31 MARCH 2012

BLACKROCK

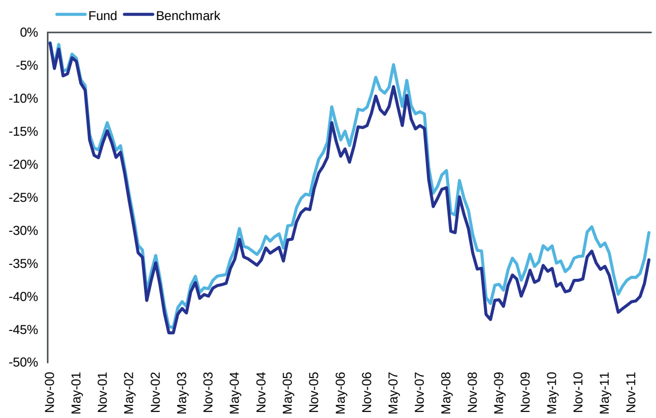
BlackRock Global Equity Enhanced Index Fund

Investment Performance (%)

	Fund Inception	1 Mth	3 Mths	CYTD	1 Yr	3 Yrs	5 Yrs	Inc
BlackRock Global Equity Enhanced Index Fund (D Class) (Net of Fees)	16 May 2001	6.05	10.81	10.81	1.27	5.41	-5.38	-3.10
MSCI World ex Australia Index (unhedged in AUD) (Gross of Fees)		5.80	10.50	10.50	0.69	5.07	-5.63	-3.36
Outperformance (Net of Fees)		0.28	0.34	0.34	0.64	0.42	0.30	0.24
BlackRock Global Equity Enhanced Index Fund (E Class)(Net of Fees)	29 November 2000	6.08	10.84	10.84	1.33	5.49	-5.33	-3.41
MSCI World ex Australia Index (unhedged in AUD) (Gross of Fees)		5.80	10.50	10.50	0.69	5.07	-5.63	-3.65
Outperformance (Net of Fees)		5.83	8.88	16.22	6.76	8.32	2.38	1.47
BlackRock Global Equity Enhanced Index Fund (Gross of Fees)	29 November 2000	6.04	10.88	10.88	1.42	5.74	-5.15	-3.13
MSCI World ex Australia Index (unhedged in AUD) (Gross of Fees)		5.80	10.50	10.50	0.69	5.07	-5.63	-3.65
Outperformance (Gross of Fees)		0.25	0.31	0.31	0.58	0.34	0.25	0.26
BlackRock Hedged Global Equity Enhanced Index Fund (Gross of Fees)	31 January 2002	2.63	12.92	12.92	5.02	20.62	-0.05	5.12
		2.20	12.25	12.25	5.07	20.75	-0.12	5.03
Outperformance (Gross of Fees)		0.43	0.67	0.67	-0.05	-0.13	0.07	0.09
BlackRock Hedged Global Equity Enhanced Index Fund (E Class) (Net of Fees)	31 January 2002	2.58	12.83	12.83	4.73	20.21	-0.39	4.76
MSCI World ex Australia Index (hedged in AUD) (Gross of Fees)		2.20	12.25	12.25	5.07	20.75	-0.12	5.03
Outperformance (Net of Fees)		0.38	0.58	0.58	-0.34	-0.54	-0.27	-0.27

Past performance is not a reliable indicator of future performance. Performance for periods greater than one year is annualised. Performance is calculated in Australian dollars and assumes reinvestment of distributions. Gross performance is calculated gross of ongoing fees and expenses. Net performance is calculated on exit-to-exit price basis, e.g. net of ongoing fees and expenses. The benchmark is a diversified allocation of 36% S&P 500 Index (Total Return hedged in AUD), 24% FTSE World Index ex US Index (Total Return hedged in AUD), 24% Merrill Lynch US Government Index (0-5 yr Treasury hedged in AUD) and 16% Citigroup World ex US Government Bond Index (hedged in AUD).

Cumulative Performance (Gross Unhedged)



Market Review

Equity markets rallied strongly during the first quarter as investors entered the year with renewed risk appetite. US macroeconomic data continue to improve and concerns about Europe were at least temporarily alleviated, when European leaders agreed on another bailout for Greece. Worries about growth in China and other developing markets re-emerged and centred on whether China would be able to manage a soft-landing of its economy.

During the first quarter 2012 the MSCI World ex Australia Index returned 10.50% unhedged in AUD and 12.25% fully hedged in AUD terms.

Recession fears in Europe eased somewhat as the market digested two tranches of the Long Term Refinancing Operation, brining the total level of support at the end of February to more than 1 trillion euros. Whilst Europe was less troubled by crisis concerns through March, data showed that the slowdown in activity increases the risk of recession. Markits European Manufacturing Purchasing Managers Index fell from 49 in February to 47.7 at the end of March, confirming flash PMI data earlier in the month. Whilst Italy and Spain have been contracting for some time even Germanys PMI fell from 50.2 to 48.4.

The US economy continues to improve during the quarter. The US the manufacturing ISM for February came in at 52.4, signalling continued expansion following January and February. US non-farm payrolls rose +227,000 in February, including 31,000 manufacturing jobs, and the unemployment rate was unchanged at 8.3%. December and January payrolls were revised up showing that 734,000 jobs were created over the three month period ending February whilst weekly initial jobless claims showed strength through the month. February retail sales grew by 1.1%. The Empire manufacturing survey and Philadelphia Fed index both indicated growth in manufacturing activity, as did regional surveys. The February CPI was up 0.4% for an annual 2.9% increase. In "core" terms the CPI rose 0.1% for a 2.2% annual increase. The March University of Michigan consumer confidence index rose to a final reading of 76.2 from 75.3 in February. Housing activity data generally fell short of expectations with the March NAHB Index, February housing starts, existing and new home sales disappointing somewhat. December quarter GDP numbers were unrevised at 3.0%. Personal spending growth grew 0.8% in February. The US S&P 500 rose over 3% in March, capping a 12% rise since the start of the year and the best quarterly gain since 1998.

In the UK the annual rate of inflation continued its decline to 4.2% annualised in January and 3.4% by March. Consumer confidence had risen in January to the highest level in 7 months and by March a rise in consumer spending partially offset a decline in industrial production, including manufacturing. The Bank of England reiterated its asset purchase program and held rates at historic lows.

Japanese CPI fell in January, declining -0.1% but rose unexpectedly in February by 0.1% from a year earlier, although industrial production fell -1.2%. GDP shrank at an annualised -2.3% in the last quarter of 2011. The Bank of Japan announced an expansion in its asset purchase program, or QE, raising it by 10 trillion yen to 65 trillion as the country continued to battle deflation and a strong yen. Pressure remains on the Bank of Japan for further easing measures.

Strategy Commentary and Outlook

The Fund returned 6.04% (before fees) for the month, compared to the benchmark MSCI World ex-Australia Index which returned 5.80%.

Equity markets moved higher again through March. The US economy continued to be resilient although some worries re-emerged about whether China could manage a soft-landing in their economy.

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In the UK growth in the 4th quarter of 2011 fell -0.3%, more than originally estimated (-0.2%) with a rise in consumer spending offset by declining industrial production, including manufacturing. UK inflation fell to 3.4% on an annualised basis to the end of February whilst the Bank of England reiterated its asset purchase program and held rates at historic lows.

Whilst Europe was untroubled by crisis concerns in March, data showed that the slowdown in activity risked turning into a recession. Markits European Manufacturing Purchasing Managers Index fell from 49 in February to 47.7 at the end of March, confirming flash PMI data earlier in the month. Whilst Italy and Spain have been contracting for some time even Germanys PMI fell from 50.2 to 48.4.

Japan’s CPI rose unexpectedly in February by 0.1% from a year earlier, although industrial production fell -1.2%. Pressure remained on the Bank of Japan for further easing measures.

In China official PMI data varied from other market based measures showed CPI and house prices declining from earlier levels. Meanwhile in Brazil further evidence emerged from Sao Paulo that the rate of inflation was well contained.

Portfolio Performance

The value, quality and sentiment signals were positive. The shorter term, mid horizon signals were negative.

We started 2012 with one of the best quarters. Although the recurring economic woes and sovereign debt situation in Europe were still the main concerns, the positive macroeconomic news on US manufacturing and employment data as well as US and German consumer confidence more than offset the concerns in Europe. The positive results of stress tests on major US banks also helped propel the US banking sector rally. The Federal Reserve Bank’s willingness to accommodate also provided a huge support to the stock market. However, the reduction in China’s economic growth and rising oil prices could potentially pose major challenges to world economic growth.

Since the onset of the financial crisis in the second half of 2007, the performance of the value signals has been aligned with the market direction and investor sentiment. Attractively valued companies outperformed during periods of positive outlook. Consistent with this trend, value signals contributed positively in March.

When investors started buying riskier stocks, the Quality signals usually underperformed. However, with the European uncertainty backdrop, the Quality signals were also rewarded in March.

Our mid horizon signals underperformed in March, with our cointegration signals being the most negative.

Stock selection performance was positive in Europe, North America and Asian ex Japan, while negative in Japan

About the Fund

Investment Objective

The objective is to outperform the MSCI World ex Australia Index (unhedged/hedged in Australian dollars with net dividends reinvested) by approximately 1% per annum (before fees).

Fund Strategy

The Global Equity Enhanced Index funds are managed to appear similar to the index in terms of key characteristics but, within this constraint, contain a large number of small stock specific positions.

Our investment philosophy relies on opportunistically applying a wide set of investment strategies and combining these strategies into a highly risk controlled portfolio that shares similar risk characteristics with the benchmark.

We believe that superior, risk adjusted returns can be achieved by capitalising on a broad set of quantitative stock selection techniques and trading strategies designed to exploit predictable market anomalies.

In contrast to traditional active management, these opportunities are clearly measurable and do not rely on internally generated economic or company specific forecasts.

Fund Details

BlackRock Global Equity Enhanced Index Fund	
Fund Size	35 mil
Buy/Sell Spread	0.30%/0.30%
BlackRock Global Equity Enhanced Index Fund (D Class)	
APIR	MAL0124AU
Management Fee	0.55% p.a.
BlackRock Global Equity Enhanced Index Fund (E Class)	
APIR	MAL0150AU
Management Fee	0.45% p.a.
BlackRock Global Hedged Equity Enhanced Index Fund	
Fund Size	16 mil
Buy/Sell Spread	0.325%/0.325%
BlackRock Global Hedged Equity Enhanced Index Fund (E Class)	
APIR	MAL0149AU
Management Fee	0.48% p.a.

Country Exposure

Country	Weight %
Austria	0.00
Belgium	0.24
Canada	4.66
Denmark	1.15
Finland	0.41
France	3.31
Germany	4.00
Greece	0.01
Hong Kong	1.24
Ireland	0.16
Israel	0.30
Italy	0.67
Japan	8.75
Netherlands	1.55
New Zealand	0.15
Norway	0.78
Portugal	0.04
Singapore	0.71
Spain	1.34
Sweden	1.61
Switzerland	3.80
UK	9.45
US	53.93

Currency Exposure

Currency	Weight %
Euro	11.75
Canadian Dollar	4.66
Danish Krona	1.15
Hong Kong Dollar	1.25
Israel Shekel	0.30
Japanese Yen	8.75
Norwegian Krona	0.15
New Zealand Dollar	0.78
Singapore Dollar	0.71
Swedish Krona	1.62
Swiss Franc	3.84
UK Sterling	9.45
US Dollar	53.94