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 2023

NM0623U-2932223-1/221

Contents

General Information	2
About the Trust	3
Fund Managers	3
Significant Events	3
Subsequent Events	4
Investment Manager's Report	5
Report on Remuneration	12
Accounting and Distribution Policies	18
Financial Instruments and Risks	20
BlackRock Managed Volatility Fund	40
BlackRock Managed Volatility Fund I	55
BlackRock Managed Volatility Fund II	70
BlackRock Managed Volatility Fund III	85
BlackRock Managed Volatility Fund IV	100
BlackRock UK Managed Volatility Fund I	115
BlackRock UK Managed Volatility Fund II	129
BlackRock UK Managed Volatility Fund III	144
BlackRock Volatility Strategy Fund I	159
BlackRock Volatility Strategy Fund II	172
BlackRock Volatility Strategy Fund III	185
BlackRock Volatility Strategy Fund IV	198
Statement of Manager's and Trustee's Responsibilities	211
Report of the Trustee	211
Independent Auditor's Report	212
Supplementary Information	217

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 (Resigned 2 May 2023)
W I Cullen*
D Edgar
B Harrison (Resigned 19 August 2022)
K Henry (Appointed 3 March 2023)
A M Lawrence
H N Mepham
M T Zemek*

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

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

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

Authorised and regulated by the FCA.

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

Authorised and regulated by the FCA

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

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

This Report relates to the packaged products of and is issued by:
BlackRock Fund Managers Limited
12 Throgmorton Avenue, London EC2N 2DL
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 2023 and 28 February 2022 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. Our assessment considers fund and unit class-level performance, costs and charges, and service quality, concluding with an evaluation of whether investors receive value. BlackRock has fulfilled its obligations for the reporting requirement, including assessing relevant charges, and published the annual assessment of value statements on the BlackRock website on 31 October 2022 in a composite report for all funds managed by BlackRock Fund Managers Limited subject to these requirements.

Fund Manager

As at 28 February 2023, the Fund Manager of the Funds is Julian Steeds.

Significant Events

Changes in the Directors of the Manager

B Harrison resigned as a Director effective 19 August 2022.

Significant Events continued

Outbreak of COVID-19

The impact of the coronavirus outbreak was profound across all aspects of society. In developed economies it is clear that the worst of the impact is now over. However there is an expectation that seasonal peaks and new variants could give rise to renewed travel restrictions, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery and supply chain disruptions which will create ongoing challenges. Widescale and comprehensive vaccination programmes have been put in place in many countries which have had a positive effect. Nevertheless, the impact of COVID-19 continues to adversely affect the economies of many nations across the globe and this in turn may continue to impact investments held by each Fund.

Russian Invasion of Ukraine

Certain financial markets have fallen 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 Manager continues to monitor investment performance in line with the Funds' investment objectives, and the operations of the Funds and the publication of net asset values are continuing. Additional information on the Funds' performance and a global economic overview for key financial markets are included in the Investment Manager's report.

Subsequent Events

Changes in the Directors of the Manager

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

Investment Manager's Report

for the year ended 28 February 2023

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 (i.e. the degree of fluctuation of the returns) of its portfolio of investments at or around 5%, 6%, 8%, 10% and 15%, respectively, and provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets). Volatility, for this purpose, is measured as the volatility of the Fund's daily portfolio returns over the previous 60 Business Days, with each relevant Business Day's volatility given equal weight in such measurement, converted into an annual rate.

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

The aim of the Fund is to manage the volatility (i.e. the degree of fluctuation of the returns) of its portfolio of investments at or around 5%, 7% and 9%, respectively and provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets). Volatility, for this purpose, is measured as the volatility of the Fund's daily portfolio returns over the previous 120 Business Days, with each relevant Business Day's volatility given equal weight in such measurement, converted into an annual rate. The Fund aims to maintain the volatility of the Funds between 4% and 6%, 6% and 8% and, 8% and 10%, respectively.

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 (i.e. the degree of fluctuation of the returns) of its portfolio of investments at or around 9%, 11%, 13% and 15%, respectively, and provide a return on your investment (generated through an increase in the value of the assets held by the Funds and/or income received from those assets). Volatility, for this purpose, is the annualised, equal-weighted volatility of the monthly portfolio returns over multiple average business cycles (defined by the Manager as a 10 year period), with the aim of maintaining the volatility of the Funds below 10%, 12%, 14% and 16%, respectively.

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

Fund name	Investment management approach
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 against the performance of the relevant benchmark during the financial year ended 28 February 2023.

	Fund Return %	Average realised 60 days Volatility %	Target Volatility %
BlackRock Managed Volatility Fund – Class C Accumulation Units	(7.89)	6.90	5.0
BlackRock Managed Volatility Fund I – Class C Accumulation Units	(7.02)	7.26	6.0
BlackRock Managed Volatility Fund II – Class C Accumulation Units	(5.03)	7.95	8.0
BlackRock Managed Volatility Fund III – Class C Accumulation Units	(3.70)	9.04	10.0
BlackRock Managed Volatility Fund IV – Class C Accumulation Units	7.70	13.32	15.0

	Fund Return %	Average realised 120 days Volatility %	Target Volatility %
BlackRock UK Managed Volatility Fund I – Class C Accumulation Units	(5.36)	5.30	4.0 – 6.0
BlackRock UK Managed Volatility Fund II – Class C Accumulation Units	(7.66)	6.83	6.0 – 8.0
BlackRock UK Managed Volatility Fund III – Class C Accumulation Units	(3.26)	8.39	8.0 – 10.0

	Fund Return %	Average realised 3-year Volatility %	Target Volatility %*
BlackRock Volatility Strategy Fund I – Class C Accumulation Units	(5.21)	9.09	9.0
BlackRock Volatility Strategy Fund II – Class C Accumulation Units	(3.87)	10.85	11.0
BlackRock Volatility Strategy Fund III – Class C Accumulation Units	(1.88)	12.39	13.0
BlackRock Volatility Strategy Fund IV – Class C Accumulation Units	0.03	13.78	15.0

* The Funds are managed to maintain the volatility below 10%,12%, 14% and 16%, respectively.

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

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

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

Global Economic Overview

Global equities, as represented by the MSCI All Country World Index ("ACWI"), returned (8.26%) (in US dollar terms) for the twelve months ended 28 February 2023. However, as the pound sterling declined sharply against other influential currencies, the ACWI returned 1.67% (in GBP terms) for the twelve months ended 28 February 2023. Amid concerns about a global economic downturn, both bonds and equities were pressured by persistently high inflation (rate of increase in the prices of goods and services) and rapid monetary policy tightening from the world's largest central banks. The continued impact of Russia's invasion of Ukraine and the resulting disruptions to normal trade patterns contributed to significant volatility (market ups and downs) in some commodity prices.

Driven by a widening trade deficit and lower business investment, US gross domestic product (GDP) contracted in the first half of the twelve month period, raising recession concerns among investors. However, the US economy returned to growth in the third and fourth quarters as both consumer and government spending grew. The US job market showed continued strength and unemployment declined to the lowest level in over 50 years. In Japan, the economy slowed, constrained by weak levels of private consumption and business investment. The UK economy faltered amid weakness in the services and manufacturing sectors. Growth also slowed in the Eurozone as consumer demand was tempered by high inflation and increased borrowing costs.

Most emerging market economies continued to expand, although fluctuating commodity prices and the stronger US dollar presented significant economic challenges. The Chinese economy continued to grow at a slow pace relative to the country's historical growth rate, but a relaxation of strict COVID-19 protocols late in the twelve month period drove investor optimism for an economic rebound. The Indian economy slowed in the second half of 2022, on an annual basis, as private spending and investment growth stalled.

Investment Manager's Report continued

As the effects of restrictions related to the COVID-19 pandemic continued to fade while inflation rose, the world's largest central banks began to implement various measures aimed at monetary policy tightening. The US Federal Reserve ("the Fed") raised interest rates eight times during the year in an effort to control inflation, including four consecutive 75 basis point increases before slowing the pace of its interest rate increases towards the end of the twelve month period. The Fed also ended its bond buying programmes and began reducing some of its accumulated bond holdings in June 2022.

The Bank of England ("BoE") also raised interest rates eight times during the period, as inflation reached a forty one year high. Inflation was also elevated in the Eurozone, and the European Central Bank ("ECB") raised interest rates five times. Furthermore, the ECB signalled that it would take action to prevent significant divergence between bond yields (which move inversely to prices) of Eurozone states as interest rates rise.

Global equity performance was negative during the twelve month period, as investors assessed the impact of rapidly changing economic and credit conditions. Inflation pressures amid strong labour markets and tighter monetary policy from many central banks pressured equities, leading to steep declines, particularly in the first half of the period. Globally, bonds and equities that factor in companies' environmental, social and governance ("ESG") characteristics continued to attract investment flows, although the pace of investment slowed significantly in 2022. New bonds for ESG-related projects declined in 2022 relative to 2021, as higher interest rates weighed on issuance. Nevertheless, inflows into ESG-related stocks and bonds rebounded in early 2023.

Yields (which move inversely to prices) on the 10-year US Treasury, a benchmark lending rate for the global bond market, rose sharply during the twelve month period as central banks tightened monetary policy. The yield curve, which measures the difference between yields at different maturity levels, inverted, such that shorter-maturity yields rose above longer-maturity yields, which is a signal that markets were increasingly concerned about slowing economic growth. Yields on UK gilts rose substantially, and a tax cut proposal raised the likelihood of increased government borrowing, leading to BoE intervention to stabilise the UK gilts market. The government subsequently dropped its proposal, further easing the pressure on gilts. The prices of government bonds in the Eurozone also declined notably for the twelve month period, while Japanese government bonds generally declined more slowly. However, in December 2022, the Japanese government raised its yield cap for 10-year government bond yields, leading to a sharp increase in the yields for those bonds.

Global corporate bond returns were negative overall, as yields rose substantially. Amid growing inflation concerns, most of the largest central banks raised interest rates, reducing the value of existing bonds. Elevated borrowing costs weighed on issuers of corporate bonds, as investors became more concerned about the impact of changing economic conditions.

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 India, Brazil, and Mexico, raised interest rates multiple times in response to heightened inflation concerns. Emerging market bond prices declined notably amid continued monetary tightening from the Fed, which drove higher borrowing costs in emerging markets.

The commodities markets were volatile, with prices rising sharply in the aftermath of the Russian invasion of Ukraine before moderating on growth concerns. Brent crude oil prices rose sharply earlier in the twelve month period before falling again to end the period lower, and natural gas prices in the Eurozone fluctuated significantly as countries sought alternate gas suppliers. Gold prices were down slightly, as high interest rates made non-interest-bearing investments relatively less attractive.

On the foreign exchange markets, the US dollar rose against most other global currencies, driven primarily by the Fed's tightening of monetary policy. The Japanese yen, pound sterling, the Chinese yuan, and the euro all fell versus the US dollar as higher US bond yields prompted increased demand for US investments from overseas investors.

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 2023 the Funds' returns were (7.89%), (7.02%), (5.03%) (3.70%) and 7.70% for the 5 funds respectively.

The multi-asset Funds (except for the BlackRock Managed Volatility Fund IV) posted negative returns for the financial year primarily because of a sharp price deterioration in the UK fixed income market. This is also why realised performance was lower for Funds targeting lower levels of volatility, due to higher minimum allocation to fixed income securities. BlackRock Managed Volatility IV, that does not invest into any kind of fixed income securities and only invests into cash and equities, delivered positive performance over the financial year.

From a risk management perspective, the finanical year was a very difficult year for financial markets, with both equities and fixed income securities reporting negative returns with a significant increase in volatility driven by various factors including Russia's invasion of Ukraine and much stronger than expected inflation that followed in the aftermath of both Russia's invasion and the crisis caused by the COVID-19 pandemic. Fixed income volatility has been comparable to equity volatility over the period, with both assets moving in the same direction at some points of time during the year which is something rather unusual in the 21st Century. Both global equities and UK fixed income markets experienced successive volatile periods over the financial year, with equity markets rallying towards the end of the year, while fixed income markets continued to be negatively impacted by the interest rate hikes enacted by central banks across most major economies to try to bring inflation under control. The increased volatility in UK fixed income markets seen in September 2022 caused by the "2022 gilt market crisis" was difficult to manage as the Funds could not completely de-risk out of fixed income securities. While Funds II, III and IV, targeting higher levels of risk, were generally able to re-invest into equities when volatility started to decrease, BlackRock Managed Volatility Fund and Fund I were limited in their ability to do so, as volatility derived from their allocation to fixed income securities was too significant as compared to their respective risk target.

Over the period, the average 60 day volatility was generally in line with or marginally above risk targets for all Funds (as detailed in the performance summary table), except for funds targeting low levels of volatility (the BlackRock Managed Volatility Fund and BlackRock Managed Volatility Fund I), where the de-risking on equities was not enough to bring volatility back to targeted levels, and due to the constraint to always hold a minimum of level of fixed income securities.

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 2023 the Funds' returns were (5.36%), (7.66%) and (3.26%) for the 3 funds respectively.

Investment Manager's Report continued

The Funds all posted negative returns for the financial year primarily because of a sharp price deterioration in the UK fixed income market This also explains why realised performance was lower for the Funds I and II targeting lower levels of volatility, due to higher minimum allocation to fixed income securities, as the UK equity market delivered stronger performance over the whole period.

From a risk management perspective, the financial year was a very difficult year for financial markets, with both equities and fixed income securities reporting negative returns with a significant increase in volatility driven by various factors including Russia's invasion of Ukraine and much stronger than expected inflation that followed in the aftermath of both Russia's invasion and the crisis caused by the COVID-19 pandemic. Fixed income volatility has been comparable to equity volatility over the financial year, with both assets moving in the same direction at some points of time during the year, which is something unusual in the 21st Century. Both global equities and UK fixed income markets experienced successive volatile periods over the financial year, with equity markets rallying at the end of the year, while fixed income markets continued to be negatively impacted by the interest rate hikes enacted by central banks across most major economies to try to bring inflation under control. Given the increased volatility in UK fixed income markets seen in September 2022 caused by the "2022 gilt market crisis", the Funds de-risked out of equity and fixed income assets during the worst period of the crisis. This significant de-risking activity prevented the Funds from fully capturing the subsequent rebound in both equity and fixed income securities that started at the end of 2022 and continued up to the end of the financial year.

Over the financial year, the average 120-day volatility of the 3 Funds remained well in line with targeted levels (as detailed in the performance summary table).

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 2023 the Funds' returns were (5.21%), (3.87%), (1.88%) and 0.03% for the 4 funds respectively.

Overall, the financial year was a very difficult year for financial markets, with both equities and fixed income securities reporting negative returns driven by various factors including Russia's invasion of Ukraine and much stronger than expected inflation that followed in the aftermath of both Russia's invasion and the crisis caused by the COVID-19 pandemic. Although equities started 2023 on a positive note, difficult market conditions in 2022 caused three out of four funds to report negative returns during the financial year. Foreign exchange hedging was the largest detractor from the Funds' performance, followed by fixed income. Within fixed income, both government and corporate bonds continued to be negatively impacted by the interest rate hikes enacted by central banks across most major economies to try to bring inflation under control. Given the volatility in UK fixed income markets in September 2022, UK gilts were unsurprisingly the largest detractor within fixed income. In contrast, equities provided a positive contribution to performance across all four Funds, led by strong performance of the UK, European and North American regional equities, benefiting from reduced fears of a potential inflationary scenario at the beginning of 2023. Performance of the Volatility Strategy Fund IV was positively impacted by its lack of allocation to fixed income securities, and therefore reported marginally positive returns over the financial year.

From a risk management perspective, all the Funds delivered an average realised 3-year volatility below their targets (detailed in the performance summary table). At the start of 2022, the Funds were almost fully invested in equities and fixed income securities until June 2022 when volatility spiked which caused de-risking activity into cash across all four Funds. In the months that followed, volatility decreased which caused the Funds to re-risk in July and August. At the end of September 2022, the spillover effect of heightened volatility in UK fixed income markets to wider financial markets led to de-risking once again across all the Funds. Once volatility was reduced, the Investment Manager has re-risked the Funds gradually every month since October until the end of February 2023.

Report on Remuneration

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

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

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

Remuneration Governance

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

The implementation of the remuneration policy is annually subject to central and independent review for compliance with policies and procedures for remuneration adopted by the MDCC and by the Manager's Board. The remuneration disclosure is produced and owned by MDCC and the Manager's Board.

(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 7 meetings during 2022. 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.

Report on Remuneration continued

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;
- criticality to business; and
- supporting the firm's approaches to environmental, social and governance factors and diversity, equity and inclusion.

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

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

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

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

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

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).

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 to the Manager's staff in respect of the Manager's financial year ending 31 December 2022 is US dollar 194.5 million. This figure is comprised of fixed remuneration of US dollar 109.3 million and variable remuneration of US dollar 85.3 million. There were a total of 3,790 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager in respect of the Manager's financial year ending 31 December 2022, to its senior management was US dollar 21.6 million, and to other members of its staff whose actions potentially have a material impact on the risk profile of the Manager or its funds was US dollar 8.8 million. These figures relate to the entire Manager and not to the Fund.

1. Accounting and Distribution Policies*

for the year ended 28 February 2023

1. 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 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, 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, body, firm or corporation including the Manager's pricing committee and such fair value shall be determined

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

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

(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 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 2023 and 28 February 2022 based on a 99% confidence level is outlined in the table below:

Fund	28 February 2023 %	28 February 2022 %
BlackRock Managed Volatility Fund	0.97	0.56
BlackRock Managed Volatility Fund I	0.88	0.62
BlackRock Managed Volatility Fund II	1.26	0.70
BlackRock Managed Volatility Fund III	1.56	0.92
BlackRock Managed Volatility Fund IV	2.19	1.99
BlackRock UK Managed Volatility Fund I	1.40	0.68
BlackRock UK Managed Volatility Fund II	1.95	0.80
BlackRock UK Managed Volatility Fund III	2.98	0.80
BlackRock Volatility Strategy Fund I	1.16	1.15
BlackRock Volatility Strategy Fund II	1.51	1.42
BlackRock Volatility Strategy Fund III	1.77	1.72
BlackRock Volatility Strategy Fund IV	2.09	1.96

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 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.

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.

2. Financial Instruments and Risks continued

b) Counterparty credit risk

Exposure to counterparty credit risk

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

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

Management of counterparty credit risk

Counterparty credit risk is monitored and managed by BlackRock's RQA Counterparty & Concentration Risk Team. The team is headed by BlackRock's Chief Counterparty Credit Officer who reports directly to the Global Head of RQA. 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.

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 2023 is AA- (28 February 2022: A-) (Standard & Poor's rating).

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 2023

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund	**£000's**	**£000's**
Australia and New Zealand Banking Group	28	**28**
Bank of America Merrill Lynch	(45)	**(45)**
Barclays Bank Plc	(20)	**(20)**
Goldman Sachs International	49	**49**
HSBC Bank Plc	(16)	**(16)**
J.P. Morgan Securities Plc	10	**10**
Morgan Stanley & Co. International Plc	47	**47**
Société Générale SA	11	**11**
Standard Chartered Bank	50	**50**
State Street Global Advisors Limited	115	**115**

2. Financial Instruments and Risks continued

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund I	**£000's**	**£000's**
Australia and New Zealand Banking Group	143	**143**
Bank of America Merrill Lynch	(336)	**(336)**
Barclays Bank Plc	751	**751**
BNP Paribas Arbitrage SNC	50	**50**
Citigroup Global Markets Limited	(2)	**(2)**
Goldman Sachs International	274	**274**
HSBC Bank Plc	(43)	**(43)**
J.P. Morgan Securities Plc	737	**737**
Morgan Stanley & Co. International Plc	399	**399**
Société Générale SA	259	**259**
Standard Chartered Bank	235	**235**
State Street Global Advisors Limited	746	**746**
Toronto-Dominion Bank	(1)	**(1)**
UBS AG	(27)	**(27)**

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund II	**£000's**	**£000's**
Australia and New Zealand Banking Group	6	**6**
Bank of America Merrill Lynch	(7)	**(7)**
Barclays Bank Plc	279	**279**
Citigroup Global Markets Limited	1	**1**
Goldman Sachs International	7	**7**
HSBC Bank Plc	(7)	**(7)**
J.P. Morgan Securities Plc	80	**80**
Morgan Stanley & Co. International Plc	33	**33**
Société Générale SA	(4)	**(4)**
Standard Chartered Bank	(4)	**(4)**
State Street Global Advisors Limited	53	**53**
UBS AG	(5)	**(5)**

2. Financial Instruments and Risks continued

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund III	**£000's**	**£000's**
Australia and New Zealand Banking Group	4	**4**
Barclays Bank Plc	9	**9**
Goldman Sachs International	4	**4**
HSBC Bank Plc	(3)	**(3)**
J.P. Morgan Securities Plc	(8)	**(8)**
Morgan Stanley & Co. International Plc	19	**19**
Société Générale SA	1	**1**
Standard Chartered Bank	4	**4**
State Street Global Advisors Limited	4	**4**

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund IV	**£000's**	**£000's**
Australia and New Zealand Banking Group	(102)	**(102)**
Citigroup Global Markets Limited	1	**1**
Goldman Sachs International	(157)	**(157)**
Morgan Stanley & Co. International Plc	(90)	**(90)**
Royal Bank of Scotland Plc	43	**43**
Standard Chartered Bank	(149)	**(149)**
State Street Global Advisors Limited	(69)	**(69)**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund I	**£000's**	**£000's**
BNP Paribas Arbitrage SNC	(36)	**(36)**
Merrill Lynch International	(32)	**(32)**
Morgan Stanley & Co. International Plc	23	**23**
Royal Bank of Scotland Plc	(71)	**(71)**
Société Générale SA	(87)	**(87)**
Toronto-Dominion Bank	(117)	**(117)**
UBS AG	(67)	**(67)**

2. Financial Instruments and Risks continued

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund II	**£000's**	**£000's**
BNP Paribas Arbitrage SNC	(109)	**(109)**
Merrill Lynch International	(73)	**(73)**
Morgan Stanley & Co. International Plc	13	**13**
Royal Bank of Scotland Plc	(60)	**(60)**
Société Générale SA	(268)	**(268)**
Toronto-Dominion Bank	(191)	**(191)**
UBS AG	(170)	**(170)**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund III	**£000's**	**£000's**
BNP Paribas Arbitrage SNC	(16)	**(16)**
Merrill Lynch International	(23)	**(23)**
Morgan Stanley & Co. International Plc	34	**34**
Royal Bank of Scotland Plc	(56)	**(56)**
Société Générale SA	(77)	**(77)**
Toronto-Dominion Bank	(59)	**(59)**
UBS AG	(68)	**(68)**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund IV	**£000's**	**£000's**
Barclays Bank Plc	(29)	**(29)**
BNP Paribas Arbitrage SNC	23	**23**
HSBC Bank Plc	(34)	**(34)**
Morgan Stanley & Co. International Plc	25	**25**
Royal Bank of Scotland Plc	14	**14**
Société Générale SA	(34)	**(34)**
Standard Chartered Bank	(6)	**(6)**
Toronto-Dominion Bank	(53)	**(53)**
UBS AG	39	**39**

2. Financial Instruments and Risks continued

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**

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 2023 was AA (28 February 2022: A) (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.

2. Financial Instruments and Risks continued

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

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

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

Management of counterparty credit risk related to debt securities

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

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

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

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.

2. Financial Instruments and Risks continued

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 2023		28 February 2022	
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
J.P. Morgan Securities Plc	UK	–	–	98	116
Total		**–**	**–**	**1,411**	**1,573**

At 28 February 2023 there were no securities on loan or related collateral outstanding (28 February 2022: 100% in equity securities).

		28 February 2023		28 February 2022	
Counterparty	Counterparty's country of establishment	Securities on loan	Collateral received	Securities on loan	Collateral received
BlackRock UK Managed Volatility Fund II		**£000's**	**£000's**	**£000's**	**£000's**
Goldman Sachs International	UK	1,235	1,390	1,350	1,526
J.P. Morgan Securities Plc	UK	102	121	–	–
Total		**1,337**	**1,511**	**1,350**	**1,526**

At 28 February 2023, collateral received from these borrowing counterparties comprised of 15.95% in debt securities and 84.05% in equity securities (28 February 2022: 100% in equity securities).

		28 February 2023		28 February 2022	
Counterparty	Counterparty's country of establishment	Securities on loan	Collateral received	Securities on loan	Collateral received
BlackRock UK Managed Volatility Fund III		**£000's**	**£000's**	**£000's**	**£000's**
Goldman Sachs International	UK	–	–	21	24
Total		**–**	**–**	**21**	**24**

At 28 February 2023 there were no securities on loan or related collateral outstanding (28 February 2022: 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.

2. Financial Instruments and Risks continued

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 2023 and 28 February 2022, 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.

All non-derivative financial liabilities including distributions payable held by the Funds as at 28 February 2023 and 28 February 2022, 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.

2. Financial Instruments and Risks continued

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.

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.

2. Financial Instruments and Risks continued

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 2023				
Investment assets	155	121,347	–	121,502
Investment liabilities	(197)	(102)	–	(299)
28 February 2022				
Investment assets	439	154,840	–	155,279
Investment liabilities	(19)	(808)	–	(827)

BlackRock Managed Volatility Fund I	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2023				
Investment assets	1,749	528,311	–	530,060
Investment liabilities	(371)	(245)	–	(616)
28 February 2022				
Investment assets	4,236	803,067	–	807,303
Investment liabilities	–	(2,557)	–	(2,557)

BlackRock Managed Volatility Fund II	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2023				
Investment assets	43	135,203	–	135,246
Investment liabilities	(181)	(54)	–	(235)
28 February 2022				
Investment assets	395	191,237	–	191,632
Investment liabilities	(3)	(591)	–	(594)

BlackRock Managed Volatility Fund III	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2023				
Investment assets	581	42,058	–	42,639
Investment liabilities	–	(23)	–	(23)
28 February 2022				
Investment assets	37	55,223	–	55,260
Investment liabilities	(181)	(137)	–	(318)

2. Financial Instruments and Risks continued

BlackRock Managed Volatility Fund IV	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2023				
Investment assets	5,466	123,340	–	128,806
Investment liabilities	(33)	(986)	–	(1,019)
28 February 2022				
Investment assets	1,443	122,460	–	123,903
Investment liabilities	(6,790)	(1,364)	–	(8,154)

BlackRock UK Managed Volatility Fund I	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2023				
Investment assets	5,318	28,680	–	33,998
Investment liabilities	–	–	–	–
28 February 2022				
Investment assets	10,592	33,494	–	44,086
Investment liabilities	(8)	–	–	(8)

BlackRock UK Managed Volatility Fund II	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2023				
Investment assets	11,683	54,515	–	66,198
Investment liabilities	–	–	–	–
28 February 2022				
Investment assets	28,695	59,985	–	88,680
Investment liabilities	(53)	–	–	(53)

BlackRock UK Managed Volatility Fund III	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2023				
Investment assets	10,494	13,381	–	23,875
Investment liabilities	–	–	–	–
28 February 2022				
Investment assets	14,241	14,626	–	28,867
Investment liabilities	(19)	–	–	(19)

BlackRock Volatility Strategy Fund I	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2023				
Investment assets	–	142,225	–	142,225
Investment liabilities	–	(394)	–	(394)
28 February 2022				
Investment assets	–	172,512	–	172,512
Investment liabilities	–	(429)	–	(429)

2. Financial Instruments and Risks continued

BlackRock Volatility Strategy Fund II	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2023				
Investment assets	–	375,693	–	375,693
Investment liabilities	–	(953)	–	(953)
28 February 2022				
Investment assets	–	394,776	–	394,776
Investment liabilities	–	(978)	–	(978)

BlackRock Volatility Strategy Fund III	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2023				
Investment assets	–	144,986	–	144,986
Investment liabilities	–	(359)	–	(359)
28 February 2022				
Investment assets	–	146,399	–	146,399
Investment liabilities	–	(353)	–	(353)

BlackRock Volatility Strategy Fund IV	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2023				
Investment assets	–	63,805	–	63,805
Investment liabilities	–	(114)	–	(114)
28 February 2022				
Investment assets	–	61,635	–	61,635
Investment liabilities	–	(127)	–	(127)

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 28.2.2023	Leverage as at 28.2.2022	Maximum limit	Leverage as at 28.2.2023	Leverage as at 28.2.2022
BlackRock Managed Volatility Fund	6.0:1	1.7:1	1.7:1	2.0:1	1.3:1	1.1:1
BlackRock Managed Volatility Fund I	6.0:1	2.0:1	1.7:1	2.0:1	1.2:1	1.2:1
BlackRock Managed Volatility Fund II	6.0:1	1.5:1	1.6:1	2.0:1	1.2:1	1.2:1
BlackRock Managed Volatility Fund III	6.0:1	1.3:1	1.5:1	2.0:1	1.3:1	1.1:1
BlackRock Managed Volatility Fund IV	6.0:1	2.9:1	3.3:1	6.0:1	2.5:1	2.6:1
BlackRock UK Managed Volatility Fund I	2.5:1	1.0:1	1.1:1	2.5:1	1.2:1	1.3:1
BlackRock UK Managed Volatility Fund II	2.5:1	1.1:1	1.1:1	2.5:1	1.3:1	1.3:1
BlackRock UK Managed Volatility Fund III	2.5:1	1.3:1	1.2:1	2.5:1	1.5:1	1.6:1
BlackRock Volatility Strategy Fund I	4.1:1	1.6:1	1.7:1	2.1:1	1.3:1	1.4:1
BlackRock Volatility Strategy Fund II	4.1:1	1.7:1	1.6:1	2.1:1	1.3:1	1.4:1
BlackRock Volatility Strategy Fund III	4.1:1	1.6:1	1.6:1	2.1:1	1.3:1	1.3:1
BlackRock Volatility Strategy Fund IV	4.1:1	1.4:1	1.5:1	2.1:1	1.2:1	1.3:1

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 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	144.4	141.7	141.6
Return before operating charges	(11.11)	3.02	0.40
Operating charges	(0.31)	(0.34)	(0.33)
Return after operating charges	(11.42)	2.68	0.07
Distributions	(2.34)	(2.01)	(2.00)
Retained distributions on accumulation units	2.34	2.01	2.00
Closing net asset value per unit	133.0	144.4	141.7
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	(7.91)%	1.89%	0.05%
Other information			
Closing net asset value (£000's)	148,586	192,761	223,943
Closing number of units	111,732,825	133,507,436	158,076,754
Operating charges[2]	0.23%	0.23%	0.23%
Direct transaction costs[3]	0.00%	0.01%	0.01%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	156.4	162.7	158.1
Lowest bid unit price	124.9	142.4	133.1

[1] The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on 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 16 for further details.

BlackRock Managed Volatility Fund

Distribution Tables

for the year ended 28 February 2023

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2022

Group 2 – Units purchased 1 September 2022 to 28 February 2023

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	1.4351	0.1717
Equalisation†	–	1.2634
Distribution paid 30.4.2023	**1.4351**	**1.4351**
Distribution paid 30.4.2022	**1.1643**	**1.1643**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2022

Group 2 – Units purchased 1 March 2022 to 31 August 2022

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	0.9040	0.0275
Equalisation†	–	0.8765
Distribution paid 31.10.2022	**0.9040**	**0.9040**
Distribution paid 31.10.2021	**0.8461**	**0.8461**

† 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.

Portfolio Statement

at 28 February 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 81.44%; 28.2.2022 80.16%			
Equity Funds – 20.86%; 28.2.2022 19.87%			
2,261,141	iShares Continental European Equity Index Fund UK	6,417	4.32
36,480	iShares Japan Equity Index Fund UK	88	0.06
3,026,936	iShares North American Equity Index Fund UK	13,585	9.14
740,638	iShares Pacific ex Japan Equity Index Fund UK	1,728	1.17
4,196,162	iShares UK Equity Index Fund UK	9,172	6.17
		30,990	**20.86**
Fixed Income Funds – 57.91%; 28.2.2022 58.58%			
35,822,603	BlackRock Collective Investment Funds - BlackRock Corporate Bond 1-10 Year Fund	48,689	32.77
36,049,640	iShares UK Gilts All Stocks Index Fund UK	37,360	25.14
		86,049	**57.91**
Short-term Money Market Funds – 2.67%; 28.2.2022 1.71%			
4,810,297	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	**3,977**	**2.67**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – 0.13%; 28.2.2022 (0.03%)			
Forward Currency Contracts – 0.16%; 28.2.2022 (0.25%)			
AU$4,649,290	Australian dollar vs UK sterling	(44)	(0.03)
€14,560,793	Euro vs UK sterling	(58)	(0.04)
¥7,121,294	Japanese yen vs UK sterling	–	0.00
£4,018,163	UK sterling vs Australian dollar	50	0.03
£19,521,876	UK sterling vs Euro	49	0.05
£21,905	UK sterling vs Japanese yen	–	0.00
£41,742,272	UK sterling vs US dollar	178	0.10
US$30,394,277	US dollar vs UK sterling	54	0.05
		229	**0.16**
Futures – (0.03%); 28.2.2022 0.22%			
(159)	Euro Stoxx 50 March 2023	(115)	(0.08)
(111)	FTSE 100 Index March 2023	(82)	(0.05)
(78)	S&P 500 E-Mini March 2023	131	0.09
(12)	SPI 200 March 2023	17	0.01

BlackRock Managed Volatility Fund

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	2 TOPIX Index March 2023	7	0.00
		(42)	**(0.03)**
Portfolio of investments		**121,203**	**81.57**
CASH EQUIVALENTS			
Short-term Money Market Funds – 16.34%; 28.2.2022 18.75%			
24,276,859	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**24,277**	**16.34**
Net other assets		3,106	2.09
Total net assets		**148,586**	**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, Barclays Bank Plc, 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 and State Street Global Advisors Limited.

All underlying funds are managed by a related party.

BlackRock Managed Volatility Fund

Statement of Total Return

for the year ended 28 February 2023

	Notes	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Income					
Net capital (losses)/gains	3		(17,536)		2,016
Revenue	4	3,339		3,520	
Expenses	5	(353)		(453)	
Interest payable and similar charges	6	(33)		(14)	
Net revenue before taxation		2,953		3,053	
Taxation	7	–		–	
Net revenue after taxation			2,953		3,053
Total return before distributions			(14,583)		5,069
Distributions	8		(2,953)		(3,053)
Change in net assets attributable to unitholders from investment activities			**(17,536)**		**2,016**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2023

	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Opening net assets attributable to unitholders		192,761		223,943
Amounts receivable on issue of units	405		379	
Amounts payable on cancellation of units	(29,757)		(36,365)	
		(29,352)		(35,986)
Change in net assets attributable to unitholders from investment activities		(17,536)		2,016
Retained distribution on accumulation units		2,713		2,788
Closing net assets attributable to unitholders		**148,586**		**192,761**

BlackRock Managed Volatility Fund

Balance Sheet

at 28 February 2023

	Notes	28.2.2023 £000's	28.2.2022 £000's
Assets:			
Fixed assets			
– Investment assets		121,502	155,279
Current assets			
– Debtors	9	84	9
– Cash and bank balances	10	3,769	3,099
– Cash equivalents	11	24,277	36,146
Total assets		**149,632**	**194,533**
Liabilities:			
Investment liabilities		(299)	(827)
Creditors			
– Amounts held at futures clearing houses and brokers		(213)	(538)
– Other creditors	12	(534)	(407)
Total liabilities		**(1,046)**	**(1,772)**
Net assets attributable to unitholders		**148,586**	**192,761**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 May 2023

Notes to Financial Statements

for the year ended 28 February 2023

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 39.

3. Net Capital (Losses)/Gains

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
The net capital (losses)/gains comprise:		
(Losses)/gains on non-derivative securities	(14,733)	806
(Losses)/gains on derivative securities	(2,841)	1,211
Currency gains	48	8
Custodian transaction costs	(10)	(9)
Net capital (losses)/gains	**(17,536)**	**2,016**

Net losses (excluding transaction costs) listed above of £(17,526,000) comprise net realised losses of £(3,295,000) and net unrealised losses of £(14,231,000) (28 February 2022: £2,025,000 comprising net realised gains of £7,211,000 and net unrealised losses of £(5,186,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Equity distributions on CIS holdings	867	1,363
Interest distributions on CIS holdings	1,798	2,134
Interest from UK bank deposits	48	–
Revenue from short-term money market funds	626	23
Total revenue	**3,339**	**3,520**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	334	431
	334	431
Other expenses:		
– Audit fee	8	8
– Legal and other professional fees	1	–
– Trustee's fees	10	14
	19	22
Total expenses	**353**	**453**

6. Interest Payable and Similar Charges

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interest on bank overdrafts	33	14
Total interest payable and similar charges	**33**	**14**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Net revenue before taxation	2,953	3,053
Corporation tax at 20% (28 February 2022: 20%)	591	611
Effects of:		
Revenue not subject to tax	(174)	(273)
Tax deductible interest distributions	(417)	(338)
Total tax charge [see note 7(a)]	**–**	**–**

8. Distributions

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interim distribution	1,110	1,234
Final distribution	1,603	1,554
	2,713	2,788
Add: Amounts deducted on cancellation of units	243	268
Less: Amounts received on issue of units	(3)	(3)
Distributions	**2,953**	**3,053**

Details of the interim and final distributions per unit are set out in the tables on page 42.

9. Debtors

	28.2.2023 £000's	28.2.2022 £000's
Accrued revenue	84	9
Total debtors	**84**	**9**

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2023 £000's	28.2.2022 £000's
Amount held at futures clearing houses and brokers	1,908	898
Cash and bank balances	1,861	2,201
Total cash and bank balances	**3,769**	**3,099**

11. Cash Equivalents

	28.2.2023 £000's	28.2.2022 £000's
Investment in short-term money market funds	24,277	36,146
Total cash equivalents	**24,277**	**36,146**

12. Other Creditors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Annual Management charge	127	170
Accrued Audit fee	8	8
Accrued Trustee's fee	5	7
Amounts payable for cancellation of units	392	220
Custodian transaction costs	2	2
Total other creditors	**534**	**407**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2022: £Nil).

14. 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 22 April 2022. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

15. Related Parties

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

Notes to Financial Statements continued

15. Related Parties continued

The following entities were related parties of the Fund during the year ended 28 February 2023:

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.

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

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

As at 28 February 2023 and 28 February 2022 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%

Notes to Financial Statements continued

15. Related Parties continued

As at 28 February 2022:

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.

16. Portfolio Transaction Costs

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	41,057	–	–	–	–
Total purchases	**41,057**	**–**		**–**	
Total purchases including transaction costs	**41,057**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	62,778	–	–	–	–
Total sales	**62,778**	**–**		**–**	
Total sales net of transaction costs	**62,778**				
Derivative transaction costs		**8**		**–**	
Total transaction costs		**8**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

Notes to Financial Statements continued

16. Portfolio Transaction Costs continued

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%**	

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

16. 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 0.00% (28 February 2022: 0.02%).

17. Units in Issue

The movement in units in issue for the year ended 28 February 2023 is as follows:

	C Accumulation Units
Balance at the beginning of the year	133,507,436
Issued during the year	301,475
Cancelled during the year	(22,076,086)
Balance at the end of the year	**111,732,825**

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.

18. Post Balance Sheet Events

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

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 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	162.6	155.1	153.4
Return before operating charges	(11.12)	7.81	2.07
Operating charges	(0.34)	(0.36)	(0.36)
Return after operating charges	(11.46)	7.45	1.71
Distributions	(3.12)	(2.21)	(2.13)
Retained distributions on accumulation units	3.12	2.21	2.13
Closing net asset value per unit	151.1	162.6	155.1
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	(7.05)%	4.80%	1.11%
Other information			
Closing net asset value (£000's)	681,069	882,419	986,541
Closing number of units	450,609,960	542,857,587	636,047,321
Operating charges[2]	0.22%	0.22%	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	175.9	183.4	173.0
Lowest bid unit price	142.2	156.1	144.2

1 The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on 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 16 for further details.

BlackRock Managed Volatility Fund I

Distribution Tables

for the year ended 28 February 2023

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2022

Group 2 – Units purchased 1 September 2022 to 28 February 2023

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	1.9741	0.2213
Equalisation†	–	1.7528
Distribution paid 30.4.2023	**1.9741**	**1.9741**
Distribution paid 30.4.2022	**1.3216**	**1.3216**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2022

Group 2 – Units purchased 1 March 2022 to 31 August 2022

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	1.1454	0.0000
Equalisation†	–	1.1454
Distribution paid 31.10.2022	**1.1454**	**1.1454**
Distribution paid 31.10.2021	**0.8855**	**0.8855**

† 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 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES − 77.07%; 28.2.2022 90.74%			
Equity Funds − 26.65%; 28.2.2022 37.21%			
14,026,384	iShares Continental European Equity Index Fund UK	39,806	5.85
1,243,481	iShares Japan Equity Index Fund UK	2,997	0.44
17,330,227	iShares North American Equity Index Fund UK	77,779	11.42
5,664,218	iShares Pacific ex Japan Equity Index Fund UK	13,216	1.94
21,805,039	iShares UK Equity Index Fund UK	47,662	7.00
		181,460	**26.65**
Fixed Income Funds − 47.75%; 28.2.2022 51.66%			
149,988,413	BlackRock Collective Investment Funds - BlackRock Corporate Bond 1-10 Year Fund	203,861	29.93
117,113,812	iShares UK Gilts All Stocks Index Fund UK	121,370	17.82
		325,231	**47.75**
Short-term Money Market Funds − 2.67%; 28.2.2022 1.87%			
22,001,212	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	**18,190**	**2.67**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES − 0.67%; 28.2.2022 0.46%			
Forward Currency Contracts − 0.47%; 28.2.2022 (0.02%)			
AU$56,546,986	Australian dollar vs UK sterling	(207)	(0.03)
€125,171,353	Euro vs UK sterling	189	0.04
¥350,387,816	Japanese yen vs UK sterling	(38)	(0.01)
£41,405,520	UK sterling vs Australian dollar	642	0.10
£130,788,886	UK sterling vs Euro	594	0.10
£4,289,096	UK sterling vs Japanese yen	27	0.01
£259,584,755	UK sterling vs US dollar	1,078	0.14
US$238,370,540	US dollar vs UK sterling	900	0.12
		3,185	**0.47**
Futures − 0.20%; 28.2.2022 0.48%			
(463)	Euro Stoxx 50 March 2023	(234)	(0.04)
271	FTSE 100 Index March 2023	(97)	(0.01)
(263)	S&P 500 E-Mini March 2023	1,476	0.22
(70)	SPI 200 March 2023	273	0.04

BlackRock Managed Volatility Fund I

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
(12)	TOPIX Index March 2023	(40)	(0.01)
		1,378	**0.20**
Portfolio of investments		**529,444**	**77.74**
CASH EQUIVALENTS			
Short-term Money Market Funds – 21.15%; 28.2.2022 7.98%			
144,016,735	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**144,017**	**21.15**
Net other assets		7,608	1.11
Total net assets		**681,069**	**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, 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 I

Statement of Total Return

for the year ended 28 February 2023

	Notes	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Income					
Net capital (losses)/gains	3		(76,013)		35,329
Revenue	4	17,611		15,629	
Expenses	5	(1,577)		(2,016)	
Interest payable and similar charges	6	(159)		(71)	
Net revenue before taxation		15,875		13,542	
Taxation	7	–		–	
Net revenue after taxation			15,875		13,542
Total return before distributions			(60,138)		48,871
Distributions	8		(15,875)		(13,542)
Change in net assets attributable to unitholders from investment activities			**(76,013)**		**35,329**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2023

	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Opening net assets attributable to unitholders		882,419		986,541
Amounts receivable on issue of units	111		672	
Amounts payable on cancellation of units	(139,998)		(152,545)	
		(139,887)		(151,873)
Change in net assets attributable to unitholders from investment activities		(76,013)		35,329
Retained distribution on accumulation units		14,550		12,422
Closing net assets attributable to unitholders		**681,069**		**882,419**

BlackRock Managed Volatility Fund I

Balance Sheet

at 28 February 2023

	Notes	28.2.2023 £000's	28.2.2022 £000's
Assets:			
Fixed assets			
– Investment assets		530,060	807,303
Current assets			
– Debtors	9	458	19
– Cash and bank balances	10	11,829	14,200
– Cash equivalents	11	144,017	70,447
Total assets		**686,364**	**891,969**
Liabilities:			
Investment liabilities		(616)	(2,557)
Creditors			
– Amounts held at futures clearing houses and brokers		(1,990)	(4,079)
– Other creditors	12	(2,689)	(2,914)
Total liabilities		**(5,295)**	**(9,550)**
Net assets attributable to unitholders		**681,069**	**882,419**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 May 2023

NM0623U-2932223-62/221

Notes to Financial Statements

for the year ended 28 February 2023

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 39.

3. Net Capital (Losses)/Gains

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
The net capital (losses)/gains comprise:		
(Losses)/gains on non-derivative securities	(62,014)	5,271
(Losses)/gains on derivative securities	(14,211)	30,327
Currency gains/(losses)	223	(258)
Custodian transaction costs	(11)	(11)
Net capital (losses)/gains	**(76,013)**	**35,329**

Net losses (excluding transaction costs) listed above of £(76,002,000) comprise net realised losses of £(5,531,000) and net unrealised losses of £ (70,471,000) (28 February 2022 : £35,340,000 comprising net realised gains of £1,151,000 and net unrealised gains of £34,189,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Equity distributions on CIS holdings	7,244	6,994
Interest distributions on CIS holdings	7,152	8,533
Interest from UK bank deposits	188	–
Revenue from short-term money market funds	3,027	102
Total revenue	**17,611**	**15,629**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	1,520	1,942
	1,520	1,942
Other expenses:		
– Audit fee	8	8
– Legal and other professional fees	2	2
– Trustee's fees	47	64
	57	74
Total expenses	**1,577**	**2,016**

6. Interest Payable and Similar Charges

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interest on bank overdrafts	159	71
Total interest payable and similar charges	**159**	**71**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Net revenue before taxation	15,875	13,542
Corporation tax at 20% (28 February 2022: 20%)	3,175	2,708
Effects of:		
Revenue not subject to tax	(1,449)	(1,399)
Tax deductible interest distributions	(1,726)	(1,309)
Total tax charge [see note 7(a)]	**–**	**–**

8. Distributions

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interim distribution	5,655	5,247
Final distribution	8,895	7,174
	14,550	12,421
Add: Amounts deducted on cancellation of units	1,326	1,126
Less: Amounts received on issue of units	(1)	(5)
Distributions	**15,875**	**13,542**

Details of the interim and final distributions per unit are set out in the tables on page 57.

9. Debtors

	28.2.2023 £000's	28.2.2022 £000's
Accrued revenue	458	19
Total debtors	**458**	**19**

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2023 £000's	28.2.2022 £000's
Amount held at futures clearing houses and brokers	5,836	5,446
Cash and bank balances	5,993	8,754
Total cash and bank balances	**11,829**	**14,200**

11. Cash Equivalents

	28.2.2023 £000's	28.2.2022 £000's
Investment in short-term money market funds	144,017	70,447
Total cash equivalents	**144,017**	**70,447**

12. Other Creditors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Annual Management charge	576	779
Accrued Audit fee	7	7
Accrued Trustee's fee	24	30
Amounts payable for cancellation of units	2,080	2,096
Custodian transaction costs	2	2
Total other creditors	**2,689**	**2,914**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2022: £Nil).

14. 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 22 April 2022. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

15. Related Parties

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

Notes to Financial Statements continued

15. Related Parties continued

The following entities were related parties of the Fund during the year ended 28 February 2023:

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.

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

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

As at 28 February 2023 and 28 February 2022 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%

Notes to Financial Statements continued

15. Related Parties continued

As at 28 February 2022:

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.

16. Portfolio Transaction Costs

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	186,339	–	–	–	–
Total purchases	**186,339**	**–**		**–**	
Total purchases including transaction costs	**186,339**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	415,355	–	–	–	–
Total sales	**415,355**	**–**		**–**	
Total sales net of transaction costs	**415,355**				
Derivative transaction costs		**62**		**–**	
Total transaction costs		**62**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

Notes to Financial Statements continued

16. Portfolio Transaction Costs continued

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%**	

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

16. 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 0.00% (28 February 2022: 0.02%).

17. Units in Issue

The movement in units in issue for the year ended 28 February 2023 is as follows:

	C Accumulation Units
Balance at the beginning of the year	542,857,587
Issued during the year	70,607
Cancelled during the year	(92,318,234)
Balance at the end of the year	**450,609,960**

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.

18. Post Balance Sheet Events

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

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 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	172.9	161.9	159.2
Return before operating charges	(8.36)	11.36	3.04
Operating charges	(0.38)	(0.40)	(0.37)
Return after operating charges	(8.74)	10.96	2.67
Distributions	(3.37)	(2.16)	(2.17)
Retained distributions on accumulation units	3.37	2.16	2.17
Closing net asset value per unit	164.2	172.9	161.9
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	(5.05)%	6.77%	1.68%
Other information			
Closing net asset value (£000's)	178,650	216,211	230,584
Closing number of units	108,828,664	125,079,681	142,447,556
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	186.6	195.1	180.9
Lowest bid unit price	152.9	163.1	149.1

[1] The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on 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 16 for further details.

BlackRock Managed Volatility Fund II

Distribution Tables

for the year ended 28 February 2023

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2022

Group 2 – Units purchased 1 September 2022 to 28 February 2023

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	2.2129	0.2035
Equalisation†	–	2.0094
Distribution paid 30.4.2023	**2.2129**	**2.2129**
Distribution paid 30.4.2022	**1.3654**	**1.3654**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2022

Group 2 – Units purchased 1 March 2022 to 31 August 2022

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.1535	0.0000
Equalisation†	–	1.1535
Distribution paid 31.10.2022	**1.1535**	**1.1535**
Distribution paid 31.10.2021	**0.7938**	**0.7938**

† 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 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES − 75.41%; 28.2.2022 88.23%			
Equity Funds − 33.35%; 28.2.2022 45.51%			
3,082,713	iShares Continental European Equity Index Fund UK	8,748	4.90
603,452	iShares Japan Equity Index Fund UK	1,455	0.81
3,311,665	iShares North American Equity Index Fund UK	14,863	8.32
1,251,325	iShares Pacific ex Japan Equity Index Fund UK	2,920	1.64
14,450,468	iShares UK Equity Index Fund UK	31,586	17.68
		59,572	**33.35**
Fixed Income Funds − 40.75%; 28.2.2022 40.80%			
27,539,395	BlackRock Collective Investment Funds - BlackRock Corporate Bond 1-10 Year Fund	37,431	20.95
34,132,124	iShares UK Gilts All Stocks Index Fund UK	35,372	19.80
		72,803	**40.75**
Short-term Money Market Funds − 1.31%; 28.2.2022 1.92%			
2,832,633	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	**2,342**	**1.31**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES − 0.16%; 28.2.2022 0.13%			
Forward Currency Contracts − 0.24%; 28.2.2022 (0.05%)			
AU$8,010,738	Australian dollar vs UK sterling	(54)	(0.01)
€23,884,504	Euro vs UK sterling	37	0.00
¥269,075,344	Japanese yen vs UK sterling	5	0.01
£3,733,374	UK sterling vs Australian dollar	93	0.05
£17,373,109	UK sterling vs Euro	188	0.12
£2,052,072	UK sterling vs Japanese yen	14	0.01
£22,757,903	UK sterling vs US dollar	11	0.00
US$33,503,942	US dollar vs UK sterling	138	0.06
		432	**0.24**
Futures − (0.08%); 28.2.2022 0.18%			
165	Euro Stoxx 50 March 2023	43	0.02
169	FTSE 100 Index March 2023	(79)	(0.04)
46	S&P 500 E-Mini March 2023	(90)	(0.05)
14	SPI 200 March 2023	(11)	(0.01)

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	(2) TOPIX Index March 2023	(1)	0.00
		(138)	**(0.08)**
Portfolio of investments		**135,011**	**75.57**
CASH EQUIVALENTS			
Short-term Money Market Funds – 21.84%; 28.2.2022 11.02%			
39,014,448	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**39,014**	**21.84**
Net other assets		4,625	2.59
Total net assets		**178,650**	**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, Barclays Bank Plc, 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 2023

	Notes	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Income					
Net capital (losses)/gains	3		(14,814)		12,900
Revenue	4	4,804		3,713	
Expenses	5	(403)		(492)	
Interest payable and similar charges	6	(33)		(25)	
Net revenue before taxation		4,368		3,196	
Taxation	7	(364)		(208)	
Net revenue after taxation			4,004		2,988
Total return before distributions			(10,810)		15,888
Distributions	8		(4,004)		(2,988)
Change in net assets attributable to unitholders from investment activities			**(14,814)**		**12,900**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2023

	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Opening net assets attributable to unitholders		216,211		230,584
Amounts receivable on issue of units	552		893	
Amounts payable on cancellation of units	(27,049)		(30,943)	
		(26,497)		(30,050)
Change in net assets attributable to unitholders from investment activities		(14,814)		12,900
Retained distribution on accumulation units		3,750		2,777
Closing net assets attributable to unitholders		**178,650**		**216,211**

BlackRock Managed Volatility Fund II

Balance Sheet

at 28 February 2023

	Notes	28.2.2023 £000's	28.2.2022 £000's
Assets:			
Fixed assets			
– Investment assets		135,246	191,632
Current assets			
– Debtors	9	130	105
– Cash and bank balances	10	5,570	2,339
– Cash equivalents	11	39,014	23,827
Total assets		**179,960**	**217,903**
Liabilities:			
Investment liabilities		(235)	(594)
Creditors			
– Amounts held at futures clearing houses and brokers		–	(464)
– Other creditors	12	(1,075)	(634)
Total liabilities		**(1,310)**	**(1,692)**
Net assets attributable to unitholders		**178,650**	**216,211**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 May 2023

Notes to Financial Statements

for the year ended 28 February 2023

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 39.

3. Net Capital (Losses)/Gains

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
The net capital (losses)/gains comprise:		
(Losses)/gains on non-derivative securities	(11,037)	5,363
(Losses)/gains on derivative securities	(3,772)	7,652
Currency gains/(losses)	6	(106)
Custodian transaction costs	(11)	(9)
Net capital (losses)/gains	**(14,814)**	**12,900**

Net losses (excluding transaction costs) listed above of £(14,803,000) comprise net realised gains of £4,441,000 and net unrealised losses of £(19,244,000) (28 February 2022: £12,909,000 comprising net realised gains of £6,116,000 and net unrealised gains of £6,793,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Equity distributions on CIS holdings	2,550	2,158
Interest distributions on CIS holdings	1,431	1,527
Interest from UK bank deposits	62	–
Revenue from short-term money market funds	761	28
Total revenue	**4,804**	**3,713**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	383	469
	383	469
Other expenses:		
– Audit fee	7	8
– Legal and other professional fees	1	–
– Trustee's fees	12	15
	20	23
Total expenses	**403**	**492**

6. Interest Payable and Similar Charges

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interest on bank overdrafts	33	25
Total interest payable and similar charges	**33**	**25**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Corporation tax	364	208
Total tax charge [see note 7(b)]	**364**	**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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Net revenue before taxation	4,368	3,196
Corporation tax at 20% (28 February 2022: 20%)	874	639
Effects of:		
Revenue not subject to tax	(510)	(431)
Total tax charge [see note 7(a)]	**364**	**208**

8. Distributions

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interim distribution	1,342	1,069
Final distribution	2,408	1,708
	3,750	2,777
Add: Amounts deducted on cancellation of units	259	217
Less: Amounts received on issue of units	(5)	(6)
Distributions	**4,004**	**2,988**

Details of the interim and final distributions per unit are set out in the tables on page 72.

9. Debtors

	28.2.2023 £000's	28.2.2022 £000's
Accrued revenue	130	6
Amounts receivable for issue of units	–	99
Total debtors	**130**	**105**

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2023 £000's	28.2.2022 £000's
Amount held at futures clearing houses and brokers	2,094	898
Cash and bank balances	3,476	1,441
Total cash and bank balances	**5,570**	**2,339**

11. Cash Equivalents

	28.2.2023 £000's	28.2.2022 £000's
Investment in short-term money market funds	39,014	23,827
Total cash equivalents	**39,014**	**23,827**

12. Other Creditors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Annual Management charge	149	191
Accrued Audit fee	8	8
Accrued Trustee's fee	6	7
Amounts payable for cancellation of units	747	219
Corporation tax payable	163	208
Custodian transaction costs	2	1
Total other creditors	**1,075**	**634**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2022: £Nil).

14. 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 22 April 2022. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

15. Related Parties

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

Notes to Financial Statements continued

15. Related Parties continued

The following entities were related parties of the Fund during the year ended 28 February 2023:

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.

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

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

As at 28 February 2023 and 28 February 2022 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%

Notes to Financial Statements continued

15. Related Parties continued

As at 28 February 2022:

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.

16. Portfolio Transaction Costs

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	55,525	–	–	–	–
Total purchases	**55,525**	**–**		**–**	
Total purchases including transaction costs	**55,525**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	102,378	–	–	–	–
Total sales	**102,378**	**–**		**–**	
Total sales net of transaction costs	**102,378**				
Derivative transaction costs		**17**		**–**	
Total transaction costs		**17**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

Notes to Financial Statements continued

16. Portfolio Transaction Costs continued

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%**	

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

16. 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 0.00%% (28 February 2022: 0.01%).

17. Units in Issue

The movement in units in issue for the year ended 28 February 2023 is as follows:

	C Accumulation Units
Balance at the beginning of the year	125,079,681
Issued during the year	340,142
Cancelled during the year	(16,591,159)
Balance at the end of the year	**108,828,664**

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.

18. Post Balance Sheet Events

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

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 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	183.9	169.4	165.1
Return before operating charges	(6.37)	14.94	4.69
Operating charges	(0.44)	(0.44)	(0.42)
Return after operating charges	(6.81)	14.50	4.27
Distributions	(3.61)	(2.25)	(2.06)
Retained distributions on accumulation units	3.61	2.25	2.06
Closing net asset value per unit	177.1	183.9	169.4
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	3.70%	8.56%	2.59%
Other information			
Closing net asset value (£000's)	54,139	65,553	70,616
Closing number of units	30,571,295	35,646,362	41,693,744
Operating charges[2]	0.25%	0.24%	0.25%
Direct transaction costs[3]	0.01%	0.01%	0.01%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	199.0	207.6	189.2
Lowest bid unit price	163.0	170.8	154.1

1 The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on 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 16 for further details.

BlackRock Managed Volatility Fund III

Distribution Tables

for the year ended 28 February 2023

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2022

Group 2 – Units purchased 1 September 2022 to 28 February 2023

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	2.4047	0.2372
Equalisation†	–	2.1675
Distribution paid 30.4.2023	**2.4047**	**2.4047**
Distribution paid 30.4.2022	**1.4673**	**1.4673**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2022

Group 2 – Units purchased 1 March 2022 to 31 August 2022

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.2086	0.0000
Equalisation†	–	1.2086
Distribution paid 31.10.2022	**1.2086**	**1.2086**
Distribution paid 31.10.2021	**0.7808**	**0.7808**

† 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.

NM0623U-2932223-88/221

BlackRock Managed Volatility Fund III

Portfolio Statement

at 28 February 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES − 77.58%; 28.2.2022 84.10%			
Equity Funds − 45.41%; 28.2.2022 50.88%			
1,223,852	iShares Continental European Equity Index Fund UK	3,473	6.42
81,338	iShares Japan Equity Index Fund UK	196	0.36
1,550,407	iShares North American Equity Index Fund UK	6,958	12.85
540,738	iShares Pacific ex Japan Equity Index Fund UK	1,262	2.33
5,808,555	iShares UK Equity Index Fund UK	12,697	23.45
		24,586	**45.41**
Fixed Income Funds − 29.86%; 28.2.2022 30.25%			
6,001,091	BlackRock Collective Investment Funds - BlackRock Corporate Bond 1-10 Year Fund	8,156	15.06
7,729,653	iShares UK Gilts All Stocks Index Fund UK	8,011	14.80
		16,167	**29.86**
Short-term Money Market Funds − 2.31%; 28.2.2022 2.97%			
1,510,116	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	**1,248**	**2.31**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES − 1.14%; 28.2.2022 (0.29%)			
Forward Currency Contracts − 0.06%; 28.2.2022 (0.07%)			
AU$1,696,389	Australian dollar vs UK sterling	(9)	(0.02)
€6,233,112	Euro vs UK sterling	22	0.06
¥170,460,624	Japanese yen vs UK sterling	(12)	(0.03)
£716,103	UK sterling vs Australian dollar	11	0.03
£3,202,280	UK sterling vs Euro	13	0.00
£540,304	UK sterling vs Japanese yen	9	0.02
£1,679,536	UK sterling vs US dollar	2	0.00
US$4,056,328	US dollar vs UK sterling	(2)	0.00
		34	**0.06**
Futures − 1.08%; 28.2.2022 (0.22%)			
77	Euro Stoxx 50 March 2023	225	0.42
81	FTSE 100 Index March 2023	314	0.58
18	S&P 500 E-Mini March 2023	22	0.04
4	SPI 200 March 2023	2	0.01

BlackRock Managed Volatility Fund III

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
5	TOPIX Index March 2023	18	0.03
		581	**1.08**
Portfolio of investments		**42,616**	**78.72**
CASH EQUIVALENTS			
Short-term Money Market Funds – 19.15%; 28.2.2022 13.49%			
10,366,541	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**10,367**	**19.15**
Net other assets		1,156	2.13
Total net assets		**54,139**	**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, Barclays Bank Plc, 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.

NM0623U-2932223-90/221

BlackRock Managed Volatility Fund III

Statement of Total Return

for the year ended 28 February 2023

	Notes	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Income					
Net capital (losses)/gains	3		(3,709)		5,178
Revenue	4	1,441		1,098	
Expenses	5	(127)		(155)	
Interest payable and similar charges	6	(9)		(10)	
Net revenue before taxation		1,305		933	
Taxation	7	(86)		(38)	
Net revenue after taxation			1,219		895
Total return before distributions			(2,490)		6,073
Distributions	8		(1,219)		(895)
Change in net assets attributable to unitholders from investment activities			**(3,709)**		**5,178**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2023

	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Opening net assets attributable to unitholders		65,553		70,616
Amounts receivable on issue of units	733		649	
Amounts payable on cancellation of units	(9,572)		(11,713)	
		(8,839)		(11,064)
Change in net assets attributable to unitholders from investment activities		(3,709)		5,178
Retained distribution on accumulation units		1,134		823
Closing net assets attributable to unitholders		**54,139**		**65,553**

BlackRock Managed Volatility Fund III

Balance Sheet

at 28 February 2023

	Notes	28.2.2023 £000's	28.2.2022 £000's
Assets:			
Fixed assets			
– Investment assets		42,639	55,260
Current assets			
– Debtors	9	35	3
– Cash and bank balances	10	1,651	2,010
– Cash equivalents	11	10,367	8,842
Total assets		**54,692**	**66,115**
Liabilities:			
Investment liabilities		(23)	(318)
Creditors			
– Amounts held at futures clearing houses and brokers		(208)	(46)
– Bank overdrafts		–	(52)
– Other creditors	12	(322)	(146)
Total liabilities		**(553)**	**(562)**
Net assets attributable to unitholders		**54,139**	**65,553**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 May 2023

NM0623U-2932223-92/221

Notes to Financial Statements

for the year ended 28 February 2023

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 39.

3. Net Capital (Losses)/Gains

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
The net capital (losses)/gains comprise:		
(Losses)/gains on non-derivative securities	(2,278)	2,446
(Losses)/gains on derivative securities	(1,428)	2,788
Currency gains/(losses)	6	(48)
Custodian transaction costs	(9)	(8)
Net capital (losses)/gains	**(3,709)**	**5,178**

Net losses (excluding transaction costs) listed above of £(3,700,000) comprise net realised gains of £1,448,000 and net unrealised losses of £(5,148,000) (28 February 2022: £5,186,000 comprising net realised gains of £2,975,000 and net unrealised gains of £2,211,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Equity distributions on CIS holdings	877	744
Interest distributions on CIS holdings	320	343
Interest from UK bank deposits	24	–
Revenue from short-term money market funds	220	11
Total revenue	**1,441**	**1,098**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	116	142
	116	142
Other expenses:		
– Audit fee	7	8
– Trustee's fees	4	5
	11	13
Total expenses	**127**	**155**

6. Interest Payable and Similar Charges

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interest on bank overdrafts	9	10
Total interest payable and similar charges	**9**	**10**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Corporation tax	86	38
Total tax charge [see note 7(b)]	**86**	**38**

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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Net revenue before taxation	1,305	933
Corporation tax at 20% (28 February 2022: 20%)	261	187
Effects of:		
Revenue not subject to tax	(175)	(149)
Total tax charge [see note 7(a)]	**86**	**38**

8. Distributions

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interim distribution	399	300
Final distribution	735	523
	1,134	823
Add: Amounts deducted on cancellation of units	91	75
Less: Amounts received on issue of units	(6)	(3)
Distributions	**1,219**	**895**

Details of the interim and final distributions per unit are set out in the tables on page 87.

9. Debtors

	28.2.2023 £000's	28.2.2022 £000's
Accrued revenue	35	3
Total debtors	**35**	**3**

10. Cash and Bank Balances

	28.2.2023 £000's	28.2.2022 £000's
Amount held at futures clearing houses and brokers	526	609
Cash and bank balances	1,125	1,401
Total cash and bank balances	**1,651**	**2,010**

Notes to Financial Statements continued

11. Cash Equivalents

	28.2.2023 £000's	28.2.2022 £000's
Investment in short-term money market funds	10,367	8,842
Total cash equivalents	**10,367**	**8,842**

12. Other Creditors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Annual Management charge	45	58
Accrued Audit fee	8	8
Accrued Trustee's fee	2	2
Amounts payable for cancellation of units	180	40
Corporation tax payable	85	37
Custodian transaction costs	2	1
Total other creditors	**322**	**146**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2022: £Nil).

14. 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 22 April 2022. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

15. 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 2023:

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

15. 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.

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

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

As at 28 February 2023 and 28 February 2022 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 2022:

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

15. 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.

16. Portfolio Transaction Costs

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	2,253	–	–	–	–
Total purchases	**2,253**	**–**		**–**	
Total purchases including transaction costs	**2,253**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	13,413	–	–	–	–
Total sales	**13,413**	**–**		**–**	
Total sales net of transaction costs	**13,413**				
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

16. Portfolio Transaction Costs continued

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%**	

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

16. 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 0.00% (28 February 2022: 0.87%).

17. Units in Issue

The movement in units in issue for the year ended 28 February 2023 is as follows:

	C Accumulation Units
Balance at the beginning of the year	35,646,362
Issued during the year	418,476
Cancelled during the year	(5,493,543)
Balance at the end of the year	**30,571,295**

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.

18. Post Balance Sheet Events

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

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 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	178.0	155.1	145.5
Return before operating charges	14.27	23.42	10.09
Operating charges	(0.53)	(0.51)	(0.45)
Return after operating charges	13.74	22.91	9.64
Distributions	(1.19)	0.00	0.00
Retained distributions on accumulation units	1.19	N/A	N/A
Closing net asset value per unit	191.7	178.0	155.1
After direct transaction costs of	(0.03)	(0.03)	(0.03)
Performance			
Return after charges[1]	7.72%	14.77%	12.26%
Other information			
Closing net asset value (£000's)	165,023	176,239	186,269
Closing number of units	86,064,937	99,007,112	120,065,558
Operating charges[2]	0.29%	0.29%	0.30%
Direct transaction costs[3]	0.02%	0.02%	0.02%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	196.9	189.4	162.0
Lowest bid unit price	171.1	157.0	134.8

[1] The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on 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 16 for further details.

BlackRock Managed Volatility Fund IV

Distribution Tables

for the year ended 28 February 2023

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2022

Group 2 – Units purchased 1 September 2022 to 28 February 2023

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	0.8700	0.6365
Equalisation†	–	0.2335
Distribution paid 30.4.2023	**0.8700**	**0.8700**
Distribution paid 30.4.2022	**0.0000**	**0.0000**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2022

Group 2 – Units purchased 1 March 2022 to 31 August 2022

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	0.3234	0.2174
Equalisation†	–	0.1060
Distribution paid 31.10.2022	**0.3234**	**0.3234**
Distribution paid 31.10.2021	**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.

BlackRock Managed Volatility Fund IV

Portfolio Statement

at 28 February 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES − 74.46%; 28.2.2022 68.91%			
Short-term Money Market Funds − 74.46%; 28.2.2022 68.91%			
369,449	BlackRock ICS Sterling Government Liquidity Fund	37,635	22.81
473,428	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class	47,338	28.68
275,838	BlackRock ICS Sterling Ultra Short Bond Fund	37,904	22.97
		122,877	**74.46**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES − 2.98%; 28.2.2022 (3.23%)			
Forward Currency Contracts − (0.31%); 28.2.2022 (0.20%)			
AU$12,984,545	Australian dollar vs UK sterling	(57)	(0.04)
€33,297,568	Euro vs UK sterling	99	0.05
¥2,750,203,164	Japanese yen vs UK sterling	(113)	(0.07)
£4,016,622	UK sterling vs Australian dollar	50	0.03
£16,184,639	UK sterling vs Euro	82	0.05
£8,464,916	UK sterling vs Japanese yen	153	0.10
£56,183,305	UK sterling vs US dollar	79	0.06
US$133,192,469	US dollar vs UK sterling	(816)	(0.49)
		(523)	**(0.31)**
Futures − 3.29%; 28.2.2022 (3.03%)			
540	Euro Stoxx 50 March 2023	1,557	0.94
829	FTSE 100 Index March 2023	3,139	1.90
43	MSCI Emerging Markets March 2023	(33)	(0.02)
380	S&P 500 E-Mini March 2023	456	0.28
39	SPI 200 March 2023	22	0.01

NM0623U-2932223-104/221

BlackRock Managed Volatility Fund IV

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
82	TOPIX Index March 2023	292	0.18
		5,433	**3.29**
Portfolio of investments		**127,787**	**77.44**
CASH EQUIVALENTS			
Short-term Money Market Funds – 7.47%; 28.2.2022 20.63%			
12,331,864	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**12,332**	**7.47**
Net other assets		24,904	15.09
Total net assets		**165,023**	**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 2023

	Notes	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Income					
Net capital gains	3		11,139		27,495
Revenue	4	1,793		287	
Expenses	5	(440)		(507)	
Interest payable and similar charges	6	(156)		(107)	
Net revenue/(expense) before taxation		1,197		(327)	
Taxation	7	(113)		–	
Net revenue/(expense) after taxation			1,084		(327)
Total return before distributions			12,223		27,168
Distributions	8		(1,084)		–
Change in net assets attributable to unitholders from investment activities			**11,139**		**27,168**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2023

	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Opening net assets attributable to unitholders		176,239		186,269
Amounts receivable on issue of units	27,892		106,935	
Amounts payable on cancellation of units	(51,297)		(144,133)	
		(23,405)		(37,198)
Change in net assets attributable to unitholders from investment activities		11,139		27,168
Retained distribution on accumulation units		1,050		–
Closing net assets attributable to unitholders		**165,023**		**176,239**

NM0623U-2932223-106/221

BlackRock Managed Volatility Fund IV

Balance Sheet

at 28 February 2023

	Notes	28.2.2023 £000's	28.2.2022 £000's
Assets:			
Fixed assets			
– Investment assets		128,806	123,903
Current assets			
– Debtors	9	259	2,053
– Cash and bank balances	10	26,775	25,751
– Cash equivalents	11	12,332	36,352
Total assets		**168,172**	**188,059**
Liabilities:			
Investment liabilities		(1,019)	(8,154)
Creditors			
– Amounts held at futures clearing houses and brokers		(1,621)	–
– Other creditors	12	(509)	(3,666)
Total liabilities		**(3,149)**	**(11,820)**
Net assets attributable to unitholders		**165,023**	**176,239**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 May 2023

Notes to Financial Statements

for the year ended 28 February 2023

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 39.

3. Net Capital Gains

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
The net capital gains comprise:		
Gains/(losses) on non-derivative securities	1,317	(214)
Gains on derivative securities	9,083	27,720
Currency gains/(losses)	749	(1)
Custodian transaction costs	(10)	(10)
Net capital gains	**11,139**	**27,495**

Net gains (excluding transaction costs) listed above of £11,149,000 comprise net realised losses of £(1,162,000) and net unrealised gains of £12,311,000 (28 February 2022: £27,505,000 comprising net realised gains of £32,223,000 and net unrealised losses of £(4,718,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interest from UK bank deposits	422	1
Overseas dividends	1,032	217
Revenue from short-term money market funds	339	69
Total revenue	**1,793**	**287**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	421	486
	421	486
Other expenses:		
– Audit fee	8	8
– Legal and other professional fees	1	–
– Trustee's fees	10	13
	19	21
Total expenses	**440**	**507**

6. Interest Payable and Similar Charges

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interest on bank overdrafts	156	107
Total interest payable and similar charges	**156**	**107**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Corporation tax	113	–
Total tax charge [see note 7(b)]	**113**	**–**

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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Net revenue/(expense) before taxation	1,197	(327)
Corporation tax at 20% (28 February 2022: 20%)	239	(65)
Effects of:		
Movement in unrecognised excess management expenses	(126)	65
Total tax charge [see note 7(a)]	**113**	**–**

8. Distributions

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interim distribution	301	–
Final distribution	749	–
	1,050	–
Add: Amounts deducted on cancellation of units	54	–
Add: Amounts received on issue of units	(20)	–
Distributions	**1,084**	**–**

The distributable amount has been calculated as follows:		
Net revenue after taxation	1,084	(327)
Add: Shortfall transferred to capital	–	290
Add: Amounts received on issue/cancellation of units in shortfall	–	37
Distributions	**1,084**	**–**

Details of the interim and final distributions per unit are set out in the tables on page 102.

9. Debtors

	28.2.2023 £000's	28.2.2022 £000's
Accrued revenue	178	20
Amounts receivable for issue of units	81	2,033
Total debtors	**259**	**2,053**

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2023 £000's	28.2.2022 £000's
Amount held at futures clearing houses and brokers	6,766	19,502
Cash and bank balances	20,009	6,249
Total cash and bank balances	**26,775**	**25,751**

11. Cash Equivalents

	28.2.2023 £000's	28.2.2022 £000's
Investment in short-term money market funds	12,332	36,352
Total cash equivalents	**12,332**	**36,352**

12. Other Creditors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Annual Management charge	168	196
Accrued Audit fee	8	8
Accrued Trustee's fee	5	6
Amounts payable for cancellation of units	213	3,454
Corporation tax payable	113	–
Custodian transaction costs	2	2
Total other creditors	**509**	**3,666**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2022: £Nil).

14. 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 22 April 2022. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

15. Related Parties

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

Notes to Financial Statements continued

15. Related Parties continued

The following entities were related parties of the Fund during the year ended 28 February 2023:

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.

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

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

As at 28 February 2023 and 28 February 2022 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%

Notes to Financial Statements continued

15. Related Parties continued

As at 28 February 2022:

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.

16. Portfolio Transaction Costs

For the year ended 28 February 2023

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

	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		30		–	
Total transaction costs		30		–	
Total transaction costs as a % of average net assets		0.02%		0.00%	

Notes to Financial Statements continued

16. Portfolio Transaction Costs continued

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%**	

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.

Notes to Financial Statements continued

16. 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 0.00% (28 February 2022: 0.00%).

17. Units in Issue

The movement in units in issue for the year ended 28 February 2023 is as follows:

	C Accumulation Units
Balance at the beginning of the year	99,007,112
Issued during the year	15,576,593
Cancelled during the year	(28,518,768)
Balance at the end of the year	**86,064,937**

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.

18. Post Balance Sheet Events

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

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 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	126.6	121.4	124.6
Return before operating charges	(6.56)	5.44	(2.92)
Operating charges	(0.27)	(0.28)	(0.27)
Return after operating charges	(6.83)	5.16	(3.19)
Distributions	(2.08)	(0.99)	(0.84)
Retained distributions on accumulation units	2.08	0.99	0.84
Closing net asset value per unit	119.8	126.6	121.4
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	(5.39)%	4.25%	(2.56)%
Other information			
Closing net asset value (£000's)	43,099	52,356	59,415
Closing number of units	35,983,828	41,368,793	48,938,059
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	137.5	141.5	137.5
Lowest bid unit price	114.0	122.1	121.2

[1] The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on 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 16 for further details.

BlackRock UK Managed Volatility Fund I

Distribution Tables

for the year ended 28 February 2023

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2022

Group 2 – Units purchased 1 September 2022 to 28 February 2023

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	1.4127	0.4683
Equalisation†	–	0.9444
Distribution paid 30.4.2023	**1.4127**	**1.4127**
Distribution paid 30.4.2022	**0.6869**	**0.6869**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2022

Group 2 – Units purchased 1 March 2022 to 31 August 2022

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	0.6672	0.0199
Equalisation†	–	0.6473
Distribution paid 31.10.2022	**0.6672**	**0.6672**
Distribution paid 31.10.2021	**0.2995**	**0.2995**

† 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.

NM0623U-2932223-118/221

BlackRock UK Managed Volatility Fund I

Portfolio Statement

at 28 February 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES − 78.70%; 28.2.2022 84.04%			
Equity Funds − 29.17%; 28.2.2022 21.57%			
6,006,063	iShares 100 UK Equity Index Fund UK	**12,571**	**29.17**
Exchange Traded Funds − 12.16%; 28.2.2022 20.06%			
17,859	iShares Core FTSE 100 UCITS ETF GBP Acc	2,553	5.92
259,208	iShares Core UK Gilts UCITS ETF	2,687	6.24
		5,240	**12.16**
Fixed Income Funds − 25.12%; 28.2.2022 25.94%			
10,447,597	iShares UK Gilts All Stocks Index Fund UK	**10,827**	**25.12**
Short-term Money Market Funds − 12.25%; 28.2.2022 16.47%			
38,439	BlackRock ICS Sterling Ultra Short Bond Fund	**5,282**	**12.25**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES − 0.18%; 28.2.2022 0.15%			
Futures − 0.18%; 28.2.2022 0.15%			
64	FTSE 100 Index March 2023	59	0.14
(19)	Long Gilt June 2023	19	0.04
		78	**0.18**
Portfolio of investments		**33,998**	**78.88**
CASH EQUIVALENTS			
Short-term Money Market Funds − 20.15%; 28.2.2022 15.31%			
8,684,812	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**8,685**	**20.15**
Net other assets		416	0.97
Total net assets		**43,099**	**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.

BlackRock UK Managed Volatility Fund I

Statement of Total Return

for the year ended 28 February 2023

	Notes	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Income					
Net capital (losses)/gains	3		(3,548)		2,155
Revenue	4	949		597	
Expenses	5	(96)		(111)	
Interest payable and similar charges	6	(46)		(32)	
Net revenue before taxation		807		454	
Taxation	7	–		–	
Net revenue after taxation			807		454
Total return before distributions			(2,741)		2,609
Distributions	8		(807)		(454)
Change in net assets attributable to unitholders from investment activities			**(3,548)**		**2,155**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2023

	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Opening net assets attributable to unitholders		52,356		59,415
Amounts receivable on issue of units	358		577	
Amounts payable on cancellation of units	(6,832)		(10,211)	
		(6,474)		(9,634)
Change in net assets attributable to unitholders from investment activities		(3,548)		2,155
Retained distribution on accumulation units		765		420
Closing net assets attributable to unitholders		**43,099**		**52,356**

NM0623U-2932223-120/221

BlackRock UK Managed Volatility Fund I

Balance Sheet

at 28 February 2023

	Notes	28.2.2023 £000's	28.2.2022 £000's
Assets:			
Fixed assets			
– Investment assets		33,998	44,086
Current assets			
– Debtors	9	37	28
– Cash and bank balances	10	443	422
– Cash equivalents	11	8,685	8,018
Total assets		**43,163**	**52,554**
Liabilities:			
Investment liabilities		–	(8)
Creditors			
– Other creditors	12	(64)	(190)
Total liabilities		**(64)**	**(198)**
Net assets attributable to unitholders		**43,099**	**52,356**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 May 2023

Notes to Financial Statements

for the year ended 28 February 2023

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 39.

3. Net Capital (Losses)/Gains

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
The net capital (losses)/gains comprise:		
(Losses)/gains on non-derivative securities	(3,540)	807
(Losses)/gains on derivative securities	(9)	1,352
Custodian transaction costs	–	(4)
Custodian transaction costs rebate	1	–
Net capital (losses)/gains	**(3,548)**	**2,155**

Net losses (excluding transaction costs) listed above of £ (3,549,000) comprise net realised losses of £ (1,416,000) and net unrealised losses of £ (2,133,000) (28 February 2022 : £ 2,159,000 comprising net realised gains of £ (35,000) and net unrealised gains of £ 2,194,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Equity distributions on CIS holdings	428	225
Interest distributions on CIS holdings	119	111
Interest from UK bank deposits	11	–
Manager's charge rebates	5	8
Overseas dividends	179	171
Returns from bond futures	16	59
Revenue from short-term money market funds	169	8
Securities lending revenue	22	15
Total revenue	**949**	**597**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	93	115
– Expense rebate due from the Manager[1]	(8)	(22)
	85	93
Other expenses:		
– Audit fee	8	9
– Safe custody fees	–	5
– Trustee's fees	3	4
	11	18
Total expenses	**96**	**111**

1 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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interest on bank overdrafts	3	4
Returns from short position bond futures	43	28
Total interest payable and similar charges	**46**	**32**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Net revenue before taxation	807	454
Corporation tax at 20% (28 February 2022: 20%)	161	91
Effects of:		
Revenue not subject to tax	(102)	(56)
Tax deductible interest distributions	(59)	(35)
Total tax charge [see note 7(a)]	**–**	**–**

8. Distributions

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interim distribution	256	136
Final distribution	509	284
	765	420
Add: Amounts deducted on cancellation of units	45	36
Less: Amounts received on issue of units	(3)	(2)
Distributions	**807**	**454**

Details of the interim and final distributions per unit are set out in the tables on page 117.

9. Debtors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Manager's charge rebates	2	3
Accrued revenue	27	2
Expense rebate due from the Manager	8	23
Total debtors	**37**	**28**

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2023 £000's	28.2.2022 £000's
Amount held at futures clearing houses and brokers	300	397
Cash and bank balances	143	25
Total cash and bank balances	**443**	**422**

11. Cash Equivalents

	28.2.2023 £000's	28.2.2022 £000's
Investment in short-term money market funds	8,685	8,018
Total cash equivalents	**8,685**	**8,018**

12. Other Creditors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Annual Management charge	36	46
Accrued Audit fee	17	8
Accrued Safe custody fees	1	3
Accrued Trustee's fee	1	2
Amounts payable for cancellation of units	9	131
Total other creditors	**64**	**190**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2022: £Nil).

14. 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 22 April 2022. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

15. Related Parties

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

Notes to Financial Statements continued

15. Related Parties continued

The following entities were related parties of the Fund during the year ended 28 February 2023:

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.

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

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

As at 28 February 2023 and 28 February 2022 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	60%

Notes to Financial Statements continued

15. Related Parties continued

As at 28 February 2022:

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%

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.

16. Portfolio Transaction Costs

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	2,143	–	–	–	–
Total purchases	**2,143**	**–**		**–**	
Total purchases including transaction costs	**2,143**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	5,893	–	–	–	–
Total sales	**5,893**	**–**		**–**	
Total sales net of transaction costs	**5,893**				
Derivative transaction costs		**3**		**–**	
Total transaction costs		**3**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

Notes to Financial Statements continued

16. Portfolio Transaction Costs continued

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%**	

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

16. 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 2022: 0.15%).

17. Units in Issue

The movement in units in issue for the year ended 28 February 2023 is as follows:

	C Accumulation Units
Balance at the beginning of the year	41,368,793
Issued during the year	301,191
Cancelled during the year	(5,686,156)
Balance at the end of the year	**35,983,828**

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.

18. Post Balance Sheet Events

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

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 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	121.1	114.1	118.3
Return before operating charges	(9.00)	7.27	(3.93)
Operating charges	(0.25)	(0.25)	(0.24)
Return after operating charges	(9.25)	7.02	(4.17)
Distributions	(2.05)	(1.26)	(1.04)
Retained distributions on accumulation units	2.05	1.26	1.04
Closing net asset value per unit	111.9	121.1	114.1
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	(7.64)%	6.15%	(3.52)%
Other information			
Closing net asset value (£000's)	81,693	102,180	118,627
Closing number of units	73,038,369	84,360,109	103,944,714
Operating charges[2]	0.22%	0.21%	0.21%
Direct transaction costs[3]	0.01%	0.01%	0.01%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	131.7	135.1	129.2
Lowest bid unit price	105.3	114.9	111.8

[1] The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on 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 16 for further details.

BlackRock UK Managed Volatility Fund II

Distribution Tables

for the year ended 28 February 2023

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2022

Group 2 – Units purchased 1 September 2022 to 28 February 2023

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.4713	0.4034
Equalisation†	–	1.0679
Distribution paid 30.4.2023	**1.4713**	**1.4713**
Distribution paid 30.4.2022	**1.0131**	**1.0131**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2022

Group 2 – Units purchased 1 March 2022 to 31 August 2022

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	0.5780	0.0311
Equalisation†	–	0.5469
Distribution paid 31.10.2022	**0.5780**	**0.5780**
Distribution paid 31.10.2021	**0.2422**	**0.2422**

† 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.

NM0623U-2932223-132/221

BlackRock UK Managed Volatility Fund II

Portfolio Statement

at 28 February 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES − 80.52%; 28.2.2022 86.79%			
Equity Funds − 31.20%; 28.2.2022 25.25%			
12,176,615	iShares 100 UK Equity Index Fund UK	**25,486**	**31.20**
Exchange Traded Funds − 13.79%; 28.2.2022 28.08%			
53,394	iShares Core FTSE 100 UCITS ETF GBP Acc	7,634	9.35
350,090	iShares Core UK Gilts UCITS ETF[Ø]	3,629	4.44
		11,263	**13.79**
Fixed Income Funds − 30.69%; 28.2.2022 30.77%			
24,191,985	iShares UK Gilts All Stocks Index Fund UK	**25,071**	**30.69**
Short-term Money Market Funds − 4.84%; 28.2.2022 2.69%			
28,800	BlackRock ICS Sterling Ultra Short Bond Fund	**3,958**	**4.84**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES − 0.51%; 28.2.2022 (0.05%)			
Futures − 0.51%; 28.2.2022 (0.05%)			
273	FTSE 100 Index March 2023	397	0.48
(19)	Long Gilt June 2023	23	0.03
		420	**0.51**
Portfolio of investments		**66,198**	**81.03**
CASH EQUIVALENTS			
Short-term Money Market Funds − 17.95%; 28.2.2022 12.26%			
14,664,202	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**14,664**	**17.95**
Net other assets		831	1.02
Total net assets		**81,693**	**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 2023

	Notes	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Income					
Net capital (losses)/gains	3		(9,240)		5,936
Revenue	4	1,977		1,544	
Expenses	5	(188)		(219)	
Interest payable and similar charges	6	(63)		(116)	
Net revenue before taxation		1,726		1,209	
Taxation	7	(99)		(35)	
Net revenue after taxation			1,627		1,174
Total return before distributions			(7,613)		7,110
Distributions	8		(1,627)		(1,174)
Change in net assets attributable to unitholders from investment activities			**(9,240)**		**5,936**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2023

	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Opening net assets attributable to unitholders		102,180		118,627
Amounts receivable on issue of units	1,259		1,214	
Amounts payable on cancellation of units	(14,038)		(24,674)	
		(12,779)		(23,460)
Change in net assets attributable to unitholders from investment activities		(9,240)		5,936
Retained distribution on accumulation units		1,532		1,077
Closing net assets attributable to unitholders		**81,693**		**102,180**

NM0623U-2932223-134/221

BlackRock UK Managed Volatility Fund II

Balance Sheet

at 28 February 2023

	Notes	28.2.2023 £000's	28.2.2022 £000's
Assets:			
Fixed assets			
– Investment assets		66,198	88,680
Current assets			
– Debtors	9	56	54
– Cash and bank balances	10	1,025	1,126
– Cash equivalents	11	14,664	12,524
Total assets		**81,943**	**102,384**
Liabilities:			
Investment liabilities		–	(53)
Creditors			
– Other creditors	12	(250)	(151)
Total liabilities		**(250)**	**(204)**
Net assets attributable to unitholders		**81,693**	**102,180**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 May 2023

Notes to Financial Statements

for the year ended 28 February 2023

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 39.

3. Net Capital (Losses)/Gains

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
The net capital (losses)/gains comprise:		
(Losses)/gains on non-derivative securities	(6,216)	2,524
(Losses)/gains on derivative securities	(3,022)	3,416
Custodian transaction costs	(3)	(4)
Custodian transaction costs rebate	1	–
Net capital (losses)/gains	**(9,240)**	**5,936**

Net losses (excluding transaction costs) listed above of £(9,238,000) comprise net realised losses of £(5,834,000) and net unrealised losses of £(3,404,000) (28 February 2022: £5,940,000 comprising net realised gains of £2,394,000 and net unrealised gains of £3,546,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Equity distributions on CIS holdings	979	768
Interest distributions on CIS holdings	287	286
Interest from UK bank deposits	19	–
Manager's charge rebates	10	21
Overseas dividends	334	437
Returns from bond futures	64	11
Revenue from short-term money market funds	266	13
Securities lending revenue	18	8
Total revenue	**1,977**	**1,544**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	180	225
– Expense rebate due from the Manager[1]	(6)	(34)
	174	191
Other expenses:		
– Audit fee	8	9
– Safe custody fees	–	12
– Trustee's fees	6	7
	14	28
Total expenses	**188**	**219**

1 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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interest on bank overdrafts	5	9
Returns from short position bond futures	58	107
Total interest payable and similar charges	**63**	**116**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Corporation tax	99	35
Total tax charge [see note 7(b)]	**99**	**35**

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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Net revenue before taxation	1,726	1,209
Corporation tax at 20% (28 February 2022: 20%)	345	242
Effects of:		
Revenue not subject to tax	(246)	(207)
Total tax charge [see note 7(a)]	**99**	**35**

8. Distributions

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interim distribution	457	222
Final distribution	1,075	855
	1,532	1,077
Add: Amounts deducted on cancellation of units	101	102
Less: Amounts received on issue of units	(6)	(5)
Distributions	**1,627**	**1,174**

Details of the interim and final distributions per unit are set out in the tables on page 131.

9. Debtors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Manager's charge rebates	3	9
Accrued revenue	47	3
Amounts receivable for issue of units	–	8
Expense rebate due from the Manager	6	34
Total debtors	**56**	**54**

NM0623U-2932223-138/221

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2023 £000's	28.2.2022 £000's
Amount held at futures clearing houses and brokers	783	925
Cash and bank balances	242	201
Total cash and bank balances	**1,025**	**1,126**

11. Cash Equivalents

	28.2.2023 £000's	28.2.2022 £000's
Investment in short-term money market funds	14,664	12,524
Total cash equivalents	**14,664**	**12,524**

12. Other Creditors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Annual Management charge	70	89
Accrued Audit fee	8	9
Accrued Safe custody fees	1	6
Accrued Trustee's fee	3	3
Amounts payable for cancellation of units	69	8
Corporation tax payable	99	35
Custodian transaction costs	–	1
Total other creditors	**250**	**151**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2022: £Nil).

14. 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 22 April 2022. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

Notes to Financial Statements continued

15. 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 2023:

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

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

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8.

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

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

Notes to Financial Statements continued

15. Related Parties continued

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 2023 and 28 February 2022 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 2022:

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%

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

16. Portfolio Transaction Costs

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	10,355	–	–	–	–
Total purchases	**10,355**	**–**		**–**	
Total purchases including transaction costs	**10,355**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	28,568	–	–	–	–
Total sales	**28,568**	**–**		**–**	
Total sales net of transaction costs	**28,568**				
Derivative transaction costs		**6**		**–**	
Total transaction costs		**6**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

Notes to Financial Statements continued

16. Portfolio Transaction Costs continued

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%**	

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

16. 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 2022: 0.18%).

17. Units in Issue

The movement in units in issue for the year ended 28 February 2023 is as follows:

	C Accumulation Units
Balance at the beginning of the year	84,360,109
Issued during the year	1,064,415
Cancelled during the year	(12,386,155)
Balance at the end of the year	**73,038,369**

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.

18. Post Balance Sheet Events

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

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 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	116.7	108.6	116.1
Return before operating charges	(3.54)	8.37	(7.26)
Operating charges	(0.24)	(0.24)	(0.24)
Return after operating charges	(3.78)	8.13	(7.50)
Distributions	(2.64)	(1.36)	(1.13)
Retained distributions on accumulation units	2.64	1.36	1.13
Closing net asset value per unit	112.9	116.7	108.6
After direct transaction costs of	(0.01)	(0.02)	(0.01)
Performance			
Return after charges[1]	(3.24)%	7.48%	(6.46)%
Other information			
Closing net asset value (£000's)	28,382	33,426	34,777
Closing number of units	25,133,979	28,636,169	32,024,328
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	126.5	129.1	126.6
Lowest bid unit price	102.2	109.5	105.5

[1] The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on 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 16 for further details.

BlackRock UK Managed Volatility Fund III

Distribution Tables

for the year ended 28 February 2023

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2022

Group 2 – Units purchased 1 September 2022 to 28 February 2023

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	2.0903	0.0613
Equalisation†	–	2.0290
Distribution paid 30.4.2023	**2.0903**	**2.0903**
Distribution paid 30.4.2022	**1.1493**	**1.1493**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2022

Group 2 – Units purchased 1 March 2022 to 31 August 2022

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	0.5484	0.0467
Equalisation†	–	0.5017
Distribution paid 31.10.2022	**0.5484**	**0.5484**
Distribution paid 31.10.2021	**0.2069**	**0.2069**

† 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 UK Managed Volatility Fund III

Portfolio Statement

at 28 February 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 82.95%; 28.2.2022 86.30%			
Equity Funds – 32.35%; 28.2.2022 26.94%			
4,385,806	iShares 100 UK Equity Index Fund UK	**9,180**	**32.35**
Exchange Traded Funds – 35.80%; 28.2.2022 42.54%			
64,923	iShares Core FTSE 100 UCITS ETF GBP Acc	9,282	32.70
84,891	iShares Core UK Gilts UCITS ETF	880	3.10
		10,162	**35.80**
Fixed Income Funds – 14.18%; 28.2.2022 15.10%			
3,883,223	iShares UK Gilts All Stocks Index Fund UK	**4,024**	**14.18**
Short-term Money Market Funds – 0.62%; 28.2.2022 1.72%			
1,286	BlackRock ICS Sterling Ultra Short Bond Fund	**177**	**0.62**
DERIVATIVES – 1.17%; 28.2.2022 0.00%			
Futures – 1.17%; 28.2.2022 0.00%			
121	FTSE 100 Index March 2023	276	0.97
(46)	Long Gilt June 2023	56	0.20
		332	**1.17**
Portfolio of investments		**23,875**	**84.12**
CASH EQUIVALENTS			
Short-term Money Market Funds – 13.19%; 28.2.2022 12.01%			
3,745,001	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**3,745**	**13.19**
Net other assets		762	2.69
Total net assets		**28,382**	**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.

NM0623U-2932223-148/221

BlackRock UK Managed Volatility Fund III

Statement of Total Return

for the year ended 28 February 2023

	Notes	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Income					
Net capital (losses)/gains	3		(1,873)		2,187
Revenue	4	797		523	
Expenses	5	(61)		(67)	
Interest payable and similar charges	6	(12)		(41)	
Net revenue before taxation		724		415	
Taxation	7	(26)		(7)	
Net revenue after taxation			698		408
Total return before distributions			(1,175)		2,595
Distributions	8		(698)		(408)
Change in net assets attributable to unitholders from investment activities			**(1,873)**		**2,187**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2023

	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Opening net assets attributable to unitholders		33,426		34,777
Amounts receivable on issue of units	1,035		1,353	
Amounts payable on cancellation of units	(4,878)		(5,283)	
		(3,843)		(3,930)
Change in net assets attributable to unitholders from investment activities		(1,873)		2,187
Retained distribution on accumulation units		672		392
Closing net assets attributable to unitholders		**28,382**		**33,426**

BlackRock UK Managed Volatility Fund III

Balance Sheet

at 28 February 2023

	Notes	28.2.2023 £000's	28.2.2022 £000's
Assets:			
Fixed assets			
– Investment assets		23,875	28,867
Current assets			
– Debtors	9	214	25
– Cash and bank balances	10	674	665
– Cash equivalents	11	3,745	4,014
Total assets		**28,508**	**33,571**
Liabilities:			
Investment liabilities		–	(19)
Creditors			
– Other creditors	12	(126)	(126)
Total liabilities		**(126)**	**(145)**
Net assets attributable to unitholders		**28,382**	**33,426**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 May 2023

NM0623U-2932223-150/221

Notes to Financial Statements

for the year ended 28 February 2023

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 39.

3. Net Capital (Losses)/Gains

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
The net capital (losses)/gains comprise:		
(Losses)/gains on non-derivative securities	(861)	1,503
(Losses)/gains on derivative securities	(1,010)	688
Custodian transaction costs	(3)	(4)
Custodian transaction costs rebate	1	–
Net capital (losses)/gains	**(1,873)**	**2,187**

Net losses (excluding transaction costs) listed above of £(1,871,000) comprise net realised losses of £(2,436,000) and net unrealised gains of £565,000 (28 February 2022: £2,191,000 comprising net realised gains of £110,000 and net unrealised gains of £2,081,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Equity distributions on CIS holdings	336	224
Interest distributions on CIS holdings	45	62
Interest from UK bank deposits	9	–
Manager's charge rebates	9	9
Overseas dividends	306	204
Returns from bond futures	30	11
Revenue from short-term money market funds	49	5
Securities lending revenue	13	8
Total revenue	**797**	**523**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	59	71
– Expense rebate due from the Manager[1]	(12)	(19)
	47	52
Other expenses:		
– Audit fee	9	9
– Safe custody fees	3	4
– Trustee's fees	2	2
	14	15
Total expenses	**61**	**67**

1 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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interest on bank overdrafts	2	4
Returns from short position bond futures	10	37
Total interest payable and similar charges	**12**	**41**

7. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Corporation tax	26	7
Total tax charge [see note 7(b)]	**26**	**7**

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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Net revenue before taxation	724	415
Corporation tax at 20% (28 February 2022: 20%)	145	83
Effects of:		
Revenue not subject to tax	(119)	(76)
Total tax charge [see note 7(a)]	**26**	**7**

8. Distributions

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interim distribution	147	62
Final distribution	525	329
	672	391
Add: Amounts deducted on cancellation of units	34	22
Less: Amounts received on issue of units	(8)	(5)
Distributions	**698**	**408**

Details of the interim and final distributions per unit are set out in the tables on page 146.

9. Debtors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Manager's charge rebates	3	4
Accrued revenue	8	1
Expense rebate due from the Manager	12	20
Sales awaiting settlement	191	–
Total debtors	**214**	**25**

Notes to Financial Statements continued

10. Cash and Bank Balances

	28.2.2023 £000's	28.2.2022 £000's
Amount held at futures clearing houses and brokers	447	465
Cash and bank balances	227	200
Total cash and bank balances	**674**	**665**

11. Cash Equivalents

	28.2.2023 £000's	28.2.2022 £000's
Investment in short-term money market funds	3,745	4,014
Total cash equivalents	**3,745**	**4,014**

12. Other Creditors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Annual Management charge	23	29
Accrued Audit fee	8	8
Accrued Safe custody fees	–	1
Accrued Trustee's fee	1	1
Amounts payable for cancellation of units	67	78
Corporation tax payable	26	8
Custodian transaction costs	1	1
Total other creditors	**126**	**126**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2022: £Nil).

14. 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 22 April 2022. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

Notes to Financial Statements continued

15. 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 2023:

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

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

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8.

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

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

Notes to Financial Statements continued

15. Related Parties continued

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 2023 and 28 February 2022 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 2022:

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

16. Portfolio Transaction Costs

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	4,895	–	–	–	–
Total purchases	**4,895**	**–**		**–**	
Total purchases including transaction costs	**4,895**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	9,980	–	–	–	–
Total sales	**9,980**	**–**		**–**	
Total sales net of transaction costs	**9,980**				
Derivative transaction costs		**2**		**–**	
Total transaction costs		**2**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

Notes to Financial Statements continued

16. Portfolio Transaction Costs continued

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%**	

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

16. 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 0.05% (28 February 2022: 0.20%).

17. Units in Issue

The movement in units in issue for the year ended 28 February 2023 is as follows:

	C Accumulation Units
Balance at the beginning of the year	28,636,169
Issued during the year	931,418
Cancelled during the year	(4,433,608)
Balance at the end of the year	**25,133,979**

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.

18. Post Balance Sheet Events

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

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 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021
	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	160.9	154.0	151.3	159.1	152.5	150.0
Return before operating charges	(8.09)	7.21	3.03	(7.88)	7.24	3.09
Operating charges	(0.34)	(0.36)	(0.33)	(0.56)	(0.60)	(0.55)
Return after operating charges	(8.43)	6.85	2.70	(8.44)	6.64	2.54
Distributions	(2.52)	(2.02)	(1.68)	(2.31)	(1.80)	(1.49)
Retained distributions on accumulation units	2.52	2.02	1.68	2.31	1.80	1.49
Closing net asset value per unit	152.5	160.9	154.0	150.7	159.1	152.5
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges[1]	(5.24)%	4.45%	1.78%	(5.30)%	4.35%	1.69%
Other information						
Closing net asset value (£000's)	156,177	170,209	168,256	4,336	4,375	3,363
Closing number of units	102,433,649	105,815,293	109,260,309	2,878,140	2,748,911	2,204,316
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	176.6	184.4	170.5	174.7	182.5	168.9
Lowest bid unit price	144.2	154.3	135.9	142.6	152.9	134.8

1 The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on 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 14 for further details.

BlackRock Volatility Strategy Fund I

Distribution Tables

for the year ended 28 February 2023

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2022

Group 2 – Units purchased 1 September 2022 to 28 February 2023

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.4452	0.0706	1.3380	0.0230
Equalisation†	–	1.3746	–	1.3150
Distribution paid 30.4.2023	**1.4452**	**1.4452**	**1.3380**	**1.3380**
Distribution paid 30.4.2022	**1.3556**	**1.3556**	**1.2413**	**1.2413**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2022

Group 2 – Units purchased 1 March 2022 to 31 August 2022

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.0788	0.0105	0.9713	0.0000
Equalisation†	–	1.0683	–	0.9713
Distribution paid 31.10.2022	**1.0788**	**1.0788**	**0.9713**	**0.9713**
Distribution paid 31.10.2021	**0.6667**	**0.6667**	**0.5610**	**0.5610**

† 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 I

Portfolio Statement

at 28 February 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES − 88.60%; 28.2.2022 98.67%			
Equity Funds − 49.35%; 28.2.2022 59.47%			
2,836,589	iShares Continental European Equity Index Fund UK	8,050	5.01
4,279,025	iShares Emerging Markets Equity Index Fund UK	7,316	4.56
1,525,005	iShares Japan Equity Index Fund UK	3,676	2.29
1,827,541	iShares Mid Cap UK Equity Index Fund UK	4,278	2.67
7,024,793	iShares North American Equity Index Fund UK	31,528	19.64
533,105	iShares Pacific ex Japan Equity Index Fund UK	1,244	0.77
7,719,236	iShares UK Equity Index Fund UK	16,873	10.51
1,429,976	iShares US Equity Index Fund UK	6,255	3.90
		79,220	**49.35**
Fixed Income Funds − 39.25%; 28.2.2022 39.20%			
6,343,986	iShares Corporate Bond Index Fund UK	8,457	5.27
12,039,651	iShares ESG Overseas Corporate Bond Index Fund UK	18,420	11.48
690,576	iShares Global Inflation-Linked Bond Index Fund US Dollar Hedged	9,091	5.66
15,332,006	iShares Overseas Government Bond Index Fund UK	18,601	11.59
8,133,563	iShares UK Gilts All Stocks Index Fund UK	8,429	5.25
		62,998	**39.25**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES − (0.24%); 28.2.2022 (0.10%)			
Forward Currency Contracts − (0.24%); 28.2.2022 (0.10%)			
€13,372,434	Euro vs UK sterling	(54)	(0.05)
£24,547,930	UK sterling vs Euro	(102)	(0.06)
£61,941,618	UK sterling vs US dollar	(238)	(0.12)
US$20,957,276	US dollar vs UK sterling	7	(0.01)
		(387)	**(0.24)**
Portfolio of investments		**141,831**	**88.36**
CASH EQUIVALENTS			
Short-term Money Market Funds − 11.75%; 28.2.2022 1.49%			
18,856,144	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**18,856**	**11.75**
Net other liabilities		(174)	(0.11)
Total net assets		**160,513**	**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, Merrill Lynch International, 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.

BlackRock Volatility Strategy Fund I

Statement of Total Return

for the year ended 28 February 2023

	Notes	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Income					
Net capital (losses)/gains	3		(11,899)		5,425
Revenue	4	3,313		2,763	
Expenses	5	(352)		(389)	
Net revenue before taxation		2,961		2,374	
Taxation	6	(238)		(116)	
Net revenue after taxation			2,723		2,258
Total return before distributions			(9,176)		7,683
Distributions	7		(2,724)		(2,258)
Change in net assets attributable to unitholders from investment activities			**(11,900)**		**5,425**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2023

	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Opening net assets attributable to unitholders		174,583		171,619
Amounts receivable on issue of units	16,864		18,032	
Amounts payable on cancellation of units	(21,714)		(22,707)	
		(4,850)		(4,675)
Change in net assets attributable to unitholders from investment activities		(11,900)		5,425
Retained distribution on accumulation units		2,680		2,214
Closing net assets attributable to unitholders		**160,513**		**174,583**

NM0623U-2932223-164/221

BlackRock Volatility Strategy Fund I

Balance Sheet

at 28 February 2023

	Notes	28.2.2023 £000's	28.2.2022 £000's
Assets:			
Fixed assets			
– Investment assets		142,225	172,512
Current assets			
– Debtors	8	146	291
– Cash and bank balances		18	100
– Cash equivalents	9	18,856	2,598
Total assets		**161,245**	**175,501**
Liabilities:			
Investment liabilities		(394)	(429)
Creditors			
– Other creditors	10	(338)	(489)
Total liabilities		**(732)**	**(918)**
Net assets attributable to unitholders		**160,513**	**174,583**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 May 2023

Notes to Financial Statements

for the year ended 28 February 2023

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 39.

3. Net Capital (Losses)/Gains

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
The net capital (losses)/gains comprise:		
(Losses)/gains on non-derivative securities	(5,601)	7,088
Losses on derivative securities	(6,004)	(1,498)
Currency losses	(293)	(162)
Custodian transaction costs	(5)	(3)
Custodian transaction costs rebate	4	–
Net capital (losses)/gains	**(11,899)**	**5,425**

Net losses (excluding transaction costs) listed above of £(11,898,000) comprise net realised losses of £(634,000) and net unrealised losses of £(11,264,000) (28 February 2022: £5,428,000 comprising net realised gains of £2,217,000 and net unrealised gains of £3,211,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Equity distributions on CIS holdings	1,775	1,794
Interest distributions on CIS holdings	910	864
Interest from UK bank deposits	22	–
Overseas dividends	–	102
Revenue from short-term money market funds	606	3
Total revenue	**3,313**	**2,763**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	340	373
– Expense rebate due from the Manager[1]	(6)	(7)
	334	366
Other expenses:		
– Audit fee	7	10
– Legal and other professional fees	1	1
– Trustee's fees	10	12
	18	23
Total expenses	**352**	**389**

1 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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Corporation tax	238	116
Total tax charge [see note 6(b)]	**238**	**116**

(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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Net revenue before taxation	2,961	2,374
Corporation tax at 20% (28 February 2022: 20%)	592	475
Effects of:		
Capitalised income subject to tax	1	–
Revenue not subject to tax	(355)	(359)
Total tax charge [see note 6(a)]	**238**	**116**

Notes to Financial Statements continued

7. Distributions

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interim distribution	1,161	746
Final distribution	1,519	1,468
	2,680	2,214
Add: Amounts deducted on cancellation of units	176	164
Less: Amounts received on issue of units	(132)	(120)
Distributions	**2,724**	**2,258**
The distributable amount has been calculated as follows:		
Net revenue after taxation	2,723	2,258
Add: Tax on capitalised Manager's charge rebates	1	–
Distributions	**2,724**	**2,258**

Details of the interim and final distributions per unit are set out in the tables on page 161.

8. Debtors

	28.2.2023 £000's	28.2.2022 £000's
Accrued revenue	78	1
Amounts receivable for issue of units	58	283
Expense rebate due from the Manager	8	7
Income tax recoverable	2	–
Total debtors	**146**	**291**

9. Cash Equivalents

	28.2.2023 £000's	28.2.2022 £000's
Investment in short-term money market funds	18,856	2,598
Total cash equivalents	**18,856**	**2,598**

Notes to Financial Statements continued

10. Other Creditors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Annual Management charge	137	156
Accrued Audit fee	7	7
Accrued Trustee's fee	5	6
Amounts payable for cancellation of units	85	302
Corporation tax payable	103	17
Custodian transaction costs	1	1
Total other creditors	**338**	**489**

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2022: £Nil).

12. 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 22 April 2022. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

13. Related Parties

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

The following entities were related parties of the Fund during the year ended 28 February 2023:

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.

Notes to Financial Statements continued

13. Related Parties continued

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

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

As at 28 February 2023 and 28 February 2022 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%

As at 28 February 2022:

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.

Notes to Financial Statements continued

14. Portfolio Transaction Costs

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	85,910	–	–	–	–
Total purchases	**85,910**	**–**		**–**	
Total purchases including transaction costs	**85,910**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	113,039	–	–	–	–
Total sales	**113,039**	**–**		**–**	
Total sales net of transaction costs	**113,039**				
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

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

14. Portfolio Transaction Costs continued

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 0.00% (28 February 2022: 0.14%).

15. Units in Issue

The movement in units in issue for the year ended 28 February 2023 is as follows:

	C Accumulation Units	E Accumulation Units
Balance at the beginning of the year	105,815,293	2,748,911
Issued during the year	10,345,112	715,787
Cancelled during the year	(13,726,756)	(586,558)
Balance at the end of the year	**102,433,649**	**2,878,140**

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.

16. Post Balance Sheet Events

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

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 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021
	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	169.8	160.0	156.1	168.0	158.5	154.8
Return before operating charges	(6.16)	10.22	4.22	(6.06)	10.18	4.23
Operating charges	(0.36)	(0.37)	(0.34)	(0.60)	(0.64)	(0.56)
Return after operating charges	(6.52)	9.84	3.88	(6.66)	9.54	3.67
Distributions	(2.78)	(2.23)	(1.94)	(2.56)	(2.00)	(1.74)
Retained distributions on accumulation units	2.78	2.23	1.94	2.56	2.00	1.74
Closing net asset value per unit	163.3	169.8	160.0	161.3	168.0	158.5
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges[1]	(3.84)%	6.15%	2.49%	(3.96)%	6.02%	2.37%
Other information						
Closing net asset value (£000's)	366,722	384,198	374,081	15,352	15,910	11,076
Closing number of units	224,602,824	226,210,617	233,824,341	9,515,251	9,468,193	6,989,369
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	188.3	195.3	177.8	186.3	193.3	176.1
Lowest bid unit price	152.1	160.4	136.8	150.4	158.9	135.7

[1] The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on 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 14 for further details.

BlackRock Volatility Strategy Fund II

Distribution Tables

for the year ended 28 February 2023

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2022

Group 2 – Units purchased 1 September 2022 to 28 February 2023

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.5785	0.0000	1.4660	0.0000
Equalisation†	–	1.5785	–	1.4660
Distribution paid 30.4.2023	**1.5785**	**1.5785**	**1.4660**	**1.4660**
Distribution paid 30.4.2022	**1.5413**	**1.5413**	**1.4249**	**1.4249**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2022

Group 2 – Units purchased 1 March 2022 to 31 August 2022

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.2043	0.0000	1.0920	0.0000
Equalisation†	–	1.2043	–	1.0920
Distribution paid 31.10.2022	**1.2043**	**1.2043**	**1.0920**	**1.0920**
Distribution paid 31.10.2021	**0.6880**	**0.6880**	**0.5772**	**0.5772**

† 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 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 98.30%; 28.2.2022 98.55%			
Equity Funds – 67.27%; 28.2.2022 72.49%			
9,193,194	iShares Continental European Equity Index Fund UK	26,089	6.83
12,976,828	iShares Emerging Markets Equity Index Fund UK	22,188	5.81
4,922,013	iShares Japan Equity Index Fund UK	11,865	3.10
6,001,065	iShares Mid Cap UK Equity Index Fund UK	14,047	3.68
21,005,508	iShares North American Equity Index Fund UK	94,274	24.67
1,767,545	iShares Pacific ex Japan Equity Index Fund UK	4,124	1.08
24,586,848	iShares UK Equity Index Fund UK	53,742	14.07
7,018,353	iShares US Equity Index Fund UK	30,702	8.03
		257,031	**67.27**
Fixed Income Funds – 31.03%; 28.2.2022 26.06%			
17,070,627	iShares Corporate Bond Index Fund UK	22,756	5.95
32,470,927	iShares ESG Overseas Corporate Bond Index Fund UK	49,678	13.00
1,398,634	iShares Global Inflation-Linked Bond Index Fund US Dollar Hedged	18,412	4.82
17,785,450	iShares Overseas Government Bond Index Fund UK	21,578	5.65
5,927,454	iShares UK Gilts All Stocks Index Fund UK	6,143	1.61
		118,567	**31.03**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – (0.22%); 28.2.2022 (0.13%)			
Forward Currency Contracts – (0.22%); 28.2.2022 (0.13%)			
€31,626,599	Euro vs UK sterling	(125)	(0.05)
£58,886,527	UK sterling vs Euro	(280)	(0.06)
£149,245,049	UK sterling vs US dollar	(548)	(0.15)
US$50,046,414	US dollar vs UK sterling	95	0.04
		(858)	**(0.22)**
Portfolio of investments		**374,740**	**98.08**
CASH EQUIVALENTS			
Short-term Money Market Funds – 1.98%; 28.2.2022 1.61%			
7,562,693	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**7,563**	**1.98**
Net other liabilities		(229)	(0.06)
Total net assets		**382,074**	**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, Merrill Lynch International, 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.

NM0623U-2932223-176/221

BlackRock Volatility Strategy Fund II

Statement of Total Return

for the year ended 28 February 2023

	Notes	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Income					
Net capital (losses)/gains	3		(21,939)		18,220
Revenue	4	7,666		6,459	
Expenses	5	(823)		(889)	
Net revenue before taxation		6,843		5,570	
Taxation	6	(346)		(151)	
Net revenue after taxation			6,497		5,419
Total return before distributions			(15,442)		23,639
Distributions	7		(6,498)		(5,419)
Change in net assets attributable to unitholders from investment activities			**(21,940)**		**18,220**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2023

	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Opening net assets attributable to unitholders		400,108		385,157
Amounts receivable on issue of units	36,296		41,745	
Amounts payable on cancellation of units	(38,880)		(50,312)	
		(2,584)		(8,567)
Change in net assets attributable to unitholders from investment activities		(21,940)		18,220
Retained distribution on accumulation units		6,490		5,298
Closing net assets attributable to unitholders		**382,074**		**400,108**

BlackRock Volatility Strategy Fund II

Balance Sheet

at 28 February 2023

	Notes	28.2.2023 £000's	28.2.2022 £000's
Assets:			
Fixed assets			
– Investment assets		375,693	394,776
Current assets			
– Debtors	8	276	288
– Cash and bank balances		11	160
– Cash equivalents	9	7,563	6,426
Total assets		**383,543**	**401,650**
Liabilities:			
Investment liabilities		(953)	(978)
Creditors			
– Other creditors	10	(516)	(564)
Total liabilities		**(1,469)**	**(1,542)**
Net assets attributable to unitholders		**382,074**	**400,108**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 May 2023

NM0623U-2932223-178/221

Notes to Financial Statements

for the year ended 28 February 2023

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 39.

3. Net Capital (Losses)/Gains

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
The net capital (losses)/gains comprise:		
(Losses)/gains on non-derivative securities	(9,230)	22,364
Losses on derivative securities	(11,983)	(3,758)
Currency losses	(726)	(382)
Custodian transaction costs	(6)	(4)
Custodian transaction costs rebate	6	–
Net capital (losses)/gains	**(21,939)**	**18,220**

Net losses (excluding transaction costs) listed above of £(21,939,000) comprise net realised losses of £(332,000) and net unrealised losses of £(21,607,000) (28 February 2022: £18,224,000 comprising net realised gains of £6,298,000 and net unrealised gains of £11,926,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Equity distributions on CIS holdings	5,120	4,816
Interest distributions on CIS holdings	1,683	1,482
Interest from UK bank deposits	41	–
Overseas dividends	–	155
Revenue from short-term money market funds	822	6
Total revenue	**7,666**	**6,459**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	791	851
– Expense rebate due from the Manager[1]	(1)	–
	790	851
Other expenses:		
– Audit fee	8	10
– Legal and other professional fees	1	1
– Trustee's fees	24	27
	33	38
Total expenses	**823**	**889**

1 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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Corporation tax	346	151
Total tax charge [see note 6(b)]	**346**	**151**

(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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Net revenue before taxation	6,843	5,570
Corporation tax at 20% (28 February 2022: 20%)	1,369	1,114
Effects of:		
Revenue not subject to tax	(1,023)	(963)
Total tax charge [see note 6(a)]	**346**	**151**

NM0623U-2932223-180/221

Notes to Financial Statements continued

7. Distributions

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interim distribution	2,805	1,676
Final distribution	3,685	3,622
	6,490	5,298
Add: Amounts deducted on cancellation of units	315	425
Less: Amounts received on issue of units	(307)	(304)
Distributions	**6,498**	**5,419**
The distributable amount has been calculated as follows:		
Net revenue after taxation	6,497	5,419
Add: Tax on capitalised Manager's charge rebates	1	–
Distributions	**6,498**	**5,419**

Details of the interim and final distributions per unit are set out in the tables on page 174.

8. Debtors

	28.2.2023 £000's	28.2.2022 £000's
Accrued revenue	34	2
Amounts receivable for issue of units	232	285
Expense rebate due from the Manager	5	1
Income tax recoverable	5	–
Total debtors	**276**	**288**

9. Cash Equivalents

	28.2.2023 £000's	28.2.2022 £000's
Investment in short-term money market funds	7,563	6,426
Total cash equivalents	**7,563**	**6,426**

BIM40623U-3032273-181/221

Notes to Financial Statements continued

10. Other Creditors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Annual Management charge	321	352
Accrued Audit fee	7	7
Accrued Trustee's fee	12	13
Amounts payable for cancellation of units	57	188
Corporation tax payable	118	3
Custodian transaction costs	1	1
Total other creditors	**516**	**564**

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2022: £Nil).

12. 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 22 April 2022. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

13. Related Parties

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

The following entities were related parties of the Fund during the year ended 28 February 2023:

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.

Notes to Financial Statements continued

13. Related Parties continued

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

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

As at 28 February 2023 and 28 February 2022 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%

As at 28 February 2022:

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%

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

14. Portfolio Transaction Costs

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	199,542	–	–	–	–
Total purchases	**199,542**	**–**		**–**	
Total purchases including transaction costs	**199,542**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	215,812	–	–	–	–
Total sales	**215,812**	**–**		**–**	
Total sales net of transaction costs	**215,812**				
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

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

14. Portfolio Transaction Costs continued

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 0.00% (28 February 2022: 0.14%).

15. Units in Issue

The movement in units in issue for the year ended 28 February 2023 is as follows:

	C Accumulation Units	E Accumulation Units
Balance at the beginning of the year	226,210,617	9,468,193
Issued during the year	20,437,606	1,849,330
Cancelled during the year	(22,045,399)	(1,802,272)
Balance at the end of the year	**224,602,824**	**9,515,251**

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.

16. Post Balance Sheet Events

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

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 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	179.7	166.0	160.5	177.7	164.4	159.1
Return before operating charges	(3.00)	14.09	5.87	(2.94)	13.94	5.84
Operating charges	(0.38)	(0.40)	(0.34)	(0.64)	(0.67)	(0.57)
Return after operating charges	(3.38)	13.69	5.53	(3.58)	13.27	5.27
Distributions	(3.08)	(2.50)	(2.08)	(2.83)	(2.25)	(1.87)
Retained distributions on accumulation units	3.08	2.50	2.08	2.83	2.25	1.87
Closing net asset value per unit	176.3	179.7	166.0	174.1	177.7	164.4
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges[1]	(1.88)%	8.25%	3.45%	(2.01)%	8.07%	3.31%
Other information						
Closing net asset value (£000's)	137,460	137,123	121,093	10,882	10,399	6,700
Closing number of units	77,960,666	76,310,142	72,935,568	6,249,725	5,852,841	4,076,355
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	201.2	207.8	185.3	198.9	205.5	183.5
Lowest bid unit price	162.2	166.6	136.9	160.3	164.9	135.7

1 The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on 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 14 for further details.

BlackRock Volatility Strategy Fund III

Distribution Tables

for the year ended 28 February 2023

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2022

Group 2 – Units purchased 1 September 2022 to 28 February 2023

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.7720	0.0000	1.6474	0.0000
Equalisation†	–	1.7720	–	1.6474
Distribution paid 30.4.2023	**1.7720**	**1.7720**	**1.6474**	**1.6474**
Distribution paid 30.4.2022	**1.7806**	**1.7806**	**1.6788**	**1.6788**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2022

Group 2 – Units purchased 1 March 2022 to 31 August 2022

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.3030	0.0000	1.1801	0.0000
Equalisation†	–	1.3030	–	1.1801
Distribution paid 31.10.2022	**1.3030**	**1.3030**	**1.1801**	**1.1801**
Distribution paid 31.10.2021	**0.7227**	**0.7227**	**0.5758**	**0.5758**

† 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.

NM0623U-2932223-188/221

BlackRock Volatility Strategy Fund III

Portfolio Statement

at 28 February 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 97.68%; 28.2.2022 99.12%			
Equity Funds – 80.67%; 28.2.2022 86.88%			
4,055,491	iShares Continental European Equity Index Fund UK	11,509	7.76
6,100,654	iShares Emerging Markets Equity Index Fund UK	10,431	7.03
2,271,991	iShares Japan Equity Index Fund UK	5,477	3.69
2,947,281	iShares Mid Cap UK Equity Index Fund UK	6,899	4.65
8,180,290	iShares North American Equity Index Fund UK	36,714	24.75
870,209	iShares Pacific ex Japan Equity Index Fund UK	2,030	1.37
11,698,197	iShares UK Equity Index Fund UK	25,570	17.24
4,808,454	iShares US Equity Index Fund UK	21,035	14.18
		119,665	**80.67**
Fixed Income Funds – 17.01%; 28.2.2022 12.24%			
2,704,626	iShares Corporate Bond Index Fund UK	3,605	2.43
10,155,057	iShares ESG Overseas Corporate Bond Index Fund UK	15,536	10.48
329,302	iShares Global Inflation-Linked Bond Index Fund US Dollar Hedged	4,335	2.92
1,442,816	iShares Overseas Government Bond Index Fund UK	1,751	1.18
		25,227	**17.01**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – (0.18%); 28.2.2022 (0.12%)			
Forward Currency Contracts – (0.18%); 28.2.2022 (0.12%)			
€10,204,083	Euro vs UK sterling	(40)	(0.03)
£18,447,785	UK sterling vs Euro	(78)	(0.06)
£49,086,825	UK sterling vs US dollar	(241)	(0.17)
US$16,815,077	US dollar vs UK sterling	94	0.08
		(265)	**(0.18)**
Portfolio of investments		**144,627**	**97.50**
CASH EQUIVALENTS			
Short-term Money Market Funds – 2.84%; 28.2.2022 2.19%			
4,211,526	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**4,212**	**2.84**
Net other liabilities		(497)	(0.34)
Total net assets		**148,342**	**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, Merrill Lynch International, 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.

BlackRock Volatility Strategy Fund III

Statement of Total Return

for the year ended 28 February 2023

	Notes	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Income					
Net capital (losses)/gains	3		(5,324)		8,353
Revenue	4	2,902		2,265	
Expenses	5	(306)		(304)	
Net revenue before taxation		2,596		1,961	
Taxation	6	(53)		(6)	
Net revenue after taxation			2,543		1,955
Total return before distributions			(2,781)		10,308
Distributions	7		(2,544)		(1,955)
Change in net assets attributable to unitholders from investment activities			**(5,325)**		**8,353**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2023

	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Opening net assets attributable to unitholders		147,522		127,793
Amounts receivable on issue of units	14,850		25,389	
Amounts payable on cancellation of units	(11,279)		(16,040)	
		3,571		9,349
Change in net assets attributable to unitholders from investment activities		(5,325)		8,353
Retained distribution on accumulation units		2,574		2,027
Closing net assets attributable to unitholders		**148,342**		**147,522**

NM0623U-2932223-190/221

BlackRock Volatility Strategy Fund III

Balance Sheet

at 28 February 2023

	Notes	28.2.2023 £000's	28.2.2022 £000's
Assets:			
Fixed assets			
– Investment assets		144,986	146,399
Current assets			
– Debtors	8	46	66
– Cash and bank balances		31	100
– Cash equivalents	9	4,212	3,224
Total assets		**149,275**	**149,789**
Liabilities:			
Investment liabilities		(359)	(353)
Creditors			
– Other creditors	10	(574)	(1,914)
Total liabilities		**(933)**	**(2,267)**
Net assets attributable to unitholders		**148,342**	**147,522**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 May 2023

Notes to Financial Statements

for the year ended 28 February 2023

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 39.

3. Net Capital (Losses)/Gains

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
The net capital (losses)/gains comprise:		
(Losses)/gains on non-derivative securities	(642)	9,814
Losses on derivative securities	(4,392)	(1,328)
Currency losses	(289)	(129)
Custodian transaction costs	(5)	(4)
Custodian transaction costs rebate	4	–
Net capital (losses)/gains	**(5,324)**	**8,353**

Net losses (excluding transaction costs) listed above of £(5,323,000) comprise net realised gains of £1,434,000 and net unrealised losses of £(6,757,000) (28 February 2022: £8,357,000 comprising net realised gains of £1,049,000 and net unrealised gains of £7,308,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Equity distributions on CIS holdings	2,338	1,933
Interest distributions on CIS holdings	341	253
Interest from UK bank deposits	17	–
Revenue from short-term money market funds	206	79
Total revenue	**2,902**	**2,265**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	310	307
– Expense rebate due from the Manager[1]	(21)	(20)
	289	287
Other expenses:		
– Audit fee	8	8
– Trustee's fees	9	9
	17	17
Total expenses	**306**	**304**

1 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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Corporation tax	53	6
Total tax charge [see note 6(b)]	**53**	**6**

(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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Net revenue before taxation	2,596	1,961
Corporation tax at 20% (28 February 2022: 20%)	519	392
Effects of:		
Capitalised income subject to tax	1	–
Revenue not subject to tax	(467)	(386)
Total tax charge [see note 6(a)]	**53**	**6**

Notes to Financial Statements continued

7. Distributions

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interim distribution	1,089	569
Final distribution	1,485	1,457
	2,574	2,026
Add: Amounts deducted on cancellation of units	104	124
Less: Amounts received on issue of units	(134)	(195)
Distributions	**2,544**	**1,955**
The distributable amount has been calculated as follows:		
Net revenue after taxation	2,543	1,955
Add: Tax on capitalised Manager's charge rebates	1	–
Distributions	**2,544**	**1,955**

Details of the interim and final distributions per unit are set out in the tables on page 187.

8. Debtors

	28.2.2023 £000's	28.2.2022 £000's
Accrued revenue	9	1
Amounts receivable for issue of units	12	34
Expense rebate due from the Manager	23	20
Income tax recoverable	2	11
Total debtors	**46**	**66**

9. Cash Equivalents

	28.2.2023 £000's	28.2.2022 £000's
Investment in short-term money market funds	4,212	3,224
Total cash equivalents	**4,212**	**3,224**

Notes to Financial Statements continued

10. Other Creditors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Annual Management charge	128	133
Accrued Audit fee	8	7
Accrued Trustee's fee	3	5
Amounts payable for cancellation of units	382	1,762
Corporation tax payable	52	6
Custodian transaction costs	1	1
Total other creditors	**574**	**1,914**

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2022: £Nil).

12. 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 22 April 2022. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

13. Related Parties

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

The following entities were related parties of the Fund during the year ended 28 February 2023:

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.

Notes to Financial Statements continued

13. Related Parties continued

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

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

As at 28 February 2023 and 28 February 2022 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%

As at 28 February 2022:

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.

Notes to Financial Statements continued

14. Portfolio Transaction Costs

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	58,931	–	–	–	–
Total purchases	**58,931**	**–**		**–**	
Total purchases including transaction costs	**58,931**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	62,295	–	–	–	–
Total sales	**62,295**	**–**		**–**	
Total sales net of transaction costs	**62,295**				
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

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**				
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

BIM40623U-3032273-197/221

Notes to Financial Statements continued

14. Portfolio Transaction Costs continued

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 0.00% (28 February 2022: 0.11%).

15. Units in Issue

The movement in units in issue for the year ended 28 February 2023 is as follows:

	C Accumulation Units	E Accumulation Units
Balance at the beginning of the year	76,310,142	5,852,841
Issued during the year	7,251,592	1,324,400
Cancelled during the year	(5,601,068)	(927,516)
Balance at the end of the year	**77,960,666**	**6,249,725**

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.

16. Post Balance Sheet Events

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

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 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 28.2.2021
	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	181.7	165.3	157.3	179.5	163.5	155.8
Return before operating charges	0.46	16.82	8.30	0.41	16.65	8.24
Operating charges	(0.39)	(0.41)	(0.34)	(0.65)	(0.67)	(0.56)
Return after operating charges	0.07	16.41	7.96	(0.24)	15.98	7.68
Distributions	(3.20)	(2.48)	(2.20)	(2.89)	(2.17)	(1.97)
Retained distributions on accumulation units	3.20	2.48	2.20	2.89	2.17	1.97
Closing net asset value per unit	181.8	181.7	165.3	179.3	179.5	163.5
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges[1]	0.04%	9.93%	5.06%	(0.13)%	9.77%	4.93%
Other information						
Closing net asset value (£000's)	59,644	56,662	45,415	5,978	5,354	3,418
Closing number of units	32,813,477	31,182,308	27,480,670	3,334,648	2,982,998	2,090,981
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	205.3	211.4	185.2	202.7	208.8	183.3
Lowest bid unit price	165.4	166.0	132.2	163.2	164.2	130.9

[1] The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on 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 14 for further details.

BlackRock Volatility Strategy Fund IV

Distribution Tables

for the year ended 28 February 2023

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2022

Group 2 – Units purchased 1 September 2022 to 28 February 2023

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.9380	0.0000	1.7809	0.0000
Equalisation†	–	1.9380	–	1.7809
Distribution paid 30.4.2023	**1.9380**	**1.9380**	**1.7809**	**1.7809**
Distribution paid 30.4.2022	**1.7742**	**1.7742**	**1.6081**	**1.6081**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2022

Group 2 – Units purchased 1 March 2022 to 31 August 2022

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.2634	0.0000	1.1108	0.0000
Equalisation†	–	1.2634	–	1.1108
Distribution paid 31.10.2022	**1.2634**	**1.2634**	**1.1108**	**1.1108**
Distribution paid 31.10.2021	**0.7047**	**0.7047**	**0.5601**	**0.5601**

† 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 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 97.14%; 28.2.2022 99.28%			
Equity Funds – 97.14%; 28.2.2022 99.28%			
2,401,479	iShares Continental European Equity Index Fund UK	6,815	10.39
2,839,277	iShares Emerging Markets Equity Index Fund UK	4,855	7.40
1,416,473	iShares Japan Equity Index Fund UK	3,414	5.20
1,367,880	iShares Mid Cap UK Equity Index Fund UK	3,202	4.88
4,005,885	iShares North American Equity Index Fund UK	17,979	27.40
678,774	iShares Pacific ex Japan Equity Index Fund UK	1,584	2.41
5,884,483	iShares UK Equity Index Fund UK	12,862	19.60
2,979,706	iShares US Equity Index Fund UK	13,035	19.86
		63,746	**97.14**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – (0.08%); 28.2.2022 (0.10%)			
Forward Currency Contracts – (0.08%); 28.2.2022 (0.10%)			
€3,466,976	Euro vs UK sterling	(13)	(0.01)
£6,191,274	UK sterling vs Euro	(30)	(0.03)
£15,194,205	UK sterling vs US dollar	(71)	(0.12)
US$6,253,150	US dollar vs UK sterling	59	0.08
		(55)	**(0.08)**
Portfolio of investments		**63,691**	**97.06**
CASH EQUIVALENTS			
Short-term Money Market Funds – 2.95%; 28.2.2022 0.89%			
1,936,142	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**1,936**	**2.95**
Net other liabilities		(5)	(0.01)
Total net assets		**65,622**	**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, Standard Chartered Bank, Toronto-Dominion Bank and UBS AG.

All underlying funds are managed by a related party.

NM0623U-2932223-202/221

BlackRock Volatility Strategy Fund IV

Statement of Total Return

for the year ended 28 February 2023

	Notes	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Income					
Net capital (losses)/gains	3		(1,178)		3,857
Revenue	4	1,234		890	
Expenses	5	(130)		(138)	
Net revenue before taxation		1,104		752	
Taxation	6	–		–	
Net revenue after taxation			1,104		752
Total return before distributions			(74)		4,609
Distributions	7		(1,104)		(752)
Change in net assets attributable to unitholders from investment activities			**(1,178)**		**3,857**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2023

	£000's	For the year to 28.2.2023 £000's	£000's	For the year to 28.2.2022 £000's
Opening net assets attributable to unitholders		62,016		48,833
Amounts receivable on issue of units	9,967		13,352	
Amounts payable on cancellation of units	(6,319)		(4,845)	
		3,648		8,507
Change in net assets attributable to unitholders from investment activities		(1,178)		3,857
Retained distribution on accumulation units		1,136		819
Closing net assets attributable to unitholders		**65,622**		**62,016**

BlackRock Volatility Strategy Fund IV

Balance Sheet

at 28 February 2023

	Notes	28.2.2023 £000's	28.2.2022 £000's
Assets:			
Fixed assets			
– Investment assets		63,805	61,635
Current assets			
– Debtors	8	133	45
– Cash and bank balances		28	50
– Cash equivalents	9	1,936	554
Total assets		**65,902**	**62,284**
Liabilities:			
Investment liabilities		(114)	(127)
Creditors			
– Other creditors	10	(166)	(141)
Total liabilities		**(280)**	**(268)**
Net assets attributable to unitholders		**65,622**	**62,016**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
31 May 2023

NM0623U-2932223-204/221

BlackRock Volatility Strategy Fund IV

Notes to Financial Statements

for the year ended 28 February 2023

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 39.

3. Net Capital (Losses)/Gains

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
The net capital (losses)/gains comprise:		
Gains on non-derivative securities	519	4,445
Losses on derivative securities	(1,595)	(542)
Currency losses	(99)	(42)
Custodian transaction costs	(5)	(4)
Custodian transaction costs rebate	2	–
Net capital (losses)/gains	**(1,178)**	**3,857**

Net losses (excluding transaction costs) listed above of £(1,175,000) comprise net realised gains of £1,008,000 and net unrealised losses of £(2,183,000) (28 February 2022: £3,861,000 comprising net realised gains of £(12,000) and net unrealised gains of £3,873,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Equity distributions on CIS holdings	1,151	865
Interest distributions on CIS holdings	5	3
Interest from UK bank deposits	7	–
Manager's charge rebates	–	17
Revenue from short-term money market funds	71	5
Total revenue	**1,234**	**890**

Notes to Financial Statements continued

5. Expenses

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	134	124
– Expense rebate due from the Manager[1]	(15)	–
	119	124
Other expenses:		
– Audit fee	7	10
– Trustee's fees	4	4
	11	14
Total expenses	**130**	**138**

1 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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Corporation tax	–	–
Total tax charge [see note 6(b)]	**–**	**–**

(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 28.2.2023 £000's	For the year to 28.2.2022 £000's
Net revenue before taxation	1,104	753
Corporation tax at 20% (28 February 2022: 20%)	221	151
Effects of:		
Movement in unrecognised excess management expenses	9	22
Revenue not subject to tax	(230)	(173)
Total tax charge [see note 6(a)]	**–**	**–**

At 28 February 2023, the Fund had surplus management expenses of £225,000 (28 February 2022: £180,000.) 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 £45,000 (28 February 2022: £36,000) has not been recognised.

Notes to Financial Statements continued

7. Distributions

	For the year to 28.2.2023 £000's	For the year to 28.2.2022 £000's
Interim distribution	440	218
Final distribution	696	601
	1,136	819
Add: Amounts deducted on cancellation of units	60	35
Less: Amounts received on issue of units	(92)	(102)
Distributions	**1,104**	**752**

Details of the interim and final distributions per unit are set out in the tables on page 200.

8. Debtors

	28.2.2023 £000's	28.2.2022 £000's
Accrued revenue	4	–
Amounts receivable for issue of units	111	25
Expense rebate due from the Manager	16	18
Income tax recoverable	2	2
Total debtors	**133**	**45**

9. Cash Equivalents

	28.2.2023 £000's	28.2.2022 £000's
Investment in short-term money market funds	1,936	554
Total cash equivalents	**1,936**	**554**

10. Other Creditors

	28.2.2023 £000's	28.2.2022 £000's
Accrued Annual Management charge	55	55
Accrued Audit fee	8	8
Accrued Trustee's fee	2	2
Amounts payable for cancellation of units	101	75
Custodian transaction costs	–	1
Total other creditors	**166**	**141**

Notes to Financial Statements continued

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2022: £Nil).

12. 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 22 April 2022. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

13. Related Parties

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

The following entities were related parties of the Fund during the year ended 28 February 2023:

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.

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

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

Notes to Financial Statements continued

13. Related Parties continued

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 2023 and 28 February 2022 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%

As at 28 February 2022:

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%

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

14. Portfolio Transaction Costs

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	21,555	–	–	–	–
Total purchases	**21,555**	**–**		**–**	
Total purchases including transaction costs	**21,555**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	21,050	–	–	–	–
Total sales	**21,050**	**–**		**–**	
Total sales net of transaction costs	**21,050**				
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

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%**	

Notes to Financial Statements continued

14. Portfolio Transaction Costs continued

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 0.00% (28 February 2022: 0.09%).

15. Units in Issue

The movement in units in issue for the year ended 28 February 2023 is as follows:

	C Accumulation Units	E Accumulation Units
Balance at the beginning of the year	31,182,308	2,982,998
Issued during the year	4,741,553	851,013
Cancelled during the year	(3,110,384)	(499,363)
Balance at the end of the year	**32,813,477**	**3,334,648**

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.

16. Post Balance Sheet Events

K Henry was appointed as a director effective 3 March 2023. S Corrigall resigned as a director effective 2 May 2023.

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 2023.

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 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
31 May 2023

Building a better working world

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

Opinion

We have audited the financial statements of BlackRock Non-UCITS Retail Funds ("the Trust") comprising each of its Funds for the year ended 28 February 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables for each of the Trust's Funds and the Financial Instruments and Risks 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, FRS102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust comprising each of its Funds as at 28 February 2023 and of the net revenue and the net capital gains/(losses) 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.

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Conclusions relating to going concern

In auditing the financial statements of the Funds, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period assessed by the Manager, which is one year from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the 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 within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Trust Deed; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 211, 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.

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Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the 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 to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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Use of our report

This report is made solely to the 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

Edinburgh
31 May 2023

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Supplementary Information

Efficient Portfolio Management Techniques

The Manager may, on behalf of certain Funds and subject to the conditions and within the limits laid down by the FCA and the Prospectus, employ techniques and instruments relating to transferable securities, including investments in Over-the-Counter 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 2023. 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 II	12.44	1.64

Only the BlackRock UK Managed Volatility Fund II had securities on loan and related collateral outstanding as at 28 February 2023.

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 2023, 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 2023.

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				
CHF	–	–	26	–
CNY	–	–	31	–
EUR	–	–	10	–
GBP	–	–	317	–
HKD	–	–	30	–
JPY	–	–	23	–
SGD	–	–	6	–
USD	–	–	1,068	–
Total	**–**	**–**	**1,511**	**–**

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

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received/posted by the Funds by way of title transfer collateral arrangement in respect of securities lending transactions as at 28 February 2023.

	Maturity Tenor						
Fund	1 - 7 days	8 - 30 days	31 - 90 days	91 - 365 days	More than 365 days	Open transactions	Total
BlackRock UK Managed Volatility Fund II	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Collateral received - securities lending							
Fixed income							
Investment grade	–	–	–	–	241	–	**241**
Equities							
Recognised equity index	–	–	–	–	–	1,134	**1,134**
ETFs							
Non-UCITS	–	–	–	–	–	136	**136**
Total	**–**	**–**	**–**	**–**	**241**	**1,270**	**1,511**

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

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

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

As at 28 February 2023, 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 2023.

Fund	Value	% of the Fund's NAV
BlackRock UK Managed Volatility Fund II	**£000's**	
Goldman Sachs International	1,390	1.70
J.P.Morgan Securities Plc	121	0.15
Total	**1,511**	**1.85**

NM0623U-2932223-220/221

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 2023, the firm manages £7.35 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.

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NM0623U-2932223-221/221