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 29 February 2024

NM0524U-3615702-1/225

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	11
Accounting and Distribution Policies	17
Financial Instruments and Risks	19
BlackRock Managed Volatility Fund	38
BlackRock Managed Volatility Fund I	54
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	130
BlackRock UK Managed Volatility Fund III	145
BlackRock Volatility Strategy Fund I	160
BlackRock Volatility Strategy Fund II	174
BlackRock Volatility Strategy Fund III	187
BlackRock Volatility Strategy Fund IV	201
Statement of Manager's and Trustee's Responsibilities	215
Report of the Trustee	215
Independent Auditor's Report	216
Supplementary Information	221

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
T S Hale (Appointed 16 April 2024)
K Henry (Appointed 3 March 2023 and resigned 24 January 2024)
A M Lawrence
H N Mepham
S Sabin (Appointed 18 August 2023)
M T Zemek*

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

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

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

Authorised and regulated by the FCA.

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

Authorised and regulated by the FCA

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

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

This Report relates to the packaged products of and is issued by:
BlackRock Fund Managers Limited
12 Throgmorton Avenue, London EC2N 2DL
Telephone: 020 7743 3000
Dealing and Investor Services: 0800 44 55 22
www.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 29 February 2024 and 28 February 2023 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 30 October 2023 in a composite report for all funds managed by BlackRock Fund Managers Limited subject to these requirements.

Fund Manager

As at 29 February 2024, the Fund Manager was Julian Steeds.

Significant Events

Changes in the Directors of the Manager

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

S Corrigall resigned as a Director effective 2 May 2023.

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

Subsequent Events

Changes in the Directors of the Manager

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

Subsequent to the financial year end, the Manager has decided to close the BlackRock Volatility Strategy Funds I to IV and as a result, the financial statements have been prepared on an other than going concern basis.

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

Investment Manager's Report

for the year ended 29 February 2024

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 Funds 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 Funds aim 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

Investment Manager's Report continued

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 29 February 2024.

	Fund Return %	Average realised 60 days Volatility %	Target Volatility %
BlackRock Managed Volatility Fund – Class C Accumulation Units	3.30	6.62	5
BlackRock Managed Volatility Fund I – Class C Accumulation Units	5.54	6.36	6
BlackRock Managed Volatility Fund II – Class C Accumulation Units	5.97	6.85	8
BlackRock Managed Volatility Fund III – Class C Accumulation Units	6.14	7.79	10
BlackRock Managed Volatility Fund IV – Class C Accumulation Units	10.44	11.56	15

	Fund Return %	Average realised 120 days Volatility %	Target Volatility %
BlackRock UK Managed Volatility Fund I – Class C Accumulation Units	0.24	5.78	4.0 - 6.0
BlackRock UK Managed Volatility Fund II – Class C Accumulation Units	(2.05)	7.65	6.0 - 8.0
BlackRock UK Managed Volatility Fund III – Class C Accumulation Units	(1.64)	8.57	8.0 – 10.0

	Fund Return %	Average realised 3-year Volatility %	Target Volatility %
BlackRock Volatility Strategy Fund I – Class C Accumulation Units	8.75	8.11	9.0 (up to 10.0)
BlackRock Volatility Strategy Fund II – Class C Accumulation Units	10.65	9.21	11.0 (up to 12.0)
BlackRock Volatility Strategy Fund III – Class C Accumulation Units	12.44	10.16	13.0 (up to 14.0)
BlackRock Volatility Strategy Fund IV – Class C Accumulation Units	14.82	11.22	15.0 (up to 16.0)

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

- Fund returns shown, calculated net of fees, are the performance returns for the primary unit class of the 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 ("SORP") requirements, including the accounting policy for the valuation point at 12 noon, there may be differences between the NAV per unit as recorded in the financial statements and the NAV per unit calculated in accordance with the Prospectus.

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

Global Economic Overview

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

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

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

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

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

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

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

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

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

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

Fund Performance Review and Activity

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 29 February 2024, the Funds' performance returns were 3.30%, 5.54%, 5.97%, 6.14% and 10.44% for the five Funds', respectively.

From a risk management perspective, the Funds delivered an average realised 60-day volatility at or below their respective targets, with the notable exception being the BlackRock Managed Volatility Fund that was highly sensitive to the increase in the volatility of fixed-income markets at the beginning of the period, as the Fund had to hold a significant proportion of its assets in UK bonds at all times. The realised volatility for the BlackRock Managed Volatility Fund II, the BlackRock Managed Volatility Fund III and the BlackRock Managed Volatility Fund IV was lower than their respective volatility targets due to the lower levels of average volatility during the financial year and constraints that limit these Funds to invest in equities above a certain threshold, as defined in the Prospectus..

The focus of the financial markets in 2023 was centred on central banks' ability to curb inflation while maintaining economic growth. March 2023 saw a short-lived spike in volatility related to the failure of the Silicon Valley Bank in the US and stronger than expected inflation numbers, especially in the UK, leading to central banks adopting a more hawkish tone (in favour of higher interest rates) in their monetary policy. Short-term volatility generally decreased over the remainder of the year, despite some periodic increases in May 2023 and in October 2023. This led to periodic decreases in the allocation to equities in the Funds which targeted lower levels of volatility, while the Funds which targeted higher levels of volatility were generally able to maintain a higher allocation to equities.

Equity and fixed income exposures both contributed positively to performance over the financial year, mainly driven by allocation to equities with the biggest winner being US equities.

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

Over the financial year to 29 February 2024, the Funds' performance returns were 0.24%, (2.05%) and (1.64%) for the three Funds', respectively.

From a risk management perspective, the Funds delivered an average realised 120-day volatility in line with their respective targets.

The focus of the financial markets in 2023 was centred on central banks' ability to curb inflation while maintaining economic growth. March 2023 saw a short-lived spike in volatility related to the failure of the Silicon Valley Bank in the US and stronger than expected inflation numbers, especially in the UK, leading to central banks adopting a more hawkish tone (in favour of higher interest rates) in their monetary policy. Short-term volatility generally decreased over the remainder of the year, despite some periodic increases in May 2023 and in October 2023, leading to dynamic reallocation between equities, fixed income and cash.

Both UK government and UK corporate bonds continued to be negatively impacted by the interest rate hikes enacted by the Bank of England to try to bring inflation under control. UK equities sold off as well and performed negatively for the Funds.

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 29 February 2024, the Funds' performance returns were 8.75%, 10.65%, 12.44% and 14.82% for the four Funds', respectively.

From a risk management perspective, the Funds delivered an average realised 3-year volatility at the lower end or below their target levels. In March 2023, the Funds short-term volatility decreased, and the lowest volatility target Fund (BlackRock Volatility Strategy Fund I) responded by adding to risk assets from cash, while the strategies expected to result in a higher level of volatility, generally kept allocations unchanged. As short-term volatility remained below target levels, the Funds remained almost fully allocated to risk assets through to the end of February 2024. The realised volatility for the BlackRock Volatility Strategy Fund I to IV was lower than target levels due to low levels of volatility on average during the financial year.

Persistently high inflation, coupled with rising interest rates were the main drivers to performance over the period. Although there are signs of inflation cooling and monetary policy easing in recent months, asset classes saw a divergence in performance. As such, diversification played an important role within the Funds' portfolios. Equity exposures generally contributed positively whilst bond exposures detracted from performance. Fixed income suffered as central banks continued their efforts to control inflation by raising interest rates. Government bonds were the main detractors whilst corporate bonds exhibited a small contribution. Developed market equities added to performance and outperformed their emerging market equity counterparts. In currency markets, the US Dollar weakened against both the Euro and Sterling.

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 2023. 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 (as defined below).

The responsibilities of the supervisory function include:

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

Decision-making process

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

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

Annual incentive awards are paid from a bonus pool.

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

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

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

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

Individuals are not involved in setting their own remuneration.

Control functions

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

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

Link between pay and performance

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

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

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

Report on Remuneration continued

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

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

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

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.

[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).

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

Quantitative Remuneration Disclosure

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

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

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the 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. Conversely, members of staff and senior management of the broader BlackRock group may provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the broader BlackRock group and of the Manager. Therefore, the figures disclosed are a sum of individuals' portion of remuneration attributable to the Manager according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager and the broader BlackRock group. Accordingly, the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded to the Manager's staff in respect of the Manager's financial year ending 31 December 2023 is USD 171.3 million. This figure is comprised of fixed remuneration of USD 98.3 million and variable remuneration of USD 73.0 million. There were a total of 3,683 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager in respect of the Manager's financial year ending 31 December 2023, to its senior management was USD 6.1 million, and to other members of its staff whose actions potentially have a material impact on the risk profile of the Manager or its funds was USD 4.2 million. These figures relate to the entire Manager and not to the Fund.

1. Accounting and Distribution Policies*

for the year ended 29 February 2024

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 for BlackRock Volatility Strategy Funds I to IV have been prepared on an other than going concern basis in accordance with UK GAAP and the SORP as the Manager intends to close these Funds. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimated settlement amount. The liquidation costs are borne by the Manager. The financial statements for the other Funds 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 these 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.

* The Accounting and Distribution Policies are an integral part of the notes for each funds' financial statements.

1. Accounting and Distribution Policies continued

(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 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 for each funds' 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 29 February 2024 and 28 February 2023 based on a 99% confidence level is outlined in the table below:

Fund	29 February 2024 %	28 February 2023 %
BlackRock Managed Volatility Fund	0.70	0.97
BlackRock Managed Volatility Fund I	0.82	0.88
BlackRock Managed Volatility Fund II	0.88	1.26
BlackRock Managed Volatility Fund III	0.92	1.56
BlackRock Managed Volatility Fund IV	1.17	2.19
BlackRock UK Managed Volatility Fund I	0.67	1.40
BlackRock UK Managed Volatility Fund II	0.94	1.95
BlackRock UK Managed Volatility Fund III	1.21	2.98
BlackRock Volatility Strategy Fund I	0.86	1.16
BlackRock Volatility Strategy Fund II	0.97	1.51
BlackRock Volatility Strategy Fund III	1.09	1.77
BlackRock Volatility Strategy Fund IV	1.24	2.09

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.

NM0524U-3615702-21/225

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 counterparty for futures contracts is Morgan Stanley.

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 29 February 2024 is AA- (28 February 2023: 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.

29 February 2024

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund	**£000's**	**£000's**
Bank of America Merrill Lynch	1	**1**
Bank of New York Mellon International	5	**5**
Barclays Bank Plc	(45)	**(45)**
BNP Paribas Arbitrage SNC	(6)	**(6)**
Citigroup Global Markets Limited	(1)	**(1)**
Goldman Sachs International	2	**2**
HSBC Bank Plc	(10)	**(10)**
J.P. Morgan Securities Plc	(9)	**(9)**
Morgan Stanley & Co. International Plc	34	**34**
Nomura International Plc	(22)	**(22)**
Standard Chartered Bank	63	**63**
State Street Global Advisors Limited	44	**44**
Toronto-Dominion Bank	(3)	**(3)**

2. Financial Instruments and Risks continued

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund I	**£000's**	**£000's**
Bank of New York Mellon International	296	**296**
Barclays Bank Plc	(139)	**(139)**
BNP Paribas Arbitrage SNC	168	**168**
Citigroup Global Markets Limited	(6)	**(6)**
Goldman Sachs International	27	**27**
HSBC Bank Plc	(1)	**(1)**
J.P. Morgan Securities Plc	(362)	**(362)**
Morgan Stanley & Co. International Plc	(76)	**(76)**
Nomura International Plc	(25)	**(25)**
Royal Bank of Canada	27	**27**
Standard Chartered Bank	14	**14**
State Street Global Advisors Limited	42	**42**
Toronto-Dominion Bank	(52)	**(52)**

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund II	**£000's**	**£000's**
Barclays Bank Plc	(19)	**(19)**
BNP Paribas Arbitrage SNC	(2)	**(2)**
HSBC Bank Plc	1	**1**
J.P. Morgan Securities Plc	(20)	**(20)**
Morgan Stanley & Co. International Plc	(20)	**(20)**
Standard Chartered Bank	(25)	**(25)**
State Street Global Advisors Limited	(19)	**(19)**
Toronto-Dominion Bank	(3)	**(3)**

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund III	**£000's**	**£000's**
Bank of America Merrill Lynch	1	**1**
Bank of New York Mellon International	(1)	**(1)**
Barclays Bank Plc	1	**1**
Citigroup Global Markets Limited	(5)	**(5)**
Goldman Sachs International	(5)	**(5)**
J.P. Morgan Securities Plc	(28)	**(28)**
Morgan Stanley & Co. International Plc	(8)	**(8)**
Standard Chartered Bank	(11)	**(11)**
State Street Global Advisors Limited	(8)	**(8)**

NM0524U-3615702-25/225

2. Financial Instruments and Risks continued

Counterparty	Forwards	Total Exposure
BlackRock Managed Volatility Fund IV	**£000's**	**£000's**
Citigroup Global Markets Limited	(24)	**(24)**
Goldman Sachs International	(7)	**(7)**
Morgan Stanley & Co. International Plc	(113)	**(113)**
Nomura International Plc	1	**1**
Standard Chartered Bank	(212)	**(212)**
State Street Global Advisors Limited	(117)	**(117)**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund I	**£000's**	**£000's**
BNP Paribas Arbitrage SNC	27	**27**
Citigroup Global Markets Limited	(31)	**(31)**
Morgan Stanley & Co. International Plc	20	**20**
Royal Bank of Scotland Plc	(28)	**(28)**
Société Générale SA	37	**37**
Toronto-Dominion Bank	(3)	**(3)**
UBS AG	55	**55**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund II	**£000's**	**£000's**
BNP Paribas Arbitrage SNC	59	**59**
Citigroup Global Markets Limited	(60)	**(60)**
Merrill Lynch International	(1)	**(1)**
Morgan Stanley & Co. International Plc	52	**52**
Royal Bank of Scotland Plc	(66)	**(66)**
Société Générale SA	86	**86**
Toronto-Dominion Bank	5	**5**
UBS AG	87	**87**

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund III	**£000's**	**£000's**
BNP Paribas Arbitrage SNC	13	**13**
Citigroup Global Markets Limited	(21)	**(21)**
Morgan Stanley & Co. International Plc	20	**20**
Royal Bank of Scotland Plc	(29)	**(29)**
Société Générale SA	31	**31**
Toronto-Dominion Bank	3	**3**
UBS AG	39	**39**

2. Financial Instruments and Risks continued

Counterparty	Forwards	Total Exposure
BlackRock Volatility Strategy Fund IV	**£000's**	**£000's**
Barclays Bank Plc	(6)	**(6)**
BNP Paribas Arbitrage SNC	22	**22**
HSBC Bank Plc	(2)	**(2)**
J.P. Morgan Securities Plc	(5)	**(5)**
Morgan Stanley & Co. International Plc	26	**26**
Toronto-Dominion Bank	(8)	**(8)**
UBS AG	1	**1**

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**

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 29 February 2024 was AA (28 February 2023: 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.

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.

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.

		29 February 2024		28 February 2023	
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**
J.P. Morgan Securities Plc	UK	2,215	2,535	–	–
Total		**2,215**	**2,535**	**–**	**–**

At 29 February 2024, collateral received from these borrowing counterparties comprised of 16.84% in debt securities and 83.16% in equity securities (28 February 2023: N/A).

		29 February 2024		28 February 2023	
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
J.P. Morgan Securities Plc	UK	–	–	102	121
Total		**–**	**–**	**1,337**	**1,511**

At 29 February 2024 there were no securities on loan or related collateral outstanding (28 February 2023: 15.95% in debt securities and 84.05% in equity securities).

2. Financial Instruments and Risks continued

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

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Funds receive either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 29 February 2024 and 28 February 2023, 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 29 February 2024 and 28 February 2023, based on contractual maturities, fall due within one to three months, with the exception of corporation tax payable which falls due within nine to twelve months.

Management of liquidity risk

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

At times of excessive redemptions the Manager may decide to defer redemptions at any valuation point to the next valuation point where the requested aggregate redemptions exceed 10 per cent of 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.

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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
29 February 2024				
Investment assets	11	95,632	–	95,643
Investment liabilities	(83)	(177)	–	(260)
28 February 2023				
Investment assets	155	121,347	–	121,502
Investment liabilities	(197)	(102)	–	(299)

BlackRock Managed Volatility Fund I	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2024				
Investment assets	853	481,558	–	482,411
Investment liabilities	(259)	(954)	–	(1,213)
28 February 2023				
Investment assets	1,749	528,311	–	530,060
Investment liabilities	(371)	(245)	–	(616)

BlackRock Managed Volatility Fund II	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2024				
Investment assets	1,278	132,660	–	133,938
Investment liabilities	–	(119)	–	(119)
28 February 2023				
Investment assets	43	135,203	–	135,246
Investment liabilities	(181)	(54)	–	(235)

BlackRock Managed Volatility Fund III	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2024				
Investment assets	375	38,863	–	39,238
Investment liabilities	–	(67)	–	(67)
28 February 2023				
Investment assets	581	42,058	–	42,639
Investment liabilities	–	(23)	–	(23)

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
29 February 2024				
Investment assets	8,185	116,319	–	124,504
Investment liabilities	–	(506)	–	(506)
28 February 2023				
Investment assets	5,466	123,340	–	128,806
Investment liabilities	(33)	(986)	–	(1,019)

BlackRock UK Managed Volatility Fund I	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2024				
Investment assets	5,668	25,984	–	31,652
Investment liabilities	–	–	–	–
28 February 2023				
Investment assets	5,318	28,680	–	33,998
Investment liabilities	–	–	–	–

BlackRock UK Managed Volatility Fund II	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2024				
Investment assets	9,497	44,690	–	54,187
Investment liabilities	(60)	–	–	(60)
28 February 2023				
Investment assets	11,683	54,515	–	66,198
Investment liabilities	–	–	–	–

BlackRock UK Managed Volatility Fund III	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2024				
Investment assets	7,665	11,386	–	19,051
Investment liabilities	–	–	–	–
28 February 2023				
Investment assets	10,494	13,381	–	23,875
Investment liabilities	–	–	–	–

BlackRock Volatility Strategy Fund I	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2024				
Investment assets	–	161,412	–	161,412
Investment liabilities	–	(179)	–	(179)
28 February 2023				
Investment assets	–	142,225	–	142,225
Investment liabilities	–	(394)	–	(394)

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
29 February 2024				
Investment assets	–	394,549	–	394,549
Investment liabilities	–	(392)	–	(392)
28 February 2023				
Investment assets	–	375,693	–	375,693
Investment liabilities	–	(953)	–	(953)

BlackRock Volatility Strategy Fund III	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2024				
Investment assets	–	161,941	–	161,941
Investment liabilities	–	(133)	–	(133)
28 February 2023				
Investment assets	–	144,986	–	144,986
Investment liabilities	–	(359)	–	(359)

BlackRock Volatility Strategy Fund IV	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2024				
Investment assets	–	77,124	–	77,124
Investment liabilities	–	(38)	–	(38)
28 February 2023				
Investment assets	–	63,805	–	63,805
Investment liabilities	–	(114)	–	(114)

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 29.2.2024	Leverage as at 28.2.2023	Maximum limit	Leverage as at 29.2.2024	Leverage as at 28.2.2023
BlackRock Managed Volatility Fund	6.0:1	1.8:1	1.7:1	2.0:1	1.1:1	1.3:1
BlackRock Managed Volatility Fund I	6.0:1	1.4:1	2.0:1	2.0:1	1.2:1	1.2:1
BlackRock Managed Volatility Fund II	6.0:1	1.2:1	1.5:1	2.0:1	1.2:1	1.2:1
BlackRock Managed Volatility Fund III	6.0:1	1.4:1	1.3:1	2.0:1	1.3:1	1.3:1
BlackRock Managed Volatility Fund IV	6.0:1	2.7:1	2.9:1	6.0:1	2.4:1	2.5:1
BlackRock UK Managed Volatility Fund I	2.5:1	1.2:1	1.0:1	2.5:1	1.3:1	1.2:1
BlackRock UK Managed Volatility Fund II	2.5:1	1.0:1	1.1:1	2.5:1	1.2:1	1.3:1
BlackRock UK Managed Volatility Fund III	2.5:1	1.1:1	1.3:1	2.5:1	1.3:1	1.5:1
BlackRock Volatility Strategy Fund I	4.1:1	1.7:1	1.6:1	2.1:1	1.3:1	1.3:1
BlackRock Volatility Strategy Fund II	4.1:1	1.6:1	1.7:1	2.1:1	1.3:1	1.3:1
BlackRock Volatility Strategy Fund III	4.1:1	1.4:1	1.6:1	2.1:1	1.2:1	1.3:1
BlackRock Volatility Strategy Fund IV	4.1:1	1.3:1	1.4:1	2.1:1	1.2:1	1.2:1

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 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	133.0	144.4	141.7
Return before operating charges	4.69	(11.11)	3.02
Operating charges	(0.31)	(0.31)	(0.34)
Return after operating charges	4.38	(11.42)	2.68
Distributions	(3.70)	(2.34)	(2.01)
Retained distributions on accumulation units	3.70	2.34	2.01
Closing net asset value per unit	137.4	133.0	144.4
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	3.29%	(7.91)%	1.89%
Other information			
Closing net asset value (£000's)	123,613	148,586	192,761
Closing number of units	89,981,267	111,732,825	133,507,436
Operating charges[2]	0.23%	0.23%	0.23%
Direct transaction costs[3]	0.01%	0.00%	0.01%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	149.2	156.4	162.7
Lowest bid unit price	128.5	124.9	142.4

[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 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

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

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	2.1389	0.4565
Equalisation†	–	1.6824
Distribution paid 30.4.2024	**2.1389**	**2.1389**
Distribution paid 30.4.2023	**1.4351**	**1.4351**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	1.5646	0.3042
Equalisation†	–	1.2604
Distribution paid 31.10.2023	**1.5646**	**1.5646**
Distribution paid 31.10.2022	**0.9040**	**0.9040**

† 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 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 77.18%; 28.2.2023 81.44%			
Equity Funds – 16.44%; 28.2.2023 20.86%			
2,037,001	iShares Continental European Equity Index Fund UK	6,371	5.15
36,480	iShares Japan Equity Index Fund UK	106	0.09
1,059,921	iShares North American Equity Index Fund UK	5,846	4.73
740,637	iShares Pacific ex Japan Equity Index Fund UK	1,804	1.46
2,798,406	iShares UK Equity Index Fund UK	6,199	5.01
		20,326	**16.44**
Fixed Income Funds – 58.42%; 28.2.2023 57.91%			
27,593,249	BlackRock Collective Investment Funds - BlackRock Corporate Bond 1-10 Year Fund	39,977	32.34
31,015,612	iShares UK Gilts All Stocks Index Fund UK	32,233	26.08
		72,210	**58.42**
Short-term Money Market Funds – 2.32%; 28.2.2023 2.67%			
3,626,149	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	**2,866**	**2.32**
DERIVATIVES – (0.02%); 28.2.2023 0.13%			
Forward Currency Contracts – 0.04%; 28.2.2023 0.16%			
AU$8,748,666	Australian Dollar vs UK Sterling	(69)	(0.05)
€18,260,793	Euro vs UK Sterling	(49)	(0.05)
¥150,080,000	Japanese Yen vs UK Sterling	(20)	(0.02)
£4,966,968	UK Sterling vs Australian Dollar	75	0.04
£17,944,615	UK Sterling vs Euro	94	0.09
£843,210	UK Sterling vs Japanese Yen	17	0.01
£32,288,551	UK Sterling vs US Dollar	(39)	0.00
US$38,434,277	US Dollar vs UK Sterling	44	0.02
		53	**0.04**
Futures – (0.06%); 28.2.2023 (0.03%)			
(47)	Euro Stoxx 50 March 2024	(54)	(0.05)
89	FTSE 100 Index March 2024	(24)	(0.02)
3	S&P 500 E-Mini Index March 2024	(4)	0.00
(2)	SPI 200 Index March 2024	(1)	0.00

BlackRock Managed Volatility Fund

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
2	TOPIX Index March 2024	11	0.01
		(72)	**(0.06)**
Portfolio of investments		**95,383**	**77.16**
CASH EQUIVALENTS			
Short-term Money Market Funds – 22.10%; 28.2.2023 16.34%			
27,323,602	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**27,324**	**22.10**
Net other assets		906	0.74
Total net assets		**123,613**	**100.00**

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

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

All underlying funds are managed by a related party.

BlackRock Managed Volatility Fund

Statement of Total Return

for the year ended 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital gains/(losses)	3		185		(17,536)
Revenue	4	4,193		3,339	
Expenses	5	(289)		(353)	
Interest payable and similar charges	6	(42)		(33)	
Net revenue before taxation		3,862		2,953	
Taxation	7	–		–	
Net revenue after taxation			3,862		2,953
Total return before distributions			4,047		(14,583)
Distributions	8		(3,862)		(2,953)
Change in net assets attributable to unitholders from investment activities			**185**		**(17,536)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		148,586		192,761
Amounts receivable on issue of units	886		405	
Amounts payable on cancellation of units	(29,556)		(29,757)	
		(28,670)		(29,352)
Change in net assets attributable to unitholders from investment activities		185		(17,536)
Retained distribution on accumulation units		3,512		2,713
Closing net assets attributable to unitholders		**123,613**		**148,586**

BlackRock Managed Volatility Fund

Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		95,643	121,502
Current assets			
– Debtors	9	123	84
– Cash and bank balances	10	1,768	3,769
– Cash equivalents	11	27,324	24,277
Total assets		**124,858**	**149,632**
Liabilities:			
Investment liabilities		(260)	(299)
Creditors			
– Amounts due to futures clearing houses and brokers		(11)	(213)
– Other creditors	12	(974)	(534)
Total liabilities		**(1,245)**	**(1,046)**
Net assets attributable to unitholders		**123,613**	**148,586**

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

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 37.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	2,308	(14,733)
Losses on derivative securities	(2,035)	(2,841)
Currency (losses)/gains	(79)	48
Custodian transaction costs	(9)	(10)
Net capital gains/(losses)	**185**	**(17,536)**

Net gains (excluding Manager's charge rebates and transaction costs) listed above of £194,000 comprise net realised losses of £(1,527,000) and net unrealised gains of £1,721,000 (28 February 2023: £(17,526,000) comprising net realised losses of £(3,295,000) and net unrealised losses of £(14,231,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	670	867
Interest distributions on CIS holdings	2,115	1,798
Interest from UK bank deposits	72	48
Interest on balances held at futures clearing houses and brokers	24	–
Revenue from short-term money market funds	1,312	626
Total revenue	**4,193**	**3,339**

Notes to Financial Statements continued

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	271	334
	271	334
Other expenses:		
– Audit fee	9	8
– Legal and other professional fees	1	1
– Trustee's fees	8	10
	18	19
Total expenses	**289**	**353**

6. Interest Payable and Similar Charges

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interest on bank overdrafts	22	33
Interest paid on margin deposits	20	–
Total interest payable and similar charges	**42**	**33**

7. Taxation

(a) Analysis of tax charge

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

NM0524U-3615702-47/225

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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	3,862	2,953
Corporation tax at 20% (28 February 2023: 20%)	772	591
Effects of:		
Revenue not subject to tax	(134)	(174)
Tax deductible interest distributions	(638)	(417)
Total tax charge [see note 7(a)]	**–**	**–**

8. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	1,587	1,110
Final distribution	1,925	1,603
	3,512	2,713
Add: Amounts deducted on cancellation of units	358	243
Less: Amounts received on issue of units	(8)	(3)
Distributions	**3,862**	**2,953**

Details of the interim and final distributions per unit are set out in the tables on page 40.

9. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued revenue	123	84
Total debtors	**123**	**84**

Notes to Financial Statements continued

10. Cash and Bank Balances

	29.2.2024 £000's	28.2.2023 £000's
Amount held at futures clearing houses and brokers	566	1,908
Cash and bank balances	1,202	1,861
Total cash and bank balances	**1,768**	**3,769**

11. Cash Equivalents

	29.2.2024 £000's	28.2.2023 £000's
Investment in short-term money market funds	27,324	24,277
Total cash equivalents	**27,324**	**24,277**

12. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	85	127
Accrued Audit fee	8	8
Accrued Trustee's fee	10	5
Amounts payable for cancellation of units	870	392
Custodian transaction costs	1	2
Total other creditors	**974**	**534**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

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 29 February 2024:

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. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 12. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 12.

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

Notes to Financial Statements continued

15. Related Parties continued

be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

As at 29 February 2024 and 28 February 2023 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 2023:

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

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

Notes to Financial Statements continued

16. Portfolio Transaction Costs

For the year ended 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	17,319	–	–	–	–
Total purchases	**17,319**	**–**		**–**	
Total purchases including transaction costs	**17,319**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	47,886	–	–	–	–
Total sales	**47,886**	**–**		**–**	
Total sales net of transaction costs	**47,886**				
Derivative transaction costs		**10**		**–**	
Total transaction costs		**10**		**–**	
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 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%**	

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 2023: 0.00%).

17. Units in Issue

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

	C Accumulation Units
Balance at the beginning of the year	111,732,825
Issued during the year	663,350
Cancelled during the year	(22,414,908)
Balance at the end of the year	**89,981,267**

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

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 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	151.1	162.6	155.1
Return before operating charges	8.75	(11.12)	7.81
Operating charges	(0.34)	(0.34)	(0.36)
Return after operating charges	8.41	(11.46)	7.45
Distributions	(4.26)	(3.12)	(2.21)
Retained distributions on accumulation units	4.26	3.12	2.21
Closing net asset value per unit	159.5	151.1	162.6
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	5.57%	(7.05)%	4.80%
Other information			
Closing net asset value (£000's)	593,917	681,069	882,419
Closing number of units	372,331,038	450,609,960	542,857,587
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	172.5	175.9	183.4
Lowest bid unit price	147.3	142.2	156.1

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 I

Distribution Tables

for the year ended 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

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

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	2.5429	0.4766
Equalisation†	–	2.0663
Distribution paid 30.4.2024	**2.5429**	**2.5429**
Distribution paid 30.4.2023	**1.9741**	**1.9741**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	1.7218	0.3465
Equalisation†	–	1.3753
Distribution paid 31.10.2023	**1.7218**	**1.7218**
Distribution paid 31.10.2022	**1.1454**	**1.1454**

† 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 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 80.94%; 28.2.2023 77.07%			
Equity Funds – 26.45%; 28.2.2023 26.65%			
14,026,384	iShares Continental European Equity Index Fund UK	43,867	7.39
1,243,481	iShares Japan Equity Index Fund UK	3,611	0.61
8,607,071	iShares North American Equity Index Fund UK	47,475	8.00
5,664,218	iShares Pacific ex Japan Equity Index Fund UK	13,793	2.32
21,805,039	iShares UK Equity Index Fund UK	48,302	8.13
		157,048	**26.45**
Fixed Income Funds – 51.02%; 28.2.2023 47.75%			
106,037,758	BlackRock Collective Investment Funds - BlackRock Corporate Bond 1-10 Year Fund	153,629	25.87
143,760,411	iShares UK Gilts All Stocks Index Fund UK	149,403	25.15
		303,032	**51.02**
Short-term Money Market Funds – 3.47%; 28.2.2023 2.67%			
26,074,270	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	**20,611**	**3.47**
DERIVATIVES – 0.08%; 28.2.2023 0.67%			
Forward Currency Contracts – (0.02%); 28.2.2023 0.47%			
AU$30,876,985	Australian Dollar vs UK Sterling	(396)	(0.06)
€41,183,647	Euro vs UK Sterling	(129)	(0.01)
¥1,400,019,368	Japanese Yen vs UK Sterling	(176)	(0.02)
£18,837,080	UK Sterling vs Australian Dollar	430	0.05
£35,466,141	UK Sterling vs Euro	284	0.04
£6,302,667	UK Sterling vs Japanese Yen	147	0.03
£53,812,381	UK Sterling vs US Dollar	(253)	(0.05)
US$74,372,460	US Dollar vs UK Sterling	6	0.00
		(87)	**(0.02)**
Futures – 0.10%; 28.2.2023 0.20%			
94	Euro Stoxx 50 March 2024	148	0.02
1,162	FTSE 100 Index March 2024	(258)	(0.04)
122	S&P 500 E-Mini Index March 2024	599	0.10
(3)	SPI 200 Index March 2024	(1)	0.00

BlackRock Managed Volatility Fund I

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
16	TOPIX Index March 2024	106	0.02
		594	**0.10**
Portfolio of investments		**481,198**	**81.02**
CASH EQUIVALENTS			
Short-term Money Market Funds – 17.27%; 28.2.2023 21.15%			
102,584,182	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**102,584**	**17.27**
Net other assets		10,135	1.71
Total net assets		**593,917**	**100.00**

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

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

All underlying funds are managed by a related party.

BlackRock Managed Volatility Fund I

Statement of Total Return

for the year ended 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital gains/(losses)	3		14,695		(76,013)
Revenue	4	19,388		17,611	
Expenses	5	(1,316)		(1,577)	
Interest payable and similar charges	6	(56)		(159)	
Net revenue before taxation		18,016		15,875	
Taxation	7	(1)		–	
Net revenue after taxation			18,015		15,875
Total return before distributions			32,710		(60,138)
Distributions	8		(18,015)		(15,875)
Change in net assets attributable to unitholders from investment activities			**14,695**		**(76,013)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		681,069		882,419
Amounts receivable on issue of units	3,794		111	
Amounts payable on cancellation of units	(122,223)		(139,998)	
		(118,429)		(139,887)
Change in net assets attributable to unitholders from investment activities		14,695		(76,013)
Retained distribution on accumulation units		16,582		14,550
Closing net assets attributable to unitholders		**593,917**		**681,069**

BlackRock Managed Volatility Fund I

Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		482,411	530,060
Current assets			
– Debtors	9	550	458
– Cash and bank balances	10	12,209	11,829
– Cash equivalents	11	102,584	144,017
Total assets		**597,754**	**686,364**
Liabilities:			
Investment liabilities		(1,213)	(616)
Creditors			
– Amounts due to futures clearing houses and brokers		(948)	(1,990)
– Other creditors	12	(1,676)	(2,689)
Total liabilities		**(3,837)**	**(5,295)**
Net assets attributable to unitholders		**593,917**	**681,069**

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

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 37.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	14,115	(62,014)
Gains/(losses) on derivative securities	954	(14,211)
Currency (losses)/gains	(363)	223
Custodian transaction costs	(11)	(11)
Net capital gains/(losses)	**14,695**	**(76,013)**

Net gains (excluding Manager's charge rebates and transaction costs) listed above of £14,706,000 comprise net realised gains of £16,140,000 and net unrealised losses of £(1,434,000) (28 February 2023: £(76,002,000) comprising net realised losses of £(5,531,000) and net unrealised losses of £(70,471,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	4,182	7,244
Interest distributions on CIS holdings	8,042	7,152
Interest from UK bank deposits	290	188
Interest on balances held at futures clearing houses and brokers	67	–
Revenue from short-term money market funds	6,807	3,027
Total revenue	**19,388**	**17,611**

Notes to Financial Statements continued

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	1,264	1,520
	1,264	1,520
Other expenses:		
– Audit fee	9	8
– Legal and other professional fees	4	2
– Trustee's fees	39	47
	52	57
Total expenses	**1,316**	**1,577**

6. Interest Payable and Similar Charges

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interest on bank overdrafts	56	159
Total interest payable and similar charges	**56**	**159**

7. Taxation

(a) Analysis of tax charge

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Corporation tax	1	–
Total tax charge [see note 7(b)]	**1**	**–**

NM0524U-3615792-63/225

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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	18,016	15,875
Corporation tax at 20% (28 February 2023: 20%)	3,603	3,175
Effects of:		
Revenue not subject to tax	(834)	(1,449)
Tax deductible interest distributions	(2,768)	(1,726)
Total tax charge [see note 7(a)]	**1**	**–**

8. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	7,114	5,655
Final distribution	9,468	8,895
	16,582	14,550
Add: Amounts deducted on cancellation of units	1,468	1,326
Less: Amounts received on issue of units	(35)	(1)
Distributions	**18,015**	**15,875**

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

9. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued revenue	549	458
Income tax recoverable	1	–
Total debtors	**550**	**458**

Notes to Financial Statements continued

10. Cash and Bank Balances

	29.2.2024 £000's	28.2.2023 £000's
Amount held at futures clearing houses and brokers	5,902	5,836
Cash and bank balances	6,307	5,993
Total cash and bank balances	**12,209**	**11,829**

11. Cash Equivalents

	29.2.2024 £000's	28.2.2023 £000's
Investment in short-term money market funds	102,584	144,017
Total cash equivalents	**102,584**	**144,017**

12. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	401	576
Accrued Audit fee	8	7
Accrued Trustee's fee	49	24
Amounts payable for cancellation of units	1,216	2,080
Custodian transaction costs	2	2
Total other creditors	**1,676**	**2,689**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

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 29 February 2024:

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. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 12. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 12.

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

Notes to Financial Statements continued

15. Related Parties continued

be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

As at 29 February 2024 and 28 February 2023 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 2023:

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

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

Notes to Financial Statements continued

16. Portfolio Transaction Costs

For the year ended 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	45,663	–	–	–	–
Total purchases	**45,663**	**–**		**–**	
Total purchases including transaction costs	**45,663**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	119,431	–	–	–	–
Total sales	**119,431**	**–**		**–**	
Total sales net of transaction costs	**119,431**				
Derivative transaction costs		**45**		**–**	
Total transaction costs		**45**		**–**	
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 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%**	

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.

NM0524U-3615792-69/225

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 2023: 0.00%).

17. Units in Issue

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

	C Accumulation Units
Balance at the beginning of the year	450,609,960
Issued during the year	2,500,383
Cancelled during the year	(80,779,305)
Balance at the end of the year	**372,331,038**

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

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 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	164.2	172.9	161.9
Return before operating charges	10.13	(8.36)	11.36
Operating charges	(0.38)	(0.38)	(0.40)
Return after operating charges	9.75	(8.74)	10.96
Distributions	(4.06)	(3.37)	(2.16)
Retained distributions on accumulation units	4.06	3.37	2.16
Closing net asset value per unit	174.0	164.2	172.9
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	5.94%	(5.05)%	6.77%
Other information			
Closing net asset value (£000's)	160,074	178,650	216,211
Closing number of units	92,020,419	108,828,664	125,079,681
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	187.1	186.6	195.1
Lowest bid unit price	159.5	152.9	163.1

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 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

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

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	2.4946	0.2450
Equalisation†	–	2.2496
Distribution paid 30.4.2024	**2.4946**	**2.4946**
Distribution paid 30.4.2023	**2.2129**	**2.2129**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.5658	0.2785
Equalisation†	–	1.2873
Distribution paid 31.10.2023	**1.5658**	**1.5658**
Distribution paid 31.10.2022	**1.1535**	**1.1535**

† 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 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 82.87%; 28.2.2023 75.41%			
Equity Funds – 40.43%; 28.2.2023 33.35%			
3,082,713	iShares Continental European Equity Index Fund UK	9,641	6.02
603,452	iShares Japan Equity Index Fund UK	1,752	1.10
3,311,665	iShares North American Equity Index Fund UK	18,266	11.41
1,251,325	iShares Pacific ex Japan Equity Index Fund UK	3,047	1.90
14,450,468	iShares UK Equity Index Fund UK	32,011	20.00
		64,717	**40.43**
Fixed Income Funds – 39.63%; 28.2.2023 40.75%			
22,226,744	BlackRock Collective Investment Funds - BlackRock Corporate Bond 1-10 Year Fund	32,202	20.12
30,055,649	iShares UK Gilts All Stocks Index Fund UK	31,236	19.51
		63,438	**39.63**
Short-term Money Market Funds – 2.81%; 28.2.2023 1.31%			
5,684,077	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	**4,493**	**2.81**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – 0.73%; 28.2.2023 0.16%			
Forward Currency Contracts – (0.07%); 28.2.2023 0.24%			
AU$5,360,477	Australian Dollar vs UK Sterling	(36)	(0.03)
€9,897,279	Euro vs UK Sterling	(57)	(0.04)
¥26,289,312	Japanese Yen vs UK Sterling	(1)	0.00
£1,582,256	UK Sterling vs Australian Dollar	12	0.00
£5,155,662	UK Sterling vs Euro	(12)	0.00
£68,890	UK Sterling vs Japanese Yen	–	0.00
£3,974,450	UK Sterling vs US Dollar	(9)	0.00
US$7,873,942	US Dollar vs UK Sterling	(4)	0.00
		(107)	**(0.07)**
Futures – 0.80%; 28.2.2023 (0.08%)			
158	Euro Stoxx 50 March 2024	460	0.29
210	FTSE 100 Index March 2024	141	0.09
18	KOSPI SPI 200 Index March 2024	64	0.04
34	S&P 500 E-Mini Index March 2024	577	0.36

BlackRock Managed Volatility Fund II

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	2 TOPIX Index March 2024	36	0.02
		1,278	**0.80**
Portfolio of investments		**133,819**	**83.60**
CASH EQUIVALENTS			
Short-term Money Market Funds – 13.94%; 28.2.2023 21.84%			
22,308,756	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**22,309**	**13.94**
Net other assets		3,946	2.46
Total net assets		**160,074**	**100.00**

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

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

All underlying funds are managed by a related party.

BlackRock Managed Volatility Fund II

Statement of Total Return

for the year ended 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital gains/(losses)	3		5,072		(14,814)
Revenue	4	5,149		4,804	
Expenses	5	(354)		(403)	
Interest payable and similar charges	6	(26)		(33)	
Net revenue before taxation		4,769		4,368	
Taxation	7	(608)		(364)	
Net revenue after taxation			4,161		4,004
Total return before distributions			9,233		(10,810)
Distributions	8		(4,161)		(4,004)
Change in net assets attributable to unitholders from investment activities			**5,072**		**(14,814)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		178,650		216,211
Amounts receivable on issue of units	1,694		552	
Amounts payable on cancellation of units	(29,205)		(27,049)	
		(27,511)		(26,497)
Change in net assets attributable to unitholders from investment activities		5,072		(14,814)
Retained distribution on accumulation units		3,863		3,750
Closing net assets attributable to unitholders		**160,074**		**178,650**

BlackRock Managed Volatility Fund II

Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		133,938	135,246
Current assets			
– Debtors	9	118	130
– Cash and bank balances	10	5,558	5,570
– Cash equivalents	11	22,309	39,014
Total assets		**161,923**	**179,960**
Liabilities:			
Investment liabilities		(119)	(235)
Creditors			
– Amounts due to futures clearing houses and brokers		(1,143)	–
– Other creditors	12	(587)	(1,075)
Total liabilities		**(1,849)**	**(1,310)**
Net assets attributable to unitholders		**160,074**	**178,650**

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

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 37.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	4,080	(11,037)
Gains/(losses) on derivative securities	1,108	(3,772)
Currency (losses)/gains	(108)	6
Custodian transaction costs	(8)	(11)
Net capital gains/(losses)	**5,072**	**(14,814)**

Net gains (excluding Manager's charge rebates and transaction costs) listed above of £5,080,000 comprise net realised losses of £(283,000) and net unrealised gains of £5,363,000 (28 February 2023: £(14,803,000) comprising net realised gains of £4,441,000 and net unrealised losses of £(19,244,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	1,727	2,550
Interest distributions on CIS holdings	1,572	1,431
Interest from UK bank deposits	157	62
Interest on balances held at futures clearing houses and brokers	20	–
Revenue from short-term money market funds	1,673	761
Total revenue	**5,149**	**4,804**

Notes to Financial Statements continued

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	334	383
	334	383
Other expenses:		
– Audit fee	9	7
– Legal and other professional fees	1	1
– Trustee's fees	10	12
	20	20
Total expenses	**354**	**403**

6. Interest Payable and Similar Charges

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interest on bank overdrafts	26	33
Total interest payable and similar charges	**26**	**33**

7. Taxation

(a) Analysis of tax charge

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Corporation tax	608	364
Total tax charge [see note 7(b)]	**608**	**364**

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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	4,769	4,368
Corporation tax at 20% (28 February 2023: 20%)	954	874
Effects of:		
Revenue not subject to tax	(346)	(510)
Total tax charge [see note 7(a)]	**608**	**364**

8. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	1,568	1,342
Final distribution	2,295	2,408
	3,863	3,750
Add: Amounts deducted on cancellation of units	314	259
Less: Amounts received on issue of units	(16)	(5)
Distributions	**4,161**	**4,004**

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

9. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued revenue	117	130
Income tax recoverable	1	–
Total debtors	**118**	**130**

Notes to Financial Statements continued

10. Cash and Bank Balances

	29.2.2024 £000's	28.2.2023 £000's
Amount held at futures clearing houses and brokers	1,561	2,094
Cash and bank balances	3,997	3,476
Total cash and bank balances	**5,558**	**5,570**

11. Cash Equivalents

	29.2.2024 £000's	28.2.2023 £000's
Investment in short-term money market funds	22,309	39,014
Total cash equivalents	**22,309**	**39,014**

12. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	106	149
Accrued Audit fee	8	8
Accrued Trustee's fee	13	6
Amounts payable for cancellation of units	218	747
Corporation tax payable	240	163
Custodian transaction costs	2	2
Total other creditors	**587**	**1,075**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

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 29 February 2024:

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. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 12. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 12.

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

Notes to Financial Statements continued

15. Related Parties continued

be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

As at 29 February 2024 and 28 February 2023 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 2023:

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

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

NM0524U-3615702-83/225

Notes to Financial Statements continued

16. Portfolio Transaction Costs

For the year ended 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
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	11,696	–	–	–	–
Total sales	**11,696**	**–**		**–**	
Total sales net of transaction costs	**11,696**				
Derivative transaction costs		**10**		**–**	
Total transaction costs		**10**		**–**	
Total transaction costs as a % of average net assets		**0.01%**		**0.00%**	

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

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.

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 2023: 0.00%).

17. Units in Issue

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

	C Accumulation Units
Balance at the beginning of the year	108,828,664
Issued during the year	1,029,462
Cancelled during the year	(17,837,707)
Balance at the end of the year	**92,020,419**

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

NM0524U-3615702-85/225

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 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	177.1	183.9	169.4
Return before operating charges	11.31	(6.37)	14.94
Operating charges	(0.45)	(0.44)	(0.44)
Return after operating charges	10.86	(6.81)	14.50
Distributions	(4.58)	(3.61)	(2.25)
Retained distributions on accumulation units	4.58	3.61	2.25
Closing net asset value per unit	188.0	177.1	183.9
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	6.13%	3.70%	8.56%
Other information			
Closing net asset value (£000's)	48,265	54,139	65,553
Closing number of units	25,677,661	30,571,295	35,646,362
Operating charges[2]	0.25%	0.25%	0.24%
Direct transaction costs[3]	0.01%	0.01%	0.01%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	201.9	199.0	207.6
Lowest bid unit price	171.1	163.0	170.8

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 III

Distribution Tables

for the year ended 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

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

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	2.7514	0.3229
Equalisation†	–	2.4285
Distribution paid 30.4.2024	**2.7514**	**2.7514**
Distribution paid 30.4.2023	**2.4047**	**2.4047**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.8237	0.3421
Equalisation†	–	1.4816
Distribution paid 31.10.2023	**1.8237**	**1.8237**
Distribution paid 31.10.2022	**1.2086**	**1.2086**

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

BlackRock Managed Volatility Fund III

Portfolio Statement

at 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES − 80.51%; 28.2.2023 77.58%			
Equity Funds − 47.18%; 28.2.2023 45.41%			
1,223,852	iShares Continental European Equity Index Fund UK	3,828	7.93
81,338	iShares Japan Equity Index Fund UK	236	0.49
820,334	iShares North American Equity Index Fund UK	4,525	9.37
540,738	iShares Pacific ex Japan Equity Index Fund UK	1,317	2.73
5,808,555	iShares UK Equity Index Fund UK	12,867	26.66
		22,773	**47.18**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Fixed Income Funds − 29.93%; 28.2.2023 29.86%			
5,091,027	BlackRock Collective Investment Funds - BlackRock Corporate Bond 1-10 Year Fund	7,376	15.28
6,805,294	iShares UK Gilts All Stocks Index Fund UK	7,072	14.65
		14,448	**29.93**
Short-term Money Market Funds − 3.40%; 28.2.2023 2.31%			
2,073,793	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	**1,639**	**3.40**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES − 0.65%; 28.2.2023 1.14%			
Forward Currency Contracts − (0.13%); 28.2.2023 0.06%			
AU$1,308,776	Australian Dollar vs UK Sterling	(9)	(0.02)
€3,548,112	Euro vs UK Sterling	(19)	(0.04)
¥119,939,624	Japanese Yen vs UK Sterling	(4)	(0.02)
£338,821	UK Sterling vs Australian Dollar	3	0.01
£1,803,324	UK Sterling vs Euro	(6)	0.00
£314,428	UK Sterling vs Japanese Yen	(2)	0.00
£3,722,446	UK Sterling vs US Dollar	(4)	0.00
US$7,921,164	US Dollar vs UK Sterling	(23)	(0.06)
		(64)	**(0.13)**
Futures − 0.78%; 28.2.2023 1.08%			
49	Euro Stoxx 50 March 2024	139	0.29
49	FTSE 100 Index March 2024	27	0.05
5	KOSPI SPI 200 Index March 2024	18	0.04
21	S&P 500 E-Mini Index March 2024	119	0.25

BlackRock Managed Volatility Fund III

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
4	TOPIX Index March 2024	72	0.15
		375	**0.78**
Portfolio of investments		**39,171**	**81.16**
CASH EQUIVALENTS			
Short-term Money Market Funds – 15.75%; 28.2.2023 19.15%			
7,600,893	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**7,601**	**15.75**
Net other assets		1,493	3.09
Total net assets		**48,265**	**100.00**

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

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

All underlying funds are managed by a related party.

BlackRock Managed Volatility Fund III

Statement of Total Return

for the year ended 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital gains/(losses)	3		1,520		(3,709)
Revenue	4	1,602		1,441	
Expenses	5	(113)		(127)	
Interest payable and similar charges	6	(8)		(9)	
Net revenue before taxation		1,481		1,305	
Taxation	7	(156)		(86)	
Net revenue after taxation			1,325		1,219
Total return before distributions			2,845		(2,490)
Distributions	8		(1,325)		(1,219)
Change in net assets attributable to unitholders from investment activities			**1,520**		**(3,709)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		54,139		65,553
Amounts receivable on issue of units	856		733	
Amounts payable on cancellation of units	(9,474)		(9,572)	
		(8,618)		(8,839)
Change in net assets attributable to unitholders from investment activities		1,520		(3,709)
Retained distribution on accumulation units		1,224		1,134
Closing net assets attributable to unitholders		**48,265**		**54,139**

BlackRock Managed Volatility Fund III

Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		39,238	42,639
Current assets			
– Debtors	9	35	35
– Cash and bank balances	10	2,099	1,651
– Cash equivalents	11	7,601	10,367
Total assets		**48,973**	**54,692**
Liabilities:			
Investment liabilities		(67)	(23)
Creditors			
– Amounts due to futures clearing houses and brokers		(364)	(208)
– Other creditors	12	(277)	(322)
Total liabilities		**(708)**	**(553)**
Net assets attributable to unitholders		**48,265**	**54,139**

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

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 37.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	1,433	(2,278)
Gains/(losses) on derivative securities	134	(1,428)
Currency (losses)/gains	(39)	6
Custodian transaction costs	(8)	(9)
Net capital gains/(losses)	**1,520**	**(3,709)**

Net gains (excluding Manager's charge rebates and transaction costs) listed above of £1,528,000 comprise net realised gains of £2,705,000 and net unrealised losses of £(1,177,000) (28 February 2023: £(3,700,000) comprising net realised gains of £1,448,000 and net unrealised losses of £(5,148,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	702	877
Interest distributions on CIS holdings	421	320
Interest from UK bank deposits	59	24
Interest on balances held at futures clearing houses and brokers	6	–
Revenue from short-term money market funds	414	220
Total revenue	**1,602**	**1,441**

Notes to Financial Statements continued

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	100	116
	100	116
Other expenses:		
– Audit fee	9	7
– Trustee's fees	4	4
	13	11
Total expenses	**113**	**127**

6. Interest Payable and Similar Charges

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interest on bank overdrafts	8	9
Total interest payable and similar charges	**8**	**9**

7. Taxation

(a) Analysis of tax charge

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Corporation tax	156	86
Total tax charge [see note 7(b)]	**156**	**86**

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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	1,481	1,305
Corporation tax at 20% (28 February 2023: 20%)	296	261
Effects of:		
Revenue not subject to tax	(140)	(175)
Total tax charge [see note 7(a)]	**156**	**86**

8. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	517	399
Final distribution	707	735
	1,224	1,134
Add: Amounts deducted on cancellation of units	109	91
Less: Amounts received on issue of units	(8)	(6)
Distributions	**1,325**	**1,219**

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

9. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued revenue	35	35
Total debtors	**35**	**35**

10. Cash and Bank Balances

	29.2.2024 £000's	28.2.2023 £000's
Amount held at futures clearing houses and brokers	573	526
Cash and bank balances	1,526	1,125
Total cash and bank balances	**2,099**	**1,651**

Notes to Financial Statements continued

11. Cash Equivalents

	29.2.2024 £000's	28.2.2023 £000's
Investment in short-term money market funds	7,601	10,367
Total cash equivalents	**7,601**	**10,367**

12. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	32	45
Accrued Audit fee	8	8
Accrued Trustee's fee	4	2
Amounts payable for cancellation of units	76	180
Corporation tax payable	156	85
Custodian transaction costs	1	2
Total other creditors	**277**	**322**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

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 29 February 2024:

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. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 12. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 12.

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

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

As at 29 February 2024 and 28 February 2023 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 2023:

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

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

16. Portfolio Transaction Costs

For the year ended 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
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	6,139	–	–	–	–
Total sales	**6,139**	**–**		**–**	
Total sales net of transaction costs	**6,139**				
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 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%**	

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 2023: 0.00%).

17. Units in Issue

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

	C Accumulation Units
Balance at the beginning of the year	30,571,295
Issued during the year	492,924
Cancelled during the year	(5,386,558)
Balance at the end of the year	**25,677,661**

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

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 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	191.7	178.0	155.1
Return before operating charges	20.62	14.27	23.42
Operating charges	(0.57)	(0.53)	(0.51)
Return after operating charges	20.05	13.74	22.91
Distributions	(3.67)	(1.19)	0.00
Retained distributions on accumulation units	3.67	1.19	N/A
Closing net asset value per unit	211.8	191.7	178.0
After direct transaction costs of	(0.03)	(0.03)	(0.03)
Performance			
Return after charges[1]	10.46%	7.72%	14.77%
Other information			
Closing net asset value (£000's)	153,962	165,023	176,239
Closing number of units	72,707,780	86,064,937	99,007,112
Operating charges[2]	0.29%	0.29%	0.29%
Direct transaction costs[3]	0.02%	0.02%	0.02%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	211.9	196.9	189.4
Lowest bid unit price	183.8	171.1	157.0

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

BlackRock Managed Volatility Fund IV

Distribution Tables

for the year ended 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

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

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.7755	0.7280
Equalisation†	–	1.0475
Distribution paid 30.4.2024	**1.7755**	**1.7755**
Distribution paid 30.4.2023	**0.8700**	**0.8700**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.8916	1.1954
Equalisation†	–	0.6962
Distribution paid 31.10.2023	**1.8916**	**1.8916**
Distribution paid 31.10.2022	**0.3234**	**0.3234**

† 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 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 75.53%; 28.2.2023 74.46%			
Short-term Money Market Funds – 75.53%; 28.2.2023 74.46%			
369,449	BlackRock ICS Sterling Government Liquidity Fund	39,502	25.66
363,145	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class	36,315	23.59
168,813	BlackRock ICS Sterling Ultra Short Bond Fund	24,396	15.84
20,332,114	BlackRock ICS US Dollar Liquidity Fund - Agency Income Class	16,072	10.44
		116,285	**75.53**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – 5.01%; 28.2.2023 2.98%			
Forward Currency Contracts – (0.31%); 28.2.2023 (0.31%)			
AU$13,105,209	Australian Dollar vs UK Sterling	(91)	(0.06)
€24,565,378	Euro vs UK Sterling	(152)	(0.10)
¥2,179,555,788	Japanese Yen vs UK Sterling	(105)	(0.07)
£3,582,109	UK Sterling vs Australian Dollar	34	0.02
£10,823,141	UK Sterling vs Euro	(26)	(0.02)
£6,283,042	UK Sterling vs Japanese Yen	(6)	(0.01)
£48,304,546	UK Sterling vs US Dollar	(112)	(0.07)
US$116,827,216	US Dollar vs UK Sterling	(14)	0.00
		(472)	**(0.31)**
Futures – 5.32%; 28.2.2023 3.29%			
465	Euro Stoxx 50 March 2024	1,325	0.86
789	FTSE 100 Index March 2024	470	0.31
43	KOSPI SPI 200 Index March 2024	153	0.10
45	MSCI Emerging Markets Index March 2024	69	0.05
293	S&P 500 E-Mini Index March 2024	4,978	3.23

BlackRock Managed Volatility Fund IV

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
66	TOPIX Index March 2024	1,190	0.77
		8,185	**5.32**
Portfolio of investments		**123,998**	**80.54**
CASH EQUIVALENTS			
Short-term Money Market Funds – 9.10%; 28.2.2023 7.47%			
14,012,038	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**14,012**	**9.10**
Net other assets		15,952	10.36
Total net assets		**153,962**	**100.00**

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

The counterparties for the forward currency contracts are Citigroup Global Markets Limited, Goldman Sachs International, Morgan Stanley & Co. International Plc, Nomura 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 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital gains	3		12,135		11,139
Revenue	4	4,141		1,793	
Expenses	5	(406)		(440)	
Interest payable and similar charges	6	(104)		(156)	
Net revenue before taxation		3,631		1,197	
Taxation	7	(726)		(113)	
Net revenue after taxation			2,905		1,084
Total return before distributions			15,040		12,223
Distributions	8		(2,905)		(1,084)
Change in net assets attributable to unitholders from investment activities			**12,135**		**11,139**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		165,023		176,239
Amounts receivable on issue of units	4,738		27,892	
Amounts payable on cancellation of units	(30,705)		(51,297)	
		(25,967)		(23,405)
Change in net assets attributable to unitholders from investment activities		12,135		11,139
Retained distribution on accumulation units		2,771		1,050
Closing net assets attributable to unitholders		**153,962**		**165,023**

BlackRock Managed Volatility Fund IV

Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		124,504	128,806
Current assets			
– Debtors	9	321	259
– Cash and bank balances	10	24,563	26,775
– Cash equivalents	11	14,012	12,332
Total assets		**163,400**	**168,172**
Liabilities:			
Investment liabilities		(506)	(1,019)
Creditors			
– Amounts due to futures clearing houses and brokers		(7,933)	(1,621)
– Other creditors	12	(999)	(509)
Total liabilities		**(9,438)**	**(3,149)**
Net assets attributable to unitholders		**153,962**	**165,023**

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

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 37.

3. Net Capital Gains

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital gains comprise:		
Gains on non-derivative securities	3,028	1,317
Gains on derivative securities	9,921	9,083
Currency (losses)/gains	(806)	749
Custodian transaction costs	(8)	(10)
Net capital gains	**12,135**	**11,139**

Net gains (excluding Manager's charge rebates and transaction costs) listed above of £12,143,000 comprise net realised gains of £7,346,000 and net unrealised gains of £4,797,000 (28 February 2023: £11,149,000 comprising net realised losses of £(1,162,000) and net unrealised gains of £12,311,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interest from UK bank deposits	899	422
Interest on balances held at futures clearing houses and brokers	174	–
Overseas dividends	–	1,032
Revenue from short-term money market funds	3,068	339
Total revenue	**4,141**	**1,793**

Notes to Financial Statements continued

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	386	421
	386	421
Other expenses:		
– Audit fee	9	8
– Legal and other professional fees	1	1
– Trustee's fees	10	10
	20	19
Total expenses	**406**	**440**

6. Interest Payable and Similar Charges

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interest on bank overdrafts	104	156
Total interest payable and similar charges	**104**	**156**

7. Taxation

(a) Analysis of tax charge

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Corporation tax	726	113
Total tax charge [see note 7(b)]	**726**	**113**

Notes to Financial Statements continued

7. Taxation continued

(b) Factors affecting the tax charge

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

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	3,631	1,197
Corporation tax at 20% (28 February 2023: 20%)	726	239
Effects of:		
Movement in unrecognised excess management expenses	–	(126)
Total tax charge [see note 7(a)]	**726**	**113**

8. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	1,480	301
Final distribution	1,291	749
	2,771	1,050
Add: Amounts deducted on cancellation of units	154	54
Less: Amounts received on issue of units	(20)	(20)
Distributions	**2,905**	**1,084**

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

9. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued revenue	268	178
Amounts receivable for issue of units	53	81
Total debtors	**321**	**259**

Notes to Financial Statements continued

10. Cash and Bank Balances

	29.2.2024 £000's	28.2.2023 £000's
Amount held at futures clearing houses and brokers	7,796	6,766
Cash and bank balances	16,767	20,009
Total cash and bank balances	**24,563**	**26,775**

11. Cash Equivalents

	29.2.2024 £000's	28.2.2023 £000's
Investment in short-term money market funds	14,012	12,332
Total cash equivalents	**14,012**	**12,332**

12. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	125	168
Accrued Audit fee	8	8
Accrued Trustee's fee	11	5
Amounts payable for cancellation of units	128	213
Corporation tax payable	726	113
Custodian transaction costs	1	2
Total other creditors	**999**	**509**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

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 29 February 2024:

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. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 12. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 12.

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

Notes to Financial Statements continued

15. Related Parties continued

be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

As at 29 February 2024 and 28 February 2023 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 2023:

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

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

Notes to Financial Statements continued

16. Portfolio Transaction Costs

For the year ended 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
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		26		–	
Total transaction costs		26		–	
Total transaction costs as a % of average net assets		0.02%		0.00%	

For the year ended 28 February 2023

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%

		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%	

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.

Notes to Financial Statements continued

16. Portfolio Transaction Costs continued

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

During the year the Fund utilised FDIs including futures covering different underlying asset classes. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments and therefore purchase and sale amounts for derivative transactions are not quantified in the analysis above.

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

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.00% (28 February 2023: 0.00%).

17. Units in Issue

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

	C Accumulation Units
Balance at the beginning of the year	86,064,937
Issued during the year	2,459,284
Cancelled during the year	(15,816,441)
Balance at the end of the year	**72,707,780**

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

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 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	119.8	126.6	121.4
Return before operating charges	0.52	(6.56)	5.44
Operating charges	(0.26)	(0.27)	(0.28)
Return after operating charges	0.26	(6.83)	5.16
Distributions	(3.36)	(2.08)	(0.99)
Retained distributions on accumulation units	3.36	2.08	0.99
Closing net asset value per unit	120.1	119.8	126.6
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	0.22%	(5.39)%	4.25%
Other information			
Closing net asset value (£000's)	36,556	43,099	52,356
Closing number of units	30,447,287	35,983,828	41,368,793
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	130.4	137.5	141.5
Lowest bid unit price	112.6	114.0	122.1

[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 UK Managed Volatility Fund I

Distribution Tables

for the year ended 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

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

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	2.1315	0.7594
Equalisation†	–	1.3721
Distribution paid 30.4.2024	**2.1315**	**2.1315**
Distribution paid 30.4.2023	**1.4127**	**1.4127**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	C Accumulation Units	
	Group 1	Group 2
Gross revenue	1.2320	0.2671
Equalisation†	–	0.9649
Distribution paid 31.10.2023	**1.2320**	**1.2320**
Distribution paid 31.10.2022	**0.6672**	**0.6672**

† 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 I

Portfolio Statement

at 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 86.26%; 28.2.2023 78.70%			
Equity Funds – 31.47%; 28.2.2023 29.17%			
5,453,230	iShares 100 UK Equity Index Fund UK	**11,505**	**31.47**
Exchange Traded Funds – 3.02%; 28.2.2023 12.16%			
7,667	iShares Core FTSE 100 UCITS ETF GBP Acc	**1,103**	**3.02**
Fixed Income Funds – 41.87%; 28.2.2023 25.12%			
439,208	iShares Core UK Gilts UCITS ETF[Ø]	4,447	12.17
10,447,597	iShares UK Gilts All Stocks Index Fund UK	10,858	29.70
		15,305	**41.87**
Short-term Money Market Funds – 9.90%; 28.2.2023 12.25%			
25,056	BlackRock ICS Sterling Ultra Short Bond Fund	**3,621**	**9.90**
DERIVATIVES – 0.32%; 28.2.2023 0.18%			
Futures – 0.32%; 28.2.2023 0.18%			
47	FTSE 100 Index March 2024	51	0.14
(68)	Long Gilt June 2024	67	0.18
		118	**0.32**
Portfolio of investments		**31,652**	**86.58**
CASH EQUIVALENTS			
Short-term Money Market Funds – 11.95%; 28.2.2023 20.15%			
4,370,419	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**4,370**	**11.95**
Net other assets		534	1.47
Total net assets		**36,556**	**100.00**

Unless otherwise stated, all securities are either listed on a recognised exchange, traded on an eligible securities market or are permitted collective investment schemes.
All underlying funds are managed by a related party.
[Ø] All or a portion of this investment represents a security on loan, see note 2(b)(v) for further details.

BlackRock UK Managed Volatility Fund I

Statement of Total Return

for the year ended 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital losses	3		(1,158)		(3,548)
Revenue	4	1,224		949	
Expenses	5	(82)		(96)	
Interest payable and similar charges	6	(2)		(46)	
Net revenue before taxation		1,140		807	
Taxation	7	–		–	
Net revenue after taxation			1,140		807
Total return before distributions			(18)		(2,741)
Distributions	8		(1,140)		(807)
Change in net assets attributable to unitholders from investment activities			**(1,158)**		**(3,548)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		43,099		52,356
Amounts receivable on issue of units	119		358	
Amounts payable on cancellation of units	(6,567)		(6,832)	
		(6,448)		(6,474)
Change in net assets attributable to unitholders from investment activities		(1,158)		(3,548)
Retained distribution on accumulation units		1,063		765
Closing net assets attributable to unitholders		**36,556**		**43,099**

BlackRock UK Managed Volatility Fund I

Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		31,652	33,998
Current assets			
– Debtors	9	43	37
– Cash and bank balances	10	534	443
– Cash equivalents	11	4,370	8,685
Total assets		**36,599**	**43,163**
Liabilities:			
Creditors			
– Other creditors	12	(43)	(64)
Total liabilities		**(43)**	**(64)**
Net assets attributable to unitholders		**36,556**	**43,099**

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

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 37.

3. Net Capital Losses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital losses comprise:		
Losses on non-derivative securities	(495)	(3,540)
Losses on derivative securities	(661)	(9)
Custodian transaction costs	(3)	–
Custodian transaction costs rebate	1	1
Net capital losses	**(1,158)**	**(3,548)**

Net losses (excluding Manager's charge rebates and transaction costs) listed above of £(1,156,000) comprise net realised losses of £(431,000) and net unrealised losses of £(725,000) (28 February 2023: £(3,549,000) comprising net realised losses of £(1,416,000) and net unrealised losses of £(2,133,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	456	428
Interest distributions on CIS holdings	219	119
Interest from UK bank deposits	11	11
Interest on balances held at futures clearing houses and brokers	4	–
Manager's charge rebates	4	5
Overseas dividends	186	179
Returns from bond futures	16	16
Revenue from short-term money market funds	320	169
Securities lending revenue	8	22
Total revenue	**1,224**	**949**

Notes to Financial Statements continued

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	79	93
– Expense rebate due from the Manager[1]	(10)	(8)
	69	85
Other expenses:		
– Audit fee	10	8
– Safe custody fees	1	–
– Trustee's fees	2	3
	13	11
Total expenses	**82**	**96**

[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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interest on bank overdrafts	1	3
Returns from short position bond futures	1	43
Total interest payable and similar charges	**2**	**46**

7. Taxation

(a) Analysis of tax charge

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	1,140	807
Corporation tax at 20% (28 February 2023: 20%)	228	161
Effects of:		
Revenue not subject to tax	(110)	(102)
Tax deductible interest distributions	(118)	(59)
Total tax charge [see note 7(a)]	**–**	**–**

8. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	414	256
Final distribution	649	509
	1,063	765
Add: Amounts deducted on cancellation of units	78	45
Less: Amounts received on issue of units	(1)	(3)
Distributions	**1,140**	**807**

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

9. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Manager's charge rebates	1	2
Accrued revenue	23	27
Expense rebate due from the Manager	19	8
Total debtors	**43**	**37**

Notes to Financial Statements continued

10. Cash and Bank Balances

	29.2.2024 £000's	28.2.2023 £000's
Amount held at futures clearing houses and brokers	370	300
Cash and bank balances	164	143
Total cash and bank balances	**534**	**443**

11. Cash Equivalents

	29.2.2024 £000's	28.2.2023 £000's
Investment in short-term money market funds	4,370	8,685
Total cash equivalents	**4,370**	**8,685**

12. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	25	36
Accrued Audit fee	9	17
Accrued Safe custody fees	–	1
Accrued Trustee's fee	3	1
Amounts payable for cancellation of units	6	9
Total other creditors	**43**	**64**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

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 29 February 2024:

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. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 12. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 12. Securities lending revenue earned by the Fund is disclosed in note 4.

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

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

Notes to Financial Statements continued

15. Related Parties continued

be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

As at 29 February 2024 and 28 February 2023 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	61%

As at 28 February 2023:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	60%

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 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	2,111	–	–	–	–
Total purchases	**2,111**	**–**		**–**	
Total purchases including transaction costs	**2,111**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	4,808	–	–	–	–
Total sales	**4,808**	**–**		**–**	
Total sales net of transaction costs	**4,808**				
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 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%**	

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.

NM0524U-3615792-129/225

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 2023: 0.01%).

17. Units in Issue

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

	C Accumulation Units
Balance at the beginning of the year	35,983,828
Issued during the year	102,781
Cancelled during the year	(5,639,322)
Balance at the end of the year	**30,447,287**

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

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 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	111.9	121.1	114.1
Return before operating charges	(2.10)	(9.00)	7.27
Operating charges	(0.24)	(0.25)	(0.25)
Return after operating charges	(2.34)	(9.25)	7.02
Distributions	(2.98)	(2.05)	(1.26)
Retained distributions on accumulation units	2.98	2.05	1.26
Closing net asset value per unit	109.6	111.9	121.1
After direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges[1]	(2.09)%	(7.64)%	6.15%
Other information			
Closing net asset value (£000's)	66,527	81,693	102,180
Closing number of units	60,723,051	73,038,369	84,360,109
Operating charges[2]	0.22%	0.22%	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	120.7	131.7	135.1
Lowest bid unit price	102.5	105.3	114.9

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 16 for further details.

BlackRock UK Managed Volatility Fund II

Distribution Tables

for the year ended 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

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

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.9602	0.6788
Equalisation†	–	1.2814
Distribution paid 30.4.2024	**1.9602**	**1.9602**
Distribution paid 30.4.2023	**1.4713**	**1.4713**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.0238	0.2800
Equalisation†	–	0.7438
Distribution paid 31.10.2023	**1.0238**	**1.0238**
Distribution paid 31.10.2022	**0.5780**	**0.5780**

† 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 II

Portfolio Statement

at 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 81.32%; 28.2.2023 80.52%			
Equity Funds – 30.87%; 28.2.2023 31.20%			
9,733,773	iShares 100 UK Equity Index Fund UK	**20,536**	**30.87**
Exchange Traded Funds – 14.15%; 28.2.2023 13.79%			
65,406	iShares Core FTSE 100 UCITS ETF GBP Acc	**9,412**	**14.15**
Fixed Income Funds – 30.05%; 28.2.2023 30.69%			
19,236,447	iShares UK Gilts All Stocks Index Fund UK	**19,992**	**30.05**
Short-term Money Market Funds – 6.25%; 28.2.2023 4.84%			
28,800	BlackRock ICS Sterling Ultra Short Bond Fund	**4,162**	**6.25**
DERIVATIVES – 0.04%; 28.2.2023 0.51%			
Futures – 0.04%; 28.2.2023 0.51%			
101	FTSE 100 Index March 2024	85	0.13
55	Long Gilt June 2024	(60)	(0.09)
		25	**0.04**
Portfolio of investments		**54,127**	**81.36**
CASH EQUIVALENTS			
Short-term Money Market Funds – 17.88%; 28.2.2023 17.95%			
11,897,810	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**11,898**	**17.88**
	Net other assets	502	0.76
Total net assets		**66,527**	**100.00**

Unless otherwise stated, all securities are either listed on a recognised exchange, traded on an eligible securities market or are permitted collective investment schemes.
All underlying funds are managed by a related party.

BlackRock UK Managed Volatility Fund II

Statement of Total Return

for the year ended 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital losses	3		(3,954)		(9,240)
Revenue	4	2,416		1,977	
Expenses	5	(151)		(188)	
Interest payable and similar charges	6	(41)		(63)	
Net revenue before taxation		2,224		1,726	
Taxation	7	(205)		(99)	
Net revenue after taxation			2,019		1,627
Total return before distributions			(1,935)		(7,613)
Distributions	8		(2,019)		(1,627)
Change in net assets attributable to unitholders from investment activities			**(3,954)**		**(9,240)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		81,693		102,180
Amounts receivable on issue of units	262		1,259	
Amounts payable on cancellation of units	(13,357)		(14,038)	
		(13,095)		(12,779)
Change in net assets attributable to unitholders from investment activities		(3,954)		(9,240)
Retained distribution on accumulation units		1,883		1,532
Closing net assets attributable to unitholders		**66,527**		**81,693**

BlackRock UK Managed Volatility Fund II

Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		54,187	66,198
Current assets			
– Debtors	9	72	56
– Cash and bank balances	10	596	1,025
– Cash equivalents	11	11,898	14,664
Total assets		**66,753**	**81,943**
Liabilities:			
Investment liabilities		(60)	–
Creditors			
– Other creditors	12	(166)	(250)
Total liabilities		**(226)**	**(250)**
Net assets attributable to unitholders		**66,527**	**81,693**

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

NM0524U-3615702-136/225

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 37.

3. Net Capital Losses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital losses comprise:		
Losses on non-derivative securities	(1,143)	(6,216)
Losses on derivative securities	(2,808)	(3,022)
Custodian transaction costs	(4)	(3)
Custodian transaction costs rebate	1	1
Net capital losses	**(3,954)**	**(9,240)**

Net losses (excluding Manager's charge rebates and transaction costs) listed above of £(3,951,000) comprise net realised losses of £(5,277,000) and net unrealised gains of £1,326,000 (28 February 2023: £(9,238,000) comprising net realised losses of £(5,834,000) and net unrealised losses of £(3,404,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	868	979
Interest distributions on CIS holdings	477	287
Interest from UK bank deposits	27	19
Interest on balances held at futures clearing houses and brokers	14	–
Manager's charge rebates	7	10
Overseas dividends	330	334
Returns from bond futures	6	64
Revenue from short-term money market funds	686	266
Securities lending revenue	1	18
Total revenue	**2,416**	**1,977**

Notes to Financial Statements continued

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	144	180
– Expense rebate due from the Manager[1]	(11)	(6)
	133	174
Other expenses:		
– Audit fee	10	8
– Safe custody fees	3	–
– Trustee's fees	5	6
	18	14
Total expenses	**151**	**188**

[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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interest on bank overdrafts	3	5
Returns from short position bond futures	38	58
Total interest payable and similar charges	**41**	**63**

7. Taxation

(a) Analysis of tax charge

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Corporation tax	205	99
Total tax charge [see note 7(b)]	**205**	**99**

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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	2,224	1,726
Corporation tax at 20% (28 February 2023: 20%)	445	345
Effects of:		
Revenue not subject to tax	(240)	(246)
Total tax charge [see note 7(a)]	**205**	**99**

8. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	693	457
Final distribution	1,190	1,075
	1,883	1,532
Add: Amounts deducted on cancellation of units	138	101
Less: Amounts received on issue of units	(2)	(6)
Distributions	**2,019**	**1,627**

Details of the interim and final distributions per unit are set out in the tables on page 132.

9. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Manager's charge rebates	2	3
Accrued revenue	52	47
Expense rebate due from the Manager	18	6
Total debtors	**72**	**56**

Notes to Financial Statements continued

10. Cash and Bank Balances

	29.2.2024 £000's	28.2.2023 £000's
Amount held at futures clearing houses and brokers	553	783
Cash and bank balances	43	242
Total cash and bank balances	**596**	**1,025**

11. Cash Equivalents

	29.2.2024 £000's	28.2.2023 £000's
Investment in short-term money market funds	11,898	14,664
Total cash equivalents	**11,898**	**14,664**

12. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	45	70
Accrued Audit fee	9	8
Accrued Safe custody fees	–	1
Accrued Trustee's fee	6	3
Amounts payable for cancellation of units	25	69
Corporation tax payable	80	99
Custodian transaction costs	1	–
Total other creditors	**166**	**250**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

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 29 February 2024:

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

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

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 12. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 12. Securities lending revenue earned by the Fund is disclosed in note 4.

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

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

Notes to Financial Statements continued

15. Related Parties continued

be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

As at 29 February 2024 and 28 February 2023 the following unitholders:

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

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

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

As at 28 February 2023:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	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 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	4,111	–	–	–	–
Total purchases	**4,111**	**–**		**–**	
Total purchases including transaction costs	**4,111**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	16,370	–	–	–	–
Total sales	**16,370**	**–**		**–**	
Total sales net of transaction costs	**16,370**				
Derivative transaction costs		**5**		**–**	
Total transaction costs		**5**		**–**	
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 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%**	

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 0.00% (28 February 2023: 0.02%).

17. Units in Issue

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

	C Accumulation Units
Balance at the beginning of the year	73,038,369
Issued during the year	244,191
Cancelled during the year	(12,559,509)
Balance at the end of the year	**60,723,051**

Revenue is allocated each day pro rata to the capital value of assets attributable to each class and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

18. Post Balance Sheet Events

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

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 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	112.9	116.7	108.6
Return before operating charges	(1.59)	(3.54)	8.37
Operating charges	(0.24)	(0.24)	(0.24)
Return after operating charges	(1.83)	(3.78)	8.13
Distributions	(3.56)	(2.64)	(1.36)
Retained distributions on accumulation units	3.56	2.64	1.36
Closing net asset value per unit	111.1	112.9	116.7
After direct transaction costs of	(0.01)	(0.01)	(0.02)
Performance			
Return after charges[1]	(1.62)%	(3.24)%	7.48%
Other information			
Closing net asset value (£000's)	23,389	28,382	33,426
Closing number of units	21,057,772	25,133,979	28,636,169
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	122.2	126.5	129.1
Lowest bid unit price	102.8	102.2	109.5

[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 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

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

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	2.6586	1.5909
Equalisation†	–	1.0677
Distribution paid 30.4.2024	**2.6586**	**2.6586**
Distribution paid 30.4.2023	**2.0903**	**2.0903**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	C Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	0.9018	0.0292
Equalisation†	–	0.8726
Distribution paid 31.10.2023	**0.9018**	**0.9018**
Distribution paid 31.10.2022	**0.5484**	**0.5484**

† 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 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 81.36%; 28.2.2023 82.95%			
Equity Funds – 32.74%; 28.2.2023 32.35%			
3,629,672	iShares 100 UK Equity Index Fund UK	**7,658**	**32.74**
Exchange Traded Funds – 32.68%; 28.2.2023 35.80%			
53,123	iShares Core FTSE 100 UCITS ETF GBP Acc	**7,644**	**32.68**
Fixed Income Funds – 15.14%; 28.2.2023 14.18%			
3,407,756	iShares UK Gilts All Stocks Index Fund UK	**3,542**	**15.14**
Short-term Money Market Funds – 0.80%; 28.2.2023 0.62%			
1,286	BlackRock ICS Sterling Ultra Short Bond Fund	**186**	**0.80**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – 0.09%; 28.2.2023 1.17%			
Futures – 0.09%; 28.2.2023 1.17%			
76	FTSE 100 Index March 2024	6	0.03
(15)	Long Gilt June 2024	15	0.06
		21	**0.09**
Portfolio of investments		**19,051**	**81.45**
CASH EQUIVALENTS			
Short-term Money Market Funds – 16.55%; 28.2.2023 13.19%			
3,871,751	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**3,872**	**16.55**
	Net other assets	466	2.00
Total net assets		**23,389**	**100.00**

Unless otherwise stated, all securities are either listed on a recognised exchange, traded on an eligible securities market or are permitted collective investment schemes.
All underlying funds are managed by a related party.

BlackRock UK Managed Volatility Fund III

Statement of Total Return

for the year ended 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital losses	3		(1,409)		(1,873)
Revenue	4	907		797	
Expenses	5	(50)		(61)	
Interest payable and similar charges	6	(2)		(12)	
Net revenue before taxation		855		724	
Taxation	7	(56)		(26)	
Net revenue after taxation			799		698
Total return before distributions			(610)		(1,175)
Distributions	8		(799)		(698)
Change in net assets attributable to unitholders from investment activities			**(1,409)**		**(1,873)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		28,382		33,426
Amounts receivable on issue of units	73		1,035	
Amounts payable on cancellation of units	(4,416)		(4,878)	
		(4,343)		(3,843)
Change in net assets attributable to unitholders from investment activities		(1,409)		(1,873)
Retained distribution on accumulation units		759		672
Closing net assets attributable to unitholders		**23,389**		**28,382**

BlackRock UK Managed Volatility Fund III

Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		19,051	23,875
Current assets			
– Debtors	9	46	214
– Cash and bank balances	10	520	674
– Cash equivalents	11	3,872	3,745
Total assets		**23,489**	**28,508**
Liabilities:			
Creditors			
– Other creditors	12	(100)	(126)
Total liabilities		**(100)**	**(126)**
Net assets attributable to unitholders		**23,389**	**28,382**

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

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 37.

3. Net Capital Losses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital losses comprise:		
Losses on non-derivative securities	(664)	(861)
Losses on derivative securities	(743)	(1,010)
Custodian transaction costs	(3)	(3)
Custodian transaction costs rebate	1	1
Net capital losses	**(1,409)**	**(1,873)**

Net losses (excluding Manager's charge rebates and transaction costs) listed above of £(1,407,000) comprise net realised losses of £(715,000) and net unrealised losses of £(692,000) (28 February 2023: £(1,871,000) comprising net realised losses of £(2,436,000) and net unrealised gains of £565,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	274	336
Interest distributions on CIS holdings	81	45
Interest from UK bank deposits	12	9
Interest on balances held at futures clearing houses and brokers	7	–
Manager's charge rebates	6	9
Overseas dividends	321	306
Returns from bond futures	10	30
Revenue from short-term money market funds	194	49
Securities lending revenue	2	13
Total revenue	**907**	**797**

Notes to Financial Statements continued

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	49	59
– Expense rebate due from the Manager[1]	(14)	(12)
	35	47
Other expenses:		
– Audit fee	10	9
– Safe custody fees	3	3
– Trustee's fees	2	2
	15	14
Total expenses	**50**	**61**

[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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interest on bank overdrafts	1	2
Returns from short position bond futures	1	10
Total interest payable and similar charges	**2**	**12**

7. Taxation

(a) Analysis of tax charge

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Corporation tax	56	26
Total tax charge [see note 7(b)]	**56**	**26**

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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	855	724
Corporation tax at 20% (28 February 2023: 20%)	171	145
Effects of:		
Revenue not subject to tax	(115)	(119)
Total tax charge [see note 7(a)]	**56**	**26**

8. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	200	147
Final distribution	559	525
	759	672
Add: Amounts deducted on cancellation of units	41	34
Less: Amounts received on issue of units	(1)	(8)
Distributions	**799**	**698**

Details of the interim and final distributions per unit are set out in the tables on page 147.

9. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Manager's charge rebates	2	3
Accrued revenue	17	8
Expense rebate due from the Manager	27	12
Sales awaiting settlement	–	191
Total debtors	**46**	**214**

Notes to Financial Statements continued

10. Cash and Bank Balances

	29.2.2024 £000's	28.2.2023 £000's
Amount held at futures clearing houses and brokers	352	447
Cash and bank balances	168	227
Total cash and bank balances	**520**	**674**

11. Cash Equivalents

	29.2.2024 £000's	28.2.2023 £000's
Investment in short-term money market funds	3,872	3,745
Total cash equivalents	**3,872**	**3,745**

12. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	16	23
Accrued Audit fee	9	8
Accrued Trustee's fee	2	1
Amounts payable for cancellation of units	16	67
Corporation tax payable	56	26
Custodian transaction costs	1	1
Total other creditors	**100**	**126**

13. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

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 29 February 2024:

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

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

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 12. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 12. Securities lending revenue earned by the Fund is disclosed in note 4.

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

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

Notes to Financial Statements continued

15. Related Parties continued

be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

As at 29 February 2024 and 28 February 2023 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 2023:

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

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

Notes to Financial Statements continued

16. Portfolio Transaction Costs

For the year ended 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	1,849	–	–	–	–
Total purchases	**1,849**	**–**		**–**	
Total purchases including transaction costs	**1,849**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	6,368	–	–	–	–
Total sales	**6,368**	**–**		**–**	
Total sales net of transaction costs	**6,368**				
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 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%**	

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.

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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 2023: 0.05%).

17. Units in Issue

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

	C Accumulation Units
Balance at the beginning of the year	25,133,979
Issued during the year	67,710
Cancelled during the year	(4,143,917)
Balance at the end of the year	**21,057,772**

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

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 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	152.5	160.9	154.0	150.7	159.1	152.5
Return before operating charges	13.64	(8.09)	7.21	13.50	(7.88)	7.24
Operating charges	(0.34)	(0.34)	(0.36)	(0.57)	(0.56)	(0.60)
Return after operating charges	13.30	(8.43)	6.85	12.93	(8.44)	6.64
Distributions	(3.05)	(2.52)	(2.02)	(2.83)	(2.31)	(1.80)
Retained distributions on accumulation units	3.05	2.52	2.02	2.83	2.31	1.80
Closing net asset value per unit	165.8	152.5	160.9	163.6	150.7	159.1
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges[1]	8.72%	(5.24)%	4.45%	8.58%	(5.30)%	4.35%
Other information						
Closing net asset value (£000's)	159,328	156,177	170,209	3,823	4,336	4,375
Closing number of units	96,095,682	102,433,649	105,815,293	2,336,178	2,878,140	2,748,911
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	177.7	176.6	184.4	175.4	174.7	182.5
Lowest bid unit price	150.4	144.2	154.3	148.5	142.6	152.9

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 I

Distribution Tables

for the year ended 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

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

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	2.1046	0.4050	1.9825	0.3419
Equalisation†	–	1.6996	–	1.6406
Distribution paid 30.4.2024	**2.1046**	**2.1046**	**1.9825**	**1.9825**
Distribution paid 30.4.2023	**1.4452**	**1.4452**	**1.3380**	**1.3380**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	0.9486	0.0000	0.8430	0.0000
Equalisation†	–	0.9486	–	0.8430
Distribution paid 31.10.2023	**0.9486**	**0.9486**	**0.8430**	**0.8430**
Distribution paid 31.10.2022	**1.0788**	**1.0788**	**0.9713**	**0.9713**

† 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 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 98.78%; 28.2.2023 88.60%			
Equity Funds – 59.03%; 28.2.2023 49.35%			
3,662,617	iShares Continental European Equity Index Fund UK	11,455	7.02
5,365,118	iShares Emerging Markets Equity Index Fund UK	9,464	5.80
2,031,565	iShares Japan Equity Index Fund UK	5,899	3.62
2,228,178	iShares Mid Cap UK Equity Index Fund UK	5,223	3.20
6,618,255	iShares North American Equity Index Fund UK	36,505	22.38
903,253	iShares Pacific ex Japan Equity Index Fund UK	2,199	1.35
6,175,166	iShares UK Equity Index Fund UK	13,679	8.38
2,196,549	iShares US Equity Index Fund UK	11,885	7.28
		96,309	**59.03**
Fixed Income Funds – 39.75%; 28.2.2023 39.25%			
3,259,642	iShares Corporate Bond Index Fund UK	4,571	2.80
8,651,155	iShares ESG Overseas Corporate Bond Index Fund UK	13,475	8.26
947,554	iShares Global Inflation-Linked Bond Index Fund US Dollar Hedged	12,150	7.45
22,037,932	iShares Overseas Government Bond Index Fund UK	25,803	15.82
8,513,519	iShares UK Gilts All Stocks Index Fund UK	8,848	5.42
		64,847	**39.75**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – 0.04%; 28.2.2023 (0.24%)			
Forward Currency Contracts – 0.04%; 28.2.2023 (0.24%)			
€14,961,148	Euro vs UK Sterling	38	0.03
£28,470,031	UK Sterling vs Euro	198	0.12
£57,284,915	UK Sterling vs US Dollar	(179)	(0.11)
US$13,869,802	US Dollar vs UK Sterling	20	0.00
		77	**0.04**
Portfolio of investments		**161,233**	**98.82**
CASH EQUIVALENTS			
Short-term Money Market Funds – 1.51%; 28.2.2023 11.75%			
2,461,593	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**2,462**	**1.51**
Net other liabilities		(544)	(0.33)
Total net assets		**163,151**	**100.00**

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

The counterparties for the forward currency contracts are BNP Paribas Arbitrage SNC, Citigroup Global Markets Limited, 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 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital gains/(losses)	3		10,208		(11,899)
Revenue	4	3,817		3,313	
Expenses	5	(340)		(352)	
Net revenue before taxation		3,477		2,961	
Taxation	6	(351)		(238)	
Net revenue after taxation			3,126		2,723
Total return before distributions			13,334		(9,176)
Distributions	7		(3,126)		(2,724)
Change in net assets attributable to unitholders from investment activities			**10,208**		**(11,900)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		160,513		174,583
Amounts receivable on issue of units	9,947		16,864	
Amounts payable on cancellation of units	(20,548)		(21,714)	
		(10,601)		(4,850)
Change in net assets attributable to unitholders from investment activities		10,208		(11,900)
Retained distribution on accumulation units		3,031		2,680
Closing net assets attributable to unitholders		**163,151**		**160,513**

BlackRock Volatility Strategy Fund I

Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		161,412	142,225
Current assets			
– Debtors	8	82	146
– Cash and bank balances		10	18
– Cash equivalents	9	2,462	18,856
Total assets		**163,966**	**161,245**
Liabilities:			
Investment liabilities		(179)	(394)
Creditors			
– Other creditors	10	(636)	(338)
Total liabilities		**(815)**	**(732)**
Net assets attributable to unitholders		**163,151**	**160,513**

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

NM0524U-3615702-166/225

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 37.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	7,830	(5,601)
Gains/(losses) on derivative securities	2,485	(6,004)
Currency losses	(102)	(293)
Custodian transaction costs	(5)	(5)
Custodian transaction costs rebate	–	4
Net capital gains/(losses)	**10,208**	**(11,899)**

Net gains (excluding Manager's charge rebates and transaction costs) listed above of £10,213,000 comprise net realised gains of £2,553,000 and net unrealised gains of £7,660,000 (28 February 2023: £(11,898,000) comprising net realised losses of £(634,000) and net unrealised losses of £(11,264,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	1,727	1,775
Interest distributions on CIS holdings	1,192	910
Interest from UK bank deposits	–	22
Overseas dividends	739	–
Revenue from short-term money market funds	159	606
Total revenue	**3,817**	**3,313**

Notes to Financial Statements continued

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	324	340
– Expense rebate due from the Manager[1]	(16)	(6)
	308	334
Other expenses:		
– Audit fee	16	7
– Closure expenses	5	–
– Legal and other professional fees	1	1
– Trustee's fees	10	10
	32	18
Total expenses	**340**	**352**

[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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Corporation tax	351	238
Total tax charge [see note 6(b)]	**351**	**238**

Notes to Financial Statements continued

6. 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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	3,477	2,961
Corporation tax at 20% (28 February 2023: 20%)	695	592
Effects of:		
Capitalised income subject to tax	–	1
Excess expenses for which no tax relief taken	1	–
Revenue not subject to tax	(345)	(355)
Total tax charge [see note 6(a)]	**351**	**238**

7. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	962	1,161
Final distribution	2,069	1,519
	3,031	2,680
Add: Amounts deducted on cancellation of units	180	176
Less: Amounts received on issue of units	(85)	(132)
Distributions	**3,126**	**2,724**
The distributable amount has been calculated as follows:		
Net revenue after taxation	3,126	2,723
Add: Tax on capitalised Manager's charge rebates	–	1
Distributions	**3,126**	**2,724**

Details of the interim and final distributions per unit are set out in the tables on page 162.

Notes to Financial Statements continued

8. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued revenue	11	78
Amounts receivable for issue of units	41	58
Expense rebate due from the Manager	24	8
Income tax recoverable	6	2
Total debtors	**82**	**146**

9. Cash Equivalents

	29.2.2024 £000's	28.2.2023 £000's
Investment in short-term money market funds	2,462	18,856
Total cash equivalents	**2,462**	**18,856**

10. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	108	137
Accrued Audit fee	16	7
Accrued Closure expenses	5	–
Accrued Trustee's fee	11	5
Amounts payable for cancellation of units	292	85
Corporation tax payable	203	103
Custodian transaction costs	1	1
Total other creditors	**636**	**338**

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

Notes to Financial Statements continued

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 29 February 2024:

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. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 10. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 10.

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

Notes to Financial Statements continued

13. Related Parties continued

be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

As at 29 February 2024 and 28 February 2023 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	98%

As at 28 February 2023:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	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 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	34,841	–	–	–	–
Total purchases	**34,841**	**–**		**–**	
Total purchases including transaction costs	**34,841**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	27,384	–	–	–	–
Total sales	**27,384**	**–**		**–**	
Total sales net of transaction costs	**27,384**				
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

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%**	

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 2023: 0.00%).

15. Units in Issue

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

	C Accumulation Units	E Accumulation Units
Balance at the beginning of the year	102,433,649	2,878,140
Issued during the year	6,035,769	425,314
Cancelled during the year	(12,373,736)	(967,276)
Balance at the end of the year	**96,095,682**	**2,336,178**

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

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

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

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 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	163.3	169.8	160.0	161.3	168.0	158.5
Return before operating charges	17.73	(6.16)	10.22	17.62	(6.06)	10.18
Operating charges	(0.37)	(0.36)	(0.37)	(0.62)	(0.60)	(0.64)
Return after operating charges	17.36	(6.52)	9.84	17.00	(6.66)	9.54
Distributions	(3.53)	(2.78)	(2.23)	(3.28)	(2.56)	(2.00)
Retained distributions on accumulation units	3.53	2.78	2.23	3.28	2.56	2.00
Closing net asset value per unit	180.7	163.3	169.8	178.3	161.3	168.0
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges[1]	10.63%	(3.84)%	6.15%	10.54%	(3.96)%	6.02%
Other information						
Closing net asset value (£000's)	387,834	366,722	384,198	14,890	15,352	15,910
Closing number of units	214,679,831	224,602,824	226,210,617	8,351,134	9,515,251	9,468,193
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	193.5	188.3	195.3	191.0	186.3	193.3
Lowest bid unit price	160.0	152.1	160.4	158.1	150.4	158.9

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 II

Distribution Tables

for the year ended 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

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

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	2.3589	0.3838	2.2276	0.3022
Equalisation†	–	1.9751	–	1.9254
Distribution paid 30.4.2024	**2.3589**	**2.3589**	**2.2276**	**2.2276**
Distribution paid 30.4.2023	**1.5785**	**1.5785**	**1.4660**	**1.4660**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.1699	0.0000	1.0573	0.0000
Equalisation†	–	1.1699	–	1.0573
Distribution paid 31.10.2023	**1.1699**	**1.1699**	**1.0573**	**1.0573**
Distribution paid 31.10.2022	**1.2043**	**1.2043**	**1.0920**	**1.0920**

† 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 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 97.83%; 28.2.2023 98.30%			
Equity Funds – 71.72%; 28.2.2023 67.27%			
11,011,811	iShares Continental European Equity Index Fund UK	34,439	8.55
15,141,263	iShares Emerging Markets Equity Index Fund UK	26,709	6.63
6,519,113	iShares Japan Equity Index Fund UK	18,928	4.70
6,466,117	iShares Mid Cap UK Equity Index Fund UK	15,157	3.76
18,318,466	iShares North American Equity Index Fund UK	101,040	25.09
2,464,473	iShares Pacific ex Japan Equity Index Fund UK	6,001	1.49
18,786,881	iShares UK Equity Index Fund UK	41,617	10.34
8,305,112	iShares US Equity Index Fund UK	44,937	11.16
		288,828	**71.72**
Fixed Income Funds – 26.11%; 28.2.2023 31.03%			
6,576,619	iShares Corporate Bond Index Fund UK	9,222	2.29
19,195,972	iShares ESG Overseas Corporate Bond Index Fund UK	29,900	7.42
1,844,270	iShares Global Inflation-Linked Bond Index Fund US Dollar Hedged	23,648	5.87
30,948,893	iShares Overseas Government Bond Index Fund UK	36,237	9.00
5,927,454	iShares UK Gilts All Stocks Index Fund UK	6,160	1.53
		105,167	**26.11**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – 0.04%; 28.2.2023 (0.22%)			
Forward Currency Contracts – 0.04%; 28.2.2023 (0.22%)			
€35,117,551	Euro vs UK Sterling	90	0.00
£63,882,997	UK Sterling vs Euro	427	0.11
£116,554,628	UK Sterling vs US Dollar	(392)	(0.07)
US$24,641,134	US Dollar vs UK Sterling	37	0.00
		162	**0.04**
Portfolio of investments		**394,157**	**97.87**
CASH EQUIVALENTS			
Short-term Money Market Funds – 2.36%; 28.2.2023 1.98%			
9,497,401	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**9,497**	**2.36**
Net other liabilities		(930)	(0.23)
Total net assets		**402,724**	**100.00**

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

The counterparties for the forward currency contracts are BNP Paribas Arbitrage SNC, Citigroup Global Markets Limited, 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 II

Statement of Total Return

for the year ended 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital gains/(losses)	3		31,158		(21,939)
Revenue	4	9,547		7,666	
Expenses	5	(825)		(823)	
Net revenue before taxation		8,722		6,843	
Taxation	6	(653)		(346)	
Net revenue after taxation			8,069		6,497
Total return before distributions			39,227		(15,442)
Distributions	7		(8,069)		(6,498)
Change in net assets attributable to unitholders from investment activities			**31,158**		**(21,940)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		382,074		400,108
Amounts receivable on issue of units	19,143		36,296	
Amounts payable on cancellation of units	(37,542)		(38,880)	
		(18,399)		(2,584)
Change in net assets attributable to unitholders from investment activities		31,158		(21,940)
Retained distribution on accumulation units		7,891		6,490
Closing net assets attributable to unitholders		**402,724**		**382,074**

BlackRock Volatility Strategy Fund II

Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		394,549	375,693
Current assets			
– Debtors	8	78	276
– Cash and bank balances		10	11
– Cash equivalents	9	9,497	7,563
Total assets		**404,134**	**383,543**
Liabilities:			
Investment liabilities		(392)	(953)
Creditors			
– Other creditors	10	(1,018)	(516)
Total liabilities		**(1,410)**	**(1,469)**
Net assets attributable to unitholders		**402,724**	**382,074**

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

NM0524U-3615702-180/225

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 37.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	26,084	(9,230)
Gains/(losses) on derivative securities	5,303	(11,983)
Currency losses	(224)	(726)
Custodian transaction costs	(5)	(6)
Custodian transaction costs rebate	–	6
Net capital gains/(losses)	**31,158**	**(21,939)**

Net gains (excluding Manager's charge rebates and transaction costs) listed above of £31,163,000 comprise net realised gains of £4,811,000 and net unrealised gains of £26,352,000 (28 February 2023: £(21,939,000) comprising net realised losses of £(332,000) and net unrealised losses of £(21,607,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	5,462	5,120
Interest distributions on CIS holdings	2,273	1,683
Interest from UK bank deposits	1	41
Overseas dividends	1,380	–
Revenue from short-term money market funds	431	822
Total revenue	**9,547**	**7,666**

Notes to Financial Statements continued

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	787	791
– Expense rebate due from the Manager[1]	(9)	(1)
	778	790
Other expenses:		
– Audit fee	17	8
– Closure expenses	5	–
– Legal and other professional fees	2	1
– Trustee's fees	23	24
	47	33
Total expenses	**825**	**823**

[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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Corporation tax	653	346
Total tax charge [see note 6(b)]	**653**	**346**

(b) Factors affecting the tax charge

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

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	8,722	6,843
Corporation tax at 20% (28 February 2023: 20%)	1,744	1,369
Effects of:		
Excess expenses for which no tax relief taken	1	–
Revenue not subject to tax	(1,092)	(1,023)
Total tax charge [see note 6(a)]	**653**	**346**

Notes to Financial Statements continued

7. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	2,641	2,805
Final distribution	5,250	3,685
	7,891	6,490
Add: Amounts deducted on cancellation of units	357	315
Less: Amounts received on issue of units	(179)	(307)
Distributions	**8,069**	**6,498**
The distributable amount has been calculated as follows:		
Net revenue after taxation	8,069	6,497
Add: Tax on capitalised Manager's charge rebates	–	1
Distributions	**8,069**	**6,498**

Details of the interim and final distributions per unit are set out in the tables on page 176.

8. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued revenue	43	34
Amounts receivable for issue of units	2	232
Expense rebate due from the Manager	14	5
Income tax recoverable	19	5
Total debtors	**78**	**276**

9. Cash Equivalents

	29.2.2024 £000's	28.2.2023 £000's
Investment in short-term money market funds	9,497	7,563
Total cash equivalents	**9,497**	**7,563**

Notes to Financial Statements continued

10. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	265	321
Accrued Audit fee	16	7
Accrued Closure expenses	5	–
Accrued Trustee's fee	28	12
Amounts payable for cancellation of units	319	57
Corporation tax payable	384	118
Custodian transaction costs	1	1
Total other creditors	**1,018**	**516**

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

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 29 February 2024:

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. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 10. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 10.

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 29 February 2024 and 28 February 2023 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 2023:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	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 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	48,616	–	–	–	–
Total purchases	**48,616**	**–**		**–**	
Total purchases including transaction costs	**48,616**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	65,400	–	–	–	–
Total sales	**65,400**	**–**		**–**	
Total sales net of transaction costs	**65,400**				
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

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%**	

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 2023: 0.00%).

15. Units in Issue

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

	C Accumulation Units	E Accumulation Units
Balance at the beginning of the year	224,602,824	9,515,251
Issued during the year	10,536,475	1,018,384
Cancelled during the year	(20,459,468)	(2,182,501)
Balance at the end of the year	**214,679,831**	**8,351,134**

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

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

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

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 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	176.3	179.7	166.0	174.1	177.7	164.4
Return before operating charges	22.36	(3.00)	14.09	22.12	(2.94)	13.94
Operating charges	(0.40)	(0.38)	(0.40)	(0.67)	(0.64)	(0.67)
Return after operating charges	21.96	(3.38)	13.69	21.45	(3.58)	13.27
Distributions	(3.89)	(3.08)	(2.50)	(3.61)	(2.83)	(2.25)
Retained distributions on accumulation units	3.89	3.08	2.50	3.61	2.83	2.25
Closing net asset value per unit	198.3	176.3	179.7	195.6	174.1	177.7
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges[1]	12.46%	(1.88)%	8.25%	12.32%	(2.01)%	8.07%
Other information						
Closing net asset value (£000's)	155,814	137,460	137,123	11,695	10,882	10,399
Closing number of units	78,590,868	77,960,666	76,310,142	5,980,279	6,249,725	5,852,841
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	212.2	201.2	207.8	209.3	198.9	205.5
Lowest bid unit price	171.4	162.2	166.6	169.2	160.3	164.9

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 III

Distribution Tables

for the year ended 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

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

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	2.4608	0.2647	2.3160	0.2122
Equalisation†	–	2.1961	–	2.1038
Distribution paid 30.4.2024	**2.4608**	**2.4608**	**2.3160**	**2.3160**
Distribution paid 30.4.2023	**1.7720**	**1.7720**	**1.6474**	**1.6474**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.4259	0.0000	1.2987	0.0000
Equalisation†	–	1.4259	–	1.2987
Distribution paid 31.10.2023	**1.4259**	**1.4259**	**1.2987**	**1.2987**
Distribution paid 31.10.2022	**1.3030**	**1.3030**	**1.1801**	**1.1801**

† 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 III

Portfolio Statement

at 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 96.56%; 28.2.2023 97.68%			
Equity Funds – 84.58%; 28.2.2023 80.67%			
5,140,139	iShares Continental European Equity Index Fund UK	16,076	9.59
7,566,037	iShares Emerging Markets Equity Index Fund UK	13,346	7.97
3,034,249	iShares Japan Equity Index Fund UK	8,810	5.26
3,158,668	iShares Mid Cap UK Equity Index Fund UK	7,404	4.42
7,573,615	iShares North American Equity Index Fund UK	41,775	24.94
1,176,196	iShares Pacific ex Japan Equity Index Fund UK	2,864	1.71
9,688,194	iShares UK Equity Index Fund UK	21,461	12.81
5,535,290	iShares US Equity Index Fund UK	29,950	17.88
		141,686	**84.58**
Fixed Income Funds – 11.98%; 28.2.2023 17.01%			
331,509	iShares Corporate Bond Index Fund UK	465	0.28
1,957,227	iShares ESG Overseas Corporate Bond Index Fund UK	3,048	1.82
595,880	iShares Global Inflation-Linked Bond Index Fund US Dollar Hedged	7,641	4.56
7,611,583	iShares Overseas Government Bond Index Fund UK	8,912	5.32
		20,066	**11.98**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – 0.04%; 28.2.2023 (0.18%)			
Forward Currency Contracts – 0.04%; 28.2.2023 (0.18%)			
€12,797,386	Euro vs UK Sterling	28	0.00
£21,909,568	UK Sterling vs Euro	150	0.10
£37,010,102	UK Sterling vs US Dollar	(133)	(0.06)
US$7,842,520	US Dollar vs UK Sterling	11	0.00
		56	**0.04**
Portfolio of investments		**161,808**	**96.60**
CASH EQUIVALENTS			
Short-term Money Market Funds – 3.54%; 28.2.2023 2.84%			
5,932,606	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**5,933**	**3.54**
Net other liabilities		(232)	(0.14)
Total net assets		**167,509**	**100.00**

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

The counterparties for the forward currency contracts are BNP Paribas Arbitrage SNC, Citigroup Global Markets Limited, 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 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital gains/(losses)	3		15,312		(5,324)
Revenue	4	3,773		2,902	
Expenses	5	(327)		(306)	
Net revenue before taxation		3,446		2,596	
Taxation	6	(163)		(53)	
Net revenue after taxation			3,283		2,543
Total return before distributions			18,595		(2,781)
Distributions	7		(3,283)		(2,544)
Change in net assets attributable to unitholders from investment activities			**15,312**		**(5,325)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		148,342		147,522
Amounts receivable on issue of units	17,021		14,850	
Amounts payable on cancellation of units	(16,448)		(11,279)	
		573		3,571
Change in net assets attributable to unitholders from investment activities		15,312		(5,325)
Retained distribution on accumulation units		3,282		2,574
Closing net assets attributable to unitholders		**167,509**		**148,342**

BlackRock Volatility Strategy Fund III

Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		161,941	144,986
Current assets			
– Debtors	8	173	46
– Cash and bank balances		10	31
– Cash equivalents	9	5,933	4,212
Total assets		**168,057**	**149,275**
Liabilities:			
Investment liabilities		(133)	(359)
Creditors			
– Other creditors	10	(415)	(574)
Total liabilities		**(548)**	**(933)**
Net assets attributable to unitholders		**167,509**	**148,342**

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

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 37.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	13,638	(642)
Gains/(losses) on derivative securities	1,756	(4,392)
Currency losses	(77)	(289)
Custodian transaction costs	(5)	(5)
Custodian transaction costs rebate	–	4
Net capital gains/(losses)	**15,312**	**(5,324)**

Net gains (excluding Manager's charge rebates and transaction costs) listed above of £15,317,000 comprise net realised gains of £1,562,000 and net unrealised gains of £13,755,000 (28 February 2023: £(5,323,000) comprising net realised gains of £1,434,000 and net unrealised losses of £(6,757,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	2,638	2,338
Interest distributions on CIS holdings	455	341
Interest from UK bank deposits	1	17
Overseas dividends	407	–
Revenue from short-term money market funds	272	206
Total revenue	**3,773**	**2,902**

Notes to Financial Statements continued

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	326	310
– Expense rebate due from the Manager[1]	(31)	(21)
	295	289
Other expenses:		
– Audit fee	17	8
– Closure expenses	5	–
– Legal and other professional fees	1	–
– Trustee's fees	9	9
	32	17
Total expenses	**327**	**306**

[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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Corporation tax	163	53
Total tax charge [see note 6(b)]	**163**	**53**

Notes to Financial Statements continued

6. 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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	3,446	2,596
Corporation tax at 20% (28 February 2023: 20%)	689	519
Effects of:		
Capitalised income subject to tax	–	1
Excess expenses for which no tax relief taken	1	–
Revenue not subject to tax	(527)	(467)
Total tax charge [see note 6(a)]	**163**	**53**

7. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	1,209	1,089
Final distribution	2,073	1,485
	3,282	2,574
Add: Amounts deducted on cancellation of units	169	104
Less: Amounts received on issue of units	(168)	(134)
Distributions	**3,283**	**2,544**
The distributable amount has been calculated as follows:		
Net revenue after taxation	3,283	2,543
Add: Tax on capitalised Manager's charge rebates	–	1
Distributions	**3,283**	**2,544**

Details of the interim and final distributions per unit are set out in the tables on page 189.

Notes to Financial Statements continued

8. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued revenue	28	9
Amounts receivable for issue of units	81	12
Expense rebate due from the Manager	55	23
Income tax recoverable	9	2
Total debtors	**173**	**46**

9. Cash Equivalents

	29.2.2024 £000's	28.2.2023 £000's
Investment in short-term money market funds	5,933	4,212
Total cash equivalents	**5,933**	**4,212**

10. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	113	128
Accrued Audit fee	16	8
Accrued Closure expenses	5	–
Accrued Trustee's fee	11	3
Amounts payable for cancellation of units	164	382
Corporation tax payable	106	52
Custodian transaction costs	–	1
Total other creditors	**415**	**574**

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

Notes to Financial Statements continued

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 29 February 2024:

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. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 10. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 10.

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

Notes to Financial Statements continued

13. Related Parties continued

be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

As at 29 February 2024 and 28 February 2023 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 2023:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	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 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	26,731	–	–	–	–
Total purchases	**26,731**	**–**		**–**	
Total purchases including transaction costs	**26,731**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	27,000	–	–	–	–
Total sales	**27,000**	**–**		**–**	
Total sales net of transaction costs	**27,000**				
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

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%**	

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 2023: 0.00).

15. Units in Issue

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

	C Accumulation Units	E Accumulation Units
Balance at the beginning of the year	77,960,666	6,249,725
Issued during the year	8,321,925	1,128,662
Cancelled during the year	(7,691,723)	(1,398,108)
Balance at the end of the year	**78,590,868**	**5,980,279**

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

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

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

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 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	181.8	181.7	165.3	179.3	179.5	163.5
Return before operating charges	27.33	0.46	16.82	26.90	0.41	16.65
Operating charges	(0.42)	(0.39)	(0.41)	(0.69)	(0.65)	(0.67)
Return after operating charges	26.91	0.07	16.41	26.21	(0.24)	15.98
Distributions	(3.68)	(3.20)	(2.48)	(3.34)	(2.89)	(2.17)
Retained distributions on accumulation units	3.68	3.20	2.48	3.34	2.89	2.17
Closing net asset value per unit	208.7	181.8	181.7	205.5	179.3	179.5
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges[1]	14.80%	0.04%	9.93%	14.62%	(0.13)%	9.77%
Other information						
Closing net asset value (£000's)	71,942	59,644	56,662	6,768	5,978	5,354
Closing number of units	34,470,123	32,813,477	31,182,308	3,293,086	3,334,648	2,982,998
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	223.4	205.3	211.4	220.0	202.7	208.8
Lowest bid unit price	175.3	165.4	166.0	172.8	163.2	164.2

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 14 for further details.

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BlackRock Volatility Strategy Fund IV

Distribution Tables

for the year ended 29 February 2024

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2023

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

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	2.3441	0.0000	2.1635	0.0000
Equalisation†	–	2.3441	–	2.1635
Distribution paid 30.4.2024	**2.3441**	**2.3441**	**2.1635**	**2.1635**
Distribution paid 30.4.2023	**1.9380**	**1.9380**	**1.7809**	**1.7809**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	C Accumulation Units		E Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.3390	0.0000	1.1796	0.0000
Equalisation†	–	1.3390	–	1.1796
Distribution paid 31.10.2023	**1.3390**	**1.3390**	**1.1796**	**1.1796**
Distribution paid 31.10.2022	**1.2634**	**1.2634**	**1.1108**	**1.1108**

† 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 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 97.90%; 28.2.2023 97.14%			
Equity Funds – 97.90%; 28.2.2023 97.14%			
2,588,321	iShares Continental European Equity Index Fund UK	8,095	10.29
4,180,887	iShares Emerging Markets Equity Index Fund UK	7,375	9.37
1,569,371	iShares Japan Equity Index Fund UK	4,557	5.79
1,680,114	iShares Mid Cap UK Equity Index Fund UK	3,938	5.00
3,891,379	iShares North American Equity Index Fund UK	21,464	27.27
883,593	iShares Pacific ex Japan Equity Index Fund UK	2,152	2.73
5,112,261	iShares UK Equity Index Fund UK	11,324	14.39
3,355,055	iShares US Equity Index Fund UK	18,153	23.06
		77,058	**97.90**
DERIVATIVES – 0.04%; 28.2.2023 (0.08%)			
Forward Currency Contracts – 0.04%; 28.2.2023 (0.08%)			
€4,179,444	Euro vs UK Sterling	10	0.00
£7,485,782	UK Sterling vs Euro	52	0.09
£10,694,716	UK Sterling vs US Dollar	(38)	(0.05)
US$2,130,834	US Dollar vs UK Sterling	4	0.00
		28	**0.04**
Portfolio of investments		**77,086**	**97.94**
CASH EQUIVALENTS			
Short-term Money Market Funds – 1.87%; 28.2.2023 2.95%			
1,474,696	BlackRock ICS Sterling Liquidity Fund - Agency Income Class	**1,475**	**1.87**
Net other assets		149	0.19
Total net assets		**78,710**	**100.00**

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

The counterparties for the forward currency contracts are Barclays Bank Plc, BNP Paribas Arbitrage SNC, Citigroup Global Markets Limited, HSBC Bank Plc, J.P. Morgan Securities Plc, Merrill Lynch International, Morgan Stanley & Co. International Plc, Société Générale SA, Standard Chartered Bank, Toronto-Dominion Bank and UBS AG.

All underlying funds are managed by a related party.

BlackRock Volatility Strategy Fund IV

Statement of Total Return

for the year ended 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital gains/(losses)	3		8,669		(1,178)
Revenue	4	1,498		1,234	
Expenses	5	(152)		(130)	
Net revenue before taxation		1,346		1,104	
Taxation	6	(2)		–	
Net revenue after taxation			1,344		1,104
Total return before distributions			10,013		(74)
Distributions	7		(1,344)		(1,104)
Change in net assets attributable to unitholders from investment activities			**8,669**		**(1,178)**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Opening net assets attributable to unitholders		65,622		62,016
Amounts receivable on issue of units	11,371		9,967	
Amounts payable on cancellation of units	(8,325)		(6,319)	
		3,046		3,648
Change in net assets attributable to unitholders from investment activities		8,669		(1,178)
Retained distribution on accumulation units		1,373		1,136
Closing net assets attributable to unitholders		**78,710**		**65,622**

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BlackRock Volatility Strategy Fund IV

Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
Assets:			
Fixed assets			
– Investment assets		77,124	63,805
Current assets			
– Debtors	8	290	133
– Cash and bank balances		12	28
– Cash equivalents	9	1,475	1,936
Total assets		**78,901**	**65,902**
Liabilities:			
Investment liabilities		(38)	(114)
Creditors			
– Other creditors	10	(153)	(166)
Total liabilities		**(191)**	**(280)**
Net assets attributable to unitholders		**78,710**	**65,622**

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

Notes to Financial Statements

for the year ended 29 February 2024

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 37.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital gains/(losses) comprise:		
Gains on non-derivative securities	8,146	519
Gains/(losses) on derivative securities	545	(1,595)
Currency losses	(18)	(99)
Custodian transaction costs	(5)	(5)
Custodian transaction costs rebate	1	2
Net capital gains/(losses)	**8,669**	**(1,178)**

Net gains (excluding Manager's charge rebates and transaction costs) listed above of £8,673,000 comprise net realised gains of £1,008,000 and net unrealised gains of £7,665,000 (28 February 2023: £(1,175,000) comprising net realised gains of £1,008,000 and net unrealised losses of £(2,183,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	1,396	1,151
Interest distributions on CIS holdings	25	5
Interest from UK bank deposits	1	7
Revenue from short-term money market funds	76	71
Total revenue	**1,498**	**1,234**

Notes to Financial Statements continued

5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	151	134
– Expense rebate due from the Manager[1]	(25)	(15)
	126	119
Other expenses:		
– Audit fee	17	7
– Closure expenses	5	–
– Trustee's fees	4	4
	26	11
Total expenses	**152**	**130**

[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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Irrecoverable UK Income tax	2	–
Total tax charge [see note 6(b)]	**2**	**–**

Notes to Financial Statements continued

6. 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 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	1,346	1,104
Corporation tax at 20% (28 February 2023: 20%)	269	221
Effects of:		
Excess expenses for which no tax relief taken	1	–
Irrecoverable UK Income tax	2	–
Movement in unrecognised excess management expenses	9	9
Revenue not subject to tax	(279)	(230)
Total tax charge [see note 6(a)]	**2**	**–**

At 29 February 2024, the Fund had surplus management expenses of £270,000 (28 February 2023: £225,000.) 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 £54,000 (28 February 2023: £45,000) has not been recognised.

7. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interim distribution	493	440
Final distribution	880	696
	1,373	1,136
Add: Amounts deducted on cancellation of units	88	60
Less: Amounts received on issue of units	(117)	(92)
Distributions	**1,344**	**1,104**

Details of the interim and final distributions per unit are set out in the tables on page 203.

Notes to Financial Statements continued

8. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued revenue	6	4
Amounts receivable for issue of units	238	111
Expense rebate due from the Manager	42	16
Income tax recoverable	4	2
Total debtors	**290**	**133**

9. Cash Equivalents

	29.2.2024 £000's	28.2.2023 £000's
Investment in short-term money market funds	1,475	1,936
Total cash equivalents	**1,475**	**1,936**

10. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	52	55
Accrued Audit fee	16	8
Accrued Closure expenses	5	–
Accrued Trustee's fee	5	2
Amounts payable for cancellation of units	74	101
Custodian transaction costs	1	–
Total other creditors	**153**	**166**

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £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 Fund. This portion of the USD 475 million credit facility will be allocated to the Fund based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Fund for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Fund.

The credit facility was not used during the year.

Notes to Financial Statements continued

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 29 February 2024:

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. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 10. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 10.

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

Notes to Financial Statements continued

13. Related Parties continued

be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

As at 29 February 2024 and 28 February 2023 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 2023:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	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 29 February 2024

		Direct Transaction Costs			
Purchases (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	8,170	–	–	–	–
Total purchases	**8,170**	**–**		**–**	
Total purchases including transaction costs	**8,170**				

		Direct Transaction Costs			
Sales (excluding derivatives)	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	4,420	–	–	–	–
Total sales	**4,420**	**–**		**–**	
Total sales net of transaction costs	**4,420**				
Total transaction costs		**–**		**–**	
Total transaction costs as a % of average net assets		**0.00%**		**0.00%**	

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%**	

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 2023: 0.00%).

15. Units in Issue

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

	C Accumulation Units	E Accumulation Units
Balance at the beginning of the year	32,813,477	3,334,648
Issued during the year	5,296,055	762,713
Cancelled during the year	(3,639,409)	(804,275)
Balance at the end of the year	**34,470,123**	**3,293,086**

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

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

There have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 29 February 2024.

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. For the reasons stated in Note 1(a) the financial statements of the BlackRock Volatility Strategy Funds I to IV have not been prepared on a going concern basis.

The financial statements should comply with the disclosure requirements of the Statement of Recommended Practice (the "SORP") for Authorised Funds issued by the Investment Management Association (subsequently The Investment Association) and must comply with any relevant provisions of the 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
29 May 2024

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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") for the year ended 29 February 2024, which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables for each of the Trust's Funds, 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 including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust comprising each of its Funds as at 29 February 2024 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.

Emphasis of matter

We draw attention to note 1(a) of the financial statements which explains that the Manager intends to close the BlackRock Volatility Strategy Fund I, BlackRock Volatility Strategy Fund II, BlackRock Volatility Strategy Fund III and BlackRock Volatility Strategy Fund IV (the "Funds") and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements for these Funds only, have been prepared on other than going concern basis as described in note 1(a). The financial statements for the Trust as a whole remain prepared on a going concern basis. Our opinion is not modified in respect of this matter.

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Conclusions relating to going concern

The financial statements for the BlackRock Volatility Strategy Fund I, BlackRock Volatility Strategy Fund II, BlackRock Volatility Strategy Fund III and BlackRock Volatility Strategy Fund IV have been prepared on other than going concern basis as disclosed in Note 1(a).

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements for the Trust, other than the Funds noted above, 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 of twelve months from when these financial statements are authorised for issue.

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

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

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

We have nothing to report in this regard.

A member firm of Ernst & Young Global Limited

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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 215, 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's 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. We identified fraud risks in relation to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested the appropriateness of management's classification of a sample of special dividends as either a capital or revenue return and incorporated unpredictability into the nature, timing and extent of our testing.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Trust.
- Due to the regulated nature of the Trust, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities including specialists where necessary to identify non-compliance with the applicable laws and regulations.

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

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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
29 May 2024

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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 29 February 2024. 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	Returns earned £000's
BlackRock UK Managed Volatility Fund I	39.93	6.06	N/A

Only the BlackRock UK Managed Volatility Fund II had securities on loan and related collateral outstanding as at 29 February 2024.

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 29 February 2024, 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.

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 29 February 2024.

Currency	Cash collateral received	Cash collateral posted	Non-cash collateral received	Non-cash collateral posted
BlackRock UK Managed Volatility Fund I	**£000's**	**£000's**	**£000's**	**£000's**
Securities lending transactions				
CHF	–	–	1	–
CNY	–	–	686	–
EUR	–	–	269	–
HKD	–	–	177	–
NOK	–	–	13	–
USD	–	–	1,389	–
Total	**–**	**–**	**2,535**	**–**

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 29 February 2024.

	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 I	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Collateral received - securities lending							
Fixed income							
Investment grade	–	–	–	–	427	–	**427**
Equities							
Recognised equity index	–	–	–	–	–	2,108	**2,108**
Total	**–**	**–**	**–**	**–**	**427**	**2,108**	**2,535**

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.

Supplementary Information continued

As at 29 February 2024, 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 29 February 2024.

Fund	Value	% of the Fund's NAV
BlackRock UK Managed Volatility Fund I	**£000's**	
United States Treasury	427	1.17
Intesa Sanpaolo	255	0.70
Alibaba Group Holding Ltd	251	0.69
Pdd Holdings Ads Inc	150	0.41
Cosco Shipping Holdings Ltd H	49	0.13
China Vanke Ltd H	48	0.13
Flat Glass Group Ltd H	43	0.12
China Traditional Chi Medicine Co	37	0.10
China Conch Venture Holdings Ltd	37	0.10
Huaneng Power International Inc H	36	0.10
Other issuers	1,202	3.28
Total	**2,535**	**6.93**

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 2024, the firm manages £8.29 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

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

BlackRock serves clients in North and South America, Europe, Asia, Australia, Africa, and the Middle East. Headquartered in New York, the firm maintains offices in over 38 countries around the world.

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