

BLACKROCK UK Special Situations (UT)

OBSR Fund Rating
AAA /  Gold

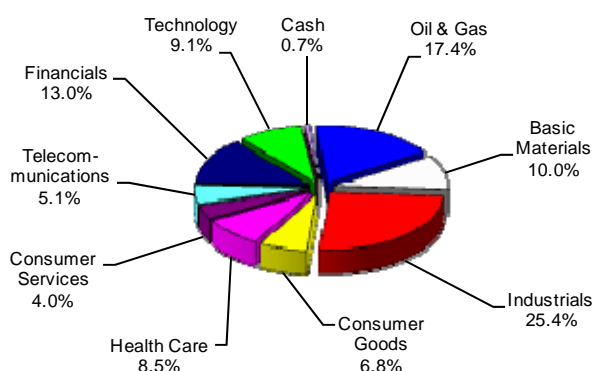
obsr FUND
RATINGS

Key Information

Launch Date	14 March 1981	
Fund Size	£1375.0m	
Type of Units Available	Distribution & Accumulation	
Distribution Dates	20 June, 20 December	
Historic Yield	0.95%	
ISA	Yes	
ISA Transfer	Yes	
Standard Fund Management Charges	Initial	5.00%
	Annual	1.50%

Asset Distribution - Sector

Source: BlackRock



Top Ten Holdings

	%
Royal Dutch Shell - B Shares	5.6
GlaxoSmithKline	4.7
Vodafone Group	4.5
HSBC Holdings	4.3
Spirax-Sarco Engineering	4.2
BP	3.9
AstraZeneca	3.8
Aveva Group	3.8
BG Group	3.5
Rotork	3.5
Concentration (Top 10)	41.8

Source: BlackRock

Classification

Sector	UK All Companies
Market Cap / Style	All Cap / Blend
Benchmark/Index	IMA UK All Companies

Management/Investment Style

Fund Manager	Richard Plackett (June 2004)
---------------------	------------------------------

Offered to investors as a pragmatic blended multi-cap fund managed by the experienced Richard Plackett based on bottom-up stock selection following rigorous selection criteria.

Investment Objective & Methodology

The aim of the fund is to achieve capital growth by investing primarily in shares of UK companies which appear undervalued. The fund will normally have an emphasis on small or medium-sized companies, although larger-sized companies may also be held.

The manager, Richard Plackett, has run the fund since June 2004 and he is also responsible for the BlackRock UK Smaller Companies fund, which he took control of in December 2002. He is supported by Ralph Cox, Roland Arnold, Mike Prentis and Lucy Marmion.

The investment process is founded on the philosophy that fundamental company analysis and stock selection can generate steady and repeatable long-term outperformance. The manager places great emphasis on stock selection rather than macroeconomic analysis. Potential stocks must satisfy the manager's five criteria: strong market position demonstrating some barriers to entry; cash generative ideally with free cashflow yields at least equivalent to gilts; positive earnings momentum in both the short and long term; strong management and good balance sheet strength. As a pragmatic growth investor the team invests in companies that are undervalued relative to their growth potential or alternatively have recovery prospects. The investment process is based around meeting and researching companies. The manager acknowledges that turnover is potentially higher than other funds and may be as much as 100% in any one year. Shorter-term opportunities will tend to be larger-cap orientated as these stocks offer greater market liquidity. New ideas are viewed on an opportunity cost basis and need to demonstrate short-term earnings momentum. The manager will typically sell quickly on profits warnings after re-evaluating the original investment case and he is happy to run his winners, top slicing as appropriate.

The portfolio will typically consist of 60-80 stocks which will be predominately small to mid-sized companies. All stocks held outside the FTSE 100 will also form part of the core section of the UK Smaller Companies fund, as this is where the team has the greatest conviction. FTSE 100 companies are considered for areas that we not well represented in mid and small cap indices, such as banks, retailers and cash generative resource stocks. The portfolio is unrestrained in terms of market cap, stock or sector controls although the manager does try to remain sector diverse.

www.obsrfundratings.co.uk

Data as at 31 December 2011
Last Updated January 2012