

Latin American Fund

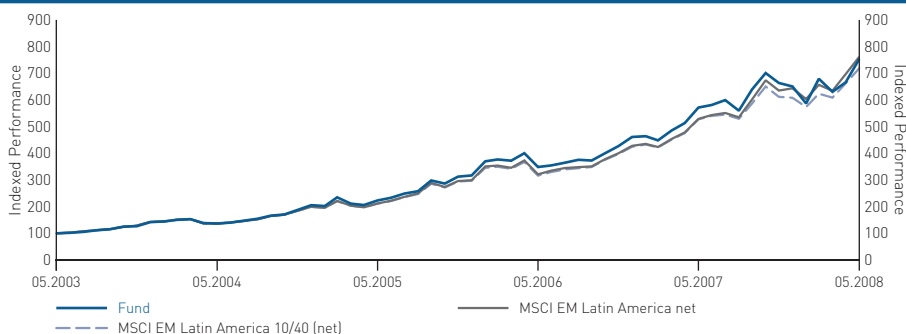
Performance to 31 May 2008

Equity Fund

Risk Grading
↓
Low ■■■■ High

BLACKROCK

A-Share Performance in US\$



Cumulative performance

	6 Months %	Annualised (1 Years) %	Annualised (3 years) %	Annualised (5 years) %	Annualised (Since Launch) %
A Class	7.9	25.3	47.5	48.2	18.6
MSCI EM Latin America net	20.0	44.0	53.2	50.1	20.1
MSCI EM Latin America 10/40 (net)	17.5	36.3	50.4	48.4	21.2
Quartile ranking	3	2	1	1	1

Calendar year performance

	2003 %	2004 %	2005 %	2006 %	2007 %
A Class	70.8	44.7	54.2	45.5	41.1
MSCI EM Latin America net	73.5	39.4	50.0	43.2	50.4
MSCI EM Latin America 10/40 (net)	75.3	39.4	49.2	42.9	43.2

Fund Data

Status	Sub-Fund of Luxembourg SICAV
Fund Manager	Will Landers
Launch Date	08.01.1997
Base Currency	US\$
Additional Dealing Currencies	€, £
Benchmark	MSCI EM Latin America net
Morningstar Sector	Equity Latin America
Total Fund Size (m)	US\$7,361.4

Codes

ISIN	LU0072463663
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Dealing & Prices

Fees	%
Initial Charge (A shares)	5
Annual Management Fee (A shares)	1.75
NAV	(US\$)
A Class	101.15
12 Months High/Low NAV	(US\$)
A Class	101.36/64.05

10 Largest Holdings

Petrobras	9.7
Vale	9.2
America Movil	8.6
Usiminas	6.5
Banco Itau	4.9
Bradespar	4.9
Unibanco	4.9
Banco Bradesco	4.8
Tenaris	4.3
AmBev	3.3
Total	61.1

EU Savings Directive Data

EUSD Fund Status	Out of scope
Taxable Income per Share	-

The Annual Management Charge for this Fund increased from 1.5% to 1.75% effective 21 October 2005. The Fund invests in certain smaller and emerging markets. The prospects for economic growth in a number of these markets are considerable and equity returns have the potential to exceed those in mature markets as growth is achieved. However, there are risks to the Fund from political, economic and market factors in smaller and emerging markets which are of particular significance. The Fund investment objective was changed on 8 June 2007. Sources: Fund - Data Source - © 2007 Morningstar, Inc. All Rights Reserved. Benchmark - BlackRock Group Limited. Investment involves risk. Past performance is not necessarily a guide to future performance. Individual stock price/figure does not represent the return of the Fund. Performance is shown in US\$ on a NAV to NAV price basis with income reinvested. Fund performance figures are calculated to reflect the inclusion of 5% initial charge. This report has been prepared by BlackRock (Hong Kong) Limited. This is neither an offer nor solicitation to purchase units of the fund. Investors should refer to the relevant fund offering documents for detailed information prior to subscription. Applications for units may only be made on forms of application available with the prospectus. Past performance is not indicative of future performance, prices can go up or down. Distribution of this document may be restricted in certain jurisdictions; persons into whose possession this publication come should inform themselves of and observe such restrictions. Investors investing in funds denominated in non-local currency should be aware of the risk of exchange rate fluctuations that may cause a loss of principal. This document does not constitute the distribution of any information or the making of any offer or solicitation by anyone in any jurisdiction in which such distribution or offer is not authorized or to any person to whom it is unlawful to distribute such a booklet or make such an offer or solicitation. The Fund is not offered for sale or sold in the US, its territories or possessions. For the purposes of distribution in Singapore, this document forms part of the prospectus for MLILF (which is an information memorandum as defined in the Securities and Futures Act). In Singapore, the fund referred to in this document may be offered to institutional investors under section 304 and accredited investors under section 305 of the Securities and Futures Act only. The Merrill Lynch name and logo are trade marks of, and used under license from, Merrill Lynch & Co., Inc. The Merrill Lynch name and logo are trade marks of, and used under license from, Merrill Lynch & Co., Inc.

Latin American Fund

continued

Fund Manager's Report as at 31 May 2008

Performance

The Fund outperformed its benchmark over the month*.

Several small cap names in Brazil benefited performance during the month, partially offset by the underperformance of AmBev in Brazil and America Movil in Mexico. Our recently added Ternium position in Argentina also provided positive attribution, while our underweight in CSN and Gerdau in Brazilian steels partially offset our overweight in Usiminas.

Portfolio Activity

During the month, our country positions remained relatively unchanged, with moves in relative weights caused mostly by shifts in benchmark weights. We added to our Usiminas position in Brazil, taking profits in other steel names that had outperformed. We reduced our exposure further in airlines, especially in Chile, but reintroduced Mexican airports due to attractive valuation levels. Overall, it was a relatively quiet month of trading.

Current Positioning

Our major position continues to be our overweight in Brazil, which represented close to 72% of assets at month-end. The S&P upgrade to Brazil's rating at the end of April was followed by a Fitch upgrade in May - over time, these moves should allow further investments to enter Brazil's financial markets. Inflation expectations continue to rise in Brazil and the Central Bank's tightening cycle may last longer than originally envisioned - our research suggests the economy is expected to continue to perform well even if the Selic interest rate ends the year closer to 14% than our previously-envisioned 13%-13.5% estimate.

Our concerns regarding Mexican economic growth continue, though higher oil prices are helping to minimise the impact of the US slowdown on Mexico's economy. We believe that a better entry point to a higher position in Mexico will present itself and have therefore maintained an underweight in Mexico at approximately 17.5% of assets.

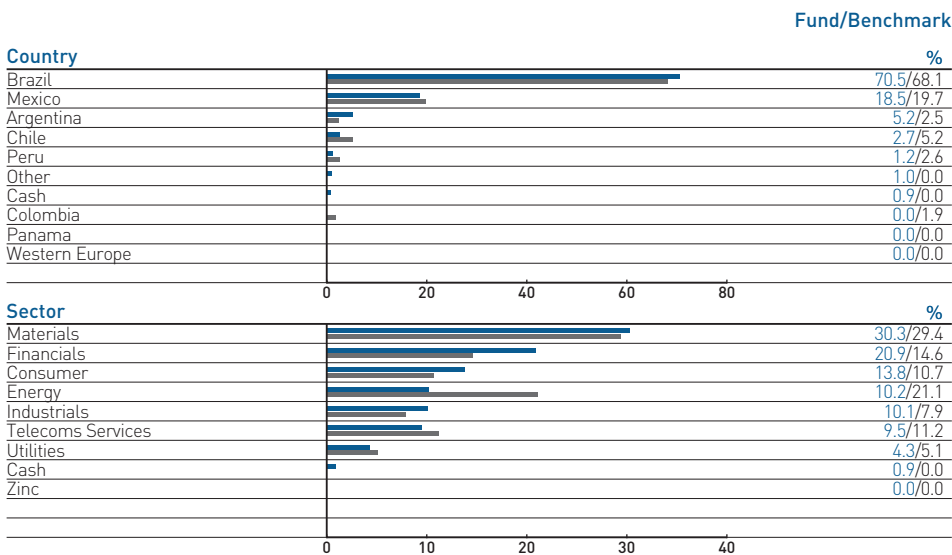
Chile remains an underweight given high valuations as well as concerns regarding the economy.

*Reported Fund performance over the month was positively affected by the timing differential between pricing of the Fund and its benchmark.

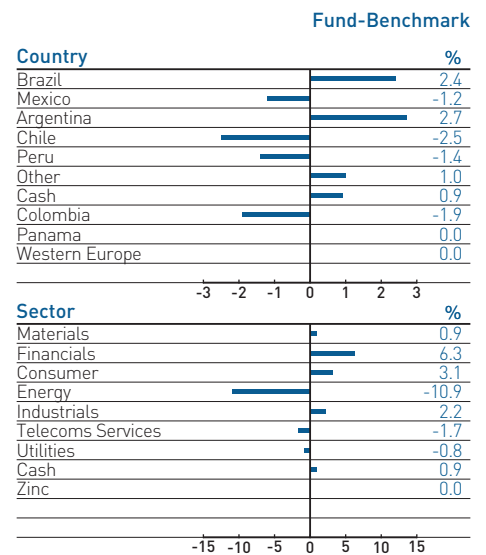
Fund Risk Statistics

	3 Years	5 Years	Since Launch
Volatility (%)			
- Fund	25.1	23.4	30.3
- Benchmark*	22.8	21.1	28.9
beta	1.05	1.06	1.01

Composition of Fund



Asset Allocations Analysis - Active Position



* The Benchmark under Fund risk statistics for the Latin American Fund is MSCI EM Latin America net. ■