

World Mining 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	5.1	36.6	54.2	46.5	22.9
HSBC Global Mining (cap)	9.2	38.3	50.1	42.3	16.2
Quartile ranking	3	2	1	1	1

Calendar year performance

	2003 %	2004 %	2005 %	2006 %	2007 %
A Class	72.4	10.4	41.8	43.6	59.6
HSBC Global Mining (cap)	65.0	9.9	38.9	35.5	53.7

Fund Data

Status	Sub-Fund of Luxembourg SICAV
Fund Manager	Eyr Hambro
Launch Date	24.03.1997
Base Currency	US\$
Additional Dealing Currencies	€, £, SGD
Benchmark	HSBC Global Mining (cap)
Morningstar Sector	Sector - Commodity & Natural Resources
Total Fund Size (m)	US\$17,023.2

Codes

ISIN	LU0075056555
------	--------------

Dealing & Prices

Fees	%
Initial Charge (A shares)	5
Annual Management Fee (A shares)	1.75
NAV	(US\$)
A Class	106.06
12 Months High/Low NAV	(US\$)
A Class	113.92/64.71

10 Largest Holdings

BHP Billiton	9.2
Vale	9.2
Rio Tinto	7.7
Impala	5.3
Xstrata	4.7
Eramet	4.6
Anglo American	3.6
Teck Cominco	3.5
Alcoa	3.3
Norilsk Nickel	3.0
Total	54.1

EU Savings Directive Data

EUSD Fund Status	Out of scope
Taxable Income per Share	-

Summary of Investment Objective

The World Mining Fund seeks to maximise total return. The Fund invests globally at least 70% of its total net assets in the equity securities of mining and metals companies whose predominant economic activity is the production of base metals and industrial minerals such as iron ore and coal. The Fund may also hold the equity securities of companies whose predominant economic activity is in gold or other precious metal or mineral mining. The Fund does not hold physical gold or metal.

The Fund does not hold physical gold or other metals. Investors in this Fund should be aware of the above-average volatility inherent in mining shares and the low level of correlation between the mining sector and equity markets as a whole, with gold bullion and mining shares tending to be counter-cyclical in nature. Where a Fund has a particularly concentrated portfolio and a particular investment declines or is otherwise adversely affected, it may have a more pronounced effect than if the Fund held a larger number of investments. 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 USD 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 MLJIF (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.

World Mining Fund continued

Fund Manager's Report as at 31 May 2008

Performance

The Fund outperformed its benchmark over the month. Base metals traded higher at the start of May, but retreated in the second half of the month on a stronger US dollar and market fears over weaker-than-expected demand. The severe earthquake that struck China, sadly causing massive loss of life, knocked out some commodity production (notably zinc smelting) and this provided some support to prices. With the oil price peaking at above US\$130 during the month, input costs are coming under pressure throughout the mining sector and we may need to see some price movements to offset this rise. Within the portfolio, many of our junior mining companies performed well during the month, with the Australian holdings, such as Aquila and Atlas, holding up particularly well. ENRC and Eramet also continued to build on recent gains as they announced strong Q1 results.

Portfolio Activity

We reduced our exposure to select diversified miners and South African gold producers. We added to the Fund's holdings in smaller cap iron ore producers.

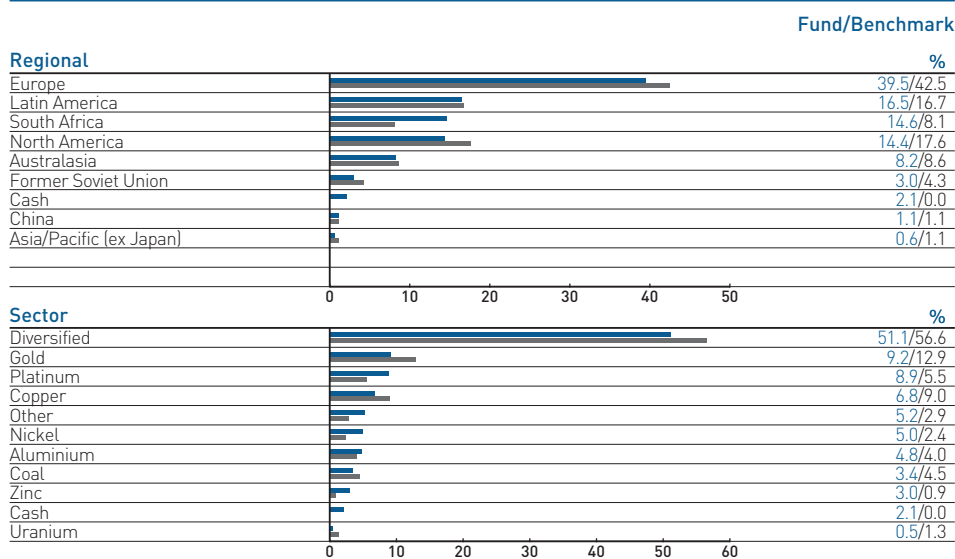
Current Positioning

The market is beginning to recognise that economic weakness in the US does not necessarily mean bad news for commodity prices. We are also beginning to see mining equities start to reflect some of the continued strength in the underlying commodities which may drive strong earnings for the sector. 2008 may prove to be a year of record earnings for the mining sector. While US weakness may be moderating slightly, we do not think that the bad news is over and we may see volatility continue in the shorter term. Over the medium term, we believe that demand for metals and minerals will not be severely derailed by US economic weakness and we are therefore bullish on the outlook for mining equities.

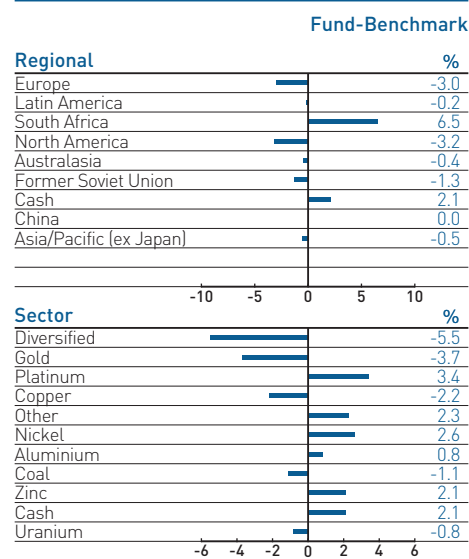
Fund Risk Statistics

	3 Years	5 Years	Since Launch
Volatility (%)			
- Fund	24.7	25.1	27.6
- Benchmark*	24.4	24.3	26.5
beta	0.99	1.02	1.01

Composition of Fund



Asset Allocations Analysis - Active Position



* The Benchmark under Fund risk statistics for the World Mining Fund is HSBC Global Mining (cap). ■