

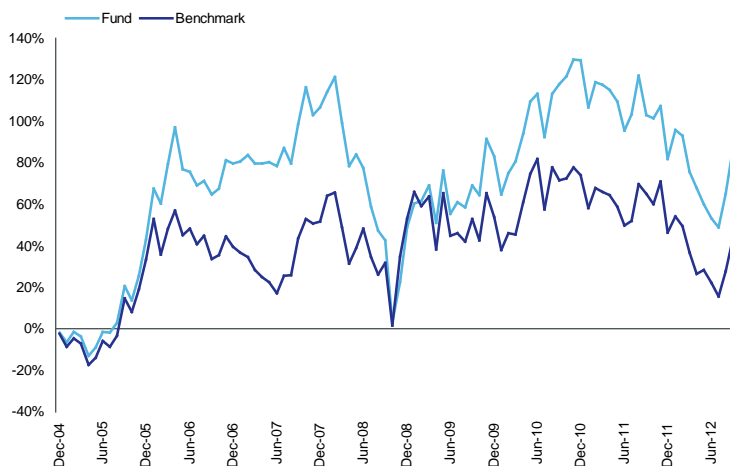
## BlackRock International Gold Fund

### Investment Performance (%)

	Fund Inception	1 Mth	3 Mths	CYTD	1 Yr	3 Yrs	5 Yrs	Inc
BlackRock International Gold Fund (D Class) (Net of Fees)	8 December 2004	12.84	21.38	1.64	-9.26	2.13	-2.41	7.58
FTSE Gold Mining Index (Gross of Fees)		12.22	17.25	-2.15	-13.18	-2.11	-0.05	4.75
Outperformance (Net of Fees)		0.62	4.13	3.79	3.92	4.24	-2.36	2.83
BlackRock International Gold Fund (C Class) (Net of Fees)	29 September 2005	12.78	21.10	0.87	-10.19	1.11	-3.38	4.44
FTSE Gold Mining Index (Gross of Fees)		12.22	17.25	-2.15	-13.18	-2.11	-0.05	3.10
Outperformance (Net of Fees)		0.56	3.85	3.02	2.99	3.22	-3.33	1.34
BlackRock International Gold Fund (Gross of Fees)	7 December 2004	12.92	21.68	2.52	-8.19	3.29	-1.27	8.30
FTSE Gold Mining Index (Gross of Fees)		12.22	17.25	-2.15	-13.18	-2.11	-0.05	4.72
Outperformance (Gross of Fees)		0.70	4.43	4.67	4.99	5.40	-1.22	3.58

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

QE3 was good for commodities, at least in the short term. That this round of easing is open-ended and may be accompanied by additional quantitative measures could well provide the impetus for a more sustained uptrend. Longer-term, supply-demand fundamentals remain broadly supportive of gold prices. Gold equities are trading at attractive valuations on a number of metrics. A feature of the industry is an increase in dividend payments. Physical bullion rose +11.1% to finish the quarter at \$1,774.5/oz. The details of QE3 were a strong catalyst for precious metals (and the producers of these metals) to move higher. The Fed committed to continue its asset purchase programme until such time as the outlook for the labour market 'substantially improves,' whilst keeping interest rates at low levels until mid-2015. This environment is expected to be highly accommodative for gold and other precious metals as investors seek out assets with inflation hedge qualities and those able to deliver a real return in a low yielding environment. Over the quarter conflicts between workers and mining companies in South Africa escalated. These initially were concentrated at Lonmin's Marikana platinum mine, however these spread to other platinum operators in South Africa (such as Impala, Anglo American and Aquarius Platinum) as well as gold producers (such as Harmony and Goldfields).

## Strategy Commentary and Outlook

The BlackRock International Gold Fund returned 12.92% over the third quarter, outperforming its benchmark, the FTSE Gold Mining Index, which returned 12.22%. The portfolio's exposure to gold royalty companies such as Franco Nevada delivered strong performance during the quarter. Franco Nevada made an acquisition of a royalty over the gold production at a copper asset in Panama, providing financing to the company. With equity and debt markets still relatively constrained, royalty companies are in an attractive position to help fill the funding gap. In our view, this trend is likely to continue and could increase the attractiveness of gold shares relative to their key competitor - gold Exchange Traded Funds (ETFs) – and so could aid a re-rating.

## About the Fund

### Investment Objective

The Fund seeks to maximise capital growth over the medium to long-term by investing primarily in gold mining shares through out the world, including Australia.

### Fund Strategy

The Fund seeks investments primarily in gold companies that the Manager considers to offer the best long-term exposure to gold prices within an acceptable risk level. The Fund aims to invest in companies with strong management track records and with growth potential, both through existing operations and via the construction of new mines. Pure exploration companies would typically comprise only a small part of the portfolio.

Investment will be primarily in gold mining companies in countries including South Africa, Australia, Canada, USA and other mining companies.

### Should be considered by investors who ...

- ▶ Seek a fund that invests in gold mining shares throughout the world as well as other precious metal, base metals and mining related shares.
- ▶ Have a long term investment horizon.

## Fund Details

BlackRock International Gold Fund	
Fund Size	45 mil
Buy/Sell Spread	0.35%/0.35%
BlackRock International Gold Fund (C Class)	
APIR	MAL0019AU
Management Fee	2.25% p.a.
BlackRock International Gold Fund (D Class)	
APIR	MAL0016AU
Management Fee	1.25% p.a.

## Region Exposure

Region	Weight %
Asia Pacific ex Japan	31.49
Africa	9.83
Europe ex United Kindom	5.68
Latin America	25.61
North America	27.39

## Top Holdings

Holding	Weight %
NEWCREST MINING LTD.	9.66
GOLDCORP INC.	8.09
ELDORADO GOLD CORP.	7.06
YAMANA GOLD INC.	5.84
RANDGOLD RESOURCES LTD. ADS	4.73
NEW GOLD INC.	3.77
KINROSS GOLD CORP.	3.65
BARRICK GOLD CORP.	3.25
ANGLOGOLD ASHANTI LTD. ADS	3.09
FRESNILLO PLC	2.86

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