BlackRock

Annual report and audited financial statements

BlackRock Balanced Growth Portfolio Fund

For the financial year ended 29 February 2024

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General Information

Manager & Registrar
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*
S Corrigall (Resigned 2 May 2023)
W I Cullen*
D Edgar
T S Hale (Appointed 16 April 2024)
K Henry (Appointed 3 March 2023 and resigned 24 January 2024)
A M Lawrence
H N Mepham
S Sabin (Appointed 18 August 2023)
M T Zemek*

Trustee & Custodian
The Bank of New York Mellon (International) Limited
160 Queen Victoria Street, London EC4V 4LA

Authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority.

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

Authorised and regulated by the FCA.

Stock Lending Agent
BlackRock Advisors (UK) Limited
12 Throgmorton Avenue, London EC2N 2DL

Authorised and regulated by the FCA

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

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
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www.blackrock.co.uk

For your protection, telephone calls are usually recorded.

* Non-executive Director.

About the Fund

BlackRock Balanced Growth Portfolio Fund (the "Fund") is a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 15 January 1982. The Fund's FCA product reference number is 108404.

The Fund was first known as Rowan Fixed Interest Fund. It was renamed Mercury Global Fund and the investment objective changed on 5 May 1987. On 1 February 1989 the Fund's name was changed to The Mercury Portfolio Fund and the investment strategy changed to that described below. On 5 January 1998 the Fund's name was changed to the Mercury Balanced Portfolio Fund. On 30 September 2000 the Fund's name was changed to Merrill Lynch Balanced Portfolio Fund. The Fund changed its name to BlackRock Balanced Portfolio Fund on 28 April 2008 and adopted its present name with effect from 1 May 2009.

Assessment of value

The FCA requires UK fund managers to complete an annual assessment of whether their UK authorised funds provide value for investors. Our 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 2023 in a composite report for all funds managed by BlackRock Fund Managers Limited subject to these requirements.

Fund Managers

As at 29 February 2024, the Fund Managers were Adam Ryan, Jason Byrom and Conan McKenzie.

Significant Events

Changes in the Directors of the Manager

K Henry was appointed as a Director effective 3 March 2023 and resigned as a Director effective 24 January 2024.

S Corrigall resigned as a Director effective 2 May 2023.

S Sabin was appointed as a Director effective 18 August 2023.

Subsequent Events

Changes in the Directors of the Manager

T S Hale was appointed as a Director effective 16 April 2024.

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 29 February 2024.

Risk and Reward Profile

Unit Class	Lower risk Typically lower rewards ←						Higher risk Typically higher rewards →
A Income	1	2	3	4	**5**	6	7
A Accumulation	1	2	3	4	**5**	6	7
D Income	1	2	3	4	**5**	6	7
D Accumulation	1	2	3	4	**5**	6	7
S Income	1	2	3	4	**5**	6	7
S Accumulation	1	2	3	4	**5**	6	7

- The risk indicator was calculated incorporating simulated historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed and may change over time.
- The lowest category does not mean risk free.
- The use of derivatives will impact the value of the Fund and may expose the Fund to a higher degree of risk. Derivatives are highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains, resulting in greater fluctuations in the value of the Fund. The impact to the Fund can be greater where derivatives are used in an extensive or complex way.

For more information on this, please see the Fund's Key Investor Information Documents ("KIIDs"), which are available at www.blackrock.com.

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Investment Manager's Report

for the year ended 29 February 2024

Investment Objective

The aim of the Fund is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund) (gross of fees) with the opportunity for additional income generation (i.e. income received on the Fund's assets) depending on market conditions.

Comparator benchmark	Investment management approach
Investment Association OE Mixed Investment 40-85% Shares Average Sector	Active

Performance Summary

The following table compares the Fund's realised performance against the performance of the comparator benchmark during the financial year ended 29 February 2024.

	Fund return %	Comparator benchmark %
Class D Accumulation Units	8.14	6.21

Further information on the performance 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 Fund 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 NAV per unit as at close of business for reporting purposes only, for the purpose of fair comparison and presentation with the comparator benchmark close of business valuation point.
- 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.

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.

Global Economic Overview

Global equities, as represented by the MSCI All Country World Index, returned 17.86% (in GBP terms) during the twelve months ended 29 February 2024. Equities gained significantly amid cooling inflation (the rate of increase in the prices of goods and services) and investor optimism about the slowing pace of monetary policy tightening from the world's largest central banks. However, rising geopolitical tensions during the latter half of the twelve-month period, including the war between Israel and Hamas and attacks on Red Sea shipping lanes, raised the prospect of disruptions to the global economy.

Investment Manager's Report continued

In the US, the economy was robust throughout the period, posting stronger growth than other developed nations, as both consumer and public spending continued to rise. While several prominent US regional banks failed in the spring of 2023, prompt government action limited the impact on the wider economy. The US jobs market remained strong, and unemployment stayed under 4%, despite an uptick near the end of the twelve-month period. The Japanese economy contracted sharply in the third quarter of 2023 amid a decline in private consumption and capital expenditure before rebounding to modest growth in the fourth quarter. The UK economy was stagnant, contracting slightly in the last half of 2023, as exports weakened and consumer spending stalled. In the Eurozone, growth stalled in the third quarter as high interest rates continued to weigh on the region's economy, although it returned to marginal growth in the fourth quarter. UBS's takeover of the failed Credit Suisse at the behest of regulators stabilised markets.

Most emerging market nations continued to expand, although volatile commodity prices and the high interest rate environment presented significant economic challenges. The Chinese economy continued to grow amid significant government stimulus, although falling consumer prices raised concerns about deflation (the rate of decrease in prices of goods and services). The Indian economy grew at a robust pace, helped by strength in manufacturing and rebounding exports.

The world's largest central banks shifted from monetary policy tightening to a more neutral stance during the twelve-month period. The US Federal Reserve ("the Fed") raised interest rates three times but indicated that further rate hikes were unlikely. The Fed also continued to reduce some of the accumulated bond holdings on its balance sheet. The Bank of England ("BoE") raised interest rates four times during the twelve-month period, although it held rates steady following its August 2023 meeting. Similarly, the European Central Bank ("ECB") declined to raise interest rates at its final four meetings of the period, following five prior increases.

Global equity performance was significantly positive during the twelve-month period, as the global economy averted concerns about a possible recession, despite rapidly changing economic and credit conditions. Subsiding inflation, and the slower pace of the Fed's interest rate increases, drove hopes that the current cycle of monetary policy tightening was finished. Globally, bonds and equities that factor in companies' environmental, social and governance ("ESG") characteristics faced regulatory concerns and shifting investor sentiment. ESG funds experienced positive but declining inflows overall in the first three quarters of 2023, followed by net outflows in the fourth quarter, due primarily to withdrawals by US investors.

Yields (which move inversely to prices) on the 10-year US Treasury, a benchmark lending rate for the global bond market, rose slightly amid significant volatility. The yield curve, which measures the difference between yields at different maturity levels, remained inverted, such that shorter-maturity yields were higher than longer-maturity yields, a signal that investors were concerned about slowing economic growth. The downgrading of the US government debt by a major ratings company highlighted growing debt-servicing costs. In the UK, gilt prices rose slightly as investors reacted favourably to the BoE's shifting monetary policy. Similarly, European government bonds gained overall, as the ECB's interest rate-hike pauses drove a late-period rally. However, the Japanese government adjusted its yield cap for the 10-year government bonds, leading to a sharp increase in the yields for those bonds, while substantial purchases from the Bank of Japan subsequently drove fluctuating prices.

Global corporate bonds (debt securities issued by companies) posted strong gains overall, as investors reassessed credit in light of decelerating inflation. Higher bond yields attracted investors, and continued resilience in the global economy alleviated credit concerns, particularly for high-yield bonds.

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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 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 the developed nations that drove global growth.

The commodities markets stabilised following the turmoil of 2022, although rising geopolitical tensions late in the period raised the prospect of further disruption. Brent crude oil prices were nearly flat, as energy markets stabilised and global oil production increased, particularly in the US. Natural gas prices stabilised, as production increased and additional liquefied natural gas facilities came online. Gold prices rose significantly amid elevated inflation, a stronger US dollar and the end of Fed interest rate increases.

In the foreign exchange markets, the US dollar's performance was mixed against other major global currencies. The US dollar gained against the Japanese yen and Chinese yuan but declined relative to the euro and sterling. The Fed ended its interest rate hikes before the ECB and BoE, which helped drive the increase in the relative value of the euro and sterling.

Fund Performance Review and Activity

Over the financial year to 29 February 2024, the Fund's performance return was 8.14%, outperforming its comparator benchmark which returned 6.21%.

The Fund is managed on an absolute return basis and not relative to any benchmark. The return of the comparator benchmark is given for reference purposes only.

Outside of a handful of names within the technology and luxury goods sectors which performed strongly over the financial year, financial markets were driven by the evolving path of inflation and economic growth. At the start of the financial year, higher than expected inflation data, combined with instability within the banking sector, negatively impacted investor sentiment. As central banks followed through on raising interest rates, the realisation that interest rates may need to remain higher for longer led to a fall in equity and fixed income markets. However, they rallied strongly towards the year-end as resilient economic data and falling inflation rates led to increased prospect of inflation returning to target levels without a recession. Capital markets began to anticipate potential interest rate cuts. Although the Investment Manager believes this will continue, markets have significantly reduced their expectations on the extent of interest rate cuts in 2024.

Against this backdrop, the Fund delivered a positive return over the financial year, driven most prominently by its equity allocation. Also contributing positively were the cash and currency exposures, as well as the fixed income allocation. Exposure to listed alternatives, volatility strategies and commodities detracted from performance.

Investment Manager's Report continued

During the financial year, the following were the largest contributors to and detractors from the Fund's absolute return:

Largest Contributors		Largest Detractors	
Stock	**Effect on Fund return**	**Stock**	**Effect on Fund return**
BGF US Flexible Equity Fund	1.73%	Gresham House Energy Storage Fund	(0.97%)
S&P 500 Futures	1.68%	MSCI Europe ex UK Index Futures (hedging)	(0.35%)
BlackRock UK Equity Portfolio	1.65%	Euro Stoxx 50 Futures (hedging)	(0.26%)
BlackRock Continental European Fund	1.56%	VIX Futures (hedging)	(0.24%)
US Enterprise Tech Equity Basket	1.20%	SDCL Energy Efficiency Income Trust	(0.24%)

Key to driving Fund performance over the financial year was the allocation to strategies managed directly and indirectly by asset class specialists, including the BGF US Flexible Equity Fund, BlackRock UK Equity Portfolio and the BlackRock Continental European Fund. Also contributing strongly was the broad exposure to the US equity market via S&P 500 Futures as well as the US Enterprise Tech Equity Basket which benefitted from the strong returns from the US technology sector, and in particular artificial intelligence related companies.

The Gresham House Energy Storage Fund and the SDCL Energy Efficiency Income Trust detracted from performance as their share price fell to a discount to their underlying net asset value. This was driven predominantly by a rise in UK government bond yields. Nevertheless the Investment Manager retains conviction in the underlying assets to continue to deliver income and growth. Given the strong performance of equity markets, hedging positions on the MSCI Europe ex UK Index Futures and the Euro Stoxx 50 Futures detracted from performance. Similarly, protection against heightened stock market volatility via VIX Futures also detracted from performance.

The following table details the significant portfolio weightings at 29 February 2024 and 28 February 2023:

29 February 2024		28 February 2023	
Asset Class	**Gross Exposure**	**Asset Class**	**Gross Exposure**
Equities	79.45%	Equities	72.70%
Fixed Income	20.16%	Fixed Income	14.14%
Alternatives	6.01%	Alternatives	5.88%
Commodities	3.65%	Commodities	1.93%
Volatility & Carry Strategies	1.39%	Volatility & Cash Strategies	2.00%

The Fund started the financial year cautiously positioned, with a moderate level of risk given the wide range of interest rate expectations which continued to drive volatility in markets. Over the financial year, the Fund significantly increased its allocation to equities as the future path for interest rates became clearer. The Investment Manager also increased allocation to government bonds. The Investment Manager's aim is to dynamically adjust the portfolio's sensitivity to interest rates, given the continued uncertainty surrounding monetary policy.

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As the growth outlook remains robust, particularly for the US, the market consensus is that inflation will return to central banks' target levels and the US and Europe will avoid a severe recession. It should be recognised that there are many potential risks to this outlook, including the lagged consequences of higher interest rates and very significant geopolitical tensions that the Investment Manager is closely monitoring. The preference is for holding higher quality assets as companies with stable revenue generation and healthier balance sheets that are better placed to withstand the current tighter credit conditions. The Investment Manager continues to focus on portfolio resilience and downside protection and believes that active asset allocation and dynamic monitoring of positioning remain important parts of the toolkit for navigating periods of uncertainty.

Performance Record

Comparative Table

	A Income Units			A Accumulation Units		
	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	179.6	184.8	179.2	426.1	427.6	407.9
Return before operating charges	14.88	2.22	11.89	35.86	5.25	26.67
Operating charges	(2.83)	(2.88)	(3.04)	(6.76)	(6.71)	(6.94)
Return after operating charges	12.05	(0.66)	8.85	29.10	(1.46)	19.73
Distributions	(4.60)	(4.59)	(3.27)	(10.96)	(10.68)	(7.45)
Retained distributions on accumulation units	N/A	N/A	N/A	10.96	10.68	7.45
Closing net asset value per unit	187.1	179.6	184.8	455.2	426.1	427.6
After direct transaction costs of	(0.07)	(0.12)	(0.12)	(0.18)	(0.27)	(0.26)
Performance						
Return after charges[1]	6.71%	(0.36)%	4.94%	6.83%	(0.34)%	4.84%
Other information						
Closing net asset value (£000's)	548	839	1,254	172,795	173,326	162,672
Closing number of units	293,180	466,976	678,423	37,960,424	40,673,178	38,040,586
Operating charges[2]	1.58%	1.59%	1.57%	1.58%	1.59%	1.57%
Direct transaction costs[3]	0.04%	0.06%	0.06%	0.04%	0.06%	0.06%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	200.0	202.1	213.9	481.1	467.6	490.2
Lowest bid unit price	168.9	172.2	180.3	406.2	399.8	410.0

[1] The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on close of business prices.

[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, debt instruments and collective investment schemes.
See note 15 for further details.

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Performance Record continued

Comparative Table continued

	D Income Units			D Accumulation Units		
	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	192.0	196.1	188.8	454.3	452.5	428.3
Return before operating charges	16.04	2.40	12.43	38.37	5.54	27.99
Operating charges	(1.60)	(1.62)	(1.68)	(3.80)	(3.76)	(3.82)
Return after operating charges	14.44	0.78	10.75	34.57	1.78	24.17
Distributions	(4.93)	(4.89)	(3.44)	(11.72)	(11.34)	(7.82)
Retained distributions on accumulation units	N/A	N/A	N/A	11.72	11.34	7.82
Closing net asset value per unit	201.5	192.0	196.1	488.9	454.3	452.5
After direct transaction costs of	(0.08)	(0.12)	(0.12)	(0.19)	(0.28)	(0.28)
Performance						
Return after charges[1]	7.52%	0.40%	5.70%	7.61%	0.39%	5.64%
Other information						
Closing net asset value (£000's)	17,883	17,113	17,713	95,571	83,050	81,143
Closing number of units	8,874,389	8,913,464	9,032,168	19,549,507	18,281,794	17,933,227
Operating charges[2]	0.83%	0.84%	0.82%	0.83%	0.84%	0.82%
Direct transaction costs[3]	0.04%	0.06%	0.06%	0.04%	0.06%	0.06%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	205.2	204.4	215.9	492.1	471.6	493.5
Lowest bid unit price	181.5	183.6	190.0	435.2	424.0	430.6

[1] The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on close of business prices.

[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, debt instruments and collective investment schemes.
See note 15 for further details.

Performance Record continued

Comparative Table continued

	S Income Units			S Accumulation Units		
	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	145.8	148.8	143.1	177.4	176.7	167.1
Return before operating charges	12.05	1.74	9.36	14.91	2.06	10.94
Operating charges	(1.09)	(1.11)	(1.15)	(1.34)	(1.33)	(1.35)
Return after operating charges	10.96	0.63	8.21	13.57	0.73	9.59
Distributions	(3.65)	(3.66)	(2.53)	(4.46)	(4.33)	(3.03)
Retained distributions on accumulation units	N/A	N/A	N/A	4.46	4.33	3.03
Closing net asset value per unit	153.1	145.8	148.8	191.0	177.4	176.7
After direct transaction costs of	(0.06)	(0.09)	(0.09)	(0.07)	(0.11)	(0.11)
Performance						
Return after charges[1]	7.52%	0.42%	5.74%	7.65%	0.41%	5.74%
Other information						
Closing net asset value (£000's)	2,658	2,588	3,341	19,306	18,785	19,131
Closing number of units	1,736,022	1,775,308	2,245,661	10,109,051	10,587,226	10,827,551
Operating charges[2]	0.75%	0.76%	0.74%	0.75%	0.76%	0.74%
Direct transaction costs[3]	0.04%	0.06%	0.06%	0.04%	0.06%	0.06%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	163.7	162.8	172.0	201.9	193.4	202.3
Lowest bid unit price	137.8	139.4	143.9	170.0	165.6	168.0

[1] The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on close of business prices.

[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, debt instruments and collective investment schemes.
See note 15 for further details.

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Distribution Tables

for the year ended 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

Group 2 – Units purchased 1 September 2023 to 29 February 2024

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	2.1786	1.4719	5.2192	3.7888	2.3323	0.9511	5.5849	3.2957
Equalisation†	–	0.7067	–	1.4304	–	1.3812	–	2.2892
Distribution paid 30.4.2024	**2.1786**	**2.1786**	**5.2192**	**5.2192**	**2.3323**	**2.3323**	**5.5849**	**5.5849**
Distribution paid 30.4.2023	**2.4826**	**2.4826**	**5.8169**	**5.8169**	**2.6566**	**2.6566**	**6.1970**	**6.1970**

	S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.7293	1.1352	2.1310	1.1044
Equalisation†	–	0.5941	–	1.0266
Distribution paid 30.4.2024	**1.7293**	**1.7293**	**2.1310**	**2.1310**
Distribution paid 30.4.2023	**1.9651**	**1.9651**	**2.3583**	**2.3583**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

Group 2 – Units purchased 1 March 2023 to 31 August 2023

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	2.4210	1.2968	5.7457	2.9065	2.5968	1.4197	6.1361	3.0167
Equalisation†	–	1.1242	–	2.8392	–	1.1771	–	3.1194
Distribution paid 31.10.2023	**2.4210**	**2.4210**	**5.7457**	**5.7457**	**2.5968**	**2.5968**	**6.1361**	**6.1361**
Distribution paid 31.10.2022	**2.1048**	**2.1048**	**4.8626**	**4.8626**	**2.2321**	**2.2321**	**5.1466**	**5.1466**

	S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.9195	0.7949	2.3337	1.0393
Equalisation†	–	1.1246	–	1.2944
Distribution paid 31.10.2023	**1.9195**	**1.9195**	**2.3337**	**2.3337**
Distribution paid 31.10.2022	**1.6910**	**1.6910**	**1.9742**	**1.9742**

† Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

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 "ManCo"). The disclosures are made in accordance with the provisions in the UK implementation of Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the council of 23 July 2014, (the "Directive"), the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority, the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018, the Financial Conduct Authority ("FCA") Handbook SYSC 19E: The UCITS Remuneration Code (the "UCITS Remuneration Code"), and COLL 4.5.7 R(7).

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive and to UK entities within the BlackRock group authorised as a manager of a UK UCITS fund in accordance with UCITS as implemented, retained and onshored in the UK.

The ManCo has adopted the UCITS 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 ManCo's board of directors (the "ManCo'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 ManCo's Board. The most recent review found no fundamental issues. The remuneration disclosure is produced and owned by MDCC and the Manager's Board.

No material changes were made to the remuneration policy in 2023.

(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;

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- 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.

The MDCC held 7 meetings during 2023. 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 ManCo's Board

The ManCo's Board in its supervisory function has the task of supervising and providing oversight of the UCITS Remuneration Policy as it applies to the ManCo and its Identified Staff (as defined below).

The responsibilities of the supervisory function include:

- approve, maintain and oversee the implementation of the UCITS Remuneration Policy;
- determine and oversee the remuneration of the members of the management body, provided that insofar the relevant ManCo 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 UCITS 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 UCITS 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. 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.

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 ManCo.

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.

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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 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.

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.

Report on Remuneration continued

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.

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.

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).

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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

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff, being categories of staff of the ManCo, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the ManCo or of the funds it manages.

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.

Quantitative Remuneration Disclosure

The ManCo is required under the Directive 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 Fund level is not readily available. Disclosures are provided in relation to (a) the staff of the ManCo; (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 ManCo is included in the aggregate figures disclosed.

Report on Remuneration continued

Members of staff and senior management of the ManCo typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the ManCo and across the broader BlackRock group. Conversely, members of staff and senior management of the broader BlackRock group may provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the broader BlackRock group and of the ManCo. Therefore, the figures disclosed are a sum of individual's portion of remuneration attributable to the ManCo according to an objective apportionment methodology which acknowledges the multiple-service nature of the ManCo 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 ManCo's staff in respect of the ManCo's financial year ending 31 December 2023 is USD 171.3 million. This figure is comprised of fixed remuneration of USD 98.3 million and variable remuneration of USD 73.0 million. There were a total of 3,683 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the ManCo in respect of the ManCo's financial year ending 31 December 2023, to its senior management was USD 6.1 million, and to other members of its staff whose actions potentially have a material impact on the risk profile of the ManCo or its funds was USD 4.2 million.

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Portfolio Statement

at 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
EQUITIES – 35.40%; 28.2.2023 35.88%			
AUSTRALIA – 0.06%; 28.2.2023 0.07%			
Agriculture – 0.00%; 28.2.2023 0.01%			
Banks – 0.06%; 28.2.2023 0.00%			
11,416	National Australia Bank	**198**	**0.06**
Oil & Gas Producers – 0.00%; 28.2.2023 0.06%			
AUSTRIA – 0.05%; 28.2.2023 0.12%			
Computers – 0.01%; 28.2.2023 0.01%			
1,861	Kontron	**34**	**0.01**
Electricity – 0.02%; 28.2.2023 0.07%			
1,123	Verbund[Ø]	**64**	**0.02**
Machinery Diversified – 0.01%; 28.2.2023 0.03%			
718	Andritz	**35**	**0.01**
Semiconductors – 0.01%; 28.2.2023 0.01%			
20,231	ams-OSRAM[Ø]	**24**	**0.01**
BELGIUM – 0.06%; 28.2.2023 0.11%			
Chemicals – 0.06%; 28.2.2023 0.11%			
11,229	Umicore	**185**	**0.06**
BRAZIL – 0.00%; 28.2.2023 0.09%			
Agriculture – 0.00%; 28.2.2023 0.03%			
Forest Products & Paper – 0.00%; 28.2.2023 0.05%			
Packaging & Containers – 0.00%; 28.2.2023 0.01%			
CANADA – 0.09%; 28.2.2023 0.20%			
Alternative Energy Sources – 0.01%; 28.2.2023 0.02%			
1,346	Canadian Solar	**22**	**0.01**
Automobile Parts & Equipment – 0.03%; 28.2.2023 0.00%			
2,115	Magna International[Ø]	**91**	**0.03**
Chemicals – 0.00%; 28.2.2023 0.10%			
Forest Products & Paper – 0.00%; 28.2.2023 0.02%			
Mining – 0.00%; 28.2.2023 0.01%			
Pipelines – 0.05%; 28.2.2023 0.05%			
5,698	Enbridge	**155**	**0.05**
DENMARK – 0.17%; 28.2.2023 0.19%			
Alternative Energy Sources – 0.04%; 28.2.2023 0.08%			
5,006	Vestas Wind Systems	**110**	**0.04**
Building Materials – 0.03%; 28.2.2023 0.02%			
317	Rockwool	**81**	**0.03**
Chemicals – 0.00%; 28.2.2023 0.01%			
Electricity – 0.03%; 28.2.2023 0.08%			
1,780	Orsted[Ø]	**80**	**0.03**
Retail – 0.07%; 28.2.2023 0.00%			
1,626	Pandora	**212**	**0.07**
FINLAND – 0.00%; 28.2.2023 0.22%			
Forest Products & Paper – 0.00%; 28.2.2023 0.14%			
Oil & Gas Producers – 0.00%; 28.2.2023 0.08%			
FRANCE – 0.70%; 28.2.2023 0.23%			
Apparel – 0.34%; 28.2.2023 0.00%			
368	Christian Dior	252	0.08
143	Hermes International	285	0.09
659	Kering	241	0.08
387	LVMH Moet Hennessy Louis Vuitton	280	0.09
		1,058	**0.34**
Biotechnology – 0.00%; 28.2.2023 0.00%			
Building Materials – 0.06%; 28.2.2023 0.00%			
2,990	Saint-Gobain[Ø]	**183**	**0.06**
Chemicals – 0.02%; 28.2.2023 0.02%			
313	Air Liquide	**51**	**0.02**
Commercial Services – 0.03%; 28.2.2023 0.05%			
1,763	Edenred	69	0.02
4,332	Worldline	40	0.01
		109	**0.03**
Computers – 0.02%; 28.2.2023 0.00%			
490	Teleperformance	**49**	**0.02**
Electrical Components & Equipment – 0.20%; 28.2.2023 0.16%			
3,490	Schneider Electric	**624**	**0.20**
Semiconductors – 0.03%; 28.2.2023 0.00%			
2,365	STMicroelectronics	**84**	**0.03**
GERMANY – 0.22%; 28.2.2023 0.17%			
Alternative Energy Sources – 0.02%; 28.2.2023 0.09%			
6,260	Siemens Energy[Ø]	**76**	**0.02**

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	Electrical Components & Equipment – 0.01%; 28.2.2023 0.02%		
593	SMA Solar Technology[Ø]	**28**	**0.01**
	Miscellaneous Manufacturing – 0.10%; 28.2.2023 0.03%		
2,023	Siemens	**316**	**0.10**
	Retail – 0.06%; 28.2.2023 0.00%		
3,395	HUGO BOSS	**185**	**0.06**
	Semiconductors – 0.02%; 28.2.2023 0.02%		
2,313	Infineon Technologies	**65**	**0.02**
	Software – 0.01%; 28.2.2023 0.01%		
841	Software	**28**	**0.01**
	HONG KONG – 0.20%; 28.2.2023 0.00%		
	Distribution & Wholesale – 0.00%; 28.2.2023 0.00%		
29,000	Digital China	**8**	**0.00**
	Insurance – 0.20%; 28.2.2023 0.00%		
80,300	Prudential	**632**	**0.20**
	IRELAND – 1.00%; 28.2.2023 1.41%		
	Agriculture – 0.00%; 28.2.2023 0.02%		
	Building Materials – 0.03%; 28.2.2023 0.02%		
1,263	Kingspan	**91**	**0.03**
	Forest Products & Paper – 0.00%; 28.2.2023 0.06%		
	Private Equity – 0.97%; 28.2.2023 1.31%		
3,988,298	Greencoat Renewables	**2,999**	**0.97**
	ISRAEL – 0.00%; 28.2.2023 0.04%		
	Chemicals – 0.00%; 28.2.2023 0.04%		
	ITALY – 0.35%; 28.2.2023 0.07%		
	Apparel – 0.12%; 28.2.2023 0.00%		
39,300	PRADA	220	0.07
794	PRADA	4	0.00
3,832	Tod's	141	0.05
		365	**0.12**
	Automobile Manufacturers – 0.08%; 28.2.2023 0.00%		
726	Ferrari[Ø]	**247**	**0.08**
	Gas – 0.03%; 28.2.2023 0.07%		
21,355	Snam[Ø]	**80**	**0.03**
	Retail – 0.12%; 28.2.2023 0.00%		
3,927	Moncler	221	0.07
15,162	Salvatore Ferragamo	159	0.05
		380	**0.12**
	JAPAN – 0.15%; 28.2.2023 0.16%		
	Computers – 0.01%; 28.2.2023 0.01%		
200	Fujitsu	**25**	**0.01**
	Environmental Control – 0.02%; 28.2.2023 0.02%		
1,600	Kurita Water Industries	**51**	**0.02**
	Forest Products & Paper – 0.00%; 28.2.2023 0.01%		
	Leisure Time – 0.01%; 28.2.2023 0.00%		
6,300	Yamaha Motor[Ø]	**44**	**0.01**
	Machinery Diversified – 0.02%; 28.2.2023 0.04%		
1,100	Omron	32	0.01
900	Yaskawa Electric[Ø]	29	0.01
		61	**0.02**
	Oil & Gas Producers – 0.00%; 28.2.2023 0.05%		
	Pharmaceuticals – 0.05%; 28.2.2023 0.00%		
6,300	Daiichi Sankyo	**165**	**0.05**
	Semiconductors – 0.04%; 28.2.2023 0.03%		
8,600	Renesas Electronics	**111**	**0.04**
	LITHUANIA – 0.16%; 28.2.2023 0.00%		
	Internet – 0.16%; 28.2.2023 0.00%		
205,000	Baltic Classifieds	**484**	**0.16**
	NETHERLANDS – 0.10%; 28.2.2023 0.16%		
	Chemicals – 0.00%; 28.2.2023 0.01%		
	Commercial Services – 0.03%; 28.2.2023 0.03%		
69	Adyen	**85**	**0.03**
	Food Producers – 0.00%; 28.2.2023 0.02%		
	Healthcare Products – 0.01%; 28.2.2023 0.01%		
2,435	Koninklijke Philips	**39**	**0.01**
	Pipelines – 0.02%; 28.2.2023 0.05%		
2,174	Koninklijke Vopak	**64**	**0.02**
	Semiconductors – 0.04%; 28.2.2023 0.04%		
26	ASML	19	0.01
524	NXP Semiconductors	101	0.03
		120	**0.04**

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Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
NORWAY – 0.05%; 28.2.2023 0.28%			
Alternative Energy Sources – 0.03%; 28.2.2023 0.07%			
131,580	Aker Carbon Capture	**79**	**0.03**
Environmental Control – 0.01%; 28.2.2023 0.02%			
3,524	TOMRA Systems[Ø]	**37**	**0.01**
Food Producers – 0.00%; 28.2.2023 0.13%			
Oil & Gas Producers – 0.00%; 28.2.2023 0.05%			
Semiconductors – 0.01%; 28.2.2023 0.01%			
3,090	Nordic Semiconductor	**21**	**0.01**
PORTUGAL – 0.00%; 28.2.2023 0.02%			
Oil & Gas Producers – 0.00%; 28.2.2023 0.02%			
SOUTH KOREA – 0.04%; 28.2.2023 0.08%			
Semiconductors – 0.04%; 28.2.2023 0.08%			
106	Samsung Electronics	**114**	**0.04**
SPAIN – 0.05%; 28.2.2023 0.18%			
Electricity – 0.03%; 28.2.2023 0.10%			
7,452	EDP Renovaveis	**81**	**0.03**
Engineering & Construction – 0.02%; 28.2.2023 0.08%			
546	Acciona	**48**	**0.02**
SWEDEN – 0.03%; 28.2.2023 0.16%			
Building Materials – 0.01%; 28.2.2023 0.02%			
6,909	Nibe Industrier	**30**	**0.01**
Electricity – 0.00%; 28.2.2023 0.00%			
Forest Products & Paper – 0.00%; 28.2.2023 0.13%			
Healthcare Products – 0.01%; 28.2.2023 0.00%			
2,216	Getinge	**35**	**0.01**
Telecommunications – 0.01%; 28.2.2023 0.01%			
5,257	Telefonaktiebolaget LM Ericsson	**23**	**0.01**
SWITZERLAND – 0.27%; 28.2.2023 0.27%			
Building Materials – 0.11%; 28.2.2023 0.13%			
909	Belimo	**344**	**0.11**
Electrical Components & Equipment – 0.00%; 28.2.2023 0.03%			
Electronics – 0.03%; 28.2.2023 0.00%			
2,950	ABB	**107**	**0.03**
Insurance – 0.06%; 28.2.2023 0.00%			
463	Zurich Insurance	**197**	**0.06**
Metal & Hardware – 0.01%; 28.2.2023 0.01%			
92	VAT	**36**	**0.01**
Packaging & Containers – 0.00%; 28.2.2023 0.07%			
Retail – 0.06%; 28.2.2023 0.00%			
1,002	Swatch[Ø]	**188**	**0.06**
Semiconductors – 0.00%; 28.2.2023 0.03%			
TAIWAN – 0.02%; 28.2.2023 0.02%			
Semiconductors – 0.02%; 28.2.2023 0.02%			
668	Taiwan Semiconductor Manufacturing	**67**	**0.02**
UNITED KINGDOM – 23.28%; 28.2.2023 23.61%			
Advertising – 0.15%; 28.2.2023 0.18%			
150,752	Ascential	**450**	**0.15**
Aerospace & Defence – 0.34%; 28.2.2023 0.00%			
163,469	Melrose Industries	**1,043**	**0.34**
Agriculture – 0.00%; 28.2.2023 0.48%			
Alternative Energy Sources – 0.01%; 28.2.2023 0.02%			
49,880	ITM Power	**27**	**0.01**
Apparel – 0.06%; 28.2.2023 0.00%			
13,292	Burberry	170	0.05
1,230	Capri	45	0.01
		215	**0.06**
Banks – 1.56%; 28.2.2023 1.66%			
291,790	HSBC	1,785	0.58
1,608,325	Lloyds Banking	763	0.25
339,695	Standard Chartered	2,262	0.73
		4,810	**1.56**
Beverages – 0.54%; 28.2.2023 0.45%			
56,588	Diageo	**1,667**	**0.54**
Chemicals – 0.17%; 28.2.2023 0.33%			
34,148	Johnson Matthey	**526**	**0.17**
Commercial Services – 2.51%; 28.2.2023 2.49%			
20,885	Ashtead	1,171	0.38
10,172	Pagegroup	46	0.01
161,363	RELX	5,591	1.81
221,438	Rentokil Initial	968	0.31
		7,776	**2.51**
Computers – 0.41%; 28.2.2023 0.29%			
667,795	Serco	**1,270**	**0.41**

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Cosmetics & Personal Care – 0.00%; 28.2.2023 0.38%			
Distribution & Wholesale – 0.40%; 28.2.2023 0.90%			
7,407	Ferguson	**1,221**	**0.40**
Diversified Financial Services – 1.19%; 28.2.2023 0.97%			
83,532	Hargreaves Lansdown[Ø]	613	0.20
34,662	London Stock Exchange	3,052	0.99
		3,665	**1.19**
Electricity – 0.02%; 28.2.2023 0.08%			
4,582	SSE	**75**	**0.02**
Electronics – 0.64%; 28.2.2023 0.02%			
85,814	Halma[Ø]	**1,989**	**0.64**
Environmental Control – 0.18%; 28.2.2023 0.14%			
9,303	Pentair	**564**	**0.18**
Food Services – 1.38%; 28.2.2023 1.29%			
196,427	Compass	**4,262**	**1.38**
Healthcare Products – 0.34%; 28.2.2023 0.30%			
101,995	Smith & Nephew	**1,064**	**0.34**
Household Products – 0.71%; 28.2.2023 0.96%			
44,113	Reckitt Benckiser	**2,203**	**0.71**
Insurance – 0.16%; 28.2.2023 0.52%			
98,840	Phoenix	**490**	**0.16**
Internet – 1.46%; 28.2.2023 1.35%			
267,600	Auto Trader	1,990	0.64
286,170	Rightmove	1,627	0.53
281,958	Trainline	881	0.29
		4,498	**1.46**
Investment Companies – 0.00%; 28.2.2023 1.30%			
Leisure Time – 0.00%; 28.2.2023 0.00%			
44,990	Patisserie[1]	**–**	**0.00**
Machinery Diversified – 0.03%; 28.2.2023 0.19%			
4,296	CNH Industrial	40	0.01
522	Spirax-Sarco Engineering	54	0.02
		94	**0.03**
Media – 0.71%; 28.2.2023 0.55%			
229,884	Pearson	**2,185**	**0.71**
Mining – 1.44%; 28.2.2023 1.55%			
86,841	Rio Tinto	**4,441**	**1.44**
Miscellaneous Manufacturing – 0.29%; 28.2.2023 0.04%			
26,175	Diploma	**910**	**0.29**
Oil & Gas Producers – 2.08%; 28.2.2023 2.46%			
346,244	BP	1,598	0.52
195,154	Shell	4,802	1.56
		6,400	**2.08**
Pharmaceuticals – 2.73%; 28.2.2023 2.31%			
61,052	AstraZeneca	6,199	2.01
95,182	GSK	1,609	0.52
35,068	Indivior	612	0.20
		8,420	**2.73**
Private Equity – 2.00%; 28.2.2023 1.15%			
147,623	3i	3,643	1.18
5,411,096	Forward Partners	1,461	0.47
416,925	Molten Ventures	1,080	0.35
		6,184	**2.00**
Real Estate Investment Trusts – 0.47%; 28.2.2023 0.09%			
114,345	Segro	977	0.32
386,877	Shaftesbury Capital	477	0.15
		1,454	**0.47**
Retail – 1.19%; 28.2.2023 1.02%			
42,215	Next	3,533	1.14
36,759	Watches of Switzerland[Ø]	152	0.05
		3,685	**1.19**
Telecommunications – 0.00%; 28.2.2023 0.01%			
10,176	Spirent Communications	**11**	**0.00**
Water – 0.11%; 28.2.2023 0.13%			
36,393	Pennon	245	0.08
2,090	Severn Trent	53	0.02
4,217	United Utilities[Ø]	44	0.01
		342	**0.11**
UNITED STATES OF AMERICA – 8.35%; 28.2.2023 8.02%			
Aerospace & Defence – 1.00%; 28.2.2023 0.81%			
6,759	AAR	354	0.11
3,549	AeroVironment	355	0.11
1,978	Curtiss-Wright	368	0.12
5,750	Hexcel	340	0.11
8,421	Howmet Aerospace	445	0.14
20,295	Kaman	731	0.24
46,189	Triumph	513	0.17
		3,106	**1.00**

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Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Agriculture – 0.00%; 28.2.2023 0.24%			
Alternative Energy Sources – 0.03%; 28.2.2023 0.15%			
358	Enphase Energy	34	0.01
570	First Solar	67	0.02
		101	**0.03**
Apparel – 0.07%; 28.2.2023 0.00%			
1,559	Ralph Lauren	**226**	**0.07**
Automobile Manufacturers – 0.02%; 28.2.2023 0.02%			
453	Tesla	**72**	**0.02**
Chemicals – 0.25%; 28.2.2023 0.26%			
225	Air Products and Chemicals	41	0.01
3,026	Dow	132	0.04
2,824	Ecolab	502	0.16
341	Linde	122	0.04
		797	**0.25**
Commercial Services – 0.25%; 28.2.2023 0.27%			
831	Block	52	0.02
3,061	Booz Allen Hamilton	357	0.12
281	FTI Consulting	48	0.02
13,322	Sabre	28	0.01
8,339	V2X	250	0.08
		735	**0.25**
Computers – 0.51%; 28.2.2023 0.46%			
4,593	Apple	659	0.21
33,500	Conduent	88	0.03
3,533	Fortinet	194	0.06
2,211	International Business Machines	324	0.10
2,474	NetApp	172	0.06
2,227	Seagate Technology	161	0.05
9,437	Vuzix	13	0.00
		1,611	**0.51**
Cosmetics & Personal Care – 0.07%; 28.2.2023 0.00%			
1,994	Estee Lauder	**232**	**0.07**
Distribution & Wholesale – 0.05%; 28.2.2023 0.02%			
1,984	LKQ	83	0.03
3,200	Resideo Technologies	56	0.02
		139	**0.05**
Diversified Financial Services – 0.26%; 28.2.2023 0.16%			
1,368	Mastercard	518	0.17
1,286	Visa	290	0.09
		808	**0.26**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Electrical Components & Equipment – 0.24%; 28.2.2023 0.13%			
2,653	Eaton	602	0.19
421	Emerson Electric	35	0.01
1,207	EnerSys	86	0.03
321	Generac	28	0.01
		751	**0.24**
Electricity – 0.03%; 28.2.2023 0.07%			
1,576	Ormat Technologies[Ø]	**80**	**0.03**
Electronics – 0.10%; 28.2.2023 0.14%			
611	Badger Meter	76	0.02
274	TE Connectivity	31	0.01
4,240	Trimble	204	0.07
		311	**0.10**
Engineering & Construction – 0.01%; 28.2.2023 0.02%			
600	MasTec[Ø]	**35**	**0.01**
Environmental Control – 0.21%; 28.2.2023 0.17%			
4,607	CECO Environmental	81	0.03
3,082	Republic Services	453	0.15
301	Veralto[Ø]	21	0.01
422	Waste Management	69	0.02
		624	**0.21**
Food Producers – 0.04%; 28.2.2023 0.10%			
2,507	Kellanova	111	0.04
626	WK Kellogg	7	0.00
		118	**0.04**
Healthcare Products – 0.18%; 28.2.2023 0.02%			
1,244	Agilent Technologies	135	0.04
4,272	Boston Scientific	226	0.07
905	Danaher	183	0.06
363	Masimo	37	0.01
		581	**0.18**
Healthcare Services – 0.01%; 28.2.2023 0.00%			
7,114	DocGo[Ø]	**22**	**0.01**
Household Products – 0.05%; 28.2.2023 0.00%			
1,615	Kimberly-Clark	**155**	**0.05**
Insurance – 0.05%; 28.2.2023 0.00%			
2,772	MetLife	**152**	**0.05**
Internet – 0.68%; 28.2.2023 0.43%			
3,659	Alphabet	394	0.13
3,161	Amazon.com	433	0.14
1,110	F5	163	0.05
1,569	Meta Platforms	600	0.19

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
1,419	Palo Alto Networks	355	0.11
1,173	VeriSign	180	0.06
		2,125	**0.68**
Machinery Construction & Mining – 0.02%; 28.2.2023 0.02%			
1,239	Terex[Ø]	**56**	**0.02**
Machinery Diversified – 0.49%; 28.2.2023 0.82%			
352	AGCO	30	0.01
948	Deere	273	0.09
2,135	Dover	277	0.09
128	Rockwell Automation	29	0.01
2,767	Watts Water Technologies	436	0.14
4,540	Xylem	451	0.15
		1,496	**0.49**
Metal & Hardware – 0.02%; 28.2.2023 0.00%			
717	Timken	**48**	**0.02**
Mining – 0.03%; 28.2.2023 0.00%			
3,521	Newmont	**83**	**0.03**
Miscellaneous Manufacturing – 0.15%; 28.2.2023 0.27%			
1,173	A O Smith	77	0.02
6,995	Donaldson	391	0.13
		468	**0.15**
Office & Business Equipment – 0.04%; 28.2.2023 0.05%			
578	Zebra Technologies	**125**	**0.04**
Office Furnishings – 0.02%; 28.2.2023 0.00%			
6,837	Steelcase	**71**	**0.02**
Oil & Gas Producers – 0.00%; 28.2.2023 0.19%			
Oil & Gas Services – 0.00%; 28.2.2023 0.25%			
Packaging & Containers – 0.03%; 28.2.2023 0.24%			
2,177	Ball	**108**	**0.03**
Pharmaceuticals – 0.07%; 28.2.2023 0.01%			
148	Dexcom	13	0.00
1,717	Johnson & Johnson	219	0.07
		232	**0.07**
Pipelines – 0.00%; 28.2.2023 0.22%			
Real Estate Investment Trusts – 0.03%; 28.2.2023 0.15%			
1,834	Equity Residential	**87**	**0.03**
Semiconductors – 1.55%; 28.2.2023 0.74%			
3,288	Advanced Micro Devices	459	0.15
600	Ambarella	28	0.01
2,195	Analog Devices	326	0.11
1,965	Applied Materials	307	0.10
951	Broadcom	970	0.31
951	CEVA	17	0.01
5,634	Intel	187	0.06
2,827	Marvell Technology	151	0.05
1,365	Microchip Technology	89	0.03
1,498	Micron Technology	106	0.03
2,343	Nvidia	1,439	0.47
2,153	ON Semiconductor	130	0.04
540	Ouster[Ø]	2	0.00
609	Qorvo	54	0.02
774	QualComm	95	0.03
4,511	Rambus	203	0.07
680	Silicon Laboratories	72	0.02
625	Skyworks Solutions	50	0.02
517	Texas Instruments	67	0.02
		4,752	**1.55**
Software – 1.27%; 28.2.2023 0.86%			
569	Adobe	248	0.08
770	Ansys	203	0.07
609	Aspen Technology	92	0.03
1,708	Cadence Design Systems	406	0.13
758	Digi International[Ø]	17	0.01
1,330	Dynatrace	52	0.02
487	Fair Isaac	491	0.16
514	Intuit	268	0.09
2,702	Microsoft	871	0.28
3,718	Oracle	328	0.11
1,545	Paychex	150	0.05
1,580	PTC	230	0.07
1,176	Salesforce	279	0.09
1,963	Splunk	242	0.08
		3,877	**1.27**
Telecommunications – 0.31%; 28.2.2023 0.45%			
6,820	A10 Networks	71	0.02
1,881	Arista Networks	406	0.13
6,417	Cisco Systems	244	0.08
13,013	CommScope	19	0.01
7,168	Juniper Networks	210	0.07
		950	**0.31**
Water – 0.21%; 28.2.2023 0.28%			
2,717	American Water Works	253	0.08
3,882	California Water Service	141	0.05
8,675	Essential Utilities	239	0.08
		633	**0.21**

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Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
BONDS – 0.00%; 28.2.2023 2.01%			
US Dollar Denominated Government Bonds – 0.00%; 28.2.2023 2.01%			
COLLECTIVE INVESTMENT SCHEMES – 61.33%; 28.2.2023 51.21%			
Equity Funds – 36.02%; 28.2.2023 30.96%			
7,952,107	BlackRock Continental European Fund†	24,730	8.01
608,284	BlackRock Global Funds - Emerging Markets Fund†	7,554	2.45
402,622	BlackRock Global Funds - Japan Flexible Equity Fund†	7,680	2.49
399,629	BlackRock Global Funds - US Flexible Equity Fund†	26,962	8.73
8,085,342	Blackrock Global Unconstrained Equity Fund UK†	15,569	5.04
21,268,288	BlackRock UK Smaller Companies Fund†	21,276	6.89
26,651	HarbourVest Global Private Equity	593	0.19
188,588	iShares Physical Gold ETC†	5,887	1.91
39,270	NB Private Equity Partners	643	0.21
65,960	Oakley Capital Investments	308	0.10
		111,202	**36.02**
Exchange Traded Funds – 5.75%; 28.2.2023 13.11%			
12,887	iShares Core FTSE 100 UCITS ETF GBP Acc†	1,854	0.60
37,797	iShares Core S&P 500 UCITS ETF†	15,893	5.15
		17,747	**5.75**
Fixed Income Funds – 10.50%; 28.2.2023 0.00%			
1,046,369	BlackRock Global Funds - Sustainable World Bond Fund†	8,974	2.91
890,566	iShares Core Bond UCITS ETF†	3,743	1.21
1,751,158	iShares Core Global Aggregate Bond UCITS ETF†	7,860	2.54
172,079	iShares Global Bond UCITS ETF†Ø	11,855	3.84
		32,432	**10.50**
Investment Trusts – 3.67%; 28.2.2023 3.50%			
4,327,980	Greencoat UK WindØ	5,847	1.89
3,147,028	Gresham House Energy Storage Fund	1,967	0.64
81,118	HgCapital Trust	361	0.12
42,275	ICG Enterprise Trust	513	0.17
267,588	Pantheon International	844	0.27
2,704,869	Sdcl Energy Efficiency Income Trust	1,785	0.58
		11,317	**3.67**
Short-term Money Market Funds – 5.39%; 28.2.2023 3.64%			
4,591	BlackRock ICS Euro Liquid Environmentally Aware Fund†	403	0.13
70,196	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class†	7,020	2.27
116,738	BlackRock ICS US Dollar Liquid Environmentally Aware Fund Agency Income Class†	9,233	2.99
		16,656	**5.39**

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES – 0.89%; 28.2.2023 (0.47%)				
Forward Currency Contracts – 0.01%; 28.2.2023 0.18%				
AU$5,380,000	Australian Dollar vs UK Sterling	2,767	(19)	(0.01)
CA$4,880,000	Canadian Dollar vs UK Sterling	2,841	(6)	0.00
INR 1,215,400,000	Indian Rupee vs US Dollar	23,009	26	0.01
£7,014,026	UK Sterling vs Euro	6,996	18	0.01
£3,587,193	UK Sterling vs Japanese Yen	3,519	69	0.02
£17,025,025	UK Sterling vs US Dollar	17,077	(52)	(0.02)

Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
US$14,491,934	US Dollar vs Taiwan Dollar	22,901	(7)	0.00
		79,110	**29**	**0.01**
Futures – 0.50%; 28.2.2023 (0.81%)				
(118)	Euro Stoxx 50 March 2024	4,947	(306)	(0.10)
78	Euro-Bund March 2024	8,807	(157)	(0.05)
(27)	Euro-Buxl March 2024	3,037	61	0.02
84	FTSE 100 Index March 2024	6,414	21	0.01
(528)	FTSE 250 Index March 2024	20,183	(183)	(0.06)
28	KOSPI SPI 200 Index March 2024	2,747	100	0.03
16	Long Gilt June 2024	1,551	(17)	0.00
57	MSCI Emerging Markets exChina March 2024	3,101	57	0.02
31	MSCI Emerging Markets Index March 2024	1,250	37	0.01
(302)	MSCI Europe ex UK March 2024	8,947	(388)	(0.13)
25	MSCI World Index March 2024	2,055	145	0.05
(12)	NASDAQ 100 E-Mini Index March 2024	3,394	(299)	(0.10)
149	S&P 500 E-Mini Index March 2024	29,865	2,422	0.78
18	S&P/TSX 60 Index March 2024	2,691	112	0.04
246	US 10 Year Note (CBT) June 2024	21,412	(59)	(0.02)
(19)	US Ultra Bond (CBT) June 2024	1,900	7	0.00
		122,301	**1,553**	**0.50**
Inflation Swaps – 0.02%; 28.2.2023 (0.10%)				
238,500	Goldman Sachs Euro 2.495% vs Variable 15/4/2052	192	(14)	0.00
172,630	Goldman Sachs Euro 2.5075% vs Variable 15/4/2052	140	(9)	0.00
241,500	Goldman Sachs Euro 2.535% vs Variable 15/4/2052	197	(12)	0.00
222,000	Goldman Sachs Euro 2.58% vs Variable 15/3/2052	182	(9)	0.00
1,894,179	Morgan Stanley Euro 2.7575% vs Variable 15/5/2053	1,760	128	0.04
428,322	UBS Euro 2.56% vs Variable 15/4/2052	353	(18)	(0.01)
450,000	UBS Euro 2.585% vs Variable 15/4/2052	373	(16)	(0.01)
		3,197	**50**	**0.02**
Options – 0.16%; 28.2.2023 0.07%				
11,489,000	BNP Paribas (US Dollar Put Japanese Yen Call Put 22/3/2024 @ 143.0)	404	3	0.00
47	FTSE MIB Index Put Index Option 15/03/24 EUR28,000	41	1	0.00
14,650,000	Goldman Sachs International (US Dollar Call Japanese Yen Put Call 1/3/2033 @ 136.0)	1,652	205	0.07
(11,489,000)	HSBC Bank (US Dollar Put Japanese Yen Call Put 22/3/2024 @ 143.0)	404	(3)	0.00
386	MSCI China Net Total Return Call Index Option 24/06/24 USD440	2,428	220	0.07
11	NASDAQ 100 Stock Put Index Option 15/03/24 USD 17,300	1,791	59	0.02
41	S&P 500 Put Index Option 15/3/2024 4,450	194	5	0.00
		6,914	**490**	**0.16**
Total Return Swaps – 0.20%; 28.2.2023 0.19%				
24,795	Barclays Bank Volatility Carry Strategy Index 15/11/2024^	3,151	–	0.00
2,146	Citibank Global Brands Basket Index 30/8/2024	6,639	569	0.18
1,863,779	JP Morgan Chase Bank JPBLJDY 12/4/2024	1,225	69	0.02
3,950,016	JP Morgan Chase Bank JPBLJDY 12/4/2024	2,597	146	0.05
2,671	Morgan Stanley International MSVCDRSE 26/7/2024	1,183	14	0.01

Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
411,462	UBS Aquantum Scarcity Premium Commodity Index 9/8/2024	5,419	(179)	(0.06)
		20,214	**619**	**0.20**
Portfolio of investments			**301,408**	**97.62**
Net other assets			7,353	2.38
Total net assets			**308,761**	**100.00**

Unless otherwise stated, all securities are either listed on a recognised exchange, traded on an eligible securities market or are permitted collective investment schemes.

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.

The counterparties for the forward currency contracts are BNP Paribas Arbitrage SNC, Deutsche Bank AG, Goldman Sachs International, HSBC Bank Plc, Royal Bank of Canada and UBS AG.

The total return swaps ("TRS") shown in the portfolio statement starting on page 28 are expressed at both their mark-to-market and original notional value, which when added together represent the current notional value of the TRS. The current notional value of a TRS represents the reference amount used to calculate payments between the counterparties to the TRS. The full notional value represents the economic interest in the security underlying the TRS, but does not change hands in full between the counterparties.

[1] These securities were valued in consultation with the Manager. These securities were fair valued or suspended at financial year end.

Ø All or a portion of this investment represents a security on loan, see note 2(b) vi) for further details.

† Managed by a related party.

^ All securities that have a value of less than £500 have been rounded to zero.

Statement of Total Return

for the year ended 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital gains/(losses)	3		16,829		(3,825)
Revenue	4	7,837		7,403	
Expenses	5	(3,684)		(3,552)	
Interest payable and similar charges	6	(138)		(120)	
Net revenue before taxation		4,015		3,731	
Taxation	7	(67)		(63)	
Net revenue after taxation			3,948		3,668
Total return before distributions			20,777		(157)
Distributions	8		(7,621)		(7,209)
Change in net assets attributable to unitholders from investment activities			**13,156**		**(7,366)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		295,701		285,254
Amounts receivable on issue of units	36,219		49,591	
Amounts payable on cancellation of units	(43,359)		(38,552)	
		(7,140)		11,039
Change in net assets attributable to unitholders from investment activities		13,156		(7,366)
Retained distribution on accumulation units		7,044		6,774
Closing net assets attributable to unitholders		**308,761**		**295,701**

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Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		303,161	266,608
Current assets			
– Debtors	9	3,675	20,658
– Cash and bank balances	10	9,270	34,557
Total assets		**316,106**	**321,823**
Liabilities:			
Investment liabilities		(1,753)	(4,514)
Creditors			
– Amounts due to futures clearing houses and brokers		(2,614)	(59)
– Cash collateral payable		(760)	–
– Distributions payable		(243)	(283)
– Other creditors	11	(1,975)	(21,266)
Total liabilities		**(7,345)**	**(26,122)**
Net assets attributable to unitholders		**308,761**	**295,701**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
29 May 2024

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

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 have been prepared on a going concern basis in accordance with UK GAAP and the SORP. The Fund is able to meet all of its liabilities from its assets. The performance, marketability and risks of the Fund are reviewed on a regular basis throughout the financial period. Therefore, the Directors of the Manager believe that the Fund will continue in operational existence for a period of one year from the date of approval of the financial statements and is financially sound. 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 Fund.

(b) Bank interest is recognised on an accruals basis.

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.

US REIT dividend revenue is accounted for partly as revenue and partly as capital, depending on the underlying REIT distribution. All REIT dividend revenue is recognised on an accruals basis.

Revenue from fixed interest securities is recognised on an effective interest rate basis.

Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Fund.

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 HMRC, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available. The equalisation element is treated as capital.

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.

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

Returns from bond futures are streamed into revenue and capital components.

Returns from total return swaps in the form of dividends or interest received from the underlying security or index are recognised as revenue. Capital gains on the underlying security or index are treated as capital.

The Fund receives 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.

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

(g) Provision for corporation tax is made at the current rate on the excess of taxable revenue over allowable expenses. Provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that it is considered more likely than not that there will be taxable profits in the future against which the asset can be offset.

(h) 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 period. 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.

For Over-the-Counter ("OTC") derivatives including Credit Default Swaps, Contracts for Differences, Currency Swaps, Forward Currency Contracts, Inflation Swaps, Interest Rate Swaps, OTC Options, Swaptions, Synthetic Caps, Total Return Swaps and Volatility Swaps; fair value is determined based on valuation pricing models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions. The fair value of exchange traded and over the counter derivatives represents the price that would be required to close out the contracts at the Balance Sheet date. Amounts due to and from an individual counterparty which falls under a legally enforceable master netting agreement are netted.

Investments in dual priced Collective Investment Schemes have been valued at the latest available published bid price market values. Investments in single priced Collective Investment Schemes have been valued at the latest available published market values.

(i) 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 the end of the accounting period. Revenue items in foreign currencies are translated into sterling at the exchange rate when the revenue is received.

(j) Where appropriate, certain permitted financial instruments such as derivatives 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/(losses)' in the Statement of Total Return.

Revenue from over the counter derivatives is received in the form of premiums received on written options. Such premiums are recognised as revenue on a straight line basis over the period of the contract, with the balance recognised as capital. If the contract is sold or closed out, the unamortised portion of the premium remains in capital.

(k) Cash and bank balances consist of deposits held on call with banks and cash held with clearing brokers and counterparties.

(l) Cash collateral provided by the Fund is identified on the Balance Sheet as pledged cash collateral and is not included as a component of cash and cash equivalents.

For collateral other than cash provided by the Fund, the party to whom the collateral is provided has the right by contract to sell or repledge the collateral but has an obligation to return equivalent securities to the Fund on maturity or sale of the contract. The Fund classifies these assets on its Balance Sheet separately from other assets and identifies the asset as pledged investments. Such assets are valued consistently with the accounting policies listed above.

Cash collateral provided to the Fund by counterparties is identified in the Balance Sheet as cash collateral payable. The Fund may reinvest this cash collateral and the assets purchased are included in investment assets or cash equivalents on the Balance Sheet.

For collateral received from counterparties other than cash, a disclosure of the collateral provided is made in the notes to the financial statements.

Distribution Policies

(m) The ordinary element of stock dividends is treated as revenue and forms part of the distribution.

(n) Special dividends and share buy backs recognised as revenue form part of the distribution.

(o) Returns from bond futures recognised as revenue from long positions form part of the distribution. Amounts recognised as revenue from short positions reduce the amounts available for distribution.

(p) All of the net revenue available for distribution at the final accounting period end will be distributed to unitholders as a dividend with the balance attributable to accumulation unitholders retained within the Fund. In order to conduct a controlled dividend flow to unitholders, interim distributions may be made at the Manager's discretion, up to a maximum of the distributable revenue available for the period. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

(q) All expenses are reimbursed by capital for distribution purposes.

2. Financial Instruments and Risks

The Fund's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. 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 Fund.

2. Financial Instruments and Risks continued

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 Fund is 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 Fund.

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 BlackRock 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 Fund. 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 principal risk exposure of the Fund is 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 Fund may suffer through holding market positions in the face of market movements. The Fund is exposed to market risk by virtue of its investments in equities, collective investment schemes, inflation swaps, options, futures contracts, total return swaps and forward currency contracts.

A key metric the RQA Group uses to measure market risk is Value-at-Risk ("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 Fund 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 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 one day VaR as at 29 February 2024 and 28 February 2023 based on a 99% confidence level was 1.35% and 1.50% respectively.

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 Fund may invest in securities, which may be denominated in currencies other than its reporting currency.

The Fund may also invest in forward currency contracts and thus gain further exposure to foreign currency risk.

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.

ii) Market risk arising from other price risk

Exposure to other price risk

Other price risk is the risk that the fair value or 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 market prices of its investments.

The Fund is exposed to other price risk arising from its investments. The exposure of the Fund to other price risk is the market value of the investments held as shown in the Portfolio Statement of the Fund.

Management of other price risk

The Investment Manager manages the Fund's other price risk on a daily basis in accordance with the Fund's investment objective.

By diversifying the portfolio, where this is appropriate and consistent with the Fund's objectives, the risk that a price change of a particular investment will have a material impact on the Net Asset Value ("NAV") of the Fund is minimised. The investment concentrations within the portfolio are disclosed in the portfolio statement 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.

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.

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The Fund is exposed to interest rate risk on its cash and bank balances held at The Bank of New York Mellon (International) Limited, amounts held at futures clearing houses and brokers, cash equivalent holdings and its investments in fixed and floating rate interest bearing securities where the value of these securities may fluctuate as a result of a change in interest rates. Cash held on deposit at The Bank of New York Mellon (International) Limited receives/incurs interest at the prevailing daily rate which may be negative depending on the currency in which the cash is held.

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

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.

(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 Fund is 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 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. 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) Exchange Traded Financial Derivative Instruments

The Fund's holdings in futures contracts expose the Fund to counterparty credit risk.

Management of counterparty credit risk related to futures contracts

The exposure is limited by trading the contracts through a clearing house. The Fund's exposure to counterparty credit risk on contracts in which it currently has a gain position is reduced by such gains received in cash from the counterparty under the daily mark-to market mechanism on exchange traded futures contracts (variation margin). The Fund's exposure to credit risk on contracts in which it currently has a loss position is equal to the amount of margin posted to the counterparty which has not been transferred to the exchange under the daily mark-to-market mechanism. The counterparty for futures contracts is Bank of America Merrill Lynch.

Margin is paid or received on futures to cover any exposure by the counterparty or the Fund to each other. Margin receivable from the Fund's clearing brokers and various counterparties is included in "Cash and bank balances" on the Balance Sheet. Margin payable to the Fund's clearing brokers and various counterparties is included in "Amounts held at futures clearing houses and brokers" on the Balance Sheet.

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

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

The Fund's holdings in OTC FDIs expose the Fund to counterparty credit risk.

Counterparty credit risk arises from the failure of the counterparty to perform according to the terms of the contract. The Fund's exposure to counterparty credit risk is limited to the contracts in which it currently has a gain position reduced by the cash collateral received from the counterparty or to counterparties which have received collateral from the Fund.

All OTC FDIs are entered into by the Fund 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 Fund and a counterparty that governs OTC FDIs (including total return swaps) 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 Fund under the ISDA Master Agreement, not just total return swaps. All collateral received/posted by the Fund under the ISDA Master Agreement is transferred bilaterally under a title transfer arrangement.

Cash held as security by the counterparty to derivative contracts is subject to the credit risk of the counterparty.

The carrying value of financial assets together with cash best represents the Fund's gross maximum exposure to counterparty credit risk at the reporting date, before including the effect of ISDA Master Agreements and close-out netting, which would reduce the overall counterparty credit risk exposure.

The Fund's 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.

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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 which monitors the creditworthiness of the counterparty. The counterparties for forward currency contracts are disclosed in the portfolio statement.

The lowest credit rating of any one counterparty as at 29 February 2024 was A- (28 February 2023: A) (Standard & Poor's rating).

The following tables detail the number of counterparties the Fund is exposed to by OTC FDIs type and the maximum exposure (which is calculated on a net basis) to any one counterparty.

29 February 2024

Counterparty	Forwards £000's	Inflation Swaps £000's	OTC Options £000's	Total Return Swaps £000's	Total Exposure £000's
BNP Paribas Arbitrage SNC	18	–	3	–	**21**
Citigroup Global Markets Limited	–	–	–	569	**569**
Deutsche Bank AG	(19)	–	–	–	**(19)**
Goldman Sachs International	(7)	(44)	205	–	**154**
HSBC Bank Plc	26	–	(3)	–	**23**
J.P. Morgan Securities Plc	–	–	–	215	**215**
Morgan Stanley & Co. International Plc	–	128	–	14	**142**
Royal Bank of Canada	17	–	–	–	**17**
UBS AG	(6)	(34)	–	(179)	**(219)**

28 February 2023

Counterparty	Forwards £000's	Inflation Swaps £000's	Total Return Swaps £000's	Total Exposure £000's
Bank of America Merrill Lynch	(9)	–	–	**(9)**
Bank of New York Mellon International	(64)	–	–	**(64)**
Barclays Bank Plc	1	–	(11)	**(10)**
BNP Paribas Arbitrage SNC	(1)	–	–	**(1)**
Citigroup Global Markets Limited	(323)	–	922	**599**
Goldman Sachs International	593	(160)	181	**614**
HSBC Bank Plc	267	–	(442)	**(175)**
Morgan Stanley & Co. International Plc	7	–	38	**45**
UBS AG	72	(138)	(124)	**(190)**

iii) Trustee and Custodian

The Fund's Trustee and Custodian is The Bank of New York Mellon (International) Limited (the "Trustee" and "Custodian").

Substantially all of the investments of the Fund are held by the Custodian at year end. Investments are segregated from the assets of the Custodian, with ownership rights remaining with the Fund. Bankruptcy or insolvency of the Custodian may cause the Fund's 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.

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

Management of counterparty credit risk related to the Trustee and Custodian

To mitigate the Fund's credit risk with respect to the Trustee, the Investment Manager of the Fund employs specific procedures to ensure that the Trustee employed is a reputable institution and that the associated credit risk is acceptable to the Fund. The Fund only transacts 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 Trustee and Custodian, The Bank of New York Mellon Corporation as at 29 February 2024 was A (28 February 2023: AA) (Standard & Poor's rating).

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

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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.

v) Debt securities

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

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a higher credit risk have a greater possibility of default than more highly rated securities. The Fund invests into sovereign debt which exposes the Fund to the risk that the issuer of the bonds may default on interest or principal payments.

Management of counterparty credit risk related to debt securities

To manage this risk the Investment Manager invests in a wide range of securities, subject to the investment objective of the Fund and monitors the credit ratings of the investments as disclosed in the portfolio statement. The ratings of the debt securities are continually monitored by the BlackRock Portfolio Management Group.

There were no debt securities held by the Fund as at 29 February 2024.

28 February 2023

Investment grade %	Non-investment grade %	Not rated %	Total %
2.01	–	–	2.01

vi) Securities lending

The Fund engages in security lending activities which expose the Fund to counterparty credit risk. The maximum exposure to the Fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Fund are subject to a written legal agreement between the Fund and the Stock Lending Agent, BlackRock Advisors (UK) Limited, a related party to the Fund, and separately between the Stock Lending Agent and the approved borrowing counterparty. Collateral received in exchange for securities lent is transferred under a title transfer arrangement and is delivered to and held in an account with a tri-party collateral manager in the name of the Trustee on behalf of the Fund. Collateral received is segregated from the assets belonging to the Fund's Trustee or the Stock Lending Agent.

The following table details the value of securities on loan (individually identified in the Portfolio Statement) and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

Counterparty	Counterparty's country of establishment	29 February 2024		28 February 2023	
		Securities on loan	Collateral received	Securities on loan	Collateral received
		£000's	£000's	£000's	£000's
Barclays Capital Securities Limited	UK	351	395	3,443	3,971
BNP Paribas Arbitrage SNC	France	43	53	–	–
Citigroup Global Markets Limited	UK	202	248	342	391
Goldman Sachs International	UK	88	95	–	–
HSBC Bank Plc	UK	174	191	11	12
J.P. Morgan Securities Plc	UK	318	364	232	276
Merrill Lynch International	UK	–	–	5,364	5,833
Morgan Stanley & Co. International Plc	UK	280	297	–	–
The Bank of Nova Scotia	Canada	63	71	123	134
UBS AG	Switzerland	470	556	475	525
Total		**1,989**	**2,270**	**9,990**	**11,142**

At 29 February 2024, collateral received from these borrowing counterparties comprised of 32.95% in debt securities and 67.05% in equity securities (28 February 2023: 63.53% in debt securities and 36.47% in equity securities).

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better, equity securities and exchange traded funds listed on a recognised exchange.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 29 February 2024 and 28 February 2023, all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Fund also benefits from a borrower default indemnity provided by BlackRock Inc. The indemnity allows for full replacement of securities lent. BlackRock Inc. bears the cost of indemnification against borrower default.

vii) Collateral

The Fund engages in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

Management of counterparty credit risk related to collateral

The Fund uses inbound collateral received from a counterparty to reduce the credit risk associated with any trading activity the Fund has engaged in.

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Cash collateral posted by the Fund is separately identified on the Balance Sheet as cash collateral posted and is not included as a component of cash and cash equivalents. Cash collateral received by the Fund is reflected on the Balance Sheet as cash collateral payable.

As at 29 February 2024 collateral received by the Fund in respect of OTC FDIs was £760,000 in the form of cash. Collateral posted by the Fund in respect of OTC FDIs was £Nil.

As at 28 February 2023 collateral received by the Fund in respect of OTC FDIs was £Nil. Collateral posted by the Fund in respect of OTC FDIs was £Nil.

(c) Liquidity risk

Exposure to liquidity risk

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

Liquidity risk to the Fund arises from the redemption requests of unitholders and the liquidity of the underlying investments the Fund is invested in. The Fund's unitholders may redeem their units on the close of any daily dealing deadline for cash equal to a proportionate share of the Fund's NAV. The Fund is 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.

The Fund is also exposed to the liquidity risk of daily margin calls on derivatives.

All non-derivative financial liabilities including distributions payable held by the Fund as at 29 February 2024 and 28 February 2023, based on contractual maturities, fall due within one to three months, with the exception of corporation tax payable which falls due within nine to twelve months.

Management of liquidity risk

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

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 NAV. This will therefore allow the Manager to protect the interests of continuing unitholders by allowing the Manager to match the sale of scheme property to the level of redemptions. This should reduce the impact of dilution on the Fund. 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 the subsequent valuation points have been processed.

The Fund's 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 the Fund's cash obligations.

(d) Valuation of financial instruments

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

Level 1 – Unadjusted 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. The Fund does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs other than quoted prices in level 1

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.

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

	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2024				
Investment assets	172,513	130,648	–[1]	303,161
Investment liabilities	(1,409)	(344)	–	(1,753)
28 February 2023				
Investment assets	167,655	98,953	–[1]	266,608
Investment liabilities	(2,827)	(1,687)	–	(4,514)

1 Includes securities fair valued by the Manager at zero. These securities are identified on the Fund's Portfolio Statement.

(e) Global exposure

The Manager is required by the COLL Sourcebook to employ a risk management process in respect of the Fund which enables it to accurately monitor and manage the global exposure from Financial Derivative Instruments ("FDIs").

The Manager uses the Relative VaR methodology to measure the Fund's global exposure. For Relative VaR, the VaR of the Fund's portfolio will not exceed twice the VaR of the reference portfolio. Utilisation refers to the level of risk taken in this context. The tables below detail the highest, lowest and average utilisation of the VaR limit, expressed as a percentage of the respective relative VaR regulatory limit.

The exposures to FDIs at year end are marked on the Portfolio Statement.

The tables below detail the highest, lowest and average utilisation of the VaR limit, expressed as a percentage of the respective relative VaR regulatory limit.

29 February 2024

Reference Portfolio	Highest utilisation of the VaR limit	Lowest utilisation of the VaR limit	Average utilisation of the VaR limit
30% FTSE All Share / 45% FTSE World Ex-UK /25% Barclays Global Aggregate Index	55.10%	41.65%	48.86%

28 February 2023

Reference Portfolio	Highest utilisation of the VaR limit	Lowest utilisation of the VaR limit	Average utilisation of the VaR limit
30% FTSE All Share / 45% FTSE World Ex- UK / 25% Bofa ML 1-15 Yr Sterling Broad Market Index	54.93%	42.03%	47.72%

(f) Leverage

The use of derivatives may expose the Fund to a higher degree of risk. In particular, derivative contracts can be highly volatile and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase a fund's volatility.

The leverage is calculated on a gross exposure basis, by taking the sum of the notional values of the derivatives used by the Fund, without netting, and is expressed as a percentage of the NAV.

The average level of leverage employed by the Fund during the year was 89.27% (28 February 2023: 99.83%).

3. Net Capital Gains/(Losses)

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital gains/(losses) comprise:		
Gains on non-derivative securities	13,195	2,869
Gains/(losses) on derivative securities	4,095	(7,229)
Currency (losses)/gains	(453)	535
Manager's charge rebates	–	1
Custodian transaction costs	(17)	(15)
US REIT dividends	9	14
Net capital gains/(losses)	**16,829**	**(3,825)**

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4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	1,323	567
Interest distributions on CIS holdings	2	–
Interest from overseas fixed interest securities	1	11
Interest from UK bank deposits	290	311
Interest on balances held at futures clearing houses and brokers	167	73
Manager's charge rebates	322	946
Option premiums	221	647
Overseas dividends	2,725	2,619
Returns from bond futures	25	11
Revenue from short-term money market funds	800	227
Revenue from total return swaps	7	–
Securities lending revenue	32	36
Stock dividends	10	1
UK dividends	1,906	1,941
UK REIT dividends	2	8
US REIT dividends	4	5
Total revenue	**7,837**	**7,403**

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	3,495	3,372
– Annual service charge	120	114
	3,615	3,486
Other expenses:		
– Audit fee	11	11
– Legal and other professional fees	2	1
– Safe custody fees	21	20
– Trustee's fees	35	34
	69	66
Total expenses	**3,684**	**3,552**

6. Interest Payable and Similar Charges

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interest on bank overdrafts	2	9
Returns from total return swaps	–	111
Returns from short position bond futures	136	–
Total interest payable and similar charges	**138**	**120**

7. Taxation

(a) Analysis of tax charge

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Overseas tax	67	63
Total tax charge [see note 7(b)]	**67**	**63**

(b) Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust. The differences are explained below:

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	4,015	3,731
Corporation tax at 20% (28 February 2023: 20%)	803	746
Effects of:		
Movement in unrecognised excess management expenses	108	109
Overseas tax	67	63
Prior year adjustment to excess management expenses	–	1
Relief on overseas tax expensed	(1)	(1)
Revenue not subject to tax	(910)	(855)
Total tax charge [see note 7(a)]	**67**	**63**

At 29 February 2024, the Fund had surplus management expenses of £5,374,000 (28 February 2023: £4,834,000.) It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, a deferred tax asset of £1,075,000 (28 February 2023: £967,000) has not been recognised.

8. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	4,032	3,268
Final distribution	3,531	4,032
	7,563	7,300
Add: Amounts deducted on cancellation of units	255	193
Less: Amounts received on issue of units	(197)	(284)
Distributions	**7,621**	**7,209**
The distributable amount has been calculated as follows:		
Net revenue after taxation	3,948	3,668
Add: Tax on capitalised Manager's charge rebates	(11)	(11)
Add: Management expenses reimbursed by capital	3,495	3,372
Add: Other expenses reimbursed by capital	189	180
Distributions	**7,621**	**7,209**

Details of the interim and final distributions per unit are set out in the tables on page 13.

9. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Manager's charge rebates	34	389
Accrued revenue	408	386
Amounts receivable for issue of units	385	294
Overseas tax recoverable	103	74
Sales awaiting settlement	2,745	19,515
Total debtors	**3,675**	**20,658**

10. Cash and Bank Balances

	29.2.2024 £000's	28.2.2023 £000's
Amount held at futures clearing houses and brokers	4,615	6,453
Cash and bank balances	4,655	28,104
Total cash and bank balances	**9,270**	**34,557**

11. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	1,167	1,400
Accrued Annual service charge	39	37
Accrued Audit fee	10	9
Accrued Safe custody fees	4	5
Accrued Trustee's fee	45	19
Amounts payable for cancellation of units	637	277
Currency purchases awaiting settlement	1	–
Custodian transaction costs	3	4
Purchases awaiting settlement	69	19,515
Total other creditors	**1,975**	**21,266**

12. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £Nil).

13. Credit Facility

The Funds 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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund 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 Fund.

The credit facility was not used during the year.

14. 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 29 February 2024:

Manager/Registrar:	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, Registrar, Investment Manager and securities lending agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA.

The Manager acts as either principal or agent for the Trustee 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

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14. Related Parties continued

from the Manager at the year end are disclosed in notes 9 and 11. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 11. Securities lending revenue earned by the Fund is disclosed in note 4.

For holdings in Institutional Cash Series plc ("ICS"), there will be no initial charges or redemption charges payable on investments in the Fund, however, duties and charges may apply. ICS will be subject to fees and expenses which may include fixed management fees, performance fees, administration fees and custodial fees.

The Fund may invest in other Collective Investment Schemes ("CIS"), which may or may not be operated and/or managed by an affiliate of the Manager. As an investor in such other CIS, in addition to the fees, costs and expenses payable by a unitholder in the Fund, each unitholder may also indirectly bear a portion of the fees, costs and expenses of the underlying CIS, including management, investment management and administration and other expenses. However, in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, the Fund will invest, where possible, in classes of the underlying funds which are not subject to any management charges. Alternatively, where this is not possible, the Manager will rebate management charges to the Fund. The Fund will not be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

As at 29 February 2024 and 28 February 2023, none of the unitholders:

(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.

15. Portfolio Transaction Costs

For the year ended 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	22,327	7	0.03	57	0.26
Collective investment schemes	111,622	6	0.01	16	0.01
Total purchases	**133,949**	**13**		**73**	
Total purchases including transaction costs	**134,035**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	22,187	9	0.04	–	–
Debt instruments	5,823	–	–	–	–
Collective investment schemes	91,558	1	0.00	–	–
Total sales	**119,568**	**10**		**–**	
Total sales net of transaction costs	**119,558**				
Derivative transaction costs		**27**		**–**	
Total transaction costs		**50**		**73**	
Total transaction costs as a % of average net assets		**0.02%**		**0.02%**	

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15. Portfolio Transaction Costs continued

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	34,781	11	0.03	84	0.24
Collective investment schemes	117,878	8	0.01	30	0.03
Total purchases	**152,659**	**19**		**114**	
Total purchases including transaction costs	**152,792**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	19,066	6	0.03	–	–
Collective investment schemes	103,304	–	–	–	–
Total sales	**122,370**	**6**		**–**	
Total sales net of transaction costs	**122,364**				
Derivative transaction costs		**42**		**0**	
Total transaction costs		**67**		**114**	
Total transaction costs as a % of average net assets		**0.02%**		**0.04%**	

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.

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

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.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. 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 and do not form part of the analysis above.

15. Portfolio Transaction Costs continued

During the year the Fund utilised FDIs including total return swaps, inflation swaps, futures and options covering different underlying asset classes. 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 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 0.03% (28 February 2023: 0.30%).

16. Units in Issue

The movement in units in issue for the year ended 29 February 2024 is as follows:

	A Income Units	A Accumulation Units	D Income Units	D Accumulation Units
Balance at the beginning of the year	466,976	40,673,178	8,913,464	18,281,794
Issued during the year	952	4,743,591	469,441	2,582,528
Cancelled during the year	(35,918)	(5,483,048)	(692,256)	(3,149,534)
Converted during the year	(138,830)	(1,973,297)	183,740	1,834,719
Balance at the end of the year	**293,180**	**37,960,424**	**8,874,389**	**19,549,507**

	S Income Units	S Accumulation Units
Balance at the beginning of the year	1,775,308	10,587,226
Issued during the year	279,876	1,663,154
Cancelled during the year	(314,741)	(2,122,356)
Converted during the year	(4,421)	(18,973)
Balance at the end of the year	**1,736,022**	**10,109,051**

Revenue is allocated each day pro rata to the capital value of assets attributable to each class and taxation is computed by reference to the net revenue after expenses 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.

17. Post Balance Sheet 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 29 February 2024.

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Statement of Manager's Responsibilities

The Manager is required by the rules of the COLL Sourcebook 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 Fund 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 Fund will continue in operation.

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 Trust 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 COLL Sourcebook, the SORP and the Trust Deed.

Statement of the Trustee's Responsibilities in Respect of the Fund and Report of the Trustee to the Unitholders of the Fund for the Year Ended 29 February 2024

The Depositary in its capacity as Trustee of the Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Trustee is responsible for the safekeeping of all the custodial assets and maintaining a record of all other assets of the Fund in accordance with the Regulations.

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund 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 Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations and the Scheme documents of the Fund in relation to the investment and borrowing powers applicable to the Fund.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Fund, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Fund, acting through the AFM:

(a) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Regulations and the Scheme documents of the Fund; and

(b) has observed the investment and borrowing powers and restrictions applicable to the Fund in accordance with the Regulations and the Scheme documents of the Fund.

The Bank of New York Mellon
(International) Limited

London
29 May 2024

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Independent Auditor's Report to the Unitholders of BlackRock Balanced Growth Portfolio Fund

Opinion

We have audited the financial statements of BlackRock Balanced Growth Portfolio Fund ("the Fund") for the year ended 29 February 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, and the accounting policies of the Fund, 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 Fund as at 29 February 2024 and of the net revenue and the net capital gains on the scheme property of the Fund 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 Fund 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.

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Conclusions relating to going concern

In auditing the financial statements, 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 Fund's ability to continue as a going concern for a period of twelve months from when these 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 Fund's 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 in agreement with those 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 55, 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 Fund'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 Fund 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 Fund 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 Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrators and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund'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. We identified fraud risks in relation to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested the appropriateness of management's classification of a sample of special dividends as either a capital or revenue return and incorporated unpredictability into the nature, timing and extent of our testing.
- 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 Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities including specialists where necessary 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 Fund'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 Fund'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 Fund and the Fund'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
29 May 2024

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Supplementary Information

Efficient Portfolio Management Techniques

The Manager may, on behalf of the Fund 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 OTC 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 Fund may employ other techniques and instruments relating to transferable securities and money market instruments, subject to the conditions set out in the Fund's Prospectus, as amended from time to time, and the relevant ESMA Guidelines (as adopted by the FCA), such as repurchase/reverse repurchase transactions ("repo transactions") and securities lending.

Securities Lending and Total Return Swaps (TRS)

The following table details the value of securities on loan as a proportion of the Fund's total lendable assets and NAV and the value of TRS as a proportion of the Fund's NAV, as at 29 February 2024 and the returns earned for the year ended. 29 February 2024. Total lendable assets represents the aggregate value of assets forming part of the Fund's securities lending programme. This excludes any assets held by the Fund that are not considered lendable due to any market, regulatory, investment or other restriction. The value of TRS is based on the underlying exposure value on a gross absolute basis as disclosed in the Fund's portfolio statement.

Securities on loan		TRS	
% of lendable assets	% of NAV	% of NAV	Returns earned £000's
1.20	0.64	6.55	7

The total income earned from securities lending transactions is split between the relevant Fund and the Stock Lending Agent. The Fund receives 62.5% while the Stock Lending Agent receives 37.5% of such income, with all operational costs borne out of the Stock Lending Agent's share. Income earned during the year by the Fund from securities lending transactions is disclosed in the notes to the financial statements.

All returns and costs from TRS will accrue to the Fund and are not subject to any returns or cost sharing arrangements with the Fund's Manager or any other third parties.

The following tables detail the underlying exposure value on a gross absolute basis for TRS, analysed by counterparty as at 29 February 2024.

Counterparty	Counterparty's country of establishment	TRS Underlying exposure £000's
Barclays Bank	UK	3,151
Citigroup Global Markets Limited	UK	6,639
J.P. Morgan Securities Plc	UK	3,822
Morgan Stanley International	UK	1,183
UBS	Switzerland	5,419
Total		**20,214**

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Supplementary Information continued

The value of securities on loan and associated collateral analysed by counterparty, as at 29 February 2024, is disclosed in the notes to the financial statements.

The following table provides an analysis of the maturity tenor of TRS as at 29 February 2024.

	Maturity Tenor					
	1 - 30 days	31 - 90 days	91 - 365 days	More than 365 days	Open transactions	Total
	£000's	£000's	£000's	£000's	£000's	£000's
TRS	–	3,822	16,392	–	–	**20,214**

The above maturity tenor analysis has been based on the respective transaction contractual maturity date. All securities on loan have an open maturity tenor as they are recallable or terminable on a daily basis.

Collateral

The Fund engages in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

The following table provides an analysis by currency of the underlying cash and non-cash collateral received/posted by way of title transfer collateral arrangement by the Fund, in respect of securities lending transactions and OTC FDIs (including TRS), as at 29 February 2024.

Currency	Cash collateral received	Cash collateral posted	Non-cash collateral received	Non-cash collateral posted
	£000's	£000's	£000's	£000's
Securities lending transactions				
AUD	–	–	71	–
CAD	–	–	71	–
CHF	–	–	6	–
CNY	–	–	127	–
DKK	–	–	4	–
EUR	–	–	457	–
GBP	–	–	138	–
HKD	–	–	40	–
JPY	–	–	260	–
NOK	–	–	2	–
SGD	–	–	13	–
USD	–	–	1,081	–
Total	**–**	**–**	**2,270**	**–**
OTC FDIs				
GBP	760	–	–	–
	760	**–**	**–**	**–**
Total	**760**	**–**	**2,270**	**–**

Supplementary Information continued

As at 29 February 2024, all cash collateral received in respect of OTC derivative transactions by the Fund was re-invested in money market funds managed by the Manager or its affiliates, as disclosed in the Fund's portfolio statement. All cash received as collateral has an open maturity tenor as it's not subject to a contractual maturity date.

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions and OTC FDIs cannot be sold, re-invested or pledged.

The returns earned by the Fund from the reinvestment of cash collateral in money market funds during the year ended 29 February 2024 is summarised below. These returns represent the accumulative total return of the representative money market fund for the year ended 29 February 2024. These returns do not take into account any interest payable to the counterparty under the relevant collateral arrangements.

Money market fund	Total return %
Institutional Cash Series plc	
BlackRock ICS Euro Liquid Environmentally Aware Fund	4.02
BlackRock ICS Sterling Liquid Environmentally Aware Fund Agency Income Class	5.38
BlackRock ICS US Dollar Liquid Environmentally Aware Fund Agency Income Class	5.50

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received/posted by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions and OTC FDIs (including TRS), as at 29 February 2024.

	Maturity Tenor						
Collateral type and quality	1 - 7 days	8 - 30 days	31 - 90 days	91 - 365 days	More than 365 days	Open transactions	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Collateral received - securities lending							
Fixed income							
Investment grade	–	–	4	99	645	–	**748**
Equities							
Recognised equity index	–	–	–	–	–	1,491	**1,491**
ETFs							
UCITS	–	–	–	–	–	29	**29**
Non-UCITS	–	–	–	–	–	2	**2**
Total	**–**	**–**	**4**	**99**	**645**	**1,522**	**2,270**

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency; Standard & Poor's, Moody's or Fitch.

A recognised equity index contains at least 20 equities where no single equity represents more than 20% of the total index and no five equities combined represent more than 60% of the total index.

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The maturity tenor analysis for fixed income securities received as collateral is based on the respective contractual maturity date, while for equity securities and ETFs received as collateral are presented as open transactions as they are not subject to a contractual maturity date.

As at 29 February 2024, all non-cash collateral received by the Fund in respect of securities lending transactions and OTC FDI (including TRS)is held by the Fund's Trustee (or through its delegates).

The following table lists the top ten issuers (or all the issuers if less than ten) by value of non-cash collateral received by the Fund by way of the title transfer collateral arrangement across securities lending transactions and OTC FDIs as at 29 February 2024.

Issuer	Value £000's	% of the Fund's NAV
United States Treasury	196	0.07
Austria, Republic Of (Government)	120	0.04
United Kingdom Of Great Britain And Northern Ireland (Government)	114	0.04
Germany, Federal Republic Of (Government)	103	0.04
France, Republic Of (Government)	86	0.03
Australia, Commonwealth Of (Government)	66	0.02
Applied Material Inc	42	0.02
Nrg Energy Inc	41	0.02
Alibaba Group Holding Ltd	41	0.02
Philip Morris International Inc	40	0.02
Other issuers	1,421	0.42
Total	**2,270**	**0.74**

No securities collateral received from a single issuer, in relation to efficient portfolio management and OTC FDIs, has exceeded 20% of the Fund's NAV at the year end date.

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