

Fund in Focus

BLACKROCK GLOBAL FUNDS (BGF)

BGF Euro-Markets Fund

“We keep our investment process simple, unemotional and rigorous so as to deliver consistent outperformance and alpha in a transparent fashion to clients.”



Co-Fund Manager
Alice Gaskell
Fund manager of BGF Euro-Markets since September 2003.

Years at BlackRock 16



Co-Fund Manager
Andreas Zoellinger
Fund manager of BGF Euro-Markets since November 2007.

Years at BlackRock 9

Fund objective

The Fund seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in those EU Member States participating in EMU. Other exposure may include, without limitation, investments in those EU Member States that, in the opinion of the Investment Adviser, are likely to join EMU in the foreseeable future and companies based elsewhere that exercise the predominant part of their economic activity in EMU participating countries.

		Equity Fund
Stockmarket Capitalisation	Large	
	Mid	
	Small	
Style		Flexible

The number of shares quoted for the Fund is indicative and actual numbers may fall outside of the ranges show

Management style

The fund managers adopt a flexible approach with no predetermined style, size or country bet. This enables them to find the best opportunities across the market. The Fund invests

predominantly in euro-denominated shares – ideal for euro based investors who do not want foreign currency exposure.

Investment process

A disciplined and repeatable investment process is implemented where risk is diversified across multiple themes, using both quantitative and fundamental analysis when analysing stocks, sectors and companies. The largest positions in the portfolio will reflect risk-adjusted upside to price target, level of conviction and visibility of catalysts. Positions are continuously reviewed to ensure

capital is allocated to the most attractive investment opportunities. Alice and Andreas not only share ideas and research responsibilities with the wider European Equity Style Diversified Team at BlackRock, but also draw on the research views of other equity teams, particularly the Emerging Europe, Global and Natural Resources equity teams, as well as the firm's Corporate Credit Team.

Buy / sell process

Buy / add

A decision to buy will be a product of our disciplined, repeatable investment process which has a bias towards companies with the following characteristics:

- Strong management
- Strong competitive position
- Strong financial discipline
- Above average upside to absolute price targets

Sell / reduce

A sell decision would result from either:

- Decreased ranking by analyst
- Change in underlying investment case
- Below average upside potential
- More attractive opportunities elsewhere

Portfolio characteristics

- ▶ The Fund provides investors with a 'best ideas' portfolio of 30-50 European companies.
- ▶ Sector positions are primarily driven by bottom-up considerations but regularly checked against the team's macro views.
- ▶ The Fund invests predominantly in euro-denominated shares – ideal for euro-based investors who do not want foreign currency exposure.
- ▶ The Fund aims to be fully invested and individual active stock positions do not usually exceed +/- 4%.

Stock story – GEA†

GEA is a process equipment company and remains one of our top picks within the industrial sector. Attractions include:

- ▶ end market exposure combining stable, growth areas of food/ beverage/dairy with the late cycle recovery potential
- ▶ in power generation;
- ▶ a multi-year internal restructuring that has potential to deliver returns considerably above current market expectations; and valuation discount to sector.

Stock story – Vinci†

Vinci is a market leader in the field of transport infrastructure concessions (motorways, tunnels, bridges, car parks, airports and rail links) and construction, operating predominantly in Europe. The concessions business, which primarily represents over 4,000km of tollroads in France, will generate high returns over the long term as projects mature. Construction composes specialised civil engineering, electrical engineering services and roadworks.

- ▶ Trading has begun to improve after a difficult 2009 and we expect to see a steady improvement in sales, and strong improvement in profitability. Progress on restructuring has been accompanied by improving disclosure and cash returns to shareholders, reflecting the cultural change in the company.

▶ As a group, Vinci has a relatively defensive earnings profile and consistently generates a healthy spread over its cost of capital, whilst maintaining a strong balance sheet. Management and employees own a significant stake in the company and have delivered strong growth over the long term.

- ▶ We believe the market to be underestimating the company's through-cycle returns and growth prospects, and therefore see upside in the share as the valuation multiple improves.

† Reference to the names of each company mentioned in this communication is merely for explaining the investment strategy, and should not be construed as investment advice or investment recommendation of those companies.

Awards and ratings

- ▶ The Fund is rated AA by Standard & Poor's ratings agency and has received an 'ELITE' qualitative rating by Morningstar. They comment "Gaskell has proved to be a talented stock-picker and the support she enjoys from Zoellinger strengthens her work. We think investors are in extremely capable hands here."
- ▶ It has received 27 1st place awards for performance excellence worldwide to date in 2010 from a number of recognised ratings agencies and publications.
- ▶ Citywire awarded Andreas Zoellinger an AA rating and Alice Gaskell an AAA rating*.



* This rating is based on risk-adjusted 3 year performance to end August 2010 and applies in Austria, France, Germany, Netherlands, Italy, Spain, Sweden and Switzerland for Andreas. Alice is AAA rated in Sweden and AA rated in all other regions.

Fund manager profile

Alice Gaskell

- ▶ Alice earned a BA degree in politics and philosophy from Oxford University. She began her career in 1994 with Merrill Lynch Investment Managers (MLIM), which merged with BlackRock in 2006. Alice has managed European equity portfolios for institutional and retail clients since 1999. At BlackRock, she is responsible for managing the BIEF Continental Europe Fund, the BGF Euro-Markets Fund (since September 2003) and a number of segregated Europe ex UK and eurozone mandates.
- ▶ Alice has an excellent track record of outperformance backed by a management approach that draws off research and shared ideas amongst the European Equity Style Diversified Team, with its diversified range of styles and products, as well as off research expertise in other investment teams at BlackRock. Alice has a bottom-up approach to fundamental research, based on experience of a wide range of European industries as an analyst.

Andreas Zoellinger

- ▶ Andreas earned a Diplom-Kaufmann degree in Business Administration from the University of Munich and the University of Edinburgh. He began his career in 2001 with Merrill Lynch Investment Managers (MLIM), which merged with BlackRock in 2006.
- ▶ He started as an analyst with the European Equity Style Diversified Team, responsible for covering insurance and materials stocks. Prior to that, he was a trainee within a major German bank. He has worked closely with Alice Gaskell on various Eurozone and Europe ex UK portfolios since early 2006.

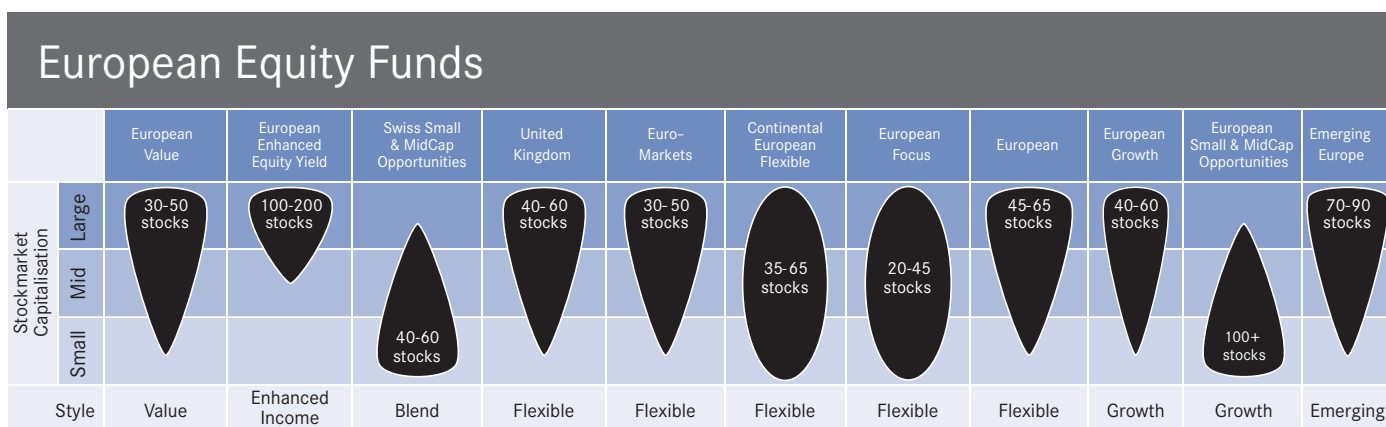
Investment team

- ▶ The European Equity Style Diversified Team has extensive experience of investing in European equities. Team leader Nigel Bolton has over 25 years' experience and a strong track record of managing successful teams. The team consists of 14 investment professionals, with five senior portfolio managers averaging over 20 years' investment experience. In total, the team can draw on over 140 years of investment experience.
- ▶ Research is central to the investment process and the team is dedicated to finding the best ideas across the European equity universe. Research is organised by sector and the team believe a structured, integrated research platform where all team members perform fundamental stock analysis not only optimises idea generation but also promotes strong communications and team debate.
- ▶ The team leverages BlackRock's other global research resources in equity, fixed income and alternatives. This is facilitated by the global daily call as well as weekly Global equity call where investment professionals share investment insight and outlook.
- ▶ As at 30 September 2010, the European Equity Style Diversified Team managed €10.3bn across a variety of investment approaches (flexible, value, growth).

Key facts as at 30.09.2010

Fund managers	Alice Gaskell and Andreas Zoellinger	Bloomberg code (A shares)	MEREMAI LX
Appointed to Fund	Sep 2003 (Gaskell) and Nov 2008 (Zoellinger)	Benchmark	MSCI EMU net
Years at BlackRock	16 (Gaskell) and 9 (Zoellinger)	Base currency	€
Fund launch date	04.01.1999	Other currencies	US\$
ISIN code	LU0093502762	Swiss valoren (A shares)	995890
		Reuters code (A shares)	BLRKIC

Where this Fund features in our range



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