BlackRock

Annual report and audited financial statements

BlackRock Non-UCITS Retail Funds

- BlackRock Managed Volatility Fund
- BlackRock Managed Volatility Fund I
- BlackRock Managed Volatility Fund II
- BlackRock Managed Volatility Fund III
- BlackRock Managed Volatility Fund IV
- BlackRock UK Managed Volatility Fund I
- BlackRock UK Managed Volatility Fund II
- BlackRock UK Managed Volatility Fund III
- BlackRock Volatility Strategy Fund I
- BlackRock Volatility Strategy Fund II
- BlackRock Volatility Strategy Fund III
- BlackRock Volatility Strategy Fund IV

For the financial year ended 28 February 2022

NM0522U-2209585-1/218

Contents

General Information	2
About the Trust	3
Fund Managers	3
Significant Events	3
Investment Report	5
Report on Remuneration	12
Accounting and Distribution Policies	18
Financial Instruments and Risks	20
BlackRock Managed Volatility Fund	39
BlackRock Managed Volatility Fund I	54
BlackRock Managed Volatility Fund II	69
BlackRock Managed Volatility Fund III	84
BlackRock Managed Volatility Fund IV	99
BlackRock UK Managed Volatility Fund I	113
BlackRock UK Managed Volatility Fund II	127
BlackRock UK Managed Volatility Fund III	141
BlackRock Volatility Strategy Fund I	155
BlackRock Volatility Strategy Fund II	168
BlackRock Volatility Strategy Fund III	181
BlackRock Volatility Strategy Fund IV	194
Statement of Manager's and Trustee's Responsibilities	207
Report of the Trustee	207
Independent Auditor's Report	208
Supplementary Information	213

General Information

Manager, Registrar & Alternative Investment Fund Manager
BlackRock Fund Managers Limited
12 Throgmorton Avenue, London EC2N 2DL

Member of The Investment Association and authorised and regulated by the Financial Conduct Authority ("FCA") with permission to carry on the activities of managing an alternative investment fund in the United Kingdom. As such, the Manager has been appointed to be the alternative investment fund manager of the Funds, each of which is an alternative investment fund for the purpose of the Alternative Investment Fund Managers Directive.

Directors of the Manager
G D Bamping*
S Corrigall
W I Cullen*
D Edgar
B Harrison (Appointed 29 April 2021)
A M Lawrence
H N Mepham
M T Zemek*

Trustee & Custodian
The Bank of New York Mellon (International) Limited
One Canada Square, London E14 5AL

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
25 Churchill Place, Canary Wharf, London E14 5EY

BlackRock's proxy voting agent is ISS (Institutional Shareholder Services).

This Report relates to the packaged products of and is issued by:
BlackRock Fund Managers Limited
12 Throgmorton Avenue, London EC2N 2DL
Telephone: 020 7743 3000
Dealing and Investor Services: 0800 44 55 22
blackrock.co.uk

For your protection, telephone calls are usually recorded.

* Non-executive Director.

About the Trust

BlackRock Non-UCITS Retail Funds (the "Trust") is organised as an umbrella unit trust scheme comprising separate funds with segregated liability (each referred to as a "Fund" and collectively the "Funds").

The Trust is an authorised unit trust scheme and each Fund qualifies as a non-UCITS retail scheme under the FCA's Collective Investment Schemes Sourcebook (the "COLL Sourcebook").

Cross sub-fund holdings within the Trust

As at 28 February 2022 and 28 February 2021 there were no cross sub-fund holdings within the Trust.

The Alternative Investment Fund Managers Regulations 2013

BlackRock Fund Managers Limited (the "Manager") is authorised to manage and market the Funds, which are alternative investment funds, in accordance with the "AIFMD".

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

Assessment of value

The FCA requires UK fund managers to complete an annual assessment of whether their UK authorised funds provide value for investors. BlackRock's assessment considers fund and unit class-level performance, costs and charges, and service quality, concluding with an evaluation of whether investors receive value. BlackRock has fulfilled its obligations for the reporting requirement, including assessing relevant charges, and published the annual assessment of value statements on the BlackRock website on 29 October 2021 in a composite report for all funds managed by BlackRock Fund Managers Limited subject to these requirements.

Fund Manager

As at 28 February 2022, the Fund Manager of the Funds is Julian Steeds.

Significant Events

Changes in the Directors of the Manager

B Harrison was appointed as a Director effective 29 April 2021.

Outbreak of COVID-19

The infectious respiratory illness caused by a novel coronavirus known as COVID-19 has had a profound impact on all aspects of society in recent years. The impact of this significant event on the Funds' financial risk exposure is disclosed in Note 2.

Significant Events continued

The Manager has assessed the impact of market conditions arising from the COVID-19 outbreak on the Funds' ability to meet their investment objectives. Based on the latest available information, the Funds continue to be managed in line with their investment objectives, with no disruption to the operations of the Funds and the publication of net asset values.

Russian invasion of Ukraine

Certain financial markets have fallen towards the end of the financial year due primarily to geo-political tensions arising from Russia's invasion of Ukraine and the impact of the subsequent range of sanctions, regulations and other measures which impaired normal trading in Russian securities. The Board and the Manager continue to monitor investment performance in line with the Funds' investment objectives.

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 Funds. The portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 23 April 2021. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the period.

Investment Report

for the year ended 28 February 2022

Investment Objective

BlackRock Managed Volatility Fund
BlackRock Managed Volatility Fund I
BlackRock Managed Volatility Fund II
BlackRock Managed Volatility Fund III
BlackRock Managed Volatility Fund IV

The aim of the Funds is to manage the volatility of their portfolios at or around 5%, 6%, 8%, 10% and 15%, respectively, and to seek a total return. The volatility management strategy will have a direct impact on the Funds' returns which may be limited by this strategy. The measure of volatility is the annualised, equal-weighted volatility of the daily portfolio returns over the previous 60 Business Days.

The Funds aim to gain investment exposure to equity securities globally, money–market instruments, deposits, cash and near cash.

BlackRock UK Managed Volatility Fund I
BlackRock UK Managed Volatility Fund II
BlackRock UK Managed Volatility Fund III

The aim of the Funds is to manage the volatility of their portfolios at or around 5%, 7% and 9%, respectively, and to seek a total return. The volatility management strategy will have a direct impact on the Funds' returns which may be limited by this strategy. The Funds' aim is to maintain the volatility of the Funds within a 4% lower and 6% upper, 6% lower and 8% upper and 8% lower and 10% upper tolerance band, respectively, where the measure of volatility is the annualised, equal-weighted volatility of the daily portfolio returns over the previous 120 Business Days.

The Funds aim to gain investment exposure primarily to UK companies quoted on the UK equity markets and to UK fixed income securities (including UK gilts and corporate bonds).

BlackRock Volatility Strategy Fund I
BlackRock Volatility Strategy Fund II
BlackRock Volatility Strategy Fund III
BlackRock Volatility Strategy Fund IV

The aim of the Funds is to manage the volatility of their portfolios at or around 9%, 11%, 13% and 15%, respectively, and to seek a total return. The volatility management strategy will have a direct impact on the Funds' returns which may be limited by this strategy. The measure of volatility is the annualised, equal-weighted volatility of the monthly portfolio returns over a rolling three year period, with the aim of maintaining the volatility of the Funds within the 7% lower tolerance and 10% upper tolerance, 9% lower tolerance and 12% upper tolerance, 11% lower tolerance and 14% upper tolerance and 13% lower tolerance and 16% upper tolerance bands, respectively.

The Funds aim to gain investment exposure primarily to equity securities and fixed income securities globally, money–market instruments, deposits, cash and near cash.

Fund name	Investment management approach
BlackRock Managed Volatility Fund	Active
BlackRock Managed Volatility Fund I	Active
BlackRock Managed Volatility Fund II	Active

Fund name	Investment management approach
BlackRock Managed Volatility Fund III	Active
BlackRock Managed Volatility Fund IV	Active
BlackRock UK Managed Volatility Fund I	Active
BlackRock UK Managed Volatility Fund II	Active
BlackRock UK Managed Volatility Fund III	Active
BlackRock Volatility Strategy Fund I	Active
BlackRock Volatility Strategy Fund II	Active
BlackRock Volatility Strategy Fund III	Active
BlackRock Volatility Strategy Fund IV	Active

Performance Summary

The following table compares the Funds' realised performance during the financial year ended 28 February 2022.

The returns disclosed, based on bid-to-bid dealing prices (the price at which units are sold) and calculated net of fees, are the performance returns for the primary unit class for each 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 Return %	Average realised 60 days Volatility %	Target Volatility %
BlackRock Managed Volatility Fund – Class C Accumulation Units	1.61	4.6	5.0
BlackRock Managed Volatility Fund I – Class C Accumulation Units	4.33	5.1	6.0
BlackRock Managed Volatility Fund II – Class C Accumulation Units	6.24	6.2	8.0
BlackRock Managed Volatility Fund III – Class C Accumulation Units	7.92	7.1	10.0
BlackRock Managed Volatility Fund IV – Class C Accumulation Units	13.76	9.9	15.0

	Fund Return %	Average realised 120 days Volatility %	Target Volatility %
BlackRock UK Managed Volatility Fund I – Class C Accumulation Units	3.82	4.5	4.0 - 6.0
BlackRock UK Managed Volatility Fund II – Class C Accumulation Units	5.51	6.1	6.0 - 8.0
BlackRock UK Managed Volatility Fund III – Class C Accumulation Units	6.70	7.4	8.0 - 10.0

	Fund Return %	Average realised 3-year Volatility %	Target Volatility %
BlackRock Volatility Strategy Fund I – Class C Accumulation Units	4.18	7.82	9.0
BlackRock Volatility Strategy Fund II – Class C Accumulation Units	5.75	9.53	11.0
BlackRock Volatility Strategy Fund III – Class C Accumulation Units	7.73	11.19	13.0
BlackRock Volatility Strategy Fund IV – Class C Accumulation Units	9.27	12.65	15.0

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 ("ACWI"), posted a return of 12.34% (in British pound sterling terms) for the twelve months ended 28 February 2022. A continued recovery in consumer spending and the implementation of COVID-19 vaccination programmes led to solid economic growth during the twelve-month period. However, the surge in spending on goods and imbalances between supply and demand drove significant global inflation (rate of increase in the prices of goods and services), and the spread of highly contagious variants of COVID-19, led to setbacks in the recovery. Late in the reporting period, Russia's invasion of Ukraine drove further uncertainty in financial markets. Sanctions imposed on Russia negatively impacted businesses with ties to the region and prompted concerns about further rises in commodity prices, including energy, where Russia is one of the world's notable exporters.

The US economy, powered by a surge in consumer spending and increased international trade, grew at a fast pace in 2021, posting its highest annual growth rate since 1984. However, Japanese growth was slow, as a semiconductor shortage hindered production in its electronics and automobile industries. The UK economy contracted early in 2021 before returning to growth for the remainder of 2021, amid an increase in COVID-19 vaccinations. The Eurozone briefly entered a mild recession in early 2021 but grew modestly throughout the period.

Emerging market economies were volatile, as higher commodity prices, continued COVID-19 outbreaks and differing central bank policies led to significant variation in growth. The Chinese economy slowed amid regulatory shifts, concerns about the heavily indebted property sector and restrictions on industrial power usage. India's economy contracted sharply in the second quarter of 2021, before rebounding strongly in the third quarter, as easing lockdown restrictions led to higher consumer spending. Both Mexico and Brazil's economies grew only modestly during 2021.

As the global economy improved, the world's largest central banks began to implement various measures aimed at monetary policy tightening, in the face of rising inflation. The US Federal Reserve ("the Fed") kept interest rates near zero and maintained bond buying programmes to stabilise US Treasury and government agency debt markets. However, the Fed began reducing asset purchases in late 2021, and indicated that a series of interest rate increases were likely in 2022.

Investment Report continued

The Bank of England raised interest rates twice, as inflation reached a thirty-year high. Inflation pressure also affected the Eurozone, and while the European Central Bank ("ECB") maintained record low interest rates, it also shifted its tone by acknowledging the persistence of high inflation.

Global equity performance was mixed during the reporting period, with significant variation by size and region. The implementation of COVID-19 vaccination programmes early in the period provided a strong boost to equities. However, continued inflation pressure, amid supply chain constraints and tighter monetary policy from many central banks pressured equities in the second half of the reporting period. Equities in the US generally posted higher returns than equities in Europe, where economic growth was slower. Rising interest rates and increased uncertainty meant that the equities of larger companies generally performed better than those of smaller, growth-oriented companies. Globally, bonds and equities that factor in companies' environmental, social, and governance ("ESG") characteristics continued to attract strong investor interest. Bond issuance for ESG-related projects grew to a record in 2021 amid rising investor demand and inflows into ESG equity funds also increased, particularly in US and Asian markets.

Global corporate bond returns were negative overall, as yields (which move inversely to prices) rose. As inflation concerns increased, investors' expectations for future interest rate increases, which reduce the value of existing bonds, ramped up. Corporate bond prices fell globally as yield spreads (the difference in yield between government and corporate bonds with similar maturities) widened and investors reassessed credit conditions amid heightened uncertainty.

Yields on the 10-year US Treasury, a benchmark lending rate for the global bond market, rose significantly during the reporting period amid higher inflation and investors' expectations for future Fed interest rate increases. Yields also rose on most other government bonds, particularly UK gilts and government bonds from Europe, while Japanese government bond yields rose more slowly.

Equities in emerging markets posted a substantial decline as the US dollar strengthened and interest rates rose. Central banks in several emerging markets, such as Brazil and Mexico, raised interest rates in response to heightened inflation. In China, an abrupt regulatory shift, targeting companies in the technology, education, and gaming industries, further impacted equities negatively. Late in the reporting period, Russian equities declined significantly and the Moscow Exchange halted trading in the wake of Russia's invasion of Ukraine. Emerging market bond prices declined sharply, partly as a result of Russia's invasion of Ukraine near the end of the reporting period.

In the commodities market, supply and demand shifts induced by the COVID-19 pandemic and subsequent recovery led to a notable rise in many commodity prices. Energy commodities, which had fallen sharply in value at the beginning of the COVID-19 pandemic, rebounded due to higher demand amid a rise in industrial output, and Brent crude oil, natural gas and coal prices all rose. Sanctions on Russia further exacerbated concerns surrounding supply constraints in oil and gas commodity markets late in the reporting period. The prices of other commodities associated with Russia and Ukraine, including wheat and nickel, also rose notably. Gold prices rose as investors sought a store of value amid high inflation and geopolitical instability.

On the foreign exchanges, the US dollar rose against most other global currencies, as investors anticipated monetary tightening by the Fed early in 2022. The relatively accommodative stances of the Bank of Japan and the ECB meant that the Japanese yen and the euro both declined notably compared to the US dollar, while the British pound sterling declined less. The Chinese yuan was one of the few currencies that gained against the US dollar, supported by increasing exports and capital inflows.

Fund Performance Review and Activity

BlackRock Managed Volatility Fund
BlackRock Managed Volatility Fund I
BlackRock Managed Volatility Fund II
BlackRock Managed Volatility Fund III
BlackRock Managed Volatility Fund IV

Over the financial year to 28 February 2022 the Funds' returns were 1.61%, 4.33%, 6.24%, 7.92% and 13.76% for the 5 funds respectively.

Global equities started the period higher in March 2021, on the back of increased optimism about the outlook for global growth and success of the COVID-19 vaccination roll-outs in the US and the UK. Financial market asset prices were largely range-bound to modestly higher in quarter two as the resumption of economic activity broadened. The focus from central banks remained on normalising policy and good communications of intentions to avoid market disruptions. The third quarter of 2021 was volatile for most financial markets. Some gains were erased in the month of September when global equities and fixed income assets retreated. 2021 ended on a positive note for risky assets. After a period of risk aversion towards the end of November following the outbreak of the Omicron variant of COVID-19, financial markets quickly rebounded during the start of December and were further supported by emerging evidence suggesting that the Omicron variant was less severe than previous COVID-19 strains, despite being more infectious. Developed market equities declined in January and February 2022 because of an expected faster pace of monetary normalisation by global Central banks in front of increased inflation and due to Russia's invasion of Ukraine.

From a risk management perspective, the Funds have delivered average realised 60-day volatility either within or below their respective target range (+/- 10% of the volatility target) as detailed in the performance summary table. Looking more closely at how realised volatility has evolved over the period on a daily basis, results have been relatively variable between the Funds. For instance, BlackRock Managed Volatility Fund exceeded the upper threshold of the range at the beginning of November as a consequence of additional volatility (market ups and downs) from UK fixed income assets, as the Fund maintained a relatively high minimum allocation to those assets at any time in this Fund. The Funds targeting higher levels of volatility, have delivered below target realised volatility levels. Looking more closely at how realised volatility has evolved over the period on a daily basis, the Funds entered into the period with low levels of realised volatility due to prevailing benign market conditions as well as due to the inability to increase exposure to equities beyond a maximum level. That is precisely the reason why BlackRock Managed Volatility II, III and IV have seen their volatility levels below the targeted levels for most of the year.

BlackRock UK Managed Volatility Fund I
BlackRock UK Managed Volatility Fund II
BlackRock UK Managed Volatility Fund III

Over the financial year to 28 February 2022 the Funds' returns were 3.82%, 5.51% and 6.70% for the 3 funds respectively.

Weekly new COVID-19 infection rates across the UK declined throughout March as the country's vaccination roll-out kept up a swift pace and as the UK continued the gradual reopening of the its economy. Against this background, UK equities ended March up 4.1% while the 10-year UK gilt yield rose 2 basis points to 0.85% over the month. The second quarter of 2021 was rather supportive and not very volatile for both asset classes, with the equity market propelled in part by cyclical areas such as energy and financials. The third quarter of 2021 ended with a weaker picture. UK equities closed the quarter up 2.2% after stronger performance in July and August was offset by a weaker September. Fixed income markets also saw an increase in yields towards the end of the quarter to leave them down in price terms. The fourth quarter witnessed the rise of the new variant of the COVID-19 virus, Omicron - which drove financial markets into a state of uncertainty in November. Reported to have a high rate of contagion, early evidence proved it to be far less lethal. Towards the end of the quarter the worries over the Omicron variant dissipated, helping the UK equity market to end the year on a strong footing while UK Gilts also ended the quarter in positive territory. The commodity-heavy UK equity market significantly outperformed most other developed markets in January and February 2022 despite the expected faster pace of monetary normalisation by the Bank of England in front of increased inflation and despite Russia's invasion of Ukraine towards the end of February. The 10-year UK gilt yield was initially up in 2022 but rallied at the end of February.

From a risk management perspective, the Funds have delivered average realised 120-day volatility within their respective target range (+/- 1% of the volatility target) as detailed in the performance summary table, BlackRock UK Managed Volatility Fund III being the sole exception as this Fund delivered an average ex-post volatility below the lower end of the range. Looking more closely at how realised volatility has evolved over the period on a daily basis, the Funds entered into the period with low levels of realised volatility due to prevailing benign market conditions and were then relatively highly invested in equity assets. Volatility progressively rose at the end of the period, with a notable spike in November-December 2021 and again at the beginning of 2022. Nonetheless, the three Funds have been able to deal with that volatility spike as we accordingly reduced the exposure to equity assets to bring the volatility back in line with targeted levels.

BlackRock Volatility Strategy Fund I
BlackRock Volatility Strategy Fund II
BlackRock Volatility Strategy Fund III
BlackRock Volatility Strategy Fund IV

Over the financial year to 28 February 2022 the Funds' returns were 4.18%, 5.75%, 7.73% and 9.27% for the 4 funds respectively.

Government bonds ex-UK and UK gilts were the main detractors to the Funds' performance, whilst corporate bonds exhibited a smaller negative contribution given the fact that the income on these assets helped to partially offset the fall in price associated with rising yields. Both government and corporate bonds were impacted by the hawkish change (in favour of higher interest rates) in global monetary policies exhibited by major central banks, with interest rates increasing across major economies. Equities were the primary driver of performance with US, UK and European equities being the largest, positive contributors. Within equities, US was the top performing region over the year, thanks to a favourable fiscal policy environment and to faster roll-out of COVID-19 vaccinations that led to the restart of economic activities. Equities in emerging markets lagged as a result of the negative impact of China policy activities. Currency volatility increased throughout the financial year with the US dollar appreciating versus both the British pound sterling and the euro.

From a risk management perspective, the funds delivered an average realised 3-year volatility below their targets (as detailed in the performance summary table). Whilst the funds were fully invested in equities and fixed income in 2021, volatility continued to reflect the de-risking activity that occurred in 2020 on the back of the sharp volatility spike associated with the COVID-19 outbreak. As a result, volatility in 2021 stayed mostly on the lower bound before spiking again in early 2022, though its increase was not high enough to trigger any further de-risking activity.

Report on Remuneration

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

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

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

Remuneration Governance

BlackRock's remuneration governance in EMEA operates as a tiered structure which includes: (a) the Management Development and Compensation Committee ("MDCC") (which is the global, independent remuneration committee for BlackRock, Inc. and (b) the Manager's board of directors (the "Manager's Board"). These bodies are responsible for the determination of BlackRock's remuneration policies.

(a) MDCC

The MDCC's purposes include:

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

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, which 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 9 meetings during 2021. The MDCC charter is available on BlackRock, Inc.'s website (www.blackrock.com).

(b) The Manager's Board

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

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 preincentive 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, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee ("GEC"), the global management committee, or has a reporting obligation to the board of directors of BlackRock Group Limited, the parent company of all of BlackRock's EMEA regulated entities, including the Manager.

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

Link between pay and performance

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

- appropriately balance BlackRock's financial results between shareholders and employees;
- attract, retain and motivate employees capable of making significant contributions to the long-term success of the business;
- align the interests of senior employees with those of shareholders by awarding BlackRock Inc.'s stock as a significant part of both annual and long-term incentive awards;
- control fixed costs by ensuring that compensation expense varies with profitability;
- link a significant portion of an employee's total compensation to the financial and operational performance of the business;
- promote sound and effective risk management across all risk categories, including sustainability risk.
- discourage excessive risk-taking (sustainability related or otherwise); and
- ensure 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; 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; and
- criticality to business.

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.

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 AIFM Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff, being categories of staff of the Manager, 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 Manager 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.

Quantitative Remuneration Disclosure

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

Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of the Fund, including individuals who, although not directly employed by the Manager, are assigned by their employer to carry out services directly for the Manager.

[1] As Adjusted Operating Margin: As reported in BlackRock's external filings, reflects adjusted Operating Income divided by Total Revenue net of distribution and servicing expenses and amortisation of deferred sales commissions.

[2] Organic Revenue Growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

Report on Remuneration continued

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 Fund is included in the aggregate figures disclosed.

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

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's AIFMD-related business in respect of the Manager's financial year ending 31 December 2021 is GBP 79.7 million. This figure is comprised of fixed remuneration of GBP 1.6 million and variable remuneration of GBP 78.1 million. There were a total of 67 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager, which has been attributed to the Manager's AIFMD-related business in respect of the Manager's financial year ending 31 December 2021, to its senior management was GBP 0.1 million, and to members of its staff whose actions have a material impact on the risk profile of the Manager's AIFMD-related business was GBP 79.6 million.

1. Accounting and Distribution Policies*

for the year ended 28 February 2022

Accounting Policies

(a) The financial statements have been prepared in accordance with 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 Funds are able to meet all of their liabilities from their assets. The performance, marketability and risks of the Funds are reviewed on a regular basis throughout the financial period. Therefore, the Directors of the Manager believe that the Funds will continue in operational existence for a period of at least one year from the date of approval of the financial statements and are financially sound. The Directors of the Manager are satisfied that, at the time of approving the financial statements, and following consideration of COVID-19, it is appropriate to continue to adopt the going concern basis in preparing the financial statements of the Funds.

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

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

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.

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

Bank interest is recognised on an accruals basis.

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

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

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

(e) 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.

(f) 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,

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

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 derivatives (e.g. forward currency contracts), 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 bid market values, defined as fair value, which is 12 noon where this is a business day or end of day where this is a non-business day at the end of the accounting period, in accordance with the valuation point of the underlying fund. Investments in single priced Collective Investment Schemes have been valued at market values, defined as fair value, which is 12 noon where this is a business day or end of day where this is a non-business day at the end of the accounting period, in accordance with the valuation point of the underlying fund.

(g) 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.

(h) 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.

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

Distribution Policies

(j) 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.

(k) The units in each of the Funds are accumulation units. All of the net revenue available for distribution at the final accounting period end will be accumulated by the Funds with a transfer from revenue to capital. 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.

(l) The BlackRock Managed Volatility, BlackRock Managed Volatility I, BlackRock Managed Volatility II and BlackRock UK Managed Volatility I Funds have satisfied the qualifying investment tests as specified in S468L ICTA 1988 at all times throughout their distribution period. As such, any revenue available for distribution will be paid as an interest distribution. All other Funds will pay a dividend distribution.

2. Financial Instruments and Risks*

Introduction and overview

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

Risk management framework

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

The Manager has appointed a risk manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the 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 Funds. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

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

a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Funds may suffer through holding market positions in the face of market movements. The Funds are exposed to market risk by virtue of their underlying investments in equities, corporate bonds, government bonds and direct investments in futures 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 a Fund will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk.

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

2. Financial Instruments and Risks continued

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 Funds 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 28 February 2022 and 28 February 2021 based on a 99% confidence level is outlined in the table below:

Fund	28 February 2022 %	28 February 2021 %
BlackRock Managed Volatility Fund	0.56	1.27
BlackRock Managed Volatility Fund I	0.62	1.49
BlackRock Managed Volatility Fund II	0.70	1.82
BlackRock Managed Volatility Fund III	0.92	2.13
BlackRock Managed Volatility Fund IV	1.99	3.28
BlackRock UK Managed Volatility Fund I	0.68	1.48
BlackRock UK Managed Volatility Fund II	0.80	1.97
BlackRock UK Managed Volatility Fund III	0.80	2.50
BlackRock Volatility Strategy Fund I	1.15	1.94
BlackRock Volatility Strategy Fund II	1.42	2.30
BlackRock Volatility Strategy Fund III	1.72	2.74
BlackRock Volatility Strategy Fund IV	1.96	3.15

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

Management of foreign currency risk

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

2. Financial Instruments and Risks continued

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 Funds and market prices of their investments.

The coronavirus outbreak has had a profound impact on all aspects of society in recent years. While there is a growing consensus in developed economies that the worst of the impact is now over, there is an expectation that travel restrictions, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, cancellations, supply chain disruptions, and lower consumer demand will create ongoing challenges. While widescale vaccination programmes are now in place in many countries and are having a positive effect, the impact of COVID-19 continues to adversely affect the economies of many nations across the globe and this impact may be greater where vaccination rates are lower, such as in certain emerging markets. Although it is difficult to make timing predictions, it is expected that the economic effects of COVID-19 will continue to be felt for a period after the virus itself has moved from being pandemic to endemic in nature, and this in turn may continue to impact investments held by each Fund.

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

Management of other price risk

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

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

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

iii) Market risk arising from interest rate risk

Exposure to interest rate risk

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

2. Financial Instruments and Risks continued

The Funds are exposed to interest rate risk on their cash and bank balances held at The Bank of New York Mellon (International) Limited, amounts held at futures clearing houses and brokers and cash equivalent holdings. 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 Funds also have indirect exposure to interest rate risk through their investments into CIS, whereby the value of the underlying fund may fluctuate as a result of a change in interest rates and through their investments in futures contracts, whereby the value of an underlying asset 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 Funds are exposed to counterparty credit risk from the parties with which they trade and will bear the risk of settlement default.

Management of counterparty credit risk

Counterparty credit risk is monitored and managed by BlackRock's RQA Counterparty & Concentration Risk Team. The team is headed by BlackRock's Chief Counterparty Credit Officer who reports directly to the Global Head of RQA. 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 Funds' holdings in futures contracts and exchange traded options expose the Funds to counterparty credit risk.

2. Financial Instruments and Risks continued

Management of counterparty credit risk related to futures contracts

The exposure is limited by trading the contracts through a clearing house. The Funds' exposure to counterparty credit risk on contracts in which they currently have 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 Funds' exposure to credit risk on contracts in which they currently have 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 counterparties for futures contracts are Goldman Sachs International and HSBC Bank PLC.

Margin is paid or received on futures and exchange traded options to cover any exposure by the counterparty or the Funds to each other. Margin receivable from the Funds' clearing brokers and the counterparty is included in "Cash and bank balances" on the Balance Sheet. Margin payable to the Funds' clearing brokers and the counterparty 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 Funds' holdings in OTC FDIs also expose the Funds to counterparty credit risk.

All OTC FDIs are entered into by the Funds under an International Swaps and Derivatives Associations, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement. An ISDA Master Agreement is a bilateral agreement between the Funds and a counterparty that governs OTC FDIs (including total return swaps and CFDs) entered into by the parties. The parties' exposures under the ISDA Master Agreement are netted and collateralised together, therefore any collateral disclosures provided are in respect of all OTC FDIs entered into by the Funds under the ISDA Master Agreement, not just total return swaps and CFDs. All collateral received/posted by the Funds under the ISDA Master Agreement is transferred bilaterally under a title transfer arrangement.

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

Management of counterparty credit risk related to OTC FDIs

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

The lowest credit rating of any one counterparty as at 28 February 2022 is A- (28 February 2021: BBB+) (Standard & Poor's rating).

2. Financial Instruments and Risks continued

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

28 February 2022

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund	**£000's**	**£000's**
Australia and New Zealand Banking Group	2	**2**
Bank of America Merrill Lynch	4	**4**
Barclays Bank Plc	30	**30**
BNP Paribas Arbitrage SNC	(13)	**(13)**
Citigroup Global Markets Limited	1	**1**
Goldman Sachs International	(9)	**(9)**
HSBC Bank Plc	(217)	**(217)**
J.P. Morgan Securities Plc	(165)	**(165)**
Morgan Stanley & Co. International Plc	(23)	**(23)**
Royal Bank of Canada	(20)	**(20)**
Société Générale SA	(49)	**(49)**
Standard Chartered Bank	(6)	**(6)**
Toronto-Dominion Bank	13	**13**
UBS AG	(25)	**(25)**

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund I	**£000's**	**£000's**
Australia and New Zealand Banking Group	7	**7**
Bank of America Merrill Lynch	(73)	**(73)**
Bank of New York Mellon International	(140)	**(140)**
Barclays Bank Plc	(5)	**(5)**
BNP Paribas Arbitrage SNC	101	**101**
Citigroup Global Markets Limited	8	**8**
Goldman Sachs International	(140)	**(140)**
HSBC Bank Plc	(623)	**(623)**
J.P. Morgan Securities Plc	167	**167**
Morgan Stanley & Co. International Plc	124	**124**
Société Générale SA	135	**135**
Standard Chartered Bank	6	**6**
State Street Global Advisors Limited	242	**242**
Toronto-Dominion Bank	(11)	**(11)**

2. Financial Instruments and Risks continued

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund II	**£000's**	**£000's**
Australia and New Zealand Banking Group	1	**1**
Bank of America Merrill Lynch	(123)	**(123)**
Bank of New York Mellon International	(9)	**(9)**
Barclays Bank Plc	(14)	**(14)**
BNP Paribas Arbitrage SNC	(11)	**(11)**
Citigroup Global Markets Limited	2	**2**
Goldman Sachs International	(22)	**(22)**
HSBC Bank Plc	(72)	**(72)**
J.P. Morgan Securities Plc	57	**57**
Morgan Stanley & Co. International Plc	(1)	**(1)**
Société Générale SA	21	**21**
Standard Chartered Bank	2	**2**
State Street Global Advisors Limited	79	**79**
Toronto-Dominion Bank	(8)	**(8)**
UBS AG	(19)	**(19)**

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund III	**£000's**	**£000's**
Australia and New Zealand Banking Group	1	**1**
Bank of America Merrill Lynch	(35)	**(35)**
Barclays Bank Plc	(3)	**(3)**
BNP Paribas Arbitrage SNC	(7)	**(7)**
HSBC Bank Plc	(21)	**(21)**
J.P. Morgan Securities Plc	20	**20**
Morgan Stanley & Co. International Plc	(14)	**(14)**
Royal Bank of Canada	(11)	**(11)**
Standard Chartered Bank	5	**5**
State Street Global Advisors Limited	31	**31**
Toronto-Dominion Bank	(4)	**(4)**
UBS AG	(7)	**(7)**

2. Financial Instruments and Risks continued

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund IV	**£000's**	**£000's**
Australia and New Zealand Banking Group	(6)	**(6)**
Citigroup Global Markets Limited	(78)	**(78)**
Goldman Sachs International	(66)	**(66)**
Morgan Stanley & Co. International Plc	(185)	**(185)**
Royal Bank of Scotland Plc	(74)	**(74)**
Standard Chartered Bank	(21)	**(21)**
State Street Global Advisors Limited	79	**79**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund I	**£000's**	**£000's**
BNP Paribas Arbitrage SNC	(32)	**(32)**
Morgan Stanley & Co. International Plc	(30)	**(30)**
Royal Bank of Scotland Plc	(40)	**(40)**
Toronto-Dominion Bank	(25)	**(25)**
UBS AG	(54)	**(54)**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund II	**£000's**	**£000's**
BNP Paribas Arbitrage SNC	(86)	**(86)**
Morgan Stanley & Co. International Plc	(97)	**(97)**
Royal Bank of Scotland Plc	(98)	**(98)**
Toronto-Dominion Bank	(115)	**(115)**
UBS AG	(105)	**(105)**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund III	**£000's**	**£000's**
BNP Paribas Arbitrage SNC	(30)	**(30)**
Morgan Stanley & Co. International Plc	(34)	**(34)**
Royal Bank of Scotland Plc	(35)	**(35)**
Toronto-Dominion Bank	(38)	**(38)**
UBS AG	(37)	**(37)**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund IV	**£000's**	**£000's**
Barclays Bank Plc	(7)	**(7)**
BNP Paribas Arbitrage SNC	(6)	**(6)**
HSBC Bank Plc	(16)	**(16)**
Morgan Stanley & Co. International Plc	(11)	**(11)**
Royal Bank of Scotland Plc	(5)	**(5)**
Société Générale SA	(8)	**(8)**
Toronto-Dominion Bank	(7)	**(7)**
UBS AG	1	**1**

28 February 2021

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund	**£000's**	**£000's**
Barclays Bank Plc	(129)	**(129)**
BNP Paribas Arbitrage SNC	(13)	**(13)**
Citigroup Global Markets Limited	(40)	**(40)**
Goldman Sachs International	19	**19**
HSBC Bank Plc	(101)	**(101)**
J.P. Morgan Securities Plc	(20)	**(20)**
Morgan Stanley & Co. International Plc	319	**319**
Standard Chartered Bank	23	**23**
State Street Global Advisors Limited	(64)	**(64)**
UBS AG	3	**3**

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund I	**£000's**	**£000's**
Australia and New Zealand Banking Group	(1)	**(1)**
Barclays Bank Plc	146	**146**
BNP Paribas Arbitrage SNC	79	**79**
Citigroup Global Markets Limited	(51)	**(51)**
Goldman Sachs International	187	**187**
HSBC Bank Plc	(618)	**(618)**
J.P. Morgan Securities Plc	(839)	**(839)**
Morgan Stanley & Co. International Plc	634	**634**
Standard Chartered Bank	200	**200**
State Street Global Advisors Limited	(519)	**(519)**
UBS AG	22	**22**

2. Financial Instruments and Risks continued

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund II	**£000's**	**£000's**
Barclays Bank Plc	(84)	**(84)**
Citigroup Global Markets Limited	53	**53**
Goldman Sachs International	53	**53**
HSBC Bank Plc	34	**34**
J.P. Morgan Securities Plc	(148)	**(148)**
Morgan Stanley & Co. International Plc	(83)	**(83)**
Standard Chartered Bank	54	**54**
State Street Global Advisors Limited	(132)	**(132)**
UBS AG	29	**29**

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund III	**£000's**	**£000's**
Bank of America Merrill Lynch	(2)	**(2)**
Barclays Bank Plc	(2)	**(2)**
Citigroup Global Markets Limited	(4)	**(4)**
Goldman Sachs International	16	**16**
HSBC Bank Plc	(31)	**(31)**
J.P. Morgan Securities Plc	(95)	**(95)**
Morgan Stanley & Co. International Plc	(36)	**(36)**
Standard Chartered Bank	20	**20**
State Street Global Advisors Limited	(42)	**(42)**
UBS AG	16	**16**

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund IV	**£000's**	**£000's**
Australia and New Zealand Banking Group	(322)	**(322)**
Citigroup Global Markets Limited	(121)	**(121)**
Goldman Sachs International	(321)	**(321)**
Morgan Stanley & Co. International Plc	(764)	**(764)**
Royal Bank of Scotland Plc	(616)	**(616)**
Standard Chartered Bank	(811)	**(811)**
State Street Global Advisors Limited	(505)	**(505)**

2. Financial Instruments and Risks continued

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund I	**£000's**	**£000's**
BNP Paribas Arbitrage SNC	387	**387**
Merrill Lynch International	165	**165**
Morgan Stanley & Co. International Plc	397	**397**
Royal Bank of Scotland Plc	339	**339**
Toronto-Dominion Bank	344	**344**
UBS AG	279	**279**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund II	**£000's**	**£000's**
BNP Paribas Arbitrage SNC	982	**982**
Merrill Lynch International	484	**484**
Morgan Stanley & Co. International Plc	869	**869**
Royal Bank of Scotland Plc	678	**678**
Société Générale SA	(1)	**(1)**
Toronto-Dominion Bank	687	**687**
UBS AG	391	**391**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund III	**£000's**	**£000's**
BNP Paribas Arbitrage SNC	296	**296**
Merrill Lynch International	126	**126**
Morgan Stanley & Co. International Plc	342	**342**
Royal Bank of Scotland Plc	207	**207**
Société Générale SA	94	**94**
Toronto-Dominion Bank	209	**209**
UBS AG	130	**130**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund IV	**£000's**	**£000's**
Barclays Bank Plc	106	**106**
BNP Paribas Arbitrage SNC	81	**81**
HSBC Bank Plc	22	**22**
Merrill Lynch International	20	**20**
Morgan Stanley & Co. International Plc	83	**83**
Royal Bank of Scotland Plc	72	**72**
Toronto-Dominion Bank	42	**42**
UBS AG	30	**30**

2. Financial Instruments and Risks continued

iii) Trustee and Custodian

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

The Trustee is liable to the Funds for the loss of financial instruments of the Funds which are held in custody as part of the Trustee's safekeeping function. The liability of the Trustee will not be affected by the fact that it has entrusted the safekeeping function to the Custodian save where this liability is lawfully discharged to a delegate (any such discharge will be notified to unitholders) or where the loss of financial instruments arises as a result of an external event beyond reasonable control as provided for under AIFMD. The Trustee will not be indemnified out of the assets of the Funds for the loss of financial instruments where it is so liable. Substantially all of the investments of the Funds are held by the Custodian at the year end.

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

The Funds will be exposed to the credit risk of the Custodian, or any depositary used by the 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 Funds will be treated as a general creditor of the Trustee.

Management of counterparty credit risk related to the Trustee and Custodian

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

The long term credit rating of the parent company of the Trustee and Custodian, The Bank of New York Mellon Corporation, as at 28 February 2022 was A (28 February 2021: AA-) (Standard & Poor's rating).

iv) Debt securities

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

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

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

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

2. Financial Instruments and Risks continued

Management of counterparty credit risk related to debt securities

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

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

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

v) Securities lending

The BlackRock UK Managed Volatility Fund I, the BlackRock UK Managed Volatility Fund II and the BlackRock UK Managed Volatility Fund III engage in securities lending activities which expose the Funds to counterparty credit risk. The maximum exposure to the Funds is equal to the value of the securities loaned.

Securities lending transactions entered into by the Funds are subject to a written legal agreement between the Funds and the Stock Lending Agent, BlackRock Advisors (UK) Limited, a related party to the Funds, 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 BNY Mellon Trust & Depositary (UK) Limited ("the Trustee") on behalf of the Funds. Collateral received is segregated from the assets belonging to the Funds' Trustee or the Stock Lending Agent.

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

		28 February 2022		28 February 2021	
Counterparty	**Counterparty's country of establishment**	**Securities on loan**	**Collateral received**	**Securities on loan**	**Collateral received**
BlackRock UK Managed Volatility Fund I		**£000's**	**£000's**	**£000's**	**£000's**
Barclays Capital Securities Limited	UK	1,313	1,457	–	–
Goldman Sachs International	UK	–	–	1,028	1,167
J.P. Morgan Securities Plc	UK	98	116	–	–
UBS AG	Switzerland	–	–	691	778
Total		**1,411**	**1,573**	**1,719**	**1,945**

At 28 February 2022, collateral received from these borrowing counterparties comprised of 100% in equity securities (28 February 2021: 100% in equity securities).

2. Financial Instruments and Risks continued

Counterparty	Counterparty's country of establishment	28 February 2022 Securities on loan	28 February 2022 Collateral received	28 February 2021 Securities on loan	28 February 2021 Collateral received
BlackRock UK Managed Volatility Fund II		**£000's**	**£000's**	**£000's**	**£000's**
Goldman Sachs International	UK	1,350	1,526	–	–
J.P. Morgan Securities Plc	UK	–	–	2,130	2,288
Total		**1,350**	**1,526**	**2,130**	**2,288**

At 28 February 2022, collateral received from these borrowing counterparties comprised of 100% in equity securities (28 February 2021: 100% in equity securities).

Counterparty	Counterparty's country of establishment	28 February 2022 Securities on loan	28 February 2022 Collateral received	28 February 2021 Securities on loan	28 February 2021 Collateral received
BlackRock UK Managed Volatility Fund III		**£000's**	**£000's**	**£000's**	**£000's**
Goldman Sachs International	UK	21	24	1,831	2,078
Total		**21**	**24**	**1,831**	**2,078**

At 28 February 2022, collateral received from these borrowing counterparties comprised of 100% in equity securities (28 February 2021: 100% 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 and equity securities listed on a recognised exchange.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Funds receive 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 28 February 2022 and 28 February 2021, all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Funds also benefit 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.

c) Liquidity risk

Exposure to liquidity risk

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

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

2. Financial Instruments and Risks continued

All non-derivative financial liabilities including distributions payable held by the Funds as at 28 February 2022 and 28 February 2021, 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 a 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 Funds. 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 Funds' liquidity risks are 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 Funds' 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 – 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.

2. Financial Instruments and Risks continued

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.

The tables below are an analysis of the Funds' investment assets and investment liabilities measured at fair value at the Balance Sheet date.

BlackRock Managed Volatility Fund	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2022				
Investment assets	439	154,840	–	155,279
Investment liabilities	(19)	(808)	–	(827)
28 February 2021				
Investment assets	22	192,694	–	192,716
Investment liabilities	(637)	(1,047)	–	(1,684)

BlackRock Managed Volatility Fund I	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2022				
Investment assets	4,236	803,067	–	807,303
Investment liabilities	–	(2,557)	–	(2,557)
28 February 2021				
Investment assets	160	790,432	–	790,592
Investment liabilities	(5,431)	(4,858)	–	(10,289)

BlackRock Managed Volatility Fund II	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2022				
Investment assets	395	191,237	–	191,632
Investment liabilities	(3)	(591)	–	(594)
28 February 2021				
Investment assets	44	182,718	–	182,762
Investment liabilities	(1,026)	(1,046)	–	(2,072)

2. Financial Instruments and Risks continued

BlackRock Managed Volatility Fund III	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2022				
Investment assets	37	55,223	–	55,260
Investment liabilities	(181)	(137)	–	(318)
28 February 2021				
Investment assets	75	53,148	–	53,223
Investment liabilities	(243)	(379)	–	(622)

BlackRock Managed Volatility Fund IV	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2022				
Investment assets	1,443	122,460	–	123,903
Investment liabilities	(6,790)	(1,364)	–	(8,154)
28 February 2021				
Investment assets	2,874	78,939	–	81,813
Investment liabilities	(473)	(3,899)	–	(4,372)

BlackRock UK Managed Volatility Fund I	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2022				
Investment assets	10,592	33,494	–	44,086
Investment liabilities	(8)	–	–	(8)
28 February 2021				
Investment assets	18,104	26,533	–	44,637
Investment liabilities	(351)	–	–	(351)

BlackRock UK Managed Volatility Fund II	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2022				
Investment assets	28,695	59,985	–	88,680
Investment liabilities	(53)	–	–	(53)
28 February 2021				
Investment assets	35,693	59,959	–	95,652
Investment liabilities	(546)	–	–	(546)

BlackRock UK Managed Volatility Fund III	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2022				
Investment assets	14,241	14,626	–	28,867
Investment liabilities	(19)	–	–	(19)
28 February 2021				
Investment assets	14,237	14,356	–	28,593
Investment liabilities	(172)	–	–	(172)

2. Financial Instruments and Risks continued

BlackRock Volatility Strategy Fund I	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2022				
Investment assets	–	172,512	–	172,512
Investment liabilities	–	(429)	–	(429)
28 February 2021				
Investment assets	–	167,978	–	167,978
Investment liabilities	–	–	–	–

BlackRock Volatility Strategy Fund II	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2022				
Investment assets	–	394,776	–	394,776
Investment liabilities	–	(978)	–	(978)
28 February 2021				
Investment assets	–	371,068	–	371,068
Investment liabilities	–	–	–	–

BlackRock Volatility Strategy Fund III	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2022				
Investment assets	–	146,399	–	146,399
Investment liabilities	–	(353)	–	(353)
28 February 2021				
Investment assets	–	123,855	–	123,855
Investment liabilities	–	–	–	–

BlackRock Volatility Strategy Fund IV	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2022				
Investment assets	–	61,635	–	61,635
Investment liabilities	–	(127)	–	(127)
28 February 2021				
Investment assets	–	47,541	–	47,541
Investment liabilities	–	–	–	–

e) Leverage

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

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

2. Financial Instruments and Risks continued

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

	Gross exposure			Commitment Approach		
Fund	Maximum limit	Leverage as at 28.2.2022	Leverage as at 28.2.2021	Maximum limit	Leverage as at 28.2.2022	Leverage as at 28.2.2021
BlackRock Managed Volatility Fund	6.0:1	1.7:1	1.4:1	2.0:1	1.1:1	1.1:1
BlackRock Managed Volatility Fund I	6.0:1	1.7:1	1.4:1	2.0:1	1.2:1	1.2:1
BlackRock Managed Volatility Fund II	6.0:1	1.6:1	1.4:1	2.0:1	1.2:1	1.3:1
BlackRock Managed Volatility Fund III	6.0:1	1.5:1	1.4:1	2.0:1	1.1:1	1.3:1
BlackRock Managed Volatility Fund IV	6.0:1	3.3:1	3.0:1	6.0:1	2.6:1	2.6:1
BlackRock UK Managed Volatility Fund I	2.5:1	1.1:1	1.7:1	2.5:1	1.3:1	1.4:1
BlackRock UK Managed Volatility Fund II	2.5:1	1.1:1	1.6:1	2.5:1	1.3:1	1.4:1
BlackRock UK Managed Volatility Fund III	2.5:1	1.2:1	1.6:1	2.5:1	1.6:1	1.4:1
BlackRock Volatility Strategy Fund I	4.0:1	1.7:1	1.5:1	2.0:1	1.4:1	1.4:1
BlackRock Volatility Strategy Fund II	4.0:1	1.6:1	1.2:1	2.0:1	1.4:1	1.4:1
BlackRock Volatility Strategy Fund III	4.0:1	1.6:1	1.2:1	2.0:1	1.3:1	1.4:1
BlackRock Volatility Strategy Fund IV	4.0:1	1.5:1	1.2:1	2.0:1	1.3:1	1.4:1

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

BlackRock Managed Volatility Fund

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Fund was established on 6 November 2012 and was authorised by the FCA on 11 October 2012. The Fund's FCA product reference number is 637730.

BlackRock Managed Volatility Fund

Comparative Table

	C Accumulation Units		
	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	141.7	141.6	132.6
Return before operating charges	3.02	0.40	9.35
Operating charges	(0.34)	(0.33)	(0.32)
Return after operating charges	2.68	0.07	9.03
Distributions	(2.01)	(2.00)	(2.25)
Retained distributions on accumulation units	2.01	2.00	2.25
Closing net asset value per unit	144.4	141.7	141.6
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	1.89%	0.05%	6.81%
Other information			
Closing net asset value (£000's)	192,761	223,943	248,910
Closing number of units	133,507,436	158,076,754	175,743,221
Operating charges[2]	0.23%	0.23%	0.23%
Direct transaction costs[3]	0.01%	0.01%	0.01%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	162.7	158.1	156.6
Lowest bid unit price	142.4	133.1	132.9

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

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

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of collective investment schemes. See note 15 for further details.

BlackRock Managed Volatility Fund

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	1.1643	0.0000
Equalisation†	–	1.1643
Distribution paid 30.4.2022	**1.1643**	**1.1643**
Distribution paid 30.4.2021	**1.0178**	**1.0178**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	0.8461	0.0000
Equalisation†	–	0.8461
Distribution paid 31.10.2021	**0.8461**	**0.8461**
Distribution paid 31.10.2020	**0.9866**	**0.9866**

† 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.

BlackRock Managed Volatility Fund

Portfolio Statement

at 28 February 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES − 80.16%; 28.2.2021 85.58%			
Equity Funds − 19.87%; 28.2.2021 24.21%			
2,261,141	iShares Continental European Equity Index Fund UK	5,723	2.97
36,480	iShares Japan Equity Index Fund UK	87	0.05
4,209,285	iShares North American Equity Index Fund UK	18,398	9.54
740,637	iShares Pacific ex Japan Equity Index Fund UK	1,718	0.89
6,141,836	iShares UK Equity Index Fund UK	12,367	6.42
		38,293	**19.87**
Fixed Income Funds − 58.58%; 28.2.2021 60.98%			
42,425,168	BlackRock Collective Investment Funds - BlackRock Corporate Bond 1-10 year Fund	63,054	32.71
38,370,600	iShares UK Gilts All Stocks Index Fund UK	49,869	25.87
		112,923	**58.58**
Short-term Money Market Funds − 1.71%; 28.2.2021 0.39%			
4,410,451	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	**3,293**	**1.71**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES − (0.03%); 28.2.2021 (0.28%)			
Forward Currency Contracts − (0.25%); 28.2.2021 0.00%			
AU$13,263,268	Australian dollar vs UK sterling	68	0.02
€27,410,005	Euro vs UK sterling	(179)	(0.12)
¥256,656,294	Japanese yen vs UK sterling	(26)	(0.01)
£5,777,548	UK sterling vs Australian dollar	(111)	(0.05)
£22,653,530	UK sterling vs Euro	164	0.11
£1,623,404	UK sterling vs Japanese yen	(12)	(0.01)
£56,627,085	UK sterling vs US dollar	(480)	(0.21)
US$58,536,046	US dollar vs UK sterling	99	0.02
		(477)	**(0.25)**
Futures − 0.22%; 28.2.2021 (0.28%)			
(39)	Euro Stoxx 50 March 2022	74	0.04
2	FTSE 100 Index March 2022	1	0.00
(70)	S&P 500 E-Mini March 2022	364	0.19
(6)	SPI 200 March 2022	(7)	0.00

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
2	TOPIX Index March 2022	(12)	(0.01)
		420	**0.22**
Portfolio of investments		**154,452**	**80.13**
CASH EQUIVALENTS			
Short-term Money Market Funds – 18.75%; 28.2.2021 13.00%			
36,146,153	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**36,146**	**18.75**
Net other assets		2,163	1.12
Total net assets		**192,761**	**100.00**

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

The counterparties for the forward currency contracts are Australia and New Zealand Banking Group, Bank of America Merrill Lynch, Bank of New York Mellon International, Barclays Bank Plc, BNP Paribas Arbitrage SNC, Citigroup Global Markets Limited, Goldman Sachs International, HSBC Bank Plc, J.P. Morgan Securities Plc, Morgan Stanley & Co. International Plc, Royal Bank of Canada, Société Générale SA, Standard Chartered Bank, State Street Global Advisors Limited, Toronto-Dominion Bank and UBS AG.

All underlying funds are managed by a related party.

BlackRock Managed Volatility Fund

Statement of Total Return

for the year ended 28 February 2022

	Notes	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Income					
Net capital gains/(losses)	3		2,016		(3,217)
Revenue	4	3,520		3,953	
Expenses	5	(453)		(501)	
Interest payable and similar charges	6	(14)		(18)	
Net revenue before taxation		3,053		3,434	
Taxation	7	–		–	
Net revenue after taxation			3,053		3,434
Total return before distributions			5,069		217
Distributions	8		(3,053)		(3,434)
Change in net assets attributable to unitholders from investment activities			**2,016**		**(3,217)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Opening net assets attributable to unitholders		223,943		248,910
Amounts receivable on issue of units	379		2,333	
Amounts payable on cancellation of units	(36,365)		(27,325)	
		(35,986)		(24,992)
Change in net assets attributable to unitholders from investment activities		2,016		(3,217)
Retained distribution on accumulation units		2,788		3,242
Closing net assets attributable to unitholders		**192,761**		**223,943**

BlackRock Managed Volatility Fund

Balance Sheet

at 28 February 2022

	Notes	28.2.2022 £000's	28.2.2021 £000's
Assets:			
Fixed assets			
– Investment assets		155,279	192,716
Current assets			
– Debtors	9	9	1
– Cash and bank balances	10	3,099	4,144
– Cash equivalents	11	36,146	29,111
Total assets		**194,533**	**225,972**
Liabilities:			
Investment liabilities		(827)	(1,684)
Creditors			
– Amounts held at futures clearing houses and brokers		(538)	(115)
– Other creditors	12	(407)	(230)
Total liabilities		**(1,772)**	**(2,029)**
Net assets attributable to unitholders		**192,761**	**223,943**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
16 May 2022

NM0522U-2209585-46/218

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 19.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 20 to 38.

3. Net Capital Gains/(Losses)

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
The net capital gains/(losses) comprise:		
Gains on non-derivative securities	806	1,408
Gains/(losses) on derivative securities	1,211	(4,700)
Currency gains	8	85
Custodian transaction costs	(9)	(10)
Net capital gains/(losses)	**2,016**	**(3,217)**

Net gains (excluding transaction costs) listed above of £2,025,000 comprise net realised gains of £7,211,000 and net unrealised losses of £(5,186,000) (28 February 2021: £(3,207,000) comprising net realised losses of £(1,295,000) and net unrealised losses of £(1,912,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Equity distributions on CIS holdings	1,363	1,241
Interest distributions on CIS holdings	2,134	2,624
Interest from UK bank deposits	–	2
Revenue from short-term money market funds	23	86
Total revenue	**3,520**	**3,953**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge	431	475
	431	475
Other expenses:		
– Audit fee	8	8
– Legal and other professional fees	–	1
– Trustee's fees	14	17
	22	26
Total expenses	**453**	**501**

6. Interest Payable and Similar Charges

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interest on bank overdrafts	14	18
Total interest payable and similar charges	**14**	**18**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Corporation tax	–	–
Total tax charge [see note 7(b)]	**–**	**–**

Notes to Financial Statements continued

7. Taxation continued

(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 28.2.2022 £000's	For the year to 28.2.2021 £000's
Net revenue before taxation	3,053	3,434
Corporation tax at 20% (28 February 2021: 20%)	611	687
Effects of:		
Revenue not subject to tax	(273)	(248)
Tax deductible interest distributions	(338)	(439)
Total tax charge [see note 7(a)]	**–**	**–**

8. Distributions

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interim distribution	1,234	1,633
Final distribution	1,554	1,609
	2,788	3,242
Add: Amounts deducted on cancellation of units	268	210
Less: Amounts received on issue of units	(3)	(18)
Distributions	**3,053**	**3,434**

Details of the interim and final distributions per unit are set out in the tables on page 41.

9. Debtors

	28.2.2022 £000's	28.2.2021 £000's
Accrued revenue	9	1
Total debtors	**9**	**1**

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2022 £000's	28.2.2021 £000's
Amount held at futures clearing houses and brokers	898	2,789
Cash and bank balances	2,201	1,355
Total cash and bank balances	**3,099**	**4,144**

11. Cash Equivalents

	28.2.2022 £000's	28.2.2021 £000's
Investment in short-term money market funds	36,146	29,111
Total cash equivalents	**36,146**	**29,111**

12. Other Creditors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Audit fee	8	8
Accrued Manager's charge	170	154
Accrued Trustee's fee	7	6
Amounts payable for cancellation of units	220	60
Custodian transaction costs	2	2
Total other creditors	**407**	**230**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

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 28 February 2022:

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager 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.

Notes to Financial Statements continued

14. Related Parties continued

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 28 February 2022 and 28 February 2021, the following 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.

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

As at 28 February 2021:

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

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

Notes to Financial Statements continued

15. Portfolio Transaction Costs

For the year ended 28 February 2022

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	30,575	–	–	–	–
Total purchases	**30,575**	**–**		**–**	
Total purchases including transaction costs	**30,575**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	72,021	–	–	–	–
Total sales	**72,021**	**–**		**–**	
Total sales net of transaction costs	**72,021**				
Derivative transaction costs		**11**		**–**	
Total transaction costs		**11**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

For the year ended 28 February 2021

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	20,000	–	–	–	–
Total purchases	**20,000**	**–**		**–**	
Total purchases including transaction costs	**20,000**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	36,400	–	–	–	–
Total sales	**36,400**	**–**		**–**	
Total sales net of transaction costs	**36,400**				
Derivative transaction costs		**12**		**–**	
Total transaction costs		**12**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

The above analysis covers any 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.

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.

During the year the Fund utilised FDIs including futures 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.

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (28 February 2021: 0.25%).

16. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

	C Accumulation Units
Balance at the beginning of the year	158,076,754
Issued during the year	258,842
Cancelled during the year	(24,828,160)
Balance at the end of the year	**133,507,436**

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 28 February 2022.

BlackRock Managed Volatility Fund I

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Fund was established on 10 February 2012 and was authorised by the FCA on 16 December 2011. The Fund's FCA product reference number is 637727.

BlackRock Managed Volatility Fund I

Comparative Table

	C Accumulation Units		
	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	155.1	153.4	144.5
Return before operating charges	7.81	2.07	9.28
Operating charges	(0.36)	(0.36)	(0.35)
Return after operating charges	7.45	1.71	8.93
Distributions	(2.21)	(2.13)	(2.30)
Retained distributions on accumulation units	2.21	2.13	2.30
Closing net asset value per unit	162.6	155.1	153.4
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	4.80%	1.11%	6.18%
Other information			
Closing net asset value (£000's)	882,419	986,541	1,095,999
Closing number of units	542,857,587	636,047,321	714,312,568
Operating charges[2]	0.22%	0.23%	0.23%
Direct transaction costs[3]	0.01%	0.01%	0.01%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	183.4	173.0	171.2
Lowest bid unit price	156.1	144.2	145.0

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

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

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of collective investment schemes. See note 15 for further details.

BlackRock Managed Volatility Fund I

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	1.3216	0.0000
Equalisation†	–	1.3216
Distribution paid 30.4.2022	**1.3216**	**1.3216**
Distribution paid 30.4.2021	**1.1137**	**1.1137**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	0.8855	0.0000
Equalisation†	–	0.8855
Distribution paid 31.10.2021	**0.8855**	**0.8855**
Distribution paid 31.10.2020	**1.0191**	**1.0191**

† 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.

BlackRock Managed Volatility Fund I

Portfolio Statement

at 28 February 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 90.74%; 28.2.2021 79.70%			
Equity Funds – 37.21%; 28.2.2021 28.41%			
23,094,182	iShares Continental European Equity Index Fund UK	58,454	6.62
1,856,402	iShares Japan Equity Index Fund UK	4,437	0.50
25,066,990	iShares North American Equity Index Fund UK	109,565	12.42
7,021,145	iShares Pacific ex Japan Equity Index Fund UK	16,289	1.85
69,343,248	iShares UK Equity Index Fund UK	139,622	15.82
		328,367	**37.21**
Fixed Income Funds – 51.66%; 28.2.2021 50.29%			
155,084,284	BlackRock Collective Investment Funds - BlackRock Corporate Bond 1-10 year Fund	230,493	26.12
173,413,398	iShares UK Gilts All Stocks Index Fund UK	225,378	25.54
		455,871	**51.66**
Short-term Money Market Funds – 1.87%; 28.2.2021 1.00%			
22,066,956	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	**16,475**	**1.87**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – 0.46%; 28.2.2021 (0.61%)			
Forward Currency Contracts – (0.02%); 28.2.2021 (0.08%)			
AU$40,464,000	Australian dollar vs UK sterling	98	0.00
€98,867,000	Euro vs UK sterling	(241)	(0.04)
¥796,265,000	Japanese yen vs UK sterling	(35)	0.00
£27,495,055	UK sterling vs Australian dollar	(455)	(0.04)
£111,339,627	UK sterling vs Euro	842	0.10
£6,033,676	UK sterling vs Japanese yen	38	0.01
£203,673,096	UK sterling vs US dollar	(1,826)	(0.19)
US$186,321,540	US dollar vs UK sterling	1,376	0.14
		(203)	**(0.02)**
Futures – 0.48%; 28.2.2021 (0.53%)			
(675)	Euro Stoxx 50 March 2022	1,682	0.19
(361)	FTSE 100 Index March 2022	731	0.08
(312)	S&P 500 E-Mini March 2022	1,760	0.20
(53)	SPI 200 March 2022	62	0.01

BlackRock Managed Volatility Fund I

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	(1) TOPIX Index March 2022	1	0.00
		4,236	**0.48**
Portfolio of investments		**804,746**	**91.20**
CASH EQUIVALENTS			
Short-term Money Market Funds – 7.98%; 28.2.2021 18.50%			
70,447,000	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**70,447**	**7.98**
Net other assets		7,226	0.82
Total net assets		**882,419**	**100.00**

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

The counterparties for the forward currency contracts are Australia and New Zealand Banking Group, Bank of America Merrill Lynch, Bank of New York Mellon International, Barclays Bank Plc, BNP Paribas Arbitrage SNC, Citigroup Global Markets Limited, Goldman Sachs International, HSBC Bank Plc, J.P. Morgan Securities Plc, Morgan Stanley & Co. International Plc, Royal Bank of Canada, Société Générale SA, Standard Chartered Bank, State Street Global Advisors Limited and Toronto-Dominion Bank.

All underlying funds are managed by a related party.

BlackRock Managed Volatility Fund I

Statement of Total Return

for the year ended 28 February 2022

	Notes	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Income					
Net capital gains/(losses)	3		35,329		(3,532)
Revenue	4	15,629		17,078	
Expenses	5	(2,016)		(2,167)	
Interest payable and similar charges	6	(71)		(84)	
Net revenue before taxation		13,542		14,827	
Taxation	7	–		–	
Net revenue after taxation			13,542		14,827
Total return before distributions			48,871		11,295
Distributions	8		(13,542)		(14,827)
Change in net assets attributable to unitholders from investment activities			**35,329**		**(3,532)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Opening net assets attributable to unitholders		986,541		1,095,999
Amounts receivable on issue of units	672		2,232	
Amounts payable on cancellation of units	(152,545)		(122,088)	
		(151,873)		(119,856)
Change in net assets attributable to unitholders from investment activities		35,329		(3,532)
Retained distribution on accumulation units		12,422		13,930
Closing net assets attributable to unitholders		**882,419**		**986,541**

BlackRock Managed Volatility Fund I

Balance Sheet

at 28 February 2022

	Notes	28.2.2022 £000's	28.2.2021 £000's
Assets:			
Fixed assets			
– Investment assets		807,303	790,592
Current assets			
– Debtors	9	19	5
– Cash and bank balances	10	14,200	25,905
– Cash equivalents	11	70,447	182,526
Total assets		**891,969**	**999,028**
Liabilities:			
Investment liabilities		(2,557)	(10,289)
Creditors			
– Amounts held at futures clearing houses and brokers		(4,079)	(508)
– Other creditors	12	(2,914)	(1,690)
Total liabilities		**(9,550)**	**(12,487)**
Net assets attributable to unitholders		**882,419**	**986,541**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
16 May 2022

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 19.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 20 to 38.

3. Net Capital Gains/(Losses)

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
The net capital gains/(losses) comprise:		
Gains on non-derivative securities	5,271	15,360
Gains/(losses) on derivative securities	30,327	(19,403)
Currency (losses)/gains	(258)	521
Custodian transaction costs	(11)	(10)
Net capital gains/(losses)	**35,329**	**(3,532)**

Net gains (excluding transaction costs) listed above of £35,340,000 comprise net realised gains of £1,151,000 and net unrealised gains of £34,189,000) (28 February 2021: £(3,522,000) comprising net realised losses of £(1,442,000) and net unrealised losses of £(2,080,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Equity distributions on CIS holdings	6,994	6,282
Interest distributions on CIS holdings	8,533	10,256
Interest from UK bank deposits	–	15
Revenue from short-term money market funds	102	525
Total revenue	**15,629**	**17,078**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge	1,942	2,082
	1,942	2,082
Other expenses:		
– Audit fee	8	8
– Legal and other professional fees	2	3
– Trustee's fees	64	74
	74	85
Total expenses	**2,016**	**2,167**

6. Interest Payable and Similar Charges

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interest on bank overdrafts	71	84
Total interest payable and similar charges	**71**	**84**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Corporation tax	–	–
Total tax charge [see note 7(b)]	**–**	**–**

Notes to Financial Statements continued

7. Taxation continued

(b) Factors affecting the tax (credit)/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 28.2.2022 £000's	For the year to 28.2.2021 £000's
Net revenue before taxation	13,542	14,827
Corporation tax at 20% (28 February 2021: 20%)	2,708	2,965
Effects of:		
Revenue not subject to tax	(1,399)	(1,256)
Tax deductible interest distributions	(1,309)	(1,709)
Total tax credit [see note 7(a)]	**–**	**–**

8. Distributions

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interim distribution	5,247	6,846
Final distribution	7,174	7,084
	12,421	13,930
Add: Amounts deducted on cancellation of units	1,126	914
Less: Amounts received on issue of units	(5)	(17)
Distributions	**13,542**	**14,827**

Details of the interim and final distributions per unit are set out in the tables on page 56.

9. Debtors

	28.2.2022 £000's	28.2.2021 £000's
Accrued revenue	19	5
Total debtors	**19**	**5**

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2022 £000's	28.2.2021 £000's
Amount held at futures clearing houses and brokers	5,446	19,890
Cash and bank balances	8,754	6,015
Total cash and bank balances	**14,200**	**25,905**

11. Cash Equivalents

	28.2.2022 £000's	28.2.2021 £000's
Investment in short-term money market funds	70,447	182,526
Total cash equivalents	**70,447**	**182,526**

12. Other Creditors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Audit fee	7	8
Accrued Manager's charge	779	675
Accrued Trustee's fee	30	24
Amounts payable for cancellation of units	2,096	981
Custodian transaction costs	2	2
Total other creditors	**2,914**	**1,690**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

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 28 February 2022:

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager 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.

Notes to Financial Statements continued

14. Related Parties continued

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 28 February 2022 and 28 February 2021, the following 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.

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

As at 28 February 2021:

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

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

Notes to Financial Statements continued

15. Portfolio Transaction Costs

For the year ended 28 February 2022

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	127,500	–	–	–	–
Total purchases	**127,500**	**–**		**–**	
Total purchases including transaction costs	**127,500**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	140,000	–	–	–	–
Total sales	**140,000**	**–**		**–**	
Total sales net of transaction costs	**140,000**				
Derivative transaction costs		**53**		**–**	
Total transaction costs		**53**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

For the year ended 28 February 2021

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	37,000	–	–	–	–
Total purchases	**37,000**	**–**		**–**	
Total purchases including transaction costs	**37,000**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	111,000	–	–	–	–
Total sales	**111,000**	**–**		**–**	
Total sales net of transaction costs	**111,000**				
Derivative transaction costs		**57**		**–**	
Total transaction costs		**57**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

The above analysis covers any 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.

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.

During the year the Fund utilised FDIs including futures 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.

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (28 February 2021: 0.25%).

16. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

	C Accumulation Units
Balance at the beginning of the year	636,047,321
Issued during the year	409,066
Cancelled during the year	(93,598,800)
Balance at the end of the year	**542,857,587**

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 28 February 2022.

BlackRock Managed Volatility Fund II

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Fund was established on 10 February 2012 and was authorised by the FCA on 16 December 2011. The Fund's FCA product reference number is 637728.

BlackRock Managed Volatility Fund II

Comparative Table

	C Accumulation Units		
	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	161.9	159.2	149.9
Return before operating charges	11.36	3.04	9.63
Operating charges	(0.40)	(0.37)	(0.37)
Return after operating charges	10.96	2.67	9.26
Distributions	(2.16)	(2.17)	(2.81)
Retained distributions on accumulation units	2.16	2.17	2.81
Closing net asset value per unit	172.9	161.9	159.2
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	6.77%	1.68%	6.18%
Other information			
Closing net asset value (£000's)	216,211	230,584	256,368
Closing number of units	125,079,681	142,447,556	161,074,336
Operating charges[2]	0.23%	0.23%	0.23%
Direct transaction costs[3]	0.01%	0.01%	0.01%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	195.1	180.9	179.9
Lowest bid unit price	163.1	149.1	150.5

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

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

3 Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of collective investment schemes. See note 15 for further details.

BlackRock Managed Volatility Fund II

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.3654	0.0000
Equalisation†	–	1.3654
Distribution paid 30.4.2022	**1.3654**	**1.3654**
Distribution paid 30.4.2021	**1.0921**	**1.0921**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	0.7938	0.0000
Equalisation†	–	0.7938
Distribution paid 31.10.2021	**0.7938**	**0.7938**
Distribution paid 31.10.2020	**1.0814**	**1.0814**

† 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.

BlackRock Managed Volatility Fund II

Portfolio Statement

at 28 February 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES − 88.23%; 28.2.2021 78.88%			
Equity Funds − 45.51%; 28.2.2021 37.47%			
5,537,782	iShares Continental European Equity Index Fund UK	14,017	6.48
770,767	iShares Japan Equity Index Fund UK	1,842	0.85
7,695,579	iShares North American Equity Index Fund UK	33,636	15.56
1,850,219	iShares Pacific ex Japan Equity Index Fund UK	4,293	1.99
22,152,374	iShares UK Equity Index Fund UK	44,603	20.63
		98,391	**45.51**
Fixed Income Funds − 40.80%; 28.2.2021 40.15%			
31,661,999	BlackRock Collective Investment Funds - BlackRock Corporate Bond 1-10 year Fund	47,057	21.77
31,662,577	iShares UK Gilts All Stocks Index Fund UK	41,151	19.03
		88,208	**40.80**
Short-term Money Market Funds − 1.92%; 28.2.2021 1.26%			
5,577,023	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	**4,164**	**1.92**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES − 0.13%; 28.2.2021 (0.52%)			
Forward Currency Contracts − (0.05%); 28.2.2021 (0.10%)			
AU$8,701,000	Australian dollar vs UK sterling	17	0.00
€20,607,000	Euro vs UK sterling	(180)	(0.06)
¥290,585,000	Japanese yen vs UK sterling	3	0.00
£5,297,611	UK sterling vs Australian dollar	(88)	(0.04)
£16,922,976	UK sterling vs Euro	185	0.08
£2,482,185	UK sterling vs Japanese yen	(7)	0.00
£43,844,031	UK sterling vs US dollar	(316)	(0.16)
US$40,154,029	US dollar vs UK sterling	269	0.13
		(117)	**(0.05)**
Futures − 0.18%; 28.2.2021 (0.42%)			
36	Euro Stoxx 50 March 2022	(3)	0.00
23	FTSE 100 Index March 2022	24	0.01
(63)	S&P 500 E-Mini March 2022	350	0.16
(5)	SPI 200 March 2022	8	0.00

BlackRock Managed Volatility Fund II

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	(4) TOPIX Index March 2022	13	0.01
		392	**0.18**
Portfolio of investments		**191,038**	**88.36**
CASH EQUIVALENTS			
Short-term Money Market Funds – 11.02%; 28.2.2021 18.36%			
23,826,547	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**23,827**	**11.02**
Net other assets		1,346	0.62
Total net assets		**216,211**	**100.00**

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

The counterparties for the forward currency contracts are Australia and New Zealand Banking Group, Bank of America Merrill Lynch, Bank of New York Mellon International, Barclays Bank Plc, BNP Paribas Arbitrage SNC, Citigroup Global Markets Limited, Goldman Sachs International, HSBC Bank Plc, J.P. Morgan Securities Plc, Morgan Stanley & Co. International Plc, Société Générale SA, Standard Chartered Bank, State Street Global Advisors Limited, Toronto-Dominion Bank and UBS AG.

All underlying funds are managed by a related party.

BlackRock Managed Volatility Fund II

Statement of Total Return

for the year ended 28 February 2022

	Notes	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Income					
Net capital gains	3		12,900		617
Revenue	4	3,713		3,947	
Expenses	5	(492)		(510)	
Interest payable and similar charges	6	(25)		(30)	
Net revenue before taxation		3,196		3,407	
Taxation	7	(208)		–	
Net revenue after taxation			2,988		3,407
Total return before distributions			15,888		4,024
Distributions	8		(2,988)		(3,407)
Change in net assets attributable to unitholders from investment activities			**12,900**		**617**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Opening net assets attributable to unitholders		230,584		256,368
Amounts receivable on issue of units	893		1,586	
Amounts payable on cancellation of units	(30,943)		(31,176)	
		(30,050)		(29,590)
Change in net assets attributable to unitholders from investment activities		12,900		617
Retained distribution on accumulation units		2,777		3,189
Closing net assets attributable to unitholders		**216,211**		**230,584**

BlackRock Managed Volatility Fund II

Balance Sheet

at 28 February 2022

	Notes	28.2.2022 £000's	28.2.2021 £000's
Assets:			
Fixed assets			
– Investment assets		191,632	182,762
Current assets			
– Debtors	9	105	1
– Cash and bank balances	10	2,339	8,285
– Cash equivalents	11	23,827	42,327
Total assets		**217,903**	**233,375**
Liabilities:			
Investment liabilities		(594)	(2,072)
Creditors			
– Amounts held at futures clearing houses and brokers		(464)	(270)
– Other creditors	12	(634)	(449)
Total liabilities		**(1,692)**	**(2,791)**
Net assets attributable to unitholders		**216,211**	**230,584**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
16 May 2022

NM0522U-2209585-76/218

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 19.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 20 to 38.

3. Net Capital Gains

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
The net capital gains comprise:		
Gains on non-derivative securities	5,363	4,583
Gains/(losses) on derivative securities	7,652	(4,129)
Currency (losses)/gains	(106)	173
Custodian transaction costs	(9)	(10)
Net capital gains	**12,900**	**617**

Net gains (excluding transaction costs) listed above of £12,909,000 comprise net realised gains of £6,116,000 and net unrealised gains of £6,793,000 (28 February 2021: £627,000 comprising net realised gains of £809,000 and net unrealised losses of £(182,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Equity distributions on CIS holdings	2,158	2,012
Interest distributions on CIS holdings	1,527	1,798
Interest from UK bank deposits	–	5
Revenue from short-term money market funds	28	132
Total revenue	**3,713**	**3,947**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge	469	484
	469	484
Other expenses:		
– Audit fee	8	8
– Legal and other professional fees	–	1
– Trustee's fees	15	17
	23	26
Total expenses	**492**	**510**

6. Interest Payable and Similar Charges

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interest on bank overdrafts	25	30
Total interest payable and similar charges	**25**	**30**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Corporation tax	208	–
Total tax charge [see note 7(b)]	**208**	**–**

Notes to Financial Statements continued

7. Taxation continued

(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 28.2.2022 £000's	For the year to 28.2.2021 £000's
Net revenue before taxation	3,196	3,407
Corporation tax at 20% (28 February 2021: 20%)	639	681
Effects of:		
Revenue not subject to tax	(431)	(402)
Tax deductible interest distributions	–	(279)
Total tax charge [see note 7(a)]	**208**	**–**

8. Distributions

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interim distribution	1,069	1,634
Final distribution	1,708	1,556
	2,777	3,190
Add: Amounts deducted on cancellation of units	217	230
Less: Amounts received on issue of units	(6)	(13)
Distributions	**2,988**	**3,407**

9. Debtors

	28.2.2022 £000's	28.2.2021 £000's
Accrued revenue	6	1
Amounts receivable for issue of units	99	–
Total debtors	**105**	**1**

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2022 £000's	28.2.2021 £000's
Amount held at futures clearing houses and brokers	898	5,168
Cash and bank balances	1,441	3,117
Total cash and bank balances	**2,339**	**8,285**

11. Cash Equivalents

	28.2.2022 £000's	28.2.2021 £000's
Investment in short-term money market funds	23,827	42,327
Total cash equivalents	**23,827**	**42,327**

12. Other Creditors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Audit fee	8	8
Accrued Manager's charge	191	158
Accrued Trustee's fee	7	5
Amounts payable for cancellation of units	219	276
Corporation tax payable	208	–
Custodian transaction costs	1	2
Total other creditors	**634**	**449**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

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 28 February 2022:

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (UK) Limited

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

Notes to Financial Statements continued

14. Related Parties continued

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.

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 28 February 2022 and 28 February 2021, the following 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.

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

As at 28 February 2021:

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

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

Notes to Financial Statements continued

15. Portfolio Transaction Costs

For the year ended 28 February 2022

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	3,633	–	–	–	–
Total purchases	**3,633**	**–**		**–**	
Total purchases including transaction costs	**3,633**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	3,818	–	–	–	–
Total sales	**3,818**	**–**		**–**	
Total sales net of transaction costs	**3,818**				
Derivative transaction costs		**12**		**–**	
Total transaction costs		**12**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

NM0522U-2209585-82/218

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

For the year ended 28 February 2021

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	24,500	–	–	–	–
Total purchases	**24,500**	**–**		**–**	
Total purchases including transaction costs	**24,500**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	37,095	–	–	–	–
Total sales	**37,095**	**–**		**–**	
Total sales net of transaction costs	**37,095**				
Derivative transaction costs		**16**		**–**	
Total transaction costs		**16**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

The above analysis covers any 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.

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.

During the year the Fund utilised FDIs including futures 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.

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.01% (28 February 2021: 0.24%).

16. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

	C Accumulation Units
Balance at the beginning of the year	142,447,556
Issued during the year	511,557
Cancelled during the year	(17,879,432)
Balance at the end of the year	**125,079,681**

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 28 February 2022.

BlackRock Managed Volatility Fund III

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Fund was established on 10 February 2012 and was authorised by the FCA on 16 December 2011. The Fund's FCA product reference number is 637729.

BlackRock Managed Volatility Fund III

Comparative Table

	C Accumulation Units		
	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	169.4	165.1	156.3
Return before operating charges	14.94	4.69	9.24
Operating charges	(0.44)	(0.42)	(0.40)
Return after operating charges	14.50	4.27	8.84
Distributions	(2.25)	(2.06)	(2.79)
Retained distributions on accumulation units	2.25	2.06	2.79
Closing net asset value per unit	183.9	169.4	165.1
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	8.56%	2.59%	5.66%
Other information			
Closing net asset value (£000's)	65,553	70,616	76,779
Closing number of units	35,646,362	41,693,744	46,492,130
Operating charges[2]	0.24%	0.25%	0.24%
Direct transaction costs[3]	0.01%	0.01%	0.01%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	207.6	189.2	189.3
Lowest bid unit price	170.8	154.1	156.7

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

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

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of collective investment schemes. See note 15 for further details.

BlackRock Managed Volatility Fund III

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.4673	0.0000
Equalisation†	–	1.4673
Distribution paid 30.4.2022	**1.4673**	**1.4673**
Distribution paid 30.4.2021	**1.0611**	**1.0611**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	0.7808	0.0000
Equalisation†	–	0.7808
Distribution paid 31.10.2021	**0.7808**	**0.7808**
Distribution paid 31.10.2020	**1.0023**	**1.0023**

† 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.

BlackRock Managed Volatility Fund III

Portfolio Statement

at 28 February 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 84.10%; 28.2.2021 74.95%			
Equity Funds – 50.88%; 28.2.2021 41.90%			
1,797,339	iShares Continental European Equity Index Fund UK	4,549	6.94
274,797	iShares Japan Equity Index Fund UK	657	1.00
2,516,817	iShares North American Equity Index Fund UK	11,000	16.78
700,078	iShares Pacific ex Japan Equity Index Fund UK	1,624	2.48
7,708,902	iShares UK Equity Index Fund UK	15,522	23.68
		33,352	**50.88**
Fixed Income Funds – 30.25%; 28.2.2021 30.90%			
6,942,417	BlackRock Collective Investment Funds - BlackRock Corporate Bond 1-10 year Fund	10,318	15.74
7,317,097	iShares UK Gilts All Stocks Index Fund UK	9,510	14.51
		19,828	**30.25**
Short-term Money Market Funds – 2.97%; 28.2.2021 2.15%			
2,612,892	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	**1,951**	**2.97**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – (0.29%); 28.2.2021 (0.46%)			
Forward Currency Contracts – (0.07%); 28.2.2021 (0.22%)			
AU$2,189,098	Australian dollar vs UK sterling	2	0.00
€8,408,846	Euro vs UK sterling	(66)	(0.12)
¥39,155,000	Japanese yen vs UK sterling	(2)	0.00
£1,010,641	UK sterling vs Australian dollar	(15)	(0.02)
£5,489,236	UK sterling vs Euro	46	0.08
£315,294	UK sterling vs Japanese yen	2	0.01
£11,432,806	UK sterling vs US dollar	(54)	(0.07)
US$11,332,836	US dollar vs UK sterling	42	0.05
		(45)	**(0.07)**
Futures – (0.22%); 28.2.2021 (0.24%)			
55	Euro Stoxx 50 March 2022	(118)	(0.18)
49	FTSE 100 Index March 2022	(58)	(0.09)
(7)	S&P 500 E-Mini March 2022	37	0.06

NM0522U-2209585-88/218

BlackRock Managed Volatility Fund III

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
2	SPI 200 March 2022	(5)	(0.01)
		(144)	**(0.22)**
Portfolio of investments		**54,942**	**83.81**
CASH EQUIVALENTS			
Short-term Money Market Funds – 13.49%; 28.2.2021 20.92%			
8,842,049	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**8,842**	**13.49**
Net other assets		1,769	2.70
Total net assets		**65,553**	**100.00**

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

The counterparties for the forward currency contracts are Australia and New Zealand Banking Group, Bank of America Merrill Lynch, Bank of New York Mellon International, Barclays Bank Plc, BNP Paribas Arbitrage SNC, Citigroup Global Markets Limited, Goldman Sachs International, HSBC Bank Plc, J.P. Morgan Securities Plc, Morgan Stanley & Co. International Plc, Royal Bank of Canada, Standard Chartered Bank, State Street Global Advisors Limited, Toronto-Dominion Bank and UBS AG.

All underlying funds are managed by a related party.

BlackRock Managed Volatility Fund III

Statement of Total Return

for the year ended 28 February 2022

	Notes	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Income					
Net capital gains	3		5,178		863
Revenue	4	1,098		1,169	
Expenses	5	(155)		(159)	
Interest payable and similar charges	6	(10)		(12)	
Net revenue before taxation		933		998	
Taxation	7	(38)		(61)	
Net revenue after taxation			895		937
Total return before distributions			6,073		1,800
Distributions	8		(895)		(937)
Change in net assets attributable to unitholders from investment activities			**5,178**		**863**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Opening net assets attributable to unitholders		70,616		76,779
Amounts receivable on issue of units	649		1,443	
Amounts payable on cancellation of units	(11,713)		(9,353)	
		(11,064)		(7,910)
Change in net assets attributable to unitholders from investment activities		5,178		863
Retained distribution on accumulation units		823		884
Closing net assets attributable to unitholders		**65,553**		**70,616**

BlackRock Managed Volatility Fund III

Balance Sheet

at 28 February 2022

	Notes	28.2.2022 £000's	28.2.2021 £000's
Assets:			
Fixed assets			
– Investment assets		55,260	53,223
Current assets			
– Debtors	9	3	1
– Cash and bank balances	10	2,010	3,604
– Cash equivalents	11	8,842	14,774
Total assets		**66,115**	**71,602**
Liabilities:			
Investment liabilities		(318)	(622)
Creditors			
– Amounts held at futures clearing houses and brokers		(46)	(181)
– Bank overdraft		(52)	–
– Other creditors	12	(146)	(183)
Total liabilities		**(562)**	**(986)**
Net assets attributable to unitholders		**65,553**	**70,616**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
16 May 2022

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 19.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 20 to 38.

3. Net Capital Gains

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
The net capital gains comprise:		
Gains on non-derivative securities	2,446	1,734
Gains/(losses) on derivative securities	2,788	(925)
Currency (losses)/gains	(48)	63
Custodian transaction costs	(8)	(9)
Net capital gains	**5,178**	**863**

Net gains (excluding transaction costs) listed above of £5,186,000 comprise net realised gains of £2,975,000 and net unrealised gains of £2,211,000 (28 February 2021: £872,000 comprising net realised losses of £(519,000) and net unrealised gains of £1,391,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Equity distributions on CIS holdings	744	694
Interest distributions on CIS holdings	343	426
Interest from UK bank deposits	–	2
Revenue from short-term money market funds	11	47
Total revenue	**1,098**	**1,169**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge	142	147
	142	147
Other expenses:		
– Audit fee	8	8
– Trustee's fees	5	4
	13	12
Total expenses	**155**	**159**

6. Interest Payable and Similar Charges

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interest on bank overdrafts	10	12
Total interest payable and similar charges	**10**	**12**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Corporation tax	38	61
Total tax charge [see note 7(b)]	**38**	**61**

Notes to Financial Statements continued

7. Taxation continued

(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 28.2.2022 £000's	For the year to 28.2.2021 £000's
Net revenue before taxation	933	998
Corporation tax at 20% (28 February 2021: 20%)	187	200
Effects of:		
Revenue not subject to tax	(149)	(139)
Total tax charge [see note 7(a)]	**38**	**61**

8. Distributions

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interim distribution	300	442
Final distribution	523	442
	823	884
Add: Amounts deducted on cancellation of units	75	63
Less: Amounts received on issue of units	(3)	(10)
Distributions	**895**	**937**

Details of the interim and final distributions per unit are set out in the tables on page 86.

9. Debtors

	28.2.2022 £000's	28.2.2021 £000's
Accrued revenue	3	1
Total debtors	**3**	**1**

10. Cash and Bank Balances

	28.2.2022 £000's	28.2.2021 £000's
Amount held at futures clearing houses and brokers	609	1,815
Cash and bank balances	1,401	1,789
Total cash and bank balances	**2,010**	**3,604**

Notes to Financial Statements continued

11. Cash Equivalents

	28.2.2022 £000's	28.2.2021 £000's
Investment in short-term money market funds	8,842	14,774
Total cash equivalents	**8,842**	**14,774**

12. Other Creditors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Audit fee	8	8
Accrued Manager's charge	58	48
Accrued Trustee's fee	2	2
Amounts payable for cancellation of units	40	107
Corporation tax payable	37	16
Custodian transaction costs	1	2
Total other creditors	**146**	**183**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

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 28 February 2022:

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager 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.

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

Notes to Financial Statements continued

14. Related Parties continued

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 28 February 2022 and 28 February 2021, the following 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.

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

As at 28 February 2021:

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

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

Notes to Financial Statements continued

15. Portfolio Transaction Costs

For the year ended 28 February 2022

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	–	–	–	–	–
Total purchases	**–**	**–**		**–**	
Total purchases including transaction costs	**–**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	1,686	–	–	–	–
Total sales	**1,686**	**–**		**–**	
Total sales net of transaction costs	**1,686**				
Derivative transaction costs		**4**		**–**	
Total transaction costs		**4**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

For the year ended 28 February 2021

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	741	–	–	–	–
Total purchases	**741**	**–**		**–**	
Total purchases including transaction costs	**741**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	3,549	–	–	–	–
Total sales	**3,549**	**–**		**–**	
Total sales net of transaction costs	**3,549**				
Derivative transaction costs		**5**		**–**	
Total transaction costs		**5**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

The above analysis covers any 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.

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.

During the year the Fund utilised FDIs including futures 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.

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

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 0.87% (28 February 2021: 0.23%).

16. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

	C Accumulation Units
Balance at the beginning of the year	41,693,744
Issued during the year	361,356
Cancelled during the year	(6,408,738)
Balance at the end of the year	**35,646,362**

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 28 February 2022.

BlackRock Managed Volatility Fund IV

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 5 February 2015 and was established on 16 September 2015. The Fund's FCA product reference number is 718609.

BlackRock Managed Volatility Fund IV

Comparative Table

	C Accumulation Units		
	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	155.1	145.5	138.2
Return before operating charges	23.42	10.09	7.72
Operating charges	(0.51)	(0.45)	(0.42)
Return after operating charges	22.91	9.64	7.30
Distributions	0.00	0.00	(0.26)
Retained distributions on accumulation units	N/A	N/A	0.26
Closing net asset value per unit	178.0	155.1	145.5
After direct transaction costs of	(0.03)	(0.03)	(0.04)
Performance			
Return after charges[1]	14.77%	12.26%	5.28%
Other information			
Closing net asset value (£000's)	176,239	186,269	143,746
Closing number of units	99,007,112	120,065,558	98,795,286
Operating charges[2]	0.29%	0.30%	0.28%
Direct transaction costs[3]	0.02%	0.02%	0.02%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	189.4	162.0	162.2
Lowest bid unit price	157.0	134.8	138.3

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

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

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of collective investment schemes. See note 15 for further details.

BlackRock Managed Volatility Fund IV

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	0.0000	0.0000
Equalisation†	–	0.0000
Distribution paid 30.4.2022	**0.0000**	**0.0000**
Distribution paid 30.4.2021	**0.0000**	**0.0000**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	0.0000	0.0000
Equalisation†	–	0.0000
Distribution paid 31.10.2021	**0.0000**	**0.0000**
Distribution paid 31.10.2020	**0.0000**	**0.0000**

† 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.

NM0522U-2209585-102/218

BlackRock Managed Volatility Fund IV

Portfolio Statement

at 28 February 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES − 68.91%; 28.2.2021 42.14%			
Short-term Money Market Funds − 68.91%; 28.2.2021 42.14%			
369,449	BlackRock ICS Sterling Government Liquidity Fund - Agency Income Class	36,953	20.97
473,428	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class	47,331	26.85
275,838	BlackRock ICS Sterling Ultra Short Bond Fund - Agency Income Class	37,163	21.09
		121,447	**68.91**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES − (3.23%); 28.2.2021 (0.57%)			
Forward Currency Contracts − (0.20%); 28.2.2021 (1.86%)			
AU$20,672,214	Australian dollar vs UK sterling	65	0.05
€53,036,752	Euro vs UK sterling	(172)	(0.10)
¥3,502,384,698	Japanese yen vs UK sterling	38	0.01
£5,950,185	UK sterling vs Australian dollar	(57)	(0.03)
£24,704,011	UK sterling vs Euro	25	0.00
£12,319,921	UK sterling vs Japanese yen	(117)	(0.05)
£91,642,827	UK sterling vs US dollar	(1,018)	(0.57)
US$208,166,241	US dollar vs UK sterling	885	0.49
		(351)	**(0.20)**
Futures − (3.03%); 28.2.2021 1.29%			
630	Euro Stoxx 50 March 2022	(1,608)	(0.91)
945	FTSE 100 Index March 2022	1,443	0.82
55	MSCI Emerging Markets March 2022	(108)	(0.06)
404	S&P 500 E-Mini March 2022	(4,608)	(2.61)
55	SPI 200 March 2022	(168)	(0.10)

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	86 TOPIX Index March 2022	(298)	(0.17)
		(5,347)	**(3.03)**
Portfolio of investments		**115,749**	**65.68**
CASH EQUIVALENTS			
Short-term Money Market Funds – 20.63%; 28.2.2021 46.31%			
36,352,161	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**36,352**	**20.63**
Net other assets		24,138	13.69
Total net assets		**176,239**	**100.00**

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

The counterparties for the forward currency contracts are Australia and New Zealand Banking Group, Citigroup Global Markets Limited, Goldman Sachs International, Morgan Stanley & Co. International Plc, Royal Bank of Scotland Plc, Standard Chartered Bank and State Street Global Advisors Limited.

All underlying funds are managed by a related party.

BlackRock Managed Volatility Fund IV

Statement of Total Return

for the year ended 28 February 2022

	Notes	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Income					
Net capital gains	3		27,495		5,682
Revenue	4	287		124	
Expenses	5	(507)		(340)	
Interest payable and similar charges	6	(107)		(88)	
Net expense before taxation		(327)		(304)	
Taxation	7	–		–	
Net expense after taxation			(327)		(304)
Total return before distributions			27,168		5,378
Distributions	8		–		–
Change in net assets attributable to unitholders from investment activities			**27,168**		**5,378**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Opening net assets attributable to unitholders		186,269		143,746
Amounts receivable on issue of units	106,935		216,336	
Amounts payable on cancellation of units	(144,133)		(179,191)	
		(37,198)		37,145
Change in net assets attributable to unitholders from investment activities		27,168		5,378
Closing net assets attributable to unitholders		**176,239**		**186,269**

BlackRock Managed Volatility Fund IV

Balance Sheet

at 28 February 2022

	Notes	28.2.2022 £000's	28.2.2021 £000's
Assets:			
Fixed assets			
– Investment assets		123,903	81,813
Current assets			
– Debtors	9	2,053	508
– Cash and bank balances	10	25,751	28,226
– Cash equivalents	11	36,352	86,253
Total assets		**188,059**	**196,800**
Liabilities:			
Investment liabilities		(8,154)	(4,372)
Creditors			
– Amounts held at futures clearing houses and brokers		–	(5,731)
– Other creditors	12	(3,666)	(428)
Total liabilities		**(11,820)**	**(10,531)**
Net assets attributable to unitholders		**176,239**	**186,269**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
16 May 2022

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 19.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 20 to 38.

3. Net Capital Gains

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
The net capital gains comprise:		
(Losses)/gains on non-derivative securities	(214)	139
Gains on derivative securities	27,720	6,456
Currency losses	(1)	(901)
Custodian transaction costs	(10)	(12)
Net capital gains	**27,495**	**5,682**

Net gains (excluding transaction costs) listed above of £27,505,000 comprise net realised gains of £32,223,000 and net unrealised losses of £(4,718,000) (28 February 2021: £5,694,000 comprising net realised gains of £104,000 and net unrealised gains of £5,590,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interest from UK bank deposits	1	13
Overseas dividends	217	55
Revenue from short-term money market funds	69	56
Total revenue	**287**	**124**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge	486	323
	486	323
Other expenses:		
– Audit fee	8	8
– Legal and other professional fees	–	1
– Trustee's fees	13	8
	21	17
Total expenses	**507**	**340**

6. Interest Payable and Similar Charges

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interest on bank overdrafts	107	88
Total interest payable and similar charges	**107**	**88**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Corporation tax	–	–
Total tax charge [see note 7(b)]	**–**	**–**

Notes to Financial Statements continued

7. Taxation continued

(b) Factors affecting the tax charge

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

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Net expense before taxation	(327)	(304)
Corporation tax at 20% (28 February 2021: 20%)	(65)	(61)
Effects of:		
Movement in unrecognised excess management expenses	65	61
Total tax charge [see note 7(a)]	**–**	**–**

8. Distributions

A net shortfall after taxation arose in the current and prior year because the expenses and taxation of the Fund exceeded the Fund's revenue. Accordingly, no distribution has been made.

9. Debtors

	28.2.2022 £000's	28.2.2021 £000's
Accrued revenue	20	2
Amounts receivable for issue of units	2,033	506
Total debtors	**2,053**	**508**

10. Cash and Bank Balances

	28.2.2022 £000's	28.2.2021 £000's
Amount held at futures clearing houses and brokers	19,502	14,649
Cash and bank balances	6,249	13,577
Total cash and bank balances	**25,751**	**28,226**

11. Cash Equivalents

	28.2.2022 £000's	28.2.2021 £000's
Investment in short-term money market funds	36,352	86,253
Total cash equivalents	**36,352**	**86,253**

Notes to Financial Statements continued

12. Other Creditors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Audit fee	8	8
Accrued Manager's charge	196	127
Accrued Trustee's fee	6	4
Amounts payable for cancellation of units	3,454	287
Custodian transaction costs	2	2
Total other creditors	**3,666**	**428**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

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 28 February 2022:

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager 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.

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.

Notes to Financial Statements continued

14. Related Parties continued

As at 28 February 2022 and 28 February 2021, the following 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.

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

As at 28 February 2021:

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

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

Notes to Financial Statements continued

15. Portfolio Transaction Costs

For the year ended 28 February 2022

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	6,000	–	–	–	–
Total purchases	**6,000**	**–**		**–**	
Total purchases including transaction costs	**6,000**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Total sales	**–**	**–**		**–**	
Total sales net of transaction costs	**–**				
Derivative transaction costs		**33**		**–**	
Total transaction costs		**33**		**–**	
Total transaction costs as a % of average net assets		**0.02%**		**0.00%**	

For the year ended 28 February 2021

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	21,000	–	–	–	–
Total purchases	**21,000**	**–**		**–**	
Total purchases including transaction costs	**21,000**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	36,400	–	–	–	–
Total sales	**36,400**	**–**		**–**	
Total sales net of transaction costs	**36,400**				
Derivative transaction costs		**29**		**–**	
Total transaction costs		**29**		**–**	
Total transaction costs as a % of average net assets		**0.02%**		**0.00%**	

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

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.

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 suffered 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.

During the year the Fund utilised FDIs including futures 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 suffered 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 0.00% (28 February 2021: 0.00%).

16. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

	C Accumulation Units
Balance at the beginning of the year	120,065,558
Issued during the year	60,179,123
Cancelled during the year	(81,237,569)
Balance at the end of the year	**99,007,112**

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 28 February 2022.

BlackRock UK Managed Volatility Fund I

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Fund was established on 14 October 2013 and was authorised by the FCA on 27 September 2013. The Fund's FCA product reference number is 637735.

BlackRock UK Managed Volatility Fund I

Comparative Table

	C Accumulation Units		
	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	121.4	124.6	117.6
Return before operating charges	5.44	(2.92)	7.24
Operating charges	(0.28)	(0.27)	(0.27)
Return after operating charges	5.16	(3.19)	6.97
Distributions	(0.99)	(0.84)	(1.03)
Retained distributions on accumulation units	0.99	0.84	1.03
Closing net asset value per unit	126.6	121.4	124.6
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	4.25%	(2.56)%	5.93%
Other information			
Closing net asset value (£000's)	52,356	59,415	67,370
Closing number of units	41,368,793	48,938,059	54,082,767
Operating charges[2]	0.22%	0.22%	0.22%
Direct transaction costs[3]	0.01%	0.01%	0.01%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	141.5	137.5	137.7
Lowest bid unit price	122.1	121.2	117.8

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

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

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of collective investment schemes. See note 15 for further details.

BlackRock UK Managed Volatility Fund I

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	0.6869	0.0745
Equalisation†	–	0.6124
Distribution paid 30.4.2022	**0.6869**	**0.6869**
Distribution paid 30.4.2021	**0.4115**	**0.4115**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	0.2995	0.0490
Equalisation†	–	0.2505
Distribution paid 31.10.2021	**0.2995**	**0.2995**
Distribution paid 31.10.2020	**0.4299**	**0.4299**

† 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.

NM0522U-2209585-116/218

BlackRock UK Managed Volatility Fund I

Portfolio Statement

at 28 February 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 84.04%; 28.2.2021 74.98%			
Equity Funds – 21.57%; 28.2.2021 6.88%			
5,978,506	iShares 100 UK Equity Index Fund UK	**11,292**	**21.57**
Exchange Traded Funds – 20.06%; 28.2.2021 30.32%			
18,025	iShares Core FTSE 100 UCITS ETF GBP Acc	2,337	4.46
621,388	iShares Core UK Gilts UCITS ETF[Ø]	8,167	15.60
		10,504	**20.06**
Fixed Income Funds – 25.94%; 28.2.2021 28.49%			
10,447,597	iShares UK Gilts All Stocks Index Fund UK	**13,578**	**25.94**
Short-term Money Market Funds – 16.47%; 28.2.2021 9.29%			
64,009	BlackRock ICS Sterling Ultra Short Bond Fund - Agency Income Class	**8,624**	**16.47**
DERIVATIVES – 0.15%; 28.2.2021 (0.44%)			
Futures – 0.15%; 28.2.2021 (0.44%)			
(52)	FTSE 100 Index March 2022	88	0.17
60	Long Gilt June 2022	(8)	(0.02)
		80	**0.15**
Portfolio of investments		**44,078**	**84.19**
CASH EQUIVALENTS			
Short-term Money Market Funds – 15.31%; 28.2.2021 22.33%			
8,018,122	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**8,018**	**15.31**
Net other assets		260	0.50
Total net assets		**52,356**	**100.00**

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

All underlying funds are managed by a related party.

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

BlackRock UK Managed Volatility Fund I

Statement of Total Return

for the year ended 28 February 2022

	Notes	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Income					
Net capital gains/(losses)	3		2,155		(2,010)
Revenue	4	597		576	
Expenses	5	(111)		(120)	
Interest payable and similar charges	6	(32)		(16)	
Net revenue before taxation		454		440	
Taxation	7	–		–	
Net revenue after taxation			454		440
Total return before distributions			2,609		(1,570)
Distributions	8		(454)		(440)
Change in net assets attributable to unitholders from investment activities			**2,155**		**(2,010)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Opening net assets attributable to unitholders		59,415		67,370
Amounts receivable on issue of units	577		687	
Amounts payable on cancellation of units	(10,211)		(7,051)	
		(9,634)		(6,364)
Change in net assets attributable to unitholders from investment activities		2,155		(2,010)
Retained distribution on accumulation units		420		419
Closing net assets attributable to unitholders		**52,356**		**59,415**

NM0522U-2209585-118/218

BlackRock UK Managed Volatility Fund I

Balance Sheet

at 28 February 2022

	Notes	28.2.2022 £000's	28.2.2021 £000's
Assets:			
Fixed assets			
– Investment assets		44,086	44,637
Current assets			
– Debtors	9	28	34
– Cash and bank balances	10	422	1,916
– Cash equivalents	11	8,018	13,269
Total assets		**52,554**	**59,856**
Liabilities:			
Investment liabilities		(8)	(351)
Creditors			
– Other creditors	12	(190)	(90)
Total liabilities		**(198)**	**(441)**
Net assets attributable to unitholders		**52,356**	**59,415**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
16 May 2022

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 19.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 20 to 38.

3. Net Capital Gains/(Losses)

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	807	(3,555)
Gains on derivative securities	1,352	1,549
Custodian transaction costs	(4)	(4)
Net capital gains/(losses)	**2,155**	**(2,010)**

Net gains (excluding transaction costs and Custodian transaction costs rebate) listed above of £2,159,000 comprise net realised losses of £(35,000) and net unrealised gains of £2,194,000 (28 February 2021: losses of £(2,006,000) comprising net realised gains of £589,000 and net unrealised losses of £(2,595,000)).

4. Revenue

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Equity distributions on CIS holdings	225	147
Interest distributions on CIS holdings	111	131
Manager's charge rebates	8	18
Overseas dividends	171	219
Returns from bond futures	59	–
Revenue from short-term money market funds	8	31
Securities lending revenue	15	30
Total revenue	**597**	**576**

NM0522U-2209585-120/218

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Payable to the Manager or associates of the Manager:		
– Expense rebate due from the Manager*	(22)	(26)
– Manager's charge	115	127
	93	101
Other expenses:		
– Audit fee	9	8
– Safe custody fees	5	6
– Trustee's fees	4	5
	18	19
Total expenses	**111**	**120**

* The Fund receives rebates from the Manager to ensure that the Operating Charge does not exceed 0.22%.

6. Interest Payable and Similar Charges

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interest on bank overdrafts	4	3
Returns from short position bond futures	28	13
Total interest payable and similar charges	**32**	**16**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Corporation tax	–	–
Total tax charge [see note 7(b)]	**–**	**–**

Notes to Financial Statements continued

7. Taxation continued

(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 28.2.2022 £000's	For the year to 28.2.2021 £000's
Net revenue before taxation	454	440
Corporation tax at 20% (28 February 2021: 20%)	91	88
Effects of:		
Revenue not subject to tax	(56)	(41)
Tax deductible interest distributions	(35)	(47)
Total tax charge [see note 7(a)]	**–**	**–**

8. Distributions

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interim distribution	136	218
Final distribution	284	201
	420	419
Add: Amounts deducted on cancellation of units	36	23
Less: Amounts received on issue of units	(2)	(2)
Distributions	**454**	**440**

Details of the interim and final distributions per unit are set out in the tables on page 115.

9. Debtors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Manager's charge rebates	3	4
Accrued revenue	2	1
Amounts receivable for issue of units	–	2
Expense rebate due from the Manager	23	27
Total debtors	**28**	**34**

NM0522U-2209585-122/218

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2022 £000's	28.2.2021 £000's
Amount held at futures clearing houses and brokers	397	1,755
Cash and bank balances	25	161
Total cash and bank balances	**422**	**1,916**

11. Cash Equivalents

	28.2.2022 £000's	28.2.2021 £000's
Investment in short-term money market funds	8,018	13,269
Total cash equivalents	**8,018**	**13,269**

12. Other Creditors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Audit fee	8	8
Accrued Manager's charge	46	41
Accrued Safe custody fees	3	1
Accrued Trustee's fee	2	2
Amounts payable for cancellation of units	131	37
Custodian transaction costs	–	1
Total other creditors	**190**	**90**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

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 28 February 2022:

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (UK) Limited

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

Notes to Financial Statements continued

14. Related Parties continued

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.

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 28 February 2022 and 28 February 2021, the following 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.

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	62%

As at 28 February 2021:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	64%

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

Notes to Financial Statements continued

15. Portfolio Transaction Costs

For the year ended 28 February 2022

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	17,128	–	–	–	–
Total purchases	**17,128**	**–**		**–**	
Total purchases including transaction costs	**17,128**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	22,013	2	0.01	–	–
Total sales	**22,013**	**2**		**–**	
Total sales net of transaction costs	**22,011**				
Derivative transaction costs		**5**		**–**	
Total transaction costs		**7**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

For the year ended 28 February 2021

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	34,848	–	–	–	–
Total purchases	**34,848**	**–**		**–**	
Total purchases including transaction costs	**34,848**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	43,830	–	–	–	–
Total sales	**43,830**	**–**		**–**	
Total sales net of transaction costs	**43,830**				
Derivative transaction costs		**5**		**–**	
Total transaction costs		**5**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

The above analysis covers any 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.

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.

During the year the Fund utilised FDIs including futures 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.

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

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 0.15% (28 February 2021: 0.08%).

16. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

	C Accumulation Units
Balance at the beginning of the year	48,938,059
Issued during the year	458,286
Cancelled during the year	(8,027,552)
Balance at the end of the year	**41,368,793**

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 28 February 2022.

BlackRock UK Managed Volatility Fund II

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Fund was established on 14 October 2013 and was authorised by the FCA on 27 September 2013. The Fund's FCA product reference number is 637736.

BlackRock UK Managed Volatility Fund II

Comparative Table

	C Accumulation Units		
	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	114.1	118.3	115.4
Return before operating charges	7.27	(3.93)	3.21
Operating charges	(0.25)	(0.24)	(0.28)
Return after operating charges	7.02	(4.17)	2.93
Distributions	(1.26)	(1.04)	(1.58)
Retained distributions on accumulation units	1.26	1.04	1.58
Closing net asset value per unit	121.1	114.1	118.3
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	6.15%	(3.52)%	2.54%
Other information			
Closing net asset value (£000's)	102,180	118,627	143,806
Closing number of units	84,360,109	103,944,714	121,528,542
Operating charges[2]	0.21%	0.21%	0.22%
Direct transaction costs[3]	0.01%	0.01%	0.01%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	135.1	129.2	134.3
Lowest bid unit price	114.9	111.8	115.8

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

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

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of collective investment schemes. See note 15 for further details.

BlackRock UK Managed Volatility Fund II

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.0131	0.2518
Equalisation†	–	0.7613
Distribution paid 30.4.2022	**1.0131**	**1.0131**
Distribution paid 30.4.2021	**0.5733**	**0.5733**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	0.2422	0.0000
Equalisation†	–	0.2422
Distribution paid 31.10.2021	**0.2422**	**0.2422**
Distribution paid 31.10.2020	**0.4629**	**0.4629**

† 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.

NM0522U-2209585-130/218

BlackRock UK Managed Volatility Fund II

Portfolio Statement

at 28 February 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 86.79%; 28.2.2021 80.51%			
Equity Funds – 25.25%; 28.2.2021 18.41%			
13,661,202	iShares 100 UK Equity Index Fund UK	**25,802**	**25.25**
Exchange Traded Funds – 28.08%; 28.2.2021 29.97%			
81,290	iShares Core FTSE 100 UCITS ETF GBP Acc	10,540	10.31
1,381,424	iShares Core UK Gilts UCITS ETF[Ø]	18,155	17.77
		28,695	**28.08**
Fixed Income Funds – 30.77%; 28.2.2021 29.82%			
24,191,985	iShares UK Gilts All Stocks Index Fund UK	**31,441**	**30.77**
Short-term Money Market Funds – 2.69%; 28.2.2021 2.31%			
20,349	BlackRock ICS Sterling Ultra Short Bond Fund - Agency Income Class	**2,742**	**2.69**
DERIVATIVES – (0.05%); 28.2.2021 (0.34%)			
Futures – (0.05%); 28.2.2021 (0.34%)			
(104)	FTSE 100 Index March 2022	(32)	(0.03)
87	Long Gilt June 2022	(21)	(0.02)
		(53)	**(0.05)**
Portfolio of investments		**88,627**	**86.74**
CASH EQUIVALENTS			
Short-term Money Market Funds – 12.26%; 28.2.2021 26.52%			
12,524,340	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**12,524**	**12.26**
Net other assets		1,029	1.00
Total net assets		**102,180**	**100.00**

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

All underlying funds are managed by a related party.

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

BlackRock UK Managed Volatility Fund II

Statement of Total Return

for the year ended 28 February 2022

	Notes	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Income					
Net capital gains/(losses)	3		5,936		(5,910)
Revenue	4	1,544		1,574	
Expenses	5	(219)		(249)	
Interest payable and similar charges	6	(116)		(37)	
Net revenue before taxation		1,209		1,288	
Taxation	7	(35)		(103)	
Net revenue after taxation			1,174		1,185
Total return before distributions			7,110		(4,725)
Distributions	8		(1,174)		(1,185)
Change in net assets attributable to unitholders from investment activities			**5,936**		**(5,910)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Opening net assets attributable to unitholders		118,627		143,806
Amounts receivable on issue of units	1,214		1,521	
Amounts payable on cancellation of units	(24,674)		(21,907)	
		(23,460)		(20,386)
Change in net assets attributable to unitholders from investment activities		5,936		(5,910)
Retained distribution on accumulation units		1,077		1,117
Closing net assets attributable to unitholders		**102,180**		**118,627**

BlackRock UK Managed Volatility Fund II

Balance Sheet

at 28 February 2022

	Notes	28.2.2022 £000's	28.2.2021 £000's
Assets:			
Fixed assets			
– Investment assets		88,680	95,652
Current assets			
– Debtors	9	54	71
– Cash and bank balances	10	1,126	3,340
– Cash equivalents	11	12,524	31,464
Total assets		**102,384**	**130,527**
Liabilities:			
Investment liabilities		(53)	(546)
Creditors			
– Other creditors	12	(151)	(11,354)
Total liabilities		**(204)**	**(11,900)**
Net assets attributable to unitholders		**102,180**	**118,627**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
16 May 2022

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 19.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 20 to 38.

3. Net Capital Gains/(Losses)

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	2,524	(8,178)
Gains on derivative securities	3,416	2,272
Manager's charge rebates	–	1
Custodian transaction costs	(4)	(5)
Net capital gains/(losses)	**5,936**	**(5,910)**

Net gains (excluding transaction costs) listed above of £5,940,000 comprise net realised gains of £2,394,000 and net unrealised gains of £3,546,000 (28 February 2021: £(5,905,000) comprising net realised losses of £(742,000) and net unrealised losses of £(5,163,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Equity distributions on CIS holdings	768	485
Interest distributions on CIS holdings	286	304
Manager's charge rebates	21	53
Overseas dividends	437	661
Returns from bond futures	11	–
Revenue from short-term money market funds	13	52
Securities lending revenue	8	19
Total revenue	**1,544**	**1,574**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Payable to the Manager or associates of the Manager:		
– Expense rebate due from the Manager*	(34)	(43)
– Manager's charge	225	261
	191	218
Other expenses:		
– Audit fee	9	8
– Safe custody fees	12	13
– Trustee's fees	7	10
	28	31
Total expenses	**219**	**249**

* The Fund receives rebates from the Manager to ensure that the Operating Charge does not exceed 0.22%.

6. Interest Payable and Similar Charges

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interest on bank overdrafts	9	7
Returns from short position bond futures	107	30
Total interest payable and similar charges	**116**	**37**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Corporation tax	35	103
Total tax charge [see note 7(b)]	**35**	**103**

Notes to Financial Statements continued

7. Taxation continued

(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 28.2.2022 £000's	For the year to 28.2.2021 £000's
Net revenue before taxation	1,209	1,288
Corporation tax at 20% (28 February 2021: 20%)	242	258
Effects of:		
Revenue not subject to tax	(207)	(155)
Total tax charge [see note 7(a)]	**35**	**103**

8. Distributions

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interim distribution	222	521
Final distribution	855	596
	1,077	1,117
Add: Amounts deducted on cancellation of units	102	73
Less: Amounts received on issue of units	(5)	(5)
Distributions	**1,174**	**1,185**

Details of the interim and final distributions per unit are set out in the tables on page 129.

9. Debtors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Manager's charge rebates	9	10
Accrued revenue	3	1
Amounts receivable for issue of units	8	16
Expense rebate due from the Manager	34	44
Total debtors	**54**	**71**

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2022 £000's	28.2.2021 £000's
Amount held at futures clearing houses and brokers	925	3,240
Cash and bank balances	201	100
Total cash and bank balances	**1,126**	**3,340**

11. Cash Equivalents

	28.2.2022 £000's	28.2.2021 £000's
Investment in short-term money market funds	12,524	31,464
Total cash equivalents	**12,524**	**31,464**

12. Other Creditors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Audit fee	9	8
Accrued Manager's charge	89	82
Accrued Safe custody fees	6	3
Accrued Trustee's fee	3	3
Amounts payable for cancellation of units	8	31
Corporation tax payable	35	26
Custodian transaction costs	1	1
Purchases awaiting settlement	–	11,200
Total other creditors	**151**	**11,354**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

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 28 February 2022:

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (UK) Limited
Stock Lending Agent: BlackRock Advisors (UK) Limited

Notes to Financial Statements continued

14. Related Parties continued

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.

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 28 February 2022 and 28 February 2021, the following 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.

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	63%

As at 28 February 2021:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	65%

Notes to Financial Statements continued

14. Related Parties continued

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

15. Portfolio Transaction Costs

For the year ended 28 February 2022

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	502	–	–	–	–
Total purchases	**502**	**–**		**–**	
Total purchases including transaction costs	**502**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	11,198	2	0.02	–	–
Total sales	**11,198**	**2**		**–**	
Total sales net of transaction costs	**11,196**				
Derivative transaction costs		**11**		**–**	
Total transaction costs		**13**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

For the year ended 28 February 2021

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	69,732	–	–	–	–
Total purchases	**69,732**	**–**		**–**	
Total purchases including transaction costs	**69,732**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	78,362	–	–	–	–
Total sales	**78,362**	**–**		**–**	
Total sales net of transaction costs	**78,362**				
Derivative transaction costs		**9**		**–**	
Total transaction costs		**9**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

The above analysis covers any 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.

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.

During the year the Fund utilised FDIs including futures 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 suffered 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.

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.18% (28 February 2021: 0.13%).

16. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

	C Accumulation Units
Balance at the beginning of the year	103,944,714
Issued during the year	1,020,890
Cancelled during the year	(20,605,495)
Balance at the end of the year	**84,360,109**

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 28 February 2022.

BlackRock UK Managed Volatility Fund III

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Fund was established on 14 October 2013 and was authorised by the FCA on 27 September 2013. The Fund's FCA product reference number is 637737.

BlackRock UK Managed Volatility Fund III

Comparative Table

	C Accumulation Units		
	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	108.6	116.1	115.7
Return before operating charges	8.37	(7.26)	0.68
Operating charges	(0.24)	(0.24)	(0.27)
Return after operating charges	8.13	(7.50)	0.41
Distributions	(1.36)	(1.13)	(2.20)
Retained distributions on accumulation units	1.36	1.13	2.20
Closing net asset value per unit	116.7	108.6	116.1
After direct transaction costs of	(0.02)	(0.01)	(0.01)
Performance			
Return after charges[1]	7.48%	(6.46)%	0.35%
Other information			
Closing net asset value (£000's)	33,426	34,777	41,940
Closing number of units	28,636,169	32,024,328	36,121,749
Operating charges[2]	0.22%	0.22%	0.22%
Direct transaction costs[3]	0.01%	0.01%	0.01%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	129.1	126.6	135.5
Lowest bid unit price	109.5	105.5	116.2

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

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

[3] Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of collective investment schemes. See note 15 for further details.

BlackRock UK Managed Volatility Fund III

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.1493	0.5067
Equalisation†	–	0.6426
Distribution paid 30.4.2022	**1.1493**	**1.1493**
Distribution paid 30.4.2021	**0.6931**	**0.6931**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	0.2069	0.0000
Equalisation†	–	0.2069
Distribution paid 31.10.2021	**0.2069**	**0.2069**
Distribution paid 31.10.2020	**0.4363**	**0.4363**

† 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.

NM0522U-2209585-144/218

BlackRock UK Managed Volatility Fund III

Portfolio Statement

at 28 February 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES − 86.30%; 28.2.2021 82.14%			
Equity Funds − 26.94%; 28.2.2021 18.52%			
4,767,608	iShares 100 UK Equity Index Fund UK	**9,005**	**26.94**
Exchange Traded Funds − 42.54%; 28.2.2021 40.86%			
71,825	iShares Core FTSE 100 UCITS ETF GBP Acc	9,313	27.86
373,461	iShares Core UK Gilts UCITS ETF[Ø]	4,908	14.68
		14,221	**42.54**
Fixed Income Funds − 15.10%; 28.2.2021 21.11%			
3,883,223	iShares UK Gilts All Stocks Index Fund UK	**5,047**	**15.10**
Short-term Money Market Funds − 1.72%; 28.2.2021 1.65%			
4,262	BlackRock ICS Sterling Ultra Short Bond Fund - Agency Income Class	**574**	**1.72**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES − 0.00%; 28.2.2021 (0.42%)			
Futures − 0.00%; 28.2.2021 (0.42%)			
(61)	FTSE 100 Index March 2022	(19)	(0.06)
33	Long Gilt June 2022	20	0.06
		1	**0.00**
Portfolio of investments		**28,848**	**86.30**
CASH EQUIVALENTS			
Short-term Money Market Funds − 12.01%; 28.2.2021 23.43%			
4,013,951	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**4,014**	**12.01**
Net other assets		564	1.69
Total net assets		**33,426**	**100.00**

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

All underlying funds are managed by a related party.

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

BlackRock UK Managed Volatility Fund III

Statement of Total Return

for the year ended 28 February 2022

	Notes	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Income					
Net capital gains/(losses)	3		2,187		(3,029)
Revenue	4	523		503	
Expenses	5	(67)		(70)	
Interest payable and similar charges	6	(41)		(20)	
Net revenue before taxation		415		413	
Taxation	7	(7)		(25)	
Net revenue after taxation			408		388
Total return before distributions			2,595		(2,641)
Distributions	8		(408)		(388)
Change in net assets attributable to unitholders from investment activities			**2,187**		**(3,029)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Opening net assets attributable to unitholders		34,777		41,940
Amounts receivable on issue of units	1,353		1,028	
Amounts payable on cancellation of units	(5,283)		(5,535)	
		(3,930)		(4,507)
Change in net assets attributable to unitholders from investment activities		2,187		(3,029)
Retained distribution on accumulation units		392		373
Closing net assets attributable to unitholders		**33,426**		**34,777**

NM0522U-2209585-146/218

BlackRock UK Managed Volatility Fund III

Balance Sheet

at 28 February 2022

	Notes	28.2.2022 £000's	28.2.2021 £000's
Assets:			
Fixed assets			
– Investment assets		28,867	28,593
Current assets			
– Debtors	9	25	538
– Cash and bank balances	10	665	1,291
– Cash equivalents	11	4,014	8,147
Total assets		**33,571**	**38,569**
Liabilities:			
Investment liabilities		(19)	(172)
Creditors			
– Other creditors	12	(126)	(3,620)
Total liabilities		**(145)**	**(3,792)**
Net assets attributable to unitholders		**33,426**	**34,777**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
16 May 2022

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 19.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 20 to 38.

3. Net Capital Gains/(Losses)

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	1,503	(3,093)
Gains on derivative securities	688	69
Custodian transaction costs	(4)	(5)
Net capital gains/(losses)	**2,187**	**(3,029)**

Net gains (excluding transaction costs) listed above of £2,191,000 comprise net realised gains of £110,000 and net unrealised gains of £2,081,000 (28 February 2021: £(3,024,000) comprising net realised losses of £(2,160,000) and net unrealised losses of £(864,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Equity distributions on CIS holdings	224	146
Interest distributions on CIS holdings	62	77
Manager's charge rebates	9	12
Overseas dividends	204	249
Returns from bond futures	11	–
Revenue from short-term money market funds	5	14
Securities lending revenue	8	5
Total revenue	**523**	**503**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Payable to the Manager or associates of the Manager:		
– Expense rebate due from the Manager*	(19)	(21)
– Manager's charge	71	76
	52	55
Other expenses:		
– Audit fee	9	8
– Safe custody fees	4	4
– Trustee's fees	2	3
	15	15
Total expenses	**67**	**70**

* The Fund receives rebates from the Manager to ensure that the Operating Charge does not exceed 0.22%.

6. Interest Payable and Similar Charges

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interest on bank overdrafts	4	3
Returns from short position bond futures	37	–
Returns from short position derivatives	–	17
Total interest payable and similar charges	**41**	**20**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Corporation tax	7	25
Total tax charge [see note 7(b)]	**7**	**25**

Notes to Financial Statements continued

7. Taxation continued

(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 28.2.2022 £000's	For the year to 28.2.2021 £000's
Net revenue before taxation	415	413
Corporation tax at 20% (28 February 2021: 20%)	83	83
Effects of:		
Revenue not subject to tax	(76)	(58)
Total tax charge [see note 7(a)]	**7**	**25**

8. Distributions

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interim distribution	62	151
Final distribution	329	222
	391	373
Add: Amounts deducted on cancellation of units	22	18
Less: Amounts received on issue of units	(5)	(3)
Distributions	**408**	**388**

Details of the interim and final distributions per unit are set out in the tables on page 143.

9. Debtors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Manager's charge rebates	4	4
Accrued revenue	1	2
Amounts receivable for issue of units	–	14
Expense rebate due from the Manager	20	22
Sales awaiting settlement	–	496
Total debtors	**25**	**538**

NM0522U-2209585-150/218

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2022 £000's	28.2.2021 £000's
Amount held at futures clearing houses and brokers	465	1,091
Cash and bank balances	200	200
Total cash and bank balances	**665**	**1,291**

11. Cash Equivalents

	28.2.2022 £000's	28.2.2021 £000's
Investment in short-term money market funds	4,014	8,147
Total cash equivalents	**4,014**	**8,147**

12. Other Creditors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Audit fee	8	8
Accrued Manager's charge	29	24
Accrued Safe custody fees	1	1
Accrued Trustee's fee	1	1
Amounts payable for cancellation of units	78	210
Corporation tax payable	8	25
Custodian transaction costs	1	1
Purchases awaiting settlement	–	3,350
Total other creditors	**126**	**3,620**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

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 28 February 2022:

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (UK) Limited
Stock Lending Agent: BlackRock Advisors (UK) Limited

BIM40522U-3209585-151/218

Notes to Financial Statements continued

14. Related Parties continued

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.

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 28 February 2022 and 28 February 2021, the following 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.

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

As at 28 February 2021:

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

Notes to Financial Statements continued

14. Related Parties continued

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

15. Portfolio Transaction Costs

For the year ended 28 February 2022

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	5,144	–	–	–	–
Total purchases	**5,144**	**–**		**–**	
Total purchases including transaction costs	**5,144**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	6,811	1	0.01	–	–
Total sales	**6,811**	**1**		**–**	
Total sales net of transaction costs	**6,810**				
Derivative transaction costs		**4**		**–**	
Total transaction costs		**5**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

For the year ended 28 February 2021

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	31,080	–	–	–	–
Total purchases	**31,080**	**–**		**–**	
Total purchases including transaction costs	**31,080**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	33,532	–	–	–	–
Total sales	**33,532**	**–**		**–**	
Total sales net of transaction costs	**33,532**				
Derivative transaction costs		**3**		**–**	
Total transaction costs		**3**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

The above analysis covers any 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.

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.

During the year the Fund utilised FDIs including futures 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.

Notes to Financial Statements continued

15. Portfolio Transaction Costs continued

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 0.20% (28 February 2021: 0.13%).

16. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

	C Accumulation Units
Balance at the beginning of the year	32,024,328
Issued during the year	1,177,551
Cancelled during the year	(4,565,710)
Balance at the end of the year	**28,636,169**

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 28 February 2022.

DM405221U-3209585-155/218

BlackRock Volatility Strategy Fund I

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Fund was established on 6 March 2013 and was authorised by the FCA on 17 January 2013. The Fund's FCA product reference number is 637731.

BlackRock Volatility Strategy Fund I

Comparative Table

	C Accumulation Units			E Accumulation Units		
	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020
	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	154.0	151.3	141.0	152.5	150.0	140.0
Return before operating charges	7.21	3.03	10.59	7.24	3.09	10.58
Operating charges	(0.36)	(0.33)	(0.33)	(0.60)	(0.55)	(0.56)
Return after operating charges	6.85	2.70	10.26	6.64	2.54	10.02
Distributions	(2.02)	(1.68)	(2.64)	(1.80)	(1.49)	(2.44)
Retained distributions on accumulation units	2.02	1.68	2.64	1.80	1.49	2.44
Closing net asset value per unit	160.9	154.0	151.3	159.1	152.5	150.0
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges[1]	4.45%	1.78%	7.28%	4.35%	1.69%	7.16%
Other information						
Closing net asset value (£000's)	170,209	168,256	154,894	4,375	3,363	4,723
Closing number of units	105,815,293	109,260,309	102,400,207	2,748,911	2,204,316	3,148,236
Operating charges[2]	0.22%	0.22%	0.22%	0.37%	0.37%	0.37%
Direct transaction costs[3]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	184.4	170.5	172.7	182.5	168.9	171.2
Lowest bid unit price	154.3	135.9	141.5	152.9	134.8	140.5

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

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

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

BlackRock Volatility Strategy Fund I

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.3556	0.0000	1.2413	0.0000
Equalisation†	–	1.3556	–	1.2413
Distribution paid 30.4.2022	**1.3556**	**1.3556**	**1.2413**	**1.2413**
Distribution paid 30.4.2021	**0.5753**	**0.5753**	**0.4774**	**0.4774**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	0.6667	0.0000	0.5610	0.0000
Equalisation†	–	0.6667	–	0.5610
Distribution paid 31.10.2021	**0.6667**	**0.6667**	**0.5610**	**0.5610**
Distribution paid 31.10.2020	**1.1091**	**1.1091**	**1.0110**	**1.0110**

† 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.

NM0522U-2209585-158/218

BlackRock Volatility Strategy Fund I

Portfolio Statement

at 28 February 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 98.67%; 28.2.2021 96.77%			
Equity Funds – 59.47%; 28.2.2021 57.57%			
4,565,898	iShares Continental European Equity Index Fund UK	11,557	6.62
6,355,059	iShares Emerging Markets Equity Index Fund UK	11,240	6.44
2,106,367	iShares Japan Equity Index Fund UK	5,034	2.88
2,253,121	iShares Mid Cap UK Equity Index Fund UK	5,369	3.08
9,635,264	iShares North American Equity Index Fund UK	42,114	24.12
1,143,523	iShares Pacific ex Japan Equity Index Fund UK	2,653	1.52
8,266,155	iShares UK Equity Index Fund UK	16,644	9.53
2,166,304	iShares US Equity Index Fund UK	9,217	5.28
		103,828	**59.47**
Fixed Income Funds – 39.20%; 28.2.2021 39.20%			
7,237,243	iShares Corporate Bond Index Fund UK	10,951	6.27
9,917,470	iShares Overseas Corporate Bond Index Fund UK	15,282	8.75
24,742,695	iShares Overseas Government Bond Index Fund UK	31,493	18.04
8,240,962	iShares UK Gilts All Stocks Index Fund UK	10,710	6.14
		68,436	**39.20**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – (0.10%); 28.2.2021 1.11%			
Forward Currency Contracts – (0.10%); 28.2.2021 1.11%			
€14,320,093	Euro vs UK sterling	17	0.00
£30,341,326	UK sterling vs Euro	87	0.05
£66,736,692	UK sterling vs US dollar	(429)	(0.25)
US$20,666,509	US dollar vs UK sterling	144	0.10
		(181)	**(0.10)**
Portfolio of investments		**172,083**	**98.57**
CASH EQUIVALENTS			
Short-term Money Market Funds – 1.49%; 28.2.2021 1.12%			
2,597,966	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**2,598**	**1.49**
Net other liabilities		(98)	(0.06)
Total net assets		**174,583**	**100.00**

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

The counterparties for the forward currency contracts are BNP Paribas Arbitrage SNC, Morgan Stanley & Co. International Plc, Royal Bank of Scotland Plc, Toronto-Dominion Bank and UBS AG.

All underlying funds are managed by a related party.

BlackRock Volatility Strategy Fund I

Statement of Total Return

for the year ended 28 February 2022

	Notes	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Income					
Net capital gains	3		5,425		1,562
Revenue	4	2,763		2,301	
Expenses	5	(389)		(351)	
Net revenue before taxation		2,374		1,950	
Taxation	6	(116)		(117)	
Net revenue after taxation			2,258		1,833
Total return before distributions			7,683		3,395
Distributions	7		(2,258)		(1,833)
Change in net assets attributable to unitholders from investment activities			**5,425**		**1,562**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Opening net assets attributable to unitholders		171,619		159,617
Amounts receivable on issue of units	18,032		35,738	
Amounts payable on cancellation of units	(22,707)		(27,221)	
		(4,675)		8,517
Change in net assets attributable to unitholders from investment activities		5,425		1,562
Retained distribution on accumulation units		2,214		1,923
Closing net assets attributable to unitholders		**174,583**		**171,619**

NM0522U-2209585-160/218

BlackRock Volatility Strategy Fund I

Balance Sheet

at 28 February 2022

	Notes	28.2.2022 £000's	28.2.2021 £000's
Assets:			
Fixed assets			
– Investment assets		172,512	167,978
Current assets			
– Debtors	8	291	417
– Cash and bank balances		100	2,504
– Cash equivalents	9	2,598	1,917
Total assets		**175,501**	**172,816**
Liabilities:			
Investment liabilities		(429)	–
Creditors			
– Other creditors	10	(489)	(1,197)
Total liabilities		**(918)**	**(1,197)**
Net assets attributable to unitholders		**174,583**	**171,619**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
16 May 2022

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 19.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 20 to 38.

3. Net Capital Gains

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
The net capital gains comprise:		
Gains/(losses) on non-derivative securities	7,088	(576)
(Losses)/gains on derivative securities	(1,498)	2,153
Currency losses	(162)	(9)
Custodian transaction costs	(3)	(5)
Net capital gains	**5,425**	**1,563**

Net gains (excluding transaction costs) listed above of £5,428,000 comprise net realised gains of £2,217,000 and net unrealised gains of £3,211,000 (28 February 2021: £1,568,000 comprising net realised gains of £2,329,000 and net unrealised losses of £(761,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Equity distributions on CIS holdings	1,794	1,365
Interest distributions on CIS holdings	864	859
Overseas dividends	102	–
Revenue from short-term money market funds	3	77
Total revenue	**2,763**	**2,301**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Payable to the Manager or associates of the Manager:		
– Expense rebate due from the Manager^	(7)	(6)
– Manager's charge	373	338
	366	332
Other expenses:		
– Audit fee	10	8
– Legal and other professional fees	1	1
– Trustee's fees	12	10
	23	19
Total expenses	**389**	**351**

^ The Fund receives rebates from the Manager to ensure that the Operating Charge does not exceed 0.22% and 0.37% for C class units and E class units respectively.

6. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Corporation tax	116	117
Total tax charge [see note 6(b)]	**116**	**117**

(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 28.2.2022 £000's	For the year to 28.2.2021 £000's
Net revenue before taxation	2,374	1,950
Corporation tax at 20% (28 February 2021: 20%)	475	390
Effects of:		
Revenue not subject to tax	(359)	(273)
Total tax charge [see note 6(a)]	**116**	**117**

Notes to Financial Statements continued

7. Distributions

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interim distribution	746	1,283
Final distribution	1,468	639
	2,214	1,922
Add: Amounts deducted on cancellation of units	164	165
Less: Amounts received on issue of units	(120)	(254)
Distributions	**2,258**	**1,833**

Details of the interim and final distributions per unit are set out in the tables on page 157.

8. Debtors

	28.2.2022 £000's	28.2.2021 £000's
Accrued revenue	1	–
Amounts receivable for issue of units	283	399
Expense rebate due from the Manager	7	7
Income tax recoverable	–	11
Total debtors	**291**	**417**

9. Cash Equivalents

	28.2.2022 £000's	28.2.2021 £000's
Investment in short-term money market funds	2,598	1,917
Total cash equivalents	**2,598**	**1,917**

10. Other Creditors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Audit fee	7	8
Accrued Manager's charge	156	115
Accrued Trustee's fee	6	4
Amounts payable for cancellation of units	302	1,033
Corporation tax payable	17	36
Custodian transaction costs	1	1
Total other creditors	**489**	**1,197**

Notes to Financial Statements continued

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 28 February 2022:

Manager/Registrar:	BlackRock Fund Managers Limited
Investment Manager:	BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager 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 7.

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 28 February 2022 and 28 February 2021, the following 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.

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	97%

Notes to Financial Statements continued

12. Related Parties continued

As at 28 February 2021:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	98%

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

13. Portfolio Transaction Costs

For the year ended 28 February 2022

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	12,750	–	–	–	–
Total purchases	**12,750**	**–**		**–**	
Total purchases including transaction costs	**12,750**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	16,400	–	–	–	–
Total sales	**16,400**	**–**		**–**	
Total sales net of transaction costs	**16,400**				
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

Notes to Financial Statements continued

13. Portfolio Transaction Costs continued

For the year ended 28 February 2021

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	150,515	–	–	–	–
Total purchases	**150,515**	**–**		**–**	
Total purchases including transaction costs	**150,515**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	144,851	–	–	–	–
Total sales	**144,851**	**–**		**–**	
Total sales net of transaction costs	**144,851**				
Derivative transaction costs		**–**		**–**	
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

The above analysis covers any direct transaction costs incurred by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of 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 0.14% (28 February 2021: 0.26%).

BIM40522U-3209585-167/218

Notes to Financial Statements continued

14. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

	C Accumulation Units	E Accumulation Units
Balance at the beginning of the year	109,260,309	2,204,316
Issued during the year	10,054,067	996,746
Cancelled during the year	(13,499,083)	(452,151)
Balance at the end of the year	**105,815,293**	**2,748,911**

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.

15. 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 28 February 2022.

BlackRock Volatility Strategy Fund II

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Fund was established on 6 March 2013 and was authorised by the FCA on 17 January 2013. The Fund's FCA product reference number is 637732.

BlackRock Volatility Strategy Fund II

Comparative Table

	C Accumulation Units			E Accumulation Units		
	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020
	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	160.0	156.1	146.7	158.5	154.8	145.7
Return before operating charges	10.22	4.22	9.71	10.18	4.23	9.66
Operating charges	(0.37)	(0.34)	(0.33)	(0.64)	(0.56)	(0.56)
Return after operating charges	9.84	3.88	9.38	9.54	3.67	9.10
Distributions	(2.23)	(1.94)	(3.07)	(2.00)	(1.74)	(2.86)
Retained distributions on accumulation units	2.23	1.94	3.07	2.00	1.74	2.86
Closing net asset value per unit	169.8	160.0	156.1	168.0	158.5	154.8
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges[1]	6.15%	2.49%	6.39%	6.02%	2.37%	6.25%
Other information						
Closing net asset value (£000's)	384,198	374,081	336,377	15,910	11,076	8,968
Closing number of units	226,210,617	233,824,341	215,516,876	9,468,193	6,989,369	5,793,309
Operating charges[2]	0.22%	0.22%	0.21%	0.37%	0.37%	0.36%
Direct transaction costs[3]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	195.3	177.8	181.4	193.3	176.1	179.9
Lowest bid unit price	160.4	136.8	146.9	158.9	135.7	145.9

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

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

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

BlackRock Volatility Strategy Fund II

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.5413	0.0000	1.4249	0.0000
Equalisation†	–	1.5413	–	1.4249
Distribution paid 30.4.2022	**1.5413**	**1.5413**	**1.4249**	**1.4249**
Distribution paid 30.4.2021	**0.7170**	**0.7170**	**0.6153**	**0.6153**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	0.6880	0.0000	0.5772	0.0000
Equalisation†	–	0.6880	–	0.5772
Distribution paid 31.10.2021	**0.6880**	**0.6880**	**0.5772**	**0.5772**
Distribution paid 31.10.2020	**1.2219**	**1.2219**	**1.1212**	**1.1212**

† 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.

BlackRock Volatility Strategy Fund II

Portfolio Statement

at 28 February 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 98.55%; 28.2.2021 95.19%			
Equity Funds – 72.49%; 28.2.2021 69.30%			
12,043,330	iShares Continental European Equity Index Fund UK	30,483	7.62
18,084,038	iShares Emerging Markets Equity Index Fund UK	31,985	7.99
6,341,557	iShares Japan Equity Index Fund UK	15,156	3.79
5,997,395	iShares Mid Cap UK Equity Index Fund UK	14,291	3.57
25,374,490	iShares North American Equity Index Fund UK	110,909	27.72
3,405,753	iShares Pacific ex Japan Equity Index Fund UK	7,901	1.98
23,450,050	iShares UK Equity Index Fund UK	47,216	11.80
7,540,281	iShares US Equity Index Fund UK	32,081	8.02
		290,022	**72.49**
Fixed Income Funds – 26.06%; 28.2.2021 25.89%			
16,826,264	iShares Corporate Bond Index Fund UK	25,459	6.36
19,369,352	iShares Overseas Corporate Bond Index Fund UK	29,847	7.46
31,251,884	iShares Overseas Government Bond Index Fund UK	39,779	9.94
7,072,801	iShares UK Gilts All Stocks Index Fund UK	9,192	2.30
		104,277	**26.06**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – (0.13%); 28.2.2021 1.15%			
Forward Currency Contracts – (0.13%); 28.2.2021 1.15%			
€42,209,694	Euro vs UK sterling	49	0.00
£69,685,582	UK sterling vs Euro	256	0.09
£130,883,333	UK sterling vs US dollar	(978)	(0.26)
US$28,263,813	US dollar vs UK sterling	172	0.04
		(501)	**(0.13)**
Portfolio of investments		**393,798**	**98.42**
CASH EQUIVALENTS			
Short-term Money Market Funds – 1.61%; 28.2.2021 2.76%			
6,425,531	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**6,426**	**1.61**
Net other liabilities		(116)	(0.03)
Total net assets		**400,108**	**100.00**

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

The counterparties for the forward currency contracts are BNP Paribas Arbitrage SNC, Morgan Stanley & Co. International Plc, Royal Bank of Scotland Plc, Toronto-Dominion Bank and UBS AG.

All underlying funds are managed by a related party.

NM0522U-2209585-172/218

BlackRock Volatility Strategy Fund II

Statement of Total Return

for the year ended 28 February 2022

	Notes	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Income					
Net capital gains	3		18,220		6,374
Revenue	4	6,459		5,312	
Expenses	5	(889)		(725)	
Net revenue before taxation		5,570		4,587	
Taxation	6	(151)		(190)	
Net revenue after taxation			5,419		4,397
Total return before distributions			23,639		10,771
Distributions	7		(5,419)		(4,397)
Change in net assets attributable to unitholders from investment activities			**18,220**		**6,374**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Opening net assets attributable to unitholders		385,157		345,345
Amounts receivable on issue of units	41,745		54,268	
Amounts payable on cancellation of units	(50,312)		(25,470)	
		(8,567)		28,798
Change in net assets attributable to unitholders from investment activities		18,220		6,374
Retained distribution on accumulation units		5,298		4,640
Closing net assets attributable to unitholders		**400,108**		**385,157**

BlackRock Volatility Strategy Fund II

Balance Sheet

at 28 February 2022

	Notes	28.2.2022 £000's	28.2.2021 £000's
Assets:			
Fixed assets			
– Investment assets		394,776	370,712
Current assets			
– Debtors	8	288	645
– Cash and bank balances		160	3,529
– Cash equivalents	9	6,426	10,646
Total assets		**401,650**	**385,532**
Liabilities:			
Investment liabilities		(978)	–
Creditors			
– Other creditors	10	(564)	(375)
Total liabilities		**(1,542)**	**(375)**
Net assets attributable to unitholders		**400,108**	**385,157**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
16 May 2022

NM0522U-2209585-174/218

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 19.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 20 to 38.

3. Net Capital Gains

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
The net capital gains comprise:		
Gains on non-derivative securities	22,364	588
(Losses)/gains on derivative securities	(3,758)	5,809
Currency losses	(382)	(18)
Custodian transaction costs	(4)	(5)
Net capital gains	**18,220**	**6,374**

Net gains (excluding transaction costs) listed above of £18,224,000 comprise net realised gains of £6,298,000 and net unrealised gains of £11,926,000 (28 February 2022: £6,379,000 comprising net realised gains of £5,587,000) and net unrealised gains of £792,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Equity distributions on CIS holdings	4,816	3,637
Interest distributions on CIS holdings	1,482	1,511
Interest from UK bank deposits	–	1
Overseas dividends	155	–
Revenue from short-term money market funds	6	163
Total revenue	**6,459**	**5,312**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Payable to the Manager or associates of the Manager:		
– Expense rebate due from the Manager*	–	(38)
– Manager's charge	851	730
	851	692
Other expenses:		
– Audit fee	10	8
– Legal and other professional fees	1	1
– Trustee's fees	27	24
	38	33
Total expenses	**889**	**725**

* The Fund receives rebates from the Manager to ensure that the Operating Charge does not exceed 0.22% and 0.37% for C class units and E class units respectively.

6. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Corporation tax	151	190
Total tax charge [see note 6(b)]	**151**	**190**

(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 28.2.2022 £000's	For the year to 28.2.2021 £000's
Net revenue before taxation	5,570	4,587
Corporation tax at 20% (28 February 2021: 20%)	1,114	917
Effects of:		
Revenue not subject to tax	(963)	(727)
Total tax charge [see note 6(a)]	**151**	**190**

NM0522U-2209585-176/218

Notes to Financial Statements continued

7. Distributions

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interim distribution	1,676	2,921
Final distribution	3,622	1,719
	5,298	4,640
Add: Amounts deducted on cancellation of units	425	179
Less: Amounts received on issue of units	(304)	(422)
Distributions	**5,419**	**4,397**

Details of the interim and final distributions per unit are set out in the tables on page 170.

8. Debtors

	28.2.2022 £000's	28.2.2021 £000's
Accrued revenue	2	1
Amounts receivable for issue of units	285	576
Expense rebate due from the Manager	1	38
Income tax recoverable	–	30
Total debtors	**288**	**645**

9. Cash Equivalents

	28.2.2022 £000's	28.2.2021 £000's
Investment in short-term money market funds	6,426	10,646
Total cash equivalents	**6,426**	**10,646**

10. Other Creditors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Audit fee	7	8
Accrued Manager's charge	352	257
Accrued Trustee's fee	13	8
Amounts payable for cancellation of units	188	40
Corporation tax payable	3	61
Custodian transaction costs	1	1
Total other creditors	**564**	**375**

Notes to Financial Statements continued

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 28 February 2022:

Manager/Registrar:	BlackRock Fund Managers Limited
Investment Manager:	BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager 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 7.

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 28 February 2022 and 28 February 2021, the following 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.

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	96%

Notes to Financial Statements continued

12. Related Parties continued

As at 28 February 2021:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	97%

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

13. Portfolio Transaction Costs

For the year ended 28 February 2022

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	43,960	–	–	–	–
Total purchases	**43,960**	**–**		**–**	
Total purchases including transaction costs	**43,960**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	45,100	–	–	–	–
Total sales	**45,100**	**–**		**–**	
Total sales net of transaction costs	**45,100**				
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

Notes to Financial Statements continued

13. Portfolio Transaction Costs continued

For the year ended 28 February 2021

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	349,230	–	–	–	–
Total purchases	**349,230**	**–**		**–**	
Total purchases including transaction costs	**349,230**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	330,080	–	–	–	–
Total sales	**330,080**	**–**		**–**	
Total sales net of transaction costs	**330,080**				
Derivative transaction costs		**–**		**–**	
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

The above analysis covers any direct transaction costs incurred by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of 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 0.14% (28 February 2021: 0.27%).

Notes to Financial Statements continued

14. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

	C Accumulation Units	E Accumulation Units
Balance at the beginning of the year	233,824,341	6,989,369
Issued during the year	20,531,692	3,698,344
Cancelled during the year	(28,145,416)	(1,219,520)
Balance at the end of the year	**226,210,617**	**9,468,193**

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.

15. 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 28 February 2022.

BlackRock Volatility Strategy Fund III

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Fund was established on 6 March 2013 and was authorised by the FCA on 17 January 2013. The Fund's FCA product reference number is 637733.

BlackRock Volatility Strategy Fund III

Comparative Table

	C Accumulation Units			E Accumulation Units		
	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020
	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	166.0	160.5	152.1	164.4	159.1	150.9
Return before operating charges	14.09	5.87	8.73	13.94	5.84	8.76
Operating charges	(0.40)	(0.34)	(0.36)	(0.67)	(0.57)	(0.60)
Return after operating charges	13.69	5.53	8.37	13.27	5.27	8.16
Distributions	(2.50)	(2.08)	(3.46)	(2.25)	(1.87)	(3.23)
Retained distributions on accumulation units	2.50	2.08	3.46	2.25	1.87	3.23
Closing net asset value per unit	179.7	166.0	160.5	177.7	164.4	159.1
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges[1]	8.25%	3.45%	5.50%	8.07%	3.31%	5.41%
Other information						
Closing net asset value (£000's)	137,123	121,093	107,918	10,399	6,700	5,815
Closing number of units	76,310,142	72,935,568	67,251,091	5,852,841	4,076,355	3,655,691
Operating charges[2]	0.22%	0.22%	0.22%	0.37%	0.37%	0.37%
Direct transaction costs[3]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	207.8	185.3	190.1	205.5	183.5	188.4
Lowest bid unit price	166.6	136.9	151.9	164.9	135.7	150.7

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

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

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

BlackRock Volatility Strategy Fund III

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.7806	0.0000	1.6788	0.0000
Equalisation†	–	1.7806	–	1.6788
Distribution paid 30.4.2022	**1.7806**	**1.7806**	**1.6788**	**1.6788**
Distribution paid 30.4.2021	**0.7717**	**0.7717**	**0.6663**	**0.6663**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	0.7227	0.0000	0.5758	0.0000
Equalisation†	–	0.7227	–	0.5758
Distribution paid 31.10.2021	**0.7227**	**0.7227**	**0.5758**	**0.5758**
Distribution paid 31.10.2020	**1.3084**	**1.3084**	**1.2050**	**1.2050**

† 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.

NM0522U-2209585-184/218

BlackRock Volatility Strategy Fund III

Portfolio Statement

at 28 February 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 99.12%; 28.2.2021 95.82%			
Equity Funds – 86.88%; 28.2.2021 83.19%			
5,459,963	iShares Continental European Equity Index Fund UK	13,820	9.37
8,092,878	iShares Emerging Markets Equity Index Fund UK	14,314	9.70
2,782,871	iShares Japan Equity Index Fund UK	6,651	4.51
2,518,986	iShares Mid Cap UK Equity Index Fund UK	6,002	4.07
9,526,335	iShares North American Equity Index Fund UK	41,638	28.22
1,402,420	iShares Pacific ex Japan Equity Index Fund UK	3,254	2.21
10,570,619	iShares UK Equity Index Fund UK	21,284	14.43
4,981,701	iShares US Equity Index Fund UK	21,195	14.37
		128,158	**86.88**
Fixed Income Funds – 12.24%; 28.2.2021 12.63%			
2,510,008	iShares Corporate Bond Index Fund UK	3,798	2.57
4,417,624	iShares Overseas Corporate Bond Index Fund UK	6,807	4.61
5,858,762	iShares Overseas Government Bond Index Fund UK	7,457	5.06
		18,062	**12.24**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – (0.12%); 28.2.2021 1.10%			
Forward Currency Contracts – (0.12%); 28.2.2021 1.10%			
€8,767,974	Euro vs UK sterling	10	0.00
£17,373,113	UK sterling vs Euro	56	0.04
£52,290,824	UK sterling vs US dollar	(353)	(0.25)
US$16,240,171	US dollar vs UK sterling	113	0.09
		(174)	**(0.12)**
Portfolio of investments		**146,046**	**99.00**
CASH EQUIVALENTS			
Short-term Money Market Funds – 2.19%; 28.2.2021 2.04%			
3,223,827	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**3,224**	**2.19**
Net other liabilities		(1,748)	(1.19)
Total net assets		**147,522**	**100.00**

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

The counterparties for the forward currency contracts are BNP Paribas Arbitrage SNC, Morgan Stanley & Co. International Plc, Royal Bank of Scotland Plc, Toronto-Dominion Bank and UBS AG.

All underlying funds are managed by a related party.

BlackRock Volatility Strategy Fund III

Statement of Total Return

for the year ended 28 February 2022

	Notes	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Income					
Net capital gains	3		8,353		3,179
Revenue	4	2,265		1,764	
Expenses	5	(304)		(240)	
Net revenue before taxation		1,961		1,524	
Taxation	6	(6)		(21)	
Net revenue after taxation			1,955		1,503
Total return before distributions			10,308		4,682
Distributions	7		(1,955)		(1,503)
Change in net assets attributable to unitholders from investment activities			**8,353**		**3,179**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Opening net assets attributable to unitholders		127,793		113,733
Amounts receivable on issue of units	25,389		23,996	
Amounts payable on cancellation of units	(16,040)		(14,693)	
		9,349		9,303
Change in net assets attributable to unitholders from investment activities		8,353		3,179
Retained distribution on accumulation units		2,027		1,578
Closing net assets attributable to unitholders		**147,522**		**127,793**

NM0522U-2209585-186/218

BlackRock Volatility Strategy Fund III

Balance Sheet

at 28 February 2022

	Notes	28.2.2022 £000's	28.2.2021 £000's
Assets:			
Fixed assets			
– Investment assets		146,399	123,855
Current assets			
– Debtors	8	66	537
– Cash and bank balances		100	901
– Cash equivalents	9	3,224	2,601
Total assets		**149,789**	**127,894**
Liabilities:			
Investment liabilities		(353)	–
Creditors			
– Other creditors	10	(1,914)	(101)
Total liabilities		**(2,267)**	**(101)**
Net assets attributable to unitholders		**147,522**	**127,793**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
16 May 2022

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 19.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 20 to 38.

3. Net Capital Gains

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
The net capital gains comprise:		
Gains on non-derivative securities	9,814	1,319
(Losses)/gains on derivative securities	(1,328)	1,873
Currency losses	(129)	(8)
Custodian transaction costs	(4)	(5)
Net capital gains	**8,353**	**3,179**

Net gains (Excluding transaction costs) listed above of £8,357,000 comprise net realised gains of £1,049,000 and net unrealised gains of £7,308,000 (28 February 2021: £3,184,000 comprising net realised losses of £(648,000) and net unrealised gains of £3,832,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Equity distributions on CIS holdings	1,933	1,419
Interest distributions on CIS holdings	253	295
Revenue from short-term money market funds	79	50
Total revenue	**2,265**	**1,764**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Payable to the Manager or associates of the Manager:		
– Expense rebate due from the Manager*	(20)	(19)
– Manager's charge	307	241
	287	222
Other expenses:		
– Audit fee	8	8
– Trustee's fees	9	10
	17	18
Total expenses	**304**	**240**

* The Fund receives rebates from the Manager to ensure that the Operating Charge does not exceed 0.22% and 0.37% for C class units and E class units respectively.

6. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Corporation tax	6	21
Total tax charge [see note 6(b)]	**6**	**21**

(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 28.2.2022 £000's	For the year to 28.2.2021 £000's
Net revenue before taxation	1,961	1,524
Corporation tax at 20% (28 February 2021: 20%)	392	305
Effects of:		
Revenue not subject to tax	(386)	(284)
Total tax charge [see note 6(a)]	**6**	**21**

Notes to Financial Statements continued

7. Distributions

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interim distribution	569	987
Final distribution	1,457	590
	2,026	1,577
Add: Amounts deducted on cancellation of units	124	108
Less: Amounts received on issue of units	(195)	(182)
Distributions	**1,955**	**1,503**

8. Debtors

	28.2.2022 £000's	28.2.2021 £000's
Accrued revenue	1	–
Amounts receivable for issue of units	34	506
Expense rebate due from the Manager	20	19
Income tax recoverable	11	12
Total debtors	**66**	**537**

9. Cash Equivalents

	28.2.2022 £000's	28.2.2021 £000's
Investment in short-term money market funds	3,224	2,601
Total cash equivalents	**3,224**	**2,601**

10. Other Creditors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Audit fee	7	8
Accrued Manager's charge	133	86
Accrued Trustee's fee	5	3
Amounts payable for cancellation of units	1,762	1
Corporation tax payable	6	2
Custodian transaction costs	1	1
Total other creditors	**1,914**	**101**

Notes to Financial Statements continued

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 28 February 2022:

Manager/Registrar:	BlackRock Fund Managers Limited
Investment Manager:	BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager 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 7.

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 28 February 2022 and 28 February 2021, the following 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.

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	93%

Notes to Financial Statements continued

12. Related Parties continued

As at 28 February 2021:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	95%

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

13. Portfolio Transaction Costs

For the year ended 28 February 2022

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	17,395	–	–	–	–
Total purchases	**17,395**	**–**		**–**	
Total purchases including transaction costs	**17,395**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	5,700	–	–	–	–
Total sales	**5,700**	**–**		**–**	
Total sales net of transaction costs	**5,700**				
Derivative transaction costs		3		–	
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

Notes to Financial Statements continued

13. Portfolio Transaction Costs continued

For the year ended 28 February 2021

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	112,700	–	–	–	–
Total purchases	**112,700**	**–**		**–**	
Total purchases including transaction costs	**112,700**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	106,289	–	–	–	–
Total sales	**106,289**	**–**		**–**	
Total sales net of transaction costs	**106,289**				
Derivative transaction costs		**–**		**–**	
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

The above analysis covers any direct transaction costs incurred by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of 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 0.11% (28 February 2021: 0.26%).

BIM40522U-3209585-192/218

Notes to Financial Statements continued

14. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

	C Accumulation Units	E Accumulation Units
Balance at the beginning of the year	72,935,568	4,076,355
Issued during the year	11,452,191	2,561,528
Cancelled during the year	(8,077,617)	(785,042)
Balance at the end of the year	**76,310,142**	**5,852,841**

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.

15. 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 28 February 2022.

BlackRock Volatility Strategy Fund IV

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Fund was established on 10 February 2014 and was authorised by the FCA on 10 January 2014. The Fund's FCA product reference number is 637738.

BlackRock Volatility Strategy Fund IV

Comparative Table

	C Accumulation Units			E Accumulation Units		
	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 29.2.2020
	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	165.3	157.3	150.1	163.5	155.8	148.9
Return before operating charges	16.82	8.30	7.52	16.65	8.24	7.48
Operating charges	(0.41)	(0.34)	(0.36)	(0.67)	(0.56)	(0.59)
Return after operating charges	16.41	7.96	7.16	15.98	7.68	6.89
Distributions	(2.48)	(2.20)	(3.63)	(2.17)	(1.97)	(3.35)
Retained distributions on accumulation units	2.48	2.20	3.63	2.17	1.97	3.35
Closing net asset value per unit	181.7	165.3	157.3	179.5	163.5	155.8
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges[1]	9.93%	5.06%	4.77%	9.77%	4.93%	4.63%
Other information						
Closing net asset value (£000's)	56,662	45,415	39,324	5,354	3,418	2,260
Closing number of units	31,182,308	27,480,670	25,004,857	2,982,998	2,090,981	1,450,526
Operating charges[2]	0.22%	0.22%	0.22%	0.37%	0.37%	0.37%
Direct transaction costs[3]	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	211.4	185.2	189.4	208.8	183.3	187.6
Lowest bid unit price	166.0	132.2	149.4	164.2	130.9	148.2

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

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

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

BlackRock Volatility Strategy Fund IV

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.7742	0.0000	1.6081	0.0000
Equalisation†	–	1.7742	–	1.6081
Distribution paid 30.4.2022	**1.7742**	**1.7742**	**1.6081**	**1.6081**
Distribution paid 30.4.2021	**0.8178**	**0.8178**	**0.7168**	**0.7168**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	0.7047	0.0000	0.5601	0.0000
Equalisation†	–	0.7047	–	0.5601
Distribution paid 31.10.2021	**0.7047**	**0.7047**	**0.5601**	**0.5601**
Distribution paid 31.10.2020	**1.3816**	**1.3816**	**1.2565**	**1.2565**

† 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.

BlackRock Volatility Strategy Fund IV

Portfolio Statement

at 28 February 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 99.28%; 28.2.2021 96.42%			
Equity Funds – 99.28%; 28.2.2021 96.35%			
2,559,590	iShares Continental European Equity Index Fund UK	6,479	10.45
3,837,908	iShares Emerging Markets Equity Index Fund UK	6,788	10.95
1,314,122	iShares Japan Equity Index Fund UK	3,141	5.06
1,184,911	iShares Mid Cap UK Equity Index Fund UK	2,823	4.55
4,034,819	iShares North American Equity Index Fund UK	17,636	28.44
678,627	iShares Pacific ex Japan Equity Index Fund UK	1,574	2.54
5,084,730	iShares UK Equity Index Fund UK	10,238	16.51
3,029,275	iShares US Equity Index Fund UK	12,888	20.78
		61,567	**99.28**
Short-term Money Market Funds – 0.00%; 28.2.2021 0.07%			
DERIVATIVES – (0.10%); 28.2.2021 0.93%			
Forward Currency Contracts – (0.10%); 28.2.2021 0.93%			
€3,976,781	Euro vs UK sterling	4	0.00
£6,820,492	UK sterling vs Euro	26	0.05
£18,602,250	UK sterling vs US dollar	(127)	(0.20)
US$5,148,261	US dollar vs UK sterling	38	0.05
		(59)	**(0.10)**
Portfolio of investments		**61,508**	**99.18**
CASH EQUIVALENTS			
Short-term Money Market Funds – 0.89%; 28.2.2021 1.62%			
554,447	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**554**	**0.89**
Net other liabilities		(46)	(0.07)
Total net assets		**62,016**	**100.00**

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

The counterparties for the forward currency contracts are Barclays Bank Plc, BNP Paribas Arbitrage SNC, HSBC Bank Plc, Morgan Stanley & Co. International Plc, Royal Bank of Scotland Plc, Société Générale SA, Toronto-Dominion Bank and UBS AG.

All underlying funds are managed by a related party.

NM0522U-2209585-198/218

BlackRock Volatility Strategy Fund IV

Statement of Total Return

for the year ended 28 February 2022

	Notes	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Income					
Net capital gains	3		3,857		1,682
Revenue	4	890		678	
Expenses	5	(138)		(93)	
Net revenue before taxation		752		585	
Taxation	6	–		(4)	
Net revenue after taxation			752		581
Total return before distributions			4,609		2,263
Distributions	7		(752)		(581)
Change in net assets attributable to unitholders from investment activities			**3,857**		**1,682**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

	£000's	For the year to 28.2.2022 £000's	£000's	For the year to 28.2.2021 £000's
Opening net assets attributable to unitholders		48,833		41,584
Amounts receivable on issue of units	13,352		7,906	
Amounts payable on cancellation of units	(4,845)		(2,952)	
		8,507		4,954
Change in net assets attributable to unitholders from investment activities		3,857		1,682
Retained distribution on accumulation units		819		613
Closing net assets attributable to unitholders		**62,016**		**48,833**

BlackRock Volatility Strategy Fund IV

Balance Sheet

at 28 February 2022

	Notes	28.2.2022 £000's	28.2.2021 £000's
Assets:			
Fixed assets			
– Investment assets		61,635	47,541
Current assets			
– Debtors	8	45	371
– Cash and bank balances		50	176
– Cash equivalents	9	554	793
Total assets		**62,284**	**48,881**
Liabilities:			
Investment liabilities		(127)	–
Creditors			
– Other creditors	10	(141)	(48)
Total liabilities		**(268)**	**(48)**
Net assets attributable to unitholders		**62,016**	**48,833**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
16 May 2022

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 19.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 20 to 38.

3. Net Capital Gains

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
The net capital gains comprise:		
Gains on non-derivative securities	4,445	983
(Losses)/gains on derivative securities	(542)	703
Currency losses	(42)	(2)
Custodian transaction costs	(4)	(3)
Custodian transaction costs rebate	–	1
Net capital gains	**3,857**	**1,682**

Net gains (excluding transaction costs) listed above of £3,861,000 comprise net realised losses of £(12,000) and net unrealised gains of £3,873,000 (28 February 2021

4. Revenue

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Equity distributions on CIS holdings	865	634
Interest distributions on CIS holdings	3	25
Manager's charge rebates	17	–
Revenue from short-term money market funds	5	19
Total revenue	**890**	**678**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Payable to the Manager or associates of the Manager:		
– Expense rebate due from the Manager*	–	(4)
– Manager's charge	124	88
	124	84
Other expenses:		
– Audit fee	10	8
– Trustee's fees	4	1
	14	9
Total expenses	**138**	**93**

* The Fund receives rebates from the Manager to ensure that the Operating Charge does not exceed 0.22% and 0.37% for C class units and E class units respectively.

6. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Irrecoverable overseas tax	–	4
Total tax charge [see note 6(b)]	**–**	**4**

(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 28.2.2022 £000's	For the year to 28.2.2021 £000's
Net revenue before taxation	753	585
Corporation tax at 20% (28 February 2021: 20%)	151	117
Effects of:		
Irrecoverable overseas tax	–	4
Movement in unrecognised excess management expenses	22	10
Revenue not subject to tax	(173)	(127)
Total tax charge [see note 6(a)]	**–**	**4**

At 28 February 2022, the Fund had surplus management expenses of £180,000 (28 February 2021: £67,000). 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 £36,000 (28 February 2021: £14,000) has not been recognised.

Notes to Financial Statements continued

7. Distributions

	For the year to 28.2.2022 £000's	For the year to 28.2.2021 £000's
Interim distribution	218	373
Final distribution	601	240
	819	613
Add: Amounts deducted on cancellation of units	35	19
Less: Amounts received on issue of units	(102)	(51)
Distributions	**752**	**581**

8. Debtors

	28.2.2022 £000's	28.2.2021 £000's
Amounts receivable for issue of units	25	355
Expense rebate due from the Manager	18	12
Income tax recoverable	2	4
Total debtors	**45**	**371**

9. Cash Equivalents

	28.2.2022 £000's	28.2.2021 £000's
Investment in short-term money market funds	554	793
Total cash equivalents	**554**	**793**

10. Other Creditors

	28.2.2022 £000's	28.2.2021 £000's
Accrued Audit fee	8	8
Accrued Manager's charge	55	31
Accrued Trustee's fee	2	1
Amounts payable for cancellation of units	75	8
Custodian transaction costs	1	–
Total other creditors	**141**	**48**

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

Notes to Financial Statements continued

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 28 February 2022:

Manager/Registrar:	BlackRock Fund Managers Limited
Investment Manager:	BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager 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 7.

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 28 February 2022 and 28 February 2021, the following 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.

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

NM0522U-2209585-204/218

Notes to Financial Statements continued

12. Related Parties continued

As at 28 February 2021:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	93%

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

13. Portfolio Transaction Costs

For the year ended 28 February 2022

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	9,400	–	–	–	–
Total purchases	**9,400**	**–**		**–**	
Total purchases including transaction costs	**9,400**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	200	–	–	–	–
Total sales	**200**	**–**		**–**	
Total sales net of transaction costs	**200**				
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

DM405221U-3209585-205/210

Notes to Financial Statements continued

13. Portfolio Transaction Costs continued

For the year ended 28 February 2021

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	40,300	–	–	–	–
Total purchases	**40,300**	**–**		**–**	
Total purchases including transaction costs	**40,300**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	36,140	–	–	–	–
Total sales	**36,140**	**–**		**–**	
Total sales net of transaction costs	**36,140**				
Derivative transaction costs		**–**		**–**	
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

The above analysis covers any direct transaction costs incurred by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of 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 0.09% (28 February 2021: 0.25%).

Notes to Financial Statements continued

14. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

	C Accumulation Units	E Accumulation Units
Balance at the beginning of the year	27,480,670	2,090,981
Issued during the year	6,006,352	1,276,875
Cancelled during the year	(2,304,714)	(384,858)
Balance at the end of the year	**31,182,308**	**2,982,998**

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.

15. 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 28 February 2022.

BIM40522U-3209585-207/210

Statement of Manager's and Trustee's Responsibilities

The Manager is required by the terms of the Trust Deed to prepare the financial statements for each financial year. These financial statements must be prepared in accordance with generally accepted accounting standards in the United Kingdom to give a true and fair view of the state of affairs of the Trust at the year end and of the net revenue/(expenses) and net gains/(losses) 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 Trust 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 Financial Conduct Authority's ("FCA") Collective Investment Schemes Sourcebook ("the Sourcebook"), the SORP and the Trust Deed.

The Trustee acts as the depositary of the Funds and, in doing so, shall comply with the terms of the Scheme and the provisions of the AIFMD (which means, collectively, Directive 2011/61/EU, as implemented by Commission Delegated Regulation (EU) No. 231/2013, and as transposed by UK SI 2013/1773 and any other applicable national implementing measures in the UK including, without limitation, the rules contained in the FCA handbook of rules and guidance, each as may be amended or updated from time to time).

The Trustee is responsible for the safekeeping of all the property of the Scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Scheme is managed in accordance with the Sourcebook, the FCA Investment Funds Sourcebook ("FUND"), the Trust's Trust Deed and Prospectus, in relation to the pricing of, and dealings in, units in the Trust; the application of revenue of the Scheme; and the investment and borrowing powers of the Trust.

Report of the Trustee

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's revenue in accordance with the Sourcebook, FUND, the Trust Deed and Prospectus, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Trust.

The Bank of New York Mellon
(International) Limited

London
16 May 2022

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Tel: +44 20 7951 2000
Fax: +44 20 7951 1345
ey.com

Independent Auditor's Report to the Unitholders of BlackRock Non-UCITS Retail Funds

We have audited the financial statements of BlackRock Non-UCITS Retail Funds ("the Trust") for the year ended 28 February 2022, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheets, the related notes and the Distribution Tables for each of the Trust's Funds, the Financial Instruments and Risks Disclosures and the accounting policies of the Trust, 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, FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust comprising each of its Funds as at 28 February 2022 and of the net revenue/(expenses) and the net capital gains on the scheme property of the Trust comprising each of its Funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Trust 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.

A member firm of Ernst & Young Global Limited

Building a better working world

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Tel: +44 20 7951 2000
Fax: +44 20 7951 1345
ey.com

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 Trust's ability to continue as a going concern for a period assessed by the Manager, which is at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust'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 audit report thereon. The Manager is responsible for the other information contained in the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our audit 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.

A member firm of Ernst & Young Global Limited

Building a better working world

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Tel: +44 20 7951 2000
Fax: +44 20 7951 1345
ey.com

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 207, 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 Trust'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 Trust 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.

Building a better working world

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Tel: +44 20 7951 2000
Fax: +44 20 7951 1345
ey.com

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 Trust 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 Trust Deed and the Prospectus.
- We understood how the Trust is complying with those frameworks through discussions with the Manager and the Trust's administrators and a review of the Trust's documented policies and procedures.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Trust.
- Due to the regulated nature of the Trust, 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.

A member firm of Ernst & Young Global Limited

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Tel: +44 20 7951 2000
Fax: +44 20 7951 1345
ey.com

Use of our report

This report is made solely to the Trust'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 Trust'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 Trust and the Trust's Unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor

London
16 May 2022

A member firm of Ernst & Young Global Limited

Supplementary Information

Efficient Portfolio Management Techniques

The Manager may, on behalf of certain Funds and subject to the conditions and within the limits laid down by the FCA and the Prospectus, employ techniques and instruments relating to transferable securities, including investments in Over-the-Counter Financial Derivative Instruments (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 Funds may employ other techniques and instruments relating to transferable securities and money market instruments, subject to the conditions set out in the Trust's Prospectus, as amended from time to time, and the ESMA Guidelines (as adopted by the FCA), such as repurchase / reverse repurchase transactions ("repo transactions") and securities lending.

Securities Lending

The following table details the value of securities on loan as a proportion of the Funds' total lendable assets and NAV as at 28 February 2022. Total lendable assets represents the aggregate value of assets forming part of the Funds' securities lending programme. This excludes any assets held by the Funds that are not considered lendable due to any market, regulatory, investment or other restriction.

	Securities on loan	
Fund	% of lendable assets	% of NAV
BlackRock UK Managed Volatility Fund I	14.11	2.70
BlackRock UK Managed Volatility Fund II	4.93	1.32
BlackRock UK Managed Volatility Fund III	0.15	0.06

Only the BlackRock UK Managed Volatility Fund I, BlackRock UK Managed Volatility Fund II and BlackRock UK Managed Volatility Fund III had securities on loan and related collateral outstanding as at 28 February 2022.

The total income earned from securities lending transactions is split between the 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 Fund's notes to the financial statements.

The value of securities on loan and associated collateral analysed by counterparty, as at 28 February 2022, is disclosed in the notes to the financial statements.

All securities on loan have an open maturity tenor as they are recallable or terminable on a daily basis.

Collateral

The BlackRock UK Managed Volatility Fund I, BlackRock UK Managed Volatility Fund II and BlackRock UK Managed Volatility Fund III engage in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

Supplementary Information continued

The following table provides an analysis by currency of the cash and underlying non-cash collateral received by way of title transfer collateral arrangement by the Funds, in respect of securities lending transactions, as at 28 February 2022.

Currency	Cash collateral received	Cash collateral posted	Non-cash collateral received	Non-cash collateral posted
BlackRock UK Managed Volatility Fund I	**£000's**	**£000's**	**£000's**	**£000's**
Securities lending transactions				
CAD	–	–	54	–
CHF	–	–	77	–
CNY	–	–	15	–
DKK	–	–	1	–
EUR	–	–	552	–
GBP	–	–	257	–
HKD	–	–	7	–
JPY	–	–	238	–
NOK	–	–	17	–
SEK	–	–	1	–
SGD	–	–	33	–
USD	–	–	321	–
Total	**–**	**–**	**1,573**	**–**

Currency	Cash collateral received	Cash collateral posted	Non-cash collateral received	Non-cash collateral posted
BlackRock UK Managed Volatility Fund II	**£000's**	**£000's**	**£000's**	**£000's**
Securities lending transactions				
CAD	–	–	233	–
EUR	–	–	37	–
GBP	–	–	272	–
JPY	–	–	101	–
USD	–	–	883	–
Total	**–**	**–**	**1,526**	**–**

Currency	Cash collateral received	Cash collateral posted	Non-cash collateral received	Non-cash collateral posted
BlackRock UK Managed Volatility Fund III	**£000's**	**£000's**	**£000's**	**£000's**
Securities lending transactions				
CAD	–	–	4	–
EUR	–	–	1	–
GBP	–	–	4	–
JPY	–	–	2	–
USD	–	–	13	–
Total	**–**	**–**	**24**	**–**

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions can be sold, re-invested or pledged.

BlackRock UK Managed Volatility I

Collateral received in respect to securities lending of £1,573,000 was in the form of equities, registered on a recognised equity index.

BlackRock UK Managed Volatility II

Collateral received in respect to securities lending of £1,526,000 was in the form of equities, registered on a recognised equity index.

BlackRock UK Managed Volatility III

Collateral received in respect to securities lending of £24,000 was in the form of equities, registered on a recognised equity index.

As at 28 February 2022, all non-cash collateral received by the Fund in respect of securities lending transactions 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) of non-cash collateral received by the Fund by way of the title transfer collateral arrangement across securities lending transactions as at 28 February 2022.

Fund	Value	% of the Fund's NAV
BlackRock UK Managed Volatility Fund I	**£000's**	
Barclays Capital Securities Limited	1,457	2.78
J.P. Morgan Securities Plc	116	0.22
Total	**1,573**	**3.00**
BlackRock UK Managed Volatility Fund II	**£000's**	
Goldman Sachs International Plc	1,526	1.49
Total	**1,526**	**1.49**

Supplementary Information continued

Fund	Value	% of the Fund's NAV
BlackRock UK Managed Volatility Fund III	**£000's**	
Goldman Sachs International Plc	24	0.07
Total	**24**	**0.07**

About us

BlackRock is a premier provider of asset management, risk management, and advisory services to institutional, intermediary, and individual clients worldwide. As of 31 March 2022, the firm manages £7.383 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

Through BlackRock Solutions®, the firm offers risk management and advisory services that combine capital markets expertise with proprietarily-developed analytics, systems, and technology.

BlackRock serves clients in North and South America, Europe, Asia, Australia, Africa, and the Middle East. Headquartered in New York, the firm maintains offices in over 35 countries around the world.

Want to know more?

blackrockinternational.com | +44 (0)20 7743 3300

© 2022 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS and iSHARES are trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

BlackRock®

Go paperless. . .
It's Easy, Economical and Green!
Go to **www.blackrock.com/edelivery**

NM0522U-2209585-218/218