2008, the BlackRock Wholesale International Share Fund was renamed the BlackRock Wholesale Global High Conviction Fund.

The primary aim of the BlackRock Wholesale Global High Conviction Fund is to achieve capital growth over the medium to long-term by investing in a portfolio of international shares.

BlackRock Professional Investor Balanced Fund

The BlackRock Professional Investor Balanced Fund is fully invested in the BlackRock Wholesale Balanced Fund.

The primary aim of the BlackRock Wholesale Balanced Fund is to provide investors with a diversified portfolio offering a balance between capital growth and a moderate level of income. The BlackRock Wholesale Balanced Fund maintains its investment strategy in growth assets such as Australian and international shares and an exposure to property. It also invests in Australian and international interest bearing instruments.

Review and Results of Operations (continued)

Results

The returns of the Funds are summarised in the following table:

Fund	Return*				
	2009 % p.a.	2008 % p.a.	2007 % p.a.	2006 % p.a.	2005 % p.a.
BlackRock Professional Investor Managed Income Fund	(21.80)	(5.14)	11.88	7.97	9.93
BlackRock Professional Investor Australian Share Fund	(18.67)	(7.62)	23.63	28.49	27.49
BlackRock Professional Investor Global High Conviction Fund	(16.20)	(10.91)	7.98	16.28	0.49
BlackRock Professional Investor Balanced Fund	(13.24)	(5.72)	14.57	18.12	13.15

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

Detailed information on the Funds' distributions is provided in note 7 of the financial statements.

Reconciliation of Net Asset Value for Unit Pricing Purposes to Net Assets Attributable to Unitholders:

It is the opinion of the directors that the application of AIFRS does not have unit pricing consequences, as the basis of determining the unit price is as outlined in the Funds' Constitutions and product disclosure statements. The key differences between net assets for unit pricing and AIFRS Financial Reporting have been outlined below:

	BlackRock Professional Investor Managed Income Fund		BlackRock Professional Investor Australian Share Fund	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	\$	\$	\$	\$
Net Assets for Unit Pricing purposes	1,175,685	1,680,707	14,756,265	20,845,922
Permanent Differences				
AIFRS adjustments for changes in valuation of Financial Instruments held at Fair Value through Profit or Loss	(790)	(965)	(40,598)	(57,925)
Other	-	-	-	-
Timing Differences				
Distribution Payable	(5,691)	(56,265)	(151,332)	(441,999)
Other	(10)	(1,616)	1,763	2,010
Net Assets Attributable to Unitholders as at 30 June	1,169,194	1,621,861	14,566,098	20,348,008

	BlackRock Professional Investor Global High Conviction Fund		BlackRock Professional Investor Balanced Fund	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	\$	\$	\$	\$
Net Assets for Unit Pricing purposes	1,026,947	1,955,124	6,578,663	9,281,681
Permanent Differences				
AIFRS adjustments for changes in valuation of Financial Instruments held at Fair Value through Profit or Loss	(2,414)	(4,928)	(11,453)	(16,512)
Other	-	-	-	-
Timing Differences				
Distribution Payable	(53,891)	-	(32,924)	-
Other	(75)	24	(28)	7,043
Net Assets Attributable to Unitholders as at 30 June	970,567	1,950,220	6,534,258	9,272,212

Directors' Report (continued)

Significant Changes in State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Funds 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 circumstances have arisen since 30 June 2009 that have significantly affected, or may significantly affect:

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

Likely Developments and Expected Results of Operations

The Funds will continue to be managed in accordance with their investment objectives and guidelines and in accordance with the provisions of their Constitutions.

Future results will accordingly depend on the performance of the investment markets to which the Funds are exposed. 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. Therefore future results have not been included in this report because it would be likely to result in unreasonable prejudice to the Funds.

Indemnification and Insurance of Officers and Auditors

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

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

Environmental Regulations

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

Additional Disclosures

The Funds have applied the relief available in Class Order 06/0441 issued by the Australian Securities and 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 3, 5 and 7 to the financial statements.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required by section 307C of the Corporations Act 2001 is set out on page 6.

The financial statements were authorised for issue by the directors on 28 September 2009.

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

M J O'Shannassy
Director

G A Boyle
Director

Melbourne, 28 September 2009

Auditor's Independence Declaration

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

INDEPENDENCE DECLARATION – BLACKROCK PROFESSIONAL INVESTOR MANAGED INCOME FUND, BLACKROCK PROFESSIONAL INVESTOR AUSTRALIAN SHARE FUND, BLACKROCK PROFESSIONAL INVESTOR GLOBAL HIGH CONVICTION FUND (FORMERLY BLACKROCK PROFESSIONAL INVESTOR INTERNATIONAL SHARE FUND) AND BLACKROCK PROFESSIONAL INVESTOR BALANCED 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 Professional Investor Managed Income Fund, BlackRock Professional Investor Australian Share Fund, BlackRock Professional Investor Global High Conviction Fund (formerly BlackRock Professional Investor International Share Fund) and BlackRock Professional Investor Balanced Fund.

As lead audit partner for the audit of the financial statements of BlackRock Professional Investor Managed Income Fund, BlackRock Professional Investor Australian Share Fund, BlackRock Professional Investor Global High Conviction Fund (formerly BlackRock Professional Investor International Share Fund) and the BlackRock Professional Investor Balanced Fund for the year ended 30 June 2009, 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 A. Brown
Partner
Chartered Accountants
Melbourne, 28 September 2009

Liability limited by a scheme approved under
Professional Standards Legislation

Balance Sheets as at 30 June 2009

	Notes	BlackRock Professional Investor Managed Income Fund		BlackRock Professional Investor Australian Share Fund		BlackRock Professional Investor Global High Conviction Fund		BlackRock Professional Investor Balanced Fund	
		2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
ASSETS									
Cash & Cash Equivalents	6(a)	-	-	5	-	-	7	-	-
Receivables from Related Schemes	3	5,546	15,823	259,362	182,679	108,986	12,905	69,433	151,061
Other Receivables		170	255	1,535	2,476	177	290	707	2,083
Financial Assets Designated at Fair Value through Profit or Loss									
Units in Related Schemes		1,169,447	1,662,977	14,475,487	20,631,407	916,884	1,939,786	6,505,170	9,131,716
TOTAL ASSETS		1,175,163	1,679,055	14,736,389	20,816,562	1,026,047	1,952,988	6,575,310	9,284,860
LIABILITIES									
Distribution Payable	7	5,691	56,265	151,332	441,999	53,891	-	32,924	-
Accounts Payable and Accrued Expenses		278	929	18,959	26,555	1,589	2,768	8,128	12,648
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)		5,969	57,194	170,291	468,554	55,480	2,768	41,052	12,648
Net Assets Attributable to Unitholders	5	1,169,194	1,621,861	14,566,098	20,348,008	970,567	1,950,220	6,534,258	9,272,212
NET ASSETS		-	-	-	-	-	-	-	-

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

Income Statements for the year ended 30 June 2009

	Notes	BlackRock Professional Investor Managed Income Fund		BlackRock Professional Investor Australian Share Fund		BlackRock Professional Investor Global High Conviction Fund		BlackRock Professional Investor Balanced Fund	
		2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
INVESTMENT INCOME									
Net Gain/(Loss) on Financial Assets designated at Fair									
Value through Profit or Loss		(430,265)	(204,511)	(4,614,400)	(2,737,400)	(383,697)	(236,983)	(1,484,485)	(927,934)
Distributions from Related Schemes	3	87,978	118,218	721,630	1,240,611	74,495	11,158	286,798	429,707
Interest Income		-	-	-	-	-	-	-	-
Fee Rebates from Related Schemes	3(c)	10,716	13,772	149,554	229,882	15,065	23,918	70,137	98,837
Other Operating Income		89	-	-	-	-	-	-	-
TOTAL INVESTMENT INCOME/(LOSS)		(331,482)	(72,521)	(3,743,216)	(1,266,907)	(294,137)	(201,907)	(1,127,550)	(399,390)
EXPENSES									
Responsible Entity's Fees	3(a)	18,757	24,082	220,178	338,674	23,775	37,766	103,336	145,682
Other Operating Expenses	3(b)	5	40	-	108	1	2	224	-
TOTAL OPERATING EXPENSES		18,762	24,122	220,178	338,782	23,776	37,768	103,560	145,682
NET OPERATING PROFIT/(LOSS)		(350,244)	(96,643)	(3,963,394)	(1,605,689)	(317,913)	(239,675)	(1,231,110)	(545,072)
FINANCING COSTS ATTRIBUTABLE TO UNITHOLDERS									
Distributions to Unitholders	7	94,955	158,725	651,009	1,535,221	53,891	-	252,466	97,605
Increase/(Decrease) in Net Assets Attributable to Unitholders	5	(445,199)	(255,368)	(4,614,403)	(3,140,910)	(371,804)	(239,675)	(1,483,576)	(642,677)
NET PROFIT/(LOSS) FOR THE YEAR		-	-	-	-	-	-	-	-

The above Income Statements should be read in conjunction with the accompanying notes.

Cash Flow Statements for the year ended 30 June 2009

	BlackRock Professional Investor Managed Income Fund		BlackRock Professional Investor Australian Share Fund		BlackRock Professional Investor Global High Conviction Fund		BlackRock Professional Investor Balanced Fund		
	2009	2008	2009	2008	2009	2008	2009	2008	
Notes	\$	\$	\$	\$	\$	\$	\$	\$	
CASH FLOWS FROM OPERATING ACTIVITIES									
Proceeds from Sale of Financial Instruments held at Fair Value through Profit or Loss	63,269	373,730	1,462,554	5,928,280	605,710	708,821	1,535,916	2,039,590	
Purchase of Financial Instruments held at Fair Value through Profit or Loss	-	(870,480)	-	(4,184,466)	-	(70,873)	(407,586)	(962,252)	
Interest Received	-	-	-	-	-	-	-	-	
Distributions from Related Schemes Responsible Entity	97,881	128,096	718,148	3,798,494	11,157	64,958	379,764	918,013	
Fee Rebates Received	11,007	13,649	154,092	232,629	15,697	24,583	72,049	99,814	
Reduced Input Tax Credit Received	-	737	-	9,396	-	1,128	-	4,024	
Responsible Entity Fees Paid	(19,265)	(24,456)	(226,847)	(355,468)	(24,764)	(39,935)	(106,151)	(152,555)	
Operating Expenses Paid	14	(130)	361	847	42	89	(132)	420	
Other Income Received	89	-	-	-	-	-	-	-	
Tax Payable	-	-	-	-	-	-	60	-	
NET CASH INFLOWS/ (OUTFLOWS) FROM OPERATING ACTIVITIES	6(b)	152,995	(378,854)	2,108,308	5,429,712	607,842	688,771	1,473,920	1,947,054
CASH FLOWS FROM FINANCING ACTIVITIES									
Proceeds from Applications by Unitholders	17,430	740,746	474,908	429,652	32,220	5,254	28,029	43,287	
Payments for Redemptions by Unitholders	(88,042)	(290,543)	(2,099,903)	(4,068,505)	(640,069)	(678,521)	(1,382,265)	(1,685,093)	
Distributions Paid	(82,383)	(71,349)	(483,308)	(1,790,859)	-	(15,503)	(119,684)	(305,300)	
NET CASH INFLOWS/ (OUTFLOWS) FROM FINANCING ACTIVITIES		(152,995)	378,854	(2,108,303)	(5,429,712)	(607,849)	(688,770)	(1,473,920)	(1,947,106)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS									
Cash and Cash Equivalents at the Beginning of the Financial Year	-	-	5	-	(7)	1	-	(52)	
	-	-	-	-	7	6	-	52	
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	6(a)	-	-	5	-	-	7	-	-
Non-cash Financing Activities	6(c)								

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

Statements of Changes in Equity for the year ended 30 June 2009

	BlackRock Professional Investor Managed Income Fund		BlackRock Professional Investor Australian Share Fund	
	2009	2008	2009	2008
	\$	\$	\$	\$
TOTAL EQUITY AT THE BEGINNING OF THE FINANCIAL YEAR	-	-	-	-
Profit/(Loss) for the year	-	-	-	-
Net income/(expense) recognised directly in equity	-	-	-	-
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE YEAR	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR	-	-	-	-

	BlackRock Professional Investor Global High Conviction Fund		BlackRock Professional Investor Balanced Fund	
	2009	2008	2009	2008
	\$	\$	\$	\$
TOTAL EQUITY AT THE BEGINNING OF THE FINANCIAL YEAR	-	-	-	-
Profit/(Loss) for the year	-	-	-	-
Net income/(expense) recognised directly in equity	-	-	-	-
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE YEAR	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR	-	-	-	-

Under Australian equivalents to International Financial Reporting 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 financial year.

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

Notes to the Financial Statements for the year ended 30 June 2009

1. Change of name

On 27 October 2008, the name of the Fund was changed as set out in the table below:

New Name	Former name
BlackRock Professional Investor Global High Conviction Fund	BlackRock Professional Investor International Share Fund

2. Summary of Significant Accounting Policies

(a) Statement of Compliance & Basis of Preparation

This financial report includes financial statements for BlackRock Professional Investor Managed Income Fund, BlackRock Professional Investor Australian Share Fund, BlackRock Professional Investor Global High Conviction Fund and BlackRock Professional Investor Balanced Fund ("the Funds") as individual entities. The Funds were constituted on 10 August 1999.

This general purpose financial report has 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 report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of the Funds, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the directors on 28th September 2009. The directors of the responsible entity have the power to amend and reissue the financial report.

The principal accounting policies applied in the preparation of these financial statements are set out below.

(b) Financial Instruments

■ Financial instruments held for trading.

Financial assets or liabilities held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short term. These include derivative financial instruments including futures, forward contracts, options and interest rate swaps. The funds do not designate any derivatives as hedges in a hedging relationship.

■ Financial instruments designated 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 designated 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 Funds' documented investment strategy. The Funds' 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.

The Funds recognise financial assets and liabilities on the date they become party to the contractual agreement (trade date).

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

The Funds have designated all of their financial instruments (except derivatives) at fair value through profit or loss. These financial instruments are initially recognised at fair value, typically represented by cost excluding transaction costs, which are expensed as incurred. Subsequent to initial recognition all instruments are measured at fair value. Changes in fair value are taken to the Income Statements.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The basis used to value particular classes of investments is as follows:

Units in Related Managed Investment Schemes ("schemes")

The fair value of units in related schemes is determined as the redemption price of the investment schemes as established by the underlying schemes' Responsible Entity at balance date.

2. Summary of Significant Accounting Policies (continued)

(c) Cash and Cash Equivalents

For Cash Flow Statement presentation, 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 within borrowings in current liabilities on the Balance Sheets.

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 Funds' main income generating activity.

(d) Foreign Currency Translations

Functional and Presentation Currency

Items included in the Funds' 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 Funds compete for funds and are regulated. The Australian dollar is also the Funds' presentation currency.

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 Income Statements.

The Funds do 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.

(e) Investment Income and Expenses

Interest income and expenses are recognised in the Income Statements for all debt instruments 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 Funds estimate cash flows, considering all contractual terms of the financial instrument (for example, prepayment options) but do 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.

Trust distributions are recognised on an entitlements basis as the Funds are presently entitled to the distributable income of their investee trusts.

(f) Distributions

In accordance with the Funds' Constitutions and Amendments, the Funds fully distribute their distributable (taxable) income to unitholders by cash or reinvestment. Distributions are recognised in the Income Statements as finance costs attributable to unitholders.

(g) Income Tax

Under current taxation legislation, the Funds are 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 Funds).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Funds are not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Funds to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

2. Summary of Significant Accounting Policies (continued)

(g) Income Tax (continued)

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

The Funds currently incur withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the Income Statements.

(h) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds such as Responsible Entity fees, audit fees, custody fees and other expenses, has been passed onto the Funds.

The Funds qualify 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 Income Statements 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 Sheets.

Cash flows relating to GST are included in the Cash Flow Statements on a gross basis.

(i) 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 Income Statements as financing costs.

(j) Receivables

Receivables may include amounts for interest and trust distributions. Trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment using the effective interest rate method.

(k) Payables

Payables include liabilities and accrued expenses owing by the Funds 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 2009 under the Funds' Constitutions.

(l) Applications and Redemptions

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded at redemption price. There are no exit fees charged on redemption.

(m) Net Assets Attributable to Unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be put back to the Funds 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 (based on the redemption unit price) at the Balance Sheet date if unitholders exercised their right to put the units back to the Funds. Changes in the value of this financial liability are recognised in the Income Statements as they arise.

Because the Fund's redemption unit price is based on different valuation principles to those applied in financial reporting, a valuation difference exists, which forms part of the movement in unitholder funds.

(n) Expenses

All expenses, including responsible entity's fees and custodian fees, are recognised in the Income Statements on an accruals basis.

2. Summary of Significant Accounting Policies (continued)

(o) New Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Directors' assessment of the impact of these new standards (to the extent relevant to the Funds) and interpretations is set out on the following page:

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8.

AASB 8 and AASB 2007 3 are effective for annual reporting periods beginning on or after 1 January 2009. In the current year, the Funds have elected to early adopt these standards. The early adoption of these standards has not impacted the reported financial position, financial performance and cash flows of the Funds.

The Funds have adopted AASB 8 'Operating Segments', with effect from 1 July 2008, in advance of its effective date of 1 January 2009. AASB 8 'Operating Segments' is not applicable to the Funds as it applies only to entities which have on issue, debt or equity securities that are traded in a public market (or which are in the process of issuing any class of instrument in a public market). Accordingly, no disclosures have been made for operating segments.

(ii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101.

AASB 101 (Revised) is applicable to annual reporting periods beginning on or after 1 January 2009. The Funds have not adopted this standard early. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity but will not affect any of the amounts recognised in the financial statements. If the Funds make a prior period adjustment or re-classify items in the financial statements, they will need to disclose a third balance sheet (statement of financial position), this one being at the beginning of the comparative period.

(iii) AASB 132 Financial Instruments: Presentation and AASB 2009-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation (Revised AASB 132).

Revised AASB 132 is applicable for reporting periods beginning on or after 1 January 2008. The Funds have not adopted this standard early. Application of this standard will not affect any of the amounts recognised in the financial statements as the Funds are obligated to distribute all of their taxable income in accordance with the Funds' Constitution. Accordingly, there will be no change to classification of unitholders' funds as a liability and therefore no impact on profit or loss and equity.

(iv) AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments (effective for annual periods beginning on or after 1 January 2009)

In April 2009, the Australian Accounting Standards Board published amendments to AASB 7 Financial Instruments: Disclosure to improve the information that entities report about their liquidity risk and the fair value of their financial instruments. The amendments require fair value measurement disclosures to be classified into a new three-level hierarchy and additional disclosures for items whose fair value is determined by valuation techniques rather than observable market values. The Australian Accounting Standards Board also clarified and enhanced the existing requirements for the disclosure of liquidity risk of derivatives. The Funds have not early adopted the amendments. The amendments will not affect any of the amounts recognised in the financial statements but may affect certain disclosures.

(p) Use of Estimates

The Funds make 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 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.

3. Related Parties

Responsible Entity

The Responsible Entity of the Funds 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.

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

3. Related Parties (continued)

Key Management Personnel

Directors

Key management personnel include 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/resigned
M J O'Shannassy	Appointed 23 July 1997
R Fairbairn	Appointed 29 November 2004, resigned 2 March 2009
D Frawley	Appointed 18 March 2005
G A Boyle	Appointed 7 March 2007
C Tzatzakis	Appointed 11 September 2007
J R Kushel	Appointed 2 March 2009

Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Funds, 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

Key Management Personnel Unitholding

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 Funds, either directly, indirectly, or beneficially.

Key Management Personnel Compensation

Key management personnel are paid by BlackRock Investment Management (Australia) Limited. Payments made from the Funds 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 Funds have 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 has entered into a material contract with the Funds since the end of the previous 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 Constitutions and Amendments based on the asset value of the Funds. Fees charged for the year are included in the Income Statements.

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

3. Related Parties (continued)

(b) Expense Reimbursement

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

(c) Fee Rebates from Related Schemes

The Funds receive 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 Income Statements.

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

	BlackRock Professional Investor Managed Income Fund		BlackRock Professional Investor Australian Share Fund		BlackRock Professional Investor Global High Conviction Fund		BlackRock Professional Investor Balanced Fund	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible Entity's Fees and Other Transactions								
Total Responsible Entity's fees paid or due and payable by the Funds:								
Responsible Entity Fees	(18,757)	(24,082)	(220,178)	(338,674)	(23,775)	(37,766)	(103,336)	(145,682)
Expense Reimbursement	-	-	-	-	-	-	-	-
Responsible Entity Fees Payable	(830)	(2,107)	(12,257)	(26,531)	(995)	(2,762)	(5,509)	(11,738)
Expense Reimbursement Payable	-	-	-	-	-	-	-	-
Total Responsible Entity's fees received or due and receivable by the Funds:								
Responsible Entity Fee Rebates	10,716	13,772	149,554	229,882	15,065	23,918	70,137	98,837
Others	89	-	-	-	-	-	-	-
Balances and Transactions with Related Schemes								
Distributions Receivable*	4,716	14,619	168,139	164,656	74,495	11,158	49,226	143,097
Trade Receivable	-	-	78,966	-	33,496	-	14,698	-
Responsible Entity Fee Rebates Receivable	830	1,204	12,257	18,023	995	1,747	5,509	7,964
	5,546	15,823	259,362	182,679	108,986	12,905	69,433	151,061

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

Investing Activities

The Funds may purchase and sell units in other approved schemes managed by the Responsible Entity or its associates in the ordinary course of business. All the Funds' investments are in managed schemes incorporated in Australia.

Distributions from investments to which the Funds are presently entitled, are included in the Income Statements. The portions of these amounts not received at balance date are included in the Balance Sheets.

The proportion of ownership interest is equal to the proportion of voting power held.

Details of the Funds' investments are set out in the following pages.

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

3. Related Parties (continued)

Investing Activities (continued)

	Number of Units Held at Year End	Fair Value of Units Held at Year End	Value of Units Purchased During the Year	Value of Units Sold During the Year	Interest Held in Related Schemes at Year End	Distribution Received from the Funds During the Year	Distribution Receivable from the Funds at Year End
2009	#	\$	\$	\$	%	\$	\$
BlackRock Professional Investor Managed Income Fund							
BlackRock Wholesale Managed Income Fund	1,461,444	1,169,447	118,404	181,668	1.07	83,262	4,716
BlackRock Professional Investor Australian Share Fund							
BlackRock Wholesale Australian Share Fund	9,333,003	14,475,487	1,185,818	2,648,372	2.56	553,491	168,139
BlackRock Professional Investor Global High Conviction Fund							
BlackRock Wholesale Global High Conviction Fund	1,171,588	916,884	43,766	649,476	2.77	–	74,495
BlackRock Professional Investor Balanced Fund							
BlackRock Wholesale Balanced Fund	4,544,938	6,505,170	407,586	1,534,949	0.65	237,572	49,226
	Number of Units Held at Year End	Fair Value of Units Held at Year End	Value of Units Purchased During the Year	Value of Units Sold During the Year	Interest Held in Related Schemes at Year End	Distribution Received from the Funds During the Year	Distribution Receivable from the Funds at Year End
2008	#	\$	\$	\$	%	\$	\$
BlackRock Professional Investor Managed Income Fund							
BlackRock Wholesale Managed Income Fund	1,532,557	1,662,977	870,480	373,730	0.93	103,599	14,619
BlackRock Professional Investor Australian Share Fund							
BlackRock Wholesale Australian Share Fund	10,362,334	20,631,407	4,184,466	5,928,280	2.63	1,075,956	164,655
BlackRock Professional Investor Global High Conviction Fund							
BlackRock Wholesale Global High Conviction Fund	1,932,636	1,939,786	70,873	708,822	4.01	–	11,158
BlackRock Professional Investor Balanced Fund							
BlackRock Wholesale Balanced Fund	5,326,479	9,131,716	962,252	2,039,588	0.78	286,611	143,096

Unitholdings

As at 30 June 2009 the Responsible Entity (or related party of the Responsible Entity, including other schemes managed by the Responsible Entity) did not hold units in the BlackRock Professional Investor Managed Income Fund, BlackRock Professional Investor Australian Share Fund, BlackRock Professional Investor Global High Conviction Fund and BlackRock Professional Investor Balanced Fund (30 June 2008: Nil).

4. Auditor's Remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Funds:

	Audit Services		Other Services			
	2009* \$	2008^ \$	2009* \$		2008^ \$	
			Tax Compliance Services	Compliance	Tax Compliance Services	Compliance
Amounts received, or due and receivable, by the auditors:						
BlackRock Professional Investor Managed Income Fund	9,031	9,790	2,800	1,365	3,524	2,376
BlackRock Professional Investor Australian Share Fund	8,367	12,952	2,800	1,365	3,524	2,376
BlackRock Professional Investor Global High Conviction Fund	9,031	9,790	2,800	1,365	3,524	2,376
BlackRock Professional Investor Balanced Fund	6,819	9,790	2,800	1,365	3,524	2,376

* These amounts are payable by the Responsible Entity. Amounts disclosed for Auditor's Remuneration includes non-recoverable GST. These are payable to Deloitte Touche Tohmatsu.

^ The fees for the above services were paid to PricewaterhouseCoopers Australia.

5. Net Assets Attributable to Unitholders

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

The Funds considers their capital to be Unitholders' Funds. The Funds manages their net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability.

The objective of the Funds is to provide unitholders with returns in accordance with the Product Disclosure Statements ("PDS"). The Funds aims to deliver this objective mainly through investing in a portfolio in accordance with the limitations set by the PDS, while maintaining sufficient liquidity to meet unitholders' redemptions.

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

5. Net Assets Attributable to Unitholders (continued)

Movements in number of units and net assets attributable to unitholders during the financial year ended 30 June 2009 were as follows:

	BlackRock Professional Investor Managed Income Fund		BlackRock Professional Investor Australian Share Fund	
	2009		2009	
	No. of Units	\$	No. of Units	\$
Opening Unitholders' Funds	1,770,115	1,621,861	15,922,642	20,348,008
Applications				
– Cash	26,027	17,430	442,793	474,908
– Distribution Reinvestment Plan	77,401	63,144	413,324	458,368
Redemptions	(122,423)	(88,042)	(2,151,071)	(2,100,783)
Increase/(Decrease) in Net Assets Attributable to Unitholders	–	(445,199)	–	(4,614,403)
Closing Balance	1,751,120	1,169,194	14,627,688	14,566,098

	BlackRock Professional Investor Global High Conviction Fund		BlackRock Professional Investor Balanced Fund	
	2009		2009	
	No. of Units	\$	No. of Units	\$
Opening Unitholders' Funds	2,825,161	1,950,220	8,280,265	9,272,212
Applications				
– Cash	52,483	32,220	29,072	28,029
– Distribution Reinvestment Plan	–	–	106,163	99,858
Redemptions	(1,107,168)	(640,069)	(1,432,968)	(1,382,265)
Increase/(Decrease) in Net Assets Attributable to Unitholders	–	(371,804)	–	(1,483,576)
Closing Balance	1,770,476	970,567	6,982,532	6,534,258

Movements in number of units and net assets attributable to unitholders during the year ended 30 June 2008 were as follows:

	BlackRock Professional Investor Managed Income Fund		BlackRock Professional Investor Australian Share Fund	
	2008		2008	
	No. of Units	\$	No. of Units	\$
Opening Unitholders' Funds	1,281,243	1,360,380	16,952,500	25,037,076
Applications				
– Cash	710,095	740,746	302,981	429,652
– Distribution Reinvestment Plan	65,130	66,646	1,404,474	2,090,695
Redemptions	(286,353)	(290,543)	(2,737,313)	(4,068,505)
Increase/(Decrease) in Net Assets Attributable to Unitholders	–	(255,368)	–	(3,140,910)
Closing Balance	1,770,115	1,621,861	15,922,642	20,348,008

	BlackRock Professional Investor Global High Conviction Fund		BlackRock Professional Investor Balanced Fund	
	2008		2008	
	No. of Units	\$	No. of Units	\$
Opening Unitholders' Funds	3,657,262	2,834,093	9,397,852	11,256,753
Applications				
– Cash	6,763	5,254	34,811	43,287
– Distribution Reinvestment Plan	37,419	29,069	248,348	299,942
Redemptions	(876,283)	(678,521)	(1,400,746)	(1,685,093)
Increase/(Decrease) in Net Assets Attributable to Unitholders	–	(239,675)	–	(642,677)
Closing Balance	2,825,161	1,950,220	8,280,265	9,272,212

6. Notes to the Cash Flow Statements

(a) Reconciliation of Cash

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

	BlackRock Professional Investor Managed Income Fund		BlackRock Professional Investor Australian Share Fund		BlackRock Professional Investor Global High Conviction Fund		BlackRock Professional Investor Balanced Fund	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Cash	-	-	5	-	-	7	-	-

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

	BlackRock Professional Investor Managed Income Fund		BlackRock Professional Investor Australian Share Fund		BlackRock Professional Investor Global High Conviction Fund		BlackRock Professional Investor Balanced Fund	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Net Operating Profit/(Loss)	(350,244)	(96,643)	(3,963,394)	(1,605,689)	(317,913)	(239,675)	(1,231,110)	(545,072)
Change in Assets and Liabilities During the Year: (Increase)/Decrease in Financial Instruments held at Fair Value through Profit or Loss	493,530	(292,238)	6,155,920	4,481,215	1,022,902	874,932	2,626,546	2,005,271
(Increase)/Decrease in Receivables from Related Schemes	10,277	10,870	(76,683)	2,560,830	(96,082)	54,512	81,628	488,978
(Increase)/Decrease in Other Receivables	85	(62)	941	1,342	114	117	1,376	596
Increase/(Decrease) in Accounts Payable and Accrued Expenses	(651)	(781)	(8,476)	(7,986)	(1,179)	(1,115)	(4,520)	(2,719)
Net Cash Inflow/(Outflow) from Operating Activities	152,995	(378,854)	2,108,308	5,429,712	607,842	688,771	1,473,920	1,947,054

(c) Non-cash Financing Activities

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

Fund	2009		2008	
	Units	\$	Units	\$
BlackRock Professional Investor Managed Income Fund	77,401	63,144	65,130	66,646
BlackRock Professional Investor Australian Share Fund	413,324	458,368	1,404,474	2,090,695
BlackRock Professional Investor Global High Conviction Fund	-	-	37,419	29,069
BlackRock Professional Investor Balanced Fund	106,163	99,858	248,348	299,942

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

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

7. Distributions

During the financial year, the following amounts of distributions were paid and payable:

	2009		2008	
	Distributions Paid Cents/Unit	Distribution Payable Cents/Unit	Distributions Paid Cents/Unit	Distribution Payable Cents/Unit
BlackRock Professional Investor Managed Income Fund	5.03	0.33	6.02	3.18
BlackRock Professional Investor Australian Share Fund	3.22	1.03	6.72	2.77
BlackRock Professional Investor Global High Conviction Fund	-	3.04	-	-
BlackRock Professional Investor Balanced Fund	3.03	0.47	1.14	-
	2009		2008	
	Distributions Paid \$	Distribution Payable \$	Distributions Paid \$	Distribution Payable \$
BlackRock Professional Investor Managed Income Fund	89,264	5,691	102,460	56,265
BlackRock Professional Investor Australian Share Fund	499,677	151,332	1,093,222	441,999
BlackRock Professional Investor Global High Conviction Fund	-	53,891	-	-
BlackRock Professional Investor Balanced Fund	219,542	32,924	97,605	-

8. Financial Risk Management

The Funds' activities expose them to a variety of financial risks: including market risk (comprising currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Funds' overall risk management programmes focus on ensuring compliance with the Funds' Product Disclosure Statements and seek to maximise the returns derived for the level of risk to which the Funds are exposed. In accordance with the Funds' Product Disclosure Documents, each of the Fund is wholly invested in another BlackRock Fund as set out in note (a) below. Financial risk management is carried out by the Investment Management team and the Risk and Quantitative Analysis team under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Board of the Responsible Entity (the Board) has established a Risk Management Committee ("RMC") which is chaired by the Manager of the Risk and Quantitative Analysis team and is comprised of senior management, investment and compliance staff. The RMC meets at least quarterly, and as otherwise required, to review aspects of portfolio performance, independent monitoring reports, and risk management compliance. The RMC reports to the Board on a quarterly basis.

The Funds use different methods to measure different types of risks 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. VaR Analysis is explained in section (c).

8. Financial Risk Management (continued)

(a) Strategy in using financial instruments

BlackRock Professional Investor Managed Income Fund

The Fund aims to provide investors with a regular monthly income and some capital growth. BlackRock aims to outperform the benchmark allocation returns over rolling three year periods. The Fund is fully invested in the BlackRock Wholesale Managed Income Fund.

The current strategic benchmark for the Fund is shown in the table below:

Asset Class	Benchmark	Min %	Neutral %	Max %
Australian Equities	S&P/ASX 200 Accumulation Index	10	15	25
International Equities	MSCI World Index Ex. Australia (Unhedged) (AUD)	0	0	5
Infrastructure Securities	S&P/ASX 200 Accumulation Index	0	0	10
Total Equities		10	15	30
Direct Property	Mercer Direct Property Index	0	5	15
Listed Property	S&P/ASX 200 Property Trust Accumulation Index	0	5	10
Total Growth Assets		10	25	35
Australian Fixed Income	UBSA Composite Bond Index	20	30	40
Floating Rate Notes	UBS Australia Bank Bill Index	25	35	45
Cash	UBS Australia Bank Bill Index	0	10	20
Total Fixed Income and Cash		65	75	90
Convertible Notes	UBS Australia Bank Bill Index	0	0	10

The investment goal of the BlackRock Wholesale Managed Income Fund is pursued by investing a minimum of 65% of the portfolio in cash and fixed interest securities as well as up to 35% in growth assets.

BlackRock Professional Investor Australian Share Fund

The Fund has two objectives: to achieve capital growth through investment in Australian Shares and other securities and to provide investors with some tax effective income through the distribution of franked dividends. Overall BlackRock aims to achieve this goal by outperforming the S&P/ASX 200 Accumulation Index over a rolling 5 year period. To achieve this objective the Fund is fully invested in the BlackRock Wholesale Australian Share Fund.

BlackRock Professional Investor Global High Conviction Fund

The Fund aims to provide capital growth over the medium to long term by investing in a portfolio of global shares. BlackRock aims to outperform the Morgan Stanley Capital International World Index ex-Australia (AUD) over the medium to long term. To achieve this objective the Fund is fully invested in the BlackRock Wholesale Global High Conviction Fund.

BlackRock Professional Investor Balanced Fund

The Fund aims to provide investors with the highest possible returns consistent with a balanced portfolio encompassing an orientation towards Australian growth assets, active asset allocation, security selection and risk management. BlackRock aims to outperform the strategic benchmark over medium to longer timeframes (three to five years). To achieve this objective the Fund is fully invested in the BlackRock Wholesale Balanced Fund.

The current strategic benchmark for the Fund is shown in the table below:

Asset Class	Index	Strategic Benchmark %
Australian Equities	S&P/ASX 200 Accumulation Index	38
International Equities	MSCI World Index Ex-Australia	26
Property	S&P/ASX 200 Property Trust Accumulation Index	6
Australian Fixed Interest	UBS Australian Composite Bond Index	15
International Fixed Interest	Lehman Global Aggregate 500 Index (hedged in AUD)	10
Cash	UBS Warburg Australia Bank Bill Index	5

At 30 June 2009 and 30 June 2008 the Funds were only invested in units in related schemes.

Risk exposure calculations are prepared and reviewed by the Risk and Quantitative Analysis team.

8. Financial Risk Management (continued)

(b) Market risk

(i) Price Risk

Price risk is the risk that the value of the Funds' investment portfolio will fluctuate as a result of changes in market prices. The Funds are exposed to price risk. This arises from investments held by the Funds for which prices in the future are uncertain. They are classified on the balance sheet as fair value through profit or loss. All securities investments present a risk of loss of capital.

In accordance with the Funds' strategies, the Funds are fully invested in BlackRock Funds. Price risk is managed by the Managers of these Funds.

The capital structure of the Funds consists of cash and cash equivalents and the proceeds from the issue of the units of the Funds. The investment manager aims to ensure that there is sufficient liquidity for possible redemptions by unitholders.

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

(ii) Foreign Exchange Risk

The Funds do not have any direct exposure to foreign exchange risk based on the Funds' direct investments. This disclosure has not been made on a look through basis for investments held indirectly through the underlying funds. The disclosure of foreign exchange risk may not present the true foreign exchange risk profile of the Funds where the underlying fund has significant exposure to foreign exchange risk.

(iii) Interest Rate Risk

The Funds' 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 its financial position and cash flows.

The Funds do not have any direct exposure to interest rate risk based on the Funds' direct investments. This disclosure has not been made on a look through basis for investments held indirectly through the underlying funds. The disclosure of interest rate risk may not present the true interest rate risk profile of the Funds where the underlying fund has significant exposure to interest rate risk.

(c) Summarised VaR analysis

Value at Risk (VaR) is a risk model used to estimate the potential losses that could occur on the Funds' 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 cases derived from tracking error 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 between the price risk, foreign exchange risk and interest rate risk variables.

BlackRock calculate VaR relative to the Funds' benchmarks. 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 Funds' portfolios which replicates the composition of the benchmark over the 5 day period from 30 June.

	2009*		2008*	
	\$'000	%	\$'000	%
Value at Risk for BlackRock Professional Investor Managed Income Fund				
Market Risk	15	1.30	10	0.60
Value at Risk for BlackRock Professional Investor Australian Share Fund				
Market Risk	52	0.36	135	0.66
Value at Risk for BlackRock Professional Investor Global High Conviction Fund				
Market Risk	11	1.14	26	1.32
Value at Risk for BlackRock Professional Investor Balanced Fund				
Market Risk	23	0.34	37	0.40

* VaR has been calculated on Net Assets Attributable to Unitholders before rounding.

8. Financial Risk Management (continued)

(c) Summarised VaR analysis (continued)

(i) 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 these accounts 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 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 Funds' 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 Funds' 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 Funds' 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 Risk Management Committee (RMC) to keep RMC 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.

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

8. Financial Risk Management (continued)

(d) Credit Risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under contract. Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers. At 30 June 2009 the total carrying amount of financial assets exposed to credit risk is as set out in the table below. This amount best represents the maximum credit risk exposure at the balance sheet date. None of these assets are past due or impaired.

	2009	2008
	\$	\$
BlackRock Professional Investor Managed Income Fund	5,716	16,078
BlackRock Professional Investor Australian Share Fund	260,902	185,155
BlackRock Professional Investor Global High Conviction Fund	109,163	13,202
BlackRock Professional Investor Balanced Fund	70,140	153,144

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.

Exposure to credit risk on cash and cash equivalents, margin accounts and amounts due from brokers (receivables) is considered to be minimal due to the high credit rating of the relevant financial institutions and the short time to settlement, in the case of brokers.

(e) Liquidity Risk

Liquidity risk is the risk that the Funds will not be able to meet their financial obligations as they fall due.

The Funds are 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 Funds also maintain continuous monitoring of forecast and actual cashflows and matching the maturity profiles of financial assets and liabilities.

The Funds are restricted by their investment guidelines and the Funds' investment philosophy from entering into derivative contractual arrangements that create a market exposure which exceeds the total fair value of the relevant asset class within the Funds' portfolios. Furthermore, any derivative contract held by the Funds is required to be backed by cash or securities which in the reasonable opinion of the Manager represent a reasonable proxy for cash.

BlackRock investment management staff consider and maintain the liquidity of the Funds, in the context of the investment objectives and liquidity requirements of the Funds. Operational procedures are in place to review margin requirements on future contracts. RMC reviews liquidity reports to ensure the Funds have sufficient liquidity to pay client redemptions and meet margin calls as required.

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

8. Financial Risk Management (continued)

(e) Liquidity Risk (continued)

	Less than 12 month	1-3 years	3-5 years	> 5 years	On Call
	\$	\$	\$	\$	\$
BlackRock Professional Investor Managed Income Fund					
As at 30 June 2009					
Distribution payable	(5,691)	-	-	-	-
Accounts payable & Accrued expenses	(278)	-	-	-	-
Net assets attributable to unitholders	-	-	-	-	(1,169,194)
Total	(5,969)	-	-	-	(1,169,194)
BlackRock Professional Investor Australian Share Fund					
As at 30 June 2009					
Distribution payable	(151,332)	-	-	-	-
Accounts payable & Accrued expenses	(18,959)	-	-	-	-
Net assets attributable to unitholders	-	-	-	-	(14,566,098)
Total	(170,291)	-	-	-	(14,566,098)
BlackRock Professional Investor Global High Conviction Fund					
As at 30 June 2009					
Distribution payable	(53,891)	-	-	-	-
Accounts payable & Accrued expenses	(1,589)	-	-	-	-
Net assets attributable to unitholders	-	-	-	-	(970,567)
Total	(55,480)	-	-	-	(970,567)
BlackRock Professional Investor Balanced Fund					
As at 30 June 2009					
Distribution payable	(32,924)	-	-	-	-
Accounts payable & Accrued expenses	(8,128)	-	-	-	-
Net assets attributable to unitholders	-	-	-	-	(6,534,258)
Total	(41,052)	-	-	-	(6,534,258)

Notes to the Financial Statements for the year ended 30 June 2009 (continued)

8. Financial Risk Management (continued)

(e) Liquidity Risk (continued)

	Less than 12 month	1-3 years	3-5 years	> 5 years	On Call
	\$	\$	\$	\$	\$
BlackRock Professional Investor Managed Income Fund					
As at 30 June 2008					
Distribution payable	(56,265)	-	-	-	-
Accounts payable & Accrued expenses	(929)	-	-	-	-
Net assets attributable to unitholders	-	-	-	-	(1,621,861)
Total	(57,194)	-	-	-	(1,621,861)
BlackRock Professional Investor Australian Share Fund					
As at 30 June 2008					
Distribution payable	(441,999)	-	-	-	-
Accounts payable & Accrued expenses	(26,555)	-	-	-	-
Net assets attributable to unitholders	-	-	-	-	(20,348,008)
Total	(468,554)	-	-	-	(20,348,008)
BlackRock Professional Investor Global High Conviction Fund					
As at 30 June 2008					
Distribution payable	-	-	-	-	-
Accounts payable & Accrued expenses	(2,768)	-	-	-	-
Net assets attributable to unitholders	-	-	-	-	(1,950,220)
Total	(2,768)	-	-	-	(1,950,220)
BlackRock Professional Investor Balanced Fund					
As at 30 June 2008					
Distribution payable	-	-	-	-	-
Accounts payable & Accrued expenses	(12,648)	-	-	-	-
Net assets attributable to unitholders	-	-	-	-	(9,272,212)
Total	(12,648)	-	-	-	(9,272,212)

8. Financial Risk Management (continued)

(f) Fair Value Estimation

The financial assets and liabilities which are included in the Balance Sheets of the Funds are carried at fair value.

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 financial 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 value recognised in the income statement.

■ Fair value in an active market

The fair value of a financial assets and liabilities traded in active markets 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

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

9. Contingent Assets and Liabilities and Commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2009 (30 June 2008: Nil).

10. Events Occurring After the Balance Sheet Date

With the exception of the current market volatility, which is reflected in the daily unit prices, there have been no other significant events which have occurred since balance date which would impact on the financial position of the Funds disclosed in the balance sheet as at 30 June 2009 or on the results and cash flows of the Funds for the year ended on that date.

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes attached 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 Funds' financial position as at 30 June 2009 and of their performance, as represented by the results of their operations, changes in equity and their cash flows, for the year ended on that date; and
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

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

M J O'Shannassy
Director

G A Boyle
Director

Melbourne, 28 September 2009

Independent Auditor's Report

Independent Auditor's Report to the Unitholders of BlackRock Professional Investor Managed Income Fund, BlackRock Professional Investor Australian Share Fund, BlackRock Professional Investor Global High Conviction Fund (formerly BlackRock Professional Investor International Share Fund) and BlackRock Professional Investor Balanced Fund

We have audited the accompanying financial report of BlackRock Professional Investor Managed Income Fund, BlackRock Professional Investor Australian Share Fund, BlackRock Professional Investor Global High Conviction Fund (formerly BlackRock Professional Investor International Share Fund) and BlackRock Professional Investor Balanced Fund (the "Funds"), which comprises the balance sheets as at 30 June 2009, and the income statements, cash flow statements and statements of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity, BlackRock Investment Management (Australia) Limited, are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors of the Responsible Entity also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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. These Auditing 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 and fair presentation of the financial report 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 of the Responsible Entity, 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*.

Auditor's Opinion

In our opinion:

- (a) the financial report of BlackRock Professional Investor Managed Income Fund, BlackRock Professional Investor Australian Share Fund, BlackRock Professional Investor Global High Conviction Fund (formerly BlackRock Professional Investor International Share Fund) and BlackRock Professional Investor Balanced Fund in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of BlackRock Professional Investor Managed Income Fund, BlackRock Professional Investor Australian Share Fund, BlackRock Professional Investor Global High Conviction Fund (formerly BlackRock Professional Investor International Share Fund) and BlackRock Professional Investor Balanced Fund as at 30 June 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

DELOITTE TOUCHE TOHMATSU

Neil A. Brown
Partner
Chartered Accountants
Melbourne, 28 September 2009

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