

BlackRock Collective Investment Funds

Simplified Prospectus

BlackRock ISA Terms and Conditions

23 January 2012

Helping you decide

This is an important document which you should read carefully and keep safe for future reference. It provides summary information on the BlackRock Collective Investment Funds to help you decide whether to invest. Please also refer to the Full Prospectus for further details.

Contact information

Telephone:

0800 44 55 22

Our lines are open from 8.30 a.m. to 6.00 p.m. Monday to Friday.

In writing:

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Alternatively, speak to your Financial Adviser.

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Throughout this document the  icon will direct to where you can find further information on a particular topic relating to your investment in the BlackRock Collective Investment Funds. The literature referred to can either be downloaded from **blackrock.co.uk** or you can telephone us on **0800 44 55 22**. Our lines are open from 8.30 a.m. to 6.00 p.m. Monday to Friday.

About the Funds

You should read the contents of this Simplified Prospectus document carefully before the conclusion of any transaction and afterwards. More detailed information is contained in the Full Prospectus, the latest Interim and Annual Report and Accounts and Short Report which are available free of charge.

See 'Contact information' for details of how to contact us.

What are the Funds and what is their aim?

BlackRock Collective Investment Funds is an umbrella scheme comprising of several sub-funds as detailed below (each a "Fund", together, the "Funds"). BlackRock Collective Investment Funds is authorised by the Financial Services Authority (the 'FSA') in the United Kingdom as a unit trust scheme under section 243 of the Financial Services & Markets Act 2000. It is managed by BlackRock Fund Managers Limited ('the Manager') and is classified as a UCITS retail scheme under the FSA's COLL Sourcebook and is currently registered for sale in the United Kingdom only. Prior to 10 July 2009, BlackRock Collective Investment Funds was constituted as a 'Qualifying Investor Scheme' but converted to a UCITS retail scheme on that date.

Investors should note that in addition to the Funds detailed in this Simplified Prospectus there are additional sub-funds which form part of the BlackRock Collective Investment Funds umbrella which have been authorised by the FSA but not yet launched. Details of these Funds can be found in the full Prospectus. The Simplified Prospectus will be updated with details of these Funds prior to their launch.

The Funds seek to provide you with the opportunity to make investments that aim to grow over the medium to longer term which you can add to at any time and withdraw your money when you need it. Investing in this way can deliver better returns than by simply keeping your money in a bank or building society account. However, you need to be prepared that with this opportunity there is a risk that you may not get back the money you originally invested.

The BlackRock ISA is a stocks and shares ISA and offers a flexible, cost effective and tax efficient way of investing in the Funds.

The following table shows the investment objective and policy for each of the Funds. You should be aware that there are general risks that apply when making investments and specific risks which apply to the Funds. Please refer to the table below and the risk factors on pages 4 and 5.

Fund name	Summary objective	Date established	AD (Accounting date) PD (Payment date)	Distribution type	Specific risk factors (p. 4-5)
BlackRock Balanced Managed Fund	To achieve a total return by investment mainly in a global portfolio of equities and fixed interest securities with an emphasis on the UK.	21.06.2005	AD: 31/1, 31/7 PD: 31/3, 30/9	Dividend	1, 3, 4, 6, 7, 8
BlackRock Continental European Equity Tracker Fund	To achieve capital growth by tracking closely the FTSE World Europe ex UK Index by investing in companies in the index.	21.06.2005	AD: 31/1, 31/7 PD: 31/3, 30/9	Dividend	1, 3

Who can invest?

Investment in the Funds will not be suitable for all investors. Any investment should be considered against your specific investment needs and appetite for risk. BlackRock has not considered the suitability or appropriateness of this investment for your personal circumstances. If you are in any doubt about the suitability of the Funds to your needs you should seek appropriate professional advice.



See '**your questions answered**' on page 6. You may also refer to the individual fund factsheets which you can download from our website. Go to **blackrock.co.uk**.

Fund name	Summary objective	Date established	AD (Accounting date) PD (Payment date)	Distribution type	Specific risk factors (p. 4-5)
BlackRock Corporate Bond 1-10 Year Fund	To achieve a total return by tracking closely the performance of a composite benchmark comprising of the Bank of America Merrill Lynch Sterling Corporate Securities 1-5 Year Index and the Bank of America Merrill Lynch Sterling Corporate Securities 5-10 Year Index by investing in the fixed income securities contained in those indices.	21.06.2010	AD: 31/1, 31/7 PD: 31/3, 30/9	Interest	1, 3, 6, 7, 9
BlackRock Corporate Bond Tracker Fund	To achieve a total return for investors by tracking closely the performance of the iBoxx £ Non-Gilts Overall TR Index by investing in fixed income securities contained in the index.	30.06.2010	AD: 31/1, 31/7 PD: 31/3, 30/9	Interest	1, 3, 6, 7, 9
BlackRock Emerging Markets Equity Tracker Fund	To achieve capital growth by tracking closely the FTSE All-World Emerging Index by investing in companies in the index.	20.11.2009	AD: 31/1, 31/7 PD: 31/3, 30/9	Dividend	1, 3, 4, 5
BlackRock Global Property Securities Equity Tracker Fund	To achieve capital growth by tracking closely the FTSE EPRA/NAREIT Global Real Estate Series Developed Index by investing in companies in the index.	15.11.2010	AD: 31/1, 31/7 PD: 31/3, 30/9	Dividend	1, 3, 5
BlackRock Japan Equity Tracker Fund	To achieve capital growth by tracking closely the FTSE All World Japan Index by investing in companies in the index.	21.06.2005	AD: 31/1, 31/7 PD: 31/3, 30/9	Dividend	1, 3
BlackRock North American Equity Tracker Fund	To achieve capital growth by tracking closely the FTSE World North America Index by investing in companies in the index.	21.06.2005	AD: 31/1, 31/7 PD: 31/3, 30/9	Dividend	1, 3
BlackRock Overseas Corporate Bond Tracker Fund	To achieve a total return for investors by tracking closely the performance of the Barclays Capital Global Aggregate Corporate ex UK Index by investing in fixed income securities contained in the index.	28.01.2011	AD: 31/1, 31/7 PD: 31/3, 30/9	Interest	3, 6, 7, 9
BlackRock Overseas Government Bond Tracker Fund	To achieve a total return for investors by tracking closely the performance of the JP Morgan Global Government Bond Index ex UK by investing in fixed income securities contained in the index.	28.01.2011	AD: 31/1, 31/7 PD: 31/3, 30/9	Interest	2, 3, 6, 7
BlackRock Pacific ex Japan Equity Tracker Fund	To achieve capital growth by tracking closely the FTSE World Asia Pacific ex-Japan Index by investing in companies in the index.	21.06.2005	AD: 31/1, 31/7 PD: 31/3, 30/9	Dividend	1, 3, 4, 5
BlackRock UK Equity Tracker Fund	To achieve capital growth by tracking closely the FTSE All Share Index by investing in companies in the index.	21.06.2005	AD: 31/1, 31/7 PD: 31/3, 30/9	Dividend	1
BlackRock UK Gilts All Stocks Tracker Fund	To achieve a total return by tracking closely the FTSE Actuaries UK Gilts All Stocks TR Index by investing in securities in the index.	21.06.2005	AD: 31/1, 31/7 PD: 31/3, 30/9	Interest	1, 2, 6, 7

Risk factors

Details of all risks referred to in this Simplified Prospectus document may be found in the Full Prospectus.

General risk factors

Your initial investment

- ▶ All financial investments involve an element of risk. Therefore, the value of your investment and the income from it will vary and your initial investment amount cannot be guaranteed.
- ▶ **Financial markets, counterparties and service providers**
The Funds may be exposed to finance sector companies, as a service provider or as counterparty for financial contracts. Liquidity in the financial markets has been severely restricted, causing a number of firms to withdraw from the market, or in some extreme cases, become insolvent. This may have an adverse affect on the activities of the Funds. BlackRock will only deal with institutions of good standing although events beyond our control may result in certain institutions not meeting their contractual obligations to return property or money to the Funds.
- ▶ **New issues**
Funds may invest in initial public offerings ('IPOs') or new debt issues. The prices of securities involved in IPOs or new debt issues are often subject to greater and more extreme price changes than more established securities.
- ▶ The regulatory or tax regime applicable to the Funds may be subject to change in the future which may affect the risk profile and other characteristics of your investment.

Additional risk factors

1. Specific market and/or sectors

Investment is concentrated in certain markets or industry sectors. Compared to investments which spread investment risk through investing in a variety of sectors, share price movements may have a greater affect on the overall value of the fund(s).

Sectors such as mining and other natural resources can suffer extreme price changes compared to more general movements in stock markets.

Investments in companies engaged in the property market will be affected by similar factors impacting direct ownership of property in addition to general stockmarket conditions.

2. Diversification – government bonds

Over 35% of this Fund may be invested in securities issued by any one government; therefore if these investments decline in value, this will have a pronounced effect on the overall value of the Fund.

3. Exchange rate risk

The fund(s) invest a large proportion of assets which are denominated in other currencies; hence changes in the relevant exchange rate will affect the value of the investment.

4. Investment in emerging markets

The fund(s) invest in economies and markets which may be less developed. Compared to more established economies, the value of investments may be subject to greater volatility due to increased uncertainty as to how these markets operate.

5. Liquidity risk

The fund(s) investments may be subject to liquidity constraints, which means that shares may trade less frequently and in small volumes, for instance smaller companies. As a result, changes in the value of investments may be more unpredictable. In certain cases, it may not be possible to sell the security at the last market price quoted or at a value considered to be fairest.

6. Interest rate risk

The fund(s) invest in fixed interest securities such as corporate or government bonds which pay a fixed or variable rate of interest (also known as the 'coupon') and behave similarly to a loan. These securities are therefore exposed to changes in interest rates which will affect the value of any securities held.

7. Credit risk

The fund(s) invest in fixed interest securities issued by companies which, compared to bonds issued or guaranteed by governments, are exposed to greater risk of default in the repayment of the capital provided to the company or interest payments due to the fund(s).

8. Use of derivatives


The fund(s) utilise derivatives as part of its investment strategy. Compared to a fund which only invests in traditional instruments such as stocks and bonds, derivatives are potentially subject to a higher level of risk and volatility.

9. Non-investment grade bonds/distressed securities

The fund(s) may invest in securities whereby the issuing company has a high risk of defaulting on their interest payments, capital repayments or both. In the event of default, the value of the investment may reduce.

Key facts: your questions answered

This section should answer the questions you may have about investing in the Funds, inside or outside of the BlackRock ISA.

Remember, the  icon will direct you to where you can find further information on a particular subject. You can also contact us directly for further information on **0800 44 55 22**.



Visit blackrock.co.uk for other information concerning the Funds.

What are my investment options?

You can select either Class A Units or Class D Units, subject to availability. Class X Units are also available at the Manager's discretion. The minimum investment limits are set out below.

Class D Accumulation units are available for all of the Funds except the BlackRock Balanced Managed Fund. Class A Accumulation units are available in all Funds. Class A Income units are available in the BlackRock UK Gilts All Stocks Tracker Fund. We may introduce additional classes of units in respect of the Funds detailed in this document at any time at our discretion. These will be detailed on our website.

For Class A Units you can invest a lump sum amount and/or a regular monthly amount. Class D Units and Class X Units are only available to investors investing higher lump sum amounts. Class X Units are only available at the Manager's discretion and only in certain Funds. Please refer to the latest list of available unit classes online at blackrock.co.uk.

Investment Options	Class A Units	Class A Units (ISA)	Class D Units	Class X Units ¹
Minimum initial lump sum	£500	£500	£1,000,000	£10,000,000
Subsequent lump sum	£100	£100	£100	£100
Maximum lump sum	None	£10,680	None	None
Minimum monthly investment	£50	£50	Not available	Not available
Maximum monthly investment	None	£890 ²	Not available	Not available
Minimum holding	£500	£500	£1,000,000	£10,000,000

¹ Class X units are available for launch at the Manager's discretion.

² Assuming you invest the same amount each month in any tax year.

ISA transfers

You can also transfer all or part of any previous tax year's cash ISA or a stocks and shares ISA with another provider to a BlackRock Unit Trust stocks and shares ISA. However, if you wish to transfer your current tax year ISA, you must transfer the full amount. You can also transfer monies held in a TESSA Only ISA to BlackRock.

Income

Income is either paid as a dividend or as an interest distribution if sufficient qualifying investments are held according to the criteria set out by HM Revenue & Customs.

If you hold Income units, any income due will be paid to you on the corresponding payment dates shown in the table on pages 2 and 3. This will be paid either by cheque or directly into your bank account if you have provided bank details. If you hold Accumulation units, any income which is attributable to the units is accumulated within the Fund and reflected in the increased price of the units although the number of units you hold will remain the same.



See also 'Your income' under the ISA Terms and Conditions. We do have the abilities to issue additional unit classes at our discretion.

The amount of the last annual dividend paid is stated as a percentage (%) of the bid ('selling') price of the Fund. This is known as the Dividend Yield and is published on our website.



Visit blackrock.co.uk

How do I invest?

When placing an order for the purchase of units, the Manager will request that an Application Form be completed and returned to the Manager.

All the instructions on how to invest are set out in the relevant Application Form. There are different forms for investing inside and outside of the ISA, and for ISA transfers. Alternatively, you can invest a lump sum outside the ISA by telephoning our Investor Services Team or by fax, either directly or through your Financial Adviser, between 8.30 a.m. and 5.30 p.m. on any business day. Subject to certain restrictions, units may be purchased over the telephone using a debit card. Direct debit mandates may also be set up by telephone. When units are purchased over the telephone, calls may be recorded by the Manager.

2011/2012 ISA allowances

Under the existing ISA rules set by the Government, which are subject to change, you are able to invest up to £10,680 per tax year in an ISA. Each tax year runs from 6 April in one year to 5 April in the next. There are two ways in which you can invest in an ISA:

- ▶ You can invest the full £10,680 via a **stocks and shares ISA** with one provider. The majority of BlackRock funds are available in a stocks and shares ISA; or
- ▶ You can invest up to £5,340 in a **cash ISA** with one provider. You can then invest the remaining £5,340 of your annual ISA limit into a stocks and shares ISA with either the same provider as your cash ISA or another provider. BlackRock does not offer a cash ISA. You could invest £5,340 or more in the BlackRock Unit Trust stocks and shares ISA and the remainder in a cash ISA with another provider. If you decide to invest with different providers it is then your responsibility to ensure that you do not invest more than the annual £10,680 ISA allowance in total in ISAs.

Application Forms: these are available to download at blackrock.co.uk or upon request and contain instructions for investing.

Lump sum investments: remember to enclose your cheque payable to BlackRock Fund Managers Limited. Alternatively units may be purchased over the telephone using a debit card. If you do not pay at the time you provide your instruction, you must provide payment within four business days of the date of the transaction.

Regular monthly investments (Class A Units only): you must provide your bank details in the relevant section of the Application Form. Direct debit mandates may also be set up by telephone.

ISA transfers: BlackRock will contact your current ISA manager to arrange the transfer. They will arrange to sell your holdings and transfer the cash to BlackRock. This should be within a period set out in the Terms and Conditions provided by your current ISA manager. You will not be invested during this time until we receive this amount.



Refer to the Full Prospectus and ISA Terms and Conditions. Also visit blackrock.co.uk or call **0800 44 55 22** for more information.

Please note that if you fail to provide your payment within the period set out above, we reserve the right to cancel your investment and you may be liable for any loss suffered by us as a consequence.

What happens next?

Lump sum investments

If we receive your application before 12 noon on a business day, we will invest the money on the same day. If we receive your application after 12 noon or on a 'non-business day', we will invest the money on the next business day.

A 'non-business day' may include a day where the relevant local stock exchange is closed and the Funds invest substantially in the relevant market.

The price at which you purchase units is normally calculated at 12 noon on each business day and is based on the buying price ('offer') of the underlying investments and all other assets and liabilities held by the Fund, including cash and all expenses.

We will send you a contract note/confirmation on the next business day after we have invested your money.

Regular monthly investments (Class A only)

We will send you a letter acknowledging receipt of your application. We will then set up a direct debit to collect and invest the amount specified on the 15th day of each month (or the 25th day of each month for the ISA). If this day is not a business day, then we will invest the money on the next business day.

As banks typically require up to 10 business days to set up a direct debit, we will need to receive your application around 12 business days before the collection date. If your application is received after this date, we would normally collect the first amount the next month.

ISA transfers

Once we have received the money from your existing ISA Manager, we will invest the amount as specified by you in the Application Form in the same way as for lump sum investments (above).



See also '**Timing of transactions**' in the ISA Terms and Conditions.

How do I make further investments?

Lump sum investments

You can invest additional lump sum amounts by writing to us or by telephone or fax, as described above.

Regular monthly investments

If you do not already have a direct debit set up, you should complete, sign and return the direct debit instruction on the relevant Application Form. Direct debit mandates may also be set up by telephone. Alternatively, if you wish to increase or decrease your current regular monthly investment, please just let us know in writing.

Can I change my mind?

If you have received advice on your investment from an authorised Financial Adviser you will normally be able to cancel your investment. You will need to write to us within 14 days of receiving the contract note or in the case of regular monthly investments, the acknowledgement letter. Your instruction to cancel the investment must be submitted to the Registered Office of the Manager (see page 21).

On receipt of your instruction to cancel, we will then return your money to you, although you should be aware that if the value of your investment has fallen since the date you invested, you will not get back the full amount.

If you have not yet paid for your investment you will still be liable for any shortfall and the amount due to you from the cancellation will be held until the purchase payment has cleared. This may be for a period of up to 21 days from your original purchase. No interest is paid on these amounts.

Key facts: your questions answered continued

For regular monthly investments, you can only cancel your initial contribution although you are entitled to receive the full amount of your original investment.

On cancellation, we can return money relating to an ISA transfer to your current provider if you so decide, although you must ensure your instruction is clear, otherwise your investment may be paid directly to you and will no longer be subject to the tax benefits of an ISA. You should also ensure that your current provider is able to take the money back.



See also 'Cancellation rights' in the ISA Terms and Conditions.

How will I be kept informed about my investment?

A copy of the Short Report for the relevant Fund will be sent to you every six months. This will provide you with summary information on the activities of the relevant Fund over the period that the report covers.

The full interim and annual Report and Accounts provide more detailed information, including the full financial statement. These are available to view or download from our website or in hard-copy on request from our Investor Services Team.

In addition, every 6 months you will receive a valuation and statement of your account.

Statements are produced as at 5 April and 5 October and will be sent to you within 25 days of this date.



Visit [blackrock.co.uk](https://www.blackrock.co.uk) or call us on 0800 44 55 22

Where can I find information concerning the value of my investment?

Dealing prices will normally be available from 3.00 p.m. on each business day and can be obtained by calling our Investor Services Team. Prices are also available on our website.

The performance of the Funds is included at the end of this document.

Performance of the BlackRock Global Property Securities Equity Tracker Fund, the BlackRock Overseas Corporate Bond Tracker Fund and the BlackRock Overseas Government Bond Tracker Fund is not currently available as these Funds do not have a full year performance record.

For more recent Fund performance information, visit our website or call our Investor Services Team.

What happens if I move abroad?

If you move abroad you can continue to hold your investment although your tax status may be affected by the laws of the country you move to.

You will not be able to make any further investments into your stocks and shares ISA if you are no longer resident in the UK for tax purposes, except if you are a Crown employee (typically a serving member of the armed forces or a diplomat). However, you can still switch between the Funds or transfer your stocks and shares ISA to another provider.



Contact us for further information or speak to a tax adviser.

What happens if I die?

Your investments will either be transferred to the personal representatives of your estate or as directed by them once grant of probate or confirmation (if in Scotland) has been obtained. We can produce probate valuations on request. Please note that stocks and shares ISAs automatically lose their tax-free status on death.

If you hold units jointly with one or more other investors, your holding will automatically become the property of the surviving unitholders.

What happens if I want to take my money out?

You can withdraw amounts of £250 or more in respect of Class A (non-ISA investments), Class D Units and Class X Units by providing an instruction in writing, or by telephone or fax between the hours of 8.30 a.m. and 5.30 p.m. on any business day. Instructions to sell your ISA holding may only be given in writing.

Telephone or fax instructions must be confirmed subsequently in writing using the Renunciation Form supplied with the contract note, or by letter. In exceptional circumstances and at our sole discretion, we may accept confirmation by fax or in electronic form.

We will need to receive the instruction by 12 noon in order to sell your investment on that business day otherwise we will sell your investment on the following business day. A contract note will normally be sent to you on the next business day, after we have redeemed your investment.

The price at which you sell units is normally calculated at 12 noon on each business day and is based on the selling price ('bid') of the underlying investments and all other assets and liabilities held by a Fund, including cash and all expenses.

We will send you a cheque for the proceeds within four business days of receiving your written instruction or confirmation in writing.

You can instruct us to stop collecting regular monthly investments but we require one month's notice to stop your direct debit instruction. Alternatively, you can contact your bank or building society and cancel the direct debit immediately.

You must always keep the minimum holding (as set out in the table on page 6) in each Fund.

Please note that if you withdraw money from your stocks and shares ISA and you have already used your ISA allowance, you will be unable to reinvest in your stocks and shares ISA or another ISA in the same tax year.

You should also note that in order to protect continuing unitholders it may be necessary to defer orders to sell units in the Funds. This will only apply where requests to sell units exceed 10% of the value of the relevant Fund and enables the Manager to deal with the requests by matching sales and purchases and/or raising money in the stock markets at prices which are not disadvantageous to investors. All sale orders will be treated in the same way and prioritised by date received.



See also **'Withdrawals'** in the ISA Terms and Conditions.

Excessive Trading Policy

Excessive trading is where the unit dealing transactions of individuals, or groups of individuals, appear to follow a timing pattern or are characterised by excessively frequent or large trades. The Funds do not knowingly allow investments that are associated with excessive trading practices, as such practices may adversely affect the interests of all unitholders.

The Manager has general powers giving it discretion to act to reduce the impact of excessive trading on the Funds, as set out in further detail in the Full Prospectus. In addition to these general powers, where, in the reasonable opinion of the Manager, excessive trading is suspected, a redemption charge of 2% may be levied on the redemption proceeds of the relevant unitholder. This charge will be made for the benefit of the Fund, and affected unitholders will be notified in their contract notes if such a fee has been charged.

Can I switch my investments to another fund or convert my investment into another unit class?

Yes, subject to the minimum investment limits on page 6, you can switch your investment into another BlackRock fund or another unit class in a different fund, or convert your units into another unit class in the same fund by telephoning or writing to us (ISA instructions may only be made in writing). A switch involves selling units in one Fund and using the proceeds to buy units in another. A switch will only be effected on a Business Day when both Funds have valuation points.



Visit **blackrock.co.uk** for information on the other BlackRock funds available.

You should note that a switch of units between Funds (outside of an ISA) is considered a disposal for UK capital gains tax purposes. However, conversions between different unit classes in the same Fund should not give rise to a disposal for UK Capital Gains Tax purposes.

If you hold an ISA you can switch £500 or more temporarily into cash pending reinvestment. You should note that no interest is payable on cash balances.



See also **'Cash in your plan'** in the ISA Terms and Conditions. Please note that charges will apply. See **'Charges'** section in this document.

Can I transfer my investment to another ISA provider?

Yes. We would normally wait for instructions from the new provider and transfer your investments or cash as you have agreed with them.



See also **'Transfers out'** in the ISA Terms and Conditions.

What about tax?

The Funds

The Funds are taxed as 'investment companies' which means that franked income (dividends paid by UK and the majority of overseas companies) is not generally liable to tax within the Funds. The Funds are liable to UK corporation tax at the basic rate of income tax, currently 20% (2011/2012) on their other income after deduction of allowable expenses. The Funds will not normally be liable to tax on capital gains from the sale of underlying investments.

Unitholders

Dividend distributions are paid with a notional tax credit of 10%. Basic rate taxpayers will have no further liability to income tax on dividends. Higher rate tax payers will be liable for further tax.

Interest distributions are paid after deduction of 20% income tax. Basic rate taxpayers will have no further tax to pay, although higher rate taxpayers are liable at the higher rate of 40% or 50% (if applicable), with a credit being given for the income tax already paid.

If you are not ordinarily resident in the UK for tax purposes or are a corporate body you may be eligible to receive interest distributions without deduction of tax. Please contact us for further information.

Any gains arising on the sale of your units (including switches) are potentially subject to tax on the capital gains. For individuals, the first £10,600 of chargeable gains from all sources is exempt from UK tax in 2011/2012. Thereafter, capital gains are taxed at 18% for basic rate taxpayers and 28% for higher and additional rate tax payers. Under existing legislation, whatever your tax status, you should have no further liability to income or capital gains tax in respect of your ISA investments. Interest distributions are paid gross, including an amount equal to 20% income tax. If you hold Accumulation Units, we will reclaim the tax on your behalf and reinvest the amount in the same Fund on receipt. Equalisation may reduce the level of tax reclaimable.

Equalisation

Units purchased during the current accounting period (Group 2 units) include an amount of income which is refunded to holders of these units as a return of capital. As capital, it is not liable to income tax but should be deducted from the purchase cost of your investment for capital gains purposes. The aim of operating equalisation is to relieve new investors in the Fund from liability to tax on income already included in the price when purchased.

Key facts: your questions answered continued

Stamp Duty Reserve Tax ('SDRT')

SDRT is payable on dealing in units at a rate of 0.5% on the value of units sold by investors. The charge may be reduced if the number of units sold by investors during each two week reference period exceeds the number purchased or if some or all of the investments held in the Funds are exempt from SDRT. Any SDRT payable will normally be met by the Funds although we reserve the right to deduct an amount from your investment to cover any such charge if it is considered to be fair to all existing and potential unitholders to do so.



More detailed information can be found in the Full Prospectus which is available on request. Visit blackrock.co.uk or call us on 0800 44 55 22.

What charges will I pay?

The following table summarises actual and implied charges which you may expect to pay when investing in the Funds. These are explained in greater detail below.

Funds – Class A	Initial charge %	Spread %	Annual management charge (AMC) %	Total annual expenses (TER) %	Reduced investment growth from 6% (over 10 yrs) to: (%)	Reduced investment growth for ISA Investment from 6% (over 10 yrs) to: (%)
BlackRock Balanced Managed Fund	5.00	5.68	1.50	1.52	4.11	4.77
BlackRock Continental European Equity Tracker Fund	5.00	5.08	0.55	0.58	4.96	5.83
BlackRock Corporate Bond 1-10 Year Fund	5.00	6.34	0.45	0.46	4.92	5.81*
BlackRock Corporate Bond Tracker Fund	5.00	6.32	0.45	0.47	4.91	5.81*
BlackRock Emerging Markets Equity Tracker Fund	5.00	5.50	0.55	0.64	4.86	5.72
BlackRock Global Property Securities Equity Tracker Fund	5.00	5.27	0.55	0.83	4.69	5.49
BlackRock Japan Equity Tracker Fund	5.00	5.30	0.55	0.58	4.94	5.80
BlackRock North American Equity Tracker Fund	5.00	5.11	0.55	0.57	4.97	5.84
BlackRock Overseas Corporate Bond Tracker Fund	5.00	5.44	0.45	0.52*	4.97	5.85*
BlackRock Overseas Government Bond Tracker Fund	5.00	5.16	0.45	0.52*	5.00	5.88*
BlackRock Pacific ex Japan Equity Tracker Fund	5.00	5.46	0.55	0.60	4.90	5.76
BlackRock UK Equity Tracker Fund	5.00	5.62	0.55	0.57	4.91	5.78
BlackRock UK Gilts All Stocks Tracker Fund	5.00	[5.00]	0.45	0.47	5.07	5.96*

All reduction in growth figures are for accumulation unit classes unless only income unit classes are available.

*Based on an indicative growth rate of 7% which is not guaranteed.

Funds – Class D	Initial charge %	Spread %	Annual management charge (AMC) %	Total annual expenses (TER) %
BlackRock Continental European Equity Tracker Fund	Nil	0.18	0.20	0.23
BlackRock Corporate Bond 1-10 Year Fund	Nil	1.35	0.20	0.23
BlackRock Corporate Bond Tracker Fund	Nil	1.31	0.20	0.23
BlackRock Emerging Markets Equity Tracker Fund	Nil	0.54	0.20	0.28
BlackRock Global Property Securities Equity Tracker Fund	Nil	0.32	0.20	0.55
BlackRock Japan Equity Tracker Fund	Nil	0.29	0.20	0.23
BlackRock North American Equity Tracker Fund	Nil	0.16	0.20	0.22
BlackRock Overseas Corporate Bond Tracker Fund	Nil	0.57	0.20	0.22
BlackRock Overseas Government Bond Tracker Fund	Nil	0.18	0.20	0.22
BlackRock Pacific ex Japan Equity Tracker Fund	Nil	0.48	0.20	0.26
BlackRock UK Equity Tracker Fund	Nil	0.66	0.20	0.22
BlackRock UK Gilts All Stocks Tracker Fund	Nil	0.07	0.20	0.22

Note: Reduced Investment Growth figures for Class D Units are available on request.

Funds – Class X (Available to launch at the Manager's discretion)#	Initial charge %	Spread %	Annual management charge (AMC) %	Total annual expenses (TER) %
BlackRock Continental European Equity Tracker Fund	Nil	0.18*	Nil+	0.03^
BlackRock Corporate Bond 1-10 Year Fund	Nil	1.35*	Nil+	0.03^
BlackRock Corporate Bond Tracker Fund	Nil	1.31*	Nil+	0.03^
BlackRock Emerging Markets Equity Tracker Fund	Nil	0.54*	Nil+	0.08^
BlackRock Global Property Securities Equity Tracker Fund	Nil	0.32*	Nil+	0.35^
BlackRock Japan Equity Tracker Fund	Nil	0.29*	Nil+	0.03^
BlackRock North American Equity Tracker Fund	Nil	0.16*	Nil+	0.02^
BlackRock Overseas Corporate Bond Tracker Fund	Nil	0.57*	Nil+	0.02^
BlackRock Overseas Government Bond Tracker Fund	Nil	0.18*	Nil+	0.02^
BlackRock Pacific ex Japan Equity Tracker Fund	Nil	0.48*	Nil+	0.06^
BlackRock UK Equity Tracker Fund	Nil	0.66*	Nil+	0.02^
BlackRock UK Gilts All Stocks Tracker Fund	Nil	0.07*	Nil+	0.02^

*Spread has been estimated as this Unit Class has not yet launched.

+Holders of Class X Units are charged outside of the Fund by way of agreement with the Manager, Principal Distributor or their affiliates.

^TER has been estimated as this Unit Class has not yet launched.

Note: Reduced Investment Growth figures for Class X Units are available on request.

#To confirm when Class X units are available to purchase please contact the Investor Services Team on Freephone 0800 445522 or refer to the BlackRock Unit Trust Investment Options document which can be found on our website www.blackrock.co.uk.

Key facts: your questions answered continued

Purchases, switches-in, ISA transfers-in

For Class A Units, you will pay a one-off initial charge of 5.0% which is reflected in the offer ('buying') price of the units. The initial charge is added to the value of the underlying assets and liabilities of the Funds to calculate the offer price. We may waive the initial charge in certain circumstances, for instance if you are buying units through an authorised Financial Adviser. For switches between the Funds and other BlackRock funds with Class A Units, you will receive a discount of up to 4.0% on the initial charge. This discount is at the manager's discretion. Switches within the BlackRock ISA are processed free of charge.

Sales and switches-out

There are no dealing charges when you come to sell some or all of your investment.

However, see also 'Stamp Duty Reserve Tax'.

Transfers/Re-registrations

Transfers of units between individuals, or from your direct ownership to a third-party investment manager, or other arrangement, will be completed free of charge. However, such transfers may be liable to Stamp Duty Reserve Tax at 0.5% of the value of the units.



Contact us for further information or speak to a tax adviser.

Bid/Offer spread

This is the difference between the buying ('offer') price and selling ('bid') price of the units which reflect that the underlying securities normally have a quoted offer and bid price in the market. The spread can vary but an estimate is included in the table above. This is not a direct charge but represents the cost of buying units at the offer price and subsequently selling at the bid price which is always lower.

Periodic and ongoing expenses

BlackRock charges an annual fee for managing the Funds which may vary between different unit classes (see the table above) and a Registrars Fee for the administration of the unitholder register and provision of dealing facilities.

Summary of potential commission payments to intermediaries

Funds – Class A units	Initial commission (%)		Renewal commission (%)	
	Direct	ISA	Direct	ISA
BlackRock Balanced Managed Fund	3.0	3.0	0.5	0.5
BlackRock Continental European Equity Tracker Fund	3.0	3.0	0.2	0.2
BlackRock Corporate Bond 1-10 Year Fund	3.0	3.0	0.2	0.2
BlackRock Corporate Bond Tracker Fund	3.0	3.0	0.2	0.2
BlackRock Emerging Markets Equity Tracker Fund	3.0	3.0	0.2	0.2
BlackRock Global Property Securities Equity Tracker Fund	3.0	3.0	0.2	0.2
BlackRock Japan Equity Tracker Fund	3.0	3.0	0.2	0.2
BlackRock North American Equity Tracker Fund	3.0	3.0	0.2	0.2
BlackRock Overseas Corporate Bond Tracker Fund	3.0	3.0	0.2	0.2
BlackRock Overseas Government Bond Tracker Fund	3.0	3.0	0.2	0.2
BlackRock Pacific ex Japan Equity Tracker Fund	3.0	3.0	0.2	0.2
BlackRock UK Equity Tracker Fund	3.0	3.0	0.2	0.2
BlackRock UK Gilts All Stocks Tracker Fund	3.0	3.0	0.2	0.2

Other operating costs include the fee of the Trustee, Auditor and Custodian, and other third-party expenses such as tax and legal costs.

All periodic and ongoing expenses are charged directly to the income account of the Funds in the first instance, with any shortfall charged to capital. These can vary each year and are set out in full in the full interim and annual Report & Accounts of the Funds.

On giving at least 60 days written notice to unitholders, we may increase the initial or annual charges.



See also 'Our charges' in the ISA Terms and Conditions.

How much will I have to pay for advice?

BlackRock is not permitted to provide advice on whether investments are suitable or appropriate for your needs. If you have received advice on your investment from an authorised Financial Adviser, you can authorise us to pay initial or renewal commission on lump sum investments, indicative amounts are set out in the table below, on Class A units only.

Initial commission is deducted from the initial charge and renewal commission is paid from our annual management charge. There is no additional cost to you.

Renewal commission is not paid on regular savings investments or cash held in the ISA.

Your Financial Adviser should provide you with details of their legal identity, address and other contact details. They should also disclose clearly the capacity in which they will act on your behalf, and how you will be charged for the cost of advice regarding your investment in the Funds.

We may alternatively pay rebates (also known as retrocessions) out of the annual management charge in connection with your investment in Class A units to your authorised financial adviser or other authorised financial intermediaries in respect of distribution activities relating to the Funds, or to companies within the BlackRock Group. The amount of the rebate is agreed between BlackRock and the financial adviser or intermediary but will not exceed the annual management charge for each of the Funds as set out in the table on page 10. Please refer to the Full Prospectus for further details.

Under the FSA rules, your financial adviser is obliged to disclose the details of any amounts received from BlackRock in connection with your investment. Alternatively, you may contact us for further information. It is important that you check with your financial adviser whether any such arrangements exist as this should be taken into account in determining the total benefit received by your financial adviser in connection with the services provided to you.

How will charges and expenses affect my investment?

The effect of charges and expenses are illustrated in this document using two different measures:

- ▶ **Total Expense Ratio ('TER')** reflects the periodic charges and ongoing expenses of the Funds. It does not take into account any initial and exit charges, which are set out separately above, or transaction-based expenditure, for instance, the costs of dealing in the underlying securities. TER is the standard method of disclosing charges by most European collective investment funds.
- ▶ **Reduction in Yield ('RIY')** which highlights the cost of purchasing and holding an investment over a period of 10 years using an indicative growth rate of 6.00%. The RIY does take account of initial and/or exit charges and illustrates what you might expect to get back through the course of holding the investment. However, this indicative growth rate is not guaranteed and is used only for the purposes of demonstrating the effect of charges and expenses on an investment.

You should be aware that the annual expenses calculated for the purposes of measuring RIY includes an allowance for tax relief whereas TER does not reflect this.

Where excessive trading is suspected, the Manager may act to reduce the impact of such practices, which may include levying a redemption charge of 2% on the redemption proceeds of the relevant unitholder. See 'Excessive Trading Policy' on page 9.

Portfolio Turnover Rate

In addition, as an indicator of the effect of transaction-based expenditure, for instance, the costs of dealing in the underlying investments, a Portfolio Turnover Rate ('PTR') is used to illustrate the total value of all dealing in the underlying securities within

the Funds, expressed as a percentage of the total value of all subscriptions and redemptions by unitholders over the same period.

In order to calculate the PTR, the value of units issued over the period is added to the value of units cancelled and the total is deducted from the sum of the value of investments purchased and the value of investments sold over the same period. The resultant figure is then expressed as a percentage of the average value of the relevant Fund over the period.

Where dealing in the underlying investments is transacted at a lesser rate than that of subscriptions and redemptions by unitholders, a negative figure will be shown.

Funds	Portfolio Turnover Rate %
BlackRock Balanced Managed Fund	108
BlackRock Continental European Equity Tracker Fund	25
BlackRock Corporate Bond 1-10 Year Fund	94
BlackRock Corporate Bond Tracker Fund	80
BlackRock Emerging Markets Equity Tracker Fund	23
BlackRock Global Property Securities Equity Fund	*
BlackRock Japan Equity Tracker Fund	7
BlackRock North American Equity Tracker Fund	41
BlackRock Overseas Corporate Bond Tracker Fund	*
BlackRock Overseas Government Bond Tracker Fund	*
BlackRock Pacific ex Japan Equity Tracker Fund	12
BlackRock UK Equity Tracker Fund	0
BlackRock UK Gilts All Stocks Tracker Fund	3

* As the Fund has recently launched it has not gone through an annual reporting cycle, therefore the PTR is not available.

Key facts: your questions answered continued

Examples – effect of charges

The tables below illustrate the effect of charges on an investment of £1,000 in Class A units in several of the Funds, looking at a Fund of funds: the BlackRock Balanced Managed Fund, an equity fund: the BlackRock UK Equity Tracker Fund and a fixed income fund which also has Income units available: the BlackRock UK Gilts All Stocks Tracker Fund. The illustrations below show what you might get back if you sold your holding after certain time periods based on certain assumptions such as an assumed rate of growth of 6% for direct investment in the Funds and an assumed rate of growth of 7% for investment via an ISA. Since the price at which the units are bought and sold is different, the illustration includes the Bid/Offer Spread (see above) in addition to the initial charge and the periodic and ongoing expenses. Investors should note that the growth rates are not guaranteed and are used only to demonstrate the effect of charges and expenses on your investment.

BlackRock Balanced Managed Fund

At end of year	Investment to date £	Non ISA: Effect of deductions to date £	Non ISA: What you might get back at growth rate of 6% £	ISA: Effect of deductions to date £	ISA: What you might get back at growth rate of 7% £
1	1,000	72	987	76	993
3	–	107	1,080	121	1,100
5	–	150	1,180	176	1,220
10	–	295	1,490	373	1,590

The last line of the table above shows that over 10 years the effect of the total charges and expenses for investment outside of an ISA could amount to £295. Putting it another way, this would have the same effect as bringing investment growth down from 6.0% to 4.11%. For investment via an ISA, the last line of the table shows that over 10 years the effect of the total charges and expenses for investment inside an ISA could amount to £373. Putting it another way, this would have the same effect as bringing investment growth down from 7.0% to 4.77%.

BlackRock UK Equity Tracker Fund

At end of year	Investment to date £	Non ISA: Effect of deductions to date £	Non ISA: What you might get back at growth rate of 6% £	ISA: Effect of deductions to date £	ISA: What you might get back at growth rate of 7% £
1	1,000	64	995	65	1,000
3	–	82	1,100	88	1,130
5	–	103	1,230	116	1,280
10	–	176	1,610	213	1,750

The last line of the table above shows that over 10 years the effect of the total charges and expenses for investment outside of an ISA could amount to £176. Putting it another way, this would have the same effect as bringing investment growth down from 6.0% to 4.91%. For investment via an ISA, the last line of the table shows that over 10 years the effect of the total charges and expenses for investment inside an ISA could amount to £213. Putting it another way, this would have the same effect as bringing investment growth down from 7.0% to 5.78%.

BlackRock UK Gilts All Stocks Tracker Fund

At end of year	Investment to date £	Effect of deductions to date £	Income to date £	What you might get back at growth rate of 6% £	ISA: Effect of deductions to date £	ISA: Income to date £	ISA: What you might get back at growth rate of 7% £
1	1,000	56	26	977	57	26	986
3	–	71	80	1,030	76	81	1,060
5	–	88	137	1,090	98	140	1,140
10	–	144	294	1,260	174	309	1,370

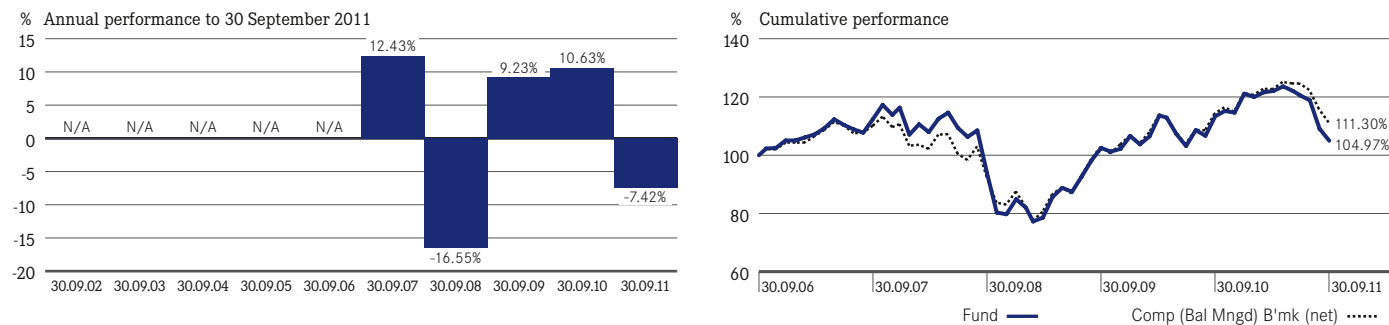
The last line of the table above shows that over 10 years the effect of the total charges and expenses for investment outside of an ISA could amount to £144. Putting it another way, this would have the same effect as bringing investment growth down from 6.0% to 5.07%. For investment via an ISA, the last line of the table shows that over 10 years the effect of the total charges and expenses for investment inside an ISA could amount to £174. Putting it another way, this would have the same effect as bringing investment growth down from 7.0% to 5.96%.

For the purposes of understanding the table above, the column headed ‘what you might get back’ shows the capital value only and does not take into account the ‘income’ that you would have already received.

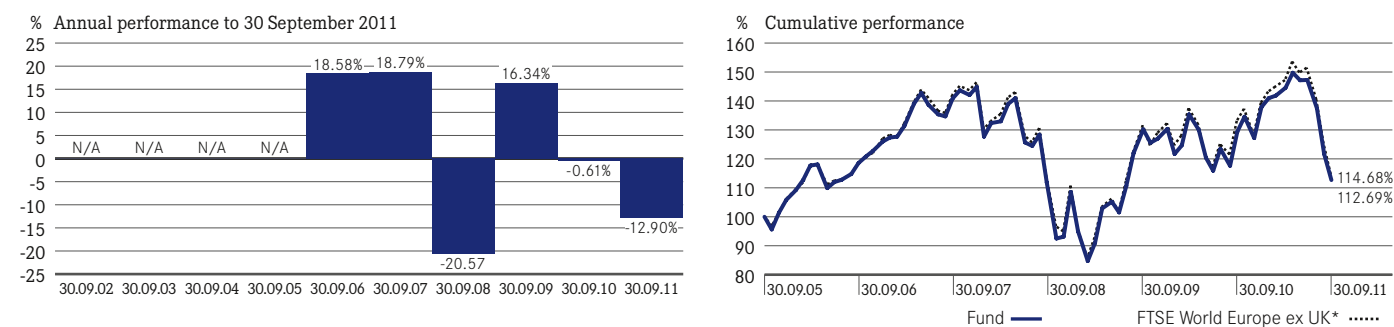
Performance data to 30 September 2011

This section shows the performance for the Funds covered in this Simplified Prospectus. Graphs on the left hand side show the annual performance for each of the Funds over the last ten consecutive years (or for as many full years as the Funds have been in existence) to the most recent quarter end prior to the production of this material (30 September 2011). The graphs on the right hand side show the Funds' cumulative performance over the same period and also includes comparison to the relevant benchmark which is provided for reference purposes only. Please remember that past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product.

BlackRock Balanced Managed Fund – Class A units

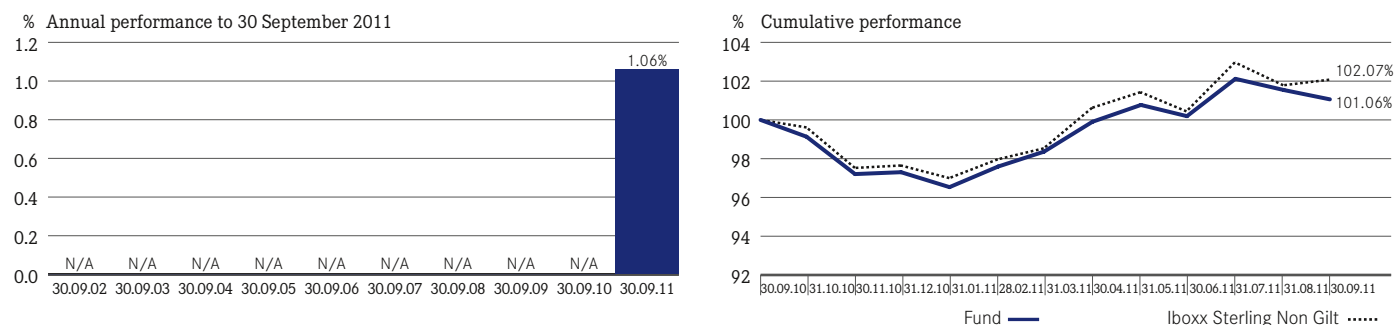


BlackRock Continental European Equity Tracker Fund

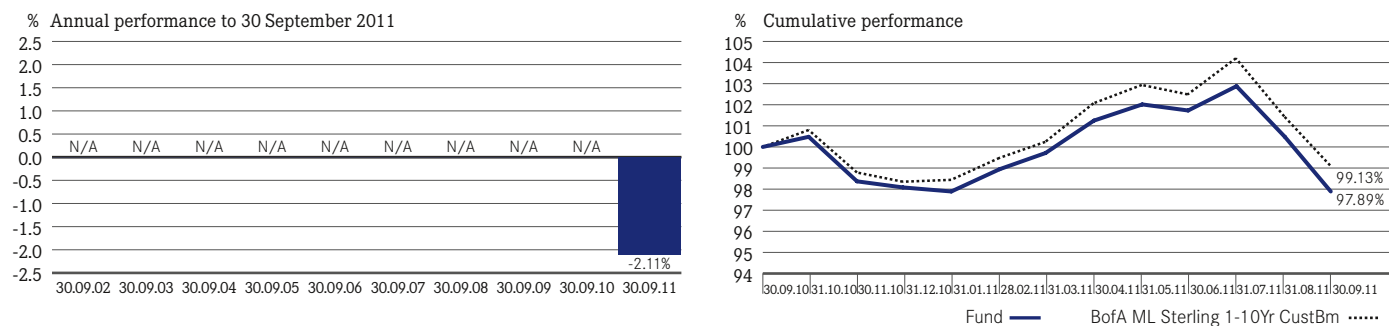


*The FTSE World Europe ex UK Index was previously called the FTSE Continental Europe Index.

BlackRock Corporate Bond Tracker Fund

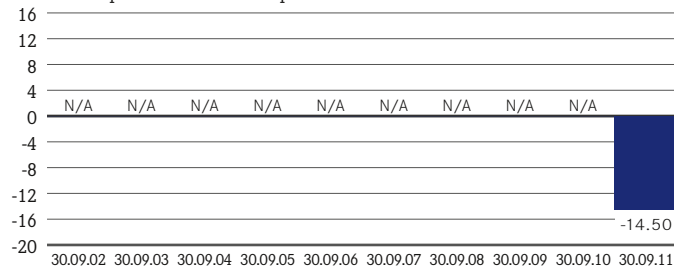


BlackRock Corporate Bond 1-10 Year Fund

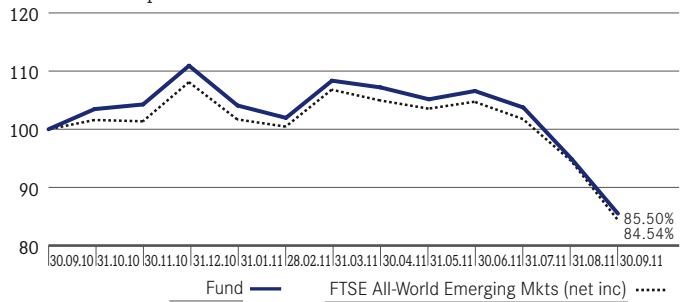


BlackRock Emerging Markets Equity Tracker Fund

% Annual performance to 30 September 2011

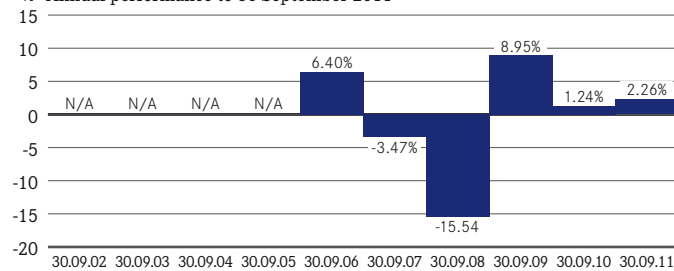


% Cumulative performance

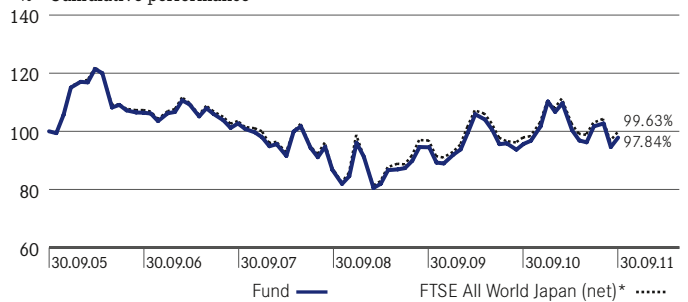


BlackRock Japan Equity Tracker Fund

% Annual performance to 30 September 2011



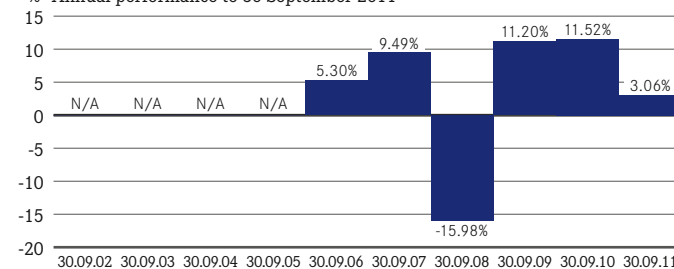
% Cumulative performance



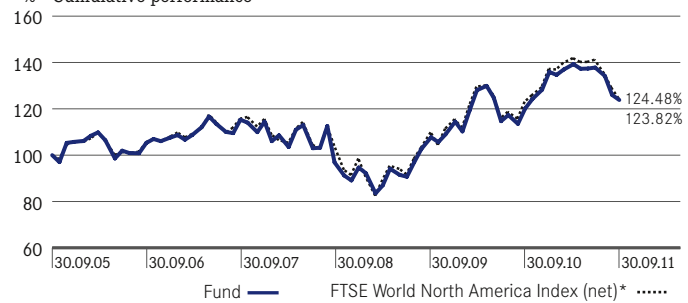
*Up until 1 November 2005 this Fund tracked the Topix 1st Section Index.

BlackRock North American Equity Tracker Fund

% Annual performance to 30 September 2011



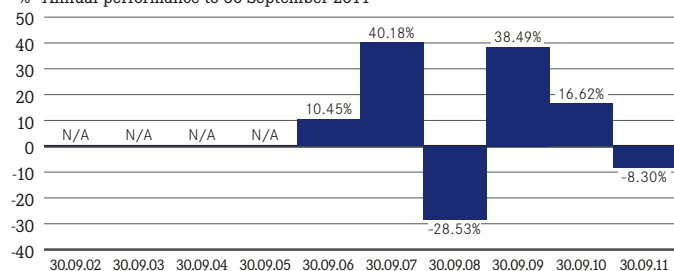
% Cumulative performance



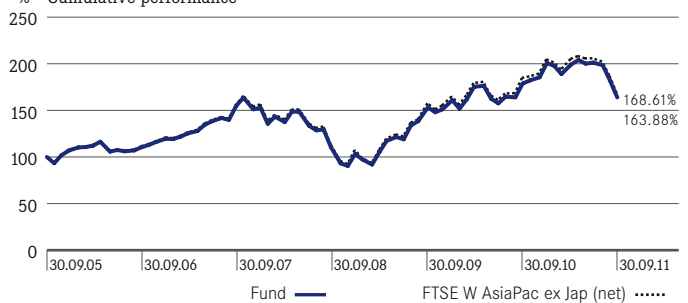
*Up until 1 November 2005 this Fund tracked the S&P 500 Index. From 1 November 2005 until close of business on 30 September 2010 the Fund tracked the performance of the FTSE World Americas Index.

BlackRock Pacific ex Japan Equity Tracker Fund

% Annual performance to 30 September 2011



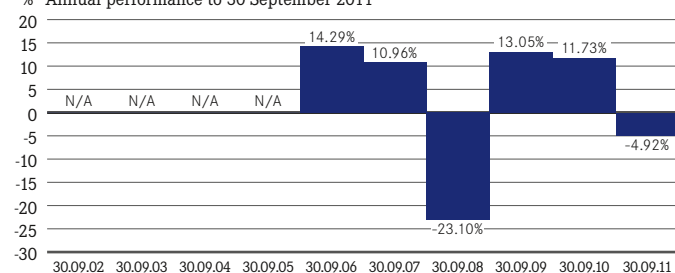
% Cumulative performance



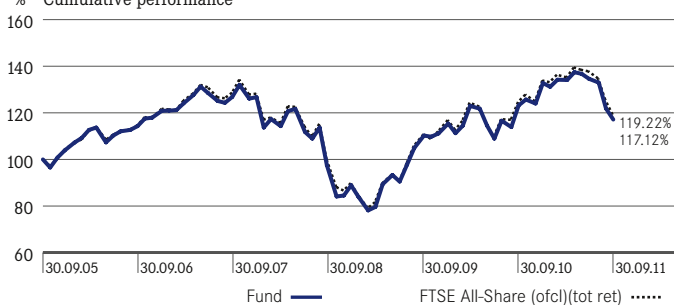
Performance data to 30 September 2011 continued

BlackRock UK Equity Tracker Fund

% Annual performance to 30 September 2011

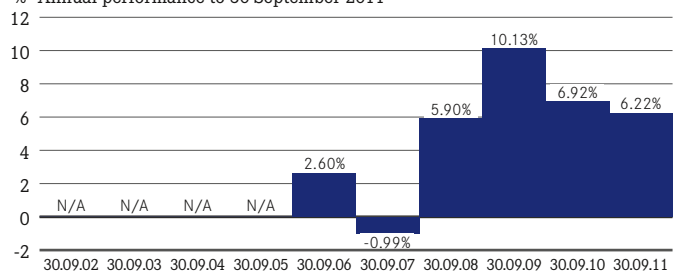


% Cumulative performance

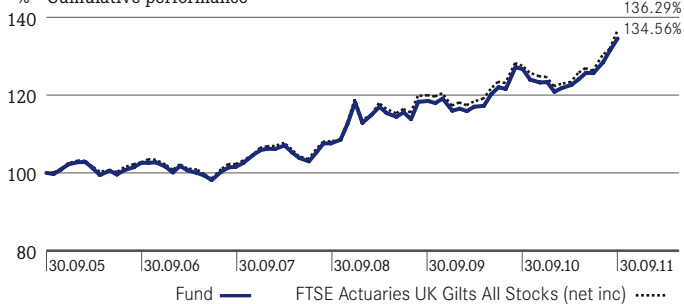


BlackRock UK Gilts All Stocks Tracker Fund

% Annual performance to 30 September 2011



% Cumulative performance



Other important information

How to complain

If you are not entirely satisfied with any aspect of the service you have received and you wish to complain, please contact: the Compliance Officer, BlackRock Fund Managers Limited at our Registered Office.

If your complaint is not dealt with to your satisfaction you can refer it to the Financial Ombudsman Service Ltd., South Quay Plaza, 183 Marsh Wall, London E14 9SR (or visit the website at financial-ombudsman.org.uk).

We are also covered by the Financial Services Compensation Scheme and you may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of your claim. Most types of investment business are covered for 100% of the first £50,000 so the maximum compensation payable would be £50,000.

Information on Financial Services Compensation Scheme (FSCS) is available on request, or by contacting the FSCS Limited at 7th Floor, Lloyd's Chambers, 1 Portsoken Street, London E1 8BN. Tel: 020 7892 7300.

Minimum balances

If, as a result, of a sale or transfer of units, the remaining balance of your holding is less than the minimum holding set out under 'What are my investment options?' above, we reserve the right to sell your units and send you the proceeds as described above. Small balances of £2 or less may be paid away to a UK registered charity at our discretion.

Unpresented cheques/Unclaimed or other balances

Where the proceeds of a sale of units are transferred to you by cheque and you subsequently fail to present the cheque for payment, reasonable efforts will be made to contact you at the address reflected in our records in order to facilitate payment of any outstanding balance due to you. However, if we are unable to contact you, after a period of 6 years, such amounts shall be paid into the Fund. No interest will be payable to you in respect of amounts relating to unrepresented cheques or other balances. Any other amounts received by the Manager during the course of any normal business transaction will, where applicable, be held in accordance with the FSA rules in respect of Client Money. No interest will be payable to you in respect of any client money balances held.

Data Protection

For the purposes of prevailing data protection laws, the data controller in respect of any personal information provided is the Manager. Investors will be afforded certain rights in respect of information provided. Further detail is contained in the Prospectus and information regarding BlackRock's Data Protection policies is available upon request.

Money laundering prevention

As a result of any applicable laws and regulations, including but not limited to, relevant anti-money laundering legislation, tax laws and regulatory requirements, we may require you to provide additional documentation to confirm your identity or provide other relevant information pursuant to such laws and regulations, as may be required from time to time, even if you are an existing unitholder. Any information provided by you will be used only for the purposes of compliance with these requirements and all original documentation will be duly returned to you. Please note that until we receive the requested documentation or additional information, there may be a delay in processing any subsequent redemption request and the Manager reserves the right in all cases to withhold redemption proceeds until such a time as the required documentation or additional information is received. Any such redemption monies will be held by the Manager in accordance with FSA rules on client money with a third party bank. No interest will be paid during the period such monies are treated as client money.

Alternatively, the Manager may employ a search of electronic data reference sources in order to access information held electronically concerning your identity, including information held by certain government and consumer agencies. By completing the relevant application form(s), you acknowledge that the Manager may at any time initiate a search of information held electronically in order to verify your identity.

Index disclaimers

The Funds are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ('FTSE') or by the London Stock Exchange Plc (the 'Exchange') or by The Financial Times Limited ('FT') and neither FTSE nor Exchange nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of any Index and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. Each Index is compiled and calculated by FTSE. However, neither FTSE nor Exchange nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index and neither FTSE or Exchange or FT shall be under any obligation to advise any person of any error therein. 'FTSE®', 'FT-SE®' and 'Footsie®' are trade marks of the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited under licence. 'All-World', 'All-Share' and 'All-Small' are trade marks of FTSE International Limited.

The BlackRock Corporate Bond 1-10 Year Fund (the 'Fund') invests in fixed income securities in the Bank of America Merrill Lynch Sterling Corporate Securities 1-5 Year Index and the Bank of America Merrill Lynch Sterling Corporate Securities 5-10 Year Index (the 'Indices'). Merrill Lynch & Co., Inc. ('Merrill Lynch') does not guarantee the quality, accuracy, and/or completeness of the Indices or any data included therein, or, otherwise obtained or derived by any person or entity from the use of the Indices and shall not be liable to the Manager, its affiliates or any third party (including unitholders) for any direct, indirect or special damages or losses of any kind as a result of the Manager's access to and use of the Indices provided hereunder. While it is Merrill Lynch's intent to publish the above mentioned indices on an ongoing basis it can not guarantee or represent its continued involvement as compilers of any index and reserves the right to cease providing the Indices and data if

Other important information continued

it ceases compiling the Indices or ceases making such Indices publicly available.

The BlackRock Corporate Bond Tracker Fund data is derived from a source considered reliable, but Markit Indices Limited ('MIL') and its employees, suppliers, subcontractors and agents (together MIL Associates) do not guarantee the veracity, completeness or accuracy of the BlackRock Corporate Bond Tracker Fund's data or other information furnished in connection with the BlackRock Corporate Bond Tracker Fund. No representation, warranty or condition, express or implied, statutory or otherwise, as to condition, satisfactory quality, performance, or fitness for purpose are given or assumed by MIL or any of the MIL Associates in respect of the BlackRock Corporate Bond Tracker Fund or any data included in it or the use by any person or entity of the BlackRock Corporate Bond Tracker Fund or that data and all those representations, warranties and conditions are excluded save to the extent that such exclusion is prohibited by law.

MIL and the MIL Associates shall have no liability or responsibility to any person or entity for any loss, damages, costs, charges, expenses or other liabilities whether caused by the negligence of MIL or any of the MIL Associates or otherwise, arising in connection with the BlackRock Corporate Bond Tracker Fund.

Information and the JP Morgan Global Government Bond Index ex UK (the "Index") has been obtained from sources believed to be reliable, but J.P. Morgan Securities Inc ("JPMorgan") does not warrant its completeness or accuracy. The information and the Index are used with permission. The information and the Index may not be copied, used, or distributed without JPMorgan's prior written approval. Copyright 2011, JPMorgan Chase & Co. All rights reserved. "JPMorgan" and the Index are trademarks of JPMorgan Chase & Co. and have been licensed for use for certain purposes by BlackRock Advisors (UK) Limited. BlackRock Overseas Government Bond Tracker Fund (the "Fund") which is based on the Index is not sponsored, endorsed, sold or promoted by JPMorgan and JPMorgan makes no representation regarding the advisability of trading in the Fund.

Barclays Capital is a trade mark of Barclays Capital, the investment banking division of Barclays Bank PLC ("Barclays Capital") and is used by BlackRock Investment Management (UK) Limited under licence. With a distinctive business model, Barclays Capital provides corporates, financial institutions, governments and supranational organisations with solutions to their financing and risk management needs. Barclays Capital compiles, maintains and owns rights in and to the Barclays Capital Global Aggregate Corporate ex UK Index. The BlackRock Overseas Corporate Bond Tracker Fund is not sponsored or endorsed by Barclays Capital and Barclays Capital makes no representation regarding the advisability of the BlackRock Overseas Corporate Bond Tracker Fund or use of either the Barclays Capital Global Aggregate Corporate ex UK Index or any data included therein.

Legal and regulatory information

Language: All communications will be in English (UK).

Law: If there is a legal dispute, the Law of England and Wales will apply.

Unit Trust Manager: The Manager of the Funds is BlackRock Fund Managers Limited, (Company No. 1102517) and its principal business is the management of collective investment schemes.

Registered office: 12 Throgmorton Avenue, London EC2N 2DL. Authorised and regulated by the Financial Services Authority (FSA No. 119292).

Trustee: The Trustee of the Funds is The Royal Bank of Scotland plc, Trustee & Depositary Services, The Broadstone, 50 South Gyle Crescent, Edinburgh EC12 9UZ. Authorised and regulated by the Financial Services Authority.

Custodian: Bank of New York Mellon (company number 3236121). Registered office: 1 Canada Square, London E14 5AL. Authorised and regulated by the Financial Services Authority.

Auditor: Ernst & Young LLP, 1 More London Place, London SE1 2AF.

Principal distributor: BlackRock (Channel Islands) Limited, Forum House, Grenville Street, St. Helier, Jersey JE4 8RL.

Supervisory authority: The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

Terms and conditions for the BlackRock ISA

1. Definitions

'Application' means a valid application for a Plan made in accordance with Clause 2.

'Application Details' means the information contained (a) in the prescribed Application Form completed in writing by an applicant for a Plan or (b) in the case of an Application for an ISA in our written acknowledgement of the information provided by the applicant (as amended to reflect any corrections which the applicant notifies to us).

'Associate' means any company in the group of companies of which BlackRock Inc., Barclays plc, and the PNC Financial Services Group, Inc. is the holding company (together the 'Group').

'Bank' means The Royal Bank of Scotland plc, or another company within The Royal Bank of Scotland group, or any successor to their business from time to time. The Bank is not our Associate.

'Business Day' means any day normally treated as a bank business day in England.

'Custodian' means The Bank of New York Mellon (International) Limited, or any successor to its business from time to time. The Custodian is not our Associate.

'FSA' means the Financial Services Authority, and 'the FSA Rules' means the rules and regulations of the Financial Services Authority, as in force from time to time.

'ISA' means an Individual Savings Account to which, in the case of these Terms and Conditions (as may be amended) means a stocks and shares ISA.

'Manager', 'we' and 'us' all refer to BlackRock Investment Management (UK) Limited, the manager of your Plan (as applicable) (or our replacement under Clause 22). We are authorised and regulated by the FSA.

'Plan' means your stocks and shares ISA (including any previous year Mini ISA, Maxi ISA or Personal Equity Plan with us which has been reclassified as a stocks and shares ISAs in accordance with the Regulations).

'Regulations' means the Revenue regulations and guidance notes for ISA (as may be amended).

'Revenue' means H.M. Revenue & Customs.

'Unit Trust' means authorised unit trusts or other authorised funds held in your Plan, and which have been made available by us as the sole eligible investments for your Plan. All Unit Trusts are operated or advised by us or an Associate.

'Units' means the units of any such Unit Trust.

Words and phrases defined in the FSA Rules will bear the same meanings in these Terms and Conditions.

2. Application procedure

Subscriptions

In order to subscribe for an ISA you must provide a valid application and cash subscription. A valid application must be made by either:

- (i) completing and sending to us the prescribed Application Form;
- (ii) (when this service is available), providing us with the prescribed information over the telephone (telephone calls are usually recorded) or by electronic communication.

Your application is subject to the annual subscription limits for the current tax year as set out in the Application Form. You may only subscribe to one stocks and shares ISA in any one tax year. You may also apply for a cash ISA within the annual limits. We do not, however, offer a cash ISA.

Transfers

If you wish to transfer to us a stocks and shares ISA held with another manager, you must first complete the relevant transfer Application Form. In order to effect the transfer, your other manager will sell the investments held in the ISA being transferred, and transfer the net cash proceeds to us. We will then invest these cash proceeds in accordance with Clause 7 below.

All Plans

By making an Application you accept your agreement with us that the Plan will consist of the information whether supplied by us or you (including but not limited to personal details, declarations and authorities) contained on the Application Details together with these Terms and Conditions, the Full Prospectus of each Unit Trust, and the Simplified Prospectus (the 'Agreement') as amended from time to time. You also agree to the appointment by you of the Bank and the Custodian to provide custodial and banking services required to ensure the operation of your Plan, and you authorise us to provide instructions to the Custodian on your behalf insofar as they are required to carry out our duties as manager of your Plan. We will be responsible for ensuring the Custodian properly carries out its duties in respect of your Plan.

Under the FSA Rules we classify you as a retail client.

In order to maintain the ISA status of your Plan, we reserve the right to transfer your investment into other funds within our range, for example, as a result of a scheme of arrangement or a termination affecting the Unit Trusts in which your Plan is invested. We shall write to let you know in advance of any such proposals.

In the event of any conflict in interpretation between the Application Details, the Terms and Conditions, the Full Prospectus, and the Simplified Prospectus, the Terms and Conditions will take precedence.

We reserve the right not to accept your application to us for a Plan.

3. Form of Subscription or Transfer

Subscription

Before your ISA can be opened a valid cash subscription must have been received.

For lump sum investors a valid cash subscription must be made by cheque, valid from the date we receive and accept it and provided it subsequently clears; or by debit or credit card (subject to availability) valid from the date we receive your transaction authorisation. For monthly investors a valid cash subscription must be made by direct debit, valid from the date we receive your mandate provided a subsequent cash transfer is made.

If your cheque subsequently fails to clear, or your direct debit instruction is returned unpaid, we may cancel the Application and any transactions carried out up to that date. You agree to indemnify both us and the Custodian against any losses, costs or expenses incurred directly or indirectly as a result of investment and subsequent cancellation.

Transfers

Before your Plan can be opened a valid cash transfer must have been received by us from your existing Plan manager. It will then be invested in the Unit Trust(s) specified in your Application Details.

4. Commencement of your Plan

Subject to the Regulations, the commencement date will be the date your Application and cash subscription or transfer is accepted by us.

5. Management of your Plan

Your Plan will be managed by us in accordance with

your instructions provided in your Application Details and the Regulations.

6. Cash in your Plan

You may instruct us to sell Units and hold the proceeds in cash temporarily pending reinvestment within your Plan. Such instructions must clearly state proceeds are to be held in the Plan pending your reinvestment instructions.

Cash in your Plan must be held for the purpose of investment in qualifying investments. If such cash is held without any apparent intention of investment there is a risk that the Revenue will require the cash to be returned to you or for us to void your Plan. We, our Associates and the Bank may benefit from the aggregation of client balances held as stated above.

Cash held in your Plan will be held by the Bank or another appropriate institution in our name in trust for the benefit of your Plan in accordance with the FSA Rules on client assets.

Interest

Interest earned on such cash, including cash representing a cheque issued by us which you have not yet cashed, will not be credited to your ISA. You agree to waive the right to receive interest which you would otherwise have under the FSA Rules on client assets.

7. Timing of Transactions and Order Execution

Subject to Clause 4 we will invest your cash in the Unit Trusts specified in your Application Details.

We will endeavour to get the best market prices on your behalf in accordance with the applicable requirements on best execution in the FSA Rules.

Subscriptions

Lump sums

All instructions received before 12 noon will be dealt with by reference to that day's Unit prices. Instructions received after 12 noon will be dealt with using the following day's Unit prices. Switch instructions will be treated in the same fashion.

Monthly savings

For monthly investments the price for the relevant Units will normally be determined at the valuation point on the day each direct debit payment is made.

Transfers

The price of the relevant Units will be determined at the next valuation point for such Units following our receipt of the valid cash transfer.

Best execution

We are required to seek to achieve the best possible result for you when dealing with any order to buy or sell financial instruments, such as Units, and to set out our arrangements for this purpose in an 'order execution policy' set out at the end of these Terms and Conditions.

We are required to consider various factors when deciding how best to deal with orders from clients. These factors include price, cost, speed, likelihood of execution and settlement, size, nature and other relevant matters. As we have classified you as a retail client we will usually consider price and cost to be the most important factors for you. The price of investment in Units will be the 'open market' price (as referred to in the Revenue Guidance notes for ISA managers) that can be obtained.

Our best execution obligations are also applied in a manner that takes into account the different circumstances associated with the execution of orders related to investments held within an ISA, specifically the rules of the Revenue.

To achieve the best possible result for you we must ensure that any deal that we execute on your behalf is in accordance with the Revenue rules: specifically that an investment will be a qualifying investment for the purposes of the ISA rules, that it will not breach any of the investment limits referred to in the Application Details and that title to the ISA investments will be registered appropriately.

For orders relating to Units, we believe that to achieve the best possible result for you the only method currently available for dealing is to transmit orders directly to BlackRock Fund Managers Limited ('BFM') for execution. BFM will be deemed to be the sole 'execution venue' for these purposes. There are existing systems and controls in place between ourselves and BFM that allow us to comply with our Revenue obligations and allow us to obtain the best possible result when executing transactions for you.

We understand that there may be other venues where the prices of Units may have a lower total consideration (for example, a lower or no initial charge) from dealing only with BFM. We do not believe we will be able to obtain the best possible result for you, and comply with the Revenue rules, by executing deals through another venue at this time. Where there is only one execution venue that we can use in practice to deal with your orders, we will have to use that venue regardless of the impact of the execution factors listed above.

We review the arrangements that we have in place with our counterparties to assess their ability to provide best execution on a consistent basis and will implement any necessary changes to our order execution policy from time to time. This will involve reviewing whether using other means to route orders would be feasible (which would allow us to comply with our obligations to you under the rules of the FSA and Revenue) and would generate a better result for you.

Please note, any specific instructions from you as to how your orders are dealt with may prevent us from taking the steps that we have designed to obtain the best possible result in the circumstances.

By agreeing to these Terms and Conditions, you will be giving:

- your prior express consent to the execution of orders (which includes execution of orders in the underlying investments of the Unit Trusts) outside a 'regulated market' or a 'multilateral trading facility' (as those terms are defined in the FSA Rules) where this is appropriate; and
- your consent to our order execution policy as summarised above.

8. Our charges

We do not make a charge for managing your Plan. However, we or our Associate are paid an annual management charge from the Unit Trusts and the offer price of your Units may also include an initial charge payable to us or our Associate. Annual and initial charges, registrar's fees, and other expenses payable to us or an Associate (and the frequency of such payments) are set out in the relevant Simplified Prospectus and Full Prospectus of each Unit Trust.

We may charge you for providing the unitholder information described below but currently do not do so. We will give you 30 days prior notice before a charge is introduced. We may rebate or waive some or all of our fees and charges and we may pay commissions to brokers or agents.

9. Your income

Income in respect of distribution Units will be credited to your Plan on the relevant distribution dates and paid out to you immediately. For Funds paying interest distributions, payments are made gross and include an amount paid by us equal to the income tax deducted. We are entitled to keep an equivalent amount once recovered from the Revenue.

Net income in respect of accumulation Units is automatically reinvested on the relevant ex-distribution dates to increase the value of the Units. Repayments of tax in respect of accumulation Units are credited to your Plan when received from the Revenue and reinvested in the relevant Unit Trust (by the issue of additional Units). An initial charge is not levied on this reinvestment.

10. Valuations and Unit Trust reports

A combined valuation and transaction statement will normally be sent to you at 6-monthly intervals within 25 Business Days of 5 April and 5 October, respectively or on a date otherwise notified to you. We will also arrange for you to receive the annual and semi-annual manager's report in respect of each Unit Trust. Contract notes will be issued for each lump sum investment, transfer in or redemption, but not after monthly investments.

11. Voting

You are entitled to attend and vote at meetings of unitholders of each Unit Trust. You will receive notice of such meetings, and any additional information sent to unitholders (including the short reports of the Unit Trusts). Copies of the long forms Report and Accounts of the Unit Trusts are available on request. There is currently no charge for this service.

12. Complaints procedure

If you wish to complain about your Plan please contact the Compliance Officer at BlackRock Investment Management (UK) Limited, 12 Throgmorton Avenue, London EC2N 2DL. If you would like to receive written details of how we handle complaints, please contact us. If you are not entirely satisfied with the way we handle your complaint, you can complain to the Financial Ombudsman Service Ltd, 183 Marsh Wall, London E14 9SR.

Making a complaint will not prejudice your right to take legal proceedings. Information on the Financial Services Compensation Scheme is available on request, or by contacting FSCS Limited at 7th Floor, Lloyd's Chambers, 1 Portoken Street, London E1 8BN.

13. Taxation

We may make all appropriate claims, conduct appeals and agree on your behalf liabilities for and reliefs from tax in respect of your Plan, and we may account to the Revenue for any tax arising.

14. Withdrawals

You may at any time request in writing (or by telephone or by electronic communication when available) the withdrawal of cash from your Plan. This will normally be completed by selling an appropriate number of Units. You must inform us of the Units you wish to be sold, otherwise we will normally raise an equal value from each Unit Trust, or contact you for further instructions if this is not possible. Following receipt of your instruction(s), we will sell the relevant Units at the next valuation point, and transfer the net cash proceeds to you on the fourth business day after receiving your written instruction. Proceeds will be held in accordance with the FSA Rules on client assets, however no interest will be paid on such monies.

Alternatively, you may request that we transfer the Units specified in your withdrawal request into your name instead of selling them and within the timescale you stipulate subject to a minimum period of five Business Days. Any withdrawal must have a value of at least £250.

15. Transfers out

You may at any time request in writing, using an appropriate form of transfer that complies with the Regulations, that we transfer your Plan to another manager who has consented to such transfer.

For the transfer of subscriptions received by us in the current tax year, we may only transfer cash or Units representing the whole value of your ISA subscriptions. However, you may transfer investments in your ISA representing previous tax year's subscriptions in whole or in part. You may not transfer your stocks and shares ISA to a cash ISA.

You must inform us of the Units you wish to be sold to effect the transfer, otherwise we will normally raise an equal value from each Unit Trust, or contact you for further instructions if this is not possible.

Any partial transfer of your ISA must have a value of at least £250.

Following receipt of your valid transfer instruction(s) we will sell the Units at the next valuation point, and transfer the net cash proceeds to your new Plan Manager within four Business Days of that date. Alternatively, you may request that we transfer the Units directly to your new Plan Manager instead of selling them and within the timescale you stipulate subject to a minimum period of five business days, and receipt of sufficient information from your new Plan Manager to complete the transfer. Either form of transfer will be carried out as soon as reasonably practicable.

16. Termination of your Plan

You may request at any time that we terminate your Plan, such termination to be effective upon our receipt of your written request. We may terminate your Plan by giving you one month's written notice, effective upon the expiry of the notice period. Once termination is effective, we will normally sell all your Units at the next valuation point, and transfer the net cash proceeds to you on the fourth business day after receiving your written instruction. Proceeds will be held in accordance with the FSA Rules on client assets, however no interest will be paid on such monies.

Alternatively, you may request that we transfer the Units into your name instead of selling them. This will be carried out as soon as reasonably practicable.

If you instruct us to transfer all the investments in your ISA to another manager, your Plan with us will be terminated.

17. Consequences of withdrawal, transfer or termination

Any withdrawal, transfer or termination of your Plan will be subject to the completion of outstanding transactions and any deductions we may be entitled or bound to make under the Regulations or in respect of our fees or charges.

We are also entitled to close out, terminate or reverse any transaction or enter into any other transaction if it reduces or eliminates any liability existing as a result of a commitment entered into by us for your Plan.

Terms and conditions for the BlackRock ISA continued

There may be delays in transferring the entire net cash proceeds because repayments of tax credits may not have been received before the transfer is made. Cash in respect of a withdrawal or termination will not be transferred to a third party except where you have specifically instructed us to make such transfer to your authorised Financial Adviser.

Your Plan will cease to qualify for tax exemption under the Regulations from the date of your death. The investments will be transferred to your personal representatives once a sealed grant of probate (or equivalent) has been obtained. The total value of your Plan forms part of your estate for inheritance tax purposes.

Where upon the withdrawal from, or termination of your Plan, the proceeds are transferred to you by cheque and you subsequently fail to present the cheque for payment, the proceeds will be held in a Client Money account in accordance with Clause 14 or Clause 16, as applicable. Reasonable efforts will be made to contact you at the address reflected in our records in order to facilitate payment of any outstanding balance due to you. However, if we are unable to contact you, after a period of 6 years, such amount will cease to be treated as client money and transferred to an account in our name. By completing the relevant Application Form(s), you consent to this course of action.

If, as a result of a transfer or withdrawal from, or termination of your plan, a holding in any Unit Trust is less than £500, we may arrange to sell the holding and remit the proceeds to you.

If, as a result of a transfer or withdrawal from, or termination of your plan, a small balance, meaning an amount of £2 or less, is held or accrued within your Plan, we shall have absolute discretion to realise this balance and donate the proceeds to a UK registered charity selected by us.

18. Cancellation rights

You are allowed 14 days in which to cancel your Plan if you received advice from an authorised person through whom the business is placed.

The 14 days commences upon your receipt of the contract note or confirmation letter. You should note that exercising your right to cancel does not necessarily mean that you will receive back the amount you invested.

If the purchase price of the Units has fallen you will receive back an amount based on the purchase price next calculated following our receipt of your cancellation notice.

Proceeds from cancellation will be retained in a bank account subject to the FSA Rules on client assets until the purchase payment has cleared. This may be for a period of up to 21 calendar days from the date of acquisition. No interest will be paid on cancellation monies.

19. Ownership and administration

Units in your Plan will be registered in your name and ours jointly but they will at all times be beneficially owned by you. We will not lend your Units to anyone else or use them as security for a loan or require you to supplement subscriptions to your Plan. At present Units are in registered form only so no Unit certificates or other physical evidence of title will exist.

20. Potential conflicts of interest

We have the right, without giving you prior notice, to effect transactions in which we or an Associate has a material interest or duty without accounting to you for any commission, profit, or other remuneration received by us or any Associate. A summary of our Conflicts of

Interest Policy is set out in the Schedule to these Terms and Conditions. The Full Prospectus of the Unit Trust(s) contain further disclosures on potential conflicts of interest that may arise between us through management of your Plan. Such disclosures are deemed to form part of this Agreement. A free copy of the Full Prospectus is available from us on request.

21. Other disclosures

We or any Associate may act for you as either principal or as agent, including in respect of transactions in which we are also acting as agent for the account of other customers and Associates.

22. Delegation and Assignment

You cannot assign or transfer this Agreement to anyone else. We may delegate any of our functions and responsibilities under this Agreement to another party (including an Associate) without your prior consent provided such delegation is in accordance with the Regulations.

We may also appoint an Associate to replace us as manager of your Plan (prior notice to be given to you if reasonably practicable) and employ other agents to perform, or advise us in relation to the performance by us of any of our functions and responsibilities.

23. Liability

We, or any Associate, the Bank or the Custodian will not be liable in respect of any acts or omissions of any person, firm or company through whom transactions are effected for your account.

We, or any Associate, the Bank or the Custodian will not be liable for any loss incurred by you except to the extent that any such loss is directly caused by our respective negligence, wilful default or fraud. Nothing under this Agreement shall restrict any liability we, or any Associate, or the Bank may have under the regulatory system established under the Financial Services and Markets Act 2000. No warranty is given by us as to the performance or profitability of the Units.

24. Confidentiality

We will not disclose without your written authority any confidential information relating to your Plan received from you or third parties during the course of this Agreement to any person other than an Associate or its or our agents or an intermediary appointed by you. However, we will disclose confidential information relating to your Plan if so required under any applicable law or regulation, or required by the FSA, or by the Revenue.

25. Data protection

Your personal details will be held by us in accordance with current data protection law for the purposes of carrying out our agreement with you. This may include the transfer of such data (i) to other members of the BlackRock group, PNC group or Barclays group and (ii) to other businesses (in each case including their offices based in countries having different standards of protection for personal data outside the European Union) where the transfer is necessary for the provision of services in relation to any of the BlackRock group's investment products or services.

If you wish to exercise your rights to receive a copy of the information that we hold about you, please write to us at 12 Throgmorton Avenue, London EC2N 2DL. If you invest via an agent, we may pass details of your investment to your agent from time to time.

26. Your instructions

All of your instructions or authorities in connection with this Agreement must be made in writing in respect of applications, switches and withdrawals. We will not currently act upon instructions made by facsimile or e-mail. Instructions will be deemed to have been given to us only when we have received them. We may acknowledge instructions verbally or in writing.

27. Events outside our control

We have no responsibility or liability to you for any loss or damage caused by us or suffered by you as a consequence of our failure to perform our obligations resulting from any breakdown, failure or malfunction of any telecommunications or computer services or systems, industrial disputes, acts or regulations of any governmental or supranational bodies or authorities, or any acts or circumstances not reasonably within our control.

28. Notification of Plan becoming void, or restriction on further subscriptions

If at any time you notify us or we become aware of any information that means you are ineligible to open or hold a Plan under the Regulations we will be required to notify you in writing that your application for, or holding of, a Plan is void. If such information means that you no longer qualify with the residency requirement for an investor set out in the Regulations you may continue to hold your Plan, but we cannot accept further subscriptions made by you after the date you ceased to qualify.

29. Amendment and Governing Law

Except in exceptional circumstances, any amendment proposed by us will be notified in writing to you and will take effect on the date specified (not being less than one calendar month after the issue of the notice) unless you, in the meantime, notify us to the contrary. This Agreement is governed by and construed in accordance with the laws of England and Wales.

Schedule to the terms and conditions for the BlackRock ISA

Summary of Conflicts of Interest Policy

The EU Markets in Financial Instruments Directive (MiFID) came into force on 1 November 2007. In line with the new legislation the Manager has reviewed its policies regarding the identification of circumstances in which a conflict might arise affecting the interests of one or more clients.

This document sets out a summary of these conflicts and the procedures and controls that have been put in place to manage them.

Policy

The Manager recognises that, as a global fund manager, when acting in the best interests of its clients, conflicts of interest may arise. Any investment manager is faced with potentially conflicting duties as soon as it begins to act for more than one client, particularly when it is part of a large financial group. The Manager regularly provides training to its employees covering conflicts of interests.

This summary describes three categories of conflicts of interest and how the Manager manages them:-

- ▶ conflicts that arise from engaging in transactions on behalf of its clients with companies affiliated with the Manager or in which the Manager or its affiliates have a substantial interest;
- ▶ conflicts that arise from the Manager acting on behalf of multiple clients; and
- ▶ conflicts that arise between the interests of its clients and those of its employees.

Further information regarding conflicts of interest is available on request.

Identification and management of Conflicts

Conflicts with BlackRock or its Associates

The Manager is ultimately owned by BlackRock, Inc., which, due to its ownership structure, is associated with Barclays Bank plc and its subsidiaries ('Barclays') and with the PNC Financial Services Group, Inc., and its subsidiaries ('PNC') which is a large diversified financial services company, each based in the United States. Barclays and PNC each own less than 50% of BlackRock Inc.'s outstanding stock. While Barclays and PNC are represented on BlackRock Inc.'s Board of Directors, BlackRock operates independently from Barclays and PNC and has independent majority on its Board of Directors.

Barclays and PNC may have direct and indirect interests in the financial instruments and markets in which the Manager invests for its clients and may be used, where permitted by regulation and the client's contract, to effect transactions with those clients. They may act in a variety of roles including those of principal broker, underwriter, agent or lender in connection with transactions in which the Manager's clients have an interest and will receive remuneration or other benefits in connection with these roles.

Transactions, including those involving placings and/or new issues, entered into with associates are conducted in line with BlackRock's policies and procedures designed to ensure the fairness and reasonableness of those transactions and in accordance with the Manager's obligation to obtain the best possible result for its clients' transactions.

As well as physical segregation between BlackRock, Barclays and PNC, employees are supervised separately and there are no reporting lines from BlackRock employees into Barclays or PNC. BlackRock's securities holdings are accessible only by Barclays' Compliance Department and only for the purposes of fulfilling their regulatory reporting requirements.

BlackRock does not have a proprietary trading business and only invests for its own account in limited circumstances, such as to seed investment vehicles sponsored by BlackRock and with respect to the management of 'box' accounts to facilitate the subscription and redemption process. BlackRock does not compete with client transactions. BlackRock does not invest either in its own shares or in PNC shares on behalf of its clients, except in limited and defined circumstances, such as investing for index tracking funds.

Barclays owns less than 20% of BlackRock's voting stock. BlackRock may invest in Barclays shares on behalf of its customers in accordance with client guidelines and BlackRock's compliance programme.

The Manager may purchase on behalf of clients, or recommend to clients that they invest in, collective investment schemes, structured products or other pooled vehicles where a BlackRock company, Barclays or PNC company acts as the manager, operator, issuer, banker, adviser or Trustee or in any other capacity. BlackRock discloses these arrangements and the associated fees.

The same portfolio management team may have mandates which result in establishing, holding or unwinding opposite positions (i.e. long and short term) in the same security at the same time for different customers. This may be done only in accordance with established policies and procedures designed to ensure the presence of an appropriate fiduciary rationale and to achieve execution of opposing transactions in a manner that does not systematically advantage or disadvantage any particular set of customers.

Conflicts from acting For Multiple Clients

The Manager gives advice and makes investment decisions that it believes are in the best interests of its clients. However the advice given or investment decisions made for one client may differ from, and potentially conflict with, that for other clients.

To manage these conflicts, the Manager has put in place policies and procedures covering investment allocation and customer order priority designed to ensure that all of its clients are treated fairly. Financial instruments dealt on behalf of a client may be aggregated with deals for other clients. In these cases, if it is not possible to trade the entire volume of financial instruments at one price, the various prices may be averaged and the clients involved will receive the average price for the deal. The Manager's order execution policy requires it to take all reasonable steps to seek the best possible result on behalf of its clients when executing trades, generally known as best execution.

The investment activities of the BlackRock Group for its own account and for other accounts managed by it or by a Barclays Group or PNC Group company may limit the investment strategies that can be conducted on behalf of the Funds by the Investment Advisers as a result of aggregation limits. For example, the definition of corporate and regulatory ownership of regulated industries in certain markets may impose limits on the aggregate amount of investment by affiliated investors that may not be exceeded. Exceeding these limits without the grant of a license or other regulatory or corporate consent may cause the BlackRock Group and the Funds to suffer disadvantages or business restrictions. If such aggregate ownership limits are reached, the ability of the Funds to purchase or dispose of investments or exercise rights may be restricted by regulation or otherwise impaired. This may restrict a Fund's ability to provide returns that reflect the performance of the relevant benchmark index.

The Manager has procedures designed to ensure that any financial instruments bought and sold between one

client and another, commonly known as a cross trade, are executed at the appropriate market price and that the transaction is in the best interest of both clients.

The Manager has entered into a number of Commission Sharing Arrangements (CSA) with executing brokers in relation to equity trading. Under these arrangements a portion of the commissions paid to the executing broker on trades executed under the CSA will either be passed to research brokers selected by the Manager or used to provide research and/or execution services which assist the Manager in providing its investment management services, thus benefiting its clients. To the extent that the Manager uses clients' commissions to obtain research or execution services, the Manager will not have to pay for such research or services itself.

The Manager receives management fees for some accounts based upon assets under management and for other accounts based upon its performance in managing the accounts. While the Manager may benefit more from above average performance in the performance fee accounts as compared with accounts for which it receives asset based fees, its procedures require the fair and equitable allocation of financial instruments among these accounts. All transactions are subject to the Manager's obligations to obtain best execution on behalf of its clients and are monitored on an ongoing basis.

The Manager offers its proprietary investment systems and analytical tools, as well as complementary advisory and outsourcing services, to institutional investors under the brand name BlackRock Solutions. This includes a variety of risk management and financial advisory services. BlackRock Solutions also offers transition management services, assisting in portfolio restructuring for institutional investors which aims to minimise the potential costs and manage the risks to implement the most efficient trading solutions for any transition.

BlackRock Solutions will therefore have access to information about its clients' holdings and transactions, and make decisions on trading in financial instruments which may conflict with the transactions carried out on behalf of BlackRock's other clients. To control this conflict BlackRock has implemented Chinese Walls to prevent the flow of information between BlackRock Solutions and its fund management business.

Conflicts between clients and employees

Conflicts may arise where employees have a personal financial interest in financial instruments which may be held, bought or sold for clients. Conflicts may also arise in relation to external interests including directorships or where employees receive any gifts, entertainment or other inducements in relation to the financial instruments or companies that the Manager has a relationship with or in which it invests for clients.

The Manager has personal account dealing rules designed to ensure that conflicts between an employee's trading and trading undertaken on behalf of clients are avoided. No employee may engage in any other employment or provide services to any other person unless specifically approved by the Manager. This includes external directorships and any other external business relationships that are likely to put the employee in a position where they may have a conflict of interest either with the Manager or its clients.

The Manager also has procedures in place covering the receipt of personal gifts or other benefits that may be accepted by employees. No employee may accept from any person any gift or other benefit that cannot properly be regarded as justifiable in all the circumstances.

Conflicts may arise due to an employee's remuneration and the way in which this is calculated. BlackRock remuneration arrangements for portfolio managers are structured to ensure that they reward both short term and long term performance. These take into account

Schedule to the terms and conditions for the BlackRock ISA continued

performance both on an individual and on an investment team basis and include contributions to the business objectives and success of the investment team. Where portfolio managers manage a number of accounts, which may include performance fee accounts, the remuneration arrangements take into consideration all of the accounts for which a portfolio manager is responsible.

Important Information

This document is issued by BlackRock Investment Managers (UK) Limited (authorised and regulated by the Financial Services Authority). Registered office: 12 Throgmorton Avenue, London EC2N 2DL. Registered in England No 2020394. If you are in any doubt as to the suitability of any of our Funds for your investment needs, please contact your Financial Adviser. You should remember that past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and are not guaranteed. You may get back less than the amount you invested. Telephone calls are usually recorded for your protection.

FOR MORE INFORMATION

Tel 0800 44 55 22

blackrock.co.uk

BLACKROCK®