

Fund Update

International Gold Fund

JUNE QUARTER 2010

BLACKROCK

Gold Market Review

- Gold prices rose to new all time highs during the June quarter as simmering concerns about Greece and peripheral European countries gave way to fears of a full blown Eurozone debt crisis.
- Gold prices closed at a new all-time record several times during late June, as investors continued to put money in "safe haven" assets. Weaker-than-expected economic data out of the US and a fall in the US Dollar all contributed to the move as the quarter wore on.
- In company news on 1st April, Newcrest made a hostile bid for Lihir Gold. In May Newcrest revised its offer and the transaction is now expected to be completed in August.
- The combined entity will be a significant gold company with production rising to 3.75 million ounces per annum while the company's reserves will be the fourth largest in the world.
- In other news relating to Newcrest, the company approved the Cadia East Underground development containing around 33moz of gold and 7mt of copper.
- Kinross Gold surprised the market by subscribing for a C\$600m private placement of shares in Red Back Mining, giving confirmation of the significant long-term potential of Red Back's substantial assets.
- Newcrest, Lihir and Red Back are all top holdings in the Fund.
- In terms of the gold industry news, the annual Bank of America Merrill Lynch conference in May confirmed that major producers seem to have difficulty in identifying organic growth – boding well for some of our top 10 holdings in intermediate producers with production growth – should industry consolidation continues.
- Also we saw the release of the annual survey of the gold market in April by GFMS, the world's top industry consultant, highlighting the surge in investment demand, which more than doubled in value terms and surpassed jewellery demand for the first time since 1980.
- The survey also highlighting the rising cost of gold production (estimated at US\$717/oz), up nearly 4% compared with last year's number and helping to underpin gold prices.
- Finally, sales of gold under the Central Bank Gold Agreement (CBGA) amount to just 39 tonnes for the year (commencing end September), well short of the 400 tonne annual quota.

- The slowdown in European central bank gold sales is naturally positive for metal prices. Coupled with purchases elsewhere – such as Russia, Philippines and Venezuela – central banks could become net buyers going forward. China also reiterated its desire to own more gold given its foreign exchange reserves of the metal remain low versus other major central banks.

Fund Outlook

- The long term fundamentals in the gold market remain positive.
- The key factors that have been driving investment demand – concerns about US Dollar weakness and inflation – are likely to persist.
- Other positive long-term factors include falling mine supply and the potential for a reduction in net central bank sales will all be supportive of prices. Indeed, central banks may even become net buyers of gold.
- Analysis of the relationship between gold shares and gold bullion continues to highlight how gold equities look good value at current metal prices.

Performance Review

- Over the June quarter the Fund returned 18.0% (before fees). For the same period the Fund's reference benchmark, the FTSE Gold Mines Index, returned 25.0%.
- The Fund is now well ahead of the benchmark index over the year generating returns of 37.2% vs 25.4% for the benchmark.
- Please note benchmark returns are provided for reference purposes only. The portfolio construction process does not take into account the composition of the benchmark.
- The Fund aims to maximise capital growth over the medium to long term by investing primarily in gold mining shares around the world including Australia.

Performance Review as at 30/6/10

	Class C Units Net	Class D Units Net	Gross	Benchmark*	Out- performance^
3 Month	17.39%	17.71%	18.00%	25.01%	-7.01%
6 Month	15.29%	15.82%	16.44%	18.10%	-1.66%
1 Year	34.45%	35.70%	37.19%	25.42%	11.77%
2 Year (pa)	7.30%	8.42%	9.66%	10.76%	-1.10%
3 Year (pa)	4.13%	5.12%	6.11%	15.72%	-9.61%
5 Year (pa)	-	16.01%	16.67%	14.03%	2.64%
Since inception (pa)#	10.81%	14.04%	14.58%	11.33%	3.25%

Past performance is not a reliable indicator of future performance.

Class D – 29/9/05; Class C – 8/12/04; Gross – 7/12/04

The performance figures assume the reinvestment of all income and are calculated gross of fees and charges.

Total net Fund returns shown are prepared on an exit-to-exit basis (ie. includes all ongoing fees and expenses).

* Shows the difference between gross return and benchmark return, and should be considered relative to the target return of the Fund.

^ FTSE Goldmines Index (Capital only unhedged in AUD).

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 throughout the world, including Australia.

Fund strategy

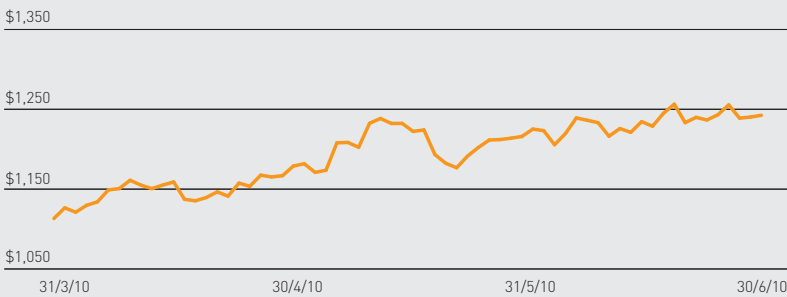
The Fund seeks investments primarily in gold companies that the Manager considers to offer the best long-term exposure to gold prices within an acceptable risk level. The Fund aims to invest in companies with strong management track records and with growth potential, both through existing operations 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.

Designed for investors who...

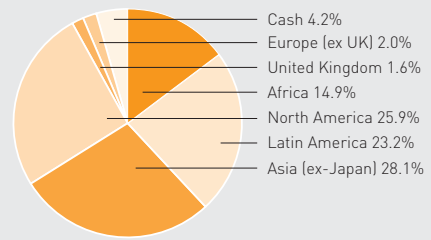
- Seek a fund that invests in gold mining shares throughout the world as well as other precious metal, base metals and mining related shares.
- Have a long term investment horizon.

\$US Spot Gold Price as at 30/6/10



Source: IRESS

Composition of the Fund as at 30/6/10



Please note that references to geography indicate the region in which the majority of the company's mining activity is centred. Composition may not total 100% due to rounding.

Top 10 holdings as at 30/6/10

Newmont Mining	United States
Goldcorp Inc	Canada
Newcrest Mining Ltd	Australia
Red Back Mining	Canada
Lihir Gold Limited	Australia
Fresnillo Plc	Mexico
Eldorado Gold Corp	Canada
Randgold Resources	United States
Barrick Gold Corp	United States
Cia De Minas-ADR	United States

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If you have any queries relating to any of this information or to obtain a copy of the Product Disclosure Statement (PDS) for the Fund, please contact your relationship manager. Alternatively, if you have a query relating to the wholesale funds, please contact Distribution Services on 1300 658 766, or please call Adviser Services on 1300 366 101 if you have a query relating to our retail fund range.

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