

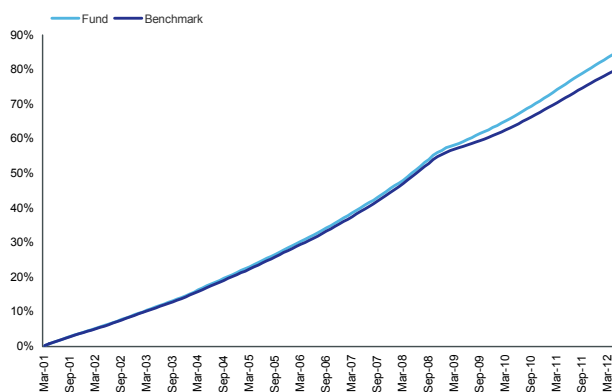
BlackRock Institutional Liquidity Fund

Investment Performance (%)

	Fund Inception	1 Mth	3 Mths	CYTD	1 Yr	3 Yrs	5 Yrs	Inc
BlackRock Institutional Liquidity Fund (Gross of Fees)	7 March 2001	0.41	1.27	1.69	5.31	5.12	5.75	5.64
UBS Bank Bill Index (Gross of Fees)		0.38	1.11	1.50	4.87	4.47	5.35	5.39
Outperformance (Gross of Fees)		0.03	0.16	0.19	0.44	0.65	0.40	0.25
BlackRock Institutional Liquidity Fund (H Class) (Net of Fees)	29 January 2002	0.39	1.21	1.61	5.11	4.90	5.52	5.45
UBS Bank Bill Index (Gross of Fees)		0.38	1.11	1.50	4.87	4.47	5.35	5.43
Outperformance (Net of Fees)		0.01	0.10	0.11	0.24	0.43	0.17	0.02

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.

Cumulative Performance (Gross)



Market Review

The UBS Bank Bill Index returned 0.38% over the month to provide a 12-month return of 4.86%.

Australian bond yields fell sharply during the month trading at 50 years lows with 3-year government bonds falling 47 basis points to close at 3.01% while 10-year bonds fell 31 basis points to finish at 3.67%. Domestically, indications of slowing activity growth and a very low Q1 Australian CPI inflation led to speculation about significant RBA easing. In the event the RBA exceeded market expectations with a 50 basis point rate cut on 1 May.

Overseas, the US economic recovery showed signs of faltering and European sovereign debt problems intensified somewhat with growing uncertainty regarding the political outlook in Europe. That produced an intensification of risk aversion in global markets which was reflected in the strong performance of core developed country government bond markets.

Semi government bond spreads moved wider during the month as investors prepared for further issuance from the authorities. In our view, semi spreads should find support around current levels from long term investors as there remains a lack of AAA and liquid assets available in domestic and global markets to meet the structural increase in demand for high quality credit assets.

Credit markets were underperformed in April with the UBS Credit Index returning 1.15% over the month for a 12-month return of 9.23%. The Aussie iTraxx closed the month at 155 basis points, up 8 basis points for the month. Renewed concerns about the capacity of some peripheral European country's ability to service their stock of public debt weighed heavily on credit markets.

About the Fund

Investment Objective

- ▶ Utilise duration, yield curve and credit strategies to generate an attractive return consistent with a diversified, professionally managed portfolio of quality Australian short-term money market securities.
- ▶ Provide investors with investment security, high levels of liquidity and maximum flexibility in dealing with their investments.
- ▶ Outperform its benchmark, the UBS Bank Bill Index, by 10 basis points p.a. (before fees).

Fund Strategy

BlackRock believes that superior investment performance results from an active management approach based on a clear view of the fundamental forces that drive interest rate and credit markets. We utilise research-based knowledge, fundamental credit analysis and the requisite skill base to access diverse opportunities, together with a disciplined approach to risk management to enhance value through duration and credit management.

Should be considered by investors who ...

- ▶ Seek lower volatility in the capital value of the investment and modest capital growth.
- ▶ Seek a regular monthly income.

Fund Details

BlackRock Institutional Liquidity Fund	
Fund Size	407 mil
Buy/Sell Spread	0.00%/0.00%
BlackRock Institutional Liquidity Fund (H Class)	
APIR	n/a
Management Fee	0.21% p.a.

Sector Exposure

Sector	Weight %
Asset Backed Commercial Paper	12.83
Bank Bills	43.00
Term Deposits	12.41
MBS	18.77
FRN Banks	4.98
FRN Financials	2.11
FRN CMBS	0.54
FRN ABS	1.52
Other	3.12
Cash	0.72

Credit Rating Breakdown

Credit Rating	Weight %
P1/A1+	46.25
P1/A1	22.53
P2/A2	1.36
AAA/Aaa	20.54
AA/Aa	4.60
A/A	4.40
BBB/Baa	0.00
NR	0.32

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