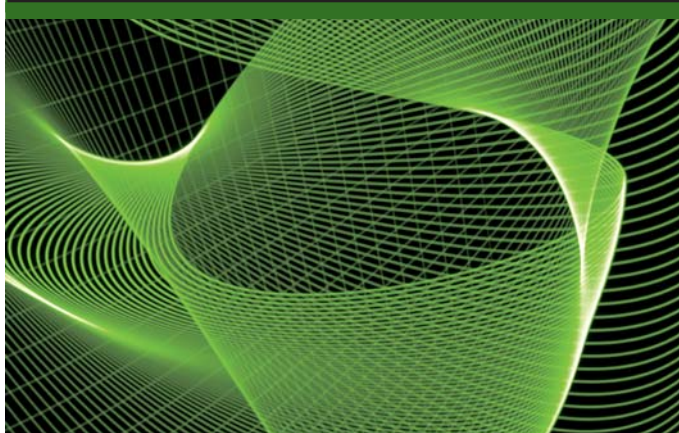


Why choose BlackRock as a Cash Manager?

SEPTEMBER 2008 FOR PROFESSIONAL INTERMEDIARIES ONLY



Recent events in the marketplace have highlighted the importance of using a cash fund that is managed by a capable and highly experienced investment manager. BlackRock has managed cash portfolios for over 30 years and has, as at 30 June 2008, \$345 billion in cash and liquidity assets under management.

BlackRock considers liquidity a unique investment discipline requiring a distinct skill set for effective management. With one of the most experienced teams in the industry, BlackRock is able to offer clients a cross-disciplinary approach that capitalises on our proprietary resources.

BlackRock has successfully demonstrated both performance and safety through full interest rate and credit cycles. Experienced portfolio managers and credit analysts collaborate to perform a thorough credit review process. BlackRock creates an internal "approved list" of suitable securities – this restricts the fund to a limited proportion of instruments that have received appropriate ratings from the credit rating agencies. We only invest in names we understand and like.

“Over the past ten years the BlackRock credit team has anticipated ratings downgrades, and withdrawn securities from the approved list, an average of seven months ahead of the rating agencies”.

By investing in the BlackRock Cash Fund investors are being exposed to a dedicated Cash Management Team of over 200 investment professionals. Our scale, expertise, research and state of the art technology ensure that your cash is expertly managed.

The BlackRock Cash Fund aims to achieve an attractive rate of interest, principally from a portfolio of cash, deposits and other money market instruments. The fund is managed to produce an attractive rate of income. It is not aimed at investors seeking long-term capital growth.

BLACKROCK

BlackRock Cash Fund

- ▶ Firm wide expertise
- ▶ Superior risk management
- ▶ Credit analysis
- ▶ Team based approach
- ▶ Peace of mind

The fund is managed by Stuart Niman. Stuart is a Managing Director and Portfolio Manager, and a member of BlackRock's Fixed Income Portfolio Management Group. His primary responsibility is managing sterling fixed income and cash portfolios.

In addition, the team based approach we employ means investing with BlackRock gives you exposure to our significant global resources; something few of our competitors can match. In particular, the BlackRock Cash Fund benefits from our superior risk management and credit analysis. This is particularly important when it comes to the instruments we buy. The BlackRock Cash Fund is managed in a very similar way to our AAA rated Money Market Funds. This means that we only buy instruments off our internal 'approved list' which, in turn, means that they have been rigorously checked by our credit analysts, and gone through a thorough risk and credit assessment. BlackRock was built on expert risk analysis, which puts us in a fantastic position amongst our peers, as they may not necessarily have sufficient internal resources to perform the necessary credit checks, on all the instruments that they buy.

As the market dislocations that began mid 2007 continue, it is becoming increasingly important for investors to be completely confident in the security of their investments. A cash fund will never deliver long term capital growth but the safety of it should make it a core part of an investor's portfolio. By investing in so many different instruments the fund diversifies away the risk without compromising on yield and capital preservation. What we are beginning to see is investors using the fund for more than just asset allocation.

At BlackRock our approach to cash management combines expertise with security, which helps to ensure peace of mind for investors. This approach has made the BlackRock Cash Fund one of the most popular in the IMA Money Market sector, having grown from just £44m at the beginning of 2006 to over £470m today.

Cumulative Performance	1 month %	3 months %	6 months %	1 year %	5 years %	YTD %
BFM Cash Fund	0.30	1.00	2.02	4.31	18.87	3.06
UK Savings + Inv (net)	0.13	0.40	0.79	1.80	7.96	1.26
Quartile Ranking	1	2	2	1	2	1

Fund Performance to 30 September 2008

Sterling money market rates were reasonably stable in August, but September saw sharply higher rates as the credit crunch again intensified with banks reluctant to lend to each other and there was a marked shortage of liquidity. One-month rates rose from 5.36% to 6.08%, three-month rates rose from 5.75% to 6.30%, while one-year rates rose from 6.02% to 6.52%.

Early in the month rates actually continued to gradually subside. However, volatility returned with the Lehmans bankruptcy mid-month and the flight to quality regained momentum. Money market rates rose sharply, exacerbated by the problems at the US insurer AIG, although the US Federal Reserve did then provide a \$85bn loan to the ailing insurance company.

Towards the end of the month there was a further jump in money market rates due to concerns over a number of financial entities, namely Bradford & Bingley, Washington Mutual and Fortis which led to a worsening of sentiment and tightening of credit conditions.

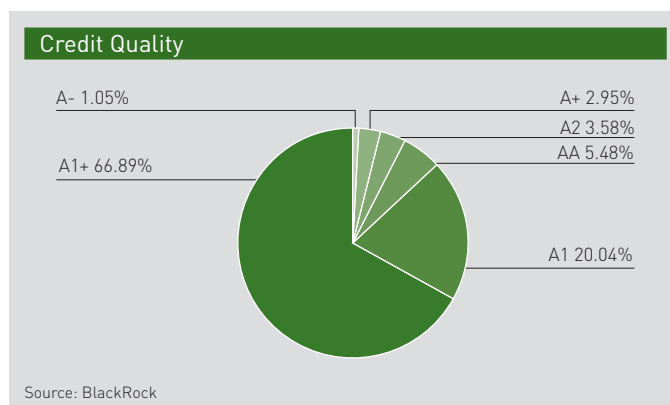
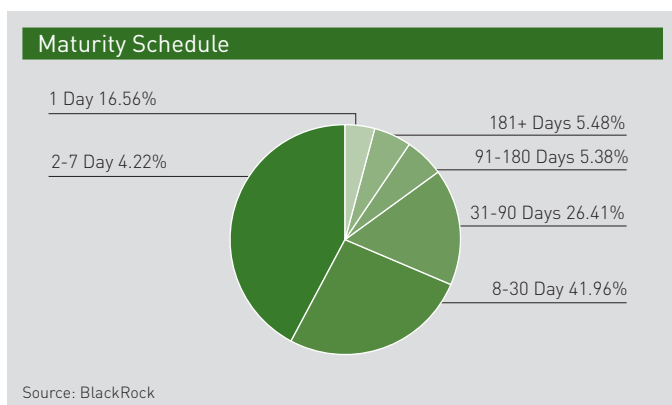
Over the month of September, the Fund maintained a conservative stance due to the ongoing volatile credit conditions. The strategy of the Fund was to maintain our focus on high credit quality names. Over the month the Weighted Average Maturity (WAM) of the Fund was reduced from around 40 days to 30 days

as we looked to shorten maturities and build the level of liquidity in the highly uncertain climate.

The Fund had no exposure to Lehman Brothers, Bradford & Bingley, Washington Mutual, Wachovia, Morgan Stanley or Goldman Sachs. We continue to focus on high credit quality names, concentrating more on top tier financial names that we would consider to be 'systemic' to the financial system.

BlackRock's approach unchanged

Our approach to Cash Management remains unchanged. Our extensive experience through multiple interest rate cycles and market events, our rigorous credit standards (team of 50 credit analysts, one of the largest in the marketplace), and our consistent focus on risk management have enabled us to deliver on our fundamental objectives of safety, liquidity and yield for our Cash Funds. This management approach is a primary reason that our investors have made BlackRock one of the largest managers of money market funds in the world (as of end June Cash Assets globally under management at BlackRock were \$345bn, in the top 3 of global cash managers). Current market events have not necessitated a re-evaluation of our methods for managing this important asset class; rather, it has reinforced our commitment to the approach we have taken for more than thirty years.



A1+ is the highest S&P short term credit rating and is equivalent to a long term credit rating of between AAA and AA-, A1 short term is equivalent to a long term rating of A and A+.

Sources: Sector – Morningstar. Fund: BlackRock. Performance prior to 30th November 2003 was measured on an offer to offer basis. The change from offer prices to bid prices was made following a reduction in several of the Fund's initial charges. Bid prices now provide a better measure of performance for the Fund. All data as at 30 September 2008 unless otherwise stated. The fund data displayed is designed only to provide summary information. Investment should be made on the basis of the relevant product booklet, together with the Prospectus and Simplified Prospectus which are available from the Managers. You should remember that the value of investments and the income from them may go down as well as up and are not guaranteed. You may not get back the amount you invest. Past performance is not a guide to future performance. Changes in rates of exchange may cause the value of your investment to fluctuate. Issued by BlackRock Investment Management (UK) Limited (authorised and regulated by the Financial Services Authority). Registered office: 33 King William Street, London EC4R 9AS. Registered in England No. 2020394. For your protection, telephone calls are usually recorded. BlackRock is a trading name of BlackRock Investment Management (UK) Limited. The BlackRock name and logo are trade marks of, and used under licence from, BlackRock & Co., Inc.

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