BlackRock®

# Annual report and audited financial statements

## BlackRock Authorised Contractual Scheme 2

- ACS LifePath 2022-2024
- ACS LifePath 2025-2027
- ACS LifePath 2028-2030
- ACS LifePath 2031-2033
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- BlackRock Retirement Allocation Fund

For the financial year ended 31 December 2024

**BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2**

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## BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

## GENERAL INFORMATION

### Manager

BlackRock Fund Managers Limited
12 Throgmorton Avenue, London EC2N 2DL

Member of The Investment Association and authorised and regulated by the Financial Conduct Authority ("FCA").

### Directors of the Manager

G D Bamping*
W I Cullen* (Resigned 31 January 2025)
D Edgar
T S Hale (Appointed 16 April 2024)
K Henry (Resigned 24 January 2024)
A M Lawrence
A Lewis* (Appointed 13 January 2025)
H Mepham (Resigned 30 June 2024)
S Sabin
M Seymour (Appointed 3 December 2024)
M T Zemek*

* Non-executive Director.

### Registrar, Transfer Agent and Administrator

Northern Trust Global Services SE UK Branch
50 Bank Street, Canary Wharf, London E14 5NT
Fund Services Team: 0333 300 0356

Authorised by the Prudential Regulation Authority ("PRA") and regulated by the FCA and the PRA.

### Depositary

Northern Trust Investor Services Limited
50 Bank Street, Canary Wharf, London E14 5NT

Authorised and regulated by the FCA.

### Investment Manager

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue, London EC2N 2DL

Authorised and regulated by the FCA.

### Investment Adviser*

FIL Investments International
Beech Gate Millfield Lane, Lower Kingswood, Tadworth
Surrey, United Kingdom, KT20 6RP

* for BlackRock FutureWise Funds.

Authorised and regulated by the FCA.

### Auditor

Ernst & Young LLP
Atria One, 144 Morrison Street, Edinburgh EH3 8EX

## GENERAL INFORMATION (continued)

### Custodian

The Northern Trust Company, London Branch
50 Bank Street, Canary Wharf, London E14 5NT

Authorised by the PRA and regulated by the FCA and the PRA.
BlackRock's proxy voting agent is ISS (Institutional Shareholder Services).

**This Report relates to the packaged products of and is issued by:**
BlackRock Fund Managers Limited
12 Throgmorton Avenue, London EC2N 2DL
Telephone: 020 7743 3000
Fund Services Team: 0333 300 0356
www.blackrock.com/uk
**For your protection, telephone calls are usually recorded.**

## ABOUT THE SCHEME

BlackRock Authorised Contractual Scheme 2 (the "Scheme") is an umbrella Co-Ownership Scheme constituted as a non-UCITS retail scheme (or "NURS") under the FCA Collective Investment Schemes Sourcebook (the "COLL Sourcebook") and FCA's Investment Funds Sourcebook ("FUND"), and was authorised by the FCA on 5 April 2018. The Scheme comprises separate sub-funds with segregated liability (each referred to as a "Fund" and collectively the "Funds").

### Assessment of value

The FCA requires UK fund managers to complete an annual assessment of whether their UK authorised funds provide value for investors. The Manager's assessment considers fund and unit class level performance, costs and charges, and service quality, concluding with an evaluation of whether investors receive value. BlackRock has fulfilled its obligations for the reporting requirement, including assessing relevant charges, and published the annual assessment of value statements on the BlackRock website on 30 October 2024 in a composite report for all funds managed by BlackRock Fund Managers Limited subject to these requirements.

### Task Force on Climate-Related Financial Disclosures – TCFD Product Report

The Manager has produced a supplemental TCFD Product Report in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and FCA requirements for TCFD reporting. These disclosures describe how the Manager incorporates climate-related risks and opportunities into governance, strategy, risk management, metrics and targets. The latest report is available at www.blackrock.com/uk/literature/public-disclosure/tcfd-product-level-disclosure-report-acsii.pdf.

### Sustainability Disclosure Requirements – Sustainability Product

The Manager has produced a supplemental Sustainability Product Report in accordance with FCA sustainability disclosure requirements. The Sustainability Product Report provides key annual metrics on sustainability performance, goals, and alignment with environmental, social, and governance ("ESG") principles. This report aims to enhance transparency by outlining how our products contribute to sustainable outcomes, and track against defined objectives. The report will be available at www.blackrock.com/uk/education/library?keyword=SDR+Sustainability+Product+Report+ACS+II from 30 April 2025.

### Cross sub-fund holdings within the Scheme

As at 31 December 2024, there were no cross sub-fund holdings within the Scheme.

### The Alternative Investment Fund Managers Regulations 2013

BlackRock Fund Managers Limited (the "Manager") is authorised and regulated by the FCA with permission to carry on the activity of 'managing an AIF' in the United Kingdom. As such, the Manager has been appointed as the alternative investment fund manager of the Funds, each of which is an alternative investment fund, or 'AIF', for the purposes of the AIFMD.

In this document the term "AIFMD" means, the UK Alternative Investment Fund Managers Regulations 2013, together with any other implementing measure which operated to transpose the Alternative Investment Fund Managers Directive into UK law before 31 January 2020, and the UK versions of Commission Delegated Regulation (EU) No 231/2013 and any other delegated regulations in respect of the Alternative Investment Fund Managers Directive, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018.

## FUND MANAGERS

| Fund | Fund Manager |
|---|---|
| BlackRock Growth Allocation Fund | Steve Walker |
| BlackRock Pension Growth Fund | Maeve Tsivanidis |
| BlackRock Retirement Allocation Fund | Steve Walker |

As at 31 December 2024, the Fund Managers of the Funds, with the exception of the above funds, are Steve Walker, Caroline Blower and Steven Dare.

## SIGNIFICANT EVENTS

### Changes in the Directors of the Manager

K Henry resigned as a director effective 24 January 2024.
T S Hale was appointed as a director effective 16 April 2024.
H Mepham resigned as a director effective 30 June 2024.
M Seymour was appointed as a director effective 3 December 2024.

A new Prospectus was issued on 20 December 2024.

## SUBSEQUENT EVENTS

### Changes in the Directors of the Manager

A Lewis was appointed as a director effective 13 January 2025.
W I Cullen resigned as a director effective 31 January 2025.

### Fund Closure

Subsequent to the financial year end, the Manager has decided to close the below list of Funds and as a result, the financial statements have been prepared on an other than going concern basis.

ACS LifePath 2022-2024
ACS LifePath 2025-2027
ACS LifePath 2028-2030
ACS LifePath 2031-2033
ACS LifePath 2034-2036
ACS LifePath 2037-2039
ACS LifePath 2040-2042
ACS LifePath 2043-2045
ACS LifePath 2046-2048
ACS LifePath 2049-2051
ACS LifePath 2052-2054
ACS LifePath 2055-2057

### Fund Launch

Subsequent to the financial year end, below Funds were launched effective 8 January 2025.

BlackRock FutureWise 2038-42
BlackRock FutureWise 2043-47

Apart from above, there have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## INVESTMENT MANAGER'S REPORT

### Investment Objectives

**ACS LifePath Funds**
The Funds are target date retirement funds (which means that an investor should match the date in the name of the fund to his/her target retirement date). The Funds' investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Funds and/or income received from those assets) with an asset allocation (i.e. mix of assets) that changes over time. The Funds aim to invest in accordance with their environmental, social and governance ("ESG") policy.

**BlackRock FutureWise Funds except FutureWise Early Days Aggregator Fund and FutureWise Retirement Aggregator Fund**
The Funds are target date retirement funds (which they are intended for investors whose target retirement year corresponds to that specified in the Funds' name). The Funds' investment objective, up to its maturity date, is to provide a return on your investment (generated through an increase in the value of the assets held by the Funds and/or income received from those assets) with a portfolio composition (i.e. the exposure across different asset classes) that changes gradually over time towards a more conservative risk profile (compared to the risk profile at launch) as the Funds approach the maturity date, whilst incorporating the ESG commitments. The change in portfolio composition over time is described further in the investment policy. Following the maturity date, the Funds' investment objective will be to continue to provide a return on your investment and support a regular draw down whilst maintaining the Funds' target portfolio composition at maturity (as described in the Funds' investment policy). The target portfolio composition will remain broadly consistent with the range described in the Funds' investment policy after the maturity date until the termination of the Funds.

**BlackRock FutureWise Early Days Aggregator Fund**
The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) with a portfolio composition (i.e. the exposure across different asset classes) that remains stable over time as described in the Fund's investment policy. The Fund aims to invest in accordance with its environmental, social and governance ("ESG") policy.

**BlackRock FutureWise Retirement Aggregator Fund**
The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) and support a regular draw down with a portfolio composition (i.e. the exposure across different asset classes) that remains broadly consistent with the range described in the Fund's investment policy. The Fund aims to invest in accordance with its environmental, social and governance ("ESG") policy.

**BlackRock Growth Allocation Fund, BlackRock Pension Growth Fund and BlackRock Retirement Allocation Fund**
The Funds' investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Funds and/or income received from those assets) over the long term (five or more consecutive years). The Funds aim to invest in accordance with their environmental, social and governance ("ESG") policy.



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## INVESTMENT MANAGER'S REPORT (continued)

| Fund name | Comparator benchmark | Investment management approach |
|---|---|---|
| ACS LifePath 2022-2024 | N/A | Active |
| ACS LifePath 2025-2027 | N/A | Active |
| ACS LifePath 2028-2030 | N/A | Active |
| ACS LifePath 2031-2033 | N/A | Active |
| ACS LifePath 2034-2036 | N/A | Active |
| ACS LifePath 2037-2039 | N/A | Active |
| ACS LifePath 2040-2042 | N/A | Active |
| ACS LifePath 2043-2045 | N/A | Active |
| ACS LifePath 2046-2048 | N/A | Active |
| ACS LifePath 2049-2051 | N/A | Active |
| ACS LifePath 2052-2054 | N/A | Active |
| ACS LifePath 2055-2057 | N/A | Active |
| BlackRock FutureWise 2023-27 | N/A | Active |
| BlackRock FutureWise 2028-32 | N/A | Active |
| BlackRock FutureWise 2033-37 | N/A | Active |
| BlackRock FutureWise Early Days Aggregator | N/A | Active |
| BlackRock FutureWise Retirement Aggregator | N/A | Active |
| BlackRock Growth Allocation Fund | N/A | Active |
| BlackRock Pension Growth Fund | Lipper ABI Mixed Investment 40-85% Index | Active |
| BlackRock Retirement Allocation Fund | N/A | Active |



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## INVESTMENT MANAGER'S REPORT (continued)

### Performance Summary

The below table compares the Funds' realised performance during the financial year ended 31 December 2024.

Further information on the measures and calculation methodologies used is detailed below:

- Fund returns shown, calculated net of fees, are the performance returns for the primary unit class of the Funds which has been selected as a representative unit class. The primary unit class represents the class of unit which is the highest charging unit class, free of any commissions or rebates, and is freely available. Performance returns for any other unit class can be made available on request.
- Fund returns are based on the Net Asset Value ("NAV") per unit calculated in accordance with the Prospectus as at 12 noon for dealing purposes. Where, due to a public holiday or market closure(s), a date relevant to determination of the fund returns would not be a dealing day (such that a NAV would not otherwise be calculated on that day), a NAV may nevertheless be determined and calculated in accordance with the Prospectus for the purposes of these disclosures.
- Due to the Financial Reporting Standard 102 ("FRS 102") and the Statement of Recommended Practice for Authorised Funds ("SORP") requirements, including the accounting policy for the valuation point at 12 noon, there may be differences between the NAV per unit as recorded in the financial statements and the NAV per unit calculated in accordance with the Prospectus.

| | Fund return % | Comparator benchmark return % |
|---|---|---|
| ACS LifePath 2022-2024 - Class X1 Accumulation Units | 7.19% | N/A |
| ACS LifePath 2025-2027 - Class X1 Accumulation Units | 8.35% | N/A |
| ACS LifePath 2028-2030 - Class X1 Accumulation Units | 9.69% | N/A |
| ACS LifePath 2031-2033 - Class X1 Accumulation Units | 10.91% | N/A |
| ACS LifePath 2034-2036 - Class X1 Accumulation Units | 12.01% | N/A |
| ACS LifePath 2037-2039 - Class X1 Accumulation Units | 13.13% | N/A |
| ACS LifePath 2040-2042 - Class X1 Accumulation Units | 14.34% | N/A |
| ACS LifePath 2043-2045 - Class X1 Accumulation Units | 15.29% | N/A |
| ACS LifePath 2046-2048 - Class X1 Accumulation Units | 16.67% | N/A |
| ACS LifePath 2049-2051 - Class X1 Accumulation Units | 17.59% | N/A |
| ACS LifePath 2052-2054 - Class X1 Accumulation Units | 18.25% | N/A |



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## INVESTMENT MANAGER'S REPORT (continued)

| | Fund return % | Comparator benchmark return % |
|---|---|---|
| ACS LifePath 2055-2057<br>- Class X1 Accumulation Units | 18.56% | N/A |
| BlackRock FutureWise 2023-27<br>- Class X1 Accumulation Units | 9.84% | N/A |
| BlackRock FutureWise 2028-32<br>- Class X1 Accumulation Units | 15.24% | N/A |
| BlackRock FutureWise 2033-37<br>- Class X1 Accumulation Units | 19.55% | N/A |
| BlackRock FutureWise Early Days Aggregator<br>- Class X1 Accumulation Units | 19.71% | N/A |
| BlackRock FutureWise Retirement Aggregator<br>- Class X1 Accumulation Units | 8.58% | N/A |
| BlackRock Growth Allocation Fund<br>- Class X1 Accumulation Units | 18.40% | N/A |
| BlackRock Pension Growth Fund<br>- Class X1 Accumulation Units | 13.47% | 11.47% |
| BlackRock Retirement Allocation Fund<br>- Class X1 Accumulation Units | 7.19% | N/A |

All financial investments involve an element of risk. Therefore, the value of your investment and the income from it will vary and the return of your initial investment amount cannot be guaranteed. Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product.



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## INVESTMENT MANAGER'S REPORT (continued)

### Global Economic Overview

Global equities, as represented by the MSCI All Country World Index, returned 19.59% (in GBP terms) during the twelve months ended 31 December 2024. Equities gained significantly amid cooling inflation (the rate of increase in the prices of goods and services) and increased investor optimism as the world's largest central banks started to relax monetary policy. However, rising geopolitical tensions, including the war in the Middle East and the potential for protectionist policies in the US, raised the prospect of disruptions to the global economy.

The US economy was solid through most of the twelve-month period, posting stronger growth than other developed nations as consumer spending remained resilient. In Japan, the gross domestic product ("GDP") recovered from a period of contraction: the measure expanded by an annualised rate of 0.90% in the third quarter of 2024 following 3.10% growth in the second quarter. The UK economy rebounded in the first six months of 2024, after a disappointing end to 2023. However, output in the third quarter of 2024 was flat. Eurozone growth recovered in the first nine months of 2024, helped by the strong performance of several of the smaller member nations, including Spain, Ireland and Portugal.

Most emerging market economies continued to expand. Although the high interest-rate environment presented significant economic challenges, the resilience of the US economy provided support. The Chinese GDP grew more slowly than expected amid concerns about the country's real estate sector and weak retail sales. However, China's announcement of a new round of stimulus measures in September 2024 was received positively by investors. The Indian economy expanded at a robust pace, although growth between July and September 2024 came in below analysts' expectations. Growth rebounded in Brazil in the first three quarters of 2024, due in part to rises in household and government spending.

Most of the world's largest central banks shifted away from monetary policy tightening, as inflation continued to fall over the twelve-month period. The US Federal Reserve ("the Fed") reduced interest rates for the first time in over four years in September 2024. The Fed made further cuts in November and December 2024, but signalled a slower pace of reductions in 2025. The Bank of England ("BoE") began cutting interest rates in August 2024 after inflation in the UK had fallen to the BoE's 2% target. The European Central Bank ("ECB") reduced interest rates on four occasions between June and December 2024. In a notable shift, the Bank of Japan responded to rising domestic inflation, which had reached levels not seen in decades, by increasing interest rates in March 2024 – its first hike since 2007 – and then again in July 2024.

Global equity performance was very positive during the twelve-month period, as the continuing strength of the world economy averted concerns about a possible recession. Investors generally reacted positively to Donald Trump's victory in the US presidential election in November 2024, but there were concerns at the end of the year that the new administration's economic policies could lead to higher inflation and, therefore, fewer interest rate cuts than expected. Meanwhile, major technology stocks advanced on hopes that Artificial Intelligence would drive growth. Globally, bonds and equities that factor companies' environmental, social and governance ("ESG") characteristics faced regulatory concerns and shifting investor sentiment. Despite this, ESG funds experienced positive inflows overall. European investment remained strong, while the pace of outflows in the US slowed over the first nine months of 2024. In both the US and Europe, regulators proposed new rules to ensure investment companies were able to substantiate claims related to sustainability. The US Securities and Exchange Commission ("SEC") was expected to introduce regulations governing investment companies' climate disclosures by the end of 2024, but the future of these rules became uncertain following the presidential election. Meanwhile, the European Securities and Markets Authority ("ESMA") published guidelines relating to how investment companies use ESG-related terms. These came into effect in November 2024. In the UK, the Financial Conduct Authority ("FCA") introduced a package of measures to improve the trust and transparency of sustainable investment products. The FCA's anti-greenwashing rule came into effect on 31 May 2024, and UK-based fund managers were able to start using the new investment labels from 31 July 2024. Global issuance of ESG-related bonds showed signs of accelerating growth in the first six months of 2024.

## INVESTMENT MANAGER'S REPORT (continued)

### Global Economic Overview (continued)

Yields (which move inversely to bond prices) on the 10-year US Treasury, a benchmark lending rate for the global bond market, finished the twelve-month period higher. Following a spike in spring 2024, yields rose again at the end of the twelve-month period due to concerns that the incoming president's economic policies could lead to higher inflation. In the UK, Gilt-edged securities (gilt) (bonds issued by the UK government) yields ended higher despite the BoE's shift to a more accommodative monetary policy stance. Yields rose especially sharply in September and October 2024, in the build up to the debut budget of the new Labour Government, on expectations that the UK government was planning to increase taxes and state spending. European government bond yields rose over the twelve months as a whole but ended 2024 below the highs recorded in May and June 2024 on expectations of further ECB rate cuts in 2025. Yields in Japan increased after the government adjusted its yield cap for 10-year government bonds and investors anticipated further interest-rate rises.

Global corporate bonds posted solid gains overall as markets reassessed credit in light of declining inflation and interest rates. Increased bond yields attracted investors, and continued resilience in the global economy alleviated credit concerns, particularly for high-yield bonds.

Equities in emerging markets also gained, benefiting from the relatively stable global economic environment and the respite from tighter monetary policy. As concerns about a possible global recession diminished, some investors rotated back into emerging market equities, boosting prices. Emerging market bonds posted a positive return overall as investors reacted to less restrictive monetary policy in developed economies.

Commodities markets were disrupted by rising geopolitical tensions. Brent crude oil prices rose early in 2024 as instability in the Middle East caused concern among investors. However, prices fell back as global oil production increased, with the US and Canada making particularly large contributions to overall output. Natural gas prices initially declined thanks to a milder-than-expected winter in Europe but rose towards the end of the twelve-month period as cold weather returned and supply issues emerged. Gold prices rose to record highs as a result of geopolitical tensions, the possibility of a number of interest-rate reductions in the US and increased demand from investors in Asia.

In the foreign exchange markets, the US dollar's performance was positive against other major global currencies. It rose against sterling, the euro, the Japanese yen and the Chinese yuan.

## INVESTMENT MANAGER'S REPORT (continued)

### Fund Performance Review and Activity

**ACS LifePath 2022-2024**
**ACS LifePath 2025-2027**
**ACS LifePath 2028-2030**
**ACS LifePath 2031-2033**
**ACS LifePath 2034-2036**
**ACS LifePath 2037-2039**
**ACS LifePath 2040-2042**
**ACS LifePath 2043-2045**
**ACS LifePath 2046-2048**
**ACS LifePath 2049-2051**
**ACS LifePath 2052-2054**
**ACS LifePath 2055-2057**

Over the financial year to 31 December 2024, the Funds' performance returns were 7.19%, 8.35%, 9.69%, 10.91%, 12.01%, 13.13%, 14.34%, 15.29%, 16.67%, 17.59%, 18.25% and 18.56% for the 12 funds, respectively.

### Equities

In 2024, both the developed and emerging markets delivered positive returns. Developed Market ("DM") large-cap equities, as measured by the MSCI World Index, achieved double-digit annual gains for the second consecutive year, returning 21.30%. The "Magnificent Seven" (a group of seven influential US technology companies) significantly contributed to these returns, largely due to continued momentum around Artificial Intelligence (AI) investment. While DM small-cap equities also appreciated over the year, returning 10.10%, as measured by the MSCI World Small Cap Index, they lagged their large-cap counterparts. Emerging Markets (EM) equities followed, adding 9.40%, as measured by the MSCI Emerging Markets Index, over the year, benefiting from the announcement of a new round of stimulus measures in China, the largest constituent of the EM Index.

Expectations of the U.S. Federal Reserve's (the "Fed") interest rate cuts played a crucial role in supporting the strong performance of equity markets throughout the year. Though beginning later in the year than markets anticipated, the Fed did begin its interest rate cutting cycle in September with a 50 basis points ("bps") reduction to the federal funds rate, which was followed by two additional rate cuts in October and December, bringing the total rate cuts in 2024 to 100 bps.

### Fixed Income

In 2024, the bond market presented a diverse range of outcomes. Fixed Income assets were positively influenced by the decisions of major developed market central banks, such as the Fed and the Bank of England, to cut interest rates for the first time since March 2020.

Emerging Market debt delivered particularly strong returns up 6.20%, as measured by the BBG Barclays EM USD Sovereign & Quasi Sovereign Index, due to the declining global interest rate environment and improving economic conditions, bolstering investor confidence. Government bonds ex-UK were up 1.40%, outperforming long-dated UK Gilts which declined over the year by 3.30%, mainly due to the UK's 2024 Autumn Budget, which indicated increased government borrowings compared to the previous year causing the yields (which move inversely to bond prices) to rise. Additionally, the UK Gross Domestic Product growth figures were broadly flat in the second half of the year, contributing to the decline. Corporate bonds ended the year in positive territory, with Corporate Bonds ex-UK outperforming UK Corporate bonds, returning 3.30% and 1.70%, respectively. Short-dated UK inflation index linked gilts ended the year flat.

The proactive measures taken by central banks and the positive returns in various bond sectors underscored the resilience and adaptability of the bond market in 2024.

## INVESTMENT MANAGER'S REPORT (continued)

### Fund Performance Review and Activity (continued)

### Liquid Alternatives

Alternative asset classes had an interesting year in 2024. Commodity prices stabilised after three years of increased volatility, delivering strong returns up 7.20%. Property securities began the year strong but surrendered some of these gains in the second half, in part due to expectations of fewer interest rate cuts, ultimately closing the year in positive territory with a return of 2.70%.

Investors remain cautious of potential risks, including geopolitical tensions, inflationary pressures, and central bank policy decisions, as they navigate the market landscape moving forward.

### Environmental, Social and Governance ("ESG") considerations review

Each Fund is a target date retirement fund, whose investment objective is to provide a return on investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) with an asset allocation (i.e. mix of assets) that changes over time. Each Fund aims to invest in accordance with its ESG policy.

The Funds may invest in collective investment schemes which invest at least 50% in government bonds ("Government Bond Funds"). Of the assets that it invests in Government Bond Funds, the Funds will invest at least 80% in Government Bond Funds that track benchmark indices comprised of at least 50% of government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or another third party data vendor) ("ESG Government Bond Funds").

Through the application of the methodology set out in the ESG Policy of the Scheme's Prospectus, the Investment Manager expects to achieve for the Funds' portfolio, as calculated at the end of each calendar quarter, an ESG score that is higher than the Reference Comparator.

ESG scores are a measurement of issuers' ESG credentials. The ESG score of the Funds are calculated by aggregating the weighted ESG scores attributable to each issuer in which the Funds invest (whether directly or indirectly through collective investment schemes), excluding the ESG scores of underlying commodity funds and collective investment schemes held for EPM purposes. The same exclusion is applied to the ESG score calculated for the Reference Comparator.

The Funds may also invest in collective investment schemes other than Government Bond Funds, commodity funds and collective investment schemes held for efficient portfolio management purposes ("Other CIS"). At least 80% of Other CIS in which the Funds invest themselves apply ESG criteria within their investment processes. These ESG criteria include: (i) the exclusion or underweighting of issuers or sectors which are involved in activities that are negative from an ESG investing perspective; and (ii) the inclusion or overweighting of issuers or sectors which are positive from an ESG investing perspective. Further detail on these ESG criteria is available in the Funds' prospectus.

## INVESTMENT MANAGER'S REPORT (continued)

### Fund Performance Review and Activity (continued)

| Funds | Of allocation to Government Bond Funds, % which track benchmark indices (as described above) | Of allocation to Other CIS, % which apply ESG criteria | Average Fund ESG Score | Average Reference Comparator ESG Score |
|---|---|---|---|---|
| ACS LifePath 2022-2024 | 100.0% | 94.3% | 7.0 | 6.6 |
| ACS LifePath 2025-2027 | 100.0% | 94.2% | 7.0 | 6.6 |
| ACS LifePath 2028-2030 | 100.0% | 93.8% | 7.0 | 6.6 |
| ACS LifePath 2031-2033 | 100.0% | 93.7% | 7.0 | 6.6 |
| ACS LifePath 2034-2036 | 100.0% | 93.3% | 7.0 | 6.7 |
| ACS LifePath 2037-2039 | 100.0% | 93.1% | 7.0 | 6.7 |
| ACS LifePath 2040-2042 | 100.0% | 92.8% | 7.0 | 6.7 |
| ACS LifePath 2043-2045 | 100.0% | 92.6% | 7.0 | 6.7 |
| ACS LifePath 2046-2048 | 100.0% | 92.5% | 7.0 | 6.7 |
| ACS LifePath 2049-2051 | 100.0% | 92.5% | 7.1 | 6.7 |
| ACS LifePath 2052-2054 | 100.0% | 92.4% | 7.1 | 6.7 |
| ACS LifePath 2055-2057 | 100.0% | 92.3% | 7.1 | 6.7 |

The 'carbon emission intensity score' of the Funds are calculated by aggregating the weighted carbon emission intensity scores attributed only to the corporate issuers in which the Funds invest (whether directly or indirectly through collective investment schemes). The calculation includes Scope 1 greenhouse gas ("GHG") emissions and Scope 2 GHG emissions but excludes Scope 3 GHG emissions and is based on issuers' reported sales. The table on the next page presents the Funds' carbon emission intensity score relative to the Reference Comparator.
The figures presented in the table below are based on the scores as at the end of each quarter during this reference period, which are averaged to produce the single figure shown in the table below.

In respect of corporate issuers (i.e. companies) invested in by the Other CIS held by the Fund, the Investment Manager aims to achieve:

1) a carbon emission intensity score that:

   a) for ACS LifePath 2022-2024 and ACS LifePath 2025-2027, by the Fund's maturity date, represents such percentage reduction of its carbon emission intensity score as at 30 June 2019 as would be consistent with achieving a 50% reduction by 30 June 2029,
   b) for ACS LifePath 2028-2030, ACS LifePath 2031-2033, ACS LifePath 2034-2036, ACS LifePath 2037-2039, ACS LifePath 2040-2042, ACS LifePath 2043-2045, ACS LifePath 2046-2048, ACS LifePath 2049-2051 and ACS LifePath 2052-2054, by 30 June 2029, is 50% less than its carbon emission intensity score as at 30 June 2019, and
   c) for ACS LifePath 2055-2057, by 30 June 2029, is 50% less than the carbon emission intensity score of BlackRock LifePath 2055-2057 (the "2055-2057 Life Fund") as at 30 June 2019 (the 2055-2057 Life Fund being the predecessor fund of the Fund, having transferred its assets to the Fund on 28 June 2021 (the Fund's launch date)). It is estimated that the Fund's carbon emission intensity score as of its launch date was a reduction of approximately 31% in comparison to the carbon emission intensity score of the 2055-2057 Life Fund as at 30 June 2019; and as calculated at the end of each calendar quarter, a carbon emission intensity score that is less than the Reference Comparator.

## INVESTMENT MANAGER'S REPORT (continued)

### Fund Performance Review and Activity (continued)

| Funds | Fund – Carbon Emissions Intensity Score | Reference Comparator – Carbon Emissions Intensity Score | Fund % reduction in absolute Carbon Emission Intensity Score relative to 30 June 2019* |
|---|---|---|---|
| ACS LifePath 2022-2024 | 69.20 | 116.50 | 66.0% |
| ACS LifePath 2025-2027 | 72.61 | 118.63 | 63.8% |
| ACS LifePath 2028-2030 | 76.35 | 119.34 | 61.3% |
| ACS LifePath 2031-2033 | 78.25 | 119.65 | 59.8% |
| ACS LifePath 2034-2036 | 80.13 | 119.82 | 58.3% |
| ACS LifePath 2037-2039 | 80.78 | 119.34 | 57.1% |
| ACS LifePath 2040-2042 | 81.88 | 119.03 | 56.1% |
| ACS LifePath 2043-2045 | 82.78 | 118.84 | 55.5% |
| ACS LifePath 2046-2048 | 83.22 | 118.02 | 54.8% |
| ACS LifePath 2049-2051 | 83.38 | 117.19 | 54.6% |
| ACS LifePath 2052-2054 | 83.78 | 116.56 | 54.3% |
| ACS LifePath 2055-2057 | 84.00 | 116.11 | 54.5% |

* The results represent a carbon emission intensity score, in respect only of the corporate issuers in which the Funds' invest, that by 30 June 2029, is 50% less than its carbon emission intensity score as at 30 June 2019 for all Funds except ACS LifePath 2055-2057. The Investment Manager for ACS LifePath 2055-2057 aims to achieve a carbon emission intensity score that by 30 June 2029 is 50% less than the carbon emission intensity score of BlackRock Life LifePath 2055-2057 (the "2055-2057 Life Fund") as at 30 June 2019 (the 2055-2057 Life Fund being the predecessor fund of the Fund, having transferred its assets to the Fund on 28 June 2021 (the Fund's launch date). It is estimated that the Fund's carbon emission intensity score as of its launch date was a reduction of approximately 31% in comparison to the carbon emission intensity score of the 2055-2057 Life Fund as at 30 June 2019.



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## INVESTMENT MANAGER'S REPORT (continued)

### Fund Performance Review and Activity (continued)

**BlackRock FutureWise 2023-27**
**BlackRock FutureWise 2028-32**
**BlackRock FutureWise 2033-37**
**BlackRock FutureWise Early Days Aggregator**
**BlackRock FutureWise Retirement Aggregator**

Over the financial year to 31 December 2024, the Funds' performance returns were 9.84%, 15.24%, 19.55%, 19.71% and 8.58% for the five Funds respectively.

The Manager has appointed FIL Investments International, who is the Investment Adviser to these Funds, to advise in relation to the composition of portfolio for each of the FutureWise Funds pursuant to an investment advisory agreement. The Investment Adviser provides strategic and tactical asset allocation advice, including advice on the selection of the underlying funds, with regards to the assets of each of the BlackRock FutureWise Funds. In seeking to achieve their investment objectives, the Funds invest at least 70% of their total assets in units of collective investment schemes (i.e., other investment funds). These collective investment schemes (which substantially comprise BlackRock Associated Funds and/or Fidelity Funds) provide the Funds exposure globally to equity securities (i.e., shares), fixed income securities (i.e., both government and non-government bonds) and, on a limited basis, to commodities. The Funds aim to invest in accordance with their environmental, social and governance ("ESG") policies. Refer to the Scheme's prospectus for more information on the ESG policies of each of the Funds.

### Environmental, Social and Governance ("ESG") considerations review

The Funds may invest in collective investment schemes which primarily invest in government bonds ("Government Bond Funds"). Of the assets that it invests in Government Bond Funds, the Funds will invest at least 80% in Government Bond Funds that track benchmark indices primarily comprised of at least 50% of government bond issuers with an ESG sovereign credit rating of BB or higher (as defined by Morgan Stanley Capital International (MSCI) or another third-party data vendor) ("ESG Government Bond Funds").

Of the total assets that the Funds invest in collective investment schemes other than Government Bond Funds, commodity funds and collective investment schemes are held for efficient portfolio management ("EPM") purposes ("Other CIS"). The Funds seek to invest at least 80% in Other CIS in which the Fund invests themselves apply the following ESG criteria:

a) the exclusion or underweighting of issuers or sectors which are involved in activities that are negative from an ESG investing perspective; and
b) the inclusion or overweighting of issuers or sectors which are positive from an ESG investing perspective.

Through the application of this ESG Policy, the Funds expect to achieve in their portfolios (in respect of only the underlying corporate issuers (i.e., companies) to which the Funds have exposure) a carbon emission intensity score that as calculated at the end of each calendar quarter, that is less than a portfolio that holds equivalent proportions (weighting) of equity securities as the Funds but that does not apply any ESG criteria (such comparable portfolio being represented by a reference benchmark (the "Reference Comparator"). The table below presents the Funds' carbon emission intensity score relative to the Reference Comparator.

The carbon emission intensity score of the Fund is calculated by aggregating the weighted carbon emission intensity scores attributed only to the corporate issuers in which the Fund invests (whether directly or indirectly through collective investment schemes). The calculation includes Scope 1 greenhouse gas ("GHG") emissions and Scope 2 GHG emissions but excludes Scope 3 GHG emissions and is based on enterprise value including cash (EVIC).

## INVESTMENT MANAGER'S REPORT (continued)

### Fund Performance Review and Activity (continued)

The figures presented are based on the figures as at the end of each quarter during this reporting period, which are averaged to produce the single figure shown in the table below.

| Funds | Fund – Carbon Emission Intensity Score | Reference Comparator – Carbon Emission Intensity Score | Of allocation to Government Bond Funds, % which track benchmark indices (as described above) | Of allocation to Other CIS, % which apply ESG criteria |
|---|---|---|---|---|
| BlackRock FutureWise 2023-2027 | 29.8 | 42.9 | 100.0% | 94.7% |
| BlackRock FutureWise 2028-2032 | 27.5 | 44.9 | 100.0% | 97.7% |
| BlackRock FutureWise 2033-2037 | 27.2 | 48.8 | 0.0%* | 100.0% |
| BlackRock FutureWise Early Days Aggregator | 28.5 | 49.6 | N/A** | 100.0% |
| BlackRock FutureWise Retirement Aggregator | 25.5 | 35.9 | 100.0% | 92.1% |

* The Fund currently does not allocate to Government Bond Funds and therefore this metric is not applicable.
** This is not an ESG commitment in the prospectus of this Fund and therefore is not applicable.

### BlackRock Growth Allocation Fund

Over the financial year to 31 December 2024, the Fund's performance return was 18.40%.

### Equities

In 2024, both the developed and emerging markets delivered positive returns. Developed Market ("DM") large-cap equities, as measured by the MSCI World Index, achieved double-digit annual gains for the second consecutive year, returning 21.30%. The "Magnificent Seven" (a group of seven influential US technology companies) significantly contributed to these returns, largely due to continued momentum around Artificial Intelligence (AI) investment. While DM small-cap equities also appreciated over the year, returning 10.10%, as measured by the MSCI World Small Cap index, they fell behind their large-cap counterparts. Emerging Markets (EM) equities followed, adding 9.40%, as measured by the MSCI Emerging Markets Index, over the year, benefiting from the announcement of a new round of stimulus measures in China, the largest constituent of the EM Index.

Expectations of the U.S. Federal Reserve's (the "Fed") interest rate cuts played a crucial role in supporting the strong performance of equity markets throughout the year. Though beginning later in the year than markets anticipated, the Fed did begin its interest rate cutting cycle in September with a 50 basis points ("bps") reduction to the federal funds rate, which was followed by two additional rate cuts in October and December, bringing the total rate cuts in 2024 to 100 bps.

### Liquid Alternatives

Alternative asset classes had an interesting year in 2024. Property securities began the year strong but surrendered some of these gains in the second half in part due to expectations of fewer interest rate cuts, ultimately closing the year in positive territory with a return of +2.70%, as measured by the FTSE EPRA/NAREIT Developed Index.

Investors remain cautious of potential risks, including geopolitical tensions, inflationary pressures, and central bank policy decisions, as they navigate the market landscape moving forward.

## INVESTMENT MANAGER'S REPORT (continued)

### Fund Performance Review and Activity (continued)

### Environmental, Social and Governance ("ESG") considerations review

As part of its investment process, the Investment Manager applies an ESG commitment to its selection of Collective Investment Schemes ("CIS"). Of the total value of the assets at any time that the Fund invests in CIS other than commodity funds, the Fund will invest at least 80% of the total value of such assets at any time in which themselves apply ESG criteria ("ESG Funds") which includes:

a) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective as outlined in the Scheme's Prospectus; and/or
b) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

The figures presented are based on the figures as at the end of each quarter during this reference period, which are averaged to produce the single figure shown in the table below.

| Sustainability Metric | Description of Metric | Fund Achievement |
|---|---|---|
| **CIS** | Of the allocation to CIS, the % which apply ESG criteria within their investment processes<br><br>Target: At least 80% | 92.40% |

The Investment Manager will monitor the application of the ESG commitments described above by measuring the "ESG score" of the Fund's portfolio and the "Carbon emission intensity score" of the Fund's portfolio, including by reference to a "Reference Comparator" (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments).

ESG scores are a measurement of issuers' ability to manage financially relevant ESG risks and opportunities. Each rating takes into consideration an issuer's exposure to potentially material ESG risks, the quality of the issuer's management systems and governance structures relative to those potential ESG risks, and where applicable, how the issuer is positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution. Carbon emission intensity scores are a measurement of carbon emissions of an issuer relative to the issuer's size. The Investment Manager intends to use their reported sales but it may use another measure instead if it considers it appropriate or necessary as a result of changes in regulation, market practice or available data. Further details on the calculation of carbon emission intensity score can be found in the Scheme's Prospectus.

## INVESTMENT MANAGER'S REPORT (continued)

### Fund Performance Review and Activity (continued)

The figures presented are based on the figures as at the end of each quarter during this reference period, which are averaged to produce the single figure shown in the table below.

| Sustainability Metric | Description of Metric | Fund Achievement | Reference Comparator Achievement |
|---|---|---|---|
| **Carbon emission intensity score** | Carbon emission intensity score relative to the Reference Comparator | 83.5 | 115.8 |
| **ESG score** | ESG scores attributed to the issuers in which the Fund invests | 7.1 | 6.7 |

### BlackRock Pension Growth Fund

Over the financial year to 31 December 2024, the Fund's performance return was 13.47% and the active return was 2%, outperforming its comparator benchmark which returned 11.47% (active return is the difference between the Fund's return and the return on the comparator benchmark).

Global equities were the key driver of returns over the financial year. Developed market equities outperformed their emerging market counterparts and, in particular, the allocations to US and Japanese equities were the top contributors to returns. In the fourth quarter, the Fund underwent a restructuring that included increasing the allocation to equities and introducing exposure to private markets through its investment in the Pension Growth Alternative Strategies LTAF (the "LTAF").

In 2024, investors continued to navigate the new regimes marked by heightened macroeconomic and market volatility. Markets saw positive returns in global credit markets; however, UK and US credit markets were down over the year. Diversification played an important role this year as performance was a mixed bag across asset classes over different quarters.

The first quarter of 2024 began the year with a degree of optimism with major asset classes enjoying largely positive returns. Exceptional performance in Japanese equities was underpinned by the return of inflation coupled with robust earnings and corporate reforms. The Bank of Japan ("BoJ") ended its negative interest rate stance in March 2024 and hiked interest rates for the first time since 2007. This demonstrated BoJ's confidence in the economic development of the country. In the US, ongoing enthusiasm around Artificial Intelligence ("AI") continued to boost US technology stocks supported by strong corporate earnings and the ongoing hope that the US Federal Reserve ("the Fed") would cut rates later in the year. Equity gains in the UK were more muted in the first quarter. Headline inflation dipped and the UK slipped into a technical recession as the economy contracted during the fourth quarter of 2023, recording two consecutive quarters of negative economic growth. Alongside most other central banks, the Bank of England ("BoE") kept the official bank rate unchanged over the quarter as expected. Within credit markets, global credit and global treasuries were down during the quarter. Global high yield and US high yield fared better. At the start of the quarter, the market expected interest rates to be cut faster. However, this view shifted to some extent with expected interest rate cuts being scaled back, and this sentiment continued into the second quarter of the year.

## INVESTMENT MANAGER'S REPORT (continued)

### Fund Performance Review and Activity (continued)

The second quarter began with equities and fixed income asset classes delivering negative returns as interest rate cuts appeared a more distant prospect. Losses were largely offset in equity markets as equities bounced back in May and June resulting in overall strong gains. Emerging market equities outperformed their developed market counterparts. Gains were supported by the rebound in China and weaker US data helping to dampen inflation concerns and reduce the probability of future rate hikes. AI related stocks continued to perform strongly throughout the quarter amid strong earnings and outlook data. The ECB cut interest rates in June by 25 basis points ("bps") as expected, marking its first reduction since the pandemic began. Politics was a major focus this quarter. French equities notably underperformed other European equities following the June elections. Compounding the political situation, UK Prime Minister Rishi Sunak called a general election in July. On a positive note, the UK economy exited recession in the first quarter and expanded in the second, indicating a more optimistic outlook.

Looking at fixed income, the second quarter started on a negative note with concerns over US inflation picking up again and investors re-evaluating the timing of interest rate cuts. However softer data emerged later in the quarter and hopes of rate cuts increased again. Election announcements also contributed to weakness in select markets, most notably in France. Overall, global credit and treasuries were down during the quarter. In this environment, High Yield bonds continued to be the preference and enjoyed another positive quarter outperforming global treasuries and investment grade credit.

A majority of asset classes provided largely positive returns during the third quarter, despite a backdrop of volatility in the broader markets. Emerging market equities outperformed their developed market counterparts and value stocks outperformed their growth counterparts. Within credit markets, corporate bonds outperformed government bonds. Monetary policy easing began in the US and UK, with the Fed cutting rates by 50 bps in September and the BoE cutting rates by 25 bps in August. The European Central Bank ("ECB") cut rates for the second time this year by 25 bps in September 2024.

The fourth quarter was marked by significant volatility and varied performance across different regions and asset classes. Developed markets saw positive returns, while emerging markets faced significant headwinds. Themes influencing the market included increasing geopolitical tensions, inflationary pressures and changing interest rates. Fixed income suffered and experienced significant volatility with selloffs in major bond markets. The BoE, the Fed and the ECB all cut interest rates over the quarter. US equities rose following Trump's victory in the US presidential elections. Expectations of improving US economic growth and lowering of US taxes fueled strong returns. Japanese equities advanced in strength. The impact from the US on the currency market and the weak yen boosted Japanese earnings outlook for exporters. Other regional markets suffered as worries grew over trade tariffs with European equities falling. French and German shares suffered, as political instabilities rose, and recession fears crept in. UK equities also fell as long-term bond yields rose with increase in inflation expectations and concerns around the UK's Autumn Budget adding to losses. Emerging markets faced notable headwinds from a strong US Dollar and rising interest rates. Within fixed income, volatility was primarily driven by increasing geopolitical tensions and changing interest rates. The Fed cut interest rates by 25 bps in November and December. In December, the Fed cut back their expected rate cuts for 2025 due to persistent inflation. At the BoE's November meeting, they cut interest rates by 25 bps to 4.75%, although high inflation could mean that future cuts are more distant. Within European markets, the ECB lowered interest rates by 25 bps.

In the currency markets, Sterling depreciated by 1.80% against the US Dollar (Source: BlackRock, as of 31 December 2024).

Investors remain cautious of potential risks, including geopolitical tensions, inflationary pressures, and central bank policy decisions, as they navigate the market landscape moving forward.

### Environmental, Social and Governance ("ESG") considerations review

As part of its investment process, the Investment Manager applies an ESG commitment to its selection of Collective Investment Schemes ("CIS"). The Investment Manager will ensure that at least 80% of the Fund's total assets invested in collective investment schemes will be invested in schemes which apply exclusionary screens at the time of investment based on pre-defined screening criteria (which can include, without limitation, segments such as controversial weapons, nuclear weapons, thermal coal, tar sands, civilian firearms, tobacco, and United Nations Global Compact violators).

## INVESTMENT MANAGER'S REPORT (continued)

### Fund Performance Review and Activity (continued)

The figures presented are based on the figures as at the end of each quarter during this reference period, which are averaged to produce the single figure shown in the table below.

| Sustainability Metric | Description of Metric | Fund Achievement |
|---|---|---|
| **CIS** | % of total assets invested in collective investment schemes which apply exclusionary screens at the time of investment based on predefined screening criteria<br><br>Target: At least 80% | 90.70% |

### BlackRock Retirement Allocation Fund

Over the financial year to 31 December 2024, the Fund's performance return was 7.19%.

### Equities

In 2024, both the developed and emerging markets delivered positive returns. Developed Market ("DM") large-cap equities, as measured by the MSCI World Index, achieved double-digit annual gains for the second consecutive year, returning 21.30%. The "Magnificent Seven" (a group of seven influential US technology companies) significantly contributed to these returns, largely due to continued momentum around artificial intelligence (AI) investment. While DM small-cap equities also appreciated over the year, returning 10.10%, as measured by the MSCI World Small Cap Index, they fell behind their large-cap counterparts. Emerging Markets (EM) equities followed, adding 9.40%, as measured by the MSCI Emerging Markets Index, over the year, benefiting from the announcement of a new round of stimulus measures in China, the largest constituent of the EM Index.

Expectations of the U.S. Federal Reserve's (the "Fed") interest rate cuts played a crucial role in supporting the strong performance of equity markets throughout the year. Though beginning later in the year than markets anticipated, the Fed did begin its interest rate cutting cycle in September with a 50 basis points ("bps") reduction to the federal funds rate, which was followed by two additional rate cuts in October and December, bringing the total rate cuts in 2024 to 100 bps.

### Fixed Income

In 2024, the bond market presented a diverse range of outcomes. Fixed Income assets were positively influenced by the decisions of major developed market central banks, such as the Fed and the Bank of England, to cut interest rates for the first time since March 2020.

Emerging Market debt delivered particularly strong returns up 6.20%, as measured by the BBG Barclays EM USD Sovereign & Quasi Sovereign Index, due to the declining global interest rate environment and improving economic conditions, bolstering investor confidence. Government bonds ex-UK were up 1.40%, outperforming long-dated UK gilts which declined over the year by 3.30%, mainly due to the UK's 2024 Autumn Budget, which indicated increased government borrowings compared to the previous year causing the yields (which move inversely to bond prices) to rise. Additionally, the UK Gross Domestic Product growth figures were broadly flat in the second half of the year, contributing to the decline. Corporate bonds ended the year in positive territory, with Corporate bonds ex-UK outperforming UK Corporate bonds, returning 3.30% and 1.70%, respectively. Short-dated UK inflation index linked gilts ended the year flat.

## INVESTMENT MANAGER'S REPORT (continued)

### Fund Performance Review and Activity (continued)

The proactive measures taken by the central banks and the positive returns in various bond sectors underscored the resilience and adaptability of the bond market in 2024.

### Liquid Alternatives

Alternative asset classes had an interesting year in 2024. Commodity prices stabilised after three years of increased volatility, delivering strong returns up 7.20%. Property securities began the year strong but surrendered some of these gains in the second half in part due to expectations of fewer interest rate cuts, ultimately closing the year in positive territory with a return of +2.70%, as measured by the FTSE EPRA/NAREIT Developed index.

Investors remain cautious of potential risks, including geopolitical tensions, inflationary pressures, and central bank policy decisions, as they navigate the market landscape moving forward.

### Environmental, Social and Governance ("ESG") considerations review

As part of its investment process, the Investment Manager applies an ESG commitment to its selection of Collective Investment Schemes ("CIS"). Of the total value of the assets at any time that the Fund invests in CIS that primarily invest in government bonds ("Government Bond Funds"), the Fund will invest at least 80% of the total value of such assets in Government Bond Funds track benchmark indices comprised of at least 50% of government bond issuers with an ESG government rating of BB or higher (as defined by MSCI or the comparable rating of another third-party vendor).

Of the assets that the Fund invests in CIS other than Government Bond Funds and commodity funds ("Other CIS"), the Fund will invest at least 80% of the total value of such assets at any time in Other CIS which themselves apply ESG criteria ("ESG Funds"), which includes:

a) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective as outlined in the Scheme's Prospectus; and/or
b) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

The figures presented are based on the figures as at the end of each quarter during this reference period, which are averaged to produce the single figure shown in the table below.

| Sustainability Metric | Description of Metric | Fund Achievement |
|---|---|---|
| **Government Bond Funds** | Of the allocation to Government Bond Funds, the % which track benchmark indices comprised of at least 50% of government bond issuers with an ESG government rating of BB or higher<br><br>Target: At least 80% | 100.00% |
| **Other CIS** | Of the allocation to Other CIS, the % that apply ESG criteria within their investment processes<br><br>Target: At least 80% | 94.30% |

## INVESTMENT MANAGER'S REPORT (continued)

### Fund Performance Review and Activity (continued)

The Investment Manager will monitor the application of the ESG commitments described above by measuring the "ESG score" of the Fund's portfolio and the "Carbon emission intensity score" of the Fund's portfolio, including by reference to a "Reference Comparator" (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments).

ESG scores are a measurement of issuers' ability to manage financially relevant ESG risks and opportunities. Each rating takes into consideration an issuer's exposure to potentially material ESG risks, the quality of the issuer's management systems and governance structures relative to those potential ESG risks, and where applicable, how the issuer is positioning to meet market demand for the provision of products and services that have a positive environmental or social contribution. Carbon emission intensity scores are a measurement of carbon emissions of an issuer relative to the issuer's size. The Investment Manager intends to use their reported sales but it may use another measure instead if it considers it appropriate or necessary as a result of changes in regulation, market practice or available data. Further details on the calculation of carbon emission intensity score can be found in the Scheme's Prospectus.

The figures presented are based on the figures as at the end of each quarter during this reference period, which are averaged to produce the single figure shown in the table below.

| Sustainability Metric | Description of Metric | Fund Achievement | Reference Comparator Achievement |
|---|---|---|---|
| **Carbon emission intensity score** | Carbon emission intensity score relative to the Reference Comparator | 69.1 | 116.5 |
| **ESG score** | ESG scores attributed to the issuers in which the Fund invests | 7 | 6.6 |

## REPORT ON REMUNERATION

The below disclosures are made in respect of the remuneration policies of the BlackRock group ("BlackRock"), as they apply to BlackRock Fund Managers Limited (the "Manager"). The disclosures are made in accordance with the provisions in the UK implementing the Alternative Investment Fund Managers Directive (the "AIFMD"), the European Commission Delegated Regulation supplementing the AIFMD (the “Delegated Regulation”) and the "Guidelines on sound remuneration policies under the AIFMD" issued by the European Securities and Markets Authority.

The BlackRock AIFM Remuneration Policy (the “AIFM Remuneration Policy”) will apply to the EEA entities within the BlackRock group authorised as a manager of alternative investment funds in accordance with the AIFMD, and will ensure compliance with the requirements of Annex II of the AIFMD and to UK entities within the BlackRock group authorised as a manager of a UK alternative investment fund in accordance with the UK version of the Directive.

The Manager has adopted the AIFM Remuneration Policy, a summary of which is set out below.

### Remuneration Governance

BlackRock’s remuneration governance in EMEA operates as a tiered structure which includes: (a) the Management Development and Compensation Committee (“MDCC”) (which is the global, independent remuneration committee for BlackRock, Inc. and (b) the Manager’s board of directors (the “Manager’s Board”). These bodies are responsible for the determination of BlackRock’s remuneration policies which includes reviewing the remuneration policy on a regular basis and being responsible for its implementation.

The implementation of the remuneration policy is annually subject to central and independent review for compliance with policies and procedures for remuneration adopted by the MDCC and by the Manager’s Board. The remuneration disclosure is produced and owned by the MDCC and the Manager's Board. The most recent review found no material issues. The remuneration disclosure is produced and owned by the MDCC and the Manager's Board.

No material changes were made to the remuneration policy in 2024.

### (a) MDCC

The MDCC’s purposes include:

- providing oversight of:
  - BlackRock’s executive compensation programmes;
  - BlackRock’s employee benefit plans; and
  - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed as administrator;
- reviewing and discussing the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approving the MDCC’s report for inclusion in the proxy statement;
- reviewing, assessing and making reports and recommendations to the BlackRock, Inc. Board of Directors (the ‘BlackRock, Inc. Board’) as appropriate on BlackRock’s talent development and succession planning, with the emphasis on performance and succession at the highest management levels; and
- supporting the boards of the Company’s EMEA regulated entities in meeting their remuneration-related obligations by overseeing the design and implementation of EMEA remuneration policy in accordance with applicable regulations.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, who has no relationship with BlackRock Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The BlackRock, Inc. Board has determined that all of the members of the MDCC are “independent” within the meaning of the listing standards of the New York Stock Exchange (NYSE), which requires each meet a “non-employee director” standard.

## REPORT ON REMUNERATION (continued)

The MDCC held 8 meetings during 2024. The MDCC charter is available on BlackRock, Inc.'s website (www.blackrock.com).

Through its regular reviews, the MDCC continues to be satisfied with the principles of BlackRock's compensation policy and approach.

### (b) The Manager's Board

The Manager's Board has the task of supervising, approving and providing oversight of the AIFM Remuneration Policy as it applies to the Manager and its Identified Staff (as defined below).

The responsibilities of the supervisory function include:

- approve, maintain and oversee the implementation of the AIFM Remuneration Policy;
- determine and oversee the remuneration of the members of the management body, provided that insofar the relevant AIFM does not have a separate supervisory function, the remuneration of the member of the management body is determined by the MDCC;
- approve any subsequent material exemptions or changes to the AIFM Remuneration Policy and carefully consider and monitor their effects;
- take into account the inputs provided by all competent corporate functions (i.e., risk management, compliance, human resources, strategic planning, etc.) in the design and oversight of the AIFM Remuneration Policy;

### Decision-making process

Remuneration decisions for employees are made once annually in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for remuneration decision-making is tied to financial performance, significant discretion is used to determine individual variable remuneration based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual remuneration amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance (including, where relevant, good outcomes for retail customers). These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award. The variable remuneration awarded to any individual(s) for a particular performance year may also be zero.

Annual incentive awards are paid from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of pre-incentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate of the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

## REPORT ON REMUNERATION (continued)

As part of the year-end review process the Enterprise Risk and Regulatory Compliance departments report to the MDCC on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

### Control functions

Each of the control functions (Enterprise Risk, Legal & Compliance, Finance, Human Resources and Internal Audit) has its own organisational structure which is independent of the business units and therefore staff members in control functions are remunerated independently of the businesses they oversee. The head of each control function is either a member of the Global Executive Committee ("GEC"), the global management committee, or has a reporting obligation to the board of directors of BlackRock Group Limited, the parent company of all of BlackRock's EMEA regulated entities, including the Manager.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the MDCC.

### Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet the following key objectives as detailed below:

- appropriately balance BlackRock's financial results between shareholders and employees;
- attract, retain and motivate employees capable of making significant contributions to the long-term success of the business;
- align the interests of senior employees with those of shareholders by awarding BlackRock Inc.'s stock as a significant part of both annual and long-term incentive awards;
- control fixed costs by ensuring that compensation expense varies with profitability;
- link a significant portion of an employee's total compensation to the financial and operational performance of the business;
- promote sound and effective risk management across all risk categories, including sustainability risk;
- discourage excessive risk-taking (sustainability related or otherwise); and
- ensure good outcomes are delivered for retail customers and that that client interests are not negatively impacted by remuneration awarded on a short-term, mid-term and/or long-term basis.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but don't pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

## REPORT ON REMUNERATION (continued)

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually (e.g., relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence
- criticality to business; and
- supporting the firm’s approaches to environmental, social and governance factors and diversity, equity and inclusion.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Remuneration practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

BlackRock operates a total compensation model for remuneration which includes a base salary, which is contractual, and a discretionary bonus scheme.

BlackRock operates an annual discretionary bonus scheme. Although all employees are eligible to be considered for a discretionary bonus, there is no contractual obligation to make any award to an employee under its discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading “Link between pay and performance”) may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in BlackRock, Inc. stock and subject to additional vesting/clawback conditions. Stock awards are subject to further performance adjustment through variation in BlackRock, Inc.’s share price over the vesting period. As total annual compensation increases, a greater portion is deferred into stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests into three equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards may be made to select individuals to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentive for continued performance over a multi-year period recognising the scope of the individual’s role, business expertise and leadership skills.

## REPORT ON REMUNERATION (continued)

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the "BlackRock Performance Incentive Plan" ("BPIP"). Awards made from the BPIP have a three-year performance period based on a measurement of As Adjusted Operating Margin[1] and Organic Revenue Growth[2]. Determination of pay-out will be made based on the firm's achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where the firm's financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have "skin in the game" through significant personal investments.

### Identified Staff

"Identified Staff" comprises the following categories of staff whose professional activities have a material impact on the risk profiles of the AIFM or the AIFs which it manages:

- Board members (Executive and Non-Executive Directors);
- Conducting officers;
- Members of Senior Management; and
- Individuals responsible for internal senior management, risk takers, control functions

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- organisational changes;
- new business initiatives;
- changes in significant influence function lists;
- changes in role responsibilities; and
- revised regulatory direction.

BlackRock applies the proportionality principle in respect of staff identified as "Identified Staff".
BlackRock bases its proportionality approach on a combination of factors that it is entitled to take into account based on relevant guidelines. The application of proportionality has been assessed based on the criteria set down in the ESMA Guidelines - i.e., criteria in terms of size, internal organisation and nature, scope and complexity of the activities; group of persons, who have only collectively a material impact on the risk profile of the management company; and structure of the remuneration of identified staff.

[1] As Adjusted Operating Margin: As reported in BlackRock's external filings, reflects adjusted Operating Income divided by Total Revenue net of distribution and servicing expenses and amortisation of deferred sales commissions.
[2] Organic Revenue Growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

## REPORT ON REMUNERATION (continued)

### Quantitative Remuneration Disclosure

The Manager is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Remuneration information at an individual AIF level is not readily available. Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; (c) staff who have the ability to materially affect the risk profile of the Fund; and (d) staff of companies to which portfolio management and risk management has been formally delegated.

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager is included in the aggregate figures disclosed.

Members of staff and senior management of the Manager typically provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. Conversely, members of staff and senior management of the broader BlackRock group may provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the broader BlackRock group and of the Manager. Therefore, the figures disclosed are a sum of individuals' portion of remuneration attributable to the Manager according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager and the broader BlackRock group. Accordingly, the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded to the Manager's staff in respect of the Manager's financial year ending 31 December 2024 is USD 102.45 million. This figure is comprised of fixed remuneration of USD 37.21 million and variable remuneration of USD 65.24 million. There were a total of 4,206 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager in respect of the Manager's financial year ending 31 December 2024, to its senior management was USD 14.31 million, and to other members of its staff whose actions potentially have a material impact on the risk profile of the Manager or its funds was USD 16.36 million.

## ACCOUNTING AND DISTRIBUTION POLICIES*

for the year ended 31 December 2024

### Accounting Policies

(a) The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for Authorised Funds (the "SORP") issued by the Investment Management Association (now known as the Investment Association) in May 2014 and amended in June 2017.

The financial statements (with the exception of the twelve Funds from ACS LifePath 2022-2024 to ACS LifePath 2055-2057) have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss. The Funds are able to meet all of their liabilities from their assets. The performance, marketability and risks of the Funds are reviewed on a regular basis throughout the financial period. The Directors of the Manager believe that the Funds will continue in operational existence for a period of one year from the date of approval of the financial statements and are financially sound. Therefore, it is appropriate to continue to adopt the going concern basis, except for the twelve Funds from ACS LifePath 2022-2024 to ACS LifePath 2055-2057.

The financial statements for the twelve Funds from ACS LifePath 2022-2024 to ACS LifePath 2055-2057 have been prepared on an other than going concern basis in accordance with UK GAAP and the SORP as the Manager intends to close these Funds. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimated settlement amount. The liquidation costs are borne by the Manager. The Directors of the Manager are satisfied that, at the time of approving the financial statements, it is appropriate to continue to adopt the going concern basis in preparing the financial statements of the Funds, except for the twelve Funds from ACS LifePath 2022-2024 to ACS LifePath 2055-2057.

### Change in Valuation Point

As permitted by Section 6.8.2(5a) of the COLL Sourcebook, the financial statements for the year ended 31 December 2024 have been prepared as at the Fund's valuation point at 12 noon on the last business day of the accounting year. This aligns the valuation point for financial statements purposes with the valuation point used for dealing purposes. The comparative figures as at 31 December 2023 have been prepared as at close of business on the last business day of the accounting year.

(b) Dividends on quoted ordinary shares and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when the right to receive payment is established.

Revenue from securities lending is accounted for net of associated costs and is recognised on an accruals basis.

All revenue is recognised as a gross amount that takes account of any withholding taxes but excludes any other taxes such as attributable tax credits.

Bank interest is recognised on an accruals basis.

(c) Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.

(d) The underlying circumstances behind both special dividends and share buy backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Amounts recognised as revenue form part of the distribution. Any tax treatment will follow the accounting treatment of the principal amount.

(e) Underwriting commission is wholly recognised as revenue when the issue takes place, except where the Funds are required to take up some or all of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of those shares.

(f) All distributions from Collective Investment Schemes ("CIS") are recognised when the securities are quoted ex-dividend. All distributions from holdings in CIS are treated as revenue with the exception of the equalisation element, which is treated as capital.

Any reported revenue from an offshore fund with reporting status from His Majesty's Revenue & Customs (HMRC), in excess of any distribution received in the reporting period, is recognised as revenue if the reporting fund makes this information available before the year end of the sub-fund. The equalisation element is treated as capital.

* The Accounting and Distribution Policies are an integral part of the notes to financial statements.

## ACCOUNTING AND DISTRIBUTION POLICIES (continued)

### Accounting Policies (continued)

(g) The Funds receive Manager's charge rebates from BlackRock related investments in the normal course of business. These are recognised on an accruals basis and are treated as revenue, unless it is the policy of the underlying fund to charge its fees to capital, in which case these rebates will be recognised as capital.

(h) All expenses, except those relating to the purchase and sale of investments are charged against revenue. All expenses are recognised on an accruals basis.

(i) No provision for corporation tax is made due to the tax transparent nature of the Funds, in accordance with section 1121 of Corporation Tax Act 2010. Instead, the unitholders of the Funds are treated as if they owned the underlying assets directly, and are taxed on their share of the income derived from the underlying assets.

(j) Where the end of the accounting year on the balance sheet date is a business day, the valuation point is 12 noon, and where the end of the accounting year on the balance sheet date is a non-business day, the valuation point is end of day. All investments are valued at their fair value as at the end of the accounting year. In the case of an investment which is not quoted, listed or dealt in on a recognised market, or in respect of which a listed, traded or dealt price or quotation is not available at the time of valuation, the fair value of such investment shall be estimated with care and in good faith by a competent professional person, body, firm or corporation including the Manager's pricing committee and such fair value shall be determined on the basis of the probable realisation value of the investment. The Manager shall be entitled to adopt an alternative method of valuing any particular asset if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset or liability.

Investments in dual priced and single priced Collective Investment Schemes have been valued at market values, defined as fair value, which is usually the latest available price at the Funds' 12 noon valuation point on the last business day of the accounting year.

(k) Where the end of the accounting year on the balance sheet date is a business day, the valuation point is 12 noon, and where the end of the accounting year on the balance sheet date is a non-business day, the valuation point is end of day. Any transactions in foreign currencies are translated into Sterling at the rates of exchange ruling on the date of any such transaction. Assets and liabilities in foreign currencies are translated into Sterling at the exchange rates ruling at 12 noon on the last business day of the accounting year. Revenue items in foreign currencies are translated into Sterling at the exchange rate when the revenue is received.

(l) Where appropriate, certain permitted financial instruments such as derivatives or forward currency contracts are used for efficient portfolio management. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in "Revenue" in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in "Net capital gains" in the Statement of Total Return.

(m) Cash and bank balances consist of deposits held on call with banks and cash held with clearing brokers and counterparties. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### Distribution Policies

(n) The ordinary element of stock dividends is treated as revenue but does not form part of the distribution.

(o) All of the net revenue available for distribution at the final accounting year end will be retained within the Funds, as all unitholders are accumulation unitholders. Although the income is accumulated it is still deemed to arise directly to the investor. Should expenses exceed revenue, there will be no distribution and the shortfall will be met from capital.

## FINANCIAL INSTRUMENTS AND RISKS*

### Introduction and overview

The Funds' investment activities expose them to the various types of risk which are associated with the financial instruments and markets in which they invest. The following information is not intended to be a comprehensive summary of all risks and investors should refer to the Prospectus for a more detailed discussion of the risks inherent in investing in the Funds.

### Risk management framework

The Manager has delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager is also responsible for ensuring that the Funds are managed within the terms of its investment guidelines and limits set out in the Prospectus. The Manager reserves to itself the investment performance, product risk monitoring and oversight and the responsibility for the monitoring and oversight of regulatory and operational risk for the Funds.

The Manager has appointed a risk manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the Risk and Quantitative Analysis Group ("RQA Group") which is a centralised group which performs an independent risk management function. The RQA Group independently identifies, measures and monitors investment risk. The RQA Group tracks the actual risk management practices being deployed across the different funds. By breaking down the components of the process, the RQA Group has the ability to determine if the appropriate risk management processes are in place for the Funds. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

The risk profile of the Funds are set out as follows:

### a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Funds may suffer through holding market positions in the face of market movements. The Funds are potentially exposed to market risk by virtue of its investments in equities and futures contracts.

A key metric the RQA Group uses to measure market risk is VaR which encompasses price, currency and interest rate risk. VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis.

The VaR calculations are based on an adjusted historical simulation model with a confidence level of 99%, a holding period of one day and a historical observation period of not less than one year (250 days). A VaR number is defined at a specified probability and a specified time horizon. A 99% one day VaR means that the expectation is that 99% of the time over a one day period the Funds will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk.

It is noted that the use of the VaR methodology has limitations, namely assumptions that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR amounts. These limitations and the nature of the VaR measure mean that the Fund can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts, will not occur more frequently.

* The information relating to Financial Instruments and Risks is an integral part of the notes to financial statements.

## FINANCIAL INSTRUMENTS AND RISKS (continued)

The one day VaR as at 31 December 2024 based on a 99% confidence level is outlined in the table below:

| Fund | 31 December 2024 % | 31 December 2023 % |
|---|---|---|
| ACS LifePath 2022-2024 | 0.74 | 0.82 |
| ACS LifePath 2025-2027 | 0.82 | 0.90 |
| ACS LifePath 2028-2030 | 0.92 | 0.96 |
| ACS LifePath 2031-2033 | 1.02 | 1.04 |
| ACS LifePath 2034-2036 | 1.12 | 1.11 |
| ACS LifePath 2037-2039 | 1.23 | 1.18 |
| ACS LifePath 2040-2042 | 1.33 | 1.26 |
| ACS LifePath 2043-2045 | 1.42 | 1.32 |
| ACS LifePath 2046-2048 | 1.52 | 1.39 |
| ACS LifePath 2049-2051 | 1.61 | 1.45 |
| ACS LifePath 2052-2054 | 1.67 | 1.49 |
| ACS LifePath 2055-2057 | 1.71 | 1.51 |
| BlackRock FutureWise 2023-27 | 0.78 | 0.89 |
| BlackRock FutureWise 2028-32 | 1.29 | 1.24 |
| BlackRock FutureWise 2033-37 | 1.77 | 1.50 |
| BlackRock FutureWise Early Days Aggregator | 1.72 | 1.50 |
| BlackRock FutureWise Retirement Aggregator | 0.74 | 0.84 |
| BlackRock Growth Allocation Fund | 1.72 | 1.50 |
| BlackRock Pension Growth Fund | 1.49 | 1.06 |
| BlackRock Retirement Allocation Fund | 0.74 | 0.82 |

### i) Market risk arising from foreign currency risk

**Exposure to foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Funds are accounted for in Sterling and hold financial assets and financial liabilities denominated in Sterling and other international currencies, with the effect that the Balance Sheet and Statement of Total Return can be affected by currency movements.

The underlying CIS hold financial assets and financial liabilities denominated in other international currencies. As such, the Funds have indirect exposure to foreign currency risk through their underlying investments in CIS, whereby the value of the underlying CIS may fluctuate as a result of changes to foreign currency rates.

## FINANCIAL INSTRUMENTS AND RISKS (continued)

The tables in the following pages outline the Funds' exposure to foreign currency risk as at the Balance Sheet date.

| 31 December 2024<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **ACS LifePath 2022-2024** | | | | |
| Australian dollar | – | (636) | (636) | (0.49) |
| Canadian dollar | – | (1,152) | (1,152) | (0.88) |
| Danish kroner | – | (195) | (195) | (0.15) |
| Euro | – | (5,481) | (5,481) | (4.19) |
| Hong Kong dollar | – | (112) | (112) | (0.09) |
| Israeli new shekel | – | (66) | (66) | (0.05) |
| Japanese yen | – | (3,526) | (3,526) | (2.69) |
| New Zealand dollar | – | (25) | (25) | (0.02) |
| Norwegian krone | – | (97) | (97) | (0.07) |
| Singapore dollar | – | (73) | (73) | (0.06) |
| Swedish krona | – | (199) | (199) | (0.15) |
| Swiss franc | – | (597) | (597) | (0.46) |
| US dollar | 58 | (23,736) | (23,678) | (18.08) |
| **Total exposure to foreign currencies** | **58** | **(35,895)** | **(35,837)** | **(27.38)** |
| **ACS LifePath 2025-2027** | | | | |
| Australian dollar | – | (4,740) | (4,740) | (0.44) |
| Canadian dollar | – | (8,416) | (8,416) | (0.79) |
| Danish kroner | – | (1,580) | (1,580) | (0.15) |
| Euro | – | (40,904) | (40,904) | (3.84) |
| Hong Kong dollar | – | (863) | (863) | (0.08) |
| Israeli new shekel | – | (429) | (429) | (0.04) |
| Japanese yen | – | (24,944) | (24,944) | (2.34) |
| New Zealand dollar | – | (139) | (139) | (0.01) |
| Norwegian krone | – | (752) | (752) | (0.07) |
| Singapore dollar | – | (547) | (547) | (0.05) |
| Swedish krona | – | (1,511) | (1,511) | (0.14) |
| Swiss franc | – | (4,637) | (4,637) | (0.44) |
| US dollar | – | (187,538) | (187,538) | (17.60) |
| **Total exposure to foreign currencies** | **–** | **(277,000)** | **(277,000)** | **(25.99)** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2024<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **ACS LifePath 2028-2030** | | | | |
| Australian dollar | – | (3,275) | (3,275) | (0.41) |
| Canadian dollar | – | (5,853) | (5,853) | (0.74) |
| Danish kroner | – | (1,177) | (1,177) | (0.15) |
| Euro | – | (25,932) | (25,932) | (3.27) |
| Hong Kong dollar | – | (732) | (732) | (0.09) |
| Israeli new shekel | – | (255) | (255) | (0.03) |
| Japanese yen | – | (15,757) | (15,757) | (1.99) |
| New Zealand dollar | – | (152) | (152) | (0.02) |
| Norwegian krone | – | (547) | (547) | (0.07) |
| Singapore dollar | – | (450) | (450) | (0.06) |
| Swedish krona | – | (1,160) | (1,160) | (0.15) |
| Swiss franc | – | (3,409) | (3,409) | (0.43) |
| US dollar | 5,067 | (132,140) | (127,073) | (16.02) |
| **Total exposure to foreign currencies** | **5,067** | **(190,839)** | **(185,772)** | **(23.43)** |
| **ACS LifePath 2031-2033** | | | | |
| Australian dollar | – | (6,694) | (6,694) | (0.37) |
| Canadian dollar | – | (12,096) | (12,096) | (0.67) |
| Danish kroner | – | (2,458) | (2,458) | (0.14) |
| Euro | – | (48,901) | (48,901) | (2.71) |
| Hong Kong dollar | – | (1,355) | (1,355) | (0.08) |
| Israeli new shekel | – | (616) | (616) | (0.03) |
| Japanese yen | – | (29,862) | (29,862) | (1.66) |
| New Zealand dollar | – | (244) | (244) | (0.01) |
| Norwegian krone | – | (1,079) | (1,079) | (0.06) |
| Singapore dollar | – | (966) | (966) | (0.05) |
| Swedish krona | – | (2,390) | (2,390) | (0.13) |
| Swiss franc | – | (7,016) | (7,016) | (0.39) |
| US dollar | 17,335 | (272,915) | (255,580) | (14.19) |
| **Total exposure to foreign currencies** | **17,335** | **(386,592)** | **(369,257)** | **(20.49)** |

## FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2024<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **ACS LifePath 2034-2036** | | | | |
| Australian dollar | – | (3,319) | (3,319) | (0.32) |
| Canadian dollar | – | (6,025) | (6,025) | (0.57) |
| Danish kroner | – | (1,295) | (1,295) | (0.12) |
| Euro | – | (23,069) | (23,069) | (2.20) |
| Hong Kong dollar | – | (815) | (815) | (0.08) |
| Israeli new shekel | – | (304) | (304) | (0.03) |
| Japanese yen | – | (14,205) | (14,205) | (1.35) |
| New Zealand dollar | – | (157) | (157) | (0.01) |
| Norwegian krone | – | (497) | (497) | (0.05) |
| Singapore dollar | – | (418) | (418) | (0.04) |
| Swedish krona | – | (1,234) | (1,234) | (0.12) |
| Swiss franc | – | (3,648) | (3,648) | (0.35) |
| US dollar | 10,716 | (138,702) | (127,986) | (12.20) |
| **Total exposure to foreign currencies** | **10,716** | **(193,688)** | **(182,972)** | **(17.44)** |
| **ACS LifePath 2037-2039** | | | | |
| Australian dollar | – | (5,189) | (5,189) | (0.26) |
| Canadian dollar | – | (9,506) | (9,506) | (0.48) |
| Danish kroner | – | (2,071) | (2,071) | (0.10) |
| Euro | 1 | (33,658) | (33,657) | (1.70) |
| Hong Kong dollar | – | (1,114) | (1,114) | (0.06) |
| Israeli new shekel | – | (499) | (499) | (0.03) |
| Japanese yen | – | (21,467) | (21,467) | (1.08) |
| New Zealand dollar | – | (272) | (272) | (0.01) |
| Norwegian krone | – | (738) | (738) | (0.04) |
| Singapore dollar | – | (839) | (839) | (0.04) |
| Swedish krona | – | (2,099) | (2,099) | (0.11) |
| Swiss franc | – | (5,999) | (5,999) | (0.30) |
| US dollar | 16,216 | (218,346) | (202,130) | (10.18) |
| **Total exposure to foreign currencies** | **16,217** | **(301,797)** | **(285,580)** | **(14.39)** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2024<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **ACS LifePath 2040-2042** | | | | |
| Australian dollar | – | (1,991) | (1,991) | (0.21) |
| Canadian dollar | – | (3,682) | (3,682) | (0.38) |
| Danish kroner | – | (819) | (819) | (0.08) |
| Euro | – | (11,911) | (11,911) | (1.23) |
| Hong Kong dollar | – | (454) | (454) | (0.05) |
| Israeli new shekel | – | (228) | (228) | (0.02) |
| Japanese yen | – | (7,837) | (7,837) | (0.81) |
| New Zealand dollar | – | (121) | (121) | (0.01) |
| Norwegian krone | – | (293) | (293) | (0.03) |
| Singapore dollar | – | (267) | (267) | (0.03) |
| Swedish krona | – | (867) | (867) | (0.09) |
| Swiss franc | – | (2,345) | (2,345) | (0.24) |
| US dollar | 6,475 | (83,084) | (76,609) | (7.94) |
| **Total exposure to foreign currencies** | **6,475** | **(113,899)** | **(107,424)** | **(11.12)** |
| **ACS LifePath 2043-2045** | | | | |
| Australian dollar | – | (3,765) | (3,765) | (0.21) |
| Canadian dollar | – | (6,802) | (6,802) | (0.38) |
| Danish kroner | – | (1,576) | (1,576) | (0.09) |
| Euro | – | (21,306) | (21,306) | (1.20) |
| Hong Kong dollar | – | (1,002) | (1,002) | (0.06) |
| Israeli new shekel | – | (341) | (341) | (0.02) |
| Japanese yen | – | (14,383) | (14,383) | (0.81) |
| New Zealand dollar | – | (178) | (178) | (0.01) |
| Norwegian krone | – | (604) | (604) | (0.03) |
| Singapore dollar | – | (658) | (658) | (0.04) |
| Swedish krona | – | (1,671) | (1,671) | (0.09) |
| Swiss franc | – | (4,483) | (4,483) | (0.25) |
| US dollar | 9,018 | (158,217) | (149,199) | (8.40) |
| **Total exposure to foreign currencies** | **9,018** | **(214,986)** | **(205,968)** | **(11.59)** |

## FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2024<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **ACS LifePath 2046-2048** | | | | |
| Australian dollar | – | (1,264) | (1,264) | (0.15) |
| Canadian dollar | – | (2,304) | (2,304) | (0.27) |
| Danish kroner | – | (536) | (536) | (0.06) |
| Euro | 1 | (6,374) | (6,373) | (0.75) |
| Hong Kong dollar | – | (287) | (287) | (0.03) |
| Israeli new shekel | – | (101) | (101) | (0.01) |
| Japanese yen | – | (4,524) | (4,524) | (0.53) |
| New Zealand dollar | – | (94) | (94) | (0.01) |
| Norwegian krone | – | (199) | (199) | (0.02) |
| Polish Zloty | – | (9) | (9) | – |
| Singapore dollar | – | (207) | (207) | (0.02) |
| South Korean won | – | (76) | (76) | (0.01) |
| Swedish krona | – | (574) | (574) | (0.07) |
| Swiss franc | – | (1,535) | (1,535) | (0.18) |
| US dollar | 3,210 | (52,139) | (48,929) | (5.73) |
| **Total exposure to foreign currencies** | **3,211** | **(70,223)** | **(67,012)** | **(7.84)** |
| **ACS LifePath 2049-2051** | | | | |
| Australian dollar | – | (1,031) | (1,031) | (0.07) |
| Canadian dollar | – | (1,897) | (1,897) | (0.13) |
| Danish kroner | – | (538) | (538) | (0.04) |
| Euro | – | (5,351) | (5,351) | (0.36) |
| Hong Kong dollar | – | (253) | (253) | (0.02) |
| Israeli new shekel | – | (87) | (87) | (0.01) |
| Japanese yen | – | (3,765) | (3,765) | (0.25) |
| New Zealand dollar | – | (119) | (119) | (0.01) |
| Norwegian krone | – | (153) | (153) | (0.01) |
| Polish Zloty | – | (22) | (22) | – |
| Singapore dollar | – | (152) | (152) | (0.01) |
| South Korean won | – | (135) | (135) | (0.01) |
| Swedish krona | – | (427) | (427) | (0.03) |
| Swiss franc | – | (1,369) | (1,369) | (0.09) |
| US dollar | 2,748 | (46,322) | (43,574) | (2.93) |
| **Total exposure to foreign currencies** | **2,748** | **(61,621)** | **(58,873)** | **(3.97)** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2024<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **ACS LifePath 2052-2054** | | | | |
| Australian dollar | – | (486) | (486) | (0.08) |
| Canadian dollar | – | (838) | (838) | (0.13) |
| Danish kroner | – | (219) | (219) | (0.03) |
| Euro | 1 | (2,258) | (2,257) | (0.35) |
| Hong Kong dollar | – | (113) | (113) | (0.02) |
| Israeli new shekel | – | (40) | (40) | (0.01) |
| Japanese yen | – | (1,681) | (1,681) | (0.26) |
| New Zealand dollar | – | (55) | (55) | (0.01) |
| Norwegian krone | – | (75) | (75) | (0.01) |
| Polish Zloty | – | (15) | (15) | – |
| Singapore dollar | – | (80) | (80) | (0.01) |
| South Korean won | – | (30) | (30) | – |
| Swedish krona | – | (188) | (188) | (0.03) |
| Swiss franc | – | (615) | (615) | (0.10) |
| US dollar | – | (20,398) | (20,398) | (3.18) |
| **Total exposure to foreign currencies** | **1** | **(27,091)** | **(27,090)** | **(4.22)** |
| **ACS LifePath 2055-2057** | | | | |
| Australian dollar | – | (712) | (712) | (0.07) |
| Canadian dollar | – | (1,253) | (1,253) | (0.13) |
| Danish kroner | – | (313) | (313) | (0.03) |
| Euro | 1 | (3,287) | (3,286) | (0.34) |
| Hong Kong dollar | – | (160) | (160) | (0.02) |
| Israeli new shekel | – | (57) | (57) | (0.01) |
| Japanese yen | – | (2,560) | (2,560) | (0.26) |
| New Zealand dollar | – | (77) | (77) | (0.01) |
| Norwegian krone | – | (105) | (105) | (0.01) |
| Polish Zloty | – | (12) | (12) | – |
| Singapore dollar | – | (113) | (113) | (0.01) |
| South Korean won | – | (48) | (48) | – |
| Swedish krona | – | (266) | (266) | (0.03) |
| Swiss franc | – | (858) | (858) | (0.09) |
| US dollar | – | (30,980) | (30,980) | (3.21) |
| **Total exposure to foreign currencies** | **1** | **(40,801)** | **(40,800)** | **(4.22)** |
| **Blackrock FutureWise 2023-27** | | | | |
| Euro | 1 | – | 1 | – |
| **Total exposure to foreign currencies** | **1** | **–** | **1** | **–** |
| **BlackRock FutureWise 2033-37** | | | | |
| Euro | 141,652 | – | 141,652 | 4.29 |
| **Total exposure to foreign currencies** | **141,652** | **–** | **141,652** | **4.29** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2024<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **BlackRock FutureWise Early Days Aggregator** | | | | |
| Euro | 75,622 | – | 75,622 | 0.77 |
| **Total exposure to foreign currencies** | **75,622** | **–** | **75,622** | **0.77** |
| **BlackRock Growth Allocation Fund** | | | | |
| Australian dollar | – | (799) | (799) | (0.08) |
| Canadian dollar | – | (1,387) | (1,387) | (0.13) |
| Danish kroner | – | (374) | (374) | (0.04) |
| Euro | – | (3,460) | (3,460) | (0.33) |
| Hong Kong dollar | – | (187) | (187) | (0.02) |
| Israeli new shekel | – | (67) | (67) | (0.01) |
| Japanese yen | – | (2,760) | (2,760) | (0.26) |
| New Zealand dollar | – | (91) | (91) | (0.01) |
| Norwegian krone | – | (123) | (123) | (0.01) |
| Polish Zloty | – | (18) | (18) | – |
| Singapore dollar | – | (132) | (132) | (0.01) |
| South Korean won | – | (58) | (58) | (0.01) |
| Swedish krona | – | (312) | (312) | (0.03) |
| Swiss franc | – | (977) | (977) | (0.09) |
| US dollar | – | (34,348) | (34,348) | (3.24) |
| **Total exposure to foreign currencies** | **–** | **(45,093)** | **(45,093)** | **(4.27)** |
| **BlackRock Pension Growth Fund** | | | | |
| Australian dollar | (13) | – | (13) | – |
| Canadian dollar | 60 | – | 60 | – |
| Euro | 166 | (497,715) | (497,549) | (4.71) |
| Japanese yen | 4,708 | (230,097) | (225,389) | (2.13) |
| Swedish krona | 1 | – | 1 | – |
| Turkish lira | 33 | – | 33 | – |
| US dollar | 7,646 | (2,918,485) | (2,910,839) | (27.53) |
| **Total exposure to foreign currencies** | **12,601** | **(3,646,297)** | **(3,633,696)** | **(34.37)** |

## FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2024<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **BlackRock Retirement Allocation Fund** | | | | |
| Australian dollar | (1,236) | – | (1,236) | (0.45) |
| Canadian dollar | (2,257) | – | (2,257) | (0.83) |
| Danish kroner | (380) | – | (380) | (0.14) |
| Euro | (11,314) | – | (11,314) | (4.15) |
| Hong Kong dollar | (227) | – | (227) | (0.08) |
| Israeli new shekel | (97) | – | (97) | (0.04) |
| Japanese yen | (7,229) | – | (7,229) | (2.65) |
| New Zealand dollar | (37) | – | (37) | (0.01) |
| Norwegian krone | (177) | – | (177) | (0.06) |
| Singapore dollar | (130) | – | (130) | (0.05) |
| Swedish krona | (387) | – | (387) | (0.14) |
| Swiss franc | (1,170) | – | (1,170) | (0.43) |
| US dollar | (49,560) | – | (49,560) | (18.18) |
| **Total exposure to foreign currencies** | **(74,201)** | **–** | **(74,201)** | **(27.21)** |

## FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2023<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **ACS LifePath 2022-2024** | | | | |
| Australian dollar | 1,540 | (2,990) | (1,450) | (0.52) |
| Canadian dollar | 2,486 | (4,799) | (2,313) | (0.83) |
| Danish kroner | 477 | (954) | (477) | (0.17) |
| Euro | 12,845 | (24,683) | (11,838) | (4.23) |
| Hong Kong dollar | 261 | (522) | (261) | (0.09) |
| Israeli new shekel | 99 | (198) | (99) | (0.04) |
| Japanese yen | 8,856 | (16,676) | (7,820) | (2.80) |
| New Zealand dollar | 83 | (130) | (47) | (0.02) |
| Norwegian krone | 288 | (508) | (220) | (0.08) |
| Singapore dollar | 220 | (344) | (124) | (0.04) |
| Swedish krona | 497 | (949) | (452) | (0.16) |
| Swiss franc | 1,500 | (2,773) | (1,273) | (0.46) |
| US dollar | 50,838 | (96,952) | (46,114) | (16.50) |
| **Total exposure to foreign currencies** | **79,990** | **(152,478)** | **(72,488)** | **(25.94)** |
| **ACS LifePath 2025-2027** | | | | |
| Australian dollar | 4,628 | (9,117) | (4,489) | (0.51) |
| Canadian dollar | 7,573 | (14,877) | (7,304) | (0.82) |
| Danish kroner | 1,607 | (3,216) | (1,609) | (0.18) |
| Euro | 37,417 | (71,831) | (34,414) | (3.88) |
| Hong Kong dollar | 875 | (1,749) | (874) | (0.10) |
| Israeli new shekel | 298 | (597) | (299) | (0.03) |
| Japanese yen | 24,443 | (46,130) | (21,687) | (2.44) |
| New Zealand dollar | 267 | (422) | (155) | (0.02) |
| Norwegian krone | 888 | (1,591) | (703) | (0.08) |
| Singapore dollar | 768 | (1,216) | (448) | (0.05) |
| Swedish krona | 1,678 | (3,217) | (1,539) | (0.17) |
| Swiss franc | 4,838 | (9,081) | (4,243) | (0.48) |
| US dollar | 168,373 | (312,321) | (143,948) | (16.22) |
| **Total exposure to foreign currencies** | **253,653** | **(475,365)** | **(221,712)** | **(24.98)** |

## FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2023<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **ACS LifePath 2028-2030** | | | | |
| Australian dollar | 3,083 | (6,463) | (3,380) | (0.47) |
| Canadian dollar | 5,062 | (10,572) | (5,510) | (0.76) |
| Danish kroner | 1,083 | (2,301) | (1,218) | (0.17) |
| Euro | 23,447 | (47,965) | (24,518) | (3.39) |
| Hong Kong dollar | 628 | (1,255) | (627) | (0.09) |
| Israeli new shekel | 253 | (507) | (254) | (0.04) |
| Japanese yen | 15,155 | (30,557) | (15,402) | (2.13) |
| New Zealand dollar | 169 | (337) | (168) | (0.02) |
| Norwegian krone | 598 | (1,197) | (599) | (0.08) |
| Singapore dollar | 503 | (874) | (371) | (0.05) |
| Swedish krona | 1,183 | (2,367) | (1,184) | (0.16) |
| Swiss franc | 3,347 | (6,700) | (3,353) | (0.46) |
| US dollar | 116,143 | (224,098) | (107,955) | (14.95) |
| **Total exposure to foreign currencies** | **170,654** | **(335,193)** | **(164,539)** | **(22.77)** |
| **ACS LifePath 2031-2033** | | | | |
| Australian dollar | 5,853 | (12,225) | (6,372) | (0.42) |
| Canadian dollar | 9,580 | (19,920) | (10,340) | (0.68) |
| Danish kroner | 2,155 | (4,546) | (2,391) | (0.16) |
| Euro | 41,597 | (84,377) | (42,780) | (2.81) |
| Hong Kong dollar | 1,265 | (2,530) | (1,265) | (0.08) |
| Israeli new shekel | 430 | (863) | (433) | (0.03) |
| Japanese yen | 27,308 | (54,483) | (27,175) | (1.78) |
| New Zealand dollar | 270 | (541) | (271) | (0.02) |
| Norwegian krone | 1,149 | (2,300) | (1,151) | (0.08) |
| Singapore dollar | 997 | (1,762) | (765) | (0.05) |
| Swedish krona | 2,378 | (4,758) | (2,380) | (0.16) |
| Swiss franc | 6,530 | (13,073) | (6,543) | (0.43) |
| US dollar | 222,634 | (423,257) | (200,623) | (13.18) |
| **Total exposure to foreign currencies** | **322,146** | **(624,635)** | **(302,489)** | **(19.88)** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2023<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **ACS LifePath 2034-2036** | | | | |
| Australian dollar | 3,669 | (6,990) | (3,321) | (0.36) |
| Canadian dollar | 5,995 | (11,337) | (5,342) | (0.59) |
| Danish kroner | 1,400 | (2,687) | (1,287) | (0.14) |
| Euro | 24,333 | (45,283) | (20,950) | (2.30) |
| Hong Kong dollar | 830 | (1,546) | (716) | (0.08) |
| Israeli new shekel | 303 | (604) | (301) | (0.03) |
| Japanese yen | 16,331 | (29,897) | (13,566) | (1.49) |
| New Zealand dollar | 174 | (347) | (173) | (0.02) |
| Norwegian krone | 726 | (1,271) | (545) | (0.06) |
| Singapore dollar | 727 | (1,152) | (425) | (0.05) |
| Swedish krona | 1,650 | (2,996) | (1,346) | (0.15) |
| Swiss franc | 4,165 | (7,623) | (3,458) | (0.38) |
| US dollar | 137,243 | (241,303) | (104,060) | (11.44) |
| **Total exposure to foreign currencies** | **197,546** | **(353,036)** | **(155,490)** | **(17.09)** |
| **ACS LifePath 2037-2039** | | | | |
| Australian dollar | 5,560 | (10,436) | (4,876) | (0.31) |
| Canadian dollar | 9,039 | (16,823) | (7,784) | (0.49) |
| Danish kroner | 2,192 | (4,126) | (1,934) | (0.12) |
| Euro | 34,746 | (63,689) | (28,943) | (1.82) |
| Hong Kong dollar | 1,311 | (2,401) | (1,090) | (0.07) |
| Israeli new shekel | 497 | (990) | (493) | (0.03) |
| Japanese yen | 23,687 | (42,875) | (19,188) | (1.21) |
| New Zealand dollar | 301 | (602) | (301) | (0.02) |
| Norwegian krone | 1,110 | (1,918) | (808) | (0.05) |
| Singapore dollar | 1,010 | (1,669) | (659) | (0.04) |
| Swedish krona | 2,470 | (4,525) | (2,055) | (0.13) |
| Swiss franc | 6,421 | (11,572) | (5,151) | (0.32) |
| US dollar | 206,734 | (358,383) | (151,649) | (9.53) |
| **Total exposure to foreign currencies** | **295,078** | **(520,009)** | **(224,931)** | **(14.14)** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2023<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **ACS LifePath 2040-2042** | | | | |
| Australian dollar | 2,320 | (4,236) | (1,916) | (0.24) |
| Canadian dollar | 3,757 | (6,808) | (3,051) | (0.38) |
| Danish kroner | 945 | (1,724) | (779) | (0.10) |
| Euro | 13,539 | (24,282) | (10,743) | (1.35) |
| Hong Kong dollar | 570 | (1,014) | (444) | (0.06) |
| Israeli new shekel | 227 | (452) | (225) | (0.03) |
| Japanese yen | 9,414 | (16,615) | (7,201) | (0.90) |
| New Zealand dollar | 135 | (269) | (134) | (0.02) |
| Norwegian krone | 468 | (789) | (321) | (0.04) |
| Singapore dollar | 435 | (707) | (272) | (0.03) |
| Swedish krona | 1,074 | (1,910) | (836) | (0.11) |
| Swiss franc | 2,731 | (4,797) | (2,066) | (0.26) |
| US dollar | 85,858 | (145,268) | (59,410) | (7.46) |
| **Total exposure to foreign currencies** | **121,473** | **(208,871)** | **(87,398)** | **(10.98)** |
| **ACS LifePath 2043-2045** | | | | |
| Australian dollar | 3,123 | (6,563) | (3,440) | (0.25) |
| Canadian dollar | 5,033 | (10,478) | (5,445) | (0.39) |
| Danish kroner | 1,305 | (2,611) | (1,306) | (0.09) |
| Euro | 17,086 | (35,057) | (17,971) | (1.30) |
| Hong Kong dollar | 792 | (1,585) | (793) | (0.06) |
| Israeli new shekel | 339 | (676) | (337) | (0.02) |
| Japanese yen | 12,156 | (24,556) | (12,400) | (0.90) |
| New Zealand dollar | 197 | (394) | (197) | (0.01) |
| Norwegian krone | 636 | (1,270) | (634) | (0.05) |
| Singapore dollar | 601 | (1,203) | (602) | (0.04) |
| Swedish krona | 1,495 | (2,991) | (1,496) | (0.11) |
| Swiss franc | 3,729 | (7,471) | (3,742) | (0.27) |
| US dollar | 115,033 | (223,141) | (108,108) | (7.84) |
| **Total exposure to foreign currencies** | **161,525** | **(317,996)** | **(156,471)** | **(11.33)** |

## FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2023<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **ACS LifePath 2046-2048** | | | | |
| Australian dollar | 1,071 | (2,245) | (1,174) | (0.17) |
| Canadian dollar | 1,702 | (3,537) | (1,835) | (0.27) |
| Danish kroner | 454 | (909) | (455) | (0.07) |
| Euro | 5,403 | (11,026) | (5,623) | (0.83) |
| Hong Kong dollar | 281 | (562) | (281) | (0.04) |
| Israeli new shekel | 101 | (202) | (101) | (0.01) |
| Japanese yen | 3,963 | (7,944) | (3,981) | (0.59) |
| New Zealand dollar | 104 | (208) | (104) | (0.02) |
| Norwegian krone | 218 | (436) | (218) | (0.03) |
| Polish zloty | 9 | (18) | (9) | – |
| Singapore dollar | 211 | (421) | (210) | (0.03) |
| South Korean won | – | (85) | (85) | (0.01) |
| Swedish krona | 524 | (1,048) | (524) | (0.08) |
| Swiss franc | 1,302 | (2,608) | (1,306) | (0.19) |
| US dollar | 38,479 | (75,270) | (36,791) | (5.43) |
| **Total exposure to foreign currencies** | **53,822** | **(106,519)** | **(52,697)** | **(7.77)** |
| **ACS LifePath 2049-2051** | | | | |
| Australian dollar | 1,772 | (2,745) | (973) | (0.09) |
| Canadian dollar | 2,777 | (4,277) | (1,500) | (0.14) |
| Danish kroner | 756 | (1,169) | (413) | (0.04) |
| Euro | 8,392 | (12,720) | (4,328) | (0.40) |
| Hong Kong dollar | 475 | (723) | (248) | (0.02) |
| Israeli new shekel | 232 | (318) | (86) | (0.01) |
| Japanese yen | 6,336 | (9,513) | (3,177) | (0.29) |
| New Zealand dollar | 131 | (262) | (131) | (0.01) |
| Norwegian krone | 360 | (527) | (167) | (0.02) |
| Polish zloty | 23 | (45) | (22) | – |
| Singapore dollar | 352 | (507) | (155) | (0.01) |
| South Korean won | – | (152) | (152) | (0.01) |
| Swedish krona | 877 | (1,335) | (458) | (0.04) |
| Swiss franc | 2,174 | (3,282) | (1,108) | (0.10) |
| US dollar | 61,112 | (91,237) | (30,125) | (2.77) |
| **Total exposure to foreign currencies** | **85,769** | **(128,812)** | **(43,043)** | **(3.95)** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2023<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **ACS LifePath 2052-2054** | | | | |
| Australian dollar | 406 | (813) | (407) | (0.08) |
| Canadian dollar | 628 | (1,306) | (678) | (0.14) |
| Danish kroner | 174 | (349) | (175) | (0.04) |
| Euro | 1,827 | (3,708) | (1,881) | (0.39) |
| Hong Kong dollar | 110 | (220) | (110) | (0.02) |
| Israeli new shekel | 40 | (80) | (40) | (0.01) |
| Japanese yen | 1,443 | (2,892) | (1,449) | (0.30) |
| New Zealand dollar | 61 | (121) | (60) | (0.01) |
| Norwegian krone | 82 | (164) | (82) | (0.02) |
| Polish zloty | 15 | (30) | (15) | – |
| Singapore dollar | 81 | (163) | (82) | (0.02) |
| South Korean won | – | (34) | (34) | (0.01) |
| Swedish krona | 202 | (404) | (202) | (0.04) |
| Swiss franc | 500 | (1,001) | (501) | (0.10) |
| US dollar | 13,601 | (28,019) | (14,418) | (2.97) |
| **Total exposure to foreign currencies** | **19,170** | **(39,304)** | **(20,134)** | **(4.15)** |
| **ACS LifePath 2055-2057** | | | | |
| Australian dollar | 572 | (1,143) | (571) | (0.08) |
| Canadian dollar | 877 | (1,826) | (949) | (0.14) |
| Danish kroner | 246 | (491) | (245) | (0.04) |
| Euro | 2,491 | (5,066) | (2,575) | (0.38) |
| Hong Kong dollar | 156 | (312) | (156) | (0.02) |
| Israeli new shekel | 57 | (114) | (57) | (0.01) |
| Japanese yen | 2,019 | (4,047) | (2,028) | (0.30) |
| New Zealand dollar | 86 | (171) | (85) | (0.01) |
| Norwegian krone | 116 | (231) | (115) | (0.02) |
| Polish zloty | 13 | (25) | (12) | – |
| Singapore dollar | 115 | (230) | (115) | (0.02) |
| South Korean won | – | (53) | (53) | (0.01) |
| Swedish krona | 286 | (572) | (286) | (0.04) |
| Swiss franc | 703 | (1,408) | (705) | (0.10) |
| US dollar | 18,740 | (38,946) | (20,206) | (2.98) |
| **Total exposure to foreign currencies** | **26,477** | **(54,635)** | **(28,158)** | **(4.15)** |
| **Blackrock FutureWise 2028-32** | | | | |
| Euro | 1 | – | 1 | **–** |
| **Total exposure to foreign currencies** | **1** | **–** | **1** | **–** |
| **BlackRock FutureWise 2033-37** | | | | |
| Euro | 1 | – | 1 | **–** |
| **Total exposure to foreign currencies** | **1** | **–** | **1** | **–** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2023<br>Foreign currency exposure | Gross Foreign Currency Exposure £000's | Forward Currency Contracts £000's | Net Foreign Currency Exposure £000's | % of Net Assets |
|---|---|---|---|---|
| **BlackRock FutureWise Retirement Aggregator** | | | | |
| Euro | 1 | – | 1 | – |
| **Total exposure to foreign currencies** | **1** | **–** | **1** | **–** |
| **BlackRock Growth Allocation Fund** | | | | |
| Australian dollar | 670 | (1,340) | (670) | (0.08) |
| Canadian dollar | 1,026 | (2,140) | (1,114) | (0.14) |
| Danish kroner | 288 | (576) | (288) | (0.04) |
| Euro | 2,903 | (5,916) | (3,013) | (0.38) |
| Hong Kong dollar | 183 | (366) | (183) | (0.02) |
| Israeli new shekel | 67 | (133) | (66) | (0.01) |
| Japanese yen | 2,367 | (4,744) | (2,377) | (0.30) |
| New Zealand dollar | 100 | (201) | (101) | (0.01) |
| Norwegian krone | 135 | (270) | (135) | (0.02) |
| Polish zloty | 18 | (36) | (18) | – |
| Singapore dollar | 135 | (269) | (134) | (0.02) |
| South Korean won | – | (64) | (64) | (0.01) |
| Swedish krona | 335 | (670) | (335) | (0.04) |
| Swiss franc | 824 | (1,651) | (827) | (0.10) |
| US dollar | 22,299 | (46,036) | (23,737) | (2.99) |
| **Total exposure to foreign currencies** | **31,350** | **(64,412)** | **(33,062)** | **(4.16)** |
| **BlackRock Pension Growth Fund** | | | | |
| Euro | – | (697,918) | (697,918) | (8.15) |
| US dollar | 671,090 | (2,187,143) | (1,516,053) | (17.69) |
| **Total exposure to foreign currencies** | **671,090** | **(2,885,061)** | **(2,213,971)** | **(25.84)** |
| **BlackRock Retirement Allocation Fund** | | | | |
| Australian dollar | 1,001 | (2,001) | (1,000) | (0.53) |
| Canadian dollar | 1,615 | (3,184) | (1,569) | (0.83) |
| Danish kroner | 310 | (620) | (310) | (0.16) |
| Euro | 8,644 | (16,662) | (8,018) | (4.23) |
| Hong Kong dollar | 169 | (339) | (170) | (0.09) |
| Israeli new shekel | 72 | (121) | (49) | (0.03) |
| Japanese yen | 5,895 | (11,181) | (5,286) | (2.79) |
| New Zealand dollar | 41 | (82) | (41) | (0.02) |
| Norwegian krone | 187 | (336) | (149) | (0.08) |
| Singapore dollar | 143 | (227) | (84) | (0.04) |
| Swedish krona | 323 | (647) | (324) | (0.17) |
| Swiss franc | 975 | (1,840) | (865) | (0.46) |
| US dollar | 33,915 | (65,805) | (31,890) | (16.84) |
| **Total exposure to foreign currencies** | **53,290** | **(103,045)** | **(49,755)** | **(26.27)** |

## FINANCIAL INSTRUMENTS AND RISKS (continued)

### Management of foreign currency risk

Foreign currency exposures are managed within parameters utilising forward currency contracts. The details of the contracts in place at the year-end are disclosed in the portfolio statement of each Fund.

### ii) Market risk arising from other price risk

### Exposure to other price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Fund and the market price of its investments.

The Funds are exposed to market price risk arising from their investments. The exposure of the Funds to other price risk is the market value of the investments held as shown in the portfolio statement of each Fund.

### Management of other price risk

By diversifying the portfolio, where this is appropriate and consistent with the Funds' objectives, the risk that a price change of a particular investment will have a material impact on the net asset value of the Funds is minimised. The investment concentrations within the portfolio are disclosed in the portfolio statement of each Fund by investment type.

The other price risk inherent in holdings in CIS is monitored by the Investment Manager by understanding the investment objectives of the underlying funds as well as their internal control policies and regular risk and performance reporting.

To manage other price risk, the Investment Manager performs extensive initial and ongoing due diligence on the underlying funds. The underlying funds are required to provide the Investment Manager with reports on a daily, monthly or quarterly basis, monitoring the internal controls and operational infrastructure of the managers of these funds.

### iii) Market risk arising from interest rate risk

### Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Funds are exposed to interest rate risk on their cash and bank balances held at The Northern Trust Company. Cash held on deposit at The Northern Trust Company receives/incurs interest at the prevailing daily rate which may be negative depending on the currency in which the cash is held.

The Funds also have indirect exposure to interest rate risk through their investments into CIS, whereby the value of the underlying asset may fluctuate as a result of a change in interest rates and through their investments in futures contracts, whereby the value of an underlying assets may fluctuate as a result of a change in interest rates through their investments in interest-bearing securities.

At 31 December 2024 and 31 December 2023, no interest bearing investments were held by the Funds.

### Management of interest rate risk

Interest rate risk exposure is managed by constantly monitoring the position for deviations outside a pre-determined tolerance level and, when necessary, rebalancing back to the original desired parameters.

## FINANCIAL INSTRUMENTS AND RISKS (continued)

### b) Counterparty credit risk

**Exposure to counterparty credit risk**

Counterparty credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Funds are exposed to counterparty credit risk from the parties with which they trade and will bear the risk of settlement default.

**Management of counterparty credit risk**

Counterparty credit risk is monitored and managed by BlackRock's RQA Counterparty & Concentration Risk Team. The team is headed by BlackRock's Chief Counterparty Credit Officer who reports directly to the Global Head of RQA Group. Credit authority resides with the Chief Counterparty Credit Officer and selected team members to whom specific credit authority has been delegated. As such, counterparty approvals may be granted by the Chief Counterparty Credit Officer or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Counterparty Credit Officer as deemed appropriate.

BlackRock's RQA Counterparty & Concentration Risk Team completes a formal review of each new counterparty, monitors and reviews all approved counterparties on an ongoing basis and maintains an active oversight of counterparty exposures.

The Manager maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's creditworthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

**i) Over-the-Counter ("OTC") Financial Derivative Instruments ("FDIs")**

The Funds' holdings in OTC FDIs also expose the Funds to counterparty credit risk.

All OTC FDIs are entered into by the Funds under an International Swaps and Derivatives Associations, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement. An ISDA Master Agreement is a bilateral agreement between the Funds and a counterparty that governs OTC FDIs entered into by the parties. The parties' exposures under the ISDA Master Agreement are netted and collateralised together, therefore any collateral disclosures provided are in respect of all OTC FDIs entered into by the Funds under the ISDA Master Agreement. All collateral received/posted by the Funds under the ISDA Master Agreement is transferred bilaterally under a title transfer arrangement.

The Funds' maximum exposure to counterparty credit risk from holding forward currency contracts will be equal to the notional amount of the currency and any net unrealised gains or losses as disclosed in the portfolio statement.

**Management of counterparty credit risk related to OTC FDIs**

Forward currency contracts do not require variation margin and thus the counterparty credit risk is monitored through the BlackRock RQA Counterparty & Concentration Risk Team who monitor the creditworthiness of the counterparty.

## FINANCIAL INSTRUMENTS AND RISKS (continued)

The following table details the counterparties the Funds are exposed to by OTC FDIs and the maximum exposure (which is calculated on a net basis) to each counterparty.

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| Counterparty | Forwards £000's | Total Exposure £000's | Forwards £000's | Total Exposure £000's |
| **ACS LifePath 2022-2024** | | | | |
| Barclays Bank | 52 | 52 | – | – |
| BNP Paribas | 1 | 1 | – | – |
| Deutsche Bank | (55) | (55) | (389) | (389) |
| HSBC Bank | (5) | (5) | – | – |
| J.P. Morgan Chase Bank | – | – | (1) | (1) |
| Lloyds Bank Corporate Markets | (130) | (130) | 164 | 164 |
| Morgan Stanley & Co. International | – | – | (3) | (3) |
| State Street Bank and Trust | 4 | 4 | – | – |
| **ACS LifePath 2025-2027** | | | | |
| Barclays Bank | 305 | 305 | (2) | (2) |
| BNP Paribas | (4) | (4) | – | – |
| Deutsche Bank | (455) | (455) | (1,146) | (1,146) |
| HSBC Bank | 17 | 17 | – | – |
| Lloyds Bank Corporate Markets | (1,062) | (1,062) | 485 | 485 |
| Morgan Stanley & Co. International | – | – | 16 | 16 |
| State Street Bank and Trust | 5 | 5 | – | – |
| **ACS LifePath 2028-2030** | | | | |
| Barclays Bank | 230 | 230 | – | – |
| BNP Paribas | (3) | (3) | – | – |
| Deutsche Bank | (342) | (342) | (729) | (729) |
| HSBC Bank | (9) | (9) | – | – |
| Lloyds Bank Corporate Markets | (799) | (799) | 332 | 332 |
| Morgan Stanley & Co. International | – | – | (6) | (6) |
| State Street Bank and Trust | 13 | 13 | – | – |
| **ACS LifePath 2031-2033** | | | | |
| Barclays Bank | 444 | 444 | – | – |
| BNP Paribas | (6) | (6) | – | – |
| Deutsche Bank | (734) | (734) | (1,329) | (1,329) |
| HSBC Bank | 11 | 11 | – | – |
| Lloyds Bank Corporate Markets | (1,713) | (1,713) | 640 | 640 |
| Morgan Stanley & Co. International | – | – | (17) | (17) |
| State Street Bank and Trust | 14 | 14 | – | – |

## FINANCIAL INSTRUMENTS AND RISKS (continued)

| Counterparty | 31 December 2024 Forwards £000's | 31 December 2024 Total Exposure £000's | 31 December 2023 Forwards £000's | 31 December 2023 Total Exposure £000's |
|---|---|---|---|---|
| **ACS LifePath 2034-2036** | | | | |
| Barclays Bank | 222 | 222 | – | – |
| BNP Paribas | (3) | (3) | – | – |
| Deutsche Bank | (382) | (382) | (752) | (752) |
| HSBC Bank | (3) | (3) | – | – |
| Lloyds Bank Corporate Markets | (892) | (892) | 426 | 426 |
| Morgan Stanley & Co. International | – | – | 11 | 11 |
| State Street Bank and Trust | 3 | 3 | – | – |
| **ACS LifePath 2037-2039** | | | | |
| Barclays Bank | 350 | 350 | 8 | 8 |
| BNP Paribas | (5) | (5) | – | – |
| Deutsche Bank | (612) | (612) | (1,112) | (1,112) |
| HSBC Bank | 8 | 8 | – | – |
| Lloyds Bank Corporate Markets | (1,429) | (1,429) | 647 | 647 |
| Morgan Stanley & Co. International | – | – | 22 | 22 |
| **ACS LifePath 2040-2042** | | | | |
| Barclays Bank | 142 | 142 | – | – |
| BNP Paribas | (2) | (2) | – | – |
| Deutsche Bank | (237) | (237) | (447) | (447) |
| HSBC Bank | (6) | (6) | – | – |
| Lloyds Bank Corporate Markets | (554) | (554) | 271 | 271 |
| Morgan Stanley & Co. International | – | – | 15 | 15 |
| State Street Bank and Trust | 2 | 2 | – | – |
| **ACS LifePath 2043-2045** | | | | |
| Barclays Bank | 259 | 259 | – | – |
| BNP Paribas | (4) | (4) | – | – |
| Deutsche Bank | (457) | (457) | (587) | (587) |
| HSBC Bank | (4) | (4) | – | – |
| Lloyds Bank Corporate Markets | (1,068) | (1,068) | 365 | 365 |
| Morgan Stanley & Co. International | – | – | (6) | (6) |
| **ACS LifePath 2046-2048** | | | | |
| Barclays Bank | 94 | 94 | – | – |
| BNP Paribas | (1) | (1) | – | – |
| Deutsche Bank | (155) | (155) | (195) | (195) |
| HSBC Bank | (3) | (3) | – | – |
| Lloyds Bank Corporate Markets | (361) | (361) | 124 | 124 |
| Morgan Stanley & Co. International | – | – | (2) | (2) |
| UBS | 3 | 3 | – | – |

## FINANCIAL INSTRUMENTS AND RISKS (continued)

| Counterparty | 31 December 2024 Forwards £000's | 31 December 2024 Total Exposure £000's | 31 December 2023 Forwards £000's | 31 December 2023 Total Exposure £000's |
|---|---|---|---|---|
| **ACS LifePath 2049-2051** | | | | |
| Barclays Bank | 69 | 69 | – | – |
| BNP Paribas | (1) | (1) | – | – |
| Deutsche Bank | (137) | (137) | (316) | (316) |
| HSBC Bank | –^ | –^ | – | – |
| Lloyds Bank Corporate Markets | (321) | (321) | 204 | 204 |
| Morgan Stanley & Co. International | – | – | 24 | 24 |
| State Street Bank and Trust | 1 | 1 | – | – |
| UBS | 6 | 6 | – | – |
| **ACS LifePath 2052-2054** | | | | |
| Barclays Bank | 34 | 34 | – | – |
| BNP Paribas | (1) | (1) | – | – |
| Deutsche Bank | (61) | (61) | (72) | (72) |
| HSBC Bank | –^ | –^ | – | – |
| Lloyds Bank Corporate Markets | (142) | (142) | 47 | 47 |
| Morgan Stanley & Co. International | – | – | (1) | (1) |
| UBS | 1 | 1 | –^ | –^ |
| **ACS LifePath 2055-2057** | | | | |
| Deutsche Bank | (59) | (59) | (103) | (103) |
| HSBC Bank | 14 | 14 | –^ | –^ |
| Lloyds Bank Corporate Markets | (213) | (213) | 65 | 65 |
| **BlackRock Growth Allocation Fund** | | | | |
| HSBC Bank | (295) | (295) | – | – |
| Morgan Stanley & Co. International | – | – | 8 | 8 |
| State Street Bank and Trust | 7 | 7 | (51) | (51) |
| UBS | 2 | 2 | –^ | –^ |

^ Investments which are less than £500 are rounded to zero.

FINANCIAL INSTRUMENTS AND RISKS (continued)

| Counterparty | 31 December 2024 Forwards £000's | 31 December 2024 Total Exposure £000's | 31 December 2023 Forwards £000's | 31 December 2023 Total Exposure £000's |
|---|---|---|---|---|
| **BlackRock Pension Growth Fund** | | | | |
| Barclays Bank | (6,617) | (6,617) | 13,323 | 13,323 |
| BNP Paribas | (9,384) | (9,384) | 12,902 | 12,902 |
| Deutsche Bank | (6,436) | (6,436) | 6,270 | 6,270 |
| Goldman Sachs International | (6,440) | (6,440) | 9,216 | 9,216 |
| HSBC Bank | (7,113) | (7,113) | 2,542 | 2,542 |
| J.P. Morgan Chase Bank | (14,935) | (14,935) | – | – |
| Lloyds Bank Corporate Markets | (6,855) | (6,855) | – | – |
| Morgan Stanley & Co. International | (2,243) | (2,243) | 11,878 | 11,878 |
| NatWest Markets | (375) | (375) | – | – |
| Royal Bank of Canada | (3,814) | (3,814) | – | – |
| Standard Chartered Bank | – | – | 9,203 | 9,203 |
| State Street Bank and Trust | (4,860) | (4,860) | 283 | 283 |
| Toronto-Dominion Bank | – | – | 6,003 | 6,003 |
| UBS | (6,719) | (6,719) | 3,670 | 3,670 |
| **BlackRock Retirement Allocation Fund** | | | | |
| HSBC Bank | (308) | (308) | – | – |
| Morgan Stanley & Co. International | – | – | 11 | 11 |
| State Street Bank and Trust | 17 | 17 | (153) | (153) |

**ii) Depositary and Custodian**

The Funds' Depositary is Northern Trust Investor Services Limited (the "Depositary"). The Depositary has delegated the function of custodian of the property of the Funds to The Northern Trust Company (the "Custodian").

Substantially all of the investments other than financial derivative instruments of the Funds are held by the Custodian at year end.

Investments are segregated from the assets of the Custodian, with ownership rights remaining with the Funds. Bankruptcy or insolvency of the Custodian may cause the Funds' rights with respect to its investments held by the Custodian to be delayed or limited. The maximum exposure to this risk is the amount of long investments disclosed in the portfolio statement of each Fund.

The Funds will be exposed to the credit risk of the Custodian, or any depositary used by the Depositary regarding cash balances held in accounts with same. In the event of insolvency or bankruptcy of the Custodian or any depositary used by the Depositary, the Funds will be treated as a general creditor of the Depositary.

**Management of counterparty credit risk related to the Depositary and Custodian**

To mitigate the Funds' credit risk with respect to the Depositary, the Investment Manager of the Funds employs specific procedures to ensure that the Depositary employed is a reputable institution and that the associated credit risk is acceptable to the Funds. The Funds transact with counterparties that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies.

The long term credit rating of the parent company of the Depositary and Custodian, Northern Trust Corporation as at 31 December 2024 was A+ (31 December 2023: A+) (Standard & Poor's rating).

## FINANCIAL INSTRUMENTS AND RISKS (continued)

### iii) Debt securities

Issuer credit risk is the default risk of one of the issuers of any securities held by the Funds.

The bonds held by the Funds' underlying CIS are issued by companies and government agencies in order to achieve the investment objectives for each of the Funds' underlying CIS.

The borrower receives from the Funds' underlying CIS a principal amount. The Funds' underlying CIS will then receive interest based on the coupon rate of the bond and repayment of the initial principal amount on the bond's maturity date.

Any impairment to the borrower's ability to pay amounts due may result in changes to the tradable value of the bond and the amount to be received upon maturity of the bond.

**Management of counterparty credit risk related to debt securities**

The ability of the borrower to repay not only the principal value but also any interest due on the bond, referred to as the borrower's credit rating, is monitored by the Investment Manager of the Funds underlying CIS.

The Investment Manager of the Funds' underlying CIS may undertake its own research of the borrower's financial position in order to assess the ability of the borrower to pay amounts due.

The ratings of the underlying funds' debt securities are continually monitored by the BlackRock Portfolio Management Group.

### iv) Counterparties

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Counterparty credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used.

**Management of counterparty credit risk related to counterparties**

The Manager monitors the credit rating and financial position of the brokers used to further mitigate this risk.

### c) Liquidity risk

**Exposure to liquidity risk**

Liquidity risk is the risk that the Funds will encounter difficulties in meeting its obligations associated with financial liabilities.

Liquidity risk to the Funds arises from the redemption requests of investors and the liquidity of the underlying investments the Funds are invested in. The Funds' unitholders may redeem their units on the close of any daily dealing deadline for cash equal to a proportionate share of the Funds' Net Asset Value. The Funds are therefore potentially exposed to the liquidity risk of meeting the unitholders' redemptions and may need to sell assets at prevailing market prices to meet liquidity demands.

All non-derivative financial liabilities held by the Funds as at 31 December 2024 and 31 December 2023, based on contractual maturities, fall due within three months.

**Management of liquidity risk**

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands.

## FINANCIAL INSTRUMENTS AND RISKS (continued)

To manage this risk, at times of excessive redemptions the Manager may decide to defer redemptions at any valuation point to the next valuation point where the requested aggregate redemptions exceed 10 per cent of the Fund's value. This allows the Manager to protect the interests of continuing unitholders by allowing the Manager to match the sale of Funds' investments to the level of redemptions.

All unitholders who have sought to redeem units at any valuation point at which redemptions are deferred will be treated consistently and any redemption requests received in the meantime will not be processed until the redemption requests that have been deferred to subsequent valuation points have been processed.

The Funds' liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The portfolio managers review daily forward looking cash reports which project cash obligations. These reports allow them to manage their cash obligations.

### d) Valuation of financial instruments

The Funds classify financial instruments measured at fair value using a fair value hierarchy. The fair value hierarchy has the following categories:

**Level 1 – Quoted prices for identical instruments in active markets**

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. Funds do not adjust the quoted price for these instruments.

**Level 2 – Valuation techniques using observable inputs**

This category includes instruments valued using quoted prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments such as OTC derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity determined inputs.

**Level 3 – Valuation techniques using significant unobservable inputs**

This category includes all instruments where the valuation techniques used include inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager. The Investment Manager considers observable inputs to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

## FINANCIAL INSTRUMENTS AND RISKS (continued)

The tables below is an analysis of each Fund's investment assets and investment liabilities measured at fair value at the Balance Sheet date.

| 31 December 2024 | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
|---|---|---|---|---|
| **ACS LifePath 2022-2024** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 50,287 | 80,126 | – | **130,413** |
| Derivatives | – | 219 | – | **219** |
| Investment liabilities | | | | |
| Derivatives | – | (352) | – | **(352)** |
| **ACS LifePath 2025-2027** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 4,905 | 1,053,438 | – | **1,058,343** |
| Derivatives | – | 1,403 | – | **1,403** |
| Investment liabilities | | | | |
| Derivatives | – | (2,597) | – | **(2,597)** |
| **ACS LifePath 2028-2030** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 3,629 | 783,055 | – | **786,684** |
| Derivatives | – | 942 | – | **942** |
| Investment liabilities | | | | |
| Derivatives | – | (1,852) | – | **(1,852)** |
| **ACS LifePath 2031-2033** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 14,239 | 1,772,288 | – | **1,786,527** |
| Derivatives | – | 1,823 | – | **1,823** |
| Investment liabilities | | | | |
| Derivatives | – | (3,807) | – | **(3,807)** |
| **ACS LifePath 2034-2036** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 13,152 | 1,025,929 | – | **1,039,081** |
| Derivatives | – | 876 | – | **876** |
| Investment liabilities | | | | |
| Derivatives | – | (1,931) | – | **(1,931)** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2024 | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
|---|---|---|---|---|
| **ACS LifePath 2037-2039** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 28,923 | 1,935,320 | – | **1,964,243** |
| Derivatives | – | 1,330 | – | **1,330** |
| Investment liabilities | | | | |
| Derivatives | – | (3,018) | – | **(3,018)** |
| **ACS LifePath 2040-2042** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 17,117 | 938,280 | – | **955,397** |
| Derivatives | – | 497 | – | **497** |
| Investment liabilities | | | | |
| Derivatives | – | (1,152) | – | **(1,152)** |
| **ACS LifePath 2043-2045** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 38,322 | 1,717,464 | – | **1,755,786** |
| Derivatives | – | 894 | – | **894** |
| Investment liabilities | | | | |
| Derivatives | – | (2,168) | – | **(2,168)** |
| **ACS LifePath 2046-2048** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 19,461 | 824,736 | – | **844,197** |
| Derivatives | – | 294 | – | **294** |
| Investment liabilities | | | | |
| Derivatives | – | (717) | – | **(717)** |
| **ACS LifePath 2049-2051** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 39,077 | 1,422,488 | – | **1,461,565** |
| Derivatives | – | 247 | – | **247** |
| Investment liabilities | | | | |
| Derivatives | – | (630) | – | **(630)** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2024 | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
|---|---|---|---|---|
| **ACS LifePath 2052-2054** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 17,186 | 615,443 | – | **632,629** |
| Derivatives | – | 110 | – | **110** |
| Investment liabilities | | | | |
| Derivatives | – | (279) | – | **(279)** |
| **ACS LifePath 2055-2057** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | – | 953,836 | – | **953,836** |
| Derivatives | – | 163 | – | **163** |
| Investment liabilities | | | | |
| Derivatives | – | (421) | – | **(421)** |
| **BlackRock FutureWise 2023-27** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 870,932 | 504,189 | – | **1,375,121** |
| **Blackrock FutureWise 2028-32** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 879,587 | 1,615,299 | – | **2,494,886** |
| **BlackRock FutureWise 2033-37** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 486,330 | 2,774,673 | – | **3,261,003** |
| **BlackRock FutureWise Early Days Aggregator** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 1,272,362 | 8,407,386 | – | **9,679,748** |
| **BlackRock FutureWise Retirement Aggregator** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 305,434 | 151,375 | – | **456,809** |
| **BlackRock Growth Allocation Fund** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 78,312 | 961,904 | – | **1,040,216** |
| Derivatives | – | 177 | – | **177** |
| Investment liabilities | | | | |
| Derivatives | – | (463) | – | **(463)** |

## FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2024 | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
|---|---|---|---|---|
| **BlackRock Pension Growth Fund** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | – | 10,262,950 | – | **10,262,950** |
| Derivatives | – | 29,025 | – | **29,025** |
| Investment liabilities | | | | |
| Derivatives | (8,010) | (104,816) | – | **(112,826)** |
| **BlackRock Retirement Allocation Fund** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 9,947 | 260,952 | – | **270,899** |
| Derivatives | – | 385 | – | **385** |
| Investment liabilities | | | | |
| Derivatives | – | (676) | – | **(676)** |

| 31 December 2023 | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
|---|---|---|---|---|
| **ACS LifePath 2022-2024** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 4,344 | 273,625 | – | **277,969** |
| Derivatives | – | 285 | – | **285** |
| Investment liabilities | | | | |
| Derivatives | – | (514) | – | **(514)** |
| **ACS LifePath 2025-2027** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 6,925 | 873,498 | – | **880,423** |
| Derivatives | – | 882 | – | **882** |
| Investment liabilities | | | | |
| Derivatives | – | (1,529) | – | **(1,529)** |
| **ACS LifePath 2028-2030** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 2,801 | 714,585 | – | **717,386** |
| Derivatives | – | 575 | – | **575** |
| Investment liabilities | | | | |
| Derivatives | – | (978) | – | **(978)** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2023 | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
|---|---|---|---|---|
| **ACS LifePath 2031-2033** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 17,531 | 1,489,812 | – | **1,507,343** |
| Derivatives | – | 1,089 | – | **1,089** |
| Investment liabilities | | | | |
| Derivatives | – | (1,795) | – | **(1,795)** |
| **ACS LifePath 2034-2036** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 9,993 | 890,198 | – | **900,191** |
| Derivatives | – | 707 | – | **707** |
| Investment liabilities | | | | |
| Derivatives | – | (1,022) | – | **(1,022)** |
| **ACS LifePath 2037-2039** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 19,486 | 1,553,292 | – | **1,572,778** |
| Derivatives | – | 1,076 | – | **1,076** |
| Investment liabilities | | | | |
| Derivatives | – | (1,511) | – | **(1,511)** |
| **ACS LifePath 2040-2042** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 7,768 | 778,145 | – | **785,913** |
| Derivatives | – | 454 | – | **454** |
| Investment liabilities | | | | |
| Derivatives | – | (615) | – | **(615)** |
| **ACS LifePath 2043-2045** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 17,696 | 1,343,197 | – | **1,360,893** |
| Derivatives | – | 568 | – | **568** |
| Investment liabilities | | | | |
| Derivatives | – | (796) | – | **(796)** |
| **ACS LifePath 2046-2048** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 9,178 | 658,672 | – | **667,850** |
| Derivatives | – | 193 | – | **193** |
| Investment liabilities | | | | |
| Derivatives | – | (266) | – | **(266)** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2023 | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
|---|---|---|---|---|
| **ACS LifePath 2049-2051** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 14,833 | 1,056,627 | – | **1,071,460** |
| Derivatives | – | 357 | – | **357** |
| Investment liabilities | | | | |
| Derivatives | – | (445) | – | **(445)** |
| **ACS LifePath 2052-2054** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 6,563 | 471,617 | – | **478,180** |
| Derivatives | – | 73 | – | **73** |
| Investment liabilities | | | | |
| Derivatives | – | (99) | – | **(99)** |
| **ACS LifePath 2055-2057** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 11,436 | 654,859 | – | **666,295** |
| Derivatives | – | 99 | – | **99** |
| Investment liabilities | | | | |
| Derivatives | – | (137) | – | **(137)** |
| **BlackRock FutureWise 2023-27** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 431,507 | 349,721 | – | **781,228** |
| **Blackrock FutureWise 2028-32** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 408,908 | 942,973 | – | **1,351,881** |
| **BlackRock FutureWise 2033-37** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 252,520 | 1,608,508 | – | **1,861,028** |
| **BlackRock FutureWise Early Days Aggregator** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 809,855 | 5,273,455 | – | **6,083,310** |
| **BlackRock FutureWise Retirement Aggregator** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 162,982 | 91,939 | – | **254,921** |

FINANCIAL INSTRUMENTS AND RISKS (continued)

| 31 December 2023 | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
|---|---|---|---|---|
| **BlackRock Growth Allocation Fund** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 64,859 | 723,306 | – | **788,165** |
| Derivatives | – | 118 | – | **118** |
| Investment liabilities | | | | |
| Derivatives | – | (161) | – | **(161)** |
| **BlackRock Pension Growth Fund** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | – | 8,375,911 | – | **8,375,911** |
| Derivatives | – | 77,445 | – | **77,445** |
| Investment liabilities | | | | |
| Derivatives | – | (2,155) | – | **(2,155)** |
| **BlackRock Retirement Allocation Fund** | | | | |
| Investment Assets | | | | |
| Collective Investment Schemes | 7,807 | 181,009 | – | **188,816** |
| Derivatives | – | 184 | – | **184** |
| Investment liabilities | | | | |
| Derivatives | – | (326) | – | **(326)** |

Securities with a value less than £500 are not disclosed in the tables above. These securities are identified on the portfolio statement of each Fund.

**e) Leverage**

The Funds may employ leverage and borrow cash in accordance with their stated investment policy or investment strategy. The Funds may employ leverage in their investment programmes through various means including the use of FDIs.

The use of borrowings and leverage has associated risks and can, in certain circumstances, substantially increase the adverse impact to which the Funds' investment portfolios may be subject.

## FINANCIAL INSTRUMENTS AND RISKS (continued)

For the purposes of this disclosure, leverage is any method by which the Funds' exposure is increased, whether through borrowing of cash or securities, or leverage embedded in derivative positions, or by any other means. The AIFMD requires that each leverage ratio be expressed as the ratio between a Fund's exposure and its NAV and prescribes two required methodologies, the gross methodology and the commitment methodology, for calculating such exposure using the methodologies prescribed under the AIFMD, the leverage of the Funds is disclosed in the table below.

| | Gross exposure | | Commitment approach | |
|---|---|---|---|---|
| Fund | Maximum limit | Leverage as at 31.12.2024 | Maximum limit | Leverage as at 31.12.2024 |
| ACS Life Path 2022-2024 | 4.1:1 | 1.87 | 2.1:1 | 1.27 |
| ACS Life Path 2025-2027 | 4.1:1 | 1.79 | 2.1:1 | 1.26 |
| ACS Life Path 2028-2030 | 4.1:1 | 1.74 | 2.1:1 | 1.23 |
| ACS Life Path 2031-2033 | 4.1:1 | 1.66 | 2.1:1 | 1.20 |
| ACS Life Path 2034-2036 | 4.1:1 | 1.56 | 2.1:1 | 1.17 |
| ACS Life Path 2037-2039 | 4.1:1 | 1.46 | 2.1:1 | 1.14 |
| ACS Life Path 2040-2042 | 4.1:1 | 1.36 | 2.1:1 | 1.11 |
| ACS Life Path 2043-2045 | 4.1:1 | 1.37 | 2.1:1 | 1.12 |
| ACS Life Path 2046-2048 | 4.1:1 | 1.25 | 2.1:1 | 1.08 |
| ACS Life Path 2049-2051 | 4.1:1 | 1.13 | 2.1:1 | 1.04 |
| ACS Life Path 2052-2054 | 4.1:1 | 1.13 | 2.1:1 | 1.04 |
| ACS Life Path 2055-2057 | 4.1:1 | 1.13 | 2.1:1 | 1.04 |
| BlackRock FutureWise 2023-27 | 1.5:1 | 1.00 | 1.5:1 | 1.00 |
| BlackRock FutureWise 2028-32 | 1.5:1 | 1.00 | 1.5:1 | 1.00 |
| BlackRock FutureWise 2033-37 | 1.5:1 | 1.00 | 1.5:1 | 1.00 |
| BlackRock FutureWise Early Days Aggregator | 1.5:1 | 1.00 | 1.5:1 | 1.00 |
| BlackRock FutureWise Retirement Aggregator | 1.5:1 | 1.00 | 1.5:1 | 1.00 |
| BlackRock Growth Allocation Fund | 4.1:1 | 1.13 | 2.1:1 | 1.04 |
| BlackRock Pension Growth Fund | 4.1:1 | 1.46 | 2.1:1 | 1.37 |
| BlackRock Retirement Allocation Fund | 4.1:1 | 1.82 | 2.1:1 | 1.27 |

The maximum level of leverage which the Funds, or the Manager on the Funds' behalf, is permitted to use as part of the Funds' investment strategies is set out in the Prospectus and in the above table.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805810.

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, these financial statements are prepared on an other than going concern basis for the year ended 31 December 2024. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 116.31 | 106.98 | 128.79 |
| Return before operating charges | 8.39 | 9.36 | (21.79) |
| Operating charges | (0.02) | (0.03) | (0.02) |
| Return after operating charges | 8.37 | 9.33 | (21.81) |
| Distributions | (2.56) | (2.29) | (1.86) |
| Retained distributions on accumulation units | 2.56 | 2.29 | 1.86 |
| **Closing net asset value per unit** | 124.68 | 116.31 | 106.98 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 7.20% | 8.72% | (16.93)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 130,949 | 279,541 | 373,907 |
| Closing number of units | 105,029,372 | 240,345,860 | 349,495,692 |
| Operating charges[2] | 0.02% | 0.02% | 0.02% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 126.94 | 116.58 | 128.86 |
| Lowest bid unit price | 114.32 | 107.26 | 100.00 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).

[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 13 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 2.5606 |
| **Distribution paid 28.2.2025** | **2.5606** |
| **Distribution paid 29.2.2024** | **2.2859** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 99.59%; 31.12.23 99.44%** | | | |
| **Equity Funds - 39.35%; 31.12.23 39.29%** | | | |
| 22,819,401 | ACS World ESG Screened and Optimised Equity Tracker Fund | 42,356 | 32.34 |
| 2,704,374 | ACS World Small Cap ESG Screened Equity Tracker Fund | 3,098 | 2.37 |
| 274,403 | iShares Bloomberg Enhanced Roll Yield Commodity Swap UCITS ETF | 1,615 | 1.23 |
| 95,141 | iShares Emerging Markets Index Fund (IE) | 3,046 | 2.33 |
| 571,451 | iShares Global Property Securities Equity Index Fund (UK) | 1,246 | 0.95 |
| 5,511 | iShares MSCI Emerging Markets UCITS ETF | 172 | 0.13 |
| | | **51,533** | **39.35** |
| **Fixed Income Funds - 60.24%; 31.12.23 60.15%** | | | |
| 4,303,628 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 3,873 | 2.96 |
| 2,902,078 | iShares Overseas Corporate Bond Index Fund (UK) | 4,730 | 3.61 |
| 24,122,820 | iShares Overseas Government Bond Index Fund (UK) | 28,524 | 21.78 |
| 17,255,215 | iShares UK Gilts All Stocks Index Fund (UK) | 18,069 | 13.80 |
| 5,128,803 | iShares Up to 10 Years Gilts Index Fund (UK) | 5,515 | 4.21 |
| 17,241,283 | iShares Up to 10 Years Index Linked Gilt Index Fund (UK) | 18,169 | 13.88 |
| | | **78,880** | **60.24** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.10)%; 31.12.23 (0.08)%** | | | | |
| **Forward Currency Contracts - (0.10)%; 31.12.23 (0.08)%** | | | | |
| AUD 104,907 | Australian dollar vs UK sterling | 52 | (2) | 0.00 |
| CAD 160,619 | Canadian dollar vs UK sterling | 89 | (1) | 0.00 |
| DKK 167,090 | Danish krone vs UK sterling^ | 19 | – | 0.00 |
| EUR 367,307 | Euro vs UK sterling | 305 | 1 | 0.00 |
| HKD 151,732 | Hong Kong dollar vs UK sterling^ | 16 | – | 0.00 |
| JPY 51,602,251 | Japanese yen vs UK sterling | 263 | (6) | 0.00 |
| NOK 225,079 | Norwegian krone vs UK sterling^ | 16 | – | 0.00 |
| CHF 63,006 | Swiss franc vs UK sterling | 56 | (1) | 0.00 |
| GBP 711,918 | UK sterling vs Australian dollar | (688) | 24 | 0.02 |
| GBP 1,259,385 | UK sterling vs Canadian dollar | (1,241) | 18 | 0.01 |
| GBP 214,251 | UK sterling vs Danish krone | (214) | 1 | 0.00 |
| GBP 5,799,598 | UK sterling vs Euro | (5,786) | 14 | 0.01 |
| GBP 126,023 | UK sterling vs Hong Kong dollar | (128) | (2) | 0.00 |

**PORTFOLIO STATEMENT (continued)**

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| GBP 65,436 | UK sterling vs Israel shekel | (66) | (1) | 0.00 |
| GBP 3,919,517 | UK sterling vs Japanese yen | (3,789) | 131 | 0.10 |
| GBP 26,027 | UK sterling vs New Zealand dollar | (25) | 1 | 0.00 |
| GBP 114,606 | UK sterling vs Norwegian krone | (113) | 1 | 0.00 |
| GBP 73,743 | UK sterling vs Singapore dollar^ | (73) | – | 0.00 |
| GBP 198,275 | UK sterling vs Swedish krona | (199) | (1) | 0.00 |
| GBP 664,366 | UK sterling vs Swiss franc | (653) | 11 | 0.01 |
| GBP 24,942,304 | UK sterling vs United States dollar | (25,280) | (338) | (0.26) |
| USD 1,936,072 | United States dollar vs UK sterling | 1,544 | 17 | 0.01 |
| | | **(35,895)** | **(133)** | **(0.10)** |
| **Portfolio of investments** | | | **130,280** | **99.49** |
| Net other assets | | | 669 | 0.51 |
| **Total net assets** | | | **130,949** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 9,199 | | 19,295 |
| Revenue | 4 | 4,593 | | 6,652 | |
| Expenses | 5 | 9 | | (30) | |
| Interest paid and similar charges | 6 | (2) | | (3) | |
| Net revenue before taxation | | 4,600 | | 6,619 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 4,600 | | 6,619 |
| Total return before distributions | | | 13,799 | | 25,914 |
| Distributions | 8 | | (4,600) | | (6,619) |
| **Change in net assets attributable to unitholders from investment activities** | | | **9,199** | | **19,295** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 279,541 | | 373,907 |
| Amounts receivable on issue of units | 1,693 | | 8,569 | |
| Amounts payable on cancellation of units | (162,173) | | (127,724) | |
| | | (160,480) | | (119,155) |
| Change in net assets attributable to unitholders from investment activities | | 9,199 | | 19,295 |
| Retained distribution on accumulation units | | 2,689 | | 5,494 |
| **Closing net assets attributable to unitholders** | | **130,949** | | **279,541** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 130,632 | 278,254 |
| Current assets | | | |
| – Debtors | 9 | 1,261 | 8,027 |
| – Cash and bank balances | | 1 | 17 |
| **Total assets** | | **131,894** | **286,298** |
| **Liabilities:** | | | |
| Investment liabilities | | (352) | (514) |
| Creditors | | | |
| – Bank overdrafts | | (77) | – |
| – Other creditors | 10 | (516) | (6,243) |
| **Total liabilities** | | **(945)** | **(6,757)** |
| **Net assets attributable to unitholders** | | **130,949** | **279,541** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 7,585 | 9,766 |
| Forward currency contracts | 514 | 9,544 |
| Currency gains | 1,125 | – |
| Custodian transaction costs | (25) | (15) |
| **Net capital gains** | **9,199** | **19,295** |

* Includes realised gains of £4,947,334 and unrealised gains of £2,637,593 (2023: realised losses of £24,002,128 and unrealised gains of £33,767,868). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 138 | 300 |
| Interest distributions on CIS holdings | 3,139 | 3,947 |
| Interest from UK bank deposits | 4 | 23 |
| Overseas dividends | 1,167 | 2,105 |
| Rebate from underlying CIS holdings | 6 | 30 |
| Securities lending revenue | 6 | 11 |
| UK dividends | 97 | 163 |
| UK REIT dividends | 4 | 6 |
| US REIT dividends | 32 | 67 |
| **Total revenue** | **4,593** | **6,652** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Receivable from the Manager or associates of the Manager: | | |
| – Manager's charge and other expenses rebate[#] | (48) | (7) |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 10 | 7 |
| Other expenses: | | |
| – Audit fee | 7 | 7 |
| – Credit administration expenses | 1 | 1 |
| – Dividend charges[*] | – | 15 |
| – Index licence fee | 5 | – |
| – Legal fee | 1 | 1 |
| – Safe custody fee | 15 | 6 |
| **Total expenses** | **(9)** | **30** |

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.
* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 2 | 3 |
| **Total interest paid and similar charges** | **2** | **3** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 2,689 | 5,494 |
| | 2,689 | 5,494 |
| Add: Amounts deducted on cancellation of units | 1,923 | 1,204 |
| Deduct: Amounts received on issue of units | (12) | (79) |
| **Distributions** | **4,600** | **6,619** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 4,600 | 6,619 |
| Add: Capitalised expenses | 1 | – |
| Custodian transaction costs | (1) | – |
| **Distributions** | **4,600** | **6,619** |

Details of the final distribution per unit are set out in the table on page 69.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued manager's charge and other expenses rebate | 50 | 9 |
| Accrued rebate from underlying CIS holdings | 13 | 11 |
| Accrued revenue | 761 | 1,926 |
| CIS income tax recoverable | – | 1 |
| Sales awaiting settlement | 437 | 6,080 |
| **Total debtors** | **1,261** | **8,027** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 15 | 4 |
| Amount payable for cancellation of units | 459 | 485 |
| Currency deals awaiting settlement | – | 1 |
| Custodian transaction costs | 27 | 8 |
| Purchases awaiting settlement | – | 5,734 |
| **Total other creditors** | **516** | **6,243** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

### 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.01% (31 December 2023: 0.01%).

### 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 240,345,860 |
| Issued during the year | 1,445,973 |
| Cancelled during the year | (136,762,461) |
| **Balance at the end of the year** | **105,029,372** |

### 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 16. Subsequent Events

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805813.

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, these financial statements are prepared on an other than going concern basis for the year ended 31 December 2024. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 120.10 | 109.27 | 131.06 |
| Return before operating charges | 10.08 | 10.85 | (21.77) |
| Operating charges | (0.03) | (0.02) | (0.02) |
| Return after operating charges | 10.05 | 10.83 | (21.79) |
| Distributions | (2.76) | (2.25) | (1.89) |
| Retained distributions on accumulation units | 2.76 | 2.25 | 1.89 |
| **Closing net asset value per unit** | 130.15 | 120.10 | 109.27 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 8.37% | 9.91% | (16.63)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 1,065,712 | 887,523 | 742,791 |
| Closing number of units | 818,854,858 | 738,984,211 | 679,772,747 |
| Operating charges[2] | 0.02% | 0.02% | 0.02% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 132.63 | 120.29 | 131.19 |
| Lowest bid unit price | 118.02 | 109.59 | 103.00 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).

[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 13 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 2.7574 |
| **Distribution paid 28.2.2025** | **2.7574** |
| **Distribution paid 29.2.2024** | **2.2525** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 99.31%; 31.12.23 99.20%** | | | |
| **Equity Funds - 43.65%; 31.12.23 46.98%** | | | |
| 185,931,411 | ACS World ESG Screened and Optimised Equity Tracker Fund | 345,160 | 32.39 |
| 25,148,744 | ACS World ESG Screened Equity Tracker Fund | 41,147 | 3.86 |
| 26,189,173 | ACS World Small Cap ESG Screened Equity Tracker Fund | 30,005 | 2.82 |
| 552,933 | iShares Bloomberg Enhanced Roll Yield Commodity Swap UCITS ETF | 3,255 | 0.30 |
| 940,828 | iShares Emerging Markets Index Fund (IE) | 30,123 | 2.83 |
| 6,338,422 | iShares Global Property Securities Equity Index Fund (UK) | 13,815 | 1.30 |
| 53,069 | iShares MSCI Emerging Markets UCITS ETF | 1,651 | 0.15 |
| | | **465,156** | **43.65** |
| **Fixed Income Funds - 55.66%; 31.12.23 52.22%** | | | |
| 52,070,417 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 46,865 | 4.40 |
| 35,271,775 | iShares Overseas Corporate Bond Index Fund (UK) | 57,484 | 5.39 |
| 178,685,644 | iShares Overseas Government Bond Index Fund (UK) | 211,290 | 19.83 |
| 134,345,796 | iShares UK Gilts All Stocks Index Fund (UK) | 140,680 | 13.20 |
| 30,043,306 | iShares Up to 10 Years Gilts Index Fund (UK) | 32,308 | 3.03 |
| 99,223,946 | iShares Up to 10 Years Index Linked Gilt Index Fund (UK) | 104,560 | 9.81 |
| | | **593,187** | **55.66** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.11)%; 31.12.23 (0.07)%** | | | | |
| **Forward Currency Contracts - (0.11)%; 31.12.23 (0.07)%** | | | | |
| CAD 205,372 | Canadian dollar vs UK sterling | 114 | (2) | 0.00 |
| EUR 307,487 | Euro vs UK sterling | 255 | (1) | 0.00 |
| JPY 81,590,962 | Japanese yen vs UK sterling | 415 | (15) | 0.00 |
| GBP 4,906,296 | UK sterling vs Australian dollar | (4,740) | 166 | 0.02 |
| GBP 8,655,157 | UK sterling vs Canadian dollar | (8,530) | 126 | 0.01 |
| GBP 1,584,476 | UK sterling vs Danish krone | (1,580) | 4 | 0.00 |
| GBP 41,254,190 | UK sterling vs Euro | (41,159) | 95 | 0.01 |
| GBP 850,398 | UK sterling vs Hong Kong dollar | (863) | (13) | 0.00 |
| GBP 424,380 | UK sterling vs Israel shekel | (429) | (4) | 0.00 |
| GBP 26,233,796 | UK sterling vs Japanese yen | (25,359) | 875 | 0.08 |
| GBP 144,741 | UK sterling vs New Zealand dollar | (139) | 5 | 0.00 |
| GBP 759,510 | UK sterling vs Norwegian krone | (752) | 8 | 0.00 |
| GBP 549,322 | UK sterling vs Singapore dollar | (547) | 2 | 0.00 |

**PORTFOLIO STATEMENT (continued)**

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| GBP 1,504,590 | UK sterling vs Swedish krona | (1,511) | (6) | 0.00 |
| GBP 4,717,435 | UK sterling vs Swiss franc | (4,637) | 80 | 0.01 |
| GBP 188,598,978 | UK sterling vs United States dollar | (191,155) | (2,556) | (0.24) |
| USD 4,535,815 | United States dollar vs UK sterling | 3,617 | 42 | 0.00 |
| | | **(277,000)** | **(1,194)** | **(0.11)** |
| **Portfolio of investments** | | | **1,057,149** | **99.20** |
| Net other assets | | | 8,563 | 0.80 |
| **Total net assets** | | | **1,065,712** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 57,827 | | 61,809 |
| Revenue | 4 | 21,686 | | 16,119 | |
| Expenses | 5 | (68) | | (67) | |
| Interest paid and similar charges | 6 | (1) | | (2) | |
| Net revenue before taxation | | 21,617 | | 16,050 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 21,617 | | 16,050 |
| Total return before distributions | | | 79,444 | | 77,859 |
| Distributions | 8 | | (21,612) | | (16,050) |
| **Change in net assets attributable to unitholders from investment activities** | | | **57,832** | | **61,809** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 887,523 | | 742,791 |
| Amounts receivable on issue of units | 170,444 | | 139,965 | |
| Amounts payable on cancellation of units | (72,666) | | (73,688) | |
| | | 97,778 | | 66,277 |
| Change in net assets attributable to unitholders from investment activities | | 57,832 | | 61,809 |
| Retained distribution on accumulation units | | 22,579 | | 16,646 |
| **Closing net assets attributable to unitholders** | | **1,065,712** | | **887,523** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 1,059,746 | 881,305 |
| Current assets | | | |
| – Debtors | 9 | 14,454 | 20,093 |
| – Cash and bank balances | | – | 50 |
| **Total assets** | | **1,074,200** | **901,448** |
| **Liabilities:** | | | |
| Investment liabilities | | (2,597) | (1,529) |
| Creditors | | | |
| – Bank overdrafts | | (58) | – |
| – Other creditors | 10 | (5,833) | (12,396) |
| **Total liabilities** | | **(8,488)** | **(13,925)** |
| **Net assets attributable to unitholders** | | **1,065,712** | **887,523** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 54,869 | 40,998 |
| Forward currency contracts | (1,571) | 8,362 |
| Currency gains | 4,552 | 12,464 |
| Custodian transaction costs | (20) | (15) |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (2) | – |
| **Net capital gains** | **57,827** | **61,809** |

* Includes realised gains of £11,687,456 and unrealised gains of £43,181,748 (2023: realised losses of £27,827,293 and unrealised gains of £68,824,938). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 841 | 896 |
| Interest distributions on CIS holdings | 13,436 | 8,081 |
| Interest from UK bank deposits | 28 | 73 |
| Overseas dividends | 6,570 | 6,300 |
| Rebate from underlying CIS holdings | 15 | 62 |
| Securities lending revenue | 36 | 31 |
| UK dividends | 536 | 449 |
| UK REIT dividends | 20 | 16 |
| US REIT dividends | 204 | 211 |
| **Total revenue** | **21,686** | **16,119** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Manager or associates of the Manager: | | |
| – Manager's charge and other expenses rebate[#] | (20) | – |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 30 | 7 |
| Other expenses: | | |
| – Audit fee | 8 | 7 |
| – Credit administration expenses | 1 | 1 |
| – Dividend charges[*] | – | 43 |
| – Index licence fee | 25 | – |
| – Legal fee | 1 | 2 |
| – Safe custody fee | 23 | 7 |
| **Total expenses** | **68** | **67** |

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.
* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 1 | 2 |
| **Total interest paid and similar charges** | **1** | **2** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 22,579 | 16,646 |
| | 22,579 | 16,646 |
| Add: Amounts deducted on cancellation of units | 1,074 | 776 |
| Deduct: Amounts received on issue of units | (2,041) | (1,372) |
| **Distributions** | **21,612** | **16,050** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 21,617 | 16,050 |
| Custodian transaction costs | (2) | – |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (2) | – |
| **Distributions** | **21,612** | **16,050** |

Details of the final distribution per unit are set out in the table on page 81.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued manager's charge rebates | 20 | – |
| Accrued rebate from underlying CIS holdings | 26 | 20 |
| Accrued revenue | 7,068 | 7,304 |
| Amount receivable on issue of units | 2,300 | 1,992 |
| Currency deals awaiting settlement | – | 234 |
| Sales awaiting settlement | 5,040 | 10,543 |
| **Total debtors** | **14,454** | **20,093** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Depositary's fee | 7 | 3 |
| Accrued Safe custody fee | 17 | 5 |
| Amount payable for cancellation of units | 4,283 | 2,608 |
| Custodian transaction costs | 22 | 8 |
| Purchases awaiting settlement | 1,497 | 9,764 |
| **Total other creditors** | **5,833** | **12,396** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 39% | 1 | 61% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 39% | 1 | 61% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

NOTES TO FINANCIAL STATEMENTS (continued)

## 12. Related Parties (continued)

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

## 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.01% (31 December 2023: 0.01%).

## 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 738,984,211 |
| Issued during the year | 138,152,404 |
| Cancelled during the year | (58,281,757) |
| **Balance at the end of the year** | **818,854,858** |

## 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

## 16. Subsequent Events

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805821.

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, these financial statements are prepared on an other than going concern basis for the year ended 31 December 2024. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 123.63 | 111.68 | 133.16 |
| Return before operating charges | 12.07 | 11.97 | (21.46) |
| Operating charges | (0.03) | (0.02) | (0.02) |
| Return after operating charges | 12.04 | 11.95 | (21.48) |
| Distributions | (2.87) | (2.35) | (2.00) |
| Retained distributions on accumulation units | 2.87 | 2.35 | 2.00 |
| **Closing net asset value per unit** | 135.67 | 123.63 | 111.68 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 9.74% | 10.70% | (16.13)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 792,960 | 722,345 | 654,055 |
| Closing number of units | 584,497,814 | 584,267,544 | 585,672,155 |
| Operating charges[2] | 0.02% | 0.02% | 0.02% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | Pence per unit | Pence per unit | Pence per unit |
| Highest offer unit price | 138.29 | 123.80 | 133.34 |
| Lowest bid unit price | 121.50 | 112.00 | 105.00 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).
[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).
[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 13 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 2.8651 |
| **Distribution paid 28.2.2025** | **2.8651** |
| **Distribution paid 29.2.2024** | **2.3479** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 99.21%; 31.12.23 99.31%** | | | |
| **Equity Funds - 50.60%; 31.12.23 52.77%** | | | |
| 136,838,909 | ACS World ESG Screened and Optimised Equity Tracker Fund | 257,410 | 32.46 |
| 44,639,750 | ACS World ESG Screened Equity Tracker Fund | 73,030 | 9.21 |
| 23,129,587 | ACS World Small Cap ESG Screened Equity Tracker Fund | 26,502 | 3.34 |
| 360,769 | iShares Bloomberg Enhanced Roll Yield Commodity Swap UCITS ETF | 2,123 | 0.27 |
| 833,462 | iShares Emerging Markets Index Fund (IE) | 26,686 | 3.37 |
| 6,403,080 | iShares Global Property Securities Equity Index Fund (UK) | 13,956 | 1.76 |
| 48,383 | iShares MSCI Emerging Markets UCITS ETF | 1,505 | 0.19 |
| | | **401,212** | **50.60** |
| **Fixed Income Funds - 48.61%; 31.12.23 46.54%** | | | |
| 43,938 | iShares Emerging Markets Government Bond Index Fund (LU) | 5,067 | 0.64 |
| 40,409,513 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 36,370 | 4.59 |
| 27,261,992 | iShares Overseas Corporate Bond Index Fund (UK) | 44,430 | 5.60 |
| 111,965,083 | iShares Overseas Government Bond Index Fund (UK) | 132,395 | 16.70 |
| 89,789,021 | iShares UK Gilts All Stocks Index Fund (UK) | 94,022 | 11.86 |
| 12,941,549 | iShares Up to 10 Years Gilts Index Fund (UK) | 13,917 | 1.75 |
| 56,245,661 | iShares Up to 10 Years Index Linked Gilt Index Fund (UK) | 59,271 | 7.47 |
| | | **385,472** | **48.61** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.11)%; 31.12.23 (0.06)%** | | | | |
| **Forward Currency Contracts - (0.11)%; 31.12.23 (0.06)%** | | | | |
| CAD 194,645 | Canadian dollar vs UK sterling^ | 108 | – | 0.00 |
| EUR 412,728 | Euro vs UK sterling^ | 343 | – | 0.00 |
| JPY 123,531,601 | Japanese yen vs UK sterling | 628 | (16) | 0.00 |
| GBP 3,389,507 | UK sterling vs Australian dollar | (3,275) | 115 | 0.01 |
| GBP 6,048,946 | UK sterling vs Canadian dollar | (5,961) | 88 | 0.01 |
| GBP 1,179,657 | UK sterling vs Danish krone | (1,177) | 3 | 0.00 |
| GBP 26,335,936 | UK sterling vs Euro | (26,275) | 61 | 0.01 |
| GBP 720,494 | UK sterling vs Hong Kong dollar | (732) | (11) | 0.00 |
| GBP 252,684 | UK sterling vs Israel shekel | (255) | (3) | 0.00 |
| GBP 16,950,691 | UK sterling vs Japanese yen | (16,385) | 565 | 0.07 |
| GBP 158,235 | UK sterling vs New Zealand dollar | (152) | 6 | 0.00 |
| GBP 552,507 | UK sterling vs Norwegian krone | (547) | 6 | 0.00 |

**PORTFOLIO STATEMENT (continued)**

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| GBP 452,229 | UK sterling vs Singapore dollar | (450) | 2 | 0.00 |
| GBP 1,154,930 | UK sterling vs Swedish krona | (1,160) | (5) | 0.00 |
| GBP 3,467,898 | UK sterling vs Swiss franc | (3,409) | 59 | 0.01 |
| GBP 134,108,457 | UK sterling vs United States dollar | (135,925) | (1,817) | (0.23) |
| USD 4,745,902 | United States dollar vs UK sterling | 3,785 | 37 | 0.01 |
| | | **(190,839)** | **(910)** | **(0.11)** |
| **Portfolio of investments** | | | **785,774** | **99.10** |
| Net other assets | | | 7,186 | 0.90 |
| **Total net assets** | | | **792,960** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 54,167 | | 56,214 |
| Revenue | 4 | 16,971 | | 13,804 | |
| Expenses | 5 | (54) | | (61) | |
| Interest paid and similar charges | 6 | (2) | | (4) | |
| Net revenue before taxation | | 16,915 | | 13,739 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 16,915 | | 13,739 |
| Total return before distributions | | | 71,082 | | 69,953 |
| Distributions | 8 | | (16,909) | | (13,739) |
| **Change in net assets attributable to unitholders from investment activities** | | | **54,173** | | **56,214** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 722,345 | | 654,055 |
| Amounts receivable on issue of units | 67,037 | | 60,215 | |
| Amounts payable on cancellation of units | (67,341) | | (61,857) | |
| | | (304) | | (1,642) |
| Change in net assets attributable to unitholders from investment activities | | 54,173 | | 56,214 |
| Retained distribution on accumulation units | | 16,746 | | 13,718 |
| **Closing net assets attributable to unitholders** | | **792,960** | | **722,345** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 787,626 | 717,961 |
| Current assets | | | |
| – Debtors | 9 | 10,334 | 20,994 |
| – Cash and bank balances | | 39 | 39 |
| **Total assets** | | **797,999** | **738,994** |
| **Liabilities:** | | | |
| Investment liabilities | | (1,852) | (978) |
| Creditors | | | |
| – Other creditors | 10 | (3,187) | (15,671) |
| **Total liabilities** | | **(5,039)** | **(16,649)** |
| **Net assets attributable to unitholders** | | **792,960** | **722,345** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 51,924 | 39,212 |
| Forward currency contracts | (1,485) | 6,646 |
| Currency gains | 3,752 | 10,369 |
| Custodian transaction costs | (21) | (13) |
| Other expense from underlying CIS holdings | (3) | – |
| **Net capital gains** | **54,167** | **56,214** |

* Includes realised gains of £13,685,338 and unrealised gains of £38,238,986 (2023: realised losses of £11,290,098 and unrealised gains of £57,147,927). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 799 | 817 |
| Interest distributions on CIS holdings | 9,703 | 6,258 |
| Interest from UK bank deposits | 28 | 73 |
| Overseas dividends | 5,724 | 5,973 |
| Rebate from underlying CIS holdings | 9 | 46 |
| Securities lending revenue | 32 | 29 |
| UK dividends | 471 | 388 |
| UK REIT dividends | 16 | 14 |
| US REIT dividends | 189 | 206 |
| **Total revenue** | **16,971** | **13,804** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Manager or associates of the Manager: | | |
| – Manager's charge and other expenses rebate[#] | (24) | – |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 27 | 6 |
| Other expenses: | | |
| – Audit fee | 8 | 7 |
| – Credit administration expenses | 1 | 1 |
| – Dividend charges[*] | – | 39 |
| – Index licence fee | 20 | – |
| – Legal fee | 1 | 1 |
| – Safe custody fee | 21 | 7 |
| **Total expenses** | **54** | **61** |

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.
* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 2 | 4 |
| **Total interest paid and similar charges** | **2** | **4** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 16,746 | 13,718 |
| | 16,746 | 13,718 |
| Add: Amounts deducted on cancellation of units | 1,001 | 661 |
| Deduct: Amounts received on issue of units | (838) | (640) |
| **Distributions** | **16,909** | **13,739** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 16,915 | 13,739 |
| Custodian transaction costs | (3) | – |
| Other expense from underlying CIS holdings | (3) | – |
| **Distributions** | **16,909** | **13,739** |

Details of the final distribution per unit are set out in the table on page 93.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued manager's charge and other expenses rebate | 25 | – |
| Accrued rebate from underlying CIS holdings | 16 | 14 |
| Accrued revenue | 5,992 | 6,683 |
| Amount receivable on issue of units | 508 | 965 |
| Currency deals awaiting settlement | – | 156 |
| Sales awaiting settlement | 3,793 | 13,176 |
| **Total debtors** | **10,334** | **20,994** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 16 | 5 |
| Amount payable for cancellation of units | 2,701 | 2,045 |
| Custodian transaction costs | 22 | 6 |
| Purchases awaiting settlement | 433 | 13,604 |
| **Total other creditors** | **3,187** | **15,671** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 9% | 1 | 91% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 11% | 1 | 89% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

NOTES TO FINANCIAL STATEMENTS (continued)

## 12. Related Parties (continued)

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

## 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (31 December 2023: Nil).

## 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 584,267,544 |
| Issued during the year | 52,075,002 |
| Cancelled during the year | (51,844,732) |
| **Balance at the end of the year** | **584,497,814** |

## 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

## 16. Subsequent Events

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805822.

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, these financial statements are prepared on an other than going concern basis for the year ended 31 December 2024. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 126.99 | 113.95 | 135.50 |
| Return before operating charges | 13.96 | 13.06 | (21.53) |
| Operating charges | (0.03) | (0.02) | (0.02) |
| Return after operating charges | 13.93 | 13.04 | (21.55) |
| Distributions | (2.93) | (2.39) | (2.05) |
| Retained distributions on accumulation units | 2.93 | 2.39 | 2.05 |
| **Closing net asset value per unit** | 140.92 | 126.99 | 113.95 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 10.97% | 11.44% | (15.90)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 1,802,270 | 1,522,449 | 1,248,581 |
| Closing number of units | 1,278,923,289 | 1,198,854,080 | 1,095,699,825 |
| Operating charges[2] | 0.02% | 0.01% | 0.02% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | Pence per unit | Pence per unit | Pence per unit |
| Highest offer unit price | 143.71 | 127.18 | 135.75 |
| Lowest bid unit price | 124.80 | 114.00 | 108.00 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).
[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).
[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 13 for further details.

## ACS LIFEPATH 2031-2033

### DISTRIBUTION TABLE

for the year ended 31 December 2024

**Final Distribution in Pence per Unit**

| | X1 Accumulation Units |
|---|---|
| Net revenue | 2.9305 |
| **Distribution paid 28.2.2025** | **2.9305** |
| **Distribution paid 29.2.2024** | **2.3943** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 99.13%; 31.12.23 99.01%** | | | |
| **Equity Funds - 56.78%; 31.12.23 59.27%** | | | |
| 310,609,746 | ACS World ESG Screened and Optimised Equity Tracker Fund | 584,298 | 32.42 |
| 154,501,964 | ACS World ESG Screened Equity Tracker Fund | 252,767 | 14.03 |
| 62,421,972 | ACS World Small Cap ESG Screened Equity Tracker Fund | 71,518 | 3.97 |
| 736,032 | iShares Bloomberg Enhanced Roll Yield Commodity Swap UCITS ETF | 4,332 | 0.24 |
| 1,931,628 | iShares Emerging Markets Index Fund (IE) | 61,847 | 3.43 |
| 17,725,261 | iShares Global Property Securities Equity Index Fund (UK) | 38,633 | 2.14 |
| 318,535 | iShares MSCI Emerging Markets UCITS ETF | 9,907 | 0.55 |
| | | **1,023,302** | **56.78** |
| **Fixed Income Funds - 42.35%; 31.12.23 39.74%** | | | |
| 150,331 | iShares Emerging Markets Government Bond Index Fund (LU) | 17,335 | 0.96 |
| 93,258,657 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 83,937 | 4.66 |
| 62,557,673 | iShares Overseas Corporate Bond Index Fund (UK) | 101,953 | 5.66 |
| 215,643,056 | iShares Overseas Government Bond Index Fund (UK) | 254,991 | 14.15 |
| 178,852,543 | iShares UK Gilts All Stocks Index Fund (UK) | 187,285 | 10.39 |
| 16,627,001 | iShares Up to 10 Years Gilts Index Fund (UK) | 17,880 | 0.99 |
| 94,748,159 | iShares Up to 10 Years Index Linked Gilt Index Fund (UK) | 99,844 | 5.54 |
| | | **763,225** | **42.35** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.11)%; 31.12.23 (0.05)%** | | | | |
| **Forward Currency Contracts - (0.11)%; 31.12.23 (0.05)%** | | | | |
| EUR 390,268 | Euro vs UK sterling^ | 324 | – | 0.00 |
| JPY 222,404,192 | Japanese yen vs UK sterling | 1,132 | (34) | 0.00 |
| CHF 311,200 | Swiss franc vs UK sterling | 274 | (5) | 0.00 |
| GBP 6,928,259 | UK sterling vs Australian dollar | (6,694) | 235 | 0.01 |
| GBP 12,273,707 | UK sterling vs Canadian dollar | (12,096) | 178 | 0.01 |
| GBP 2,464,584 | UK sterling vs Danish krone | (2,458) | 6 | 0.00 |
| GBP 49,340,127 | UK sterling vs Euro | (49,225) | 115 | 0.01 |
| GBP 1,334,820 | UK sterling vs Hong Kong dollar | (1,355) | (20) | 0.00 |
| GBP 609,461 | UK sterling vs Israel shekel | (616) | (6) | 0.00 |
| GBP 32,062,997 | UK sterling vs Japanese yen | (30,994) | 1,069 | 0.06 |
| GBP 253,674 | UK sterling vs New Zealand dollar | (244) | 9 | 0.00 |

PORTFOLIO STATEMENT (continued)

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| GBP 1,090,472 | UK sterling vs Norwegian krone | (1,079) | 11 | 0.00 |
| GBP 970,379 | UK sterling vs Singapore dollar | (966) | 4 | 0.00 |
| GBP 2,380,004 | UK sterling vs Swedish krona | (2,390) | (10) | 0.00 |
| GBP 7,415,701 | UK sterling vs Swiss franc | (7,290) | 126 | 0.01 |
| GBP 275,772,843 | UK sterling vs United States dollar | (279,505) | (3,732) | (0.21) |
| USD 8,264,243 | United States dollar vs UK sterling | 6,590 | 70 | 0.00 |
| | | **(386,592)** | **(1,984)** | **(0.11)** |
| **Portfolio of investments** | | | **1,784,543** | **99.02** |
| Net other assets | | | 17,727 | 0.98 |
| **Total net assets** | | | **1,802,270** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 137,133 | | 123,896 |
| Revenue | 4 | 36,572 | | 27,746 | |
| Expenses | 5 | (146) | | (108) | |
| Interest paid and similar charges | 6 | (3) | | (6) | |
| Net revenue before taxation | | 36,423 | | 27,632 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 36,423 | | 27,632 |
| Total return before distributions | | | 173,556 | | 151,528 |
| Distributions | 8 | | (36,407) | | (27,632) |
| **Change in net assets attributable to unitholders from investment activities** | | | **137,149** | | **123,896** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 1,522,449 | | 1,248,581 |
| Amounts receivable on issue of units | 187,684 | | 200,551 | |
| Amounts payable on cancellation of units | (82,491) | | (79,283) | |
| | | 105,193 | | 121,268 |
| Change in net assets attributable to unitholders from investment activities | | 137,149 | | 123,896 |
| Retained distribution on accumulation units | | 37,479 | | 28,704 |
| **Closing net assets attributable to unitholders** | | **1,802,270** | | **1,522,449** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 1,788,350 | 1,508,432 |
| Current assets | | | |
| – Debtors | 9 | 20,218 | 33,806 |
| – Cash and bank balances | | 90 | 81 |
| **Total assets** | | **1,808,658** | **1,542,319** |
| **Liabilities:** | | | |
| Investment liabilities | | (3,807) | (1,795) |
| Creditors | | | |
| – Other creditors | 10 | (2,581) | (18,075) |
| **Total liabilities** | | **(6,388)** | **(19,870)** |
| **Net assets attributable to unitholders** | | **1,802,270** | **1,522,449** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 133,499 | 92,169 |
| Forward currency contracts | (3,622) | 31,447 |
| Currency gains | 7,290 | 295 |
| Custodian transaction costs | (23) | (15) |
| Other expense from underlying CIS holdings | (11) | – |
| **Net capital gains** | **137,133** | **123,896** |

* Includes realised gains of £21,212,310 and unrealised gains of £112,287,406 (2023: realised losses of £33,686,179 and unrealised gains of £125,855,546). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 1,925 | 1,808 |
| Interest distributions on CIS holdings | 18,953 | 11,090 |
| Interest from UK bank deposits | 77 | 170 |
| Overseas dividends | 13,851 | 13,236 |
| Rebate from underlying CIS holdings | 31 | 84 |
| Securities lending revenue | 80 | 62 |
| UK dividends | 1,139 | 797 |
| UK REIT dividends | 38 | 29 |
| US REIT dividends | 478 | 470 |
| **Total revenue** | **36,572** | **27,746** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 22 | 6 |
| Other expenses: | | |
| – Audit fee | 10 | 7 |
| – Credit administration expenses | 2 | 2 |
| – Dividend charges* | – | 83 |
| – Index licence fee | 44 | – |
| – Legal fee | 1 | 2 |
| – Safe custody fee | 67 | 8 |
| **Total expenses** | **146** | **108** |

* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 3 | 6 |
| **Total interest paid and similar charges** | **3** | **6** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 37,479 | 28,704 |
| | 37,479 | 28,704 |
| Add: Amounts deducted on cancellation of units | 1,121 | 810 |
| Deduct: Amounts received on issue of units | (2,193) | (1,882) |
| **Distributions** | **36,407** | **27,632** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 36,423 | 27,632 |
| Add: Revenue brought forward | 1 | 1 |
| Deduct: Revenue carried forward | (1) | (1) |
| Custodian transaction costs | (5) | – |
| Other expense from underlying CIS holdings | (11) | – |
| **Distributions** | **36,407** | **27,632** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions (continued)

Details of the final distribution per unit are set out in the table on page 105.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued rebate from underlying CIS holdings | 28 | 24 |
| Accrued revenue | 15,091 | 15,445 |
| Amount receivable on issue of units | 741 | 2,919 |
| Currency deals awaiting settlement | – | 294 |
| Sales awaiting settlement | 4,358 | 15,124 |
| **Total debtors** | **20,218** | **33,806** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 18 | 5 |
| Amount payable for cancellation of units | 1,900 | 2,097 |
| Custodian transaction costs | 22 | 8 |
| Purchases awaiting settlement | 626 | 15,954 |
| **Total other creditors** | **2,581** | **18,075** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. (“BlackRock”), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

NOTES TO FINANCIAL STATEMENTS (continued)

## 12. Related Parties (continued)

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 50% | Nil | Nil |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 48% | 1 | 52% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

## 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 13. Portfolio Transaction Costs (continued)

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (31 December 2023: Nil).

### 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 1,198,854,080 |
| Issued during the year | 141,526,441 |
| Cancelled during the year | (61,457,232) |
| **Balance at the end of the year** | **1,278,923,289** |

### 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 16. Subsequent Events

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805823.

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, these financial statements are prepared on an other than going concern basis for the year ended 31 December 2024. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 130.41 | 116.27 | 137.70 |
| Return before operating charges | 15.80 | 14.16 | (21.41) |
| Operating charges | (0.03) | (0.02) | (0.02) |
| Return after operating charges | 15.77 | 14.14 | (21.43) |
| Distributions | (3.01) | (2.49) | (2.16) |
| Retained distributions on accumulation units | 3.01 | 2.49 | 2.16 |
| **Closing net asset value per unit** | 146.18 | 130.41 | 116.27 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 12.09% | 12.16% | (15.56)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 1,049,008 | 909,945 | 783,233 |
| Closing number of units | 717,613,714 | 697,771,412 | 673,656,387 |
| Operating charges[2] | 0.02% | 0.02% | 0.02% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 149.12 | 130.64 | 138.01 |
| Lowest bid unit price | 128.16 | 117.00 | 110.00 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).
[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).
[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 13 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 3.0082 |
| **Distribution paid 28.2.2025** | **3.0082** |
| **Distribution paid 29.2.2024** | **2.4929** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 99.05%; 31.12.23 98.93%** | | | |
| **Equity Funds - 62.74%; 31.12.23 65.29%** | | | |
| 180,672,695 | ACS World ESG Screened and Optimised Equity Tracker Fund | 339,875 | 32.40 |
| 118,559,271 | ACS World ESG Screened Equity Tracker Fund | 193,968 | 18.49 |
| 41,376,169 | ACS World Small Cap ESG Screened Equity Tracker Fund | 47,411 | 4.52 |
| 361,787 | iShares Bloomberg Enhanced Roll Yield Commodity Swap UCITS ETF | 2,129 | 0.20 |
| 1,164,835 | iShares Emerging Markets Index Fund (IE) | 37,296 | 3.56 |
| 12,152,269 | iShares Global Property Securities Equity Index Fund (UK) | 26,487 | 2.52 |
| 354,427 | iShares MSCI Emerging Markets UCITS ETF | 11,023 | 1.05 |
| | | **658,189** | **62.74** |
| **Fixed Income Funds - 36.31%; 31.12.23 33.64%** | | | |
| 92,933 | iShares Emerging Markets Government Bond Index Fund (LU) | 10,716 | 1.02 |
| 51,419,822 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 46,280 | 4.41 |
| 34,565,366 | iShares Overseas Corporate Bond Index Fund (UK) | 56,333 | 5.37 |
| 105,472,477 | iShares Overseas Government Bond Index Fund (UK) | 124,718 | 11.89 |
| 91,767,917 | iShares UK Gilts All Stocks Index Fund (UK) | 96,094 | 9.16 |
| 5,777,437 | iShares Up to 10 Years Gilts Index Fund (UK) | 6,213 | 0.59 |
| 38,469,550 | iShares Up to 10 Years Index Linked Gilt Index Fund (UK) | 40,538 | 3.87 |
| | | **380,892** | **36.31** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.10)%; 31.12.23 (0.03)%** | | | | |
| **Forward Currency Contracts - (0.10)%; 31.12.23 (0.03)%** | | | | |
| EUR 296,346 | Euro vs UK sterling^ | 246 | – | 0.00 |
| JPY 87,978,321 | Japanese yen vs UK sterling | 448 | (12) | 0.00 |
| CHF 170,967 | Swiss franc vs UK sterling | 151 | (3) | 0.00 |
| GBP 3,434,796 | UK sterling vs Australian dollar | (3,319) | 116 | 0.01 |

PORTFOLIO STATEMENT (continued)

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| GBP 6,113,912 | UK sterling vs Canadian dollar | (6,025) | 89 | 0.01 |
| GBP 1,298,537 | UK sterling vs Danish krone | (1,295) | 3 | 0.00 |
| GBP 23,369,741 | UK sterling vs Euro | (23,315) | 54 | 0.00 |
| GBP 802,644 | UK sterling vs Hong Kong dollar | (815) | (12) | 0.00 |
| GBP 300,920 | UK sterling vs Israel shekel | (304) | (3) | 0.00 |
| GBP 15,158,737 | UK sterling vs Japanese yen | (14,653) | 506 | 0.05 |
| GBP 162,941 | UK sterling vs New Zealand dollar | (157) | 6 | 0.00 |
| GBP 502,493 | UK sterling vs Norwegian krone | (497) | 5 | 0.00 |
| GBP 420,090 | UK sterling vs Singapore dollar | (418) | 2 | 0.00 |
| GBP 1,228,355 | UK sterling vs Swedish krona | (1,234) | (5) | 0.00 |
| GBP 3,864,544 | UK sterling vs Swiss franc | (3,799) | 65 | 0.01 |
| GBP 139,827,228 | UK sterling vs United States dollar | (141,724) | (1,896) | (0.18) |
| USD 3,789,602 | United States dollar vs UK sterling | 3,022 | 30 | 0.00 |
| | | **(193,688)** | **(1,055)** | **(0.10)** |
| **Portfolio of investments** | | | **1,038,026** | **98.95** |
| Net other assets | | | 10,982 | 1.05 |
| **Total net assets** | | | **1,049,008** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 91,084 | | 80,538 |
| Revenue | 4 | 21,546 | | 17,243 | |
| Expenses | 5 | (76) | | (78) | |
| Interest paid and similar charges | 6 | (3) | | (3) | |
| Net revenue before taxation | | 21,467 | | 17,162 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 21,467 | | 17,162 |
| Total return before distributions | | | 112,551 | | 97,700 |
| Distributions | 8 | | (21,419) | | (17,162) |
| **Change in net assets attributable to unitholders from investment activities** | | | **91,132** | | **80,538** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 909,945 | | 783,233 |
| Amounts receivable on issue of units | 73,222 | | 77,649 | |
| Amounts payable on cancellation of units | (46,878) | | (48,870) | |
| | | 26,344 | | 28,779 |
| Change in net assets attributable to unitholders from investment activities | | 91,132 | | 80,538 |
| Retained distribution on accumulation units | | 21,587 | | 17,395 |
| **Closing net assets attributable to unitholders** | | **1,049,008** | | **909,945** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 1,039,957 | 900,898 |
| Current assets | | | |
| – Debtors | 9 | 12,627 | 18,498 |
| – Cash and bank balances | | 52 | 48 |
| **Total assets** | | **1,052,636** | **919,444** |
| **Liabilities:** | | | |
| Investment liabilities | | (1,931) | (1,022) |
| Creditors | | | |
| – Other creditors | 10 | (1,697) | (8,477) |
| **Total liabilities** | | **(3,628)** | **(9,499)** |
| **Net assets attributable to unitholders** | | **1,049,008** | **909,945** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 89,282 | 62,890 |
| Forward currency contracts | (1,784) | 6,609 |
| Currency gains | 3,654 | 11,051 |
| Custodian transaction costs | (26) | (12) |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (41) | – |
| **Net capital gains** | **91,084** | **80,538** |

* Includes realised gains of £13,551,540 and unrealised gains of £75,730,485 (2023: realised losses of £15,609,903 and unrealised gains of £78,499,608). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 1,344 | 1,325 |
| Interest distributions on CIS holdings | 10,056 | 5,945 |
| Interest from UK bank deposits | 63 | 117 |
| Overseas dividends | 8,918 | 8,929 |
| Rebate from underlying CIS holdings | 32 | 43 |
| Securities lending revenue | 53 | 42 |
| UK dividends | 737 | 499 |
| UK REIT dividends | 24 | 19 |
| US REIT dividends | 319 | 324 |
| **Total revenue** | **21,546** | **17,243** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 39 | 7 |
| Other expenses: | | |
| – Audit fee | 9 | 7 |
| – Credit administration expenses | 1 | 1 |
| – Dividend charges* | – | 54 |
| – Legal fee | 1 | 2 |
| – Safe custody fee | 26 | 7 |
| **Total expenses** | **76** | **78** |

* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS Holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 3 | 3 |
| **Total interest paid and similar charges** | **3** | **3** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 21,587 | 17,395 |
| | 21,587 | 17,395 |
| Add: Amounts deducted on cancellation of units | 648 | 542 |
| Deduct: Amounts received on issue of units | (816) | (775) |
| **Distributions** | **21,419** | **17,162** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 21,467 | 17,162 |
| Deduct: Revenue carried forward | (1) | – |
| Custodian transaction costs | (5) | – |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (41) | – |
| **Distributions** | **21,419** | **17,162** |

Details of the final distribution per unit are set out in the table on page 117.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued rebate from underlying CIS holdings | 27 | 12 |
| Accrued revenue | 9,598 | 10,024 |
| Amount receivable on issue of units | 593 | 1,352 |
| Sales awaiting settlement | 2,409 | 7,110 |
| **Total debtors** | **12,627** | **18,498** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 17 | 5 |
| Amount payable for cancellation of units | 1,050 | – |
| Currency deals awaiting settlement | – | 1 |
| Custodian transaction costs | 22 | 6 |
| Purchases awaiting settlement | 593 | 8,454 |
| **Total other creditors** | **1,697** | **8,477** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. (“BlackRock”), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

### 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (31 December 2023: Nil).

NOTES TO FINANCIAL STATEMENTS (continued)

## 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 697,771,412 |
| Issued during the year | 53,384,195 |
| Cancelled during the year | (33,541,893) |
| **Balance at the end of the year** | **717,613,714** |

## 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

## 16. Subsequent Events

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805824.

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, these financial statements are prepared on an other than going concern basis for the year ended 31 December 2024. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 134.47 | 118.93 | 140.20 |
| Return before operating charges | 17.82 | 15.55 | (21.24) |
| Operating charges | (0.03) | (0.01) | (0.03) |
| Return after operating charges | 17.79 | 15.54 | (21.27) |
| Distributions | (3.04) | (2.55) | (2.25) |
| Retained distributions on accumulation units | 3.04 | 2.55 | 2.25 |
| **Closing net asset value per unit** | 152.26 | 134.47 | 118.93 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 13.23% | 13.07% | (15.17)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 1,984,547 | 1,591,344 | 1,272,717 |
| Closing number of units | 1,303,401,538 | 1,183,447,066 | 1,070,123,723 |
| Operating charges[2] | 0.02% | 0.01% | 0.02% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 155.39 | 134.73 | 140.57 |
| Lowest bid unit price | 132.13 | 119.00 | 113.00 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).
[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).
[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 13 for further details.

## ACS LIFEPATH 2037-2039

### DISTRIBUTION TABLE

for the year ended 31 December 2024

**Final Distribution in Pence per Unit**

| | X1 Accumulation Units |
|---|---|
| Net revenue | 3.0444 |
| **Distribution paid 28.2.2025** | **3.0444** |
| **Distribution paid 29.2.2024** | **2.5546** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 98.98%; 31.12.23 98.83%** | | | |
| **Equity Funds - 68.66%; 31.12.23 71.13%** | | | |
| 341,548,604 | ACS World ESG Screened and Optimised Equity Tracker Fund | 642,511 | 32.37 |
| 279,967,723 | ACS World ESG Screened Equity Tracker Fund | 458,032 | 23.08 |
| 88,833,853 | ACS World Small Cap ESG Screened Equity Tracker Fund | 101,780 | 5.13 |
| 2,324,202 | iShares Emerging Markets Index Fund (IE) | 74,416 | 3.75 |
| 26,124,249 | iShares Global Property Securities Equity Index Fund (UK) | 56,939 | 2.87 |
| 929,990 | iShares MSCI Emerging Markets UCITS ETF | 28,923 | 1.46 |
| | | **1,362,601** | **68.66** |
| **Fixed Income Funds - 30.32%; 31.12.23 27.70%** | | | |
| 140,622 | iShares Emerging Markets Government Bond Index Fund (LU) | 16,216 | 0.82 |
| 85,981,385 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 77,387 | 3.90 |
| 57,706,340 | iShares Overseas Corporate Bond Index Fund (UK) | 94,046 | 4.74 |
| 169,820,815 | iShares Overseas Government Bond Index Fund (UK) | 200,807 | 10.12 |
| 150,913,789 | iShares UK Gilts All Stocks Index Fund (UK) | 158,029 | 7.96 |
| 5,456,477 | iShares Up to 10 Years Gilts Index Fund (UK) | 5,868 | 0.30 |
| 46,773,333 | iShares Up to 10 Years Index Linked Gilt Index Fund (UK) | 49,289 | 2.48 |
| | | **601,642** | **30.32** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.09)%; 31.12.23 (0.03)%** | | | | |
| **Forward Currency Contracts - (0.09)%; 31.12.23 (0.03)%** | | | | |
| EUR 305,706 | Euro vs UK sterling^ | 254 | – | 0.00 |
| JPY 96,559,158 | Japanese yen vs UK sterling | 491 | (13) | 0.00 |
| GBP 5,370,482 | UK sterling vs Australian dollar | (5,189) | 182 | 0.01 |
| GBP 9,645,883 | UK sterling vs Canadian dollar | (9,506) | 140 | 0.01 |
| GBP 2,076,442 | UK sterling vs Danish krone | (2,071) | 6 | 0.00 |
| GBP 33,992,394 | UK sterling vs Euro | (33,912) | 80 | 0.00 |
| GBP 1,096,766 | UK sterling vs Hong Kong dollar | (1,114) | (17) | 0.00 |
| GBP 493,787 | UK sterling vs Israel shekel | (499) | (5) | 0.00 |
| GBP 22,715,991 | UK sterling vs Japanese yen | (21,958) | 758 | 0.04 |
| GBP 282,598 | UK sterling vs New Zealand dollar | (272) | 11 | 0.00 |
| GBP 745,614 | UK sterling vs Norwegian krone | (738) | 7 | 0.00 |
| GBP 842,862 | UK sterling vs Singapore dollar | (839) | 4 | 0.00 |
| GBP 2,090,291 | UK sterling vs Swedish krona | (2,099) | (9) | 0.00 |
| GBP 6,102,653 | UK sterling vs Swiss franc | (5,999) | 103 | 0.00 |

PORTFOLIO STATEMENT (continued)

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| GBP 219,371,809 | UK sterling vs United States dollar | (222,346) | (2,974) | (0.15) |
| USD 5,016,308 | United States dollar vs UK sterling | 4,000 | 39 | 0.00 |
| | | **(301,797)** | **(1,688)** | **(0.09)** |
| **Portfolio of investments** | | | **1,962,555** | **98.89** |
| Net other assets | | | 21,992 | 1.11 |
| **Total net assets** | | | **1,984,547** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 184,202 | | 148,060 |
| Revenue | 4 | 38,205 | | 29,041 | |
| Expenses | 5 | (170) | | (121) | |
| Interest paid and similar charges | 6 | (3) | | (4) | |
| Net revenue before taxation | | 38,032 | | 28,916 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 38,032 | | 28,916 |
| Total return before distributions | | | 222,234 | | 176,976 |
| Distributions | 8 | | (38,002) | | (28,916) |
| **Change in net assets attributable to unitholders from investment activities** | | | **184,232** | | **148,060** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 1,591,344 | | 1,272,717 |
| Amounts receivable on issue of units | 209,224 | | 188,451 | |
| Amounts payable on cancellation of units | (39,934) | | (48,116) | |
| | | 169,290 | | 140,335 |
| Change in net assets attributable to unitholders from investment activities | | 184,232 | | 148,060 |
| Retained distribution on accumulation units | | 39,681 | | 30,232 |
| **Closing net assets attributable to unitholders** | | **1,984,547** | | **1,591,344** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 1,965,573 | 1,573,854 |
| Current assets | | | |
| – Debtors | 9 | 24,365 | 31,587 |
| – Cash and bank balances | | 98 | 84 |
| **Total assets** | | **1,990,036** | **1,605,525** |
| **Liabilities:** | | | |
| Investment liabilities | | (3,018) | (1,511) |
| Creditors | | | |
| – Other creditors | 10 | (2,471) | (12,670) |
| **Total liabilities** | | **(5,489)** | **(14,181)** |
| **Net assets attributable to unitholders** | | **1,984,547** | **1,591,344** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 181,849 | 120,785 |
| Forward currency contracts | (3,118) | 9,542 |
| Currency gains | 5,519 | 17,749 |
| Custodian transaction costs | (28) | (16) |
| Other expense from underlying CIS holdings | (20) | – |
| **Net capital gains** | **184,202** | **148,060** |

* Includes realised gains of £14,689,301 and unrealised gains of £167,159,504 (2023: realised losses of £19,918,866 and unrealised gains of £140,703,348). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 2,683 | 2,407 |
| Interest distributions on CIS holdings | 15,613 | 8,342 |
| Interest from UK bank deposits | 117 | 223 |
| Overseas dividends | 17,505 | 16,432 |
| Rebate from underlying CIS holdings | 40 | 61 |
| Securities lending revenue | 107 | 75 |
| UK dividends | 1,447 | 859 |
| UK REIT dividends | 47 | 33 |
| US REIT dividends | 646 | 609 |
| **Total revenue** | **38,205** | **29,041** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 71 | 6 |
| Other expenses: | | |
| – Audit fee | 11 | 7 |
| – Credit administration expenses | 2 | 2 |
| – Dividend charges* | – | 96 |
| – Index licence fee | 48 | – |
| – Legal fee | 2 | 2 |
| – Safe custody fee | 36 | 8 |
| **Total expenses** | **170** | **121** |

* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 3 | 4 |
| **Total interest paid and similar charges** | **3** | **4** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 39,681 | 30,232 |
| | 39,681 | 30,232 |
| Add: Amounts deducted on cancellation of units | 547 | 504 |
| Deduct: Amounts received on issue of units | (2,226) | (1,820) |
| **Distributions** | **38,002** | **28,916** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 38,032 | 28,916 |
| Custodian transaction costs | (10) | – |
| Other expense from underlying CIS holdings | (20) | – |
| **Distributions** | **38,002** | **28,916** |

Details of the final distribution per unit are set out in the table on page 129.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued rebate from underlying CIS holdings | 22 | 16 |
| Accrued revenue | 19,732 | 18,955 |
| Amount receivable on issue of units | 3,065 | 1,888 |
| Sales awaiting settlement | 1,546 | 10,728 |
| **Total debtors** | **24,365** | **31,587** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 16 | 5 |
| Amount payable for cancellation of units | 95 | 400 |
| Currency deals awaiting settlement | – | 2 |
| Custodian transaction costs | 21 | 7 |
| Purchases awaiting settlement | 2,324 | 12,245 |
| **Total other creditors** | **2,471** | **12,670** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 46% | 1 | 54% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 43% | 1 | 57% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

### 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (31 December 2023: Nil).

NOTES TO FINANCIAL STATEMENTS (continued)

## 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 1,183,447,066 |
| Issued during the year | 147,320,571 |
| Cancelled during the year | (27,366,099) |
| **Balance at the end of the year** | **1,303,401,538** |

## 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

## 16. Subsequent Events

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805825.

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, these financial statements are prepared on an other than going concern basis for the year ended 31 December 2024. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 138.54 | 121.39 | 142.24 |
| Return before operating charges | 20.08 | 17.19 | (20.82) |
| Operating charges | (0.03) | (0.04) | (0.03) |
| Return after operating charges | 20.05 | 17.15 | (20.85) |
| Distributions | (3.09) | (2.64) | (2.37) |
| Retained distributions on accumulation units | 3.09 | 2.64 | 2.37 |
| **Closing net asset value per unit** | 158.59 | 138.54 | 121.39 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 14.47% | 14.13% | (14.66)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 966,012 | 795,966 | 655,647 |
| Closing number of units | 609,119,519 | 574,542,093 | 540,106,872 |
| Operating charges[2] | 0.02% | 0.02% | 0.02% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | Pence per unit | Pence per unit | Pence per unit |
| Highest offer unit price | 161.92 | 138.84 | 142.68 |
| Lowest bid unit price | 136.16 | 121.61 | 116.00 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).
[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).
[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 13 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 3.0908 |
| **Distribution paid 28.2.2025** | **3.0908** |
| **Distribution paid 29.2.2024** | **2.6448** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 98.90%; 31.12.23 98.74%** | | | |
| **Equity Funds - 75.07%; 31.12.23 76.91%** | | | |
| 166,145,278 | ACS World ESG Screened and Optimised Equity Tracker Fund | 312,557 | 32.36 |
| 163,367,281 | ACS World ESG Screened Equity Tracker Fund | 267,272 | 27.67 |
| 49,584,929 | ACS World Small Cap ESG Screened Equity Tracker Fund | 56,814 | 5.88 |
| 1,225,893 | iShares Emerging Markets Index Fund (IE) | 39,251 | 4.06 |
| 14,770,385 | iShares Global Property Securities Equity Index Fund (UK) | 32,193 | 3.33 |
| 550,402 | iShares MSCI Emerging Markets UCITS ETF | 17,118 | 1.77 |
| | | **725,205** | **75.07** |
| **Fixed Income Funds - 23.83%; 31.12.23 21.83%** | | | |
| 56,153 | iShares Emerging Markets Government Bond Index Fund (LU) | 6,475 | 0.67 |
| 36,056,582 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 32,452 | 3.36 |
| 24,390,983 | iShares Overseas Corporate Bond Index Fund (UK) | 39,751 | 4.11 |
| 66,281,579 | iShares Overseas Government Bond Index Fund (UK) | 78,376 | 8.11 |
| 59,462,516 | iShares UK Gilts All Stocks Index Fund (UK) | 62,266 | 6.45 |
| 10,317,408 | iShares Up to 10 Years Index Linked Gilt Index Fund (UK) | 10,872 | 1.13 |
| | | **230,192** | **23.83** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.07)%; 31.12.23 (0.02)%** | | | | |
| **Forward Currency Contracts - (0.07)%; 31.12.23 (0.02)%** | | | | |
| EUR 194,888 | Euro vs UK sterling^ | 162 | – | 0.00 |
| JPY 47,132,399 | Japanese yen vs UK sterling | 240 | (6) | 0.00 |
| GBP 2,060,778 | UK sterling vs Australian dollar | (1,991) | 70 | 0.01 |
| GBP 3,736,461 | UK sterling vs Canadian dollar | (3,682) | 54 | 0.01 |
| GBP 820,968 | UK sterling vs Danish krone | (819) | 2 | 0.00 |
| GBP 12,101,410 | UK sterling vs Euro | (12,073) | 29 | 0.00 |
| GBP 446,722 | UK sterling vs Hong Kong dollar | (454) | (7) | 0.00 |
| GBP 225,565 | UK sterling vs Israel shekel | (228) | (2) | 0.00 |
| GBP 8,355,655 | UK sterling vs Japanese yen | (8,077) | 279 | 0.03 |
| GBP 126,164 | UK sterling vs New Zealand dollar | (121) | 5 | 0.00 |
| GBP 296,252 | UK sterling vs Norwegian krone | (293) | 3 | 0.00 |
| GBP 268,594 | UK sterling vs Singapore dollar | (267) | 1 | 0.00 |

**PORTFOLIO STATEMENT (continued)**

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| GBP 863,382 | UK sterling vs Swedish krona | (867) | (4) | 0.00 |
| GBP 2,384,931 | UK sterling vs Swiss franc | (2,345) | 40 | 0.00 |
| GBP 83,602,698 | UK sterling vs United States dollar | (84,736) | (1,133) | (0.12) |
| USD 2,071,483 | United States dollar vs UK sterling | 1,652 | 14 | 0.00 |
| | | **(113,899)** | **(655)** | **(0.07)** |
| **Portfolio of investments** | | | **954,742** | **98.83** |
| Net other assets | | | 11,270 | 1.17 |
| **Total net assets** | | | **966,012** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 101,146 | | 81,309 |
| Revenue | 4 | 18,536 | | 14,881 | |
| Expenses | 5 | (111) | | (75) | |
| Interest paid and similar charges | 6 | (1) | | (2) | |
| Net revenue before taxation | | 18,424 | | 14,804 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 18,424 | | 14,804 |
| Total return before distributions | | | 119,570 | | 96,113 |
| Distributions | 8 | | (18,408) | | (14,804) |
| **Change in net assets attributable to unitholders from investment activities** | | | **101,162** | | **81,309** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 795,966 | | 655,647 |
| Amounts receivable on issue of units | 77,272 | | 75,972 | |
| Amounts payable on cancellation of units | (27,215) | | (32,158) | |
| | | 50,057 | | 43,814 |
| Change in net assets attributable to unitholders from investment activities | | 101,162 | | 81,309 |
| Retained distribution on accumulation units | | 18,827 | | 15,196 |
| **Closing net assets attributable to unitholders** | | **966,012** | | **795,966** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 955,894 | 786,367 |
| Current assets | | | |
| – Debtors | 9 | 12,286 | 18,758 |
| – Cash and bank balances | | 48 | 41 |
| **Total assets** | | **968,228** | **805,166** |
| **Liabilities:** | | | |
| Investment liabilities | | (1,152) | (615) |
| Creditors | | | |
| – Other creditors | 10 | (1,064) | (8,585) |
| **Total liabilities** | | **(2,216)** | **(9,200)** |
| **Net assets attributable to unitholders** | | **966,012** | **795,966** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 100,314 | 67,138 |
| Forward currency contracts | (1,234) | 5,241 |
| Currency gains | 2,102 | 8,943 |
| Custodian transaction costs | (23) | (13) |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (12) | – |
| **Net capital gains** | **101,146** | **81,309** |

* Includes realised gains of £8,305,483 and unrealised gains of £92,008,243 (2023: realised losses of £6,977,116 and unrealised gains of £74,115,158). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 1,466 | 1,341 |
| Interest distributions on CIS holdings | 6,419 | 3,459 |
| Interest from UK bank deposits | 64 | 125 |
| Overseas dividends | 9,337 | 9,084 |
| Rebate from underlying CIS holdings | 41 | 25 |
| Securities lending revenue | 58 | 41 |
| UK dividends | 775 | 447 |
| UK REIT dividends | 24 | 18 |
| US REIT dividends | 352 | 341 |
| **Total revenue** | **18,536** | **14,881** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Manager or associates of the Manager: | | |
| – Manager's charge and other expenses rebate[#] | 10 | – |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 41 | 7 |
| Other expenses: | | |
| – Audit fee | 9 | 7 |
| – Credit administration expenses | 1 | 1 |
| – Dividend charges[*] | – | 52 |
| – FCA fee | 1 | – |
| – Index licence fee | 24 | – |
| – Legal fee | 1 | 1 |
| – Miscellaneous | (1) | – |
| – Safe custody fee | 25 | 7 |
| **Total expenses** | **111** | **75** |

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.
* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 1 | 2 |
| **Total interest paid and similar charges** | **1** | **2** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 18,827 | 15,196 |
| | 18,827 | 15,196 |
| Add: Amounts deducted on cancellation of units | 391 | 371 |
| Deduct: Amounts received on issue of units | (810) | (763) |
| **Distributions** | **18,408** | **14,804** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions (continued)

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 18,424 | 14,804 |
| Custodian transaction costs | (3) | – |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (12) | – |
| **Distributions** | **18,408** | **14,804** |

Details of the final distribution per unit are set out in the table on page 141.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued rebate from underlying CIS holdings | 29 | 7 |
| Accrued revenue | 10,407 | 10,239 |
| Amount receivable on issue of units | 1,280 | 1,744 |
| Sales awaiting settlement | 570 | 6,768 |
| **Total debtors** | **12,286** | **18,758** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued manager's charge | 10 | – |
| Accrued Safe custody fee | 15 | 4 |
| Currency deals awaiting settlement | – | 1 |
| Custodian transaction costs | 22 | 7 |
| Purchases awaiting settlement | 1,002 | 8,562 |
| **Total other creditors** | **1,064** | **8,585** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

NOTES TO FINANCIAL STATEMENTS (continued)

## 12. Related Parties (continued)

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

## 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

NOTES TO FINANCIAL STATEMENTS (continued)

## 13. Portfolio Transaction Costs (continued)

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (31 December 2023: 0.02%).

## 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 574,542,093 |
| Issued during the year | 52,363,674 |
| Cancelled during the year | (17,786,248) |
| **Balance at the end of the year** | **609,119,519** |

## 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

## 16. Subsequent Events

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805826.

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, these financial statements are prepared on an other than going concern basis for the year ended 31 December 2024. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 142.62 | 123.94 | 144.52 |
| Return before operating charges | 22.02 | 18.71 | (20.55) |
| Operating charges | (0.03) | (0.03) | (0.03) |
| Return after operating charges | 21.99 | 18.68 | (20.58) |
| Distributions | (3.14) | (2.73) | (2.45) |
| Retained distributions on accumulation units | 3.14 | 2.73 | 2.45 |
| **Closing net asset value per unit** | 164.61 | 142.62 | 123.94 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 15.42% | 15.07% | (14.24)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 1,776,703 | 1,379,578 | 1,050,593 |
| Closing number of units | 1,079,349,274 | 967,311,864 | 847,688,876 |
| Operating charges[2] | 0.02% | 0.02% | 0.02% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 168.16 | 142.94 | 145.01 |
| Lowest bid unit price | 140.18 | 124.14 | 118.00 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).
[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).
[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 13 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 3.1385 |
| **Distribution paid 28.2.2025** | **3.1385** |
| **Distribution paid 29.2.2024** | **2.7250** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 98.82%; 31.12.23 98.65%** | | | |
| **Equity Funds - 80.76%; 31.12.23 82.68%** | | | |
| 307,302,639 | ACS World ESG Screened and Optimised Equity Tracker Fund | 578,102 | 32.54 |
| 344,520,675 | ACS World ESG Screened Equity Tracker Fund | 563,646 | 31.72 |
| 99,726,060 | ACS World Small Cap ESG Screened Equity Tracker Fund | 114,262 | 6.43 |
| 2,300,278 | iShares Emerging Markets Index Fund (IE) | 73,650 | 4.15 |
| 30,689,253 | iShares Global Property Securities Equity Index Fund (UK) | 66,889 | 3.76 |
| 1,232,235 | iShares MSCI Emerging Markets UCITS ETF | 38,323 | 2.16 |
| | | **1,434,872** | **80.76** |
| **Fixed Income Funds - 18.06%; 31.12.23 15.97%** | | | |
| 78,208 | iShares Emerging Markets Government Bond Index Fund (LU) | 9,018 | 0.51 |
| 59,218,983 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 53,300 | 3.00 |
| 39,787,251 | iShares Overseas Corporate Bond Index Fund (UK) | 64,843 | 3.65 |
| 90,912,309 | iShares Overseas Government Bond Index Fund (UK) | 107,501 | 6.05 |
| 82,369,181 | iShares UK Gilts All Stocks Index Fund (UK) | 86,252 | 4.85 |
| | | **320,914** | **18.06** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.07)%; 31.12.23 (0.02)%** | | | | |
| **Forward Currency Contracts - (0.07)%; 31.12.23 (0.02)%** | | | | |
| GBP 3,896,772 | UK sterling vs Australian dollar | (3,765) | 132 | 0.01 |
| GBP 6,902,310 | UK sterling vs Canadian dollar | (6,802) | 100 | 0.01 |
| GBP 1,580,497 | UK sterling vs Danish krone | (1,576) | 5 | 0.00 |
| GBP 21,356,125 | UK sterling vs Euro | (21,306) | 50 | 0.00 |
| GBP 986,503 | UK sterling vs Hong Kong dollar | (1,002) | (15) | 0.00 |
| GBP 337,231 | UK sterling vs Israel shekel | (341) | (4) | 0.00 |
| GBP 14,879,301 | UK sterling vs Japanese yen | (14,383) | 497 | 0.03 |
| GBP 184,685 | UK sterling vs New Zealand dollar | (178) | 7 | 0.00 |
| GBP 610,032 | UK sterling vs Norwegian krone | (604) | 6 | 0.00 |
| GBP 661,322 | UK sterling vs Singapore dollar | (658) | 3 | 0.00 |
| GBP 1,664,102 | UK sterling vs Swedish krona | (1,671) | (7) | 0.00 |
| GBP 4,560,740 | UK sterling vs Swiss franc | (4,483) | 77 | 0.00 |
| GBP 158,020,025 | UK sterling vs United States dollar | (160,162) | (2,142) | (0.12) |

PORTFOLIO STATEMENT (continued)

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| USD 2,439,455 | United States dollar vs UK sterling | 1,945 | 17 | 0.00 |
| | | **(214,986)** | **(1,274)** | **(0.07)** |
| **Portfolio of investments** | | | **1,754,512** | **98.75** |
| Net other assets | | | 22,191 | 1.25 |
| **Total net assets** | | | **1,776,703** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 193,812 | | 146,477 |
| Revenue | 4 | 32,513 | | 25,013 | |
| Expenses | 5 | (122) | | (113) | |
| Interest paid and similar charges | 6 | (2) | | (2) | |
| Net revenue before taxation | | 32,389 | | 24,898 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 32,389 | | 24,898 |
| Total return before distributions | | | 226,201 | | 171,375 |
| Distributions | 8 | | (32,303) | | (24,897) |
| **Change in net assets attributable to unitholders from investment activities** | | | **193,898** | | **146,478** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 1,379,578 | | 1,050,593 |
| Amounts receivable on issue of units | 197,891 | | 189,566 | |
| Amounts payable on cancellation of units | (28,539) | | (33,418) | |
| | | 169,352 | | 156,148 |
| Change in net assets attributable to unitholders from investment activities | | 193,898 | | 146,478 |
| Retained distribution on accumulation units | | 33,875 | | 26,359 |
| **Closing net assets attributable to unitholders** | | **1,776,703** | | **1,379,578** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 1,756,680 | 1,361,461 |
| Current assets | | | |
| – Debtors | 9 | 24,368 | 29,026 |
| – Cash and bank balances | | 88 | 72 |
| **Total assets** | | **1,781,136** | **1,390,559** |
| **Liabilities:** | | | |
| Investment liabilities | | (2,168) | (796) |
| Creditors | | | |
| – Other creditors | 10 | (2,265) | (10,185) |
| **Total liabilities** | | **(4,433)** | **(10,981)** |
| **Net assets attributable to unitholders** | | **1,776,703** | **1,379,578** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 195,384 | 124,911 |
| Forward currency contracts | (3,194) | 7,645 |
| Currency gains | 1,727 | 13,936 |
| Custodian transaction costs | (28) | (15) |
| Expense from underlying CIS holdings | (2) | – |
| Other expense from underlying CIS holdings | (75) | – |
| **Net capital gains** | **193,812** | **146,477** |

* Includes realised gains of £8,929,984 and unrealised gains of £186,454,336 (2023: realised losses of £8,343,731 and unrealised gains of £133,254,405. Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 3,286 | 2,423 |
| Interest distributions on CIS holdings | 8,960 | 4,521 |
| Interest from UK bank deposits | 139 | 230 |
| Overseas dividends | 17,761 | 16,314 |
| Rebate from underlying CIS holdings | 45 | 38 |
| Securities lending revenue | 114 | 72 |
| UK dividends | 1,474 | 761 |
| UK REIT dividends | 46 | 30 |
| US REIT dividends | 688 | 624 |
| **Total revenue** | **32,513** | **25,013** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 72 | 6 |
| Other expenses: | | |
| – Audit fee | 11 | 7 |
| – Credit administration expenses | 2 | 2 |
| – Dividend charges* | – | 90 |
| – Legal fee | 2 | 2 |
| – Safe custody fee | 35 | 6 |
| **Total expenses** | **122** | **113** |

* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 2 | 2 |
| **Total interest paid and similar charges** | **2** | **2** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 33,875 | 26,359 |
| | 33,875 | 26,359 |
| Add: Amounts deducted on cancellation of units | 392 | 357 |
| Deduct: Amounts received on issue of units | (1,964) | (1,819) |
| **Distributions** | **32,303** | **24,897** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 32,389 | 24,898 |
| Add: Revenue brought forward | 1 | – |
| Deduct: Revenue carried forward | – | (1) |
| Expense from underlying CIS holdings | (2) | – |
| Custodian transaction costs | (10) | – |
| Other expense from underlying CIS holdings | (75) | – |
| **Distributions** | **32,303** | **24,897** |

Details of the final distribution per unit are set out in the table on page 153.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued rebate from underlying CIS holdings | 17 | 13 |
| Accrued revenue | 20,504 | 18,932 |
| Amount receivable on issue of units | 2,224 | 1,295 |
| Sales awaiting settlement | 1,623 | 8,786 |
| **Total debtors** | **24,368** | **29,026** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 15 | 4 |
| Amount payable for cancellation of units | 241 | 111 |
| Currency deals awaiting settlement | – | 1 |
| Custodian transaction costs | 22 | 9 |
| Purchases awaiting settlement | 1,972 | 10,049 |
| **Total other creditors** | **2,265** | **10,185** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 48% | 1 | 52% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 45% | 1 | 55% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

### 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (31 December 2023: 0.01%).

### 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 967,311,864 |
| Issued during the year | 130,076,395 |
| Cancelled during the year | (18,038,985) |
| **Balance at the end of the year** | **1,079,349,274** |

### 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 16. Subsequent Events

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805827.

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, these financial statements are prepared on an other than going concern basis for the year ended 31 December 2024. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 146.40 | 126.36 | 146.26 |
| Return before operating charges | 24.64 | 20.07 | (19.87) |
| Operating charges | (0.03) | (0.03) | (0.03) |
| Return after operating charges | 24.61 | 20.04 | (19.90) |
| Distributions | (3.14) | (2.83) | (2.58) |
| Retained distributions on accumulation units | 3.14 | 2.83 | 2.58 |
| **Closing net asset value per unit** | 171.01 | 146.40 | 126.36 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 16.81% | 15.86% | (13.61)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 854,914 | 677,748 | 537,416 |
| Closing number of units | 499,917,828 | 462,940,093 | 425,289,819 |
| Operating charges[2] | 0.02% | 0.02% | 0.02% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 174.72 | 146.74 | 146.79 |
| Lowest bid unit price | 143.90 | 127.00 | 121.00 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).
[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).
[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 13 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 3.1390 |
| **Distribution paid 28.2.2025** | **3.1390** |
| **Distribution paid 29.2.2024** | **2.8279** |

## PORTFOLIO STATEMENT

31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 98.75%; 31.12.23 98.54%** | | | |
| **Equity Funds - 86.74%; 31.12.23 88.69%** | | | |
| 947,473 | ACS UK Equity Tracker Fund | 1,265 | 0.15 |
| 147,154,015 | ACS World ESG Screened and Optimised Equity Tracker Fund | 276,829 | 32.38 |
| 169,710,479 | ACS World ESG Screened Equity Tracker Fund | 277,653 | 32.48 |
| 13,826,411 | ACS World Ex UK Equity Tracker Fund | 32,887 | 3.85 |
| 51,901,499 | ACS World Small Cap ESG Screened Equity Tracker Fund | 59,468 | 6.96 |
| 1,194,185 | iShares Emerging Markets Index Fund (IE) | 38,343 | 4.48 |
| 16,340,365 | iShares Global Property Securities Equity Index Fund (UK) | 35,615 | 4.16 |
| 625,760 | iShares MSCI Emerging Markets UCITS ETF | 19,461 | 2.28 |
| | | **741,521** | **86.74** |
| **Fixed Income Funds - 12.01%; 31.12.23 9.85%** | | | |
| 27,837 | iShares Emerging Markets Government Bond Index Fund (LU) | 3,210 | 0.37 |
| 21,860,140 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 19,675 | 2.30 |
| 14,830,079 | iShares Overseas Corporate Bond Index Fund (UK) | 24,169 | 2.83 |
| 25,882,975 | iShares Overseas Government Bond Index Fund (UK) | 30,606 | 3.58 |
| 23,889,162 | iShares UK Gilts All Stocks Index Fund (UK) | 25,016 | 2.93 |
| | | **102,676** | **12.01** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.05)%; 31.12.23 (0.01)%** | | | | |
| **Forward Currency Contracts - (0.05)%; 31.12.23 (0.01)%** | | | | |
| EUR 255,378 | Euro vs UK sterling^ | 212 | – | 0.00 |
| GBP 1,308,050 | UK sterling vs Australian dollar | (1,264) | 44 | 0.01 |
| GBP 2,337,897 | UK sterling vs Canadian dollar | (2,304) | 34 | 0.00 |
| GBP 537,436 | UK sterling vs Danish krone | (536) | 1 | 0.00 |
| GBP 6,601,125 | UK sterling vs Euro | (6,586) | 16 | 0.00 |
| GBP 282,967 | UK sterling vs Hong Kong dollar | (287) | (4) | 0.00 |
| GBP 100,527 | UK sterling vs Israel shekel | (101) | (1) | 0.00 |
| GBP 4,680,753 | UK sterling vs Japanese yen | (4,524) | 156 | 0.02 |
| GBP 79,055 | UK sterling vs Korean won | (76) | 3 | 0.00 |
| GBP 97,662 | UK sterling vs New Zealand dollar | (94) | 4 | 0.00 |
| GBP 200,864 | UK sterling vs Norwegian krone | (199) | 2 | 0.00 |
| GBP 8,822 | UK sterling vs Polish zloty^ | (9) | – | 0.00 |
| GBP 208,054 | UK sterling vs Singapore dollar | (207) | 1 | 0.00 |

PORTFOLIO STATEMENT (continued)

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| GBP 571,158 | UK sterling vs Swedish krona | (574) | (3) | 0.00 |
| GBP 1,561,124 | UK sterling vs Swiss franc | (1,535) | 26 | 0.00 |
| GBP 52,327,769 | UK sterling vs United States dollar | (53,037) | (709) | (0.08) |
| USD 1,126,273 | United States dollar vs UK sterling | 898 | 7 | 0.00 |
| | | **(70,223)** | **(423)** | **(0.05)** |
| **Portfolio of investments** | | | **843,774** | **98.70** |
| Net other assets | | | 11,140 | 1.30 |
| **Total net assets** | | | **854,914** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 104,232 | | 76,885 |
| Revenue | 4 | 15,338 | | 12,687 | |
| Expenses | 5 | (83) | | (71) | |
| Interest paid and similar charges | 6 | (1) | | (1) | |
| Net revenue before taxation | | 15,254 | | 12,615 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 15,254 | | 12,615 |
| Total return before distributions | | | 119,486 | | 89,500 |
| Distributions | 8 | | (15,236) | | (12,616) |
| **Change in net assets attributable to unitholders from investment activities** | | | **104,251** | | **76,884** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 677,748 | | 537,416 |
| Amounts receivable on issue of units | 78,782 | | 76,344 | |
| Amounts payable on cancellation of units | (21,559) | | (25,987) | |
| | | 57,223 | | 50,357 |
| Change in net assets attributable to unitholders from investment activities | | 104,251 | | 76,884 |
| Retained distribution on accumulation units | | 15,692 | | 13,091 |
| **Closing net assets attributable to unitholders** | | **854,914** | | **677,748** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 844,491 | 668,043 |
| Current assets | | | |
| – Debtors | 9 | 12,005 | 14,353 |
| – Cash and bank balances | | 43 | 35 |
| **Total assets** | | **856,539** | **682,431** |
| **Liabilities:** | | | |
| Investment liabilities | | (717) | (266) |
| Creditors | | | |
| – Other creditors | 10 | (908) | (4,417) |
| **Total liabilities** | | **(1,625)** | **(4,683)** |
| **Net assets attributable to unitholders** | | **854,914** | **677,748** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 103,844 | 66,942 |
| Forward currency contracts | (839) | 3,151 |
| Currency gains | 1,267 | 6,806 |
| Custodian transaction costs | (25) | (14) |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holding | (14) | – |
| **Net capital gains** | **104,232** | **76,885** |

* Includes realised gains of £5,378,682 and unrealised gains of £98,464,519 (2023: realised losses of £1,437,638 and unrealised gains of £68,379,454). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 1,494 | 1,331 |
| Interest distributions on CIS holdings | 3,276 | 1,613 |
| Interest from UK bank deposits | 64 | 119 |
| Overseas dividends | 9,260 | 8,830 |
| Rebate from underlying CIS holdings | 25 | 13 |
| Securities lending revenue | 60 | 41 |
| UK dividends | 773 | 387 |
| UK REIT dividends | 25 | 16 |
| US REIT dividends | 361 | 337 |
| **Total revenue** | **15,338** | **12,687** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Manager or associates of the Manager: | | |
| – Manager's charge and other expenses rebate [#] | (18) | – |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 41 | 7 |
| Other expenses: | | |
| – Audit fee | 9 | 7 |
| – Credit administration expenses | 1 | 1 |
| – Dividend charges[*] | – | 48 |
| – FCA fee | 1 | – |
| – Index licence fee | 21 | – |
| – Legal fee | 1 | 1 |
| – Safe custody fee | 27 | 7 |
| **Total expenses** | **83** | **71** |

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.
[*] This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 1 | 1 |
| **Total interest paid and similar charges** | **1** | **1** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 15,693 | 13,091 |
| | 15,693 | 13,091 |
| Add: Amounts deducted on cancellation of units | 284 | 300 |
| Deduct: Amounts received on issue of units | (741) | (775) |
| **Distributions** | **15,236** | **12,616** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 15,254 | 12,615 |
| Add: Revenue brought forward | – | 1 |
| Custodian transaction costs | (3) | – |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holding | (14) | – |
| **Distributions** | **15,236** | **12,616** |

Details of the final distribution per unit are set out in the table on page 165.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued manager's charge rebates | 18 | – |
| Accrued rebate from underlying CIS holdings | 8 | 4 |
| Accrued revenue | 10,579 | 9,986 |
| Amount receivable on issue of units | 1,025 | 1,461 |
| Sales awaiting settlement | 375 | 2,902 |
| **Total debtors** | **12,005** | **14,353** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 17 | 5 |
| Custodian transaction costs | 24 | 7 |
| Purchases awaiting settlement | 852 | 4,394 |
| **Total other creditors** | **908** | **4,417** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

### 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2023: Nil).

### 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 462,940,093 |
| Issued during the year | 50,041,968 |
| Cancelled during the year | (13,064,233) |
| **Balance at the end of the year** | **499,917,828** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 16. Subsequent Events

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805828.

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, these financial statements are prepared on an other than going concern basis for the year ended 31 December 2024. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 148.79 | 127.70 | 147.75 |
| Return before operating charges | 26.41 | 21.12 | (20.02) |
| Operating charges | (0.03) | (0.03) | (0.03) |
| Return after operating charges | 26.38 | 21.09 | (20.05) |
| Distributions | (3.13) | (2.89) | (2.64) |
| Retained distributions on accumulation units | 3.13 | 2.89 | 2.64 |
| **Closing net asset value per unit** | 175.17 | 148.79 | 127.70 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 17.73% | 16.52% | (13.57)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 1,481,185 | 1,088,239 | 785,154 |
| Closing number of units | 845,570,681 | 731,408,490 | 614,822,723 |
| Operating charges[2] | 0.02% | 0.02% | 0.02% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 179.01 | 149.15 | 148.34 |
| Lowest bid unit price | 146.24 | 128.00 | 122.00 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).
[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).
[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 13 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 3.1278 |
| **Distribution paid 28.2.2025** | **3.1278** |
| **Distribution paid 29.2.2024** | **2.8892** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 98.68%; 31.12.23 98.46%** | | | |
| **Equity Funds - 92.06%; 31.12.23 93.24%** | | | |
| 3,331,490 | ACS UK Equity Tracker Fund | 4,451 | 0.30 |
| 255,425,023 | ACS World ESG Screened and Optimised Equity Tracker Fund | 480,502 | 32.44 |
| 294,550,637 | ACS World ESG Screened Equity Tracker Fund | 481,896 | 32.53 |
| 49,082,385 | ACS World Ex UK Equity Tracker Fund | 116,660 | 7.88 |
| 95,448,187 | ACS World Small Cap ESG Screened Equity Tracker Fund | 109,362 | 7.38 |
| 2,030,413 | iShares Emerging Markets Index Fund (IE) | 65,010 | 4.39 |
| 30,548,820 | iShares Global Property Securities Equity Index Fund (UK) | 66,583 | 4.50 |
| 1,256,498 | iShares MSCI Emerging Markets UCITS ETF | 39,077 | 2.64 |
| | | **1,363,541** | **92.06** |
| **Fixed Income Funds - 6.62%; 31.12.23 5.22%** | | | |
| 23,828 | iShares Emerging Markets Government Bond Index Fund (LU) | 2,748 | 0.19 |
| 28,413,693 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 25,573 | 1.73 |
| 19,568,126 | iShares Overseas Corporate Bond Index Fund (UK) | 31,891 | 2.15 |
| 17,653,076 | iShares Overseas Government Bond Index Fund (UK) | 20,874 | 1.41 |
| 16,175,782 | iShares UK Gilts All Stocks Index Fund (UK) | 16,938 | 1.14 |
| | | **98,024** | **6.62** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.03)%; 31.12.23 (0.01)%** | | | | |
| **Forward Currency Contracts - (0.03)%; 31.12.23 (0.01)%** | | | | |
| GBP 1,066,994 | UK sterling vs Australian dollar | (1,031) | 36 | 0.00 |
| GBP 1,925,161 | UK sterling vs Canadian dollar | (1,897) | 28 | 0.00 |
| GBP 539,032 | UK sterling vs Danish krone | (538) | 1 | 0.00 |
| GBP 5,363,615 | UK sterling vs Euro | (5,351) | 13 | 0.00 |
| GBP 249,355 | UK sterling vs Hong Kong dollar | (253) | (4) | 0.00 |
| GBP 85,902 | UK sterling vs Israel shekel | (87) | (1) | 0.00 |
| GBP 3,894,966 | UK sterling vs Japanese yen | (3,765) | 130 | 0.01 |
| GBP 140,969 | UK sterling vs Korean won | (135) | 4 | 0.00 |
| GBP 123,121 | UK sterling vs New Zealand dollar | (119) | 5 | 0.00 |
| GBP 154,520 | UK sterling vs Norwegian krone | (153) | 2 | 0.00 |
| GBP 21,828 | UK sterling vs Polish zloty^ | (22) | – | 0.00 |
| GBP 152,424 | UK sterling vs Singapore dollar | (152) | 1 | 0.00 |
| GBP 425,214 | UK sterling vs Swedish krona | (427) | (2) | 0.00 |

**PORTFOLIO STATEMENT (continued)**

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| GBP 1,392,102 | UK sterling vs Swiss franc | (1,369) | 24 | 0.00 |
| GBP 46,008,450 | UK sterling vs United States dollar | (46,632) | (623) | (0.04) |
| USD 389,237 | United States dollar vs UK sterling | 310 | 3 | 0.00 |
| | | **(61,621)** | **(383)** | **(0.03)** |
| **Portfolio of investments** | | | **1,461,182** | **98.65** |
| Net other assets | | | 20,003 | 1.35 |
| **Total net assets** | | | **1,481,185** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

## STATEMENT OF TOTAL RETURN

at 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 184,133 | | 123,729 |
| Revenue | 4 | 25,124 | | 19,712 | |
| Expenses | 5 | (150) | | (99) | |
| Interest paid and similar charges | 6 | (2) | | (2) | |
| Net revenue before taxation | | 24,972 | | 19,611 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 24,972 | | 19,611 |
| Total return before distributions | | | 209,105 | | 143,340 |
| Distributions | 8 | | (24,940) | | (19,611) |
| **Change in net assets attributable to unitholders from investment activities** | | | **184,165** | | **123,729** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 1,088,239 | | 785,154 |
| Amounts receivable on issue of units | 198,864 | | 182,324 | |
| Amounts payable on cancellation of units | (16,531) | | (24,100) | |
| | | 182,333 | | 158,224 |
| Change in net assets attributable to unitholders from investment activities | | 184,165 | | 123,729 |
| Retained distribution on accumulation units | | 26,448 | | 21,132 |
| **Closing net assets attributable to unitholders** | | **1,481,185** | | **1,088,239** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 1,461,812 | 1,071,817 |
| Current assets | | | |
| – Debtors | 9 | 21,467 | 21,982 |
| – Cash and bank balances | | 74 | 55 |
| **Total assets** | | **1,483,353** | **1,093,854** |
| **Liabilities:** | | | |
| Investment liabilities | | (630) | (445) |
| Creditors | | | |
| – Other creditors | 10 | (1,538) | (5,170) |
| **Total liabilities** | | **(2,168)** | **(5,615)** |
| **Net assets attributable to unitholders** | | **1,481,185** | **1,088,239** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 183,892 | 109,679 |
| Forward currency contracts | (793) | 4,485 |
| Currency gains | 1,093 | 9,582 |
| Custodian transaction costs | (33) | (17) |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (25) | – |
| **Net capital gains** | **184,133** | **123,729** |

* Includes realised gains of £3,473,027 and unrealised gains of £180,418,920 (2023: realised losses of £2,592,125 and unrealised gains of £112,270,793). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 2,620 | 2,192 |
| Interest distributions on CIS holdings | 3,823 | 1,761 |
| Interest from UK bank deposits | 104 | 186 |
| Overseas dividends | 16,373 | 14,317 |
| Rebate from underlying CIS holdings | 48 | 15 |
| Securities lending revenue | 109 | 68 |
| UK dividends | 1,362 | 599 |
| UK REIT dividends | 45 | 27 |
| US REIT dividends | 640 | 547 |
| **Total revenue** | **25,124** | **19,712** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Manager or associates of the Manager: | | |
| – Manager's charge and other expenses rebate[#] | (5) | – |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 67 | 7 |
| Other expenses: | | |
| – Audit fee | 11 | 7 |
| – Credit administration expenses | 5 | 1 |
| – Dividend charges[*] | – | 75 |
| – Index licence fee | 36 | – |
| – Legal fee | 1 | 2 |
| – Miscellaneous | (1) | – |
| – Safe custody fee | 36 | 7 |
| **Total expenses** | **150** | **99** |

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.
[*] This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 2 | 2 |
| **Total interest paid and similar charges** | **2** | **2** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 26,448 | 21,132 |
| | 26,448 | 21,132 |
| Add: Amounts deducted on cancellation of units | 211 | 263 |
| Deduct: Amounts received on issue of units | (1,719) | (1,784) |
| **Distributions** | **24,940** | **19,611** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 24,972 | 19,611 |
| Custodian transaction costs | (6) | – |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (25) | – |
| **Distributions** | **24,940** | **19,611** |

Details of the final distribution per unit are set out in the table on page 178.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued manager's charge and other expenses rebate | 5 | – |
| Accrued rebate from underlying CIS holdings | 16 | 6 |
| Accrued revenue | 19,476 | 16,858 |
| Amount receivable on issue of units | 1,498 | 3,255 |
| Sales awaiting settlement | 472 | 1,863 |
| **Total debtors** | **21,467** | **21,982** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 17 | 5 |
| Amount payable for cancellation of units | 463 | – |
| Custodian transaction costs | 31 | 10 |
| Purchases awaiting settlement | 1,012 | 5,144 |
| **Total other creditors** | **1,538** | **5,170** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 49% | 1 | 51% |

NOTES TO FINANCIAL STATEMENTS (continued)

## 12. Related Parties (continued)

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 46% | 1 | 54% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

## 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (31 December 2023: Nil).

## 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 731,408,490 |
| Issued during the year | 123,957,946 |
| Cancelled during the year | (9,795,755) |
| **Balance at the end of the year** | **845,570,681** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 16. Subsequent Events

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805829.

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, these financial statements are prepared on an other than going concern basis for the year ended 31 December 2024. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 150.57 | 128.65 | 148.33 |
| Return before operating charges | 27.71 | 21.95 | (19.65) |
| Operating charges | (0.03) | (0.03) | (0.03) |
| Return after operating charges | 27.68 | 21.92 | (19.68) |
| Distributions | (3.09) | (2.96) | (2.71) |
| Retained distributions on accumulation units | 3.09 | 2.96 | 2.71 |
| **Closing net asset value per unit** | 178.25 | 150.57 | 128.65 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 18.38% | 17.04% | (13.27)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 641,412 | 486,030 | 363,893 |
| Closing number of units | 359,829,883 | 322,794,441 | 282,856,788 |
| Operating charges[2] | 0.02% | 0.02% | 0.02% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | Pence per unit | Pence per unit | Pence per unit |
| Highest offer unit price | 182.22 | 150.93 | 148.92 |
| Lowest bid unit price | 147.97 | 129.00 | 123.00 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).
[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).
[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 13 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 3.0946 |
| **Distribution paid 28.2.2025** | **3.0946** |
| **Distribution paid 29.2.2024** | **2.9646** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 98.63%; 31.12.23 98.38%** | | | |
| **Equity Funds - 95.71%; 31.12.23 96.54%** | | | |
| 1,960,184 | ACS UK Equity Tracker Fund | 2,619 | 0.41 |
| 110,490,866 | ACS World ESG Screened and Optimised Equity Tracker Fund | 207,856 | 32.41 |
| 127,382,129 | ACS World ESG Screened Equity Tracker Fund | 208,403 | 32.49 |
| 29,007,313 | ACS World Ex UK Equity Tracker Fund | 68,936 | 10.75 |
| 42,958,279 | ACS World Small Cap ESG Screened Equity Tracker Fund | 49,221 | 7.67 |
| 917,699 | iShares Emerging Markets Index Fund (IE) | 29,383 | 4.58 |
| 13,884,910 | iShares Global Property Securities Equity Index Fund (UK) | 30,263 | 4.72 |
| 552,601 | iShares MSCI Emerging Markets UCITS ETF | 17,186 | 2.68 |
| | | **613,867** | **95.71** |
| **Fixed Income Funds - 2.92%; 31.12.23 1.84%** | | | |
| 8,593,826 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 7,735 | 1.20 |
| 5,891,029 | iShares Overseas Corporate Bond Index Fund (UK) | 9,601 | 1.50 |
| 1,205,101 | iShares Overseas Government Bond Index Fund (UK) | 1,426 | 0.22 |
| | | **18,762** | **2.92** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.03)%; 31.12.23 (0.01)%** | | | | |
| **Forward Currency Contracts - (0.03)%; 31.12.23 (0.01)%** | | | | |
| GBP 503,340 | UK sterling vs Australian dollar | (486) | 17 | 0.00 |
| GBP 850,114 | UK sterling vs Canadian dollar | (838) | 12 | 0.00 |
| GBP 219,825 | UK sterling vs Danish krone | (219) | 1 | 0.00 |
| GBP 2,263,110 | UK sterling vs Euro | (2,258) | 5 | 0.00 |
| GBP 111,004 | UK sterling vs Hong Kong dollar | (113) | (2) | 0.00 |
| GBP 39,744 | UK sterling vs Israel shekel^ | (40) | – | 0.00 |
| GBP 1,739,123 | UK sterling vs Japanese yen | (1,681) | 58 | 0.01 |
| GBP 31,730 | UK sterling vs Korean won | (30) | 1 | 0.00 |
| GBP 56,827 | UK sterling vs New Zealand dollar | (55) | 2 | 0.00 |
| GBP 75,649 | UK sterling vs Norwegian krone | (75) | 1 | 0.00 |
| GBP 14,427 | UK sterling vs Polish zloty^ | (15) | – | 0.00 |
| GBP 80,344 | UK sterling vs Singapore dollar^ | (80) | – | 0.00 |
| GBP 187,626 | UK sterling vs Swedish krona | (188) | (1) | 0.00 |
| GBP 625,777 | UK sterling vs Swiss franc | (615) | 11 | 0.00 |
| GBP 20,344,889 | UK sterling vs United States dollar | (20,621) | (276) | (0.04) |

**PORTFOLIO STATEMENT (continued)**

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| USD 279,169 | United States dollar vs UK sterling | 223 | 2 | 0.00 |
| | | **(27,091)** | **(169)** | **(0.03)** |
| **Portfolio of investments** | | | **632,460** | **98.60** |
| Net other assets | | | 8,952 | 1.40 |
| **Total net assets** | | | **641,412** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 84,164 | | 57,741 |
| Revenue | 4 | 10,713 | | 9,097 | |
| Expenses | 5 | (54) | | (50) | |
| Interest paid and similar charges | 6 | (1) | | (1) | |
| Net revenue before taxation | | 10,658 | | 9,046 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 10,658 | | 9,046 |
| Total return before distributions | | | 94,822 | | 66,787 |
| Distributions | 8 | | (10,639) | | (9,046) |
| **Change in net assets attributable to unitholders from investment activities** | | | **84,183** | | **57,741** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 486,030 | | 363,893 |
| Amounts receivable on issue of units | 71,732 | | 68,089 | |
| Amounts payable on cancellation of units | (11,668) | | (13,262) | |
| | | 60,064 | | 54,827 |
| Change in net assets attributable to unitholders from investment activities | | 84,183 | | 57,741 |
| Retained distribution on accumulation units | | 11,135 | | 9,569 |
| **Closing net assets attributable to unitholders** | | **641,412** | | **486,030** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 632,739 | 478,253 |
| Current assets | | | |
| – Debtors | 9 | 9,881 | 9,785 |
| – Cash and bank balances | | 31 | 25 |
| **Total assets** | | **642,651** | **488,063** |
| **Liabilities:** | | | |
| Investment liabilities | | (279) | (99) |
| Creditors | | | |
| – Other creditors | 10 | (960) | (1,934) |
| **Total liabilities** | | **(1,239)** | **(2,033)** |
| **Net assets attributable to unitholders** | | **641,412** | **486,030** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 84,069 | 51,110 |
| Forward currency contracts | (338) | 6,648 |
| Currency gains | 470 | – |
| Custodian transaction costs | (24) | (17) |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (12) | – |
| **Net capital gains** | **84,164** | **57,741** |

*Includes realised gains of £2,402,678 and unrealised gains of £81,666,768 (2023: realised gains of £1,130,154 and unrealised gains of £49,979,361). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 1,130 | 1,035 |
| Interest distributions on CIS holdings | 1,100 | 649 |
| Interest from UK bank deposits | 45 | 85 |
| Overseas dividends | 7,432 | 6,745 |
| Rebate from underlying CIS holdings | 25 | 5 |
| Securities lending revenue | 50 | 33 |
| UK dividends | 620 | 275 |
| UK REIT dividends | 20 | 13 |
| US REIT dividends | 291 | 257 |
| **Total revenue** | **10,713** | **9,097** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Receivable from the Manager or associates of the Manager: | | |
| – Manager's charge and other expenses rebate[#] | (30) | (8) |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 34 | 7 |
| Other expenses: | | |
| – Audit fee | 9 | 7 |
| – Credit administration expenses | 2 | 1 |
| – Dividend charges[*] | – | 35 |
| – Index licence fee | 16 | – |
| – Legal fee | – | 1 |
| – Miscellaneous | (1) | – |
| – Safe custody fee | 24 | 7 |
| **Total expenses** | **54** | **50** |

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.
[*] This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS Holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 1 | 1 |
| **Total interest paid and similar charges** | **1** | **1** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 11,135 | 9,569 |
| | 11,135 | 9,569 |
| Add: Amounts deducted on cancellation of units | 145 | 169 |
| Deduct: Amounts received on issue of units | (641) | (692) |
| **Distributions** | **10,639** | **9,046** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions (continued)

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 10,658 | 9,046 |
| Add: Capitalised expenses | (1) | – |
| Deduct: Revenue carried forward | (1) | – |
| Custodian transaction costs | (4) | – |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (12) | – |
| **Distributions** | **10,639** | **9,046** |

Details of the final distribution per unit are set out in the table on page 191.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued manager's charge and other expenses rebate | 29 | 10 |
| Accrued rebate from underlying CIS holdings | 7 | 2 |
| Accrued revenue | 8,744 | 7,802 |
| Amount receivable on issue of units | 1,101 | 1,907 |
| CIS income tax recoverable | – | 64 |
| **Total debtors** | **9,881** | **9,785** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Bank interest charge | – | 1 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 17 | 4 |
| Custodian transaction costs | 24 | 9 |
| Purchases awaiting settlement | 904 | 1,909 |
| **Total other creditors** | **960** | **1,934** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

NOTES TO FINANCIAL STATEMENTS (continued)

## 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (31 December 2023: Nil).

## 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 322,794,441 |
| Issued during the year | 43,835,177 |
| Cancelled during the year | (6,799,735) |
| **Balance at the end of the year** | **359,829,883** |

## 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

## 16. Subsequent Events

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 10 June 2021. The Fund's FCA product reference number is 953803.

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, these financial statements are prepared on an other than going concern basis for the year ended 31 December 2024. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 109.03 | 93.02 | 106.87 |
| Return before operating charges | 20.41 | 16.03 | (13.83) |
| Operating charges | (0.02) | (0.02) | (0.02) |
| Return after operating charges | 20.39 | 16.01 | (13.85) |
| Distributions | (2.21) | (2.13) | (1.94) |
| Retained distributions on accumulation units | 2.21 | 2.13 | 1.94 |
| **Closing net asset value per unit** | 129.42 | 109.03 | 93.02 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 18.70% | 17.21% | (12.96)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 967,432 | 677,319 | 454,661 |
| Closing number of units | 747,498,978 | 621,236,825 | 488,776,578 |
| Operating charges[2] | 0.02% | 0.02% | 0.02% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 132.35 | 109.31 | 107.29 |
| Lowest bid unit price | 107.16 | 93.15 | 88.98 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).
[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).
[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 13 for further details.

## ACS LIFEPATH 2055-2057

### DISTRIBUTION TABLE

for the year ended 31 December 2024

**Final Distribution in Pence per Unit**

| | X1 Accumulation Units |
|---|---|
| Net revenue | 2.2143 |
| **Distribution paid 28.2.2025** | **2.2143** |
| **Distribution paid 29.2.2024** | **2.1318** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 98.59%; 31.12.23 98.37%** | | | |
| **Equity Funds - 97.87%; 31.12.23 98.11%** | | | |
| 3,414,158 | ACS UK Equity Tracker Fund | 4,559 | 0.47 |
| 166,765,111 | ACS World ESG Screened and Optimised Equity Tracker Fund | 313,498 | 32.41 |
| 192,426,866 | ACS World ESG Screened Equity Tracker Fund | 314,619 | 32.52 |
| 50,519,702 | ACS World Ex UK Equity Tracker Fund | 119,922 | 12.40 |
| 65,980,474 | ACS World Small Cap ESG Screened Equity Tracker Fund | 75,595 | 7.81 |
| 1,279,741 | iShares Emerging Markets Index Fund (IE) | 40,975 | 4.24 |
| 21,716,438 | iShares Global Property Securities Equity Index Fund (UK) | 47,332 | 4.89 |
| 975,139 | iShares MSCI Emerging Markets UCITS ETF | 30,327 | 3.13 |
| | | **946,827** | **97.87** |
| **Fixed Income Funds - 0.72%; 31.12.23 0.26%** | | | |
| 3,422,186 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 3,080 | 0.32 |
| 2,410,565 | iShares Overseas Corporate Bond Index Fund (UK) | 3,929 | 0.40 |
| | | **7,009** | **0.72** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.03)%; 31.12.23 (0.01)%** | | | | |
| **Forward Currency Contracts - (0.03)%; 31.12.23 (0.01)%** | | | | |
| GBP 736,897 | UK sterling vs Australian dollar | (712) | 25 | 0.00 |
| GBP 1,271,840 | UK sterling vs Canadian dollar | (1,253) | 18 | 0.00 |
| GBP 314,121 | UK sterling vs Danish krone | (313) | 1 | 0.00 |
| GBP 3,294,883 | UK sterling vs Euro | (3,287) | 8 | 0.00 |
| GBP 157,030 | UK sterling vs Hong Kong dollar | (160) | (2) | 0.00 |
| GBP 56,610 | UK sterling vs Israel shekel | (57) | (1) | 0.00 |
| GBP 2,648,579 | UK sterling vs Japanese yen | (2,560) | 88 | 0.01 |
| GBP 49,310 | UK sterling vs Korean won | (48) | 2 | 0.00 |
| GBP 80,345 | UK sterling vs New Zealand dollar | (77) | 3 | 0.00 |
| GBP 106,437 | UK sterling vs Norwegian krone | (105) | 1 | 0.00 |
| GBP 12,174 | UK sterling vs Polish zloty^ | (12) | – | 0.00 |
| GBP 113,455 | UK sterling vs Singapore dollar^ | (113) | – | 0.00 |
| GBP 265,180 | UK sterling vs Swedish krona | (266) | (1) | 0.00 |
| GBP 872,523 | UK sterling vs Swiss franc | (858) | 15 | 0.00 |
| GBP 30,769,556 | UK sterling vs United States dollar | (31,187) | (417) | (0.04) |

**PORTFOLIO STATEMENT (continued)**

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| USD 259,964 | United States dollar vs UK sterling | 207 | 2 | 0.00 |
| | | **(40,801)** | **(258)** | **(0.03)** |
| **Portfolio of investments** | | | **953,578** | **98.56** |
| Net other assets | | | 13,854 | 1.44 |
| **Total net assets** | | | **967,432** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 124,807 | | 77,766 |
| Revenue | 4 | 15,421 | | 12,014 | |
| Expenses | 5 | (61) | | (62) | |
| Interest paid and similar charges | 6 | (4) | | (1) | |
| Net revenue before taxation | | 15,356 | | 11,951 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 15,356 | | 11,951 |
| Total return before distributions | | | 140,163 | | 89,717 |
| Distributions | 8 | | (15,332) | | (11,951) |
| **Change in net assets attributable to unitholders from investment activities** | | | **124,831** | | **77,766** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 677,319 | | 454,661 |
| Amounts receivable on issue of units | 179,005 | | 138,569 | |
| Amounts payable on cancellation of units | (30,275) | | (6,921) | |
| | | 148,730 | | 131,648 |
| Change in net assets attributable to unitholders from investment activities | | 124,831 | | 77,766 |
| Retained distribution on accumulation units | | 16,552 | | 13,244 |
| **Closing net assets attributable to unitholders** | | **967,432** | | **677,319** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 953,999 | 666,394 |
| Current assets | | | |
| – Debtors | 9 | 15,037 | 13,409 |
| – Cash and bank balances | | 47 | 34 |
| **Total assets** | | **969,083** | **679,837** |
| **Liabilities:** | | | |
| Investment liabilities | | (421) | (137) |
| Creditors | | | |
| – Other creditors | 10 | (1,230) | (2,381) |
| **Total liabilities** | | **(1,651)** | **(2,518)** |
| **Net assets attributable to unitholders** | | **967,432** | **677,319** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 124,717 | 69,723 |
| Forward currency contracts | (548) | 2,138 |
| Currency gains | 692 | 5,926 |
| Custodian transaction costs | (36) | (21) |
| Other expense from underlying CIS holdings | (18) | – |
| **Net capital gains** | **124,807** | **77,766** |

* Includes realised gains of £2,092,220 and unrealised gains of £122,625,563 (2023: realised gains of £201,663 and unrealised gains of £69,521,243). Where realised gains/(losses) includes gains/(losses) arising in previous periods, a corresponding gains/(losses) is included in unrealised gains/(losses).

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 2,186 | 1,408 |
| Interest distributions on CIS holdings | 647 | 625 |
| Interest from UK bank deposits | 44 | 113 |
| Overseas dividends | 11,047 | 9,087 |
| Rebate from underlying CIS holdings | 41 | 7 |
| Securities lending revenue | 74 | 45 |
| UK dividends | 919 | 364 |
| UK REIT dividends | 30 | 17 |
| US REIT dividends | 433 | 348 |
| **Total revenue** | **15,421** | **12,014** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Manager or associates of the Manager: | | |
| – Manager's charge and other expenses rebate[#] | (22) | – |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 48 | 6 |
| Other expenses: | | |
| – Audit fee | 10 | 7 |
| – Credit administration expenses | 1 | 1 |
| – Dividend charges[*] | – | 46 |
| – Legal fee | 9 | 1 |
| – Safe custody fee | 15 | 1 |
| **Total expenses** | **61** | **62** |

[#] The Fund received rebates from the Manager to ensure that the operating charges does not exceed 0.02%.

[*] This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 4 | 1 |
| **Total interest paid and similar charges** | **4** | **1** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 16,552 | 13,244 |
| | 16,552 | 13,244 |
| Add: Amounts deducted on cancellation of units | 143 | 85 |
| Deduct: Amounts received on issue of units | (1,363) | (1,378) |
| **Distributions** | **15,332** | **11,951** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions (continued)

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 15,356 | 11,951 |
| Custodian transaction costs | (6) | – |
| Other expense from underlying CIS holdings | (18) | – |
| **Distributions** | **15,332** | **11,951** |

Details of the final distribution per unit are set out in the table on page 203.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued manager's charge and other expenses rebate | 22 | – |
| Accrued rebate from underlying CIS holdings | 12 | 4 |
| Accrued revenue | 13,510 | 11,047 |
| Amount receivable on issue of units | 1,493 | 2,358 |
| **Total debtors** | **15,037** | **13,409** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Depositary's fee | 8 | 2 |
| Accrued Safe custody fee | 2 | 2 |
| Custodian transaction costs | 37 | 13 |
| Purchases awaiting settlement | 1,176 | 2,356 |
| **Total other creditors** | **1,230** | **2,381** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Securities Lending Agent is BlackRock Inc. (“BlackRock”), a company incorporated in Delaware, USA.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 46% | 1 | 54% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| 100% | Nil | Nil |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

### 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

NOTES TO FINANCIAL STATEMENTS (continued)

## 13. Portfolio Transaction Costs (continued)

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (31 December 2023: Nil).

## 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 621,236,825 |
| Issued during the year | 152,518,383 |
| Cancelled during the year | (26,256,230) |
| **Balance at the end of the year** | **747,498,978** |

## 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

## 16. Subsequent Events

Subsequent to the financial year end, the Manager has decided to close the Fund and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 17 August 2022. The Fund's FCA product reference number is 988111.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the period from 28.11.2022^ to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 110.55 | 98.40 | 100.00 |
| Return before operating charges | 10.81 | 12.17 | (1.60) |
| Operating charges | (0.01) | (0.02) | – |
| Return after operating charges | 10.80 | 12.15 | (1.60) |
| Distributions | (3.14) | (0.94) | (0.06) |
| Retained distributions on accumulation units | 3.14 | 0.94 | 0.06 |
| **Closing net asset value per unit** | 121.35 | 110.55 | 98.40 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 9.77% | 12.35% | 1.60% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 1,383,835 | 787,438 | 5,298 |
| Closing number of units | 1,140,389,820 | 712,308,864 | 5,384,304 |
| Operating charges[2] | 0.01% | 0.02% | 0.03% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | Pence per unit | Pence per unit | Pence per unit |
| Highest offer unit price | 123.87 | 110.66 | 100.61 |
| Lowest bid unit price | 108.91 | 98.84 | 97.70 |

^ The date of commencement of operations.

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary, Tracking Difference, Tracking Error and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).

[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of equity instruments. See note 12 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 3.1393 |
| **Distribution paid 28.2.2025** | **3.1393** |
| **Distribution paid 29.2.2024** | **0.9434** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 99.37%; 31.12.23 99.21%** | | | |
| **Equity Funds - 35.48%; 31.12.23 41.02%** | | | |
| 28,995,707 | ACS Europe ex UK ESG Insights Equity Fund* | 33,668 | 2.43 |
| 18,420,119 | ACS Japan ESG Insights Equity Fund* | 22,376 | 1.62 |
| 263,438,106 | ACS North America ESG Insights Equity Fund* | 375,764 | 27.15 |
| 12,561,465 | ACS UK ESG Insights Equity Fund* | 14,337 | 1.04 |
| 9,325,543 | Fidelity Sustainable Research Enhanced Emerging Markets Equity UCITS ETF | 33,763 | 2.44 |
| 2,433,461 | Fidelity Sustainable Research Enhanced Pacific ex Japan Equity UCITS ETF | 11,019 | 0.80 |
| | | **490,927** | **35.48** |
| **Fixed Income Funds - 63.89%; 31.12.23 58.19%** | | | |
| 60,588,306 | Fidelity Funds - Sustainable Climate Bond Fund | 58,044 | 4.19 |
| 16,147,729 | Fidelity Sustainable EUR Bond Paris-Aligned Multifactor UCITS ETF | 90,540 | 6.54 |
| 2,946,534 | Fidelity Sustainable EUR High Yield Bond Paris-Aligned Multifactor UCITS ETF | 14,948 | 1.08 |
| 36,098,541 | Fidelity Sustainable Global Corporate Bond Paris-Aligned Multifactor UCITS ETF | 174,536 | 12.61 |
| 26,048,176 | Fidelity Sustainable Global High Yield Bond Paris-Aligned Multifactor UCITS ETF | 157,617 | 11.39 |
| 32,527,122 | Fidelity Sustainable USD Bond Paris-Aligned Multifactor UCITS ETF | 183,128 | 13.23 |
| 16,993,215 | Fidelity Sustainable USD EM Bond UCITS ETF | 77,311 | 5.59 |
| 25,675,603 | Fidelity Sustainable USD High Yield Bond Paris-Aligned Multifactor UCITS ETF | 128,070 | 9.26 |
| | | **884,194** | **63.89** |
| **Portfolio of investments** | | **1,375,121** | **99.37** |
| Net other assets | | 8,714 | 0.63 |
| **Total net assets** | | **1,383,835** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

* Managed by a related party.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 58,825 | | 47,204 |
| Revenue | 4 | 33,418 | | 3,904 | |
| Expenses | 5 | (65) | | (40) | |
| Interest paid and similar charges | 6 | (1) | | – | |
| Net revenue before taxation | | 33,352 | | 3,864 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 33,352 | | 3,864 |
| Total return before distributions | | | 92,177 | | 51,068 |
| Distributions | 8 | | (33,350) | | (3,864) |
| **Change in net assets attributable to unitholders from investment activities** | | | **58,827** | | **47,204** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 787,438 | | 5,298 |
| Amounts receivable on issue of units | 567,486 | | 747,538 | |
| Amounts payable on cancellation of units | (65,716) | | (19,322) | |
| | | 501,770 | | 728,216 |
| Change in net assets attributable to unitholders from investment activities | | 58,827 | | 47,204 |
| Retained distribution on accumulation units | | 35,800 | | 6,720 |
| **Closing net assets attributable to unitholders** | | **1,383,835** | | **787,438** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 1,375,121 | 781,228 |
| Current assets | | | |
| – Debtors | 9 | 10,355 | 7,216 |
| – Cash and bank balances | | 139 | 76 |
| **Total assets** | | **1,385,615** | **788,520** |
| **Liabilities:** | | | |
| Creditors | | | |
| – Other creditors | 10 | (1,780) | (1,082) |
| **Total liabilities** | | **(1,780)** | **(1,082)** |
| **Net assets attributable to unitholders** | | **1,383,835** | **787,438** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 56,731 | 46,370 |
| Custodian transaction costs | (11) | 56 |
| Rebate from underlying CIS holdings | 2,104 | 778 |
| Other expense from underlying CIS holdings | 1 | – |
| **Net capital gains** | **58,825** | **47,204** |

*Includes realised gains of £38,692,060 and unrealised gains of £18,039,310 (2023: realised losses of £32,279 and unrealised gains of £46,402,486). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 1,051 | 85 |
| Interest distributions on CIS holdings | 25,936 | 905 |
| Interest from UK bank deposits | 72 | 18 |
| Overseas dividends | 5,249 | 2,420 |
| Rebate from underlying CIS holdings | 344 | 139 |
| Securities lending revenue | 10 | 3 |
| UK dividends | 536 | 213 |
| UK REIT dividends | 17 | 11 |
| US REIT dividends | 203 | 110 |
| **Total revenue** | **33,418** | **3,904** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Manager or associates of the Manager: | | |
| – Annual service charge | 52 | 20 |
| – Annual service charge rebate | (52) | (20) |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 27 | 6 |
| Other expenses: | | |
| – Audit fee | 8 | 7 |
| – Credit administration expenses | 1 | – |
| – Dividend charges* | – | 15 |
| – Legal fee | – | 5 |
| – Safe custody fee | 29 | 7 |
| **Total expenses** | **65** | **40** |

* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | (1) | – |
| **Total interest paid and similar charges** | **(1)** | **–** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 35,800 | 6,720 |
| | 35,800 | 6,720 |
| Add: Amounts deducted on cancellation of units | 832 | 101 |
| Deduct: Amounts received on issue of units | (3,282) | (2,957) |
| **Distributions** | **33,350** | **3,864** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 33,352 | 3,864 |
| Add: Revenue brought forward | 1 | – |
| Deduct: Revenue carried forward | (1) | – |
| Custodian transaction costs | (2) | – |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | 1 | – |
| **Distributions** | **33,350** | **3,864** |

Details of the final distribution per unit are set out in the table on page 215.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued rebate from underlying CIS holdings | 1,072 | 902 |
| Accrued revenue | 6,800 | 5,252 |
| Amount receivable on issue of units | 871 | 849 |
| Sales awaiting settlement | 1,612 | 213 |
| **Total debtors** | **10,355** | **7,216** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 5 | 6 |
| Accrued Bank interest | (1) | – |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 25 | 3 |
| Amount payable for cancellation of units | 1,612 | 215 |
| Custodian transaction costs | 18 | 7 |
| Purchases awaiting settlement | 113 | 848 |
| **Total other creditors** | **1,780** | **1,082** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 20232: £Nil).

### 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.52% (31 December 2023: 0.30%).

### 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 712,308,864 |
| Issued during the year | 484,571,067 |
| Cancelled during the year | (56,490,111) |
| **Balance at the end of the year** | **1,140,389,820** |

### 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 16. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 17 August 2022. The Fund's FCA product reference number is 988112.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the period from 28.11.2022^ to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 112.10 | 98.03 | 100.00 |
| Return before operating charges | 17.25 | 14.10 | (1.97) |
| Operating charges | (0.01) | (0.03) | – |
| Return after operating charges | 17.24 | 14.07 | (1.97) |
| Distributions | (2.58) | (1.47) | (0.11) |
| Retained distributions on accumulation units | 2.58 | 1.47 | 0.11 |
| **Closing net asset value per unit** | 129.34 | 112.10 | 98.03 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 15.38% | 14.35% | (1.97)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 2,520,919 | 1,369,457 | 4,433 |
| Closing number of units | 1,949,075,450 | 1,221,609,958 | 4,521,953 |
| Operating charges[2] | 0.01% | 0.02% | 0.03% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 131.93 | 112.34 | 101.05 |
| Lowest bid unit price | 110.42 | 98.37 | 96.92 |

^ The date of commencement of operations.

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).

[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of debt instruments. See note 13 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 2.5753 |
| **Distribution paid 28.2.2025** | **2.5753** |
| **Distribution paid 29.2.2024** | **1.4712** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 98.97%; 31.12.23 98.72%** | | | |
| **Equity Funds - 70.06%; 31.12.23 75.43%** | | | |
| 127,685,016 | ACS Europe ex UK ESG Insights Equity Fund* | 148,254 | 5.88 |
| 67,836,474 | ACS Japan ESG Insights Equity Fund* | 82,404 | 3.27 |
| 579,691,806 | ACS North America ESG Insights Equity Fund* | 826,869 | 32.80 |
| 45,986,396 | ACS UK ESG Insights Equity Fund* | 52,490 | 2.08 |
| 321,942,236 | ACS US ESG Insights Equity Fund* | 465,881 | 18.48 |
| 41,407,144 | Fidelity Sustainable Research Enhanced Emerging Markets Equity UCITS ETF | 149,915 | 5.95 |
| 8,909,998 | Fidelity Sustainable Research Enhanced Pacific ex Japan Equity UCITS ETF | 40,345 | 1.60 |
| | | **1,766,158** | **70.06** |
| **Fixed Income Funds - 28.91%; 31.12.23 23.29%** | | | |
| 41,127,630 | Fidelity Funds - Sustainable Climate Bond Fund | 39,400 | 1.56 |
| 13,733,656 | Fidelity Sustainable EUR Bond Paris-Aligned Multifactor UCITS ETF | 77,005 | 3.06 |
| 4,870,841 | Fidelity Sustainable EUR High Yield Bond Paris-Aligned Multifactor UCITS ETF | 24,710 | 0.98 |
| 24,545,258 | Fidelity Sustainable Global Corporate Bond Paris-Aligned Multifactor UCITS ETF | 118,676 | 4.71 |
| 24,317,800 | Fidelity Sustainable Global High Yield Bond Paris-Aligned Multifactor UCITS ETF | 147,147 | 5.84 |
| 28,044,670 | Fidelity Sustainable USD Bond Paris-Aligned Multifactor UCITS ETF | 157,891 | 6.26 |
| 14,455,003 | Fidelity Sustainable USD EM Bond UCITS ETF | 65,763 | 2.61 |
| 19,674,427 | Fidelity Sustainable USD High Yield Bond Paris-Aligned Multifactor UCITS ETF | 98,136 | 3.89 |
| | | **728,728** | **28.91** |
| | **Portfolio of investments** | **2,494,886** | **98.97** |
| | Net other assets | 26,033 | 1.03 |
| | **Total net assets** | **2,520,919** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

* Managed by a related party.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 213,753 | | 84,825 |
| Revenue | 4 | 42,812 | | 9,490 | |
| Expenses | 5 | (125) | | (75) | |
| Interest paid and similar charges | 6 | (1) | | – | |
| Net revenue before taxation | | 42,686 | | 9,415 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 42,686 | | 9,415 |
| Total return before distributions | | | 256,439 | | 94,240 |
| Distributions | 8 | | (42,681) | | (9,414) |
| **Change in net assets attributable to unitholders from investment activities** | | | **213,758** | | **84,826** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 1,369,457 | | 4,433 |
| Amounts receivable on issue of units | 936,577 | | 1,282,158 | |
| Amounts payable on cancellation of units | (49,068) | | (19,932) | |
| | | 887,509 | | 1,262,226 |
| Change in net assets attributable to unitholders from investment activities | | 213,758 | | 84,826 |
| Retained distribution on accumulation units | | 50,195 | | 17,972 |
| **Closing net assets attributable to unitholders** | | **2,520,919** | | **1,369,457** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 2,494,886 | 1,351,881 |
| Current assets | | | |
| – Debtors | 9 | 27,205 | 18,752 |
| – Cash and bank balances | | 311 | 135 |
| **Total assets** | | **2,522,402** | **1,370,768** |
| **Liabilities:** | | | |
| Creditors | | | |
| – Other creditors | 10 | (1,483) | (1,311) |
| **Total liabilities** | | **(1,483)** | **(1,311)** |
| **Net assets attributable to unitholders** | | **2,520,919** | **1,369,457** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 211,724 | 84,032 |
| Custodian transaction costs | (7) | 15 |
| Rebate from underlying CIS holdings | 2,031 | 778 |
| Other expense from underlying CIS holdings | 5 | – |
| **Net capital gains** | **213,753** | **84,825** |

* Includes realised gains of £40,450,868 and unrealised gains of £171,274,158 (2023: realised losses of £341,399 and unrealised gains of £84,373,613). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 3,394 | 221 |
| Interest distributions on CIS holdings | 18,888 | 507 |
| Interest from UK bank deposits | 234 | 51 |
| Overseas dividends | 17,612 | 7,533 |
| Rebate from underlying CIS holdings | 257 | 99 |
| Securities lending revenue | 30 | 8 |
| UK dividends | 1,659 | 672 |
| UK REIT dividends | 55 | 36 |
| US REIT dividends | 683 | 363 |
| **Total revenue** | **42,812** | **9,490** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Manager or associates of the Manager: | | |
| – Annual service charge | 11 | 34 |
| – Annual service charge rebate | (11) | (34) |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 78 | 6 |
| Other expenses: | | |
| – Audit fee | 11 | 7 |
| – Credit administration expenses | 2 | – |
| – Dividend charges* | – | 47 |
| – Legal fee | – | 8 |
| – Safe custody fee | 34 | 7 |
| **Total expenses** | **125** | **75** |

* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 1 | – |
| **Total interest paid and similar charges** | **1** | – |

### 7. Taxation

#### (a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 50,195 | 17,972 |
| | 50,195 | 17,972 |
| Add: Amounts deducted on cancellation of units | 461 | 176 |
| Deduct: Amounts received on issue of units | (7,975) | (8,734) |
| **Distributions** | **42,681** | **9,414** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 42,686 | 9,415 |
| Add: Revenue brought forward | 1 | – |
| Deduct: Revenue carried forward | (1) | (1) |
| Custodian transaction costs | (8) | – |
| Expense from underlying CIS holdings | (2) | – |
| Other expense from underlying CIS holdings | 5 | – |
| **Distributions** | **42,681** | **9,414** |

Details of the final distribution per unit are set out in the table on page 226.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued manager's charge rebates | 993 | 864 |
| Accrued revenue | 24,341 | 16,652 |
| Amount receivable on issue of units | 1,871 | 1,236 |
| **Total debtors** | **27,205** | **18,752** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 5 | 6 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 25 | 2 |
| Amount payable for cancellation of units | – | 57 |
| Custodian transaction costs | 20 | 8 |
| Purchases awaiting settlement | 1,425 | 1,235 |
| **Total other creditors** | **1,483** | **1,311** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

### 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.32% (31 December 2023: Nil).

### 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 1,221,609,958 |
| Issued during the year | 767,958,810 |
| Cancelled during the year | (40,493,318) |
| **Balance at the end of the year** | **1,949,075,450** |

### 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 16. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 17 August 2022. The Fund's FCA product reference number is 988113.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the period from 28.11.2022^ to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 112.96 | 97.82 | 100.00 |
| Return before operating charges | 22.48 | 15.17 | (2.18) |
| Operating charges | (0.03) | (0.03) | – |
| Return after operating charges | 22.45 | 15.14 | (2.18) |
| Distributions | (2.15) | (1.79) | (0.13) |
| Retained distributions on accumulation units | 2.15 | 1.79 | 0.13 |
| **Closing net asset value per unit** | 135.41 | 112.96 | 97.82 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 19.87% | 15.48% | (2.18)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 3,305,731 | 1,891,672 | 7,940 |
| Closing number of units | 2,441,315,472 | 1,674,671,879 | 8,116,577 |
| Operating charges[2] | 0.02% | 0.01% | 0.03% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | Pence per unit | Pence per unit | Pence per unit |
| Highest offer unit price | 138.09 | 113.28 | 101.36 |
| Lowest bid unit price | 111.26 | 98.13 | 96.26 |

^ The date of commencement of operations.

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).

[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 12 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 2.1539 |
| **Distribution paid 28.2.2025** | **2.1539** |
| **Distribution paid 29.2.2024** | **1.7908** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 98.65%; 31.12.23 98.38%** | | | |
| **Equity Funds - 98.65%; 31.12.23 98.38%** | | | |
| 229,889,869 | ACS Europe ex UK ESG Insights Equity Fund* | 266,909 | 8.07 |
| 131,134,179 | ACS Japan ESG Insights Equity Fund* | 159,298 | 4.82 |
| 787,240,363 | ACS North America ESG Insights Equity Fund* | 1,122,913 | 33.97 |
| 87,147,495 | ACS UK ESG Insights Equity Fund* | 99,468 | 3.01 |
| 778,148,157 | ACS US ESG Insights Equity Fund* | 1,126,085 | 34.06 |
| 82,957,808 | Fidelity Sustainable Research Enhanced Emerging Markets Equity UCITS ETF | 300,349 | 9.09 |
| 9,791,485 | Fidelity Sustainable Research Enhanced Pacific ex Japan Equity UCITS ETF | 44,336 | 1.34 |
| 16,498,389 | iShares MSCI USA ESG Enhanced UCITS ETF | 141,645 | 4.29 |
| | | **3,261,003** | **98.65** |
| **Portfolio of investments** | | **3,261,003** | **98.65** |
| Net other assets | | 44,728 | 1.35 |
| **Total net assets** | | **3,305,731** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

* Managed by a related party.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 396,173 | | 119,006 |
| Revenue | 4 | 43,064 | | 15,755 | |
| Expenses | 5 | (185) | | (114) | |
| Interest paid and similar charges | | – | | – | |
| Net revenue before taxation | | 42,879 | | 15,641 | |
| Taxation | 6 | – | | – | |
| Net revenue after taxation | | | 42,879 | | 15,641 |
| Total return before distributions | | | 439,052 | | 134,647 |
| Distributions | 7 | | (42,866) | | (15,641) |
| **Change in net assets attributable to unitholders from investment activities** | | | **396,186** | | **119,006** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 1,891,672 | | 7,940 |
| Amounts receivable on issue of units | 1,013,917 | | 1,755,386 | |
| Amounts payable on cancellation of units | (48,627) | | (20,650) | |
| | | 965,290 | | 1,734,736 |
| Change in net assets attributable to unitholders from investment activities | | 396,186 | | 119,006 |
| Retained distribution on accumulation units | | 52,583 | | 29,990 |
| **Closing net assets attributable to unitholders** | | **3,305,731** | | **1,891,672** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 3,261,003 | 1,861,028 |
| Current assets | | | |
| – Debtors | 8 | 46,218 | 35,381 |
| – Cash and bank balances | | 337 | 186 |
| **Total assets** | | **3,307,558** | **1,896,595** |
| **Liabilities:** | | | |
| Creditors | | | |
| – Other creditors | 9 | (1,827) | (4,923) |
| **Total liabilities** | | **(1,827)** | **(4,923)** |
| **Net assets attributable to unitholders** | | **3,305,731** | **1,891,672** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 395,297 | 118,398 |
| Currency losses | (9) | – |
| Custodian transaction costs | (13) | (9) |
| Rebate from underlying CIS holdings | 887 | 617 |
| Other expense from underlying CIS holdings | 11 | – |
| **Net capital gains** | **396,173** | **119,006** |

* Includes realised gains of £25,791,019 and unrealised gains of £369,506,224 (2023: realised losses of £529,600 and unrealised gains of £118,927,306). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 6,179 | 334 |
| Interest from UK bank deposits | 428 | 82 |
| Overseas dividends | 32,205 | 13,398 |
| Securities lending revenue | 52 | 14 |
| UK dividends | 2,856 | 1,201 |
| UK REIT dividends | 99 | 64 |
| US REIT dividends | 1,245 | 662 |
| **Total revenue** | **43,064** | **15,755** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Manager or associates of the Manager: | | |
| – Annual service charge | 123 | 48 |
| – Annual service charge rebate | (123) | (48) |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 138 | 6 |
| Other expenses: | | |
| – Audit fee | 13 | 7 |
| – Credit administration expenses | 3 | – |
| – Dividend charges* | – | 84 |
| – Legal fee | – | 12 |
| – Miscellaneous | (1) | – |
| – Safe custody fee | 32 | 5 |
| **Total expenses** | **185** | **114** |

* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

### 7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 52,583 | 29,990 |
| | 52,583 | 29,990 |
| Add: Amounts deducted on cancellation of units | 425 | 248 |
| Deduct: Amounts received on issue of units | (10,142) | (14,597) |
| **Distributions** | **42,866** | **15,641** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 42,879 | 15,641 |
| Deduct: Revenue carried forward | (2) | – |
| Custodian transaction costs | (16) | – |
| Expense from underlying CIS holdings | (6) | – |
| Other expense from underlying CIS holdings | 11 | – |
| **Distributions** | **42,866** | **15,641** |

Details of the final distribution per unit are set out in the table on page 237.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued rebate from underlying CIS holdings | 338 | 607 |
| Accrued revenue | 43,021 | 29,854 |
| Amount receivable on issue of units | 2,859 | 4,920 |
| **Total debtors** | **46,218** | **35,381** |

### 9. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 5 | 6 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 18 | 1 |
| Custodian transaction costs | 16 | 6 |
| Purchases awaiting settlement | 1,780 | 4,907 |
| **Total other creditors** | **1,827** | **4,923** |

### 10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 11. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. (“BlackRock”), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 9. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 11. Related Parties (continued)

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

### 12. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.18% (31 December 2023: 0.14%).

### 13. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 13. Units in Issue (continued)

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 1,674,671,879 |
| Issued during the year | 805,555,896 |
| Cancelled during the year | (38,912,303) |
| **Balance at the end of the year** | **2,441,315,472** |

### 14. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## BLACKROCK FUTUREWISE EARLY DAYS AGGREGATOR

### About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 17 August 2022. The Fund's FCA product reference number is 988109.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the period from 28.11.2022^ to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 113.16 | 97.85 | 100.00 |
| Return before operating charges | 22.68 | 15.32 | (2.15) |
| Operating charges | (0.03) | (0.01) | – |
| Return after operating charges | 22.65 | 15.31 | (2.15) |
| Distributions | (2.16) | (1.80) | (0.13) |
| Retained distributions on accumulation units | 2.16 | 1.80 | 0.13 |
| **Closing net asset value per unit** | 135.81 | 113.16 | 97.85 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 20.02% | 15.65% | (2.15)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 9,821,517 | 6,183,236 | 8,107 |
| Closing number of units | 7,231,977,690 | 5,464,084,654 | 8,285,751 |
| Operating charges[2] | 0.02% | 0.01% | 0.03% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 138.55 | 113.49 | 101.34 |
| Lowest bid unit price | 111.46 | 98.20 | 96.29 |

^ The date of commencement of operations.

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary, Tracking Difference, Tracking Error and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).

[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of equity instruments. See note 12 for further details.

## BLACKROCK FUTUREWISE EARLY DAYS AGGREGATOR

### DISTRIBUTION TABLE

for the year ended 31 December 2024

**Final Distribution in Pence per Unit**

| | X1 Accumulation Units |
|---|---|
| Net revenue | 2.1613 |
| **Distribution paid 28.2.2025** | **2.1613** |
| **Distribution paid 29.2.2024** | **1.8045** |

## BLACKROCK FUTUREWISE EARLY DAYS AGGREGATOR

### PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 98.56%; 31.12.23 98.38%** | | | |
| **Equity Funds - 98.56%; 31.12.23 98.38%** | | | |
| 852,085,500 | ACS Europe ex UK ESG Insights Equity Fund* | 989,243 | 10.07 |
| 381,799,389 | ACS Japan ESG Insights Equity Fund* | 463,772 | 4.72 |
| 2,330,282,535 | ACS North America ESG Insights Equity Fund* | 3,323,954 | 33.85 |
| 256,518,405 | ACS UK ESG Insights Equity Fund* | 292,786 | 2.98 |
| 2,306,347,713 | ACS US ESG Insights Equity Fund* | 3,337,631 | 33.98 |
| 268,029,029 | Fidelity Sustainable Research Enhanced Emerging Markets Equity UCITS ETF | 970,399 | 9.88 |
| 49,989,239 | Fidelity Sustainable Research Enhanced Pacific ex Japan Equity UCITS ETF | 226,351 | 2.31 |
| 8,807,024 | iShares MSCI USA ESG Enhanced UCITS ETF | 75,612 | 0.77 |
| | | **9,679,748** | **98.56** |
| **Portfolio of investments** | | **9,679,748** | **98.56** |
| Net other assets | | 141,769 | 1.44 |
| **Total net assets** | | **9,821,517** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

* Managed by a related party.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 1,232,000 | | 378,666 |
| Revenue | 4 | 133,584 | | 48,175 | |
| Expenses | 5 | (531) | | (318) | |
| Interest paid and similar charges | | – | | – | |
| Net revenue before taxation | | 133,053 | | 47,857 | |
| Taxation | 6 | – | | – | |
| Net revenue after taxation | | | 133,053 | | 47,857 |
| Total return before distributions | | | 1,365,053 | | 426,523 |
| Distributions | 7 | | (133,023) | | (47,853) |
| **Change in net assets attributable to unitholders from investment activities** | | | **1,232,030** | | **378,670** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 6,183,236 | | 8,107 |
| Amounts receivable on issue of units | 2,259,610 | | 5,706,171 | |
| Amounts payable on cancellation of units | (9,664) | | (8,311) | |
| | | 2,249,946 | | 5,697,860 |
| Change in net assets attributable to unitholders from investment activities | | 1,232,030 | | 378,670 |
| Retained distribution on accumulation units | | 156,305 | | 98,599 |
| **Closing net assets attributable to unitholders** | | **9,821,517** | | **6,183,236** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 9,679,748 | 6,083,310 |
| Current assets | | | |
| – Debtors | 8 | 152,765 | 123,806 |
| – Cash and bank balances | | 484 | 151 |
| **Total assets** | | **9,832,997** | **6,207,267** |
| **Liabilities:** | | | |
| Creditors | | | |
| – Other creditors | 9 | (11,480) | (24,031) |
| **Total liabilities** | | **(11,480)** | **(24,031)** |
| **Net assets attributable to unitholders** | | **9,821,517** | **6,183,236** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 1,228,929 | 376,835 |
| Currency losses | (5) | – |
| Custodian transaction costs | (52) | (4) |
| Rebate from underlying CIS holdings | 3,096 | 1,835 |
| Other expense from underlying CIS holdings | 32 | – |
| **Net capital gains** | **1,232,000** | **378,666** |

* Includes realised gains of £923,364 and unrealised gains of £1,228,005,443 (2023: realised losses of £21,178 and unrealised gains of £376,856,084). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 19,942 | 454 |
| Interest from UK bank deposits | 1,295 | 260 |
| Overseas dividends | 99,416 | 41,477 |
| Securities lending revenue | 163 | 43 |
| UK dividends | 8,637 | 3,692 |
| UK REIT dividends | 301 | 193 |
| US REIT dividends | 3,830 | 2,056 |
| **Total revenue** | **133,584** | **48,175** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Manager or associates of the Manager: | | |
| – Annual service charge | 382 | 150 |
| – Annual service charge rebate | (382) | (150) |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 412 | 6 |
| Other expenses: | | |
| – Audit fee | 27 | 7 |
| – Credit administration expenses | 10 | – |
| – Dividend charges* | – | 258 |
| – Legal fee | 1 | 36 |
| – Miscellaneous | (4) | – |
| – Safe custody fee | 85 | 11 |
| **Total expenses** | **531** | **318** |

* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

### 7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 156,305 | 98,599 |
| | 156,305 | 98,599 |
| Add: Amounts deducted on cancellation of units | 86 | 83 |
| Deduct: Amounts received on issue of units | (23,368) | (50,829) |
| **Distributions** | **133,023** | **47,853** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 133,053 | 47,857 |
| Add: Revenue brought forward | 4 | – |
| Deduct: Revenue carried forward | – | (4) |
| Custodian transaction costs | (49) | – |
| Expense from underlying CIS holdings | (17) | – |
| Other expense from underlying CIS holdings | 32 | – |
| **Distributions** | **133,023** | **47,853** |

Details of the final distribution per unit are set out in the table on page 248.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued rebate from underlying CIS holdings | 1,061 | 1,820 |
| Accrued revenue | 132,838 | 97,915 |
| Amount receivable on issue of units | 18,866 | 24,071 |
| **Total debtors** | **152,765** | **123,806** |

### 9. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 5 | 6 |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Safe custody fee | 42 | 5 |
| Currency deals awaiting settlement | 10 | – |
| Custodian transaction costs | 17 | 6 |
| Purchases awaiting settlement | 11,398 | 24,011 |
| **Total other creditors** | **11,480** | **24,031** |

### 10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 11. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. (“BlackRock”), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 9. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 11. Related Parties (continued)

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

### 12. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.12% (31 December 2023: Nil).

## NOTES TO FINANCIAL STATEMENTS (continued)

### 13. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 5,464,084,654 |
| Issued during the year | 1,775,640,619 |
| Cancelled during the year | (7,747,583) |
| **Balance at the end of the year** | **7,231,977,690** |

### 14. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## BLACKROCK FUTUREWISE RETIREMENT AGGREGATOR

### About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 17 August 2022. The Fund's FCA product reference number is 988110.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the period from 28.11.2022^ to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 109.76 | 98.60 | 100.00 |
| Return before operating charges | 9.39 | 11.19 | (1.40) |
| Operating charges | (0.02) | (0.03) | – |
| Return after operating charges | 9.37 | 11.16 | (1.40) |
| Distributions | (3.10) | (0.85) | (0.04) |
| Retained distributions on accumulation units | 3.10 | 0.85 | 0.04 |
| **Closing net asset value per unit** | 119.13 | 109.76 | 98.60 |
| After direct transaction costs of: | – | – | – |
| **Performance** | | | |
| Return after charges[1] | 8.54% | 11.32% | (1.40)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 458,491 | 256,543 | 2,358 |
| Closing number of units | 384,856,109 | 233,720,169 | 2,391,706 |
| Operating charges[2] | 0.02% | 0.03% | 0.03% |
| Direct transaction costs[3] | 0.00% | 0.00% | 0.00% |
| **Prices** | Pence per unit | Pence per unit | Pence per unit |
| Highest offer unit price | 121.65 | 109.90 | 100.61 |
| Lowest bid unit price | 108.13 | 98.97 | 98.00 |

^ The date of commencement of operations.

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary, Tracking Difference, Tracking Error and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).

[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments. See note 12 for further details.

## DISTRIBUTION TABLE

for the year ended 31 December 2024

### Final Distribution in Pence per Unit

| | X1 Accumulation Units |
|---|---|
| Net revenue | 3.1046 |
| **Distribution paid 28.2.2025** | **3.1046** |
| **Distribution paid 29.2.2024** | **0.8450** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 99.63%; 31.12.23 99.37%** | | | |
| **Equity Funds - 31.49%; 31.12.23 29.54%** | | | |
| 7,993,637 | ACS Europe ex UK ESG Insights Equity Fund* | 9,280 | 2.02 |
| 5,421,886 | ACS Japan ESG Insights Equity Fund* | 6,586 | 1.44 |
| 78,329,828 | ACS North America ESG Insights Equity Fund* | 111,728 | 24.37 |
| 3,668,411 | ACS UK ESG Insights Equity Fund* | 4,187 | 0.91 |
| 2,591,563 | Fidelity Sustainable Research Enhanced Emerging Markets Equity UCITS ETF | 9,383 | 2.05 |
| 712,031 | Fidelity Sustainable Research Enhanced Pacific ex Japan Equity UCITS ETF | 3,224 | 0.70 |
| | | **144,388** | **31.49** |
| **Fixed Income Funds - 68.14%; 31.12.23 69.83%** | | | |
| 20,453,051 | Fidelity Funds - Sustainable Climate Bond Fund | 19,594 | 4.27 |
| 5,442,495 | Fidelity Sustainable EUR Bond Paris-Aligned Multifactor UCITS ETF | 30,516 | 6.66 |
| 1,100,012 | Fidelity Sustainable EUR High Yield Bond Paris-Aligned Multifactor UCITS ETF | 5,581 | 1.22 |
| 12,123,718 | Fidelity Sustainable Global Corporate Bond Paris-Aligned Multifactor UCITS ETF | 58,618 | 12.78 |
| 9,138,053 | Fidelity Sustainable Global High Yield Bond Paris-Aligned Multifactor UCITS ETF | 55,294 | 12.06 |
| 10,924,573 | Fidelity Sustainable USD Bond Paris-Aligned Multifactor UCITS ETF | 61,505 | 13.41 |
| 8,017,735 | Fidelity Sustainable USD EM Bond UCITS ETF | 36,477 | 7.96 |
| 8,988,786 | Fidelity Sustainable USD High Yield Bond Paris-Aligned Multifactor UCITS ETF | 44,836 | 9.78 |
| | | **312,421** | **68.14** |
| **Portfolio of investments** | | **456,809** | **99.63** |
| Net other assets | | 1,682 | 0.37 |
| **Total net assets** | | **458,491** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

* Managed by a related party.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 14,511 | | 15,080 |
| Revenue | 4 | 11,630 | | 1,313 | |
| Expenses | 5 | (35) | | 57 | |
| Interest paid and similar charges | | – | | – | |
| Net revenue before taxation | | 11,595 | | 1,370 | |
| Taxation | 6 | – | | – | |
| Net revenue after taxation | | | 11,595 | | 1,370 |
| Total return before distributions | | | 26,106 | | 16,450 |
| Distributions | 7 | | (11,595) | | (1,370) |
| **Change in net assets attributable to unitholders from investment activities** | | | **14,511** | | **15,080** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 256,543 | | 2,358 |
| Amounts receivable on issue of units | 234,356 | | 259,093 | |
| Amounts payable on cancellation of units | (58,867) | | (21,963) | |
| | | 175,489 | | 237,130 |
| Change in net assets attributable to unitholders from investment activities | | 14,511 | | 15,080 |
| Retained distribution on accumulation units | | 11,948 | | 1,975 |
| **Closing net assets attributable to unitholders** | | **458,491** | | **256,543** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 456,809 | 254,921 |
| Current assets | | | |
| – Debtors | 8 | 3,308 | 2,221 |
| – Cash and bank balances | | 22 | 25 |
| **Total assets** | | **460,139** | **257,167** |
| **Liabilities:** | | | |
| Creditors | | | |
| – Other creditors | 9 | (1,648) | (624) |
| **Total liabilities** | | **(1,648)** | **(624)** |
| **Net assets attributable to unitholders** | | **458,491** | **256,543** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 13,766 | 14,794 |
| Custodian transaction costs | (15) | (34) |
| Rebate from underlying CIS holdings | 760 | 320 |
| **Net capital gains** | **14,511** | **15,080** |

* Includes realised gains of £13,115,410 and unrealised gains of £649,852 (2023: realised gains of £200,402 and unrealised gains of £14,593,414). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 250 | 31 |
| Interest distributions on CIS holdings | 9,674 | 563 |
| Interest from UK bank deposits | 20 | 6 |
| Overseas dividends | 1,362 | 573 |
| Rebate from underlying CIS holdings | 118 | 58 |
| Securities lending revenue | 3 | 1 |
| UK dividends | 146 | 52 |
| UK REIT dividends | 4 | 3 |
| US REIT dividends | 53 | 26 |
| **Total revenue** | **11,630** | **1,313** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to/Receivable from the Manager or associates of the Manager: | | |
| – Annual service charge | 17 | 7 |
| – Annual service charge rebate | (17) | (7) |
| – Manager's charge and other expenses rebate[#] | – | (79) |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 12 | 6 |
| Other expenses: | | |
| – Audit fee | 7 | 7 |
| – Dividend charges[*] | – | 3 |
| – Legal fee | – | 2 |
| – Safe custody fee | 16 | 4 |
| **Total expenses** | **35** | **(57)** |

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.03%.
[*] This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

### 7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 11,948 | 1,975 |
| | 11,948 | 1,975 |
| Add: Amounts deducted on cancellation of units | 553 | 86 |
| Deduct: Amounts received on issue of units | (906) | (691) |
| **Distributions** | **11,595** | **1,370** |

Details of the final distribution per unit are set out in the table on page 259.

### 8. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued manager's charge rebates | – | 79 |
| Accrued rebate from underlying CIS holdings | 397 | 369 |
| Accrued revenue | 2,005 | 1,234 |
| Amount receivable on issue of units | 8 | 77 |
| Sales awaiting settlement | 898 | 462 |
| **Total debtors** | **3,308** | **2,221** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 9. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 5 | 6 |
| Accrued Depositary's fee | 7 | 3 |
| Accrued Manager's charge | – | 67 |
| Accrued Safe custody fee | 14 | 2 |
| Amount payable for cancellation of units | 1,603 | 461 |
| Custodian transaction costs | 19 | 7 |
| Purchases awaiting settlement | – | 78 |
| **Total other creditors** | **1,648** | **624** |

### 10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 11. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. (“BlackRock”), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 9. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 11. Related Parties (continued)

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

### 12. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.54% (31 December 2023: 0.33%).

### 13. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 13. Units in Issue (continued)

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 233,720,169 |
| Issued during the year | 202,873,667 |
| Cancelled during the year | (51,737,727) |
| **Balance at the end of the year** | **384,856,109** |

### 14. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## BLACKROCK GROWTH ALLOCATION FUND

### About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 27 April 2023 and launched on 14 June 2023. The Fund's FCA product reference number is 997135.

## Performance Record

### Comparative Table

| | X1R Accumulation Units | |
|---|---|---|
| | For the year to 31.12.2024 | For the period from 14.6.2023^ to 31.12.2023 |
| | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | |
| Opening net asset value per unit | 107.13 | 100.00 |
| Return before operating charges | 20.15 | 7.13 |
| Operating charges | – | – |
| Return after operating charges | 127.28 | 107.13 |
| Distributions | (2.20) | (1.08) |
| Retained distributions on accumulation units | 2.20 | 1.08 |
| **Closing net asset value per unit** | 127.28 | 107.13 |
| After direct transaction costs of: | – | – |
| **Performance** | | |
| Return after charges[1] | 18.81% | 7.13% |
| **Other Information** | | |
| Closing net asset value (£000's) | 1,055,395 | 794,294 |
| Closing number of units | 829,184,037 | 741,464,175 |
| Operating charges[2] | 0.00% | 0.00% |
| Direct transaction costs[3] | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 130.19 | 107.47 |
| Lowest bid unit price | 105.26 | 96.05 |

^ The date of commencement of operations.

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary, Tracking Difference, Tracking Error and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).

[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments. See note 13 for further details.

## BLACKROCK GROWTH ALLOCATION FUND

### DISTRIBUTION TABLE

for the year ended 31 December 2024

**Final Distribution in Pence per Unit**

| | X1R Accumulation Units |
|---|---|
| Net revenue | 2.1987 |
| **Distribution paid 28.2.2025** | **2.1987** |
| **Distribution paid 29.2.2024** | **1.0801** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 98.56%; 31.12.23 99.23%** | | | |
| **Equity Funds - 98.56%; 31.12.23 99.23%** | | | |
| 4,900,686 | ACS UK Equity Tracker Fund | 5,231 | 0.50 |
| 268,279,410 | ACS World ESG Screened and Optimised Equity Tracker Fund | 343,619 | 32.56 |
| 262,186,267 | ACS World ESG Screened Equity Tracker Fund | 344,398 | 32.63 |
| 106,852,504 | ACS World Ex UK Equity Tracker Fund | 138,276 | 13.10 |
| 70,874,581 | ACS World Small Cap ESG Screened Equity Tracker Fund | 81,249 | 7.70 |
| 22,541,697 | iShares Global Property Securities Equity Index Fund (UK) | 49,131 | 4.65 |
| 2,518,078 | iShares MSCI Emerging Markets UCITS ETF | 78,312 | 7.42 |
| | | **1,040,216** | **98.56** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.03)%; 31.12.23 (0.01)%** | | | | |
| **Forward Currency Contracts - (0.03)%; 31.12.23 (0.01)%** | | | | |
| EUR 177,159 | Euro vs UK sterling^ | 147 | – | 0.00 |
| GBP 826,595 | UK sterling vs Australian dollar | (799) | 28 | 0.00 |
| GBP 1,407,780 | UK sterling vs Canadian dollar | (1,387) | 20 | 0.00 |
| GBP 374,613 | UK sterling vs Danish krone | (374) | 1 | 0.00 |
| GBP 3,615,878 | UK sterling vs Euro | (3,607) | 9 | 0.00 |
| GBP 184,302 | UK sterling vs Hong Kong dollar | (187) | (3) | 0.00 |
| GBP 66,238 | UK sterling vs Israel shekel | (67) | (1) | 0.00 |
| GBP 2,855,381 | UK sterling vs Japanese yen | (2,760) | 95 | 0.01 |
| GBP 60,024 | UK sterling vs Korean won | (58) | 2 | 0.00 |
| GBP 94,206 | UK sterling vs New Zealand dollar | (91) | 3 | 0.00 |
| GBP 124,420 | UK sterling vs Norwegian krone | (123) | 1 | 0.00 |
| GBP 17,572 | UK sterling vs Polish zloty^ | (18) | – | 0.00 |
| GBP 132,936 | UK sterling vs Singapore dollar | (132) | 1 | 0.00 |
| GBP 310,636 | UK sterling vs Swedish krona | (312) | (1) | 0.00 |
| GBP 993,680 | UK sterling vs Swiss franc | (977) | 17 | 0.00 |
| GBP 33,890,065 | UK sterling vs United States dollar | (34,348) | (458) | (0.04) |
| | | **(45,093)** | **(286)** | **(0.03)** |

## PORTFOLIO STATEMENT (continued)

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **Portfolio of investments** | | **1,039,930** | **98.53** | |
| Net other assets | | 15,465 | 1.47 | |
| **Total net assets** | | **1,055,395** | **100.00** | |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the period from 14.6.2023 to 31.12.2023[1] £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 141,402 | | 46,669 |
| Revenue | 4 | 17,452 | | 7,655 | |
| Expenses | 5 | 40 | | (36) | |
| Interest paid and similar charges | 6 | – | | (3) | |
| Net revenue before taxation | | 17,492 | | 7,616 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 17,492 | | 7,616 |
| Total return before distributions | | | 158,894 | | 54,285 |
| Distributions | 8 | | (17,435) | | (7,616) |
| **Change in net assets attributable to unitholders from investment activities** | | | **141,459** | | **46,669** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the period from 14.6.2023 to 31.12.2023[1] £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 794,294 | | – |
| Amounts receivable on issue of units | 218,238 | | 785,534 | |
| Amounts payable on cancellation of units | (116,827) | | (45,918) | |
| | | 101,411 | | 739,616 |
| Change in net assets attributable to unitholders from investment activities | | 141,459 | | 46,669 |
| Retained distribution on accumulation units | | 18,231 | | 8,009 |
| **Closing net assets attributable to unitholders** | | **1,055,395** | | **794,294** |

[1] The Fund launched on 14 June 2023.

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023[1] £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 1,040,393 | 788,283 |
| Current assets | | | |
| – Debtors | 9 | 16,063 | 6,831 |
| – Cash and bank balances | | 83 | 45 |
| **Total assets** | | **1,056,539** | **795,159** |
| **Liabilities:** | | | |
| Investment liabilities | | (463) | (161) |
| Creditors | | | |
| – Other creditors | 10 | (681) | (704) |
| **Total liabilities** | | **(1,144)** | **(865)** |
| **Net assets attributable to unitholders** | | **1,055,395** | **794,294** |

[1] The Fund launched on 14 June 2023.

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the period from 14.6.2023 to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 141,261 | 48,621 |
| Forward currency contracts | (566) | (7,018) |
| Currency gains | 780 | 5,047 |
| Custodian transaction costs | (23) | 19 |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (49) | – |
| **Net capital gains** | **141,402** | **46,669** |

* Includes realised gains of £8,236,613 and unrealised gains of £133,024,599 (2023: realised gains of £161,995 and unrealised gains of £48,458,726). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the period from 14.6.2023 to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 1,804 | 1,496 |
| Interest distributions on CIS holdings | 1,086 | 275 |
| Interest from UK bank deposits | 104 | 88 |
| Overseas dividends | 12,613 | 5,264 |
| Rebate from underlying CIS holdings | 187 | 56 |
| Securities lending revenue | 84 | 23 |
| UK dividends | 1,049 | 206 |
| UK REIT dividends | 35 | 9 |
| US REIT dividends | 490 | 238 |
| **Total revenue** | **17,452** | **7,655** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the period from 14.6.2023 to 31.12.2023 £000's |
|---|---|---|
| Receivable from the Manager or associates of the Manager: | | |
| – Annual service charge | 46 | 19 |
| – Manager's charge and other expenses rebate[#] | (202) | (39) |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 53 | 3 |
| Other expenses: | | |
| – Audit fee | 12 | 9 |
| – Dividend charges[*] | – | 29 |
| – Index licence fee | 26 | – |
| – Legal fee | 1 | 10 |
| – Safe custody fee | 24 | 5 |
| **Total expenses** | **(40)** | **36** |

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.00%.
* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the period from 14.6.2023 to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | – | 3 |
| **Total interest paid and similar charges** | **–** | **3** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the period from 14.6.2023 to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 18,231 | 8,009 |
| | 18,231 | 8,009 |
| Add: Amounts deducted on cancellation of units | 992 | 213 |
| Deduct: Amounts received on issue of units | (1,788) | (606) |
| **Distributions** | **17,435** | **7,616** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions (continued)

| | For the year to 31.12.2024 £000's | For the period from 14.6.2023 to 31.12.2023 £000's |
|---|---|---|
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 17,492 | 7,616 |
| Custodian transaction costs | (7) | – |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (49) | – |
| **Distributions** | **17,435** | **7,616** |

Details of the final distribution per unit are set out in the table on page 270.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued manager's charge and other expenses rebate | 202 | 46 |
| Accrued rebate from underlying CIS holdings | 34 | 27 |
| Accrued revenue | 14,928 | 6,118 |
| Amount receivable on issue of units | 157 | 530 |
| Sales awaiting settlement | 742 | 110 |
| **Total debtors** | **16,063** | **6,831** |

### 10. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Admin fee | 65 | 19 |
| Accrued Audit fee | 10 | 9 |
| Accrued Bank interest charge | 1 | – |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Manager's charge | 3 | – |
| Accrued Safe custody fee | 11 | 4 |
| Amount payable for cancellation of units | 567 | 663 |
| Custodian transaction costs | 16 | 6 |
| **Total other creditors** | **681** | **704** |

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 12. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Related Parties (continued)

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the period end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

## NOTES TO FINANCIAL STATEMENTS (continued)

### 13. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2023: Nil).

### 14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1R Accumulation Units |
|---|---|
| Balance at the beginning of the year | 741,464,175 |
| Issued during the year | 188,310,945 |
| Cancelled during the year | (100,591,083) |
| **Balance at the end of the year** | **829,184,037** |

### 15. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 16. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## BLACKROCK PENSION GROWTH FUND

### About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805830.

## Performance Record

### Comparative Table

| | X1 Accumulation Units | | |
|---|---|---|---|
| | For the year to 31.12.2024 | For the year to 31.12.2023 | For the year to 31.12.2022 |
| | Pence per unit | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | | |
| Opening net asset value per unit | 140.96 | 125.44 | 141.92 |
| Return before operating charges | 19.21 | 15.55 | (16.45) |
| Operating charges | 0.00 | (0.03) | (0.03) |
| Return after operating charges | 19.21 | 15.52 | (16.48) |
| Distributions | (4.14) | (3.30) | (3.11) |
| Retained distributions on accumulation units | 4.14 | 3.30 | 3.11 |
| **Closing net asset value per unit** | 160.17 | 140.96 | 125.44 |
| After direct transaction costs of: | 0.03 | – | – |
| **Performance** | | | |
| Return after charges[1] | 13.63% | 12.37% | (11.61)% |
| **Other Information** | | | |
| Closing net asset value (£000's) | 10,571,783 | 8,567,760 | 7,976,381 |
| Closing number of units | 6,600,338,068 | 6,078,322,125 | 6,358,760,133 |
| Operating charges[2] | 0.00% | 0.02% | 0.02% |
| Direct transaction costs[3] | 0.02% | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 163.71 | 141.06 | 142.40 |
| Lowest bid unit price | 138.84 | 126.12 | 119.00 |

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).
[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).
[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of debt instruments. See note 14 for further details.

## BLACKROCK PENSION GROWTH FUND

### DISTRIBUTION TABLE

for the year ended 31 December 2024

**Final Distribution in Pence per Unit**

| | X1 Accumulation Units |
|---|---|
| Net revenue | 4.1422 |
| **Distribution paid 28.2.2025** | **4.1422** |
| **Distribution paid 29.2.2024** | **3.3038** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 97.08%; 31.12.23 97.76%** | | | |
| **Equity Funds - 90.49%; 31.12.23 70.87%** | | | |
| 1,036,362,633 | ACS Europe ex UK ESG Insights Equity Fund | 997,792 | 9.44 |
| 470,815,729 | ACS Japan ESG Insights Equity Fund | 477,648 | 4.52 |
| 2,427,691,249 | ACS North America ESG Insights Equity Fund | 2,636,593 | 24.94 |
| 306,566,070 | ACS UK ESG Insights Equity Fund | 299,613 | 2.83 |
| 3,259,828,942 | ACS US ESG Insights Equity Fund | 3,559,300 | 33.67 |
| 209,740,644 | ACS Asia Pacific ex Japan ESG Insights Equity Fund | 200,113 | 1.89 |
| 735,729,973 | BlackRock Pension Growth Alternative Strategies LTAF | 740,206 | 7.00 |
| 330,667,444 | iShares Emerging Markets Equity Index Fund (UK) | 655,441 | 6.20 |
| | | **9,566,706** | **90.49** |
| **Fixed Income Funds - 6.59%; 31.12.23 26.89%** | | | |
| 612,169,906 | BlackRock Global Corporate ESG Insights Bond Fund | **696,244** | **6.59** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.79)%; 31.12.23 0.88%** | | | | |
| **Forward Currency Contracts - (0.72)%; 31.12.23 0.88%** | | | | |
| EUR 279,447,194 | Euro vs UK sterling | 232,146 | (1,629) | (0.02) |
| GBP 738,224,596 | UK sterling vs Euro | (729,861) | 8,364 | 0.08 |
| GBP 238,423,523 | UK sterling vs Japanese yen | (230,097) | 8,327 | 0.08 |
| GBP 3,192,200,806 | UK sterling vs United States dollar | (3,295,388) | (103,187) | (0.98) |
| USD 472,521,558 | United States dollar vs UK sterling | 376,903 | 12,334 | 0.12 |
| | | **(3,646,297)** | **(75,791)** | **(0.72)** |
| **Futures - (0.07)%; 31.12.23 0.00%** | | | | |
| 5,622 | MSCI Emerging Markets Index Future Expiry March 2025 | **241,907** | **(8,010)** | **(0.07)** |
| **Portfolio of investments** | | | **10,179,149** | **96.29** |

PORTFOLIO STATEMENT (continued)

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **CASH EQUIVALENTS** | | | |
| **Short-term Money Market Funds - 3.12%; 31.12.23 0.76%** | | | |
| 3,302,647 | BlackRock ICS Sterling Liquid Environmentally Aware Fund | **330,235** | **3.12** |
| Net other assets | | 62,399 | 0.59 |
| **Total net assets** | | **10,571,783** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 933,205 | | 755,906 |
| Revenue | 4 | 251,777 | | 204,559 | |
| Expenses | 5 | (91) | | (252) | |
| Interest paid and similar charges | 6 | (50) | | (1) | |
| Net revenue before taxation | | 251,636 | | 204,306 | |
| Taxation | 7 | (39) | | – | |
| Net revenue after taxation | | | 251,597 | | 204,306 |
| Total return before distributions | | | 1,184,802 | | 960,212 |
| Distributions | 8 | | (251,594) | | (204,305) |
| **Change in net assets attributable to unitholders from investment activities** | | | **933,208** | | **755,907** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the year to 31.12.2023 £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 8,567,760 | | 7,976,381 |
| Amounts receivable on issue of units | 91,897 | | 95,916 | |
| Amounts receivable on in-specie transactions | 1,283,038 | | – | |
| Amounts payable on cancellation of units | (577,519) | | (461,260) | |
| | | 797,416 | | (365,344) |
| Change in net assets attributable to unitholders from investment activities | | 933,208 | | 755,907 |
| Retained distribution on accumulation units | | 273,399 | | 200,816 |
| **Closing net assets attributable to unitholders** | | **10,571,783** | | **8,567,760** |

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 10,291,975 | 8,453,356 |
| Current assets | | | |
| – Debtors | 9 | 30,822 | 48,795 |
| – Cash and bank balances | | 32,734 | 3,516 |
| – Cash equivalents | 10 | 330,235 | 64,816 |
| **Total assets** | | **10,685,766** | **8,570,483** |
| **Liabilities:** | | | |
| Investment liabilities | | (112,826) | (2,155) |
| Creditors | | | |
| – Bank overdrafts | | (13) | – |
| – Other creditors | 11 | (1,144) | (568) |
| **Total liabilities** | | **(113,983)** | **(2,723)** |
| **Net assets attributable to unitholders** | | **10,571,783** | **8,567,760** |

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 961,123 | 614,133 |
| Losses on derivative securities* | (3,878) | – |
| Forward currency contracts | (27,593) | 144,707 |
| Currency gains/(losses) | 3,562 | (2,930) |
| Custodian transaction costs | (13) | (4) |
| Expense from underlying CIS holdings | (3) | – |
| Other expense from underlying CIS holdings | 7 | – |
| **Net capital gains** | **933,205** | **755,906** |

* Includes realised gains of £2,029,128,312 and unrealised losses of £1,071,884,985 (2023: realised losses of £76,938,677 and unrealised gains of £691,071,388). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 92,541 | 83,349 |
| Interest distributions on CIS holdings | 85,533 | 69,060 |
| Interest from UK bank deposits | 1,556 | 158 |
| Interest on debt securities | 2,939 | – |
| Overseas dividends | 52,786 | 41,153 |
| Revenue from short-term money market funds | 11,175 | 8,224 |
| Securities lending revenue | 127 | 175 |
| UK dividends | 2,993 | – |
| UK REIT dividends | 77 | – |
| US REIT dividends | 2,050 | 2,440 |
| **Total revenue** | **251,777** | **204,559** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Payable to the Manager or associates of the Manager: | | |
| – Manager's charge and other expenses rebate[#] | (394) | – |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 241 | 12 |
| Other expenses: | | |
| – Audit fee | 15 | 7 |
| – Credit administration expenses | 85 | 11 |
| – Dividend charges[*] | – | 203 |
| – Legal fee | 104 | 10 |
| – Miscellaneous | (2) | – |
| – Safe custody fee | 42 | 9 |
| **Total expenses** | **91** | **252** |

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.00%.
[*] This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Interest Paid and Similar Charges

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Interest on bank overdrafts | 48 | 1 |
| M&C futures (expensed) | 2 | – |
| **Total interest paid and similar charges** | **50** | **1** |

### 7. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

### 8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 273,399 | 200,816 |
| | 273,399 | 200,816 |
| Add: Amounts deducted on cancellation of units | 7,491 | 4,644 |
| Deduct: Amounts received on issue of units | (920) | (1,155) |
| Deduct: Amounts received on in-specie transactions | (28,376) | – |
| **Distributions** | **251,594** | **204,305** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Distributions (continued)

| | For the year to 31.12.2024 £000's | For the year to 31.12.2023 £000's |
|---|---|---|
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 251,597 | 204,306 |
| Add: Revenue brought forward | 5 | 4 |
| Deduct: Revenue carried forward | (3) | (5) |
| Custodian transaction costs | (9) | – |
| Expense from underlying CIS holdings | (3) | – |
| Other expense from underlying CIS holdings | 7 | – |
| **Distributions** | **251,594** | **204,305** |

Details of the final distribution per unit are set out in the table on page 282.

### 9. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued manager's charge rebates | 394 | – |
| Accrued rebate from underlying CIS holdings | 4 | 5 |
| Accrued revenue | 28,623 | 45,566 |
| Amount receivable on issue of units | 738 | 3,224 |
| Overseas tax recoverable | 1,063 | – |
| **Total debtors** | **30,822** | **48,795** |

### 10. Cash Equivalents

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Investment in short-term money market funds | 330,235 | 64,816 |
| **Total cash equivalents** | **330,235** | **64,816** |

### 11. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Audit fee | 7 | 8 |
| Accrued Bank interest charge | 2 | – |
| Accrued Depositary's fee | 27 | 6 |
| Accrued Legal fee | 58 | – |
| Accrued Safe custody fee | 21 | 6 |
| Amount payable for cancellation of units | 1,023 | 546 |
| Custodian transaction costs | 6 | 2 |
| **Total other creditors** | **1,144** | **568** |

### 12. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 13. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 13. Related Parties (continued)

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent: | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 11. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 99.98% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

NOTES TO FINANCIAL STATEMENTS (continued)

### 13. Related Parties (continued)

For the year ended 31 December 2024, the Fund received total of £1,283 billion in respect of in-specie transactions with its related parties (31 December 2023: £Nil).

### 14. Portfolio Transaction Costs

For the year ended 31 December 2024

| | | Direct Transaction Costs | | | |
|---|---|---|---|---|---|
| Purchases (excluding derivatives) | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Equity instruments | 8,843,134 | 359 | 0.00 | 281 | 0.00 |
| Bonds | 1,344,384 | 92 | 0.01 | – | – |
| Collective Investment Schemes | 12,232,352 | – | – | – | – |
| **Total purchases** | **22,419,870** | **451** | | **281** | |
| **Total purchases including transaction costs** | **22,420,602** | | | | |

| | | Direct Transaction Costs | | | |
|---|---|---|---|---|---|
| Sales (excluding derivatives) | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Equity instruments | 8,981,042 | 773 | 0.01 | 43 | 0.00 |
| Bonds | 1,342,990 | 93 | 0.01 | – | – |
| Collective Investment Schemes | 11,345,020 | – | – | – | – |
| **Total sales** | **21,669,052** | **866** | | **43** | |
| **Total sales net of transaction costs** | **21,668,143** | | | | |
| **Total transaction costs** | | **1,317** | | **324** | |
| **Total transaction costs as a % of average net assets** | | **0.02%** | | **0.00%** | |

For 31 December 2023, the Fund does not have direct transaction costs.

The above analysis covers direct transaction costs incurred by the Fund during the year. However, it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Separately identifiable direct transaction costs (such as commissions and taxes) are attributable to the Fund's purchase and sale of equity instruments. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be incurred on purchase and sale transactions.

During the year, the Fund utilised derivative instruments including futures contracts. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments and therefore purchase and sale amounts for derivative transactions are not quantified in the analysis above. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 14. Portfolio Transaction Costs (continued)

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2023: 0.02%).

### 15. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1 Accumulation Units |
|---|---|
| Balance at the beginning of the year | 6,078,322,125 |
| Issued during the year | 909,429,411 |
| Cancelled during the year | (387,413,468) |
| **Balance at the end of the year** | **6,600,338,068** |

### 16. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 17. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## BLACKROCK RETIREMENT ALLOCATION FUND

### About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 27 April 2023 and launched on 14 June 2023. The Fund's FCA product reference number is 997136.

## Performance Record

### Comparative Table

| | X1R Accumulation Units | |
|---|---|---|
| | For the year to 31.12.2024 | For the period from 14.6.2023^ to 31.12.2023 |
| | Pence per unit | Pence per unit |
| **Change in net assets per unit** | | |
| Opening net asset value per unit | 105.93 | 100.00 |
| Return before operating charges | 7.63 | 5.93 |
| Operating charges | – | – |
| Return after operating charges | 7.63 | 5.93 |
| Distributions | (2.31) | (0.78) |
| Retained distributions on accumulation units | 2.31 | 0.78 |
| **Closing net asset value per unit** | 113.56 | 105.93 |
| After direct transaction costs of: | – | – |
| **Performance** | | |
| Return after charges[1] | 7.20% | 5.93% |
| **Other Information** | | |
| Closing net asset value (£000's) | 272,682 | 189,379 |
| Closing number of units | 240,117,435 | 178,771,628 |
| Operating charges[2] | 0.00% | 0.00% |
| Direct transaction costs[3] | 0.00% | 0.00% |
| **Prices** | **Pence per unit** | **Pence per unit** |
| Highest offer unit price | 115.67 | 106.25 |
| Lowest bid unit price | 104.16 | 97.71 |

^ The date of commencement of operations.

[1] The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Summary and Investment Manager's Report which are based on bid-to-bid dealing prices (the price at which units are sold).

[2] Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund’s purchase and sale of equity instruments. See note 12 for further details.

## BLACKROCK RETIREMENT ALLOCATION FUND

### DISTRIBUTION TABLE

for the year ended 31 December 2024

**Final Distribution in Pence per Unit**

| | X1R Accumulation Units |
|---|---|
| Net revenue | 2.3054 |
| **Distribution paid 28.2.2025** | **2.3054** |
| **Distribution paid 29.2.2024** | **0.7758** |

## PORTFOLIO STATEMENT

at 31 December 2024

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---|---|
| **COLLECTIVE INVESTMENT SCHEMES - 99.35%; 31.12.23 99.70%** | | | |
| **Equity Funds - 39.31%; 31.12.23 39.87%** | | | |
| 69,016,202 | ACS World ESG Screened and Optimised Equity Tracker Fund | 88,398 | 32.42 |
| 5,642,956 | ACS World Small Cap ESG Screened Equity Tracker Fund | 6,469 | 2.37 |
| 556,762 | iShares Bloomberg Enhanced Roll Yield Commodity Swap UCITS ETF | 3,277 | 1.20 |
| 1,083,620 | iShares Global Property Securities Equity Index Fund (UK) | 2,362 | 0.87 |
| 214,451 | iShares MSCI Emerging Markets UCITS ETF | 6,669 | 2.45 |
| | | **107,175** | **39.31** |
| **Fixed Income Funds - 60.04%; 31.12.23 59.83%** | | | |
| 8,755,099 | iShares ESG Sterling Corporate Bond Index Fund (UK) | 7,880 | 2.89 |
| 5,990,065 | iShares Overseas Corporate Bond Index Fund (UK) | 9,762 | 3.58 |
| 50,465,475 | iShares Overseas Government Bond Index Fund (UK) | 59,674 | 21.88 |
| 35,690,862 | iShares UK Gilts All Stocks Index Fund (UK) | 37,374 | 13.71 |
| 10,553,671 | iShares Up to 10 Years Gilts Index Fund (UK) | 11,349 | 4.16 |
| 35,761,740 | iShares Up to 10 Years Index Linked Gilt Index Fund (UK) | 37,685 | 13.82 |
| | | **163,724** | **60.04** |

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| **DERIVATIVES - (0.11)%; 31.12.23 (0.07)%** | | | | |
| **Forward Currency Contracts - (0.11)%; 31.12.23 (0.07)%** | | | | |
| JPY 16,140,773 | Japanese yen vs UK sterling | 82 | (3) | 0.00 |
| GBP 1,279,695 | UK sterling vs Australian dollar | (1,236) | 43 | 0.02 |
| GBP 2,290,434 | UK sterling vs Canadian dollar | (2,257) | 33 | 0.01 |
| GBP 380,539 | UK sterling vs Danish krone | (380) | 1 | 0.00 |
| GBP 11,340,721 | UK sterling vs Euro | (11,314) | 27 | 0.01 |
| GBP 223,290 | UK sterling vs Hong Kong dollar | (227) | (3) | 0.00 |
| GBP 96,499 | UK sterling vs Israel shekel | (97) | (1) | 0.00 |
| GBP 7,563,907 | UK sterling vs Japanese yen | (7,311) | 253 | 0.09 |
| GBP 38,502 | UK sterling vs New Zealand dollar | (37) | 1 | 0.00 |
| GBP 178,702 | UK sterling vs Norwegian krone | (177) | 2 | 0.00 |
| GBP 130,965 | UK sterling vs Singapore dollar | (130) | 1 | 0.00 |
| GBP 385,133 | UK sterling vs Swedish krona | (387) | (2) | 0.00 |
| GBP 1,190,331 | UK sterling vs Swiss franc | (1,170) | 20 | 0.01 |
| GBP 49,332,474 | UK sterling vs United States dollar | (49,999) | (667) | (0.25) |

PORTFOLIO STATEMENT (continued)

| Holding or Nominal Value | Investment | Underlying Exposure £000's | Market Value £000's | % of Total Net Assets |
|---|---|---|---|---|
| USD 549,861 | United States dollar vs UK sterling | 438 | 4 | 0.00 |
| | | **(74,202)** | **(291)** | **(0.11)** |
| **Portfolio of investments** | | | **270,608** | **99.24** |
| Net other assets | | | 2,074 | 0.76 |
| **Total net assets** | | | **272,682** | **100.00** |

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

## STATEMENT OF TOTAL RETURN

for the year ended 31 December 2024

| | Notes | £000's | For the year to 31.12.2024 £000's | £000's | For the period from 14.6.2023 to 31.12.2023[1] £000's |
|---|---|---|---|---|---|
| Income | | | | | |
| Net capital gains | 3 | | 11,372 | | 8,924 |
| Revenue | 4 | 4,682 | | 1,261 | |
| Expenses | 5 | 51 | | (5) | |
| Interest paid and similar charges | | – | | – | |
| Net revenue before taxation | | 4,733 | | 1,256 | |
| Taxation | 6 | – | | – | |
| Net revenue after taxation | | | 4,733 | | 1,256 |
| Total return before distributions | | | 16,105 | | 10,180 |
| Distributions | 7 | | (4,725) | | (1,256) |
| **Change in net assets attributable to unitholders from investment activities** | | | **11,380** | | **8,924** |

## STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2024

| | £000's | For the year to 31.12.2024 £000's | £000's | For the period from 14.6.2023 to 31.12.2023[1] £000's |
|---|---|---|---|---|
| **Opening net assets attributable to unitholders** | | 189,379 | | – |
| Amounts receivable on issue of units | 110,689 | | 201,266 | |
| Amounts payable on cancellation of units | (44,302) | | (22,198) | |
| | | 66,387 | | 179,068 |
| Change in net assets attributable to unitholders from investment activities | | 11,380 | | 8,924 |
| Retained distribution on accumulation units | | 5,536 | | 1,387 |
| **Closing net assets attributable to unitholders** | | **272,682** | | **189,379** |

[1] The Fund launched on 14 June 2023.

## BALANCE SHEET

at 31 December 2024

| | Notes | 31.12.2024 £000's | 31.12.2023[1] £000's |
|---|---|---|---|
| **Assets:** | | | |
| Fixed assets | | | |
| – Investment assets | | 271,284 | 189,000 |
| Current assets | | | |
| – Debtors | 8 | 2,652 | 5,478 |
| – Cash and bank balances | | 17 | 12 |
| **Total assets** | | **273,953** | **194,490** |
| **Liabilities:** | | | |
| Investment liabilities | | (676) | (326) |
| Creditors | | | |
| – Other creditors | 9 | (595) | (4,785) |
| **Total liabilities** | | **(1,271)** | **(5,111)** |
| **Net assets attributable to unitholders** | | **272,682** | **189,379** |

[1] The Fund launched on 14 June 2023.

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 March 2025

## NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2024

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 32 and 33.

### 2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 34 to 66.

### 3. Net Capital Gains

| | For the year to 31.12.2024 £000's | For the period from 14.6.2023 to 31.12.2023 £000's |
|---|---|---|
| The net capital gains comprise: | | |
| Gains on non-derivative securities* | 10,270 | 8,954 |
| Forward currency contracts | (288) | (1,825) |
| Currency gains | 1,419 | 1,794 |
| Custodian transaction costs | (21) | 1 |
| Expense from underlying CIS holdings | (1) | – |
| Other expense from underlying CIS holdings | (7) | – |
| **Net capital gains** | **11,372** | **8,924** |

*Includes realised gains of £1,194,316 and unrealised gains of £9,075,366 (2023: realised gains of £222,131 and unrealised gains of £8,732,338). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

### 4. Revenue

| | For the year to 31.12.2024 £000's | For the period from 14.6.2023 to 31.12.2023 £000's |
|---|---|---|
| Equity distributions on CIS holdings | 133 | 126 |
| Interest distributions on CIS holdings | 3,025 | 551 |
| Interest from UK bank deposits | 7 | 9 |
| Overseas dividends | 1,338 | 495 |
| Rebate from underlying CIS holdings | 21 | 20 |
| Securities lending revenue | 7 | 2 |
| UK dividends | 108 | 38 |
| UK REIT dividends | 4 | 1 |
| US REIT dividends | 39 | 19 |
| **Total revenue** | **4,682** | **1,261** |

## NOTES TO FINANCIAL STATEMENTS (continued)

### 5. Expenses

| | For the year to 31.12.2024 £000's | For the period from 14.6.2023 to 31.12.2023 £000's |
|---|---|---|
| Payable to the Manager or associates of the Manager: | | |
| – Annual service charge | 12 | 5 |
| – Manager's charge and other expenses rebate[#] | (94) | (33) |
| Payable to the Depositary or associates of the Depositary: | | |
| – Depositary fee | 11 | 3 |
| Other expenses: | | |
| – Audit fee | 9 | 9 |
| – Dividend charges[*] | – | 5 |
| – Legal fee | – | 10 |
| – Safe custody fee | 11 | 6 |
| **Total expenses** | **(51)** | **5** |

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.00%.
[*] This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings. Starting 2024 accounting date, expenses incurred from underlying CIS holdings are now recorded in the specific line item incurred.

### 6. Taxation

**(a) Analysis of tax charge**

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

### 7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

| | For the year to 31.12.2024 £000's | For the period from 14.6.2023 to 31.12.2023 £000's |
|---|---|---|
| Final accumulation | 5,536 | 1,387 |
| | 5,536 | 1,387 |
| Add: Amounts deducted on cancellation of units | 620 | 122 |
| Deduct: Amounts received on issue of units | (1,431) | (253) |
| **Distributions** | **4,725** | **1,256** |
| The distributable amount has been calculated as follows: | | |
| Net revenue after taxation | 4,733 | 1,256 |
| Custodian transaction costs | (1) | – |
| Other expense from underlying CIS holdings | (7) | – |
| **Distributions** | **4,725** | **1,256** |

Details of the final distribution per unit are set out in the table on page 295.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 8. Debtors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued manager's charge rebates | 94 | 42 |
| Accrued rebate from underlying CIS holdings | 12 | 9 |
| Accrued revenue | 1,618 | 613 |
| Amount receivable on issue of units | 719 | 174 |
| Sales awaiting settlement | 209 | 4,640 |
| **Total debtors** | **2,652** | **5,478** |

### 9. Other Creditors

| | 31.12.2024 £000's | 31.12.2023 £000's |
|---|---|---|
| Accrued Admin fee | 16 | 5 |
| Accrued Audit fee | 10 | 9 |
| Accrued Bank interest charge | 1 | – |
| Accrued Depositary's fee | 8 | 3 |
| Accrued Manager's charge | 5 | – |
| Accrued Safe custody fee | 12 | 4 |
| Amount payable for cancellation of units | 334 | 491 |
| Custodian transaction costs | 19 | 8 |
| Purchases awaiting settlement | 190 | 4,265 |
| **Total other creditors** | **595** | **4,785** |

### 10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2023: £Nil).

### 11. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 31 December 2024:

| | |
|---|---|
| Manager: | BlackRock Fund Managers Limited |
| Investment Manager: | BlackRock Investment Management (UK) Limited |
| Stock Lending Agent | BlackRock Advisors (UK) Limited |

The ultimate holding company of the Manager, Investment Manager and Stock Lending Agent is BlackRock Inc. (“BlackRock”), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 9. Securities lending revenue earned by the Fund is disclosed in note 4.

## NOTES TO FINANCIAL STATEMENTS (continued)

### 11. Related Parties (continued)

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

(i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or

(ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be a related party to the Fund.

As at 31 December 2024:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

As at 31 December 2023:

| Total % of units held by Affiliated Funds | Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds | Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds |
|---|---|---|
| Nil | 1 | 100% |

All related party transactions were carried out at arm's length in the ordinary course of business. The terms and returns received by the related parties in making the investments above were no more favourable than those received by other investors investing into the same unit class.

For the year ended 31 December 2024, the Fund does not have any in-specie transactions with its related parties (31 December 2023: £Nil).

## NOTES TO FINANCIAL STATEMENTS (continued)

### 12. Portfolio Transaction Costs

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

Transaction costs for derivatives positions will be either incurred as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above. Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2023: 0.01%).

### 13. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2024 is as follows:

| | X1R Accumulation Units |
|---|---|
| Balance at the beginning of the year | 178,771,628 |
| Issued during the year | 102,167,275 |
| Cancelled during the year | (40,821,468) |
| **Balance at the end of the year** | **240,117,435** |

### 14. Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 19 April 2024. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

### 15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2024.

## STATEMENT OF MANAGER'S RESPONSIBILITIES

The Manager is required by the terms of the Contractual Scheme Deed to prepare the financial statements for each financial year. These financial statements must be prepared in accordance with generally accepted accounting standards in the United Kingdom to give a true and fair view of the state of affairs of the Funds at the year end and of the net revenue and net capital gains for the year. In preparing these financial statements, the Manager is required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Funds will continue in operation. For the reasons stated in note 1(a), the financial statements for ACS LifePath 2022-2024 to ACS LifePath 2055-2057 Funds have not been prepared on a going concern basis.

The financial statements should comply with the disclosure requirements of the Statement of Recommended Practice (the "SORP") for Authorised Funds issued by the Investment Management Association (subsequently The Investment Association) and must comply with any relevant provisions of the Contractual Scheme Deed.

The Manager is responsible for keeping such accounting records as are necessary to enable it to ensure that the financial statements comply with the Financial Conduct Authority's ("FCA") Collective Investment Schemes Sourcebook ("the Sourcebook"), Financial Conduct Authority's ("FCA") Investment Funds Sourcebook ("FUND"), the SORP and the Contractual Scheme Deed.

**BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2**

**STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE DEPOSITARY TO THE UNITHOLDERS OF THE BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2 ("THE SCHEME") FOR THE YEAR ENDED 31 DECEMBER 2024**

The Depositary must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, the Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (together "the Regulations") and the Contractual Scheme Deed and Prospectus (together the "Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

The Depositary must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Scheme is managed in accordance with Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Scheme.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects, the AIFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and Scheme documents of the Scheme; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme.

Northern Trust Investor Services Limited
UK Trustee and Depositary Services

London
31 March 2025




## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

### Opinion

We have audited the financial statements of BlackRock Authorised Contractual Scheme 2 ("the Scheme") for the year ended 31 December 2024, which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables for each of the Scheme's Funds, along with the Financial Instruments and Risks and the accounting and distribution policies of the Scheme, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Scheme comprising each of its Funds as at 31 December 2024 and of the net revenue and the net capital gains on the scheme property of the Scheme comprising each of its Funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter – financial statements for the twelve Funds from ACS LifePath 2022-2024 to ACS LifePath 2055-2057 prepared on an other than going concern basis

We draw attention to Note 1(a) of the financial statements which explains that the Manager intends to close the twelve Funds from ACS LifePath 2022-2024 to ACS LifePath 2055-2057 and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements for these Funds. Accordingly, the financial statements for these Funds only, have been prepared on an other than going concern basis as described in Note 1(a). Our opinion is not modified in respect of this matter.

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**Conclusions relating to going concern**

The financial statements for the twelve Funds from ACS LifePath 2022-2024 to ACS LifePath 2055-2057 have been prepared on an other than going concern basis as disclosed in Note 1(a).

In auditing the financial statements of the remaining Funds, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the remaining Funds' ability to continue as a going concern for a period assessed by the Manager, which is one year from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the remaining Funds' ability to continue as a going concern.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor' report thereon. The Manager is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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**Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")**

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Trust Deed; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not agreement with the accounting records; and
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

**Responsibilities of the Manager**

As explained more fully in the Manager's responsibilities statement set out on page 305, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Scheme or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Scheme and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Scheme's Trust Deed and the Prospectus.
- We understood how the Scheme is complying with those frameworks through discussions with the Manager and the Scheme's administrators and a review of the Scheme's documented policies and procedures.
- We assessed the susceptibility of the Scheme's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Scheme.
- Due to the regulated nature of the Scheme, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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## Use of our report

This report is made solely to the Scheme's unitholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Scheme's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor

Edinburgh
31 March 2025

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## SUPPLEMENTARY INFORMATION

### Efficient Portfolio Management Techniques

The Manager may, on behalf of certain Funds and subject to the conditions and within the limits laid down by the FCA and the Prospectus, employ techniques and instruments relating to transferable securities, including investments in Over-the-Counter ("OTC") Financial Derivative Instruments ("FDIs") provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against exchange risk or for direct investment purposes, where applicable.

In addition to the investments in OTC FDIs, the Funds may employ other techniques and instruments relating to transferable securities and money market instruments, subject to the conditions set out in the FCA's Handbook, as amended from time to time, and the relevant ESMA Guidelines (as adopted by the FCA), such as securities lending.

### Securities Lending

Additional disclosures are required when a Fund invests in Securities Financing Transactions (SFTs). However as none of the Funds invested in SFTs for the period ended 31 December 2024, no additional disclosures have been provided (31 December 2023: £Nil).

**About Us**

BlackRock is a premier provider of asset management, risk management, and advisory services to institutional, intermediary, and individual clients worldwide. As of 31 December 2024, the firm manages £9.21 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

Through BlackRock Solutions®, the firm offers risk management and advisory services that combine capital markets expertise with proprietarily-developed analytics, systems, and technology.

BlackRock serves clients in North and South America, Europe, Asia, Australia, Africa, and the Middle East. Headquartered in New York, the firm maintains offices in over 38 countries around the world.

## Want to know more?

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