

# INVESTMENT PARTNERS ASSET MANAGEMENT

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October 6, 2009

**BY EMAIL AND OVERNIGHT MAIL**

Mr. Richard E Cavanagh, Chairman  
Board of Directors  
BlackRock S&P Quality Rankings Global Equity Managed Trust  
40 East 52<sup>nd</sup> Street  
New York, New York 10022-5911

**Re: Direction and Management of the BlackRock S&P Quality Rankings Global Equity Managed Trust**

Dear Mr. Cavanagh:

The clients of Investment Partners Asset Management, and other clients for whom our employees serve as brokers collectively are the beneficial owners of 90,000 shares of The BlackRock S&P Quality Rankings Global Equity Managed Trust, symbol BQY ("BQY" or "The Fund"). This sum represents approximately 1.5% of the outstanding shares.

You may recall that we actively participated in the discussion of the Fund at the 2008 and 2009 Annual Meetings. The purpose of this letter is to focus your attention on the issues we believe are relevant and important for the Board's consideration in directing and managing the Fund.

Essentially our comments refer to the Fund's Policies, Practices, and Techniques and the overall management performance of the Fund since inception.

We purchased the Fund for our clients in the belief that the Trust would pursue its investment objective of total return through a combination of current income and capital appreciation investing in equity securities of issuers that pay above average dividends and have the potential for capital appreciation. Further, the Fund is expected to be diversified and actively managed. The Fund also has a stated distribution policy, whereby distributions are paid by the Fund to its shareholders. These may include amounts classified as net investment income, capital gains, amounts considered return of capital, or some combination of these.

It is our observation that the Fund does not appear to be actively managed in as much as the asset turnover has been extraordinarily low - in some years practically non-existent. Furthermore during periods of global economic upheaval the Fund did little or nothing to rebalance its holdings. It would appear that the Fund's portfolio is reallocated once per year, on or about April 1, to reflect changes in the S&P Quality Rankings as determined by S&P. As a result the Fund, which virtually appears to be on auto-pilot, from time to time underperforms the S&P 500 Index.

While quarterly distributions have been paid since 2004, the amounts paid from net investment income have been declining. Over the past three periods the amount from return of principal has averaged 55%. In the most recent period, from the Fund's Press Release, it would appear that 60% of the \$.1875 per share distribution was return of principal, zero from capital gain and 40% from net investment income. This is particularly surprising in as much as the Fund implemented an option writing (selling) technique to enhance current gains on approximately 18% of the portfolio.

While we generally approve of this technique, it would appear as if the Fund's best performing stocks may have been called away. It is not clear whether or how the proceeds were invested. Under the assumption that the Fund did not repurchase the same securities that were called away, were the proceeds reinvested in companies of lesser quality? If so, how is that consistent with the policy of investing in the best issues in the S&P Global Equity universe? In addition, if individual holdings are called way, it is entirely possible that the fund may have experienced a capital gain. What effort if any has the Fund taken to offset the gains with losses? Conversely, if the Fund's holdings were sold at a loss does the cumulative loss limit the percentage of future stated distributions that may come from capital gains? If that is the case, then a large percentage of the quarterly distributions will continue to come from return of principal.

One way to address the problem of returning principal, which is really a form of liquidation, consistent with the goal of a 5% distribution policy as outlined in the original prospectus, is to limit or waive the advisory fees paid to the manager(s) until such a time as the net income and capital gains are sufficient and there was not the necessity to distribute principal. This is not without precedent. We note from the semi-annual report for the period ending April 30, 2009 that you, as directors of the BlackRock Resources and Energy Trust, symbol BGR, and the BlackRock Real Asset Equity Trust, symbol BCF, have instituted a policy whereby the advisor has waived a portion of the fees. Under the circumstances, where the Fund has underperformed and the resultant underperformance has increased the Fund's expense ratio, it seems only right that the advisor be held accountable and the fees substantially reduced.

#### **Size of the Fund and Discount to Asset Value**

BQY is among the smallest Funds in the Blackrock roster of closed-end Funds. In fact, its style and holdings appear to mirror several other entities managed or advised by Blackrock. Additionally, it has historically experienced one of the larger discounts to net asset value (NAV) among its peer group - approximately 12% as of October 5, 2009, as reported on cefconnect.com (See Exhibit I). You may recall that we focused on this at the September 12, 2008 Annual Meeting and again at the August 26, 2009 Meeting. It would appear that the substantial monthly discount continues to plague the Fund. (See page 3 of Exhibit II.)

A similar analysis indicates that the S&P 500 Index has outperformed BQY's net asset value since inception albeit by a narrow margin. (See Exhibit III.) More to the point though for holders of BQY shares, the performance of the S&P 500 Index over time has beaten the performance of BQY's share price by a relatively wide margin. (See Exhibit IV.)

Since we do not see that the Fund has investments that yield anywhere near 12%, it would seem only logical that the Fund from time to time take advantage of the discount by buying back its own shares.

#### **Costs**

While a low turnover approach is laudable for a passive, index-style investment vehicle, it is less desirable for a Fund that has a) not materially outperformed similar market indices from fiscal 2007 to present and b) operates at an annualized expense ratio of around 1% to 1.25%. Our perception is that holders of BQY are not receiving demonstrable benefits of active portfolio management to justify the roughly \$800,000 to \$1 million it costs to operate this \$80 million Fund.

#### **Governance**

As I've stated at the past two annual meetings the directors of BQY are also directors of over 100 funds within Blackrock – with BQY possibly being the smallest of the Funds. Given the issues discussed in this letter we think that that it would be an exercise of the board's fiduciary duty to evaluate the Fund objectively, taking into account the Fund's performance, size, discount to net asset value, the results of its quantitative portfolio strategy, increased expense ratio, and return of principal as part of the stated distribution policy. It is our belief that an objective appraisal would suggest that the Board consider alternative ways that would benefit the shareholders – the most practical of which may be a merger into a larger open-end Fund in the BlackRock family, or perhaps even liquidation.

I trust that the Board finds these comments and the respectful manner in which we have communicated them, constructive. I left the Annual Meeting with the belief that the Board would take them under advisement and you would consider putting them on the agenda for an upcoming Board meeting.

As you know we would be willing to discuss the Fund with management or the Board at anytime.

Sincerely,



Frank J. Abella, Jr.

Chairman

EXHIBIT I



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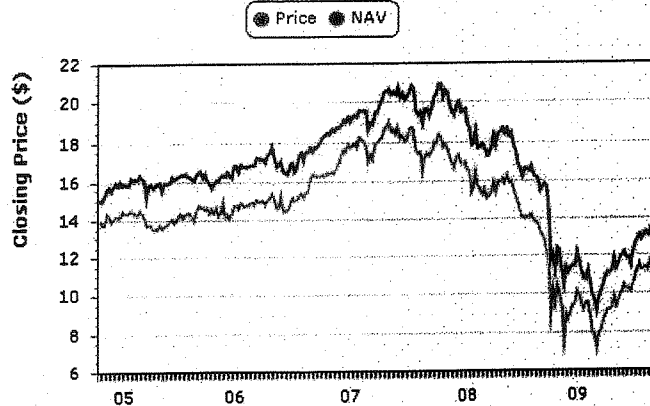
Price/Net Asset Value

BlackRock S&P Quality Rankings: BQY

ADD TO PORTFOLIO PRINT

As of 10/5/2009

	Share Price	NAV	Premium/Discount
Current	\$11.75	\$13.33	-11.85%
52 Wk Avg	\$10.52	\$11.54	-16.22%
52 Wk High	\$11.98	\$14.37	-11.40%
52 Wk Low	\$7.02	\$9.02	-28.87%
Distribution Rate			6.38%
Distribution Amount			\$0.1875
Distribution Frequency			Quarterly



5D 1M YTD 1Y 3Y 5Y Since Inception

Interactive Chart

Fund Basics Distributions Pricing History Performance Portfolio Characteristics

Investment Objective

The Fund seeks current income and capital appreciation through investment in high yield equity securities

Capital Structure

(As of 10/5/2009)	
Total Net Assets:	\$79.455M
Total Common Assets:	\$79.455M
Common Shares Outstanding:	6,033,028

Leverage

Preferred Share Assets:	
Type of Preferred:	
Total Borrowings:	
Structural Leverage (USD):	
Structural Leverage (%):	
Effective Leverage:	

Annual Expense Ratios

(As of 10/31/2008)	
Management Fees	0.76%
Other Expenses:	0.21%
Baseline Expense:	0.97%
Interest Expense:	0.00%
<b>Total:</b>	<b>0.97%</b>

Preferred Shareholder Distributions: 0.00%

Basics

CUSIP:	*****
Category:	Non-US/Other-Global Equity Dividend
Fund Sponsor:	BlackRock Advisors, LLC
Portfolio Managers:	
Ticker:	BQY
NAV Ticker:	XBQYX
Average Daily Volume (shares):	113,000
Average Daily Volume (USD):	\$1.272M
Inception Date:	5/26/2004
Inception Share Price:	\$15.00
Inception NAV:	\$14.30
Tender Offer:	No
Target Term:	No
Fiscal Year End:	October 31

Third Party Links & Reports

- [SEC Filings](#)
- [Intraday Pricing and News](#)
- [Fund Sponsor Website](#)

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Shares of closed-end funds are subject to investment risks, including the possible loss of principal invested. Past performance is no guarantee of future results.

The risks outlined below do not include all the risks pertaining to an investment in this fund. For more detailed information, please contact the Fund Sponsor.

**Investment and Market Risk** An investment in the fund's common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the securities owned by the fund, most of which are traded on a national securities exchange or in the over-the-counter markets. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. Your common shares at any point in time may be worth less than your original investment, even after considering the reinvestment of fund dividends and distributions. Closed-end funds also carry price risk, or the risk that shares may trade at prices different from their net asset values.

**Credit risk** The risk that a security in the fund's portfolio will decline in price, or fail to make dividend or interest payments when due, because the security's issuer defaults or experiences a decline in its financial status. Securities falling lower in a company's capital structure and/or unrated securities and securities with lower credit ratings are expected to have higher credit risk. See subordination.

**Leverage Risk** The fund's use of leverage creates the possibility of higher volatility for the fund's per share NAV, market price, and distributions. Leverage risk can be introduced through structural leverage (issuing preferred shares or debt borrowings at the fund level) or through certain derivative investments held in the fund's portfolio. Leverage typically magnifies the total return of a fund's portfolio, whether that return is positive or negative. The use of leverage creates an opportunity for increased common share net income, but there is no assurance that a fund's leveraging strategy will be successful.

**Non-Diversification and Concentration Risk** A fund classified as "non-diversified" under the Investment Company Act of 1940 can invest a greater portion of its assets in obligations of a single issuer than a "diversified" fund. The risk is that a non-diversified fund or one with a portfolio concentrated in a particular industry or geographical region may be affected disproportionately by the performance of a single security or relatively few securities as a result of adverse economic, regulatory, or market occurrences.

**Non-U.S. Securities Risk** Investments in securities of non-U.S. issuers involve special risks not typically associated with domestic investments including: (i) less publicly available information about non-U.S. issuers or markets due to less rigorous disclosure or accounting standards or regulatory practices; (ii) smaller, less liquid and more volatile markets, meaning that an adviser may not be able to sell the fund's portfolio securities at times, in amounts and at prices it considers reasonable; (iii) potential adverse effects of fluctuations in currency exchange rates or controls on the value of the fund's investments; (iv) the economies of non-U.S. countries may grow at slower rates than expected or may experience a downturn or recession; (v) the security issuer's willingness or ability to repay principal and interest due in a timely manner; (vi) the impact of adverse economic, political, social or diplomatic events; (vii) possible seizure, expropriation or nationalization of the company or its assets; (viii) certain non-U.S. countries may impose restrictions on the ability of non-U.S. issuers to make payments of principal and/or interest to investors located outside the U.S., due to blockage of foreign currency exchanges or otherwise; and (ix) withholding and other non-U.S. taxes may not be available for pass-through to the fund's shareholders as a deduction from taxable income or as a credit against their U.S. federal income tax liability. These risks are more pronounced to the extent that the fund invests a significant amount of its assets in companies located in one region. Unanticipated economic, political and social developments may also affect the values of the fund's investments and the fund's availability to make additional investments in such countries. All of these risks are usually much greater in emerging markets countries. Investments in emerging markets may be considered speculative, due to the higher possibility of hyperinflation, currency devaluations, lower trading volumes, and less liquidity.

#### NOTES

1. Annualized total return is determined by subtracting the initial investments from the redeemable value of the investment at the end of the investment period, dividing the remainder by the initial investment and expressing the result as a percentage. For multiple years, 1 would be added to the results, this number could then be raised to the power of 1/years annualized - 1 to find the result of a multiple year annualized return. The calculation assumes that all income and capital gains distributions by the Fund have been reinvested at net asset value (share price) on the ex dates during the period.

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EXHIBIT II

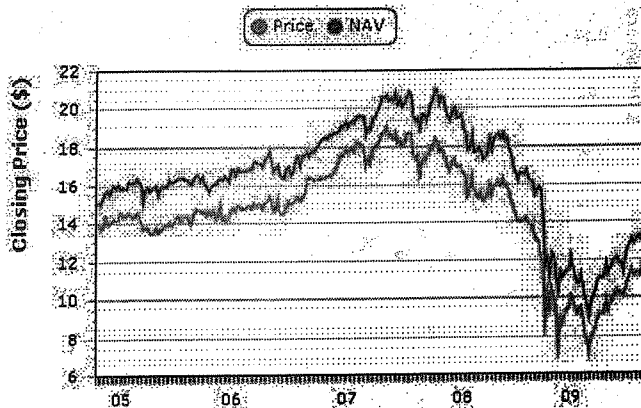


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BlackRock S&P Quality Rankings: BQY

As of 10/05/2009

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SD 1M YTD 1Y 3Y 5Y Interactive Chart  
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(As of 10/31/2008)

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Inception Date:	05/26/2004
Inception Share Price:	\$15.00
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Tender Offer:	No
Target Term:	No
Fiscal Year End:	October 31

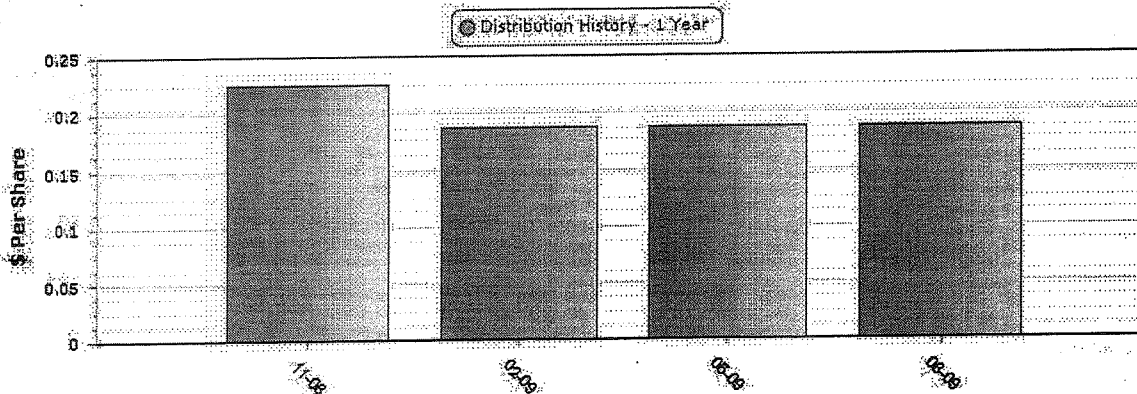
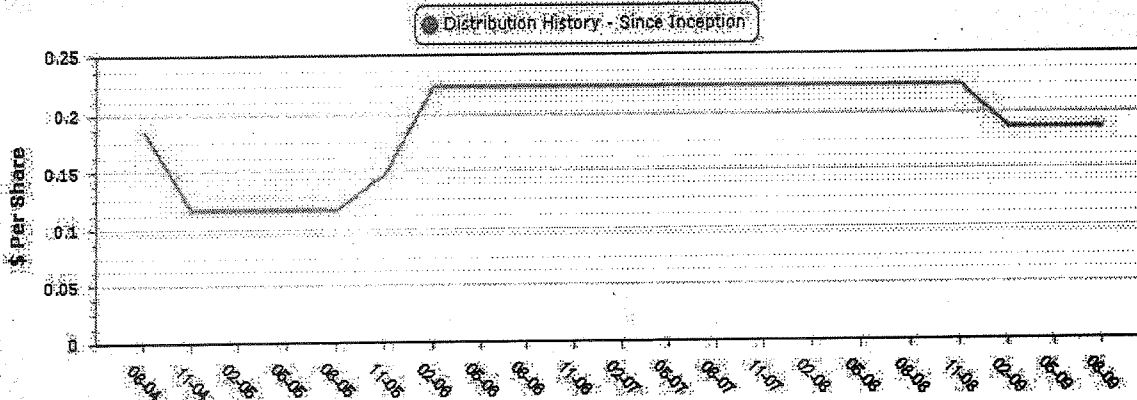
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Distributions

As of 10/05/2009

[Distribution History Since Inception](#)



**Distribution History**

Enter start and end dates to display distribution history below. Income, Long Gain, Short Gain and ROC breakdowns will only be shown for the past year.

Display History  to  go

Payable Date	Ex Date	Distribution Amount	Income	Long Gain	Short Gain	ROC
08/31/2009	08/12/2009	\$0.1875	\$0.1500	0	0	\$0.0375
05/29/2009	05/13/2009	\$0.1875	\$0.1500	0	0	\$0.0375
02/27/2009	02/11/2009	\$0.1875	\$0.0800	0	0	\$0.1075
11/28/2008	11/12/2008	\$0.2250	\$0.2250	0	0	

**Key Information Regarding Distributions**

<b>Current Distribution (Quarterly):</b> (As of 10/05/2009)	\$0.1875
<b>Avg. Earnings Per Share:</b> (As of 04/30/2009)	\$0.0374
<b>Annualized Distribution Rate on NAV:</b> (As of 10/05/2009)	5.59%
<b>Total Return on NAV (12 months):</b> (As of 10/05/2009)	-0.63%
<b>Avg. UNII Per Share:</b> (As of 04/30/2009)	-\$0.1618
<b>Total % Portfolio Leveraged:</b> (As of 10/05/2009)	

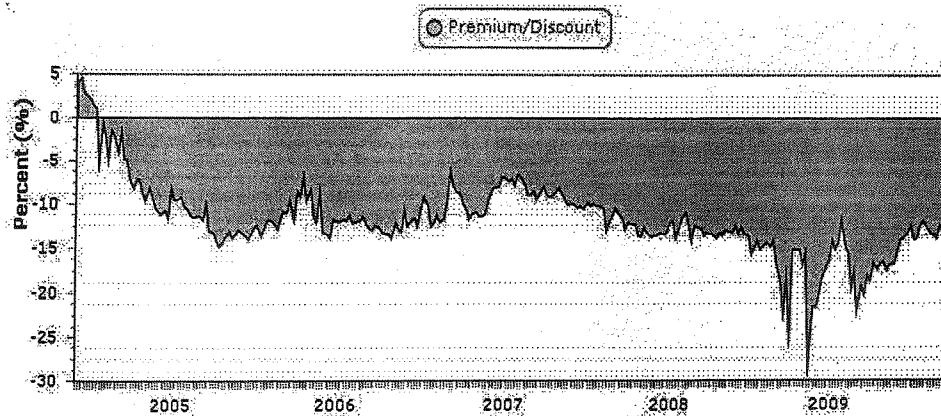
**Estimated Components of Distributions**

These percentages are as of the last calendar year. Early in the year, until the prior year's audited breakdowns are available, these will be estimated values.

Ordinary Income:	57.20%
Long term Capital Gain:	
Short term Capital Gain:	
Return of Capital:	42.80%

Pricing History

Premium/Discount Information



As of 10/06/2009

Period	Avg Discount
6 Month	-14.48%
1 Year	-16.22%
3 Year	-13.16%
5 Year	-12.43%

**Pricing History**  
Display one month history from:

09/08/2009

Date	Share Price	NAV	Premium/Discount
10/05/2009	\$11.75	\$13.33	-11.85%
10/02/2009	\$11.58	\$13.17	-12.07%
10/01/2009	\$11.73	\$13.26	-11.54%
09/30/2009	\$11.91	\$13.56	-12.17%
09/29/2009	\$11.95	\$13.55	-11.81%
09/28/2009	\$11.85	\$13.60	-12.87%
09/25/2009	\$11.75	\$13.43	-12.51%
09/24/2009	\$11.72	\$13.47	-12.99%
09/23/2009	\$11.96	\$13.62	-12.19%
09/22/2009	\$11.92	\$13.70	-12.99%
09/21/2009	\$11.85	\$13.59	-12.80%
09/18/2009	\$11.90	\$13.66	-12.88%
09/17/2009	\$11.90	\$13.64	-12.76%
09/16/2009	\$11.98	\$13.67	-12.36%
09/15/2009	\$11.88	\$13.49	-11.93%
09/14/2009	\$11.76	\$13.45	-12.57%
09/11/2009	\$11.76	\$13.41	-12.30%
09/10/2009	\$11.69	\$13.41	-12.83%
09/09/2009	\$11.69	\$13.33	-12.30%
09/08/2009	\$11.44	\$13.25	-13.66%
09/07/2009	\$11.26	\$13.08	-13.91%

**Performance**

**Calendar Year Total Returns**  
As of 10/05/2009

Return Year	Price	NAV	Group-Price	Group-NAV
YTD	26.13%	17.28%	48.85%	15.78%
2008	-38.02%	-35.08%	-47.48%	-43.58%
2007	0.18%	6.01%	-9.32%	5.14%
2006	32.39%	24.90%	37.96%	22.67%
2005	3.53%	5.17%	-15.75%	1.32%

**Past 20 Years**



