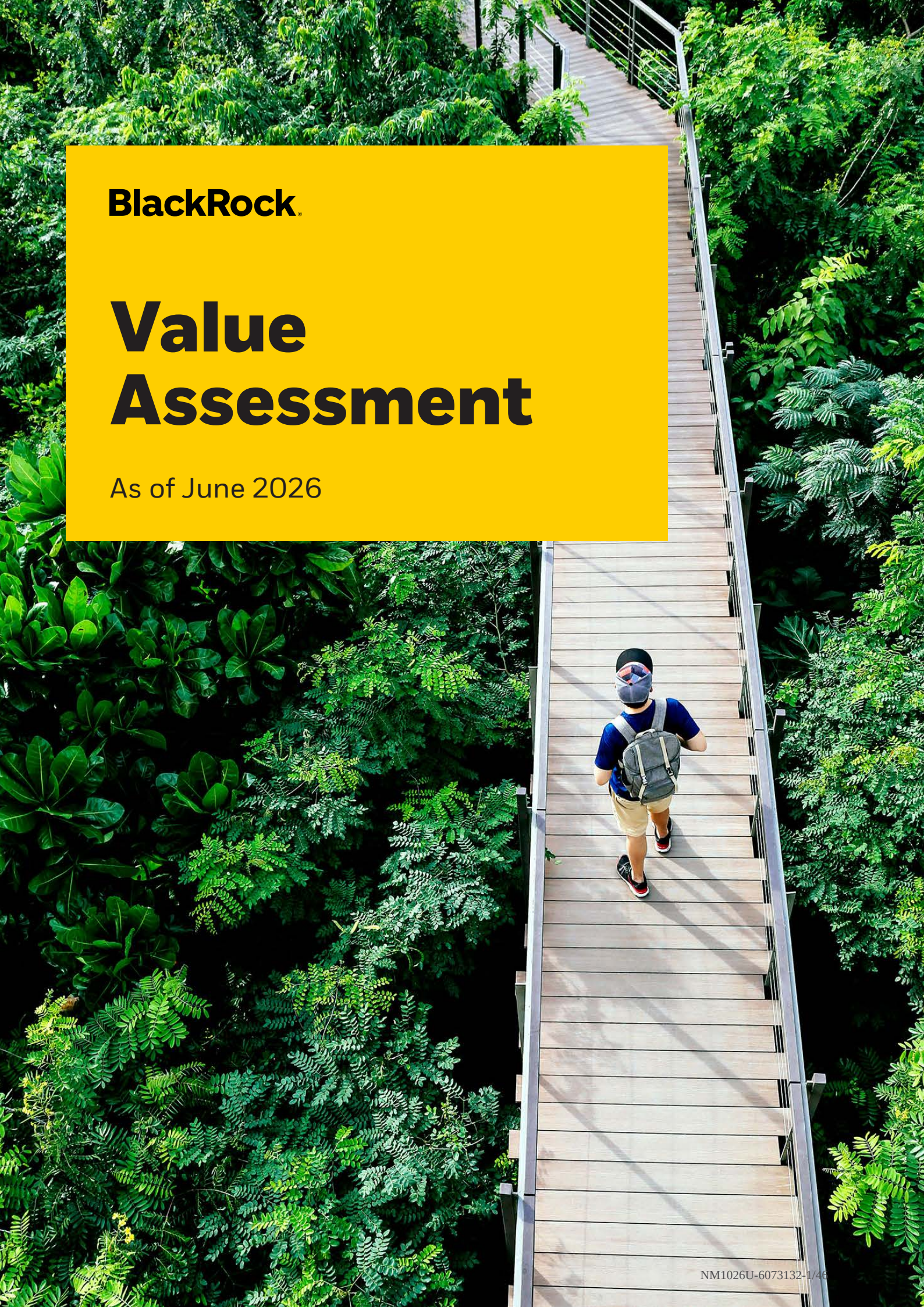
BlackRock®

Value Assessment

As of June 2026





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Chairman's Letter

Dear Investors,

As Chairman and on behalf of my fellow Directors, I would like to thank you for trusting us with your investments and for reading our report.

The annual Value Assessment process is an important part of our ongoing commitment to our fiduciary responsibilities. It is intended to help you make better-informed decisions about your investments. This aligns with our mission, in conjunction with our investment manager, BlackRock Investment Management (UK) Limited (BlackRock),[1] to help more people experience financial well-being. The Board of BlackRock Fund Managers Limited (BFM) has independently scrutinised BlackRock's management of its UK funds in a broad context; fund costs are an important aspect of the report, together with the overall scope and quality of services offered and the investment performance and objectives of the funds.



Andrew Lewis

Independent Chairman

In the year since our last report, the macroeconomic environment has been shaped by persistent inflation, structurally higher interest rates, geopolitical fragmentation and constraints across energy, labour, infrastructure and capital. At the same time, higher yields and accelerating investment in artificial intelligence (AI), power, electrification and critical infrastructure are creating opportunities. While AI may support innovation, productivity and growth, Europe's focus on resilience, competitiveness and energy security is driving strategic investment. As these challenges and opportunities evolve, we remain firmly committed to serving our investors and delivering enduring value, as demonstrated in this report.

In our 2023 Value Assessment report, we announced the launch of a tiered pricing model for a number of the funds within our UK authorised fund range on 6 October 2023. The model applies automatic discounts to the Annual Management Charge (AMC) of a fund as its assets under management (AUM) grow above certain defined levels. This allows fund investors to benefit from reduced fees where further economies of scale are generated. As a result of this initiative, I am pleased to report that investors achieved savings of £433,000 on fee-bearing unit classes for the 12 months ending June 2026, and, in addition, BFM passed on savings of £4.3 million to fund investors via expense caps.

1 Throughout this report, where we refer to BlackRock, it could imply the investment manager, BlackRock Investment Management (UK) Limited, or its parent entity, BlackRock, Inc. As most investors are familiar with the brand name 'BlackRock', we have used this term for their ease of understanding. If explicit reference is intended to be made to BlackRock Investment Management (UK) Limited explicitly acting in its capacity as an investment manager, this will be clarified.

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The preparation of this year's report once again benefitted from challenge and input from BFM's Non-Executive Directors. We continued to work with an independent specialist, Fitz Partners, to provide appropriate peer-group comparisons.

In this year's assessment, we found that the large majority of the funds evaluated – representing 99.5% of assets under management within our UK authorised funds – delivered value. Of these, 13 funds, representing 3.1% of assets under management, were rated as delivering value, with action initiated to improve value further. One fund, representing 0.004% of assets under management, was found not to deliver value consistently. Details on these funds can be found in the fund pages. We classified six funds, representing the remaining 0.5% of assets under management, as too new to rate.

We hope you find this report useful and that it helps inform the important decisions you make about where and how you invest your money. We continually strive to innovate, improve and adapt as we draw on BlackRock's deep resources and expertise to help you meet your financial goals.

Andrew Lewis
Independent Chairman

Board of Directors of BlackRock Fund Managers Limited (BFM)

Andrew Lewis
Independent Non-Executive Director & Board Chairman

Sheree Sabin
Executive Director & BFM Chief Executive Officer

Alexander Hoctor-Duncan
Independent Non-Executive Director

Tim Hodgson
Executive Director

Donald Edgar
Executive Director

Melanie Seymour
Executive Director

Thomas Hale
Executive Director

Alison Pickering
Executive Director

BlackRock's Commitment to Delivering Value

BlackRock's goal is to help more people experience financial well-being. We have a strong sense of duty to deliver long-term value to UK investors. These include pension schemes, charities and financial advisers helping individuals plan for their future. We understand that our underlying investors may be saving for retirement, paying for their children's education, buying homes or starting businesses.

Our principles provide a shared understanding of who we are, what we stand for and how we conduct ourselves. They are deeply embedded in our culture and set the standard for evaluating our performance and service.

01

We are a fiduciary to our clients
Our clients' interests come first. The fiduciary mindset is the bedrock of our identity. It reflects our integrity and the unbiased advice we offer.

02

We are one BlackRock
We collaborate to achieve the best outcomes for our clients. The diverse perspectives from our global investment and operating platform help us deliver value for our clients.

03

We are passionate about performance
We are unwavering in our determination to find better ways to serve our clients. Since our founding, innovation has been at the centre of how we deliver value for our clients and stay ahead of their needs.

04

We take emotional ownership
The people we serve trust us to help them plan for the future. Our culture is defined by the deep sense of responsibility that we feel to our clients and to each other.

05

We are committed to a better future
We are long-term thinkers, focused on helping people build a better tomorrow. We strive to serve more people and to find new and innovative ways to help them achieve financial well-being.

BlackRock leverages its broad-based platform, pairing diverse investment capabilities with best-in-class technology, data-driven insights and rigorous risk management to deliver value to investors.

Section 1

Our Approach to Assessing Value

Overview

The Financial Conduct Authority (FCA) requires fund managers to complete an annual assessment of whether their UK authorised funds provide value to investors. Our evaluation considered investment performance, costs and charges at the fund and unit-class levels. It also looked at service quality and concluded with an overall assessment of whether investors received value. The FCA regulations set out seven criteria against which we must measure and report the value delivered:

1) **Performance:** Are our funds delivering on their investment objectives?
2) **Comparable market rates:** Are our funds priced reasonably compared to those of competitors?
3) **Comparable services:** Are our funds priced reasonably compared to other BlackRock products with similar investment strategies?
4) **Authorised Fund Manager (AFM) costs:** Are the fees charged to investors reasonable and appropriate?
5) **Economies of scale:** Are economies of scale shared with investors?
6) **Quality of service:** Do our funds provide investors with a high quality of service?
7) **Classes of units:** Are investors in the most appropriate and lowest-charging unit class for which they are eligible?

For many years, the BFM Board has had processes in place for reviewing our funds' design, performance, pricing and the services provided to fund investors. Along with its Consumer Duty regulations, the FCA's Value Assessment requirements have brought increased rigour and transparency to our pre-existing processes. Our annual Value Assessment report provides a platform for us to share the results of our latest review, explain the changes that we have introduced and outline our future plans.

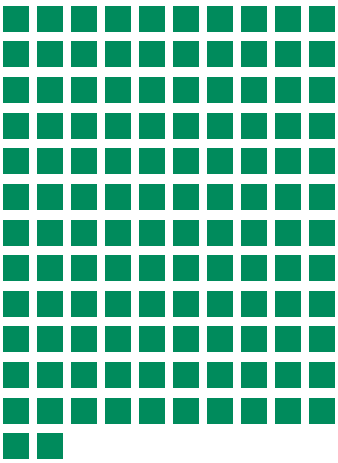
Our Value Assessment process

We understand that when investors choose to invest in funds, some of the most important factors they consider are performance, costs and service quality. Our methodology for determining whether a fund delivers value puts the greatest emphasis on investment performance while also considering costs and service quality. Our final assessment for each fund is based on extensive quantitative and qualitative analysis.

We consulted with Fitz Partners, who provided independent analysis about relevant peer-group comparisons. We engaged BlackRock's Global Product Solutions (GPS), Investment Oversight (IO) and Risk & Quantitative Analysis Group (RQA) to refine our methodology and prepare this report. GPS manages BlackRock's product development while RQA assesses the investment risk of portfolios managed by BlackRock and, together with IO, develops analytics and standards to assess performance.

Of our 142 funds

122
delivered value



13
delivered value plus action



6
too new to rate



1
did not consistently deliver value



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Summary of results
We have determined that BFM provided value to investors in our UK authorised funds. Across the 142 funds assessed in the year ending 30 June 2026, we concluded that:

122
funds delivered value with no action required

13
funds delivered value, with action initiated to improve value further

6
funds had performance track records of less than one year, so were deemed too new to rate

1
fund did not consistently deliver value

In **Section 3: Value Assessment Results**, we include a Fund Dashboard of all the funds eligible for this year's assessment, along with their summary results. In **Section 4: Fund Pages**, we include detailed assessments of funds that did not pass one of our assessment criteria.

Action Taken to Improve Value & Choice for Investors

Since our 2025 Value Assessment report, we have identified and implemented certain remedial actions to improve the value offered by BlackRock funds.

		Details
Focus Area	**Annual Management Charge (AMC) tiered pricing model** BlackRock launched an AMC tiered pricing model on 6 October 2023. The model applies to fee-bearing classes for a number of active BFM funds targeting retail investors within our UK authorised fund range. The model provides a discount on the AMC as the fund grows in scale.	At the launch of the tiered pricing model, certain funds were eligible to receive discounts on the AMC under the tiered pricing model. During the 12 months ending June 2026, four funds[1] were above the first tier for discounts at some point, leading to savings of £433,000 on fee-bearing unit classes. Two funds remained eligible as at 30 June 2026.
	Fee Cap Given that the fixed costs of operating a fund may disproportionately affect small or newly launched funds, BlackRock has processes in place to ensure that fund expenses are competitive regardless of fund size.	During the 12 months ending June 2026, BlackRock passed on savings of £4.3 million to investors via expense caps across 74 funds.
	Unit-class conversions BlackRock has taken steps to move direct investors to lower-charging unit classes of the same fund with similar rights, when doing so was deemed to be in the investors' best interests. *Please refer to **Section 2: Value Assessment Criteria** for more details on unit-class conversions.*	During the assessment period, we identified certain investors eligible for a lower-charging unit class within the same fund. During the 12 months ending June 2026, we oversaw 45 conversions across 15 funds, impacting 32 investors and moving them to lower-charging unit classes. BlackRock, in partnership with Bank of New York, our transfer agent for funds in scope for unit-class conversion, has introduced a standardised operational process to convert eligible unit holders to lower-fee-paying unit classes on a semi-annual basis.

1 BlackRock Global Unconstrained Equity Fund (UK), BlackRock Sterling Short Duration Credit Fund, BlackRock Gold & General Fund and the **BlackRock Continental European Income Fund**

		Details
Focus Area	**Enhanced performance monitoring** Our previous assessment identified 12 funds that required enhanced performance monitoring because of their investment underperformance. All of these funds were subject to heightened scrutiny by the BFM Board over the last 12 months leading up to the reference date of this report. Three of the 12 funds successfully passed our 2026 assessment and have been removed from the enhanced performance-monitoring programme. *Please refer to **Section 4: Fund Pages** for more detailed fund-specific commentary for funds that did not pass their assessments for the 2026 cycle.*	**BlackRock Charities Growth & Income Fund** This fund successfully passed our 2026 performance assessment and has been removed from the enhanced performance-monitoring programme.
		BlackRock Catholic Charities Growth & Income Fund This fund successfully passed our 2026 performance assessment and has been removed from the enhanced performance-monitoring programme.
		BlackRock Armed Forces Charities Growth & Income Fund This fund successfully passed our 2026 performance assessment and has been removed from the enhanced performance-monitoring programme.
		BlackRock Global Smaller Companies Fund This fund did not pass our 2026 performance assessment. The fund will continue to be on the enhanced performance-monitoring programme while we review the fund for potential further action.
		BlackRock Market Advantage Fund This fund did not pass our 2026 performance assessment. Enhancements made in December 2025 included an amendment to the investment objective of the fund to replace the prior target benchmark with the new target benchmark (which had previously been used as a secondary performance comparator) and adjust the factor-based investment approach to seek to provide a return in excess of the new target benchmark (rather than on a total-return basis). The fund has outperformed the new benchmark over the short period since these changes. The fund will continue to be on the enhanced performance-monitoring programme while we assess the impact of these changes.
		BlackRock Charities UK Equity Fund This fund did not pass our 2026 performance assessment. The fund remains subject to governance review and internal oversight to determine whether further action is required to support improved investor outcomes. The fund will continue to be on the enhanced performance-monitoring programme.
		BlackRock Developed Markets Equity Fund (UK) This fund was terminated in June 2026.
		BlackRock Emerging Markets Fund This fund did not pass our 2026 performance assessment. However, a change in portfolio managers occurred in April 2025. Performance has been strong since the change in portfolio managers, with the fund outperforming its benchmark significantly since the new portfolio manager took ownership of the portfolio. The fund will continue to be on the enhanced performance-monitoring programme while we assess the impact of this change.

		Details
Focus Area	**Enhanced performance monitoring (continued)**	**BlackRock UK Fund** This fund did not pass our 2026 performance assessment. The repositioning of the portfolio that we described in last year's report has yet to result in improved performance. The fund remains subject to governance review and internal oversight to determine whether further action is required to support improved investor outcomes. The fund will continue to be on the enhanced performance-monitoring programme while we assess the impact of the repositioning.
		BlackRock UK Smaller Companies Fund This fund did not pass our 2026 performance assessment. The repositioning that we described in last year's report has shown early signs of performance improvement in 2026 to date, and we believe more time is required to see the benefits of these changes. The fund will continue to be on the enhanced performance-monitoring programme while we assess the impact of the repositioning.
		BlackRock UK Special Situations Fund This fund did not pass our 2026 performance assessment. We have taken further action by transferring the portfolio management of the fund's large-cap allocation to the UK large-cap team, allowing specialist portfolio managers to assume responsibility for that portion of the portfolio. This follows the previous action to amend the benchmark to align with the fund's asset-allocation constraints. The fund will continue to be on the enhanced performance-monitoring programme while we assess the impact of the changes.
		BlackRock ESG Screened and Selected Strategic Growth Fund This fund did not pass our 2026 performance assessment. The portfolio management team have reviewed the portfolio and have implemented targeted adjustments to the underlying investment approach. These measures included replacing the socially responsible investing exchange-traded funds with ESG-enhanced exchange-traded funds, while minimum-volatility exchange-traded funds were replaced with a put-protection strategy to improve upside capture while still maintaining downside protection. Performance has been strong over the past 12 months, with the fund outperforming its benchmark and peers. The fund will continue to be on the enhanced performance-monitoring programme while we assess the impact of the changes.

Section 2

Value Assessment Criteria

Performance

BlackRock is passionate about performance, achieving its funds' investment objectives and helping investors reach their goals.

Our evaluation method
The BFM Board, working in conjunction with BlackRock, applied quantitative and qualitative tests to assess whether funds, and their unit classes, delivered value through performance. We focused on investment returns after – or net of – fees relative to a fund's benchmark. The breadth of our product offering does not allow for a one-size-fits-all approach. Therefore, we grouped our funds according to one of three investment strategies: active, index and outcome-oriented. We have denoted each fund's strategy classification on the **Fund Dashboard**.

- **Active strategies:** We evaluated each fund's net-of-fees performance relative to its benchmark over medium-term (three-year) and long-term (five-year) periods. Where applicable, we also considered performance relative to peers over the same periods, provided performance relative to benchmark was within an acceptable margin. For the peer review, either we analysed sector data from an independent third party, such as Morningstar, or we referred to a customised peer group, when appropriate.

  For consistency of approach and to maintain our focus on net-of-fees performance, where a fund had an explicit gross-of-fees investment objective we assessed this in a similar manner to funds with a net-of-fees objective. First, we assessed a fund's net-of-fees performance relative to its benchmark and peers. We then took an extra step to assess whether the fund had achieved its gross-of-fees investment objective as stated in the fund prospectus. This refers to the investment performance before fees are deducted. This additional consideration did not replace the net-of-fees performance assessment.

- **Index strategies:** We evaluated each fund's net-of-fees performance relative to its benchmark index over a one-year period. We considered one year to be an appropriate horizon, given how important close benchmark tracking is to index strategies. Where necessary, we conducted additional analysis to identify the factors driving any deviation of returns from the benchmark. For index funds with ESG considerations, we followed the same methodology as above if the considerations were due to the nature of the index. If funds had additional objectives, they were assessed as outcome-oriented strategies, as described below.

- **Outcome-oriented strategies:** The investment objectives of these funds are tied to specific outcomes. We evaluated each fund's net-of-fees performance against the outcome(s) stated in its investment objective over medium-term (three-year) and long-term (five-year) periods, as applicable. We also examined each fund's net-of-fees performance relative to its benchmark, as applicable. Where appropriate comparators were available, we evaluated funds relative to their peer groups. The funds fall into several distinct categories: income generation; volatility targeting; ESG objectives; and/or target asset allocation. For each of these sub-categories, we considered the following in our assessment:

  - Income generation: We evaluated whether the fund generated above-average income over the assessment period.
  - Volatility targets: We evaluated the fund's time spent in the volatility target zone over the assessment period.
  - ESG objectives: We evaluated whether the fund met the specific objective throughout the assessment period.

- Asset-allocation targets: We evaluated whether the fund tracked the internally defined target asset allocation, as is the case for our Target Date Funds. Additionally, we compared performance with that of peers, using the peer methodology described above for active funds.
- Where a fund had multiple objectives, we considered all objectives when determining the rating, with emphasis placed on any objectives that were prioritised in the fund's prospectus.

If a fund consistently underperforms, the BFM Board may suggest enhanced performance monitoring of that fund. This means that the BFM Board reviews the fund's investment process to check it is aligned with its investment objective and public disclosures, including its prospectus. After the review, the BFM Board will decide upon any necessary action. BlackRock will be responsible for implementing this action, as well as providing the BFM Board with quarterly updates on the fund's performance.

Our conclusions

We found that the large majority of our UK authorised funds and unit classes delivered value. All of our index funds accurately tracked their respective benchmarks, allowing investors to efficiently gain exposure to various indices. Most of our active funds delivered positive net-of-fees performance or alpha, investment returns above the benchmarks or positive performance relative to comparable peers. Our assessment also found that most of our outcome-oriented funds successfully achieved their intended outcomes (e.g., income generation).

Longer-term performance of some actively managed funds continues to be impacted by the period of rising interest rates and inflation in 2022, which was challenging for investors and portfolio managers alike and damaged the longer-term track record of these funds. Since the beginning of 2025, style factors have impacted performance as capital has rotated into cyclical sectors such as banking, aerospace and defence and the surge in AI investments has pulled further capital away from quality growth companies. Accordingly, we have seen the underperformance of quality growth stocks, where some of our funds have been overweight, and the outperformance of value stocks, where the same funds have been underweight. However, we maintain conviction in our investment teams' ability to outperform their respective benchmarks over the long term. If a fund did not perform well, we have noted this in Section 4: Fund Pages. We have also explained the underperformance and, where necessary, initiated enhanced performance monitoring to improve future value delivery. As a result of this year's assessment, we have included 14 funds in our enhanced performance-monitoring programme.

Six funds had performance track records of less than one year, so were deemed too new to rate.

Comparable Market Rates

BlackRock offers a variety of unit classes to meet the requirements of different types of investors.

Our evaluation method
Working with BlackRock, the BFM Board examined the costs of our funds relative to those of similar funds offered by our competitors. We focused on the Ongoing Charges Figure (OCF) for each unit class within a fund, which is referenced in the fund's Key Investor Information Document (or, for certain funds, the Key Information Document) and reflects the aggregate annual cost of services provided to and on behalf of the fund, including delegated investment management.

Individual unit-class charges were evaluated in two distinct ways. The first was against broad peer-groups based on standard categories defined by the Investment Association (IA). If a unit class was not assigned a standard IA category, we engaged independent consultant Fitz Partners to recommend the most appropriate IA peer-group comparator. The second evaluation was against custom peer groups. These groups were selected by Fitz Partners and included approximately 10 funds with similar management styles, investment objectives, sizes and availability to target investors. If the OCF of a unit class was priced higher than the median of its broad peer group, it was reviewed further against this custom peer group. Peer-group comparisons were considered, where necessary, to account for differences in service levels and fee composition.

Our conclusions
We concluded that all UK authorised funds and unit classes were competitively priced relative to peers, under this consideration. We ensure that our funds are priced reasonably relative to their peers by pricing them competitively at the time of launch and by assessing their management charges on an ongoing basis.

Comparable Services

BlackRock delivers investment services across a range of vehicles, including funds and segregated mandates, which aim to meet investors' individual needs.

Our evaluation method

BlackRock's investors access investment strategies in many ways, including through funds and segregated mandates. The client's choice of investment structure is typically driven by the size of the investment and the level and type of service required. The BFM Board assessed the charges levied by BlackRock and its associates for comparable services provided to clients, including segregated and institutional mandates of comparable size with similar investment objectives and policies to our funds. Working in conjunction with BlackRock, the BFM Board considered the following key factors in our evaluation:

- **Consistency of unit-class pricing:** We assessed whether the management fees of individual unit classes were set through a consistent method and whether fee levels across unit classes within the same fund were appropriate.
- **Costs relative to segregated mandates:** For funds where there are similar segregated mandates, we assessed any additional services and benefits provided to investors in the funds relative to the segregated mandates. We then considered whether the additional costs and charges were reasonable in the context of the additional services provided. To the extent that there was a fee differential, we considered whether it was reasonable based on the investment size of the relevant segregated mandates.
- **Costs relative to comparable funds (internal peers):** We evaluated whether each unit class was priced appropriately relative to the average of like-for-like unit classes of other UK- and European-domiciled BlackRock funds with similar investment strategies, where such a comparison was possible.

Our conclusions

We concluded that all our funds and unit classes delivered value for investors under this consideration. We found that fee-setting principles were consistently applied across our funds and unit classes. In each case, we identified a relevant internal peer-comparator group and concluded fee levels to be reasonable.

Authorised Fund Manager Costs

BlackRock is committed to delivering value to investors through charges that appropriately reflect the services provided and the costs of delivering them.

Our evaluation method
Working in conjunction with BlackRock, the BFM Board examined the costs of managing and operating each of our UK authorised funds, including payments to associates and third-party service providers, in relation to each charge made for those services. Our assessment drew on governance oversight, cost reviews and estimated fund-level profitability, where applicable. The profitability analysis considered direct and allocated costs associated with providing services to each fund. We considered profitability trends over time and undertook further review where results required explanation.

Our conclusions
The BFM Board concluded that all our funds delivered value under the Authorised Fund Manager costs criteria.

Economies of Scale

As a global investment manager, BlackRock leverages its scale and passes on cost savings to fund investors.

Our evaluation method
Working in conjunction with BlackRock, the BFM Board assessed whether BlackRock was able to achieve savings and benefits from economies of scale, relating to the direct and indirect costs of managing the scheme property, and whether such benefits were passed on to investors. We focused on four ways in which BlackRock shares its economies of scale:

- **Pricing power with service providers:** BlackRock leverages its global scale to negotiate highly competitive rates with third-party service providers. These relationships are essential for delivering efficient, risk-controlled processes. Where appropriate, BlackRock seeks to ensure that the benefits of improved commercial arrangements with the funds' service providers are passed on to investors through reduced service charges and fund expenses. This has contributed to cost efficiencies and savings for investors across the fund range.
- **Reinvestment:** As of the assessment date, BlackRock had £74 million of seed capital invested in UK authorised funds to support the scaling of smaller, newer funds while they establish a track record. As a global business, BlackRock reinvests substantial amounts of revenue annually into its centralised operational, technology and investment platforms. We considered how these reinvestments deliver benefits and enrich investors' experience through better trade execution, robust risk management and compliance. We also considered the positive impact on investment teams' capabilities and improved client servicing.
- **Expense caps:** Given that the fixed costs of operating a fund may disproportionately affect small or newly launched funds, BlackRock has processes in place to ensure that fund expenses are competitive regardless of fund size. For smaller funds or those with high operating costs, BlackRock and the BFM Board decide whether an expense cap should be applied to lower the effective fee for end investors. This ensures that funds are priced to benefit from BlackRock's scale from the time of launch.
- **Annual Management Charge (AMC) tiered pricing model:** BlackRock launched an AMC tiered pricing model on 6 October 2023. This means that as the fund grows in size, its AMC is discounted and savings are automatically passed on to the investors. The model applies to fee-bearing unit classes for actively managed funds targeted to retail investors in our UK authorised fund range, meaning that the following types of funds are excluded:
  - Funds targeted primarily at institutional investors, where the fees are separately negotiated with clients; and
  - Index funds and funds of funds that are primarily invested in index or index-style building blocks, as index funds are priced at scale at launch through mechanisms such as fee caps.

The discounts to the AMC that apply for a fund are calculated daily and are based on the size of the fund, as measured by its AUM. This means that the level of discount applied and the effective AMC of the fund can increase or decrease on a daily basis, depending on the AUM. The discounts are applied in tiers with the rates determined by the proportion of the applicable fund's AUM that falls within the ranges as stated in its discount schedule. This means that only the proportion of the fund's AUM that falls within each particular tier receives the applicable discount for that tier. Investors in funds that were eligible were notified on 6 September 2023. The discount schedule, which can vary by fund, is provided in the respective fund prospectus for the eligible funds.

Our conclusions
We concluded that investors in all our UK authorised funds, regardless of size, benefitted from economies of scale.

Quality of Service

BlackRock provides high-quality service through its investment and risk management processes, fund operations and overall investor experience.

Our evaluation method

Working in conjunction with BlackRock, the BFM Board assessed the range and quality of services provided to unitholders, including the quality of the investment process. Our holistic review was based on the evaluation of five key service characteristics. In our assessment, we considered internal management information, such as client experience surveys and external metrics from third parties.

- **Client experience:** BlackRock reviews the results of its most recent global client experience survey of more than 650 investors. The results allow us to compare BlackRock's service quality with that of competitors in the UK and overseas.
- **Client complaints:** In addition to survey results for retail and institutional clients, we also considered client complaints received over the assessment period. We examined the quantity, nature and resolution of complaints linked to our UK authorised funds. Low complaint volumes were not considered as part of the overall assessment in our service-quality scoring, but elevated levels would have triggered further review.
- **Quality of investment process:** We also assessed the quality of BlackRock's investment process, including fund-manager expertise, research capabilities and investment decision-making, as part of our overall assessment of service quality.
- **Risk management and Fund operations:** We examined whether operational issues affecting individual funds had impacted the quality of service provided to investors. We assessed these issues by using quantitative inputs from existing enterprise risk procedures. We also flagged any funds that experienced material operating events, whether caused by BlackRock or a third party. In any such instance, we strive to identify and address these issues appropriately and introduce adequate controls for mitigation in future. We evaluated the requirements for highly scalable fund operations to ensure their stability and effectiveness. These included administrative services, vendor management, robust compliance and regulatory controls, and resilient IT systems. We considered metrics from service-quality reports from fund administrators and transfer agencies.
- **Consumer Duty outcomes:** In line with our Consumer Duty obligations and the annual assessment, the BFM Board considers whether BlackRock is delivering good outcomes for retail investors; whether actions required to address any identified risks or actions to address poor outcomes experienced by consumers were sufficient; and whether any changes to business strategy are required to support the continued delivery of good outcomes.

Our conclusions

We concluded that investors in all of our UK authorised funds benefitted from high-quality core and additional services under this consideration. Additionally, the results of our most recent global client experience survey confirmed a positive overall client experience, as well as a positive experience at all the key stages along the client journey.

This assessment revealed that all funds provided the high standard of service quality that we would expect for our investors.

Classes of Units

BlackRock offers a range of unit classes tailored to different types of investors.

Our evaluation method
BlackRock offers a range of unit classes across its UK authorised funds. These unit classes have varying eligibility criteria, rights and expenses based on investor type, holdings and how the fund is accessed. The range of unit classes may vary by fund depending on the target distribution channels and investor base.

Working in conjunction with BlackRock, the BFM Board assessed all direct investors to ensure that they were invested in the most appropriate and lowest-charging eligible unit class. We examined investor type, amount invested and how the fund was accessed. Where applicable, we considered whether the investor's intermediary (such as a financial adviser) received commission.

Our conclusions
Although most of BlackRock's UK authorised funds are distributed by financial advisers and intermediaries, they are also available to direct investors. In line with its fiduciary responsibilities, BlackRock has taken steps in recent years to move direct investors to lower-charging unit classes of the same fund with similar rights, when doing so was deemed to be in the investors' best interests.

Working in conjunction with BlackRock, the BFM Board has continued our programme of unit-class conversions. During the assessment period, we identified certain direct investors that would benefit from moving to a lower-charging unit class within the same fund. We continue to improve identification of direct investors for conversion to lower-charging unit classes by sourcing and reviewing investor data through multiple tracing agents.

During the 12 months ending June 2026, we oversaw 45 conversions impacting 32 investors in lower-charging unit classes across 15 funds. In addition to the annual assessment described above, BlackRock, in partnership with Bank of New York, our transfer agent for funds in scope for unit-class conversion, has introduced a standardised operational process to convert eligible unit holders to lower-fee-paying unit classes on a semi-annual basis.

Our assessment concluded that all investors in our UK authorised funds are in the most appropriate and lowest-charging unit class for which they are eligible.

Section 3

Value Assessment Results

Fund Dashboard

How to interpret criteria assessments
Passed ●
Passed; additional review completed ◆
Did not pass; action required ■
Not enough information to assess ▲

BlackRock funds

	Further information	Performance	Comparable market rates	Comparable services	AFM costs	Economies of scale	Quality of service	Classes of units	Overall assessment
Active funds									
BlackRock Global Smaller Companies Fund	p.28	■	●	●	●	●	●	●	Did not consistently deliver value
BlackRock Market Advantage Fund	p.29	■	●	●	●	●	●	●	Delivered value plus action
BlackRock Charities UK Equity Fund	p.30	■	●	●	●	●	●	●	Delivered value plus action
BlackRock Emerging Markets Fund	p.31	■	●	●	●	●	●	●	Delivered value plus action
BlackRock UK Fund	p.32	■	●	●	●	●	●	●	Delivered value plus action
BlackRock UK Smaller Companies Fund	p.33	■	●	●	●	●	●	●	Delivered value plus action
BlackRock UK Special Situations Fund	p.34	■	●	●	●	●	●	●	Delivered value plus action
BlackRock Asia Fund	p.35	■	●	●	●	●	●	●	Delivered value plus action
BlackRock Continental European Fund	p.36	■	●	●	●	●	●	●	Delivered value plus action
BlackRock European Dynamic Fund	p.37	■	●	●	●	●	●	●	Delivered value plus action
BlackRock UK Equity Fund	p.38	■	●	●	●	●	●	●	Delivered value plus action
BCIF - Balanced Managed Fund		●	●	●	●	●	●	●	Delivered value
BIBF - All Stocks Corporate Bond		●	●	●	●	●	●	●	Delivered value
BIBF - Index Linked		●	●	●	●	●	●	●	Delivered value
BIBF - Over 10 Year Corporate Bond		●	●	●	●	●	●	●	Delivered value
BlackRock Absolute Return Bond Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Armed Forces Charities Growth & Income Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Balanced Growth Portfolio Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Charities UK Bond Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Consensus 100 Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Consensus 35 Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Consensus 60 Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Consensus 70 Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Consensus 85 Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Corporate Bond Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Dynamic Allocation Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Dynamic Diversified Growth Fund		●	●	●	●	●	●	●	Delivered value
BlackRock European Absolute Alpha Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Global Unconstrained Equity Fund (UK)		●	●	●	●	●	●	●	Delivered value
BlackRock Gold & General Fund - Natural Resources		●	●	●	●	●	●	●	Delivered value
BlackRock Growth & Recovery Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Natural Resources Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Systematic Multi Allocation Credit Fund		●	●	●	●	●	●	●	Delivered value
BlackRock UK Absolute Alpha Fund		●	●	●	●	●	●	●	Delivered value
BlackRock US Dynamic Fund		●	●	●	●	●	●	●	Delivered value
BlackRock US Mid-Cap Value Fund		●	●	●	●	●	●	●	Delivered value

Fund Dashboard

How to interpret criteria assessments
Passed ●
Passed; additional review completed ◆
Did not pass; action required ■
Not enough information to assess ▲

BlackRock funds

	Further information	Performance	Comparable market rates	Comparable services	AFM costs	Economies of scale	Quality of service	Classes of units	Overall assessment
Outcome-oriented funds									
Multiple: Volatility target & ESG objective									
BlackRock ESG Screened and Selected Strategic Growth Fund	p.39	■	●	●	●	●	●	●	Delivered value plus action
Income generation									
BlackRock Global Income Fund	p.40	■	●	●	●	●	●	●	Delivered value plus action
BlackRock UK Income Fund	p.41	■	●	●	●	●	●	●	Delivered value plus action
ESG objective									
ACS Asia Pacific ex Japan ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS Climate Transition Screened and Optimised World Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS Europe ex UK ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS Japan ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS North America ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS UK ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS US ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS World ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
BCIF Global Corporate ESG Insights Bond Fund		●	●	●	●	●	●	●	Delivered value
BFM Brown to Green Materials Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Catholic Charities Growth & Income Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Charities Growth & Income Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Emerging Markets ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Sterling Short Duration Credit Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Sterling Strategic Bond Fund		●	●	●	●	●	●	●	Delivered value
Income generation									
BlackRock Continental European Income Fund		●	●	●	●	●	●	●	Delivered value
Volatility target									
BlackRock Managed Volatility Fund IV		●	●	●	●	●	●	●	Delivered value
BlackRock UK Managed Volatility Fund I		●	●	●	●	●	●	●	Delivered value
BlackRock UK Managed Volatility Fund II		●	●	●	●	●	●	●	Delivered value
BlackRock UK Managed Volatility Fund III		●	●	●	●	●	●	●	Delivered value
MyMap 3		●	●	●	●	●	●	●	Delivered value
MyMap 4		●	●	●	●	●	●	●	Delivered value
MyMap 5		●	●	●	●	●	●	●	Delivered value
MyMap 6		●	●	●	●	●	●	●	Delivered value
MyMap 7 Fund		▲	●	●	●	●	●	●	Too new to rate

Fund Dashboard

How to interpret criteria assessments
Passed ●
Passed; additional review completed ◆
Did not pass; action required ■
Not enough information to assess ▲

BlackRock funds

	Performance	Comparable market rates	Comparable services	AFM costs	Economies of scale	Quality of service	Classes of units	Overall assessment
Outcome-oriented funds								
Target asset allocation								
BlackRock Defensive Investment Fund	●	●	●	●	●	●	●	Delivered value
BlackRock FutureWise 2023-27	●	●	●	●	●	●	●	Delivered value
BlackRock FutureWise 2028-32	●	●	●	●	●	●	●	Delivered value
BlackRock FutureWise 2033-37	●	●	●	●	●	●	●	Delivered value
BlackRock FutureWise 2038-42	●	●	●	●	●	●	●	Delivered value
BlackRock FutureWise 2043-47	●	●	●	●	●	●	●	Delivered value
BlackRock FutureWise Early Days	●	●	●	●	●	●	●	Delivered value
BlackRock FutureWise Retirement Aggregator	●	●	●	●	●	●	●	Delivered value
BlackRock Growth Allocation Fund	●	●	●	●	●	●	●	Delivered value
BlackRock Growth Investment Fund	●	●	●	●	●	●	●	Delivered value
BlackRock Growth Portfolio Fund	▲	●	●	●	●	●	●	Too new to rate
BlackRock Growth Strategy Fund	▲	●	●	●	●	●	●	Too new to rate
BlackRock Intermediate Investment Fund	●	●	●	●	●	●	●	Delivered value
BlackRock LifePath Retirement Fund	●	●	●	●	●	●	●	Delivered value
BlackRock LifePath Target Date Fund 2030	●	●	●	●	●	●	●	Delivered value
BlackRock LifePath Target Date Fund 2035	●	●	●	●	●	●	●	Delivered value
BlackRock LifePath Target Date Fund 2040	●	●	●	●	●	●	●	Delivered value
BlackRock LifePath Target Date Fund 2045	●	●	●	●	●	●	●	Delivered value
BlackRock LifePath Target Date Fund 2050	●	●	●	●	●	●	●	Delivered value
BlackRock LifePath Target Date Fund 2055	●	●	●	●	●	●	●	Delivered value
BlackRock LifePath Target Date Fund 2060	●	●	●	●	●	●	●	Delivered value
BlackRock LifePath Target Date Fund 2065	●	●	●	●	●	●	●	Delivered value
BlackRock Pension Growth Fund	●	●	●	●	●	●	●	Delivered value
BlackRock Retirement Allocation Fund	●	●	●	●	●	●	●	Delivered value
BlackRock Retirement Portfolio Fund	▲	●	●	●	●	●	●	Too new to rate
Capital preservation								
BlackRock Cash Fund	●	●	●	●	●	●	●	Delivered value
Multiple: Volatility target & ESG objective								
MyMap 3 Select ESG Fund	●	●	●	●	●	●	●	Delivered value
MyMap 5 Select ESG Fund	●	●	●	●	●	●	●	Delivered value
MyMap 8 Select ESG Fund	●	●	●	●	●	●	●	Delivered value

Fund Dashboard

How to interpret criteria assessments
- Passed ●
- Passed; additional review completed ◆
- Did not pass; action required ■
- Not enough information to assess ▲

BlackRock funds

	Performance	Comparable market rates	Comparable services	AFM costs	Economies of scale	Quality of service	Classes of units	Overall assessment
Index funds								
ACS World Islamic Equity Tracker Fund	▲	●	●	●	●	●	●	Too new to rate
iShares Continental European Equity ESG Screened and Optimised Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares ESG Screened Overseas Corporate Bond Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Global Government Bond Index Fund (UK)	▲	●	●	●	●	●	●	Too new to rate
iShares Overseas Government Bond Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares US Equity ESG Screened and Optimised Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
ACS 30:70 Global Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS 50:50 Global Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS 60:40 Global Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS Continental European Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS Japan Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS UK Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS US Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World ESG Screened and Optimised Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World ESG Screened Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World ex UK Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World Low Carbon Screened and Optimised Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World Multifactor Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World Multifactor ESG Screened and Optimised Eq Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World Small Cap ESG Screened Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
BCIF - Corporate Bond 1-10 Year Fund	●	●	●	●	●	●	●	Delivered value
BlackRock Charities UK Equity Index Fund	●	●	●	●	●	●	●	Delivered value
BlackRock Global Equity Fund	●	●	●	●	●	●	●	Delivered value
BlackRock Overseas Equity Fund	●	●	●	●	●	●	●	Delivered value
iShares 100 UK Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares 350 UK Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Continental European Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Corporate Bond Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Developed World Fossil Fuel Screened Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Emerging Markets Equity ESG Screened and Optimised Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Emerging Markets Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Environment & Low Carbon Tilt Real Estate Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares ESG Screened Sterling Corporate Bond Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Index Linked Gilt Index Fund (UK)	●	●	●	●	●	●	●	Delivered value

Fund Dashboard

How to interpret criteria assessments
Passed ●
Passed; additional review completed ◆
Did not pass; action required ■
Not enough information to assess ▲

BlackRock funds

	Performance	Comparable market rates	Comparable services	AFM costs	Economies of scale	Quality of service	Classes of units	Overall assessment
Index funds								
iShares Japan Equity ESG Screened and Optimised Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Japan Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Mid Cap UK Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares North American Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Over 15 Years Corporate Bond Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Over 15 Years Gilts Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Pacific ex Japan Eq ESG Screened and Optimised Index Fd (UK)	●	●	●	●	●	●	●	Delivered value
iShares Pacific ex Japan Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares S&P 500 Equal Weight Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares UK Equity ESG Screened and Optimised Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares UK Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares UK Gilts All Stocks Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Up To 10 Years Gilts Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Up to 10 Years Index Linked Gilt Index Fund	●	●	●	●	●	●	●	Delivered value
iShares US Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value

Section 4

Fund Pages

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BlackRock Global Smaller Companies Fund

BlackRock Investment Funds

The fund aims to provide a return on investment generated through an increase in the value of the assets held by the fund over the long term (five or more consecutive years) by investing in shares of smaller companies incorporated or listed globally.

Benchmark

MSCI World Small Cap Index

Morningstar / IA categories

Global Small / Mid-Cap Equity / IA Unclassified

Overall value statement

Our review determined that the fund did not consistently deliver value. The fund underperformed over the assessment period. We are reviewing the fund for potential further action while continuing enhanced performance monitoring of the fund.

Performance (Active)

Our assessment concluded that the fund delivered on its objective of providing a return over the period since inception. However, the fund underperformed its benchmark, net of fees, over the one-year period and the period since inception. The fund underperformed when compared with its Morningstar peer group over the one-year period and the period since inception. Underperformance was driven in part by an overweight allocation to UK smaller companies since the fund's inception. Stock selection was also challenged over the past 12 months, particularly within the information technology and financials sectors. Sector allocation, in particular being overweight the industrials and information technology sectors, was positive in the last 12 months. Therefore, the fund will remain on enhanced performance monitoring. We are also reviewing the fund for potential further action.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.

Overall rating

Did not consistently deliver value

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

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BlackRock Market Advantage Fund

Retail Authorised Unit Trusts

The fund aims to provide a return on investment, generated through an increase in the value of the assets held by the fund and/or income received from those assets, that exceeds a composite benchmark of 30% MSCI All Country World Index with Developed Markets 100% Hedged to GBP and 70% Bloomberg Global Aggregate Index (GBP Hedged) (gross of fees) over the medium to long term (three to five consecutive years).

Benchmark

30% MSCI All Country World Index with Developed Markets 100% Hedged to GBP and 70% Bloomberg Global Aggregate Index (GBP Hedged)

Morningstar / IA categories

GBP Flexible Allocation / Mixed Investment 0–35% Shares

Overall value statement

Our review determined that the fund overall delivered value. Enhancements made in December 2025 included an amendment to the investment objective of the fund to replace the prior target benchmark with the new target benchmark (which had previously been used as a secondary performance comparator) and adjust the factor-based investment approach to seek to provide a return in excess of the new target benchmark (rather than on a total-return basis). The fund has outperformed the new benchmark over the short period since these changes. We have therefore decided that the fund will remain on enhanced performance monitoring while a longer performance track record develops.

Performance (Active)

Our assessment concluded that the fund underperformed its composite benchmark, net of fees, over the three- and five-year periods. As a consequence of a particularly challenging market environment in 2022, the fund was not meeting its prior objective of providing a 3.5% return in excess of the three-month SONIA rate, gross of fees, over the five-year period up to December 2025.

Enhancements made in December 2025 included an amendment to the investment objective of the fund to replace the prior target benchmark with the secondary performance comparator benchmark and adjust the factor-based investment approach to seek to provide a return in excess of the new target benchmark (rather than on a total-return basis). These enhancements are intended to provide a clearer reference point for portfolio construction and performance assessment.

Since implementation in December 2025, the fund has outperformed the new benchmark. However, the period is currently too short to establish whether the improvement is sustained. Considering the historical underperformance, we believe it is appropriate to retain the fund on enhanced performance monitoring for a further year while a longer track record develops under the revised investment objective and process. We will continue to assess performance against the new benchmark and the effectiveness of the revised investment process.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

> Click for more fund information

BlackRock Charities UK Equity Fund

BlackRock Charities Funds

The fund aims to provide a return (net of fees) on investment over a period of five or more consecutive years, generated through an increase in the value of the assets held by the fund and/or income received from those assets.

Benchmark

FTSE All-Share TR Index

Morningstar / IA categories

UK Large-Cap Equity / UK All Companies

Overall value statement

Our review determined that the fund delivered value overall. As in last year's report, the fund underperformed over the assessment period. Therefore, we have decided to take action to improve value further. We have proposed further significant enhancements while we continue enhanced monitoring of the fund's performance.

Performance (Active)

Our assessment concluded that the fund delivered on its objective of providing a return, net of fees, over a five-year period. However, the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund underperformed when compared with its Morningstar peer group over the same periods.

Performance has been challenged since the beginning of 2025. The underperformance in the fund was largely driven by the overall underperformance of quality growth stocks, where the fund allocation was overweight, and the outperformance of value stocks, where the fund allocation was underweight, as capital has rotated into cyclical sectors such as banking, aerospace and defence, and the recent surge in AI investments has pulled further capital away from quality growth companies.

Last year, the fund was identified for enhanced performance monitoring and a review of its investment process. Following a review of the investment process, we remain of the view that the fund's investment strategy has continued to deliver an important benefit of remaining true to its quality-growth investment style for its clients. While the fund has underperformed over the assessment period, the fund has consistently delivered value to investors on all other aspects of value assessment, including fair costs and charges and a high quality of service. The fund remains subject to governance review and internal oversight to determine whether further action is required to support improved investor outcomes.

Therefore, the fund will remain on enhanced performance monitoring. Although it has not outperformed its benchmark during the current and previous assessment periods, we have confidence in the fund's investment strategy and its ability to deliver value for its investors on all aspects of assessment, including performance.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

> Click for more fund information

BlackRock Emerging Markets Fund

Retail Authorised Unit Trusts

The fund aims to provide a return on investment generated through an increase in the value of the assets held by the fund (gross of fees) over five or more consecutive years by investing in companies incorporated or listed in emerging markets.

Benchmark

MSCI Emerging Markets Index

Morningstar / IA categories

Global Emerging Markets Equity / Global Emerging Markets

Overall value statement

Our review determined that the fund delivered value overall. As in last year's report, the fund underperformed over the assessment period. A new lead portfolio manager was appointed in April 2025, and performance has been strong over the past 12 months and since this change. We have therefore decided that the fund will remain on enhanced performance monitoring while its longer-term track record recovers.

Performance (Active)

Our assessment concluded that the fund delivered on its objective of providing a return, gross of fees, over a five-year period. However, the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund underperformed when compared with its Morningstar peer group over the same periods. Despite strong outperformance over the past 12 months and since the change of portfolio manager, longer-term performance remains challenged because of underperformance in previous years. The fund struggled in 2022, when an overweight position in Russia detracted from relative performance after the country invaded Ukraine. Stock-selection decisions in China in 2023, Brazil in 2024 and India in early 2025 also weighed on performance.

As a result of this underperformance, a new lead portfolio manager was appointed in April 2025 as part of a wider change in leadership across emerging markets and Asian equities. At the same time, investment research was refocused to support portfolio managers located within the relevant regions. These changes have been followed by strong outperformance over the past 12 months and over the period since the new portfolio manager took responsibility.

The recent improvement is encouraging but not yet sufficient to materially strengthen the fund's longer-term record. As a result of the outperformance since last year's report, we have decided not to take any further significant action at this time, but the fund will remain on enhanced performance monitoring as we continue to track this improvement in performance.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

> Click for more fund information

BlackRock UK Fund

Retail Authorised Unit Trusts

The fund aims to provide a return on investment generated through an increase in the value of the assets held by the fund (gross of fees) over five or more consecutive years by investing in the shares of larger companies incorporated or listed in the UK.

Benchmark

FTSE All-Share Index

Secondary performance comparator benchmark

Investment Association UK All Companies Sector Average

Morningstar / IA categories

UK Large-Cap Equity / UK All Companies

Overall value statement

Our review determined that the fund delivered value overall. As in last year's report, the fund underperformed over the assessment period. Therefore, we have decided to take action to improve value further. We have proposed further significant enhancements while continuing enhanced performance monitoring.

Performance (Active)

Our assessment concluded that the fund delivered on its objective of providing a return, gross of fees, over a five-year period. However, the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund underperformed when compared with its Morningstar peer group over the same periods. Performance over the three- and five-year periods has been impacted by two periods of underperformance. The first of these was in 2022, which was a difficult year for financial markets, with equity markets falling in response to recessionary fears, supply-side inflation shocks, the ongoing Russia-Ukraine conflict and interest-rate rises. The underperformance in the fund was largely driven by the overall underperformance of growth stocks, where the fund was overweight, and the outperformance of value stocks, where the fund was underweight, because of a rise in bond yields during 2022.

Secondly, performance has been further challenged since the beginning of 2025, as the fund's overweight allocation to quality growth stocks has been maintained, and the overall underperformance of quality growth has resumed as capital has rotated into cyclical sectors such as banking, aerospace and defence. Also, the recent surge in AI investments has pulled further capital away from quality growth companies.

In last year's report, we highlighted the changes the new portfolio management team had been making to the portfolio since their appointment in May 2024, which included repositioning the portfolio towards higher-conviction holdings and reducing the number of holdings, while also reducing the exposures to small- and mid-cap companies and to international equities. Because of the wider UK equity-market environment outlined above, these changes have so far failed to result in improved performance when compared against the fund's benchmark.

We remain of the view that the fund's investment strategy continues to provide an important benefit to clients by staying true to its quality-growth investment style. While the fund has underperformed over the assessment period and will therefore remain on enhanced performance monitoring, the fund has consistently delivered value to investors on all other aspects of value assessment, including fair costs and charges and a high quality of service. The fund remains subject to governance review and internal oversight to determine whether further action is required to support improved investor outcomes.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

> Click for more fund information

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.

BlackRock UK Smaller Companies Fund

Retail Authorised Unit Trusts

The fund aims to provide a return on investment generated through an increase in the value of the assets held by the fund (gross of fees) over five or more consecutive years, by investing in shares of smaller companies incorporated or listed in the UK.

Benchmark

Deutsche Numis Smaller Companies plus AIM ex-Investment Trusts Index

Secondary performance comparator benchmark

Investment Association UK Smaller Companies Sector Average

Morningstar / IA categories

UK Small-Cap Equity / UK Smaller Companies

Overall value statement

Our review determined that the fund delivered value overall. As in last year's report, the fund underperformed over the assessment period. Therefore, we have decided that the fund will remain on enhanced performance monitoring.

Performance (Active)

Our assessment concluded that the fund did not deliver on its objective of providing a return, gross of fees, over a five-year period. The fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund also underperformed when compared with its Morningstar peer group over the three- and five-year periods. The underperformance in the fund was largely driven by the overall underperformance of growth stocks and outperformance of value stocks, with the rise in bond yields since 2022 being a significant driver of this dynamic. With the fund's focus on growth stocks over value stocks, this proved to be a major factor in its underperformance.

In last year's report, we highlighted the targeted adjustments the portfolio management team has been implementing in response to developments in the UK small-cap market. These measures include streamlining the number of holdings to focus on the highest-conviction positions, reflecting the contraction within the small-cap universe. Additionally, the manager is increasing the market capitalisation of new investments to align with the upward shift in the size of small-cap companies. The intention was to adapt the strategy to the evolving investible universe while preserving its focus on smaller companies.

Over the past 12 months, the fund has underperformed its benchmark. Performance initially remained challenged, but there have been early signs of improvement during 2026. We remain of the view that the fund's investment strategy continues to provide an important benefit to clients by staying true to its quality-growth investment style as outlined in the fund's investment policy.

We are therefore maintaining enhanced performance monitoring to assess whether the changes to portfolio guidelines deliver a sustained improvement in performance. This action reflects the recent improvement while recognising that the three- and five-year performance record remains below expectations.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

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BlackRock UK Special Situations Fund

Retail Authorised Unit Trusts

The fund aims to provide a return on investment generated through an increase in the value of the assets held by the fund (gross of fees) over five or more consecutive years by investing in shares of companies incorporated or listed in the UK.

Benchmark

Composite of 50% FTSE 100 Index and 50% Deutsche NUMIS Smaller Companies plus AIM (ex Investment Trusts) Index

Morningstar / IA categories

UK Flex-Cap Equity / UK All Companies

Overall value statement

Our review determined that the fund delivered value overall. As in last year's report, the fund underperformed over the assessment period. Therefore, we have decided that the fund will remain on enhanced performance monitoring.

Performance (Active)

Our assessment concluded that the fund delivered on its objective of providing a return, gross of fees, over a five-year period. However, the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund also underperformed when compared with its Morningstar peer group over the same periods. Performance over the three- and five-year periods has been impacted by two periods of underperformance. The first of these was in 2022, which was a difficult year for financial markets with equity markets falling in response to recessionary fears, supply-side inflation shocks, the ongoing Russia-Ukraine conflict and interest-rate rises. Concerns around the UK economic outlook led small- and mid-caps in the UK to underperform large-caps significantly. This proved to be a major headwind for the fund, given that it has a mandate to allocate at least 50% to small- and mid-cap equities. In December 2024, we amended the prospectus and changed the fund's benchmark better to align with the fund's asset-allocation constraints.

Secondly, performance has been further challenged since the beginning of 2025, as the fund has been positioned to be overweight quality growth stocks and quality growth has underperformed overall. This has come as capital has rotated into cyclical sectors such as banking, aerospace and defence, and as the recent surge in AI investments has pulled further capital away from quality growth companies.

As a result of this underperformance, we took the decision to transfer the portfolio management of the large-cap allocation to the UK large-cap team to align the management of this portion of the portfolio with BlackRock's other UK large-cap mandates. The existing team will continue to manage the small- and mid-cap exposure in line with the fund's investment approach. The fund will remain on enhanced performance monitoring as we continue to track the impact of this change.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

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BlackRock Asia Fund

Retail Authorised Unit Trusts

The fund aims to provide a return on investment (gross of fees) over the long term (five or more consecutive years) by investing in equities (i.e. shares) of companies based in Asia, excluding Japan.

Benchmark

MSCI All Country Asia ex Japan Index

Morningstar / IA categories

Asia ex-Japan Equity / Asia Pacific Excluding Japan

Overall value statement

Our review determined that the fund delivered value overall. However, the fund underperformed its benchmark over the assessment period. Therefore, we have decided to take action to improve value further. A new lead portfolio manager was appointed in April 2025, and performance has been strong, with the fund outperforming the benchmark over the past 12 months and since this change. We have initiated enhanced performance monitoring and a review of the investment process.

Performance (Active)

Our assessment concluded that the fund delivered on its objective of providing a return, gross of fees, over a five-year period. However, the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund also underperformed when compared with its Morningstar peer group over the same periods. Stock-selection decisions in China in 2023 and stock selection in India, along with broader financials holdings in 2024, were the largest detractors from performance.

A new portfolio manager was appointed in April 2025 as part of the wider emerging-markets and Asia reorganisation. At the same time, investment research was refocused to support portfolio managers located within the relevant regions. These changes have been followed by outperformance over the past 12 months and over the period since the new portfolio manager took responsibility. The recent improvement is encouraging but not yet sufficient to materially strengthen the fund's longer-term track record.

In light of this longer-term underperformance, we have initiated enhanced performance monitoring of the fund, which includes a review of the investment process.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

> Click for more fund information

BlackRock Continental European Fund

Retail Authorised Unit Trusts

The fund aims to provide a return on investment (gross of fees) over the long term (five or more consecutive years), by investing in equities (i.e. shares) of companies incorporated or listed in Europe excluding the UK.

Benchmark

FTSE World Europe ex UK Index

Morningstar / IA categories

Europe ex-UK Equity / Europe excluding UK

Overall value statement

Our review determined that the fund delivered value overall. However, the fund underperformed its benchmark over the assessment period. Therefore, we have decided to take action to improve value further. We have initiated enhanced performance monitoring and a review of the investment process.

Performance (Active)

Our assessment concluded that the fund delivered on its objective of providing a return, gross of fees, over a five-year period. However, the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund also underperformed when compared with its Morningstar peer group over the same periods. Performance over the three- and five-year periods has been impacted by two periods of underperformance. The first of these was in 2022, which was a difficult year for financial markets, with European equity markets falling in response to recessionary fears, supply-side shocks, the ongoing Russia-Ukraine conflict and interest-rate rises. The positions that had the largest negative impact during this period were the fund's more concentrated allocation to holdings in more richly valued and higher-quality stocks in areas such as the industrials sector, the above-benchmark allocation to the information technology sector and, conversely, the lower allocation to the financials sector.

Secondly, performance has been further challenged since the beginning of 2025, principally because of the fund's overweight allocation to quality growth stocks. Capital has rotated out of these stocks into more value-oriented sectors such as banking, energy, resources and utilities, leading to underperformance of the growth style of equity. The fund is concentrated and typically has limited or no investment in highly leveraged businesses, leading to a typically lower allocation to the financials sector, and has been avoiding the consumer staples, energy, real estate and utilities sectors. The portfolio management team changed in March 2026, with a new co-portfolio manager appointed. We will monitor the impact of this change as part of our enhanced performance-monitoring process. In light of the underperformance, we have initiated enhanced performance monitoring of the fund, which includes a review of the investment process.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

> Click for more fund information

BlackRock European Dynamic Fund

Retail Authorised Unit Trusts

The fund aims to provide a return on investment (gross of fees) over the long term (five or more consecutive years) by investing in companies incorporated or listed in Europe excluding the UK.

Benchmark

FTSE World Europe ex UK Index

Morningstar / IA categories

Europe ex-UK Equity / Europe excluding UK

Overall value statement

Our review determined that the fund delivered value overall. However, the fund underperformed its benchmark over the assessment period. Therefore, we have decided to take action to improve value further. We have initiated enhanced performance monitoring and a review of the investment process.

Performance (Active)

Our assessment concluded that the fund delivered on its objective of providing a return, gross of fees, over a five-year period. However, the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund also underperformed when compared with its Morningstar peer group over the same periods. Performance over the three- and five-year periods has been impacted by two periods of underperformance. The first of these was in 2022, which was a difficult year for financial markets, with European equity markets falling in response to recessionary fears, supply-side shocks, the ongoing Russia-Ukraine conflict and interest-rate rises. The largest negative impact during this period came from the fund's larger-than-benchmark allocation to holdings in more cyclical areas of the market, which held richer valuations coming into 2022, such as in the industrials and information technology sectors.

Secondly, performance has been further challenged since the beginning of 2025, principally because of the overweight allocation to growth and quality stocks. Capital has rotated out of these stocks into more value-oriented sectors such as banking, energy, resources and utilities, leading to the underperformance of the growth style of equity. In light of this underperformance, we have initiated enhanced performance monitoring of the fund, which includes a review of the investment process.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

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BlackRock UK Equity Fund

Retail Authorised Unit Trusts

The fund aims to deliver a return on investment generated through an increase in the value of the assets held by the fund and/or income received from those assets.

Benchmark

FTSE All-Share TR Index

Morningstar / IA categories

UK Large-Cap Equity / UK All Companies

Overall value statement

Our review determined that the fund delivered value overall. However, the fund underperformed its benchmark over the assessment period. Therefore, we have decided to take action to improve value further. We have initiated enhanced performance monitoring and a review of the investment process.

Performance (Active)

Our assessment concluded that the fund delivered on its objective of delivering a return. However, the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund also underperformed when compared with its Morningstar peer group over the same periods. Performance over the three- and five-year periods has been impacted by two periods of underperformance. The first of these was in 2022, which was a difficult year for financial markets, with equity markets falling in response to recessionary fears, supply-side shocks, the ongoing Russia-Ukraine conflict and interest-rate rises. The fund's underperformance was largely driven by the overall underperformance of growth stocks, where the fund was overweight, and the outperformance of value stocks, where the fund was underweight, because of a rise in bond yields during 2022.

Secondly, performance has been further challenged since the beginning of 2025, as the fund has been overweight in quality growth stocks. Overall, quality growth has underperformed as capital has rotated into cyclical sectors such as banking, aerospace and defence. The recent surge in AI investments has pulled further capital away from quality growth companies.

In light of this underperformance, we have initiated enhanced performance monitoring of the fund, which includes a review of the investment process.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

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BlackRock ESG Screened and Selected Strategic Growth Fund

BlackRock Investment Funds

The fund aims to provide, over any period of seven consecutive years, a return on investment (generated through an increase in the value of the assets held by the fund and/or income received from those assets) of 4.5% per year (gross of fees) over the Bank of England's Base Interest Rate while incorporating the ESG commitments described in the prospectus.

Benchmark

Bank of England's Base Interest Rate plus 4.5% per annum

Secondary performance comparator benchmark

Composite of 45% MSCI All Country World Index, 30% Bloomberg Barclays Global Aggregate Index and 25% 3-month SONIA compounded in arrears

Morningstar / IA categories

GBP Flexible Allocation / Specialist

Overall value statement

Our review determined that the fund delivered value overall. As in last year's report, the fund underperformed its target benchmark over the assessment period. Therefore, we have decided that the fund will remain on enhanced performance monitoring.

Performance (Outcome-oriented)

Our assessment concluded that the fund underperformed its target benchmark, net of fees, over the average of the three- and five-year periods. It also did not deliver on its objective of providing a 4.5% return per year in excess of the Bank of England's Base Interest Rate (gross of fees) over the seven-year period. Finally, it failed to deliver better risk-adjusted returns when compared with a customised group of the most comparable peers over the three- and five-year periods. Risk-adjusted returns were considered because of the investment style of the fund and the substantial variation in equity weight across different peers. The long-term performance of the fund was impacted by negative returns for both bonds and equities in 2022. As a result, it was extremely challenging for a fund that is broadly invested in stocks and bonds to provide a "cash plus" return.

In November 2024, we amended the prospectus and introduced a secondary performance comparator for periods where a diversified multi-asset portfolio might underperform a "cash plus" benchmark. The fund has outperformed this secondary performance comparator in the 12 months leading up to the reference date of this report and over the period since it was introduced.

Last year, the fund was identified for enhanced performance monitoring and a review of its investment process. The portfolio management team have reviewed the portfolio and have implemented targeted adjustments to the underlying investment approach. These measures included replacing the socially responsible investing exchange-traded funds with ESG-enhanced exchange-traded funds and replacing minimum-volatility exchange-traded funds with a put-protection strategy to improve upside capture while still maintaining downside protection.

The fund has performed strongly over the past 12 months and outperformed its target benchmark, secondary performance comparator and customised peer group over this period. These results are encouraging, but not yet sufficient to materially strengthen the fund's longer-term performance track record. We will therefore maintain enhanced performance monitoring while we track the improvement in the longer-term track record and while we assess whether the revised investment approach continues to deliver.

The fund delivered on its ESG objectives over the assessment period.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

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Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.

BlackRock Global Income Fund

Retail Authorised Unit Trusts

The fund aims to provide an income return on investment (gross of fees) that is above average when compared to the income produced by global equity markets (as represented by the MSCI All Countries World Index) (i.e. a level of income which exceeds that produced by the constituents of the index), without sacrificing capital growth (i.e. the value of the assets held by the fund) over the long term (five or more consecutive years).

Benchmark

MSCI All Countries World Index

Morningstar / IA categories

Global Equity Income / Global Equity Income

Overall value statement

Our review determined that the fund delivered value overall. However, the fund underperformed its benchmark over the assessment period. Therefore, we have decided to take action to improve value further. We have initiated enhanced performance monitoring and a review of the investment process.

Performance (Outcome-oriented)

Our assessment concluded that the fund continued to deliver on the income component of its investment objective. However, it underperformed its benchmark, net of fees, over the three- and five-year periods. The fund also underperformed when compared with its Morningstar peer group over the same periods.

Global income funds have generally lagged broad global equity markets over the past three and five years because of the exceptional performance of a concentrated group of US mega-cap growth and AI-related companies. Income strategies typically maintain lower exposure to these stocks and instead favour higher-yielding, more mature businesses to deliver on the income component of their investment objectives. While this positioning can provide diversification, downside protection and a more consistent income stream, it has been a headwind during a period in which market returns were driven primarily by growth-oriented technology companies.

As a result of this underperformance, we took the decision to appoint a new portfolio management team to the fund in September 2026. The change is intended to strengthen portfolio leadership, support orderly succession and enhance the research resources available to the fund. At the same time, we have also established a shared, sector-based research team serving global portfolios. The revised model is intended to deepen research coverage and information sharing across strategies, while portfolio managers retain full accountability for security selection, portfolio construction, risk management and investment outcomes. We have initiated enhanced performance monitoring of the fund, which includes a review of the investment process.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
- Comparable services
- AFM costs
- Economies of scale
- Quality of service
- Classes of units

> Click for more fund information

BlackRock UK Income Fund

Retail Authorised Unit Trusts

The fund aims to provide a return on investment (generated through an income received from fund assets) (gross of fees) with an above-average and growing income compared to the income produced by UK equity markets (as defined by the FTSE All-Share Index), without sacrificing the benefits of capital growth (i.e. the value of the assets held by the fund) over the long term (five or more consecutive years).

Benchmark

FTSE All-Share TR Index

Morningstar / IA categories

UK Equity Income / UK Equity Income

Overall value statement

Our review determined that the fund delivered value overall. However, the fund underperformed its benchmark over the assessment period. Therefore, we have decided to take action to improve value further. We have initiated enhanced performance monitoring and a review of the investment process.

Performance

(Outcome-oriented)

Our assessment concluded that the fund continued to deliver on the income component of its investment objective and also provided a return on investment (gross of fees) over the five-year period. However, the fund underperformed its benchmark, net of fees, over three- and five-year periods. The fund also underperformed when compared with its Morningstar peer group over the same periods and underperformed its secondary performance comparator benchmark which is the sector average of a peer group of UK Equity income funds over the average of the three- and five-year periods.

Performance has been challenged since the beginning of 2025. The fund's underperformance was largely driven by the overall underperformance of quality growth stocks, where the fund was overweight, and the outperformance of value stocks, where the fund was underweight. This came as capital rotated into cyclical sectors such as banking, aerospace and defence, and as the recent surge in AI investments pulled further capital away from quality growth companies.

In light of this underperformance, we have initiated enhanced performance monitoring of the fund, which includes a review of the investment process.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared with both an external peer group determined by Fitz Partners and similar BlackRock products.



Overall rating

Delivered value plus action

Assessment criteria

- Performance
- Comparable market rates
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Glossary of Terms

Absolute return strategy
An investment approach that seeks to generate a positive return over cash regardless of market circumstances and without reference to a market-based benchmark

Active strategy
An investment approach that seeks to outperform benchmarks or meet specific total-return targets. Active fund managers use their judgement and/or quantitative tools to select securities

Alpha
The investment return that is in excess of that generated by a benchmark index

Alpha target
The amount by which an investment seeks to outperform its benchmark index

Annual Management Charge (AMC)
The charge that covers the costs of portfolio management services provided to a fund

Annual Management Charge (AMC) tiered pricing
A variable costs and charges structure whereby the Annual Management Charge is reduced as fund AUM grows, according to a discount schedule

Annual Service Charge (ASC)
The charge that covers non-portfolio management related costs, such as transfer agency and fund accounting services

Asset allocation
How an investment portfolio is split (i.e. allocated) across different asset classes, such as stocks and bonds. Allocations may vary according to the investment objective, the investment outlook and other considerations.

Assets under management (AUM)
The total market value of investments held within a fund or investment company on behalf of investors

Authorised Fund Manager (AFM)
An FCA-authorised fund operator of an authorised open-ended investment company, an authorised contractual scheme or authorised unit trust. The AFM operating the funds in this report is BlackRock Fund Managers Limited (BFM).

Basis point
A unit of measurement that is equivalent to 0.01% or 1/100 of a percent

Benchmark
A gauge, usually an index, against which the performance of a fund can be measured

Beta
The volatility of return of a security or portfolio relative to the overall market or a specific benchmark index

Capital growth
The increase in the value of an asset or investment over time

Capital preservation
An investment approach that aims to prevent or limit losses in a portfolio

Carbon emission intensity score
A measure of a portfolio's exposure to carbon-intensive companies. Within an index, it is the weighted average of individual company carbon emission intensities, weighted by the proportion of each constituent in the index.

Comparator benchmark
An index or similar factor against which an investment manager invites investors to compare a fund's performance. It is commonly referred to as the performance benchmark.

Composite benchmark
A benchmark made up of a blend of multiple indices

Constraining benchmark
An index or similar factor that investment managers use to limit or constrain how they construct a fund's portfolio

Custom peer group
A group of the most relevant competitor funds used to compare fees. For our assessment, custom peer groups were selected by Fitz Partners and defined as approximately 10 comparable funds with similar management styles, investment objectives, sizes and availability to target investors.

Direct investor
An investor who invests in funds directly, without using an intermediary such as an investment platform, bank or financial adviser

Drawdown
A withdrawal from the fund to support retirement

Duration
A measure of a bond's sensitivity to interest-rate changes. It is a way of measuring how much bond prices are likely to change if and when interest rates move. Generally, the longer the duration of a bond or a bond fund (meaning the longer you need to wait for the payment of coupons and return of principal), the more its price will drop as interest rates rise.

Enhanced performance monitoring (EPM)
EPM is a governance tool used by the BFM Board to closely monitor funds that do not pass the performance assessment. Funds flagged for EPM are subject to deeper scrutiny and may require significant action to address performance challenges.

ESG
Environmental, social and governance

ESG objective
An investment objective that targets an ESG-related outcome, such as carbon reduction

Financial Conduct Authority (FCA)
The regulatory body for the financial services industry in the United Kingdom

Fitz Partners
A financial services company that provided the BFM Board and BlackRock with data and analytical support for the Value Assessment report

Future
A contract for a sale of a security to be delivered on an agreed upon future date and price

Gilt
A UK government bond issued by HM Treasury that is denominated in sterling

Gross performance
The investment return before fees are deducted

Growth stock
A stock that is bought on the basis of future growth expectations

Income generation
An investment strategy that seeks to generate an ongoing income, as opposed to a strategy that prioritises long-term capital gains or appreciation

Index
An index is a group or basket of securities or other financial instruments that represent and measure the performance of a specific market, asset class, market sector or investment strategy

Index strategy
An investment approach that closely tracks a benchmark index

Investment Association (IA) sector
A group of funds with similar characteristics as defined by the Investment Association

Investment horizon
The recommended holding period for a fund

Investment manager
An entity who manages investments on behalf of a client. For the funds in this report, the investment manager is BlackRock Investment Management (UK) Limited (BIM UK), referred to as "BlackRock" throughout the report.

Investment universe
The overall opportunity set from which an investment manager can select a fund's underlying investments. A fund's investment universe is usually defined in its prospectus.

Key Investor Information Document (KIID) or Key Information Document (KID)
A document that includes critical information about a fund, such as details about its investment objective, risks and fees

Liquidity
The degree to which a financial instrument can be sold without affecting its price

Listed alternatives
Publicly listed alternative investments i.e. those not based on traditional investments such as bonds or equities

Management style
The investment approach taken by a fund's management team

Market capitalisation
The total market value of all a company's listed shares. Certain funds may invest in companies with market capitalisations that are above or below certain thresholds. These are commonly referred to as small-cap, mid-cap and large-cap funds.

Median
The midpoint of a range of values

MSCI
An investment research firm that provides stock indices, portfolio analytics and other services to the investment community

Morningstar category
A group of funds with similar characteristics as defined by Morningstar

Net performance
The investment return after fees have been deducted

Non-executive director
A member of a fund company's board of directors who is not involved in the day-to-day management of the company

Ongoing Charges Figure (OCF)
The day-to-day costs of running a fund, including the annual management charge (AMC), annual service charge (ASC) and operational costs. Ongoing charges are normally expressed as a percentage of a fund's total assets.

Operating event
An error, mistake or inadvertent deviation from the rules and policies in the administration or management of a fund with an unintended (positive or negative) impact on BlackRock or the fund's investors

Outcome-oriented strategy
An investment approach that targets a specific outcome, such as income generation or capital growth within a defined time horizon

Peer group
A group of competitor funds with similar characteristics used to compare performances or fees

Performance terms
- **Medium-term:** Typically refers to a three-year performance period. Used to assess consistency and trends in fund returns over a moderate timeframe.
- **Long-term:** Refers to a five-year performance period. This is considered more robust for evaluating sustained value delivery and resilience across market cycles.
- **Assessment period:** The timeframe over which performance and other AoV criteria are evaluated. This includes both medium- and long-term periods and aligns with the reference date of the report.
- **Reference date:** The cut-off date for data used in the AoV report. Performance metrics, comparator benchmarks, and fund status (e.g., EPM) are assessed as of this date. For example, "as of 30 June 2026" is the reference date in the current report.

Put-protection strategy
An investment approach that seeks to reduce the impact of market declines by using put options or similar instruments to provide downside protection. Such protection may reduce returns in rising markets and cannot eliminate the risk of loss entirely.

Quartile
The division of data into four equal groups; the first quartile comprises the quarter of a population that score the highest, while the fourth quartile is the one that scores lowest

Repositioning
The changing of the characteristics of a fund, including but not limited to a change of investment objective, benchmark, name or fee structure

Risk-adjusted return
A measure of the return an investment has generated relative to its risk profile

Secondary performance comparator benchmark
Secondary performance comparator benchmarks are provided on certain products either to clarify to investors how the fund is invested and compare ongoing performance or, in the case of peer-group comparators, to provide a better comparison versus the fund's closest peers

Segregated mandate
A portfolio designed and run specifically for an institutional client, often with bespoke operational arrangements

SONIA (Sterling Overnight Index Average)
An interest-rate benchmark that reflects the average interest rate that banks pay when they borrow sterling overnight

Target asset allocation
A portfolio strategy whereby the investor sets target allocations (sometimes known as weights) for various asset classes. The portfolio is periodically rebalanced to maintain the target allocations.

Target benchmark
An index or similar factor that is part of a target that an investment manager has set for a fund's performance to match or exceed, which includes anything used for performance fee calculation

Tracking difference
Discrepancy between the performance of the fund and its benchmark index expressed in percentage points

Transfer agent
An entity responsible for maintaining the official register of investors in a fund, including UK-domiciled funds such as OEICs and unit trusts. The transfer agent records investor holdings, processes subscriptions and redemptions, distributes income, and manages investor communications. It acts as the registrar and record keeper on behalf of the fund.

Unit holder
An investor who owns units or shares in an investment fund, such as a mutual fund or unit trust. Each unit represents a proportional ownership interest in the fund's assets, entitling the unit holder to participate in its income distributions and capital gains.

Valuation point
The point in time when a fund is priced

Value stock
A stock that is bought on the basis of its being undervalued

Volatility
The extent to which the price of an investment fluctuates, typically expressed as an annualised percentage. Volatile investments are those with frequent and significant price fluctuations. Investments with higher volatility are often said to pose a higher investment risk.

Volatility targeting
An approach to fund management that aims to keep a fund's volatility within a specified range

Yield
The income generated from an investment, such as dividends or bond coupon payments. Yield is expressed as an annualised percentage and is calculated by dividing income by the total value of an investment

Zero management fee unit class
A unit class intended for institutional investors that requires a separate agreement with BlackRock which specifies the amount of fees charged outside the fund for portfolio management services

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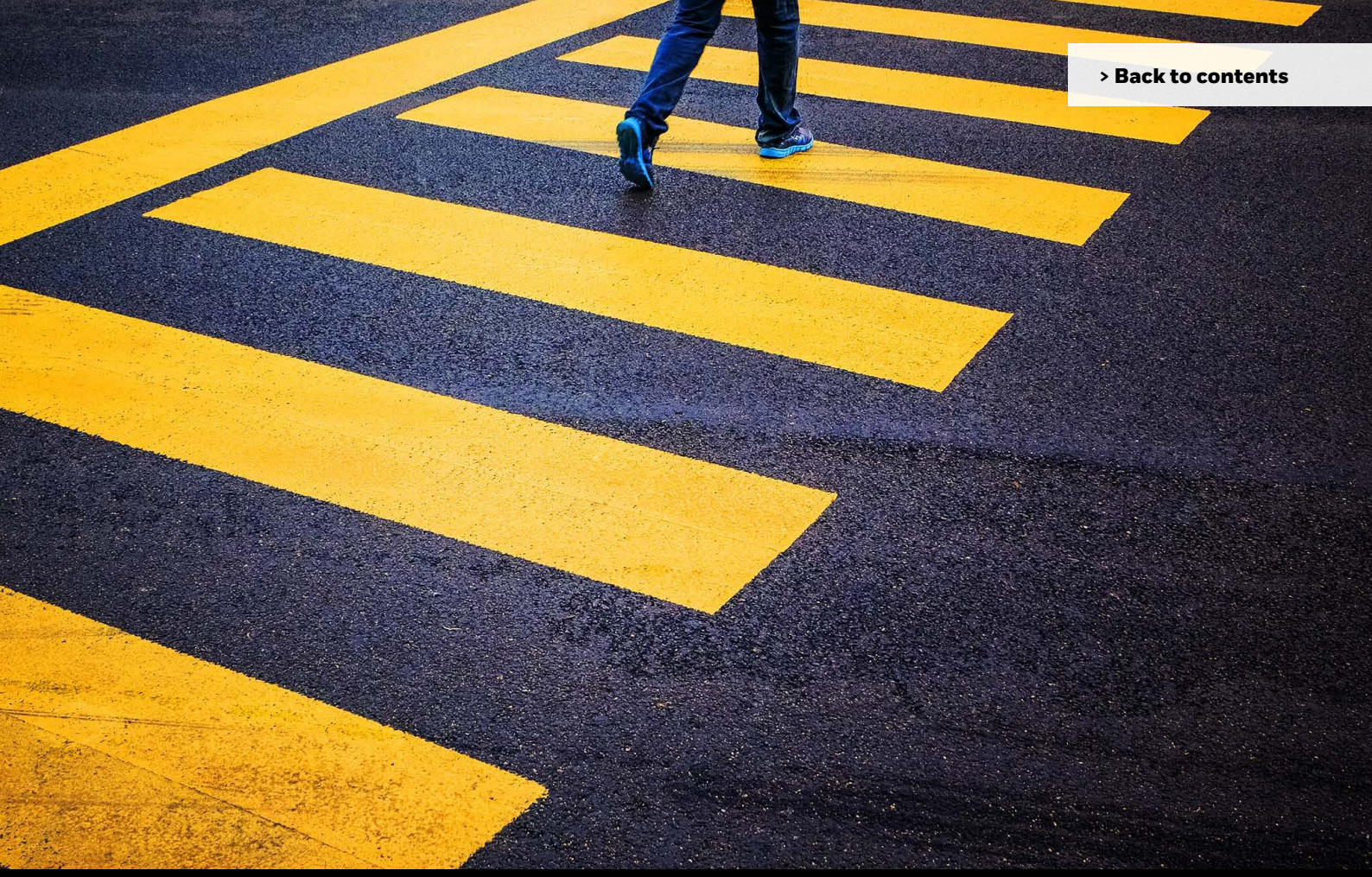

About BlackRock

BlackRock is a global investment manager and technology provider that helps people achieve their financial goals through investing. BlackRock has grown from a start-up founded in 1988 to become a market leader, both through acquisitions and through organic growth as more and more clients have entrusted BlackRock with their investments.

BlackRock's purpose is to help more and more people experience financial well-being. The firm serves the full range of UK investors, including pension schemes, employers and charities, financial and wealth advisers, and individuals who are saving for retirement or other financial goals. BlackRock combines the benefits of worldwide reach with local service and relationships to deliver for these clients.

As of 30 June 2026, the firm has $15.3 trillion in assets under management and employs over 24,000 employees in 41 countries.

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