



Annual report and audited financial statements

BlackRock Authorised Contractual Scheme 2

- ACS LifePath 2022-2024
- ACS LifePath 2025-2027
- ACS LifePath 2028-2030
- ACS LifePath 2031-2033
- ACS LifePath 2034-2036
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- BlackRock FutureWise Retirement Aggregator
- BlackRock Growth Allocation Fund
- BlackRock Pension Growth Fund
- BlackRock Retirement Allocation Fund

For the financial year ended 31 December 2023

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GENERAL INFORMATION

Manager

BlackRock Fund Managers Limited
12 Throgmorton Avenue, London EC2N 2DL

Member of The Investment Association and authorised and regulated by the Financial Conduct Authority (“FCA”).

Directors of the Manager

G D Bamping*
S Corrigan (Resigned 2 May 2023)
W I Cullen*
D Edgar
K Henry (Appointed 3 March 2023, resigned 24 January 2024)
A M Lawrence
H Mephram
S Sabin (Appointed 18 August 2023)
M T Zemek*

* Non-executive Director.

Registrar, Transfer Agent and Administrator

Northern Trust Global Services SE UK Branch
50 Bank Street, Canary Wharf, London E14 5NT
Fund Services Team: 0333 300 0356

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

Depository

Northern Trust Investor Services Limited
50 Bank Street, Canary Wharf, London E14 5NT

Authorised and regulated by the FCA.

Investment Manager

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

Authorised and regulated by the FCA.

Investment Adviser*

FIL Investments International
Beech Gate Millfield Lane, Lower Kingswood, Tadworth, Surrey, United Kingdom, KT20 6RP

* for BlackRock FutureWise Funds.

Authorised and regulated by the FCA.

Auditor

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

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GENERAL INFORMATION (continued)

Custodian

The Northern Trust Company, London Branch
50 Bank Street, Canary Wharf, London E14 5NT

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

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

This Report relates to the packaged products of and is issued by:

BlackRock Fund Managers Limited
12 Throgmorton Avenue, London EC2N 2DL
Telephone: 020 7743 3000
Fund Services Team: 0333 300 0356
www.blackrock.com/uk

For your protection, telephone calls are usually recorded.

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ABOUT THE SCHEME

BlackRock Authorised Contractual Scheme 2 (the “Scheme”) is an umbrella Co-Ownership Scheme constituted as a non-UCITS retail scheme (or “NURS”) under the Financial Conduct Authority’s Collective Investment Schemes Sourcebook (the “COLL Sourcebook”) and Financial Conduct Authority’s Investment Funds Sourcebook (“FUND”), and was authorised by the Financial Conduct Authority (the “FCA”) on 5 April 2018. The Scheme comprises separate sub-funds with segregated liability (each referred to as a “Fund” and collectively the “Funds”).

Assessment of value

The FCA requires UK fund managers to complete an annual assessment of whether their UK authorised funds provide value for investors. Our assessment considers fund and unit class level performance, costs and charges, and service quality, concluding with an evaluation of whether investors receive value. BlackRock has fulfilled its obligations for the reporting requirement, including assessing relevant charges, and published the annual assessment of value statements on the BlackRock website on 30 October 2023 in a composite report for all funds managed by BlackRock Fund Managers Limited subject to these requirements.

Cross sub-fund holdings within the Scheme

As at 31 December 2023, there were no cross sub-fund holdings within the Scheme.

The Alternative Investment Fund Managers Regulations 2013

BlackRock Fund Managers Limited (the “Manager”) is authorised and regulated by the FCA with permission to carry on the activity of ‘managing an AIF’ in the United Kingdom. As such, the Manager has been appointed as the alternative investment fund manager of the Funds, each of which is an alternative investment fund, or ‘AIF’, for the purposes of the AIFMD.

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

FUND MANAGERS

As at 31 December 2023, the Fund Managers of the Funds, with the exception of the BlackRock Pension Growth Fund, are Steve Walker and Steven Dare. As at 31 December 2023, the Fund Managers of the BlackRock Pension Growth Fund are Ben Rees, Bhavik Patel, and Julian Steeds.

SIGNIFICANT EVENTS

Changes in the Directors of the Manager

K Henry was appointed as a director effective 3 March 2023.

S Corrigan resigned as a director effective 2 May 2023.

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

Changes to the Scheme

Fund Name	Launch Date
BlackRock Growth Allocation Fund	14 June 2023
BlackRock Retirement Allocation Fund	14 June 2023

A new Prospectus was issued on 10 November 2023.

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SIGNIFICANT EVENTS (continued)

Credit Facility

The Scheme entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. This portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 21 April 2023. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the year.

SUBSEQUENT EVENTS

Changes in the Directors of the Manager

K Henry resigned as a director effective 24 January 2024.

Apart from the above, there have been no other significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

INVESTMENT MANAGER'S REPORT

Investment Objective

ACS LifePath Funds

The Funds are target date retirement funds (which means that an investor should match the date in the name of the fund to his/her target retirement date). The Funds' investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Funds and/or income received from those assets) with an asset allocation (i.e. mix of assets) that changes over time. The Funds aim to invest in accordance with their environmental, social and governance ("ESG") policy.

BlackRock FutureWise Funds except FutureWise Early Days Aggregator Fund and FutureWise Retirement Aggregator Fund

The Funds are target date retirement funds (which means that it is intended for investors whose target retirement year corresponds to that specified in the Funds' name). The Funds' investment objective, up to its maturity date, is to provide a return on your investment (generated through an increase in the value of the assets held by the Funds and/or income received from those assets) with a portfolio composition (i.e. the exposure across different asset classes) that changes gradually over time towards a more conservative risk profile (compared to the risk profile at launch) as the Funds approach the maturity date. The change in portfolio composition over time is described further in the investment policy. Following the maturity date, the Funds' investment objective will be to continue to provide a return on your investment and support a regular draw down whilst maintaining the Funds' target portfolio composition at maturity (as described in the Funds' investment policy). The target portfolio composition will remain broadly consistent with the range described in the Funds' investment policy after the maturity date until the termination of the Funds. The Funds aim to invest in accordance with their environmental, social and governance ("ESG") policy.

BlackRock FutureWise Early Days Aggregator Fund

The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) with a portfolio composition (i.e. the exposure across different asset classes) that remains stable over time as described in the Fund's investment policy. The Fund aims to invest in accordance with its environmental, social and governance ("ESG") policy.

BlackRock FutureWise Retirement Aggregator Fund

The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) and support a regular draw down with a portfolio composition (i.e. the exposure across different asset classes) that remains broadly consistent with the range described in the Fund's investment policy. The Fund aims to invest in accordance with its environmental, social and governance ("ESG") policy.

BlackRock Growth Allocation Fund and BlackRock Retirement Allocation Fund

The Funds' investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Funds and/or income received from those assets) over the long term (five or more consecutive years). The Funds aim to invest in accordance with their environmental, social and governance ("ESG") policy.

BlackRock Pension Growth Fund

The Fund's investment objective is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund and/or income received from those assets) with an asset allocation (i.e. mix of assets) that changes over time.

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2**INVESTMENT MANAGER'S REPORT (continued)**

Fund name	Comparator benchmark	Investment management approach
ACS LifePath 2022-2024	N/A	Active
ACS LifePath 2025-2027	N/A	Active
ACS LifePath 2028-2030	N/A	Active
ACS LifePath 2031-2033	N/A	Active
ACS LifePath 2034-2036	N/A	Active
ACS LifePath 2037-2039	N/A	Active
ACS LifePath 2040-2042	N/A	Active
ACS LifePath 2043-2045	N/A	Active
ACS LifePath 2046-2048	N/A	Active
ACS LifePath 2049-2051	N/A	Active
ACS LifePath 2052-2054	N/A	Active
ACS LifePath 2055-2057	N/A	Active
BlackRock FutureWise 2023-27	N/A	Active
BlackRock FutureWise 2028-32	N/A	Active
BlackRock FutureWise 2033-37	N/A	Active
BlackRock FutureWise Early Days Aggregator	N/A	Active
BlackRock FutureWise Retirement Aggregator	N/A	Active
BlackRock Growth Allocation Fund	N/A	Active
BlackRock Pension Growth Fund	Lipper ABI Mixed Investment 40-85% Index	Active
BlackRock Retirement Allocation Fund	N/A	Active

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INVESTMENT MANAGER'S REPORT (continued)

Performance Summary

The below table compares the Funds' realised performance during the financial year ended 31 December 2023.

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

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

	Fund return %	Comparator benchmark return %
ACS LifePath 2022-2024 - Class X1 Accumulation Units	8.84%	N/A
ACS LifePath 2025-2027 - Class X1 Accumulation Units	10.03%	N/A
ACS LifePath 2028-2030 - Class X1 Accumulation Units	10.85%	N/A
ACS LifePath 2031-2033 - Class X1 Accumulation Units	11.58%	N/A
ACS LifePath 2034-2036 - Class X1 Accumulation Units	12.34%	N/A
ACS LifePath 2037-2039 - Class X1 Accumulation Units	13.24%	N/A
ACS LifePath 2040-2042 - Class X1 Accumulation Units	14.32%	N/A
ACS LifePath 2043-2045 - Class X1 Accumulation Units	15.26%	N/A
ACS LifePath 2046-2048 - Class X1 Accumulation Units	16.03%	N/A
ACS LifePath 2049-2051 - Class X1 Accumulation Units	16.70%	N/A
ACS LifePath 2052-2054 - Class X1 Accumulation Units	17.22%	N/A

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INVESTMENT MANAGER'S REPORT (continued)

	Fund return %	Comparator benchmark return %
ACS LifePath 2055-2057 - Class X1 Accumulation Units	17.40%	N/A
BlackRock FutureWise 2023-27 - Class X1 Accumulation Units	12.44%	N/A
BlackRock FutureWise 2028-32 - Class X1 Accumulation Units	14.46%	N/A
BlackRock FutureWise 2033-37 - Class X1 Accumulation Units	15.60%	N/A
BlackRock FutureWise Early Days Aggregator - Class X1 Accumulation Units	15.77%	N/A
BlackRock FutureWise Retirement Aggregator - Class X1 Accumulation Units	11.46%	N/A
BlackRock Growth Allocation Fund - Class X1 Accumulation Units	7.54% ¹	N/A
BlackRock Pension Growth Fund - Class X1 Accumulation Units	12.38%	8.23%
BlackRock Retirement Allocation Fund - Class X1 Accumulation Units	6.10% ¹	N/A

¹⁾ The Fund returns are for the period from the Fund's launch on 14 June 2023 to 31 December 2023.

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

INVESTMENT MANAGER'S REPORT (continued)

Global Economic Overview

Global equities, as represented by the MSCI All Country World Index, returned 15.31% (in GBP terms) during the twelve months ended 31 December 2023. Equities gained significantly amid cooling inflation (the rate of increase in the prices of goods and services) and investor optimism about the slowing pace of monetary policy tightening from the world's largest central banks. However, rising geopolitical tensions during the latter half of the twelve-month period, including the war in the Middle East and attacks on Red Sea shipping lanes, raised the prospect of disruptions to the global economy.

In the US, economic growth was robust in the first half of 2023 before further accelerating in the third quarter, as both consumer and public spending continued to rise. While several prominent US regional banks failed in the spring of 2023, prompt government action limited the impact on the wider economy. The US jobs market remained strong, and unemployment was under 4% throughout the twelve-month period. Economic growth in Japan was solid in the first half of 2023 before contracting in the third quarter amid a decline in private consumption and capital expenditure. The UK economy was nearly flat as exports weakened and consumer spending stalled. In the Eurozone, growth was tepid in the first half of 2023 before contracting slightly in the third quarter as high interest rates continued to weigh on the region's economy. UBS's takeover of the failed Credit Suisse at the behest of regulators stabilised markets.

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

The world's largest central banks continued to implement various measures aimed at monetary policy tightening, although the pace of interest rate increase slowed substantially in the second half of 2023. The US Federal Reserve ("the Fed") raised interest rates four times during the twelve-month period, slowing the pace of increases by leaving interest rates unchanged at four of its meetings. The Fed also continued to reduce some of the accumulated bond holdings on its balance sheet. The Bank of England ("BoE") raised interest rates five times during the twelve-month period, although it held rates steady at its final three meetings during the period. Similarly, the European Central Bank ("ECB") declined to raise interest rates twice towards the end of the period following six increases earlier during the period.

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

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

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

INVESTMENT MANAGER'S REPORT (continued)

Global Economic Overview (continued)

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

The commodities markets stabilised following the turmoil of 2022, although rising geopolitical tensions late in the period raised the prospect of further disruption. Brent crude oil prices were nearly flat as energy markets stabilised and global oil production increased, particularly in the US. Natural gas prices in the Eurozone ended the period notably lower, as a warm winter and the Eurozone's decreasing dependence on Russian natural gas imports drove prices down. Gold prices rose significantly amid elevated inflation, a stronger US dollar, and the slowing pace of Fed interest rate increases.

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

Fund Performance Review and Activity

ACS LifePath 2022-2024

ACS LifePath 2025-2027

ACS LifePath 2028-2030

ACS LifePath 2031-2033

ACS LifePath 2034-2036

ACS LifePath 2037-2039

ACS LifePath 2040-2042

ACS LifePath 2043-2045

ACS LifePath 2046-2048

ACS LifePath 2049-2051

ACS LifePath 2052-2054

ACS LifePath 2055-2057

Over the financial year to 31 December 2023, the ACS LifePath Funds achieved positive returns (8.84%, 10.03%, 10.85%, 11.58%, 12.34%, 13.24%, 14.32%, 15.26%, 16.03%, 16.70%, 17.22%, 17.40% for the 12 Funds, respectively).

The returns across all of the LifePath Funds were strong in 2023, recovering from the losses experienced in 2022 when both equity and bond markets fell. The results support the Investment Manager's long-term approach and benefits of staying invested throughout periods of volatility. For the longer dated vintages (Funds that are furthest away from their retirement date (e.g., ACS LifePath 2055-2057)), performance was particularly strong given the higher allocation to equities compared to the shorter dated vintages (Funds that are closest to the retirement date (e.g., ACS LifePath 2022-2024)).

Looking at 2023 through the lens of twelve month returns does mask what was a very eventful year. The Investment Manager saw continued volatility in interest rates and uncertainty over when and by how much inflation would fall. For example, a rally in November and December 2023 followed a "risk off" period in the third quarter where markets responded negatively to the potential for "higher for longer" interest rates in the US given strong labour market data and lingering concerns of persistent inflation.

Equities had a strong year in 2023, with Developed Market equities outperforming their Emerging Market counterparts. Developed Market Small Cap equities also enjoyed a period of solid returns in the last quarter of 2023, as the expectation for lower interest rates positively impacted this riskier segment of the market.

INVESTMENT MANAGER'S REPORT (continued)

Fund Performance Review and Activity (continued)

Bonds contributed positively to the LifePath portfolios in 2023. UK corporate bonds outperformed government bonds throughout the period due to support for risky assets which was driven by stronger economic data, resilience in corporate profitability within select sectors, and strong investor demand for yield (corporate bonds are perceived as riskier than government bonds as the default risk for corporate bonds is deemed higher than that of government bonds of similar maturity).

A notable feature during the year was the large increase in asset prices during the last quarter of 2023. Market participants began forecasting interest rate cuts in the major developed markets. This marked a change from previous periods during which there had been concerns that central banks might continue to increase interest rates to curb inflation. Typically, when the market expects future interest rates to fall, consumers and businesses increase spending and this increased spending often causes stock prices to rise.

Environmental, Social and Governance (“ESG”) considerations review

Each Fund is a target date retirement fund, whose investment objective is 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) with an asset allocation (i.e. mix of assets) that changes over time. Each Fund aims to invest in accordance with its ESG policy.

Through the application of the methodology set out in the ESG Policy of the Scheme's Prospectus, the Investment Manager expects to achieve for the Funds' portfolio:

- a) a carbon emission intensity score, in respect only of the corporate issuers in which the Funds' invest, that by 30 June 2029, is 50% less than its carbon emission intensity score as at 30 June 2019 for all Funds except ACS LifePath 2055-2057 whose objective by 30 June 2029, is 50% less than the carbon emission intensity score of BlackRock LifePath 2055-2057 (the “2055-2057 Life Fund”) as at 30 June 2019; the 2055-2057 Life Fund, being the predecessor fund of the Fund, having transferred its assets to the Fund on 28 June 2021 (the Fund's launch date);
- b) and a carbon emission intensity score, in respect only of the corporate issuers in which the Funds' invest, as calculated at the end of each calendar quarter, is less than a portfolio that represents the investment universe of the Funds but which does not apply any ESG criteria, such comparable portfolio being represented by a reference benchmark (the “Reference Comparator”);
- c) and as calculated at the end of each calendar quarter, an ESG score that is higher than the Reference Comparator.

Carbon emission intensity scores are a measurement of issuers' carbon emissions relative to their size. In measuring the size of issuers, for this purpose, the Investment Manager uses their reported sales, but it may use another measure instead if it considers it appropriate or necessary as a result of changes in regulation, market practice or available data.

As at 31 December 2023, the Fund carbon emission intensity scores versus their Reference Comparator were as follows. The table also includes the average Fund carbon emission intensity scores versus their Reference Comparator throughout the period.

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INVESTMENT MANAGER'S REPORT (continued)

Fund Performance Review and Activity (continued)

Funds	Fund Carbon Emissions Intensity by Sales (metric tons / \$ m sales)	Reference Comparator Carbon Emissions Intensity by Sales (metric tons / \$ m sales)	Average Fund Carbon Emissions Intensity by Sales (metric tons / \$ m sales)	Average Reference Comparator Carbon Emissions Intensity by Sales (metric tons / \$ m sales)
ACS LifePath 2022-2024	75.7	127.9	91.7	142.1
ACS LifePath 2025-2027	78.9	129.8	91.8	141.7
ACS LifePath 2028-2030	81.4	130.2	93.6	140.7
ACS LifePath 2031-2033	83.6	129.9	94.2	139.2
ACS LifePath 2034-2036	85.0	129.6	95.3	138.4
ACS LifePath 2037-2039	86.5	129.2	96.1	137.8
ACS LifePath 2040-2042	87.5	128.7	96.7	137.2
ACS LifePath 2043-2045	88.8	128.5	97.5	136.8
ACS LifePath 2046-2048	89.3	127.6	98.0	136.1
ACS LifePath 2049-2051	89.9	127.0	98.6	135.6
ACS LifePath 2052-2054	90.6	126.2	99.2	135.2
ACS LifePath 2055-2057	91.0	125.9	99.6	135.0

ESG scores are a measurement of issuers' ESG credentials. The ESG score of the Funds' portfolio is calculated based on the ESG scores attributed to the issuers in which the Funds' invest either indirectly through collective investment schemes or directly (but excluding assets for which ESG scores are not available such as commodities (indirect exposure only)). The same exclusion is applied to the ESG score calculated for the Reference Comparator. Further details on the calculation of the ESG scores can be found in the Scheme's Prospectus.

As at 31 December 2023, the Fund ESG scores versus their Reference Comparator were as follows. The table also includes the average ESG scores versus their Reference Comparator throughout the period.

Funds	Fund ESG Score	Reference Comparator ESG Score	Average Fund ESG Score	Average Reference Comparator ESG Score
ACS LifePath 2022-2024	6.7	6.4	6.7	6.4
ACS LifePath 2025-2027	6.8	6.5	6.8	6.4
ACS LifePath 2028-2030	6.9	6.5	6.8	6.5
ACS LifePath 2031-2033	6.9	6.5	6.9	6.5
ACS LifePath 2034-2036	6.9	6.6	6.9	6.5
ACS LifePath 2037-2039	6.9	6.6	6.9	6.6

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

INVESTMENT MANAGER'S REPORT (continued)

Fund Performance Review and Activity (continued)

Funds	Fund ESG Score	Reference Comparator ESG Score	Average Fund ESG Score	Average Reference Comparator ESG Score
ACS LifePath 2040-2042	7.0	6.6	6.9	6.6
ACS LifePath 2043-2045	7.0	6.6	7.0	6.6
ACS LifePath 2046-2048	7.0	6.7	7.0	6.6
ACS LifePath 2049-2051	7.0	6.7	7.0	6.7
ACS LifePath 2052-2054	7.0	6.7	7.0	6.7
ACS LifePath 2055-2057	7.0	6.7	7.0	6.7

The Funds may invest in collective investment schemes which primarily invest in government bonds ("Government Bond Funds"). Of the assets that it invests in Government Bond Funds, the Funds will invest at least 80% in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or another third party data vendor) ("ESG Government Bond Funds"). As at 31 December 2023, all of the LifePath vintages (with the exception of BlackRock ACS LifePath 2055-57) held 100% of their Government Bond asset allocation in such Investments. The BlackRock ACS LifePath 2055-57 Fund does not hold any sovereign debt (debt obligations issued or guaranteed by governments or their agencies) exposures given the current asset allocation only invests in equity or equity-like investments. The sovereign debt threshold is therefore not applicable.

Of the total assets that the Funds invest in collective investment schemes (other than Government Bond Funds), the Funds seek to invest at least 80% in collective investment schemes which;

- 1) track benchmark indices that apply screens and exclusionary criteria based on ESG-related limits/thresholds, and/or
- 2) otherwise include/exclude and/or overweight/underweight (i.e. allocate a higher or lower proportion of assets under management to) investments from an underlying benchmark based on the ESG-related characteristics (together, "ESG Funds").

As at 31 December 2023, at least 80% of all such corporate issuers in all LifePath vintages were held in ESG Funds.

Quarterly reporting of the Fund's carbon emission intensity score and ESG score, including by reference, to the Reference Comparator, and its composition, is available to unitholders upon request to the Manager.

BlackRock FutureWise 2023-27

BlackRock FutureWise 2028-32

BlackRock FutureWise 2033-37

BlackRock FutureWise Early Days Aggregator

BlackRock FutureWise Retirement Aggregator

Over the financial year to 31 December 2023, the Funds' returned 12.44%, 14.46 %, 15.60%, 15.77% and 11.46% for the five Funds respectively.

The Manager has appointed FIL Investments International, who is the Investment Adviser to these Funds, to advise in relation to the composition of the portfolio for each of the FutureWise Funds pursuant to an investment advisory agreement. The Investment Adviser provides strategic and tactical asset allocation advice, including advice on the selection of the underlying funds, with regards to the assets of each of the BlackRock FutureWise Funds. In seeking to achieve their investment objectives, the Funds invest at least 70% of their total assets in units of collective investment schemes (i.e. other investment funds).

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

INVESTMENT MANAGER'S REPORT (continued)

Fund Performance Review and Activity (continued)

These collective investment schemes (which substantially comprise BlackRock Associated Funds and/or Fidelity Funds) provide the Funds exposure globally to equity securities (i.e. shares), fixed income securities (i.e. both government and non-government bonds) and, on a limited basis, to commodities. The Funds aim to invest in accordance with their environmental, social and governance ("ESG") policies. Refer to the Scheme's prospectus for more information on the ESG policies of each of the Funds.

Environmental, Social and Governance ("ESG") considerations review

Through the application of this ESG Policy, the Funds expect to achieve in its portfolio (in respect of only the underlying corporate issuers (i.e. companies) to which the Funds have exposure) a carbon emission intensity score that as calculated at the end of each calendar quarter, that is less than a portfolio that holds equivalent proportions (weighting) of equity securities as the Funds but that does not apply any ESG criteria (such comparable portfolio being represented by a reference benchmark (the "Reference Comparator"). Carbon emission intensity scores are a measurement of issuers' carbon emissions relative to their size. In measuring the size of corporate issuers for this purpose, it is intended that the Funds use the corporate issuers' enterprise value including cash ("EVIC") but it may use another measure instead if it is considered more appropriate or necessary as a result of changes in regulation, market practice or available data. As at 31 December 2023, the Funds' carbon emission intensity scores were 31.20, 30.76, 30.29, 30.08 and 30.86 (in tonnes of carbon dioxide emissions/\$m enterprise value terms) versus their appropriate Reference Comparators which were 44.93, 50.53, 54.02, 53.77 and 42.44, respectively for the five Funds. Throughout the period to 31 December 2023, the Funds' average carbon emission intensity scores were 31.32, 30.43, 29.69, 29.19 and 31.28 versus their appropriate Reference Comparators which were 46.58, 52.32, 55.53, 54.90 and 43.67.

The Funds may invest in collective investment schemes which primarily invest in government bonds ("Government Bond Funds"). Of the assets that it invests in Government Bond Funds, the Funds will invest at least 80% in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign credit rating of BB or higher (as defined by Morgan Stanley Capital International (MSCI) or another third party data vendor) ("ESG Government Bond Funds"). As at 31 December 2023, the BlackRock FutureWise 2023-27 Fund, the BlackRock FutureWise 2028-32 Fund and the BlackRock FutureWise Retirement Aggregator Fund held 4.60%, 1.60% and 7.0% of their Government Bond asset allocation in investments in Government Bond Funds, respectively. The BlackRock FutureWise 2033-37 Fund and the BlackRock FutureWise Early Days Aggregator Fund currently do not allocate to Government Bond Funds. Of those Funds where there is an allocation to Government Bond Funds, 100% of such Funds track a benchmark that invests primarily in government bonds with an ESG sovereign credit rating of BB or higher.

Of the total assets that the Funds invest in collective investment schemes (other than Government Bond Funds), the Funds seek to invest at least 80% in collective investment schemes which;

- 1) track benchmark indices that apply screens and exclusionary criteria based on ESG-related limits/thresholds, and/or,
- 2) otherwise include/exclude and/or overweight/underweight (i.e. allocate a higher or lower proportion of assets under management) to investments from an underlying benchmark based on the ESG-related characteristics (together, "ESG Funds").

As at 31 December 2023, all of the FutureWise Funds held 100% of their non - Government Bond Funds asset allocation in such investments in ESG Funds.

Quarterly reporting of the Fund's carbon emission intensity score, including by reference, to the Reference Comparator, and its composition, is available to unitholders upon request to the Manager.

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

INVESTMENT MANAGER'S REPORT (continued)

Fund Performance Review and Activity (continued)

BlackRock Pension Growth Fund

Over the financial year to 31 December 2023, the Fund's performance return was 12.38% and the active return was 4.15%, outperforming its comparator benchmark which returned 8.23% (active return is the difference between the Fund's performance return and the comparator benchmark return).

In 2023, investors continued to navigate a new regime marked by heightened macroeconomic and market volatility. Many developed equity and fixed income markets displayed positive returns during the year, fueled by hopes that inflation had peaked leading to central banks starting to slow their tightening cycles and eventually cut interest rates back to lower levels.

Developed Market equities outperformed their Emerging Market counterparts during the period. US equity markets soared, supported by optimism within the technology sector driven by the positive sentiment around the rise of artificial intelligence. Within fixed income markets, bond yields (which move inversely to bond prices) fell resulting in prices rising during the year. Corporate bonds outperformed government bonds throughout the period due to support for risky assets which was driven by stronger economic data, resilience in corporate profitability within select sectors, and strong investor demand for yield (corporate bonds are perceived as riskier than government bonds as the default risk for corporate bonds is deemed higher than that of government bonds of similar maturity).

In the first quarter of 2023, strong equity and bond market performance in January was partially offset by market moves in February and March. Reassuring economic data released by central banks eased fears of a recession in major economies, but concerns mounted that interest rates would have to stay higher for longer to bring inflation back towards target. Major central banks continued to hike interest rates and indicated that there was still some way to go to bring inflation closer to target levels.

In the second quarter of 2023, key drivers of performance continued to include persistently high inflation and the impact of rising interest rates on the global economy. Diversification played an important role as performance across asset classes remained volatile.

The positive returns seen in the first half of 2023 stalled somewhat during the third quarter and more specifically in the month of September which was challenging for both equity and bond markets. Bond prices fell as yields rose, and equities also fell on the back of expectations that interest rates would have to stay higher for longer.

Towards the end the year, in the fourth quarter of 2023, equity and bond markets rallied as market participants began forecasting interest rate cuts in 2024 in the major developed markets. US economic data and comments from the Federal Reserve were key catalysts for the change in expectations of future interest rates. This marked a change from previous periods during which there had been concerns that central banks might increase interest rates in an effort to curb inflation.

In the currency markets, the US dollar weakened by circa 6% versus sterling (Source: BlackRock, as of 31 December 2023). This resulted in an outperformance of hedged versus unhedged exposures.

BlackRock Growth Allocation Fund

Over the period from the Fund launch on 14 June 2023 to the period ended 31 December 2023, the Fund's performance return was 7.54%. Given the Fund's launch date of 14 June 2023, the following section focuses on the performance during the six months ended 31 December 2023.

INVESTMENT MANAGER'S REPORT (continued)

Fund Performance Review and Activity (continued)

Equities showed strong performance in the second half of 2023, with Developed Market equities and Developed Market Small Cap equities outperforming Emerging Market equities. These returns can be attributed to the expectations for lower interest rates in 2024 and an avoidance of a significant recession. Developed Market equities were also supported by a strong year for large cap technology stocks. Real estate investment trusts posted strong returns in the last six months of 2023 driven by their performance in the months of November and December 2023. Developed Market equities are the largest holding in the Fund's equity allocation and therefore had significant impact on performance during the period.

A notable feature during the period was the large increases in asset prices during the last quarter of 2023. Market participants began forecasting interest rate cuts in major developed markets. This marked a change from previous periods during which there had been concerns that central banks might continue to increase interest rates to curb inflation. Typically, when the market expects future interest rates to fall, consumers and businesses increase spending and this increased spending often causes stock prices to rise.

Environmental, Social and Governance ("ESG") considerations review

As part of its investment process, the Investment Manager applies an ESG commitment to its selection of Collective Investment Schemes ("CIS"). Of the total value of the assets at any time that the Fund invests in CIS other than commodity funds, the Fund will invest at least 80% of the total value of such assets at any time in CIS which themselves apply which themselves apply ESG criteria ("ESG Funds") which includes:

- 1) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective as outlined in the Scheme's Prospectus; and/or
- 2) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

As at 31 December 2023, at least 80% of the total value of such assets in the Fund were held in these ESG Funds.

The Investment Manager will monitor the application of the ESG commitments described above by measuring the "ESG score" of the Fund's portfolio and the "Carbon emission intensity score" of the Fund's portfolio, including by reference to a "Reference Comparator" (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments). Carbon emission intensity score are a measurement of carbon emissions of an issuer relative to the issuer's size. The Investment Manager intends to use their reported sales but it may use another measure instead if it considers it appropriate or necessary as a result of changes in regulation, market practice or available data. Further details on the calculation of carbon emission intensity score can be found in the Scheme's Prospectus. As at 31 December 2023, the Fund's carbon emission intensity score was 91.18 versus the Reference Comparator which was 125.56. Throughout the period since the Fund's launch to 31 December 2023, the Fund's average carbon emission intensity score was 96.90 versus the Reference Comparator's average carbon emission intensity score which was 130.99.

ESG scores are a measurement of issuers' ESG credentials. The ESG score of the Fund's portfolio is calculated based on the ESG scores attributed to the issuers in which the Fund invests either indirectly through collective investment schemes or directly (but excluding assets for which ESG scores are not available such as commodities (indirect exposure only)). The same exclusion is applied to the ESG score calculated for the Reference Comparator. Further details on the calculation of the ESG scores can be found in the Scheme's Prospectus. As at 31 December 2023, the Fund's ESG score was 7.04 versus the Reference Comparator which was 6.69. Throughout the period since the Fund's launch to 31 December 2023, the Fund's average ESG score was 7.03 versus the Reference Comparator's average ESG score which was 6.68.

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INVESTMENT MANAGER'S REPORT (continued)

Fund Performance Review and Activity (continued)

BlackRock Retirement Allocation Fund

Over the period from the Fund launch on 14 June 2023 to the period ended 31 December 2023, the Fund's performance return was 6.10%. Given the Fund's launch date of 14 June 2023, the following section focuses on the performance during the six months ended 31 December 2023.

Equities showed strong performance in the second half of 2023, with Developed Market equities and Developed Market Small Cap equities both outperforming Emerging Market equities. These returns can be attributed to the expectations for lower interest rates in 2024 and an avoidance of a significant recession. Developed Market equities were also supported by a strong year for large cap technology stocks. Real estate investment trusts posted strong returns in the last six months of 2023 driven by their performance in the months of November and December 2023. Developed Market equities are the largest holding in the Fund's equity allocation and therefore had significant impact on performance during the period.

Overall, the fixed income holdings contributed positively to performance. UK corporate bonds outperformed government bonds throughout the period due to support for risky assets which was driven by stronger economic data, resilience in corporate profitability within select sectors, and strong investor demand for yield (corporate bonds are perceived as riskier than government bonds as the default risk for corporate bonds is deemed higher than that of government bonds of similar maturity).

A notable feature during the period was the large increase in asset prices during the last quarter of 2023. Market participants began forecasting interest rate cuts in major developed markets. This marked a change from previous periods during which there had been concerns that central banks might continue to increase interest rates to curb inflation. Typically, when the market expects future interest rates to fall, consumers and businesses increase spending and this increased spending often causes stock prices to rise.

Environmental, Social and Governance ("ESG") considerations review

As part of its investment process, the Investment Manager applies an ESG commitments to its selection of Collective Investment Schemes ("CIS"). Of the total value of the assets at any time that the Fund invests in CIS that primarily invest in government bonds ("Government Bond Funds"), the Fund will invest at least 80% of the total value of such assets in Government Bond Funds that track benchmark indices primarily comprising government bond issuers with an ESG sovereign rating of BB or higher (as defined by MSCI or the comparable rating of another third-party vendor). As at 31 December 2023, the Fund held at least 80% of their Government Bond asset allocation in such Investments.

Of the assets that the Fund invests in collective investment schemes other than Government Bond Funds and commodity funds ("CIS"), the Fund will invest at least 80% of the total value of such assets at any time in CIS which themselves apply which themselves apply ESG criteria ("ESG Funds") which includes:

- 1) the exclusion or underweighting of issuers or sectors which are involved (which may be up to a certain threshold) in activities that the Investment Manager considers negative from an ESG investing perspective as outlined in the Scheme's Prospectus; and/or
- 2) the inclusion or overweighting of issuers or sectors based on activities that the Investment Manager considers positive from an ESG investing perspective.

As at 31 December 2023, at least 80% of the total value of such assets in the Fund were held in these ESG Funds.

INVESTMENT MANAGER'S REPORT (continued)

Fund Performance Review and Activity (continued)

The Investment Manager will monitor the application of the ESG commitments described above by measuring the “ESG score” of the Fund’s portfolio and the “Carbon emission intensity score” of the Fund’s portfolio, including by reference to a “Reference Comparator” (namely a notional portfolio that represents the investment universe of the Fund but which does not apply any ESG commitments). Carbon emission intensity score are a measurement of carbon emissions of an issuer relative to the issuer’s size. The Investment Manager intends to use their reported sales but it may use another measure instead if it considers it appropriate or necessary as a result of changes in regulation, market practice or available data. Further details on the calculation of carbon emission intensity score can be found in the Scheme’s Prospectus. As at 31 December 2023, the Fund’s carbon emission intensity score was 75.64 versus the Reference Comparator which was 127.76. Throughout the period since the Fund’s launch to 31 December 2023, the Fund’s average carbon emission intensity score was 84.39 versus the Reference Comparator’s average carbon emission intensity score which was 136.44.

ESG scores are a measurement of issuers’ ESG credentials. The ESG score of the Fund’s portfolio is calculated based on the ESG scores attributed to the issuers in which the Fund invests either indirectly through collective investment schemes or directly (but excluding assets for which ESG scores are not available such as commodities (indirect exposure only)). The same exclusion is applied to the ESG score calculated for the Reference Comparator. Further details on the calculation of the ESG scores can be found in the Scheme’s Prospectus. As at 31 December 2023, the Fund’s ESG score was 7.64 versus the Reference Comparator which was 6.38. Throughout the period since the Fund’s launch to 31 December 2023, the Fund’s average ESG score was 6.73 versus the Reference Comparator’s average ESG score which was 6.37.

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REPORT ON REMUNERATION

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

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

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

Remuneration Governance

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

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

(a) MDCC

The MDCC's purposes include:

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

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, who has no relationship with BlackRock Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which requires each meet a "non-employee director" standard.

The MDCC held 7 meetings during 2023. The MDCC charter is available on BlackRock, Inc.'s website (www.blackrock.com).

REPORT ON REMUNERATION (continued)

(b) The Manager's Board

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

The responsibilities of the supervisory function include:

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

Decision-making process

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

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

Annual incentive awards are paid from a bonus pool.

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

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

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

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

Individuals are not involved in setting their own remuneration.

REPORT ON REMUNERATION (continued)

Control functions

Each of the control functions (Enterprise Risk, Legal & Compliance, Finance, Human Resources and Internal Audit) has its own organisational structure which is independent of the business units and therefore staff members in control functions are remunerated independently of the businesses they oversee. The head of each control function is either a member of the Global Executive Committee (“GEC”), the global management committee, or has a reporting obligation to the board of directors of BlackRock Group Limited, the parent company of all of BlackRock’s EMEA regulated entities, including the Manager.

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

Link between pay and performance

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

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

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

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

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REPORT ON REMUNERATION (continued)

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

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

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

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

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

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

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

REPORT ON REMUNERATION (continued)

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of As Adjusted Operating Margin¹ and Organic Revenue Growth². Determination of pay-out will be made based on the firm’s achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where the firm’s financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have “skin in the game” through significant personal investments.

Identified Staff

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

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- organisational changes;
- new business initiatives;
- changes in significant influence function lists;
- changes in role responsibilities; and
- revised regulatory direction.

BlackRock applies the proportionality principle in respect of staff identified as “Identified Staff”.

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

Quantitative Remuneration Disclosure

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

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

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

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

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

REPORT ON REMUNERATION (continued)

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager is included in the aggregate figures disclosed.

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

The amount of the total remuneration awarded to the Manager's staff in respect of the Manager's financial year ending 31 December 2023 is USD 171.29 million. This figure is comprised of fixed remuneration of USD 98.27 million and variable remuneration of USD 73.02 million. There were a total of 3,683 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager in respect of the Manager's financial year ending 31 December 2023, to its senior management was USD 6.11 million, and to other members of its staff whose actions potentially have a material impact on the risk profile of the Manager or its funds was USD 4.20 million.

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

ACCOUNTING AND DISTRIBUTION POLICIES*

for the year ended 31 December 2023

Accounting Policies

(a) The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for Authorised Funds (the “SORP”) issued by the Investment Management Association (now known as the Investment Association) in May 2014 and amended in June 2017.

The financial statements (with the exception of ACS LifePath 2022-2024) have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The Funds are able to meet all of their liabilities from their assets. The performance, marketability and risks of the Funds are reviewed on a regular basis throughout the financial period. The Directors of the Manager believe that the Funds will continue in operational existence for a period of least one year from the date of approval of the financial statements and are financially sound. Therefore, it is appropriate to continue to adopt the going concern basis, except for ACS LifePath 2022-2024 Fund.

The ACS LifePath 2022-2024 will reach its target date at the end of 2024 and the Manager intends to close the fund in the second half of 2025. As a result, these financial statements are prepared on other than going concern basis for the year ended 31 December 2023. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimated settlement amount. The liquidation costs are borne by the Manager.

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

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

All revenue is recognised as a gross amount that takes account of any withholding taxes but excludes any other taxes such as attributable tax credits.

Bank interest is recognised on an accruals basis.

(c) Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.

(d) The underlying circumstances behind both special dividends and share buy backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Amounts recognised as revenue form part of the distribution. Any tax treatment will follow the accounting treatment of the principal amount.

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

(f) All distributions from Collective Investment Schemes (“CIS”) are recognised when the securities are quoted ex-dividend. All distributions from holdings in CIS are treated as revenue with the exception of the equalisation element, which is treated as capital.

Any reported revenue from an offshore fund with reporting status from His Majesty’s Revenue & Customs (HMRC), in excess of any distribution received in the reporting period, is recognised as revenue if the reporting fund makes this information available before the year end of the sub-fund. The equalisation element is treated as capital.

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

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

(i) No provision for corporation tax is made due to the tax transparent nature of the Funds, in accordance with section 1121 of Corporation Tax Act 2010. Instead, the unitholders of the Funds are treated as if they owned the underlying assets directly, and are taxed on their share of the income derived from the underlying assets.

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

ACCOUNTING AND DISTRIBUTION POLICIES (continued)

Accounting Policies (continued)

(j) Where the end of the accounting year on the balance sheet date is a business day, the valuation point is 12 noon, and where the end of the accounting year on the balance sheet date is a non-business day, the valuation point is end of day. All investments are valued at their fair value as at the end of the accounting year. In the case of an investment which is not quoted, listed or dealt in on a recognised market, or in respect of which a listed, traded or dealt price or quotation is not available at the time of valuation, the fair value of such investment shall be estimated with care and in good faith by a competent professional person, body, firm or corporation including the Manager's pricing committee and such fair value shall be determined on the basis of the probable realisation value of the investment. The Manager shall be entitled to adopt an alternative method of valuing any particular asset if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset or liability.

Investments in dual priced and single priced Collective Investment Schemes have been valued at bid values and market values, respectively, also defined as fair value, which is usually the latest available price at the Funds' close of business valuation point on the last business day of the accounting year.

(k) Any transactions in foreign currencies are translated into Sterling at the rates of exchange ruling on the date of any such transaction. Assets and liabilities in foreign currencies are translated into Sterling at the exchange rates ruling at 12 noon on the last business day of the accounting year. Revenue items in foreign currencies are translated into Sterling at the exchange rate when the revenue is received.

(l) Where appropriate, certain permitted financial instruments such as derivatives or forward currency contracts are used for efficient portfolio management. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in "Revenue" in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in "Net capital gains" in the Statement of Total Return.

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

Distribution Policies

(n) The ordinary element of stock dividends is treated as revenue but does not form part of the distribution.

(o) All of the net revenue available for distribution at the final accounting year end will be retained within the Funds, as all unitholders are accumulation unitholders. Although the income is accumulated it is still deemed to arise directly to the investor. Should expenses exceed revenue, there will be no distribution and the shortfall will be met from capital.

FINANCIAL INSTRUMENTS AND RISKS*

Introduction and overview

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

Risk management framework

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

The Manager has appointed a risk manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the Risk and Quantitative Analysis Group ("RQA Group") which is a centralised group which performs an independent risk management function. The RQA Group independently identifies, measures and monitors investment risk. The RQA Group tracks the actual risk management practices being deployed across the different funds. By breaking down the components of the process, the RQA Group has the ability to determine if the appropriate risk management processes are in place for the Funds. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

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

a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Funds may suffer through holding market positions in the face of market movements. The Funds are potentially exposed to market risk by virtue of its investments in equities and futures contracts.

A key metric the RQA Group uses to measure market risk is VaR which encompasses price, currency and interest rate risk. VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis.

The VaR calculations are based on an adjusted historical simulation model with a confidence level of 99%, a holding period of one day and a historical observation period of not less than one year (250 days). A VaR number is defined at a specified probability and a specified time horizon. A 99% one day VaR means that the expectation is that 99% of the time over a one day period the Funds will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk.

It is noted that the use of the VaR methodology has limitations, namely assumptions that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR amounts. These limitations and the nature of the VaR measure mean that the Fund can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts, will not occur more frequently.

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

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

FINANCIAL INSTRUMENTS AND RISKS (continued)

The one day VaR as at 31 December 2023 based on a 99% confidence level is outlined in the table below:

Fund	31 December 2023	31 December 2022
	%	%
ACS LifePath 2022-2024	0.82	1.81
ACS LifePath 2025-2027	0.90	1.84
ACS LifePath 2028-2030	0.96	1.88
ACS LifePath 2031-2033	1.04	1.94
ACS LifePath 2034-2036	1.11	2.02
ACS LifePath 2037-2039	1.18	2.12
ACS LifePath 2040-2042	1.26	2.24
ACS LifePath 2043-2045	1.32	2.40
ACS LifePath 2046-2048	1.39	2.55
ACS LifePath 2049-2051	1.45	2.68
ACS LifePath 2052-2054	1.49	2.78
ACS LifePath 2055-2057	1.51	2.82
BlackRock FutureWise 2023-27	0.89	2.09
BlackRock FutureWise 2028-32	1.24	2.73
BlackRock FutureWise 2033-37	1.50	3.09
BlackRock FutureWise Early Days Aggregator	1.50	3.06
BlackRock FutureWise Retirement Aggregator	0.84	1.80
BlackRock Growth Allocation Fund*	1.50	–
BlackRock Pension Growth Fund	1.06	1.77
BlackRock Retirement Allocation Fund*	0.82	–

*These Funds launched on 14 June 2023, therefore no comparatives have been presented.

i) Market risk arising from foreign currency risk

Exposure to foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Funds are accounted for in Sterling and hold financial assets and financial liabilities denominated in Sterling and other international currencies, with the effect that the Balance Sheet and Statement of Total Return can be affected by currency movements.

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

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

The tables in the following pages outline the Funds' exposure to foreign currency risk as at the Balance Sheet date.

31 December 2023				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
ACS LifePath 2022-2024				
Australian dollar	1,540	(2,990)	(1,450)	(0.52)
Canadian dollar	2,486	(4,799)	(2,313)	(0.83)
Danish kroner	477	(954)	(477)	(0.17)
Euro	12,845	(24,683)	(11,838)	(4.23)
Hong Kong dollar	261	(522)	(261)	(0.09)
Israeli new shekel	99	(198)	(99)	(0.04)
Japanese yen	8,856	(16,676)	(7,820)	(2.80)
New Zealand dollar	83	(130)	(47)	(0.02)
Norwegian krone	288	(508)	(220)	(0.08)
Singapore dollar	220	(344)	(124)	(0.04)
Swedish krona	497	(949)	(452)	(0.16)
Swiss franc	1,500	(2,773)	(1,273)	(0.46)
US dollar	50,838	(96,952)	(46,114)	(16.50)
Total exposure to foreign currencies	79,990	(152,478)	(72,488)	(25.94)
ACS LifePath 2025-2027				
Australian dollar	4,628	(9,117)	(4,489)	(0.51)
Canadian dollar	7,573	(14,877)	(7,304)	(0.82)
Danish kroner	1,607	(3,216)	(1,609)	(0.18)
Euro	37,417	(71,831)	(34,414)	(3.88)
Hong Kong dollar	875	(1,749)	(874)	(0.10)
Israeli new shekel	298	(597)	(299)	(0.03)
Japanese yen	24,443	(46,130)	(21,687)	(2.44)
New Zealand dollar	267	(422)	(155)	(0.02)
Norwegian krone	888	(1,591)	(703)	(0.08)
Singapore dollar	768	(1,216)	(448)	(0.05)
Swedish krona	1,678	(3,217)	(1,539)	(0.17)
Swiss franc	4,838	(9,081)	(4,243)	(0.48)
US dollar	168,373	(312,321)	(143,948)	(16.22)
Total exposure to foreign currencies	253,653	(475,365)	(221,712)	(24.98)

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2023				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
ACS LifePath 2028-2030				
Australian dollar	3,083	(6,463)	(3,380)	(0.47)
Canadian dollar	5,062	(10,572)	(5,510)	(0.76)
Danish kroner	1,083	(2,301)	(1,218)	(0.17)
Euro	23,447	(47,965)	(24,518)	(3.39)
Hong Kong dollar	628	(1,255)	(627)	(0.09)
Israeli new shekel	253	(507)	(254)	(0.04)
Japanese yen	15,155	(30,557)	(15,402)	(2.13)
New Zealand dollar	169	(337)	(168)	(0.02)
Norwegian krone	598	(1,197)	(599)	(0.08)
Singapore dollar	503	(874)	(371)	(0.05)
Swedish krona	1,183	(2,367)	(1,184)	(0.16)
Swiss franc	3,347	(6,700)	(3,353)	(0.46)
US dollar	116,143	(224,098)	(107,955)	(14.95)
Total exposure to foreign currencies	170,654	(335,193)	(164,539)	(22.77)
ACS LifePath 2031-2033				
Australian dollar	5,853	(12,225)	(6,372)	(0.42)
Canadian dollar	9,580	(19,920)	(10,340)	(0.68)
Danish kroner	2,155	(4,546)	(2,391)	(0.16)
Euro	41,597	(84,377)	(42,780)	(2.81)
Hong Kong dollar	1,265	(2,530)	(1,265)	(0.08)
Israeli new shekel	430	(863)	(433)	(0.03)
Japanese yen	27,308	(54,483)	(27,175)	(1.78)
New Zealand dollar	270	(541)	(271)	(0.02)
Norwegian krone	1,149	(2,300)	(1,151)	(0.08)
Singapore dollar	997	(1,762)	(765)	(0.05)
Swedish krona	2,378	(4,758)	(2,380)	(0.16)
Swiss franc	6,530	(13,073)	(6,543)	(0.43)
US dollar	222,634	(423,257)	(200,623)	(13.18)
Total exposure to foreign currencies	322,146	(624,635)	(302,489)	(19.88)

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2023				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
ACS LifePath 2034-2036				
Australian dollar	3,669	(6,990)	(3,321)	(0.36)
Canadian dollar	5,995	(11,337)	(5,342)	(0.59)
Danish kroner	1,400	(2,687)	(1,287)	(0.14)
Euro	24,333	(45,283)	(20,950)	(2.30)
Hong Kong dollar	830	(1,546)	(716)	(0.08)
Israeli new shekel	303	(604)	(301)	(0.03)
Japanese yen	16,331	(29,897)	(13,566)	(1.49)
New Zealand dollar	174	(347)	(173)	(0.02)
Norwegian krone	726	(1,271)	(545)	(0.06)
Singapore dollar	727	(1,152)	(425)	(0.05)
Swedish krona	1,650	(2,996)	(1,346)	(0.15)
Swiss franc	4,165	(7,623)	(3,458)	(0.38)
US dollar	137,243	(241,303)	(104,060)	(11.44)
Total exposure to foreign currencies	197,546	(353,036)	(155,490)	(17.09)
ACS LifePath 2037-2039				
Australian dollar	5,560	(10,436)	(4,876)	(0.31)
Canadian dollar	9,039	(16,823)	(7,784)	(0.49)
Danish kroner	2,192	(4,126)	(1,934)	(0.12)
Euro	34,746	(63,689)	(28,943)	(1.82)
Hong Kong dollar	1,311	(2,401)	(1,090)	(0.07)
Israeli new shekel	497	(990)	(493)	(0.03)
Japanese yen	23,687	(42,875)	(19,188)	(1.21)
New Zealand dollar	301	(602)	(301)	(0.02)
Norwegian krone	1,110	(1,918)	(808)	(0.05)
Singapore dollar	1,010	(1,669)	(659)	(0.04)
Swedish krona	2,470	(4,525)	(2,055)	(0.13)
Swiss franc	6,421	(11,572)	(5,151)	(0.32)
US dollar	206,734	(358,383)	(151,649)	(9.53)
Total exposure to foreign currencies	295,078	(520,009)	(224,931)	(14.14)

FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2023				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
ACS LifePath 2040-2042				
Australian dollar	2,320	(4,236)	(1,916)	(0.24)
Canadian dollar	3,757	(6,808)	(3,051)	(0.38)
Danish kroner	945	(1,724)	(779)	(0.10)
Euro	13,539	(24,282)	(10,743)	(1.35)
Hong Kong dollar	570	(1,014)	(444)	(0.06)
Israeli new shekel	227	(452)	(225)	(0.03)
Japanese yen	9,414	(16,615)	(7,201)	(0.90)
New Zealand dollar	135	(269)	(134)	(0.02)
Norwegian krone	468	(789)	(321)	(0.04)
Singapore dollar	435	(707)	(272)	(0.03)
Swedish krona	1,074	(1,910)	(836)	(0.11)
Swiss franc	2,731	(4,797)	(2,066)	(0.26)
US dollar	85,858	(145,268)	(59,410)	(7.46)
Total exposure to foreign currencies	121,473	(208,871)	(87,398)	(10.98)
ACS LifePath 2043-2045				
Australian dollar	3,123	(6,563)	(3,440)	(0.25)
Canadian dollar	5,033	(10,478)	(5,445)	(0.39)
Danish kroner	1,305	(2,611)	(1,306)	(0.09)
Euro	17,086	(35,057)	(17,971)	(1.30)
Hong Kong dollar	792	(1,585)	(793)	(0.06)
Israeli new shekel	339	(676)	(337)	(0.02)
Japanese yen	12,156	(24,556)	(12,400)	(0.90)
New Zealand dollar	197	(394)	(197)	(0.01)
Norwegian krone	636	(1,270)	(634)	(0.05)
Singapore dollar	601	(1,203)	(602)	(0.04)
Swedish krona	1,495	(2,991)	(1,496)	(0.11)
Swiss franc	3,729	(7,471)	(3,742)	(0.27)
US dollar	115,033	(223,141)	(108,108)	(7.84)
Total exposure to foreign currencies	161,525	(317,996)	(156,471)	(11.33)

FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2023				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
ACS LifePath 2046-2048				
Australian dollar	1,071	(2,245)	(1,174)	(0.17)
Canadian dollar	1,702	(3,537)	(1,835)	(0.27)
Danish kroner	454	(909)	(455)	(0.07)
Euro	5,403	(11,026)	(5,623)	(0.83)
Hong Kong dollar	281	(562)	(281)	(0.04)
Israeli new shekel	101	(202)	(101)	(0.01)
Japanese yen	3,963	(7,944)	(3,981)	(0.59)
New Zealand dollar	104	(208)	(104)	(0.02)
Norwegian krone	218	(436)	(218)	(0.03)
Polish zloty	9	(18)	(9)	–
Singapore dollar	211	(421)	(210)	(0.03)
South Korean won	–	(85)	(85)	(0.01)
Swedish krona	524	(1,048)	(524)	(0.08)
Swiss franc	1,302	(2,608)	(1,306)	(0.19)
US dollar	38,479	(75,270)	(36,791)	(5.43)
Total exposure to foreign currencies	53,822	(106,519)	(52,697)	(7.77)
ACS LifePath 2049-2051				
Australian dollar	1,772	(2,745)	(973)	(0.09)
Canadian dollar	2,777	(4,277)	(1,500)	(0.14)
Danish kroner	756	(1,169)	(413)	(0.04)
Euro	8,392	(12,720)	(4,328)	(0.40)
Hong Kong dollar	475	(723)	(248)	(0.02)
Israeli new shekel	232	(318)	(86)	(0.01)
Japanese yen	6,336	(9,513)	(3,177)	(0.29)
New Zealand dollar	131	(262)	(131)	(0.01)
Norwegian krone	360	(527)	(167)	(0.02)
Polish zloty	23	(45)	(22)	–
Singapore dollar	352	(507)	(155)	(0.01)
South Korean won	–	(152)	(152)	(0.01)
Swedish krona	877	(1,335)	(458)	(0.04)
Swiss franc	2,174	(3,282)	(1,108)	(0.10)
US dollar	61,112	(91,237)	(30,125)	(2.77)
Total exposure to foreign currencies	85,769	(128,812)	(43,043)	(3.95)

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2023				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
ACS LifePath 2052-2054				
Australian dollar	406	(813)	(407)	(0.08)
Canadian dollar	628	(1,306)	(678)	(0.14)
Danish kroner	174	(349)	(175)	(0.04)
Euro	1,827	(3,708)	(1,881)	(0.39)
Hong Kong dollar	110	(220)	(110)	(0.02)
Israeli new shekel	40	(80)	(40)	(0.01)
Japanese yen	1,443	(2,892)	(1,449)	(0.30)
New Zealand dollar	61	(121)	(60)	(0.01)
Norwegian krone	82	(164)	(82)	(0.02)
Polish zloty	15	(30)	(15)	–
Singapore dollar	81	(163)	(82)	(0.02)
South Korean won	–	(34)	(34)	(0.01)
Swedish krona	202	(404)	(202)	(0.04)
Swiss franc	500	(1,001)	(501)	(0.10)
US dollar	13,601	(28,019)	(14,418)	(2.97)
Total exposure to foreign currencies	19,170	(39,304)	(20,134)	(4.15)
ACS LifePath 2055-2057				
Australian dollar	572	(1,143)	(571)	(0.08)
Canadian dollar	877	(1,826)	(949)	(0.14)
Danish kroner	246	(491)	(245)	(0.04)
Euro	2,491	(5,066)	(2,575)	(0.38)
Hong Kong dollar	156	(312)	(156)	(0.02)
Israeli new shekel	57	(114)	(57)	(0.01)
Japanese yen	2,019	(4,047)	(2,028)	(0.30)
New Zealand dollar	86	(171)	(85)	(0.01)
Norwegian krone	116	(231)	(115)	(0.02)
Polish zloty	13	(25)	(12)	–
Singapore dollar	115	(230)	(115)	(0.02)
South Korean won	–	(53)	(53)	(0.01)
Swedish krona	286	(572)	(286)	(0.04)
Swiss franc	703	(1,408)	(705)	(0.10)
US dollar	18,740	(38,946)	(20,206)	(2.98)
Total exposure to foreign currencies	26,477	(54,635)	(28,158)	(4.15)
Blackrock FutureWise 2028-32				
Euro	1	–	1	–
Total exposure to foreign currencies	1	–	1	–
BlackRock FutureWise 2033-37				
Euro	1	–	1	–
Total exposure to foreign currencies	1	–	1	–

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2023				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
BlackRock FutureWise Retirement Aggregator				
Euro	1	–	1	–
Total exposure to foreign currencies	1	–	1	–
BlackRock Growth Allocation Fund				
Australian dollar	670	(1,340)	(670)	(0.08)
Canadian dollar	1,026	(2,140)	(1,114)	(0.14)
Danish kroner	288	(576)	(288)	(0.04)
Euro	2,903	(5,916)	(3,013)	(0.38)
Hong Kong dollar	183	(366)	(183)	(0.02)
Israeli new shekel	67	(133)	(66)	(0.01)
Japanese yen	2,367	(4,744)	(2,377)	(0.30)
New Zealand dollar	100	(201)	(101)	(0.01)
Norwegian krone	135	(270)	(135)	(0.02)
Polish zloty	18	(36)	(18)	–
Singapore dollar	135	(269)	(134)	(0.02)
South Korean won	–	(64)	(64)	(0.01)
Swedish krona	335	(670)	(335)	(0.04)
Swiss franc	824	(1,651)	(827)	(0.10)
US dollar	22,299	(46,036)	(23,737)	(2.99)
Total exposure to foreign currencies	31,350	(64,412)	(33,062)	(4.16)
BlackRock Pension Growth Fund				
Euro	–	(697,918)	(697,918)	(8.15)
US dollar	671,090	(2,187,143)	(1,516,053)	(17.69)
Total exposure to foreign currencies	671,090	(2,885,061)	(2,213,971)	(25.84)
BlackRock Retirement Allocation Fund				
Australian dollar	1,001	(2,001)	(1,000)	(0.53)
Canadian dollar	1,615	(3,184)	(1,569)	(0.83)
Danish kroner	310	(620)	(310)	(0.16)
Euro	8,644	(16,662)	(8,018)	(4.23)
Hong Kong dollar	169	(339)	(170)	(0.09)
Israeli new shekel	72	(121)	(49)	(0.03)
Japanese yen	5,895	(11,181)	(5,286)	(2.79)
New Zealand dollar	41	(82)	(41)	(0.02)
Norwegian krone	187	(336)	(149)	(0.08)
Singapore dollar	143	(227)	(84)	(0.04)
Swedish krona	323	(647)	(324)	(0.17)
Swiss franc	975	(1,840)	(865)	(0.46)
US dollar	33,915	(65,805)	(31,890)	(16.84)
Total exposure to foreign currencies	53,290	(103,045)	(49,755)	(26.27)

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2022				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
ACS LifePath 2022-2024				
Australian dollar	4,329	(8,487)	(4,158)	(1.11)
Canadian dollar	6,824	(13,121)	(6,297)	(1.68)
Danish kroner	1,256	(2,424)	(1,168)	(0.31)
Euro	32,158	(63,053)	(30,895)	(8.26)
Hong Kong dollar	998	(1,958)	(960)	(0.26)
Israeli new shekel	335	(540)	(205)	(0.05)
Japanese yen	22,139	(43,104)	(20,965)	(5.61)
New Zealand dollar	74	(149)	(75)	(0.02)
Norwegian krone	827	(1,546)	(719)	(0.19)
Singapore dollar	653	(1,307)	(654)	(0.17)
Swedish krona	1,399	(2,760)	(1,361)	(0.36)
Swiss franc	3,866	(7,482)	(3,616)	(0.97)
US dollar	149,553	(272,731)	(123,178)	(32.94)
Total exposure to foreign currencies	224,411	(418,662)	(194,251)	(51.93)
ACS LifePath 2025-2027				
Australian dollar	8,557	(16,681)	(8,124)	(1.09)
Canadian dollar	13,418	(25,657)	(12,239)	(1.65)
Danish kroner	2,624	(5,056)	(2,432)	(0.33)
Euro	58,093	(112,118)	(54,025)	(7.27)
Hong Kong dollar	2,166	(4,249)	(2,083)	(0.28)
Israeli new shekel	700	(1,150)	(450)	(0.06)
Japanese yen	40,656	(77,863)	(37,207)	(5.01)
New Zealand dollar	139	(278)	(139)	(0.02)
Norwegian krone	1,706	(3,187)	(1,481)	(0.20)
Singapore dollar	1,403	(2,719)	(1,316)	(0.18)
Swedish krona	2,995	(5,897)	(2,902)	(0.39)
Swiss franc	8,301	(15,994)	(7,693)	(1.04)
US dollar	292,670	(528,573)	(235,903)	(31.76)
Total exposure to foreign currencies	433,428	(799,422)	(365,994)	(49.28)

FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2022				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
ACS LifePath 2028-2030				
Australian dollar	7,510	(14,574)	(7,064)	(1.08)
Canadian dollar	11,674	(22,246)	(10,572)	(1.62)
Danish kroner	2,382	(4,590)	(2,208)	(0.34)
Euro	47,043	(90,465)	(43,422)	(6.64)
Hong Kong dollar	2,006	(3,938)	(1,932)	(0.30)
Israeli new shekel	655	(1,085)	(430)	(0.07)
Japanese yen	33,550	(63,880)	(30,330)	(4.64)
New Zealand dollar	165	(330)	(165)	(0.03)
Norwegian krone	1,508	(2,817)	(1,309)	(0.20)
Singapore dollar	1,289	(2,491)	(1,202)	(0.18)
Swedish krona	2,780	(5,452)	(2,672)	(0.41)
Swiss franc	7,645	(14,688)	(7,043)	(1.08)
US dollar	250,159	(453,222)	(203,063)	(31.05)
Total exposure to foreign currencies	368,366	(679,778)	(311,412)	(47.64)
ACS LifePath 2031-2033				
Australian dollar	13,293	(26,666)	(13,373)	(1.07)
Canadian dollar	20,508	(40,337)	(19,829)	(1.59)
Danish kroner	4,341	(8,706)	(4,365)	(0.35)
Euro	77,287	(153,606)	(76,319)	(6.11)
Hong Kong dollar	3,713	(7,563)	(3,850)	(0.31)
Israeli new shekel	1,188	(2,059)	(871)	(0.07)
Japanese yen	56,017	(110,129)	(54,112)	(4.33)
New Zealand dollar	290	(582)	(292)	(0.02)
Norwegian krone	2,670	(5,155)	(2,485)	(0.20)
Singapore dollar	2,366	(4,734)	(2,368)	(0.19)
Swedish krona	5,161	(10,328)	(5,167)	(0.41)
Swiss franc	14,110	(28,000)	(13,890)	(1.11)
US dollar	435,698	(816,563)	(380,865)	(30.50)
Total exposure to foreign currencies	636,642	(1,214,428)	(577,786)	(46.26)

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2022				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
ACS LifePath 2034-2036				
Australian dollar	8,301	(16,653)	(8,352)	(1.07)
Canadian dollar	12,710	(24,953)	(12,243)	(1.56)
Danish kroner	2,781	(5,577)	(2,796)	(0.36)
Euro	44,894	(89,210)	(44,316)	(5.66)
Hong Kong dollar	2,409	(4,912)	(2,503)	(0.32)
Israeli new shekel	775	(1,354)	(579)	(0.07)
Japanese yen	33,078	(64,936)	(31,858)	(4.07)
New Zealand dollar	240	(482)	(242)	(0.03)
Norwegian krone	1,661	(3,209)	(1,548)	(0.20)
Singapore dollar	1,525	(3,051)	(1,526)	(0.19)
Swedish krona	3,363	(6,729)	(3,366)	(0.43)
Swiss franc	9,133	(18,086)	(8,953)	(1.14)
US dollar	266,724	(501,933)	(235,209)	(30.03)
Total exposure to foreign currencies	387,594	(741,085)	(353,491)	(45.13)
ACS LifePath 2037-2039				
Australian dollar	13,254	(26,588)	(13,334)	(1.05)
Canadian dollar	20,170	(39,679)	(19,509)	(1.53)
Danish kroner	4,541	(9,106)	(4,565)	(0.36)
Euro	67,190	(133,788)	(66,598)	(5.23)
Hong Kong dollar	3,977	(8,150)	(4,173)	(0.33)
Israeli new shekel	1,251	(2,228)	(977)	(0.08)
Japanese yen	50,220	(98,642)	(48,422)	(3.80)
New Zealand dollar	367	(736)	(369)	(0.03)
Norwegian krone	2,642	(5,124)	(2,482)	(0.20)
Singapore dollar	2,501	(5,004)	(2,503)	(0.20)
Swedish krona	5,565	(11,135)	(5,570)	(0.44)
Swiss franc	15,050	(29,877)	(14,827)	(1.16)
US dollar	418,602	(794,465)	(375,863)	(29.53)
Total exposure to foreign currencies	605,330	(1,164,522)	(559,192)	(43.94)

FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2022				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
ACS LifePath 2040-2042				
Australian dollar	6,696	(13,361)	(6,665)	(1.02)
Canadian dollar	10,123	(19,889)	(9,766)	(1.49)
Danish kroner	2,339	(4,691)	(2,352)	(0.36)
Euro	31,870	(63,433)	(31,563)	(4.81)
Hong Kong dollar	2,066	(4,236)	(2,170)	(0.33)
Israeli new shekel	671	(1,186)	(515)	(0.08)
Japanese yen	24,165	(47,388)	(23,223)	(3.54)
New Zealand dollar	169	(339)	(170)	(0.03)
Norwegian krone	1,263	(2,534)	(1,271)	(0.19)
Singapore dollar	1,292	(2,586)	(1,294)	(0.20)
Swedish krona	2,898	(5,799)	(2,901)	(0.44)
Swiss franc	7,803	(15,469)	(7,666)	(1.17)
US dollar	207,819	(396,346)	(188,527)	(28.75)
Total exposure to foreign currencies	299,174	(577,257)	(278,083)	(42.41)
ACS LifePath 2043-2045				
Australian dollar	10,323	(20,708)	(10,385)	(0.99)
Canadian dollar	15,530	(30,567)	(15,037)	(1.43)
Danish kroner	3,666	(7,351)	(3,685)	(0.35)
Euro	46,292	(92,393)	(46,101)	(4.39)
Hong Kong dollar	3,261	(6,717)	(3,456)	(0.33)
Israeli new shekel	1,022	(1,851)	(829)	(0.08)
Japanese yen	35,749	(70,219)	(34,470)	(3.28)
New Zealand dollar	352	(705)	(353)	(0.03)
Norwegian krone	2,042	(3,978)	(1,936)	(0.18)
Singapore dollar	2,031	(4,065)	(2,034)	(0.19)
Swedish krona	4,586	(9,176)	(4,590)	(0.44)
Swiss franc	12,307	(24,448)	(12,141)	(1.16)
US dollar	316,176	(607,490)	(291,314)	(27.73)
Total exposure to foreign currencies	453,337	(879,668)	(426,331)	(40.58)

FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2022				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
ACS LifePath 2046-2048				
Australian dollar	5,628	(10,715)	(5,087)	(0.95)
Canadian dollar	8,330	(15,638)	(7,308)	(1.36)
Danish kroner	1,994	(3,844)	(1,850)	(0.34)
Euro	23,534	(44,865)	(21,331)	(3.97)
Hong Kong dollar	1,804	(3,543)	(1,739)	(0.32)
Israeli new shekel	600	(1,026)	(426)	(0.08)
Japanese yen	18,554	(34,789)	(16,235)	(3.02)
New Zealand dollar	173	(348)	(175)	(0.03)
Norwegian krone	1,099	(2,046)	(947)	(0.18)
Polish zloty	9	(17)	(8)	–
Singapore dollar	1,117	(2,128)	(1,011)	(0.19)
South Korean won	–	(192)	(192)	(0.04)
Swedish krona	2,513	(4,842)	(2,329)	(0.43)
Swiss franc	6,747	(12,782)	(6,035)	(1.12)
US dollar	167,579	(309,618)	(142,039)	(26.43)
Total exposure to foreign currencies	239,681	(446,393)	(206,712)	(38.46)
ACS LifePath 2049-2051				
Australian dollar	7,757	(15,561)	(7,804)	(0.99)
Canadian dollar	11,348	(22,369)	(11,021)	(1.40)
Danish kroner	2,740	(5,495)	(2,755)	(0.35)
Euro	31,035	(62,228)	(31,193)	(3.97)
Hong Kong dollar	2,506	(5,189)	(2,683)	(0.34)
Israeli new shekel	794	(1,459)	(665)	(0.08)
Japanese yen	24,838	(48,843)	(24,005)	(3.06)
New Zealand dollar	206	(412)	(206)	(0.03)
Norwegian krone	1,499	(3,006)	(1,507)	(0.19)
Polish zloty	21	(43)	(22)	–
Singapore dollar	1,545	(3,092)	(1,547)	(0.20)
South Korean won	–	(453)	(453)	(0.06)
Swedish krona	3,468	(7,024)	(3,556)	(0.45)
Swiss franc	9315	(18,550)	(9,235)	(1.18)
US dollar	227,564	(442,744)	(215,180)	(27.41)
Total exposure to foreign currencies	324,636	(636,468)	(311,832)	(39.71)

FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2022				
Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
ACS LifePath 2052-2054				
Australian dollar	3,702	(7,427)	(3,725)	(1.02)
Canadian dollar	5,378	(10,596)	(5,218)	(1.43)
Danish kroner	1,306	(2,619)	(1,313)	(0.36)
Euro	14,434	(28,878)	(14,444)	(3.97)
Hong Kong dollar	1,202	(2,489)	(1,287)	(0.35)
Israeli new shekel	404	(726)	(322)	(0.09)
Japanese yen	11,630	(22,858)	(11,228)	(3.09)
New Zealand dollar	113	(227)	(114)	(0.03)
Norwegian krone	711	(1,426)	(715)	(0.20)
Polish zloty	14	(28)	(14)	–
Singapore dollar	740	(1,480)	(740)	(0.20)
South Korean won	–	(261)	(261)	(0.07)
Swedish krona	1,657	(3,354)	(1,697)	(0.47)
Swiss franc	4,452	(8,860)	(4,408)	(1.21)
US dollar	107,431	(209,502)	(102,071)	(28.05)
Total exposure to foreign currencies	153,174	(300,731)	(147,557)	(40.54)
ACS LifePath 2055-2057				
Australian dollar	4,638	(8,842)	(4,204)	(0.92)
Canadian dollar	6,717	(12,639)	(5,922)	(1.30)
Danish kroner	1,633	(3,162)	(1,529)	(0.34)
Euro	17,909	(34,198)	(16,289)	(3.58)
Hong Kong dollar	1,508	(3,017)	(1,509)	(0.33)
Israeli new shekel	506	(875)	(369)	(0.08)
Japanese yen	14,478	(27,175)	(12,697)	(2.79)
New Zealand dollar	154	(310)	(156)	(0.03)
Norwegian krone	888	(1,660)	(772)	(0.17)
Polish zloty	12	(24)	(12)	–
Singapore dollar	927	(1,770)	(843)	(0.19)
South Korean won	–	(365)	(365)	(0.08)
Swedish krona	2,076	(4,007)	(1,931)	(0.42)
Swiss franc	5,575	(10,592)	(5,017)	(1.10)
US dollar	135,077	(251,054)	(115,977)	(25.51)
Total exposure to foreign currencies	192,098	(359,690)	(167,592)	(36.84)
BlackRock Pension Growth Fund				
Euro	–	(599,184)	(599,184)	(7.51)
US dollar	872,360	(2,498,305)	(1,625,945)	(20.38)
Total exposure to foreign currencies	872,360	(3,097,489)	(2,225,129)	(27.89)

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

FINANCIAL INSTRUMENTS AND RISKS (continued)

Management of foreign currency risk

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

ii) Market risk arising from other price risk

Exposure to other price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Fund and the market price of its investments.

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

Management of other price risk

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

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

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

iii) Market risk arising from interest rate risk

Exposure to interest rate risk

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

The Funds are exposed to interest rate risk on their cash and bank balances held at The Northern Trust Company. Cash held on deposit at The Northern Trust Company receives/incurs interest at the prevailing daily rate which may be negative depending on the currency in which the cash is held.

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

At 31 December 2023 and 31 December 2022, no interest bearing investments were held by the Funds.

Management of interest rate risk

Interest rate risk exposure is managed by constantly monitoring the position for deviations outside a pre-determined tolerance level and, when necessary, rebalancing back to the original desired parameters.

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

FINANCIAL INSTRUMENTS AND RISKS (continued)

b) Counterparty credit risk

Exposure to counterparty credit risk

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

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

Management of counterparty credit risk

Counterparty credit risk is monitored and managed by BlackRock's RQA Counterparty & Concentration Risk Team. The team is headed by BlackRock's Chief Counterparty Credit Officer who reports directly to the Global Head of RQA Group. Credit authority resides with the Chief Counterparty Credit Officer and selected team members to whom specific credit authority has been delegated. As such, counterparty approvals may be granted by the Chief Counterparty Credit Officer or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Counterparty Credit Officer as deemed appropriate.

BlackRock's RQA Counterparty & Concentration Risk Team completes a formal review of each new counterparty, monitors and reviews all approved counterparties on an ongoing basis and maintains an active oversight of counterparty exposures.

The Manager maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's creditworthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

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

The Funds' holdings in OTC FDIs also expose the Funds to counterparty credit risk.

All OTC FDIs are entered into by the Funds under an International Swaps and Derivatives Associations, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement. An ISDA Master Agreement is a bilateral agreement between the Funds and a counterparty that governs OTC FDIs entered into by the parties. The parties' exposures under the ISDA Master Agreement are netted and collateralised together, therefore any collateral disclosures provided are in respect of all OTC FDIs entered into by the Funds under the ISDA Master Agreement. All collateral received/posted by the Funds under the ISDA Master Agreement is transferred bilaterally under a title transfer arrangement.

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

Management of counterparty credit risk related to OTC FDIs

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

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

FINANCIAL INSTRUMENTS AND RISKS (continued)

The following table details the counterparties the Funds are exposed to by OTC FDIs and the maximum exposure (which is calculated on a net basis) to each counterparty.

Counterparty	31 December 2023		31 December 2022	
	Forwards £000's	Total Exposure £000's	Forwards £000's	Total Exposure £000's
ACS LifePath 2022-2024				
Barclays Bank	–	–	6	6
Deutsche Bank	(389)	(389)	(79)	(79)
HSBC Bank	–	–	30	30
J.P. Morgan Chase Bank	(1)	(1)	27	27
Lloyds Bank Corporate Markets	164	164	–	–
Morgan Stanley & Co. International	(3)	(3)	–	–
Toronto-Dominion Bank	–	–	4	4
ACS LifePath 2025-2027				
Barclays Bank	(2)	(2)	131	131
Deutsche Bank	(1,146)	(1,146)	(167)	(167)
HSBC Bank	–	–	(4)	(4)
Lloyds Bank Corporate Markets	485	485	–	–
Morgan Stanley & Co. International	16	16	–	–
Toronto-Dominion Bank	–	–	92	92
ACS LifePath 2028-2030				
Barclays Bank	–	–	157	157
Deutsche Bank	(729)	(729)	(103)	(103)
HSBC Bank	–	–	6	6
J.P. Morgan Chase Bank	–	–	2	2
Lloyds Bank Corporate Markets	332	332	–	–
Morgan Stanley & Co. International	(6)	(6)	–	–
Toronto-Dominion Bank	–	–	112	112
ACS LifePath 2031-2033				
Barclays Bank	–	–	373	373
Deutsche Bank	(1,329)	(1,329)	(22)	(22)
HSBC Bank	–	–	(22)	(22)
Lloyds Bank Corporate Markets	640	640	–	–
Morgan Stanley & Co. International	(17)	(17)	–	–
Toronto-Dominion Bank	–	–	264	264
ACS LifePath 2034-2036				
Barclays Bank	–	–	276	276
Deutsche Bank	(752)	(752)	40	40
HSBC Bank	–	–	(6)	(6)
Lloyds Bank Corporate Markets	426	426	–	–
Morgan Stanley & Co. International	11	11	–	–
Toronto-Dominion Bank	–	–	196	196

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

Counterparty	31 December 2023		31 December 2022	
	Forwards £000's	Total Exposure £000's	Forwards £000's	Total Exposure £000's
ACS LifePath 2037-2039				
Barclays Bank	8	8	513	513
Deutsche Bank	(1,112)	(1,112)	75	75
HSBC Bank	–	–	(17)	(17)
Lloyds Bank Corporate Markets	647	647	–	–
Morgan Stanley & Co. International	22	22	–	–
Toronto-Dominion Bank	–	–	365	365
ACS LifePath 2040-2042				
Barclays Bank	–	–	346	346
Deutsche Bank	(447)	(447)	16	16
HSBC Bank	–	–	(5)	(5)
Lloyds Bank Corporate Markets	271	271	–	–
Morgan Stanley & Co. International	15	15	–	–
Toronto-Dominion Bank	–	–	201	201
ACS LifePath 2043-2045				
Barclays Bank	–	–	485	485
Deutsche Bank	(587)	(587)	138	138
HSBC Bank	–	–	(16)	(16)
Lloyds Bank Corporate Markets	365	365	–	–
Morgan Stanley & Co. International	(6)	(6)	–	–
Toronto-Dominion Bank	–	–	345	345
ACS LifePath 2046-2048				
Barclays Bank	–	–	274	274
Deutsche Bank	(195)	(195)	50	50
HSBC Bank	–	–	(7)	(7)
Lloyds Bank Corporate Markets	124	124	–	–
Morgan Stanley & Co. International	(2)	(2)	(7)	(7)
Toronto-Dominion Bank	–	–	195	195
UBS^	–	–	–	–
ACS LifePath 2049-2051				
Barclays Bank	–	–	466	466
Deutsche Bank	(316)	(316)	217	217
HSBC Bank	–	–	(13)	(13)
Lloyds Bank Corporate Markets	204	204	–	–
Morgan Stanley & Co. International	24	24	(15)	(15)
Toronto-Dominion Bank	–	–	133	133
UBS^	–	–	–	–

^ Investments which are less than £500 are rounded to zero.

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

Counterparty	31 December 2023		31 December 2022	
	Forwards £000's	Total Exposure £000's	Forwards £000's	Total Exposure £000's
ACS LifePath 2052-2054				
Barclays Bank	–	–	186	186
Deutsche Bank	(72)	(72)	74	74
HSBC Bank	–	–	(6)	(6)
Lloyds Bank Corporate Markets	47	47	–	–
Morgan Stanley & Co. International	(1)	(1)	(9)	(9)
Toronto-Dominion Bank	–	–	140	140
UBS [^]	–	–	–	–
ACS LifePath 2055-2057				
Deutsche Bank	(103)	(103)	24	24
HSBC Bank	– [^]	– [^]	(25)	(25)
Lloyds Bank Corporate Markets	65	65	–	–
Royal Bank of Canada	–	–	– [^]	– [^]
Toronto-Dominion Bank	–	–	419	419
BlackRock Growth Allocation Fund				
Morgan Stanley & Co. International	8	8	–	–
State Street Bank and Trust	(51)	(51)	–	–
UBS	– [^]	– [^]	–	–
BlackRock Pension Growth Fund				
Barclays Bank	13,323	13,323	24,480	24,480
BNP Paribas	12,902	12,902	27,857	27,857
Deutsche Bank	6,270	6,270	25,214	25,214
Goldman Sachs International	9,216	9,216	–	–
HSBC Bank	2,542	2,542	–	–
J.P. Morgan Chase Bank	–	–	1,093	1,093
Morgan Stanley & Co. International	11,878	11,878	10,286	10,286
Standard Chartered Bank	9,203	9,203	–	–
State Street Bank and Trust	283	283	–	–
Toronto-Dominion Bank	6,003	6,003	31,496	31,496
UBS	3,670	3,670	(2,014)	(2,014)
BlackRock Retirement Allocation Fund				
Morgan Stanley & Co. International	11	11	–	–
State Street Bank and Trust	(153)	(153)	–	–

[^] Investments which are less than £500 are rounded to zero.

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

FINANCIAL INSTRUMENTS AND RISKS (continued)

ii) Depositary and Custodian

The Funds' Depositary is Northern Trust Investor Services Limited (the "Depositary"). The Depositary has delegated the function of custodian of the property of the Funds to The Northern Trust Company (the "Custodian").

Substantially all of the investments other than financial derivative instruments of the Funds are held by the Custodian at year end.

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

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

Management of counterparty credit risk related to the Depositary and Custodian

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

The long term credit rating of the parent company of the Depositary and Custodian, Northern Trust Corporation as at 31 December 2023 was A+ (31 December 2022: A+) (Standard & Poor's rating).

iii) Debt securities

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

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

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

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

Management of counterparty credit risk related to debt securities

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

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

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

iv) Counterparties

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

FINANCIAL INSTRUMENTS AND RISKS (continued)

Counterparty credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used.

Management of counterparty credit risk related to counterparties

The Manager monitors the credit rating and financial position of the brokers used to further mitigate this risk.

c) Liquidity risk

Exposure to liquidity risk

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

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

All non-derivative financial liabilities held by the Funds as at 31 December 2023 and 31 December 2022, based on contractual maturities, fall due within three months.

Management of liquidity risk

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

To manage this risk, at times of excessive redemptions the Manager may decide to defer redemptions at any valuation point to the next valuation point where the requested aggregate redemptions exceed 10 per cent of the Fund's value. This allows the Manager to protect the interests of continuing unitholders by allowing the Manager to match the sale of Funds' investments to the level of redemptions.

All unitholders who have sought to redeem units at any valuation point at which redemptions are deferred will be treated consistently and any redemption requests received in the meantime will not be processed until the redemption requests that have been deferred to subsequent valuation points have been processed.

The Funds' liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The portfolio managers review daily forward looking cash reports which project cash obligations. These reports allow them to manage their cash obligations.

d) Valuation of financial instruments

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

Level 1 – Quoted prices for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. Funds do not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

FINANCIAL INSTRUMENTS AND RISKS (continued)

Valuation techniques used for non-standardised financial instruments such as OTC derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity determined inputs.

Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation techniques used include inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager. The Investment Manager considers observable inputs to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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

31 December 2023	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
ACS LifePath 2022-2024				
Investment Assets				
Collective Investment Schemes	4,344	273,625	–	277,969
Derivatives	–	285	–	285
Investment liabilities				
Derivatives	–	(514)	–	(514)
ACS LifePath 2025-2027				
Investment Assets				
Collective Investment Schemes	6,925	873,498	–	880,423
Derivatives	–	882	–	882
Investment liabilities				
Derivatives	–	(1,529)	–	(1,529)

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2023	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
ACS LifePath 2028-2030				
Investment Assets				
Collective Investment Schemes	2,801	714,585	–	717,386
Derivatives	–	575	–	575
Investment liabilities				
Derivatives	–	(978)	–	(978)
ACS LifePath 2031-2033				
Investment Assets				
Collective Investment Schemes	17,531	1,489,812	–	1,507,343
Derivatives	–	1,089	–	1,089
Investment liabilities				
Derivatives	–	(1,795)	–	(1,795)
ACS LifePath 2034-2036				
Investment Assets				
Collective Investment Schemes	9,993	890,198	–	900,191
Derivatives	–	707	–	707
Investment liabilities				
Derivatives	–	(1,022)	–	(1,022)
ACS LifePath 2037-2039				
Investment Assets				
Collective Investment Schemes	19,486	1,553,292	–	1,572,778
Derivatives	–	1,076	–	1,076
Investment liabilities				
Derivatives	–	(1,511)	–	(1,511)
ACS LifePath 2040-2042				
Investment Assets				
Collective Investment Schemes	7,768	778,145	–	785,913
Derivatives	–	454	–	454
Investment liabilities				
Derivatives	–	(615)	–	(615)
ACS LifePath 2043-2045				
Investment Assets				
Collective Investment Schemes	17,696	1,343,197	–	1,360,893
Derivatives	–	568	–	568
Investment liabilities				
Derivatives	–	(796)	–	(796)

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2023	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
ACS LifePath 2046-2048				
Investment Assets				
Collective Investment Schemes	9,178	658,672	–	667,850
Derivatives	–	193	–	193
Investment liabilities				
Derivatives	–	(266)	–	(266)
ACS LifePath 2049-2051				
Investment Assets				
Collective Investment Schemes	14,833	1,056,627	–	1,071,460
Derivatives	–	357	–	357
Investment liabilities				
Derivatives	–	(445)	–	(445)
ACS LifePath 2052-2054				
Investment Assets				
Collective Investment Schemes	6,563	471,617	–	478,180
Derivatives	–	73	–	73
Investment liabilities				
Derivatives	–	(99)	–	(99)
ACS LifePath 2055-2057				
Investment Assets				
Collective Investment Schemes	11,436	654,859	–	666,295
Derivatives	–	99	–	99
Investment liabilities				
Derivatives	–	(137)	–	(137)
BlackRock FutureWise 2023-27				
Investment Assets				
Collective Investment Schemes	431,507	349,721	–	781,228
Blackrock FutureWise 2028-32				
Investment Assets				
Collective Investment Schemes	408,908	942,973	–	1,351,881
BlackRock FutureWise 2033-37				
Investment Assets				
Collective Investment Schemes	252,520	1,608,508	–	1,861,028

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2023	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
BlackRock FutureWise Early Days Aggregator				
Investment Assets				
Collective Investment Schemes	809,855	5,273,455	–	6,083,310
BlackRock FutureWise Retirement Aggregator				
Investment Assets				
Collective Investment Schemes	162,982	91,939	–	254,921
BlackRock Growth Allocation Fund				
Investment Assets				
Collective Investment Schemes	64,859	723,306	–	788,165
Derivatives	–	118	–	118
Investment liabilities				
Derivatives	–	(161)	–	(161)
BlackRock Pension Growth Fund				
Investment Assets				
Collective Investment Schemes	–	8,375,911	–	8,375,911
Derivatives	–	77,445	–	77,445
Investment liabilities				
Derivatives	–	(2,155)	–	(2,155)
BlackRock Retirement Allocation Fund				
Investment Assets				
Collective Investment Schemes	7,807	181,009	–	188,816
Derivatives	–	184	–	184
Investment liabilities				
Derivatives	–	(326)	–	(326)
31 December 2022	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
ACS LifePath 2022-2024				
Investment Assets				
Collective Investment Schemes	15,395	357,277	–	372,672
Derivatives	–	2,192	–	2,192
Investment liabilities				
Derivatives	–	(2,204)	–	(2,204)

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2022	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
ACS LifePath 2025-2027				
Investment Assets				
Collective Investment Schemes	29,791	706,798	–	736,589
Derivatives	–	4,168	–	4,168
Investment liabilities				
Derivatives	–	(4,116)	–	(4,116)
ACS LifePath 2028-2030				
Investment Assets				
Collective Investment Schemes	24,829	623,106	–	647,935
Derivatives	–	3,588	–	3,588
Investment liabilities				
Derivatives	–	(3,414)	–	(3,414)
ACS LifePath 2031-2033				
Investment Assets				
Collective Investment Schemes	42,362	1,193,324	–	1,235,686
Derivatives	–	6,201	–	6,201
Investment liabilities				
Derivatives	–	(5,608)	–	(5,608)
ACS LifePath 2034-2036				
Investment Assets				
Collective Investment Schemes	23,843	750,269	–	774,112
Derivatives	–	3,834	–	3,834
Investment liabilities				
Derivatives	–	(3,328)	–	(3,328)
ACS LifePath 2037-2039				
Investment Assets				
Collective Investment Schemes	32,401	1,224,000	–	1,256,401
Derivatives	–	6,013	–	6,013
Investment liabilities				
Derivatives	–	(5,077)	–	(5,077)
ACS LifePath 2040-2042				
Investment Assets				
Collective Investment Schemes	12,937	633,532	–	646,469
Derivatives	–	3,014	–	3,014
Investment liabilities				
Derivatives	–	(2,456)	–	(2,456)

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2
FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2022	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
ACS LifePath 2043-2045				
Investment Assets				
Collective Investment Schemes	15,836	1,018,861	–	1,034,697
Derivatives	–	4,596	–	4,596
Investment liabilities				
Derivatives	–	(3,644)	–	(3,644)
ACS LifePath 2046-2048				
Investment Assets				
Collective Investment Schemes	5,207	523,499	–	528,706
Derivatives	–	2,488	–	2,488
Investment liabilities				
Derivatives	–	(1,983)	–	(1,983)
ACS LifePath 2049-2051				
Investment Assets				
Collective Investment Schemes	4,188	767,499	–	771,687
Derivatives	–	3,338	–	3,338
Investment liabilities				
Derivatives	–	(2,550)	–	(2,550)
ACS LifePath 2052-2054				
Investment Assets				
Collective Investment Schemes	840	356,597	–	357,437
Derivatives	–	1,580	–	1,580
Investment liabilities				
Derivatives	–	(1,195)	–	(1,195)
ACS LifePath 2055-2057				
Investment Assets				
Collective Investment Schemes	–	446,568	–	446,568
Derivatives	–	1,983	–	1,983
Investment liabilities				
Derivatives	–	(1,565)	–	(1,565)
BlackRock FutureWise 2023-27				
Investment Assets				
Collective Investment Schemes	2,767	2,526	–	5,293

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

FINANCIAL INSTRUMENTS AND RISKS (continued)

31 December 2022	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
BlackRock FutureWise 2028-32				
Investment Assets				
Collective Investment Schemes	1,218	3,209	–	4,427
BlackRock FutureWise 2033-37				
Investment Assets				
Collective Investment Schemes	1,257	6,670	–	7,927
BlackRock FutureWise Early Days Aggregator				
Investment Assets				
Collective Investment Schemes	1,166	6,928	–	8,094
BlackRock FutureWise Retirement Aggregator				
Investment Assets				
Collective Investment Schemes	1,545	812	–	2,357
BlackRock Pension Growth Fund				
Investment Assets				
Collective Investment Schemes	–	7,748,558	–	7,748,558
Derivatives	–	125,105	–	125,105
Investment liabilities				
Derivatives	–	(6,693)	–	(6,693)

Securities with a value less than £500 are not disclosed in the tables above. These securities are identified on the portfolio statement of each Fund.

e) Leverage

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

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

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

FINANCIAL INSTRUMENTS AND RISKS (continued)

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

Fund	Gross exposure		Commitment approach	
	Maximum limit	Leverage as at 31.12.2023	Maximum limit	Leverage as at 31.12.2023
ACS Life Path 2022-2024	4.1:1	1.89	2.1:1	1.26
ACS Life Path 2025-2027	4.1:1	1.85	2:1:1	1.25
ACS Life Path 2028-2030	4.1:1	1.69	2:1:1	1.23
ACS Life Path 2031-2033	4.1:1	1.61	2.1:1	1.20
ACS Life Path 2034-2036	4.1:1	1.65	2.1:1	1.17
ACS Life Path 2037-2039	4.1:1	1.56	2.1:1	1.14
ACS Life Path 2040-2042	4.1:1	1.47	2.1:1	1.11
ACS Life Path 2043-2045	4.1:1	1.34	2.1:1	1.11
ACS Life Path 2046-2048	4.1:1	1.23	2.1:1	1.08
ACS Life Path 2049-2051	4.1:1	1.27	2.1:1	1.04
ACS Life Path 2052-2054	4.1:1	1.12	2.1:1	1.04
ACS Life Path 2055-2057	4.1:1	1.12	2.1:1	1.04
BlackRock FutureWise 2023-27	1.5:1	1.00	1.5:1	1.00
BlackRock FutureWise 2028-32	1.5:1	1.00	1.5:1	1.00
BlackRock FutureWise 2033-37	1.5:1	1.00	1.5:1	1.00
BlackRock FutureWise Early Days Aggregator	1.5:1	1.00	1.5:1	1.00
BlackRock FutureWise Retirement Aggregator	1.5:1	1.00	1.5:1	1.00
BlackRock Growth Allocation Fund	4.1:1	1.12	2.1:1	1.04
BlackRock Pension Growth Fund	4.1:1	1.33	2.1:1	1.25
BlackRock Retirement Allocation Fund	4.1:1	1.87	2.1:1	1.27

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

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805810.

The ACS LifePath 2022-2024 will reach its target date at the end of 2022 and the Manager intends to close the fund in the second half of 2025. As a result, these financial statements are prepared on other than going concern basis for the year ended 31 December 2023. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimate settlement amount. The liquidation cost are borne by the Manager.

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the year to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	106.98	128.79	118.43
Return before operating charges	9.36	(21.79)	10.38
Operating charges	(0.03)	(0.02)	(0.02)
Return after operating charges	9.33	(21.81)	10.36
Distributions	(2.29)	(1.86)	(1.59)
Retained distributions on accumulation units	2.29	1.86	1.59
Closing net asset value per unit	116.31	106.98	128.79
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	8.72%	(16.93)%	8.75%
Other Information			
Closing net asset value (£000's)	279,541	373,907	524,696
Closing number of units	240,345,860	349,495,692	407,411,765
Operating charges ²	0.02%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	116.58	128.86	130.35
Lowest bid unit price	107.26	100.00	116.90

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

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

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

ACS LIFEPATH 2022-2024

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	2.2859
Distribution paid 29.2.2024	2.2859
Distribution paid 28.2.2023	1.8586

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES - 99.44%; 31.12.22 99.67%			Fixed Income Funds - 60.15%; 31.12.22 58.28%		
Equity Funds - 39.29%; 31.12.22 41.39%					
57,337,631	87,582	31.33	8,530	905	0.32
8,098,309	8,413	3.01	11,534,321	10,192	3.65
809,889	4,187	1.50	7,518,924	11,901	4.26
257,629	7,491	2.68	47,252,212	56,809	20.32
921,694	1,999	0.71	32,383,548	35,140	12.57
5,511	157	0.06	9,213,014	9,846	3.52
	109,829	39.29	41,045,806	43,347	15.51
				168,140	60.15

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES - (0.08%); 31.12.22 0.00%			
Forward Currency Contracts - (0.08%); 31.12.22 0.00%			
AUD 165,966 Australian dollar vs UK sterling^	89	-	0.00
CAD 272,243 Canadian dollar vs UK sterling	161	(1)	0.00
EUR 1,599,776 Euro vs UK sterling	1,387	2	0.00
JPY 214,373,320 Japanese yen vs UK sterling	1,198	2	0.00
NZD 73,353 New Zealand dollar vs UK sterling^	36	-	0.00
NOK 885,735 Norwegian krone vs UK sterling^	68	-	0.00
SGD 161,307 Singapore dollar vs UK sterling^	96	-	0.00
SEK 574,554 Swedish krona vs UK sterling^	45	-	0.00
CHF 248,911 Swiss franc vs UK sterling^	233	-	0.00
GBP 3,048,965 UK sterling vs Australian dollar	(3,079)	(30)	(0.01)
GBP 4,921,376 UK sterling vs Canadian dollar	(4,960)	(39)	(0.01)
GBP 952,847 UK sterling vs Danish krone	(954)	(2)	0.00

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value	Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
GBP 26,021,460	UK sterling vs Euro	(26,070)	(48)	(0.02)
GBP 523,352	UK sterling vs Hong Kong dollar	(522)	2	0.00
GBP 195,694	UK sterling vs Israel shekel	(198)	(2)	0.00
GBP 17,561,126	UK sterling vs Japanese yen	(17,874)	(313)	(0.11)
GBP 164,218	UK sterling vs New Zealand dollar	(166)	(1)	0.00
GBP 561,523	UK sterling vs Norwegian krone	(576)	(14)	(0.01)
GBP 439,167	UK sterling vs Singapore dollar	(440)	(1)	0.00
GBP 979,750	UK sterling vs Swedish krona	(994)	(15)	(0.01)
GBP 2,972,175	UK sterling vs Swiss franc	(3,006)	(34)	(0.01)
GBP 102,134,314	UK sterling vs United States dollar	(101,855)	279	0.10
USD 6,245,287	United States dollar vs UK sterling	4,903	(14)	0.00
		(152,478)	(229)	(0.08)
Portfolio of investments			277,740	99.36
Net other assets			1,801	0.64
Total net assets			279,541	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income			
Net capital gains/(losses)	3	19,295	(94,971)
Revenue	4	6,652	7,293
Expenses	5	(30)	(17)
Interest paid and similar charges	6	(3)	–
Net revenue before taxation		6,619	7,276
Taxation	7	–	–
Net revenue after taxation		6,619	7,276
Total return before distributions		25,914	(87,695)
Distributions	8	(6,619)	(7,276)
Change in net assets attributable to unitholders from investment activities		19,295	(94,971)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders	373,907	524,696
Amounts receivable on issue of units	8,569	36,933
Amounts payable on cancellation of units	(127,724)	(99,247)
	(119,155)	(62,314)
Change in net assets attributable to unitholders from investment activities	19,295	(94,971)
Retained distribution on accumulation units	5,494	6,496
Closing net assets attributable to unitholders	279,541	373,907

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		278,254	374,864
Current assets			
– Debtors	9	8,027	7,970
– Cash and bank balances		17	115
Total assets		286,298	382,949
Liabilities:			
Investment liabilities		(514)	(2,204)
Creditors			
– Other creditors	10	(6,243)	(6,838)
Total liabilities		(6,757)	(9,042)
Net assets attributable to unitholders		279,541	373,907

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities*	9,766	(69,214)
Forward currency contracts	9,544	(21,242)
Currency losses	–	(4,498)
Custodian transaction costs	(15)	(17)
Net capital gains/(losses)	19,295	(94,971)

* Includes realised losses of £24,002,128 and unrealised gains of £33,767,868 (2022: realised gains of £5,719,554 and unrealised losses of £74,934,668). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	300	348
Interest distributions on CIS holdings	3,947	3,476
Interest from UK bank deposits	23	2
Overseas dividends	2,105	3,137
Rebate from underlying CIS holdings	30	36
Securities lending revenue	11	17
UK dividends	163	211
UK REIT dividends	6	11
US REIT dividends	67	55
Total revenue	6,652	7,293

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge and other expenses rebate [#]	(7)	(27)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	7	4
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	1	1
– Dividend charges [*]	15	29
– Legal fee	1	1
– Safe custody fee	6	1
Total expenses	30	17

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Interest Paid and Similar Charges

	31.12.2023 £000's	31.12.2022 £000's
Interest on bank overdrafts	3	–
Total interest paid and similar charges	3	–

7. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	5,494	6,496
	5,494	6,496
Add: Amounts deducted on cancellation of units	1,204	945
Deduct: Amounts received on issue of units	(79)	(165)
Distributions	6,619	7,276

Details of the final distribution per unit are set out in the table on page 61.

NOTES TO FINANCIAL STATEMENTS (continued)

9. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Manager's charge rebates	9	32
Accrued rebate from underlying CIS holdings	11	12
Accrued revenue	1,926	2,749
CIS income tax recoverable	1	–
Sales awaiting settlement	6,080	5,177
Total debtors	8,027	7,970

10. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	8	7
Accrued Depositary's fee	3	2
Accrued Safe custody fee	4	–
Amount payable for cancellation of units	485	6,816
Currency deals awaiting settlement	1	1
Custodian transaction costs	8	12
Purchases awaiting settlement	5,734	–
Total other creditors	6,243	6,838

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

NOTES TO FINANCIAL STATEMENTS (continued)

12. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

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

As at 31 December 2022:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
3%	1	97%

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

13. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.01% (31 December 2022: 0.11%).

NOTES TO FINANCIAL STATEMENTS (continued)

14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	349,495,692
Issued during the year	7,852,193
Cancelled during the year	(117,002,025)
Balance at the end of the year	240,345,860

15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805813.

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the year to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	109.27	131.06	118.68
Return before operating charges	10.85	(21.77)	12.41
Operating charges	(0.02)	(0.02)	(0.03)
Return after operating charges	10.83	(21.79)	12.38
Distributions	(2.25)	(1.89)	(1.65)
Retained distributions on accumulation units	2.25	1.89	1.65
Closing net asset value per unit	120.10	109.27	131.06
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	9.91%	(16.63)%	10.43%
Other Information			
Closing net asset value (£000's)	887,523	742,791	809,626
Closing number of units	738,984,211	679,772,747	617,769,438
Operating charges ²	0.02%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	120.29	131.19	132.51
Lowest bid unit price	109.59	103.00	117.70

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

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

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

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	2.2525
Distribution paid 29.2.2024	2.2525
Distribution paid 28.2.2023	1.8906

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES - 99.20%; 31.12.22 99.17%					
Equity Funds - 46.98%; 31.12.22 48.75%					
188,544,081	288,030	32.45	29,238	832	0.09
				416,967	46.98
			Fixed Income Funds - 52.22%; 31.12.22 50.42%		
34,251,979	45,480	5.13	66,376	7,041	0.79
33,766,358	35,084	3.95	49,497,996	43,740	4.93
1,178,539	6,093	0.69	33,120,963	52,424	5.91
995,991	28,962	3.26	125,260,295	150,594	16.97
5,758,018	12,486	1.41	100,314,769	108,852	12.26
			15,967,697	17,064	1.92
			79,295,258	83,741	9.44
				463,456	52.22

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES - (0.07%); 31.12.22 0.01%			
Forward Currency Contracts - (0.07%); 31.12.22 0.01%			
AUD 271,402 Australian dollar vs UK sterling^	145	-	0.00
CAD 508,482 Canadian dollar vs UK sterling	301	(1)	0.00
EUR 3,492,168 Euro vs UK sterling	3,032	2	0.00
JPY 509,422,639 Japanese yen vs UK sterling	2,851	3	0.00
NZD 226,608 New Zealand dollar vs UK sterling^	112	-	0.00
NOK 2,395,299 Norwegian krone vs UK sterling^	185	-	0.00
SGD 537,195 Singapore Dollar vs UK sterling^	320	-	0.00
SEK 1,790,129 Swedish krona vs UK sterling^	140	-	0.00

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
CHF 645,363 Swiss franc vs UK sterling	604	1	0.00
GBP 9,166,692 UK sterling vs Australian dollar	(9,262)	(95)	(0.01)
GBP 15,049,795 UK sterling vs Canadian dollar	(15,178)	(128)	(0.01)
GBP 3,208,339 UK sterling vs Danish krone	(3,216)	(8)	0.00
GBP 74,676,998 UK sterling vs Euro	(74,863)	(185)	(0.02)
GBP 1,753,541 UK sterling vs Hong Kong dollar	(1,749)	4	0.00
GBP 591,345 UK sterling vs Israel shekel	(597)	(6)	0.00
GBP 48,095,797 UK sterling vs Japanese yen	(48,981)	(885)	(0.10)
GBP 529,106 UK sterling vs New Zealand dollar	(534)	(5)	0.00
GBP 1,731,845 UK sterling vs Norwegian krone	(1,776)	(45)	(0.01)
GBP 1,532,591 UK sterling vs Singapore dollar	(1,536)	(4)	0.00
GBP 3,305,732 UK sterling vs Swedish krona	(3,357)	(51)	(0.01)
GBP 9,569,021 UK sterling vs Swiss franc	(9,685)	(116)	(0.01)
GBP 323,815,017 UK sterling vs United States dollar	(322,951)	864	0.10
USD 13,536,162 United States dollar vs UK sterling	10,630	8	0.00
	(475,365)	(647)	(0.07)
Portfolio of investments		879,776	99.13
Net other assets		7,747	0.87
Total net assets		887,523	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income			
Net capital gains/(losses)	3	61,809	(155,172)
Revenue	4	16,119	12,552
Expenses	5	(67)	(45)
Interest paid and similar charges	6	(2)	–
Net revenue before taxation		16,050	12,507
Taxation	7	–	–
Net revenue after taxation		16,050	12,507
Total return before distributions		77,859	(142,665)
Distributions	8	(16,050)	(12,507)
Change in net assets attributable to unitholders from investment activities		61,809	(155,172)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders	742,791	809,626
Amounts receivable on issue of units	139,965	134,680
Amounts payable on cancellation of units	(73,688)	(59,194)
	66,277	75,486
Change in net assets attributable to unitholders from investment activities	61,809	(155,172)
Retained distribution on accumulation units	16,646	12,851
Closing net assets attributable to unitholders	887,523	742,791

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		881,305	740,757
Current assets			
– Debtors	9	20,093	8,514
– Cash and bank balances		50	224
Total assets		901,448	749,495
Liabilities:			
Investment liabilities		(1,529)	(4,116)
Creditors			
– Other creditors	10	(12,396)	(2,588)
Total liabilities		(13,925)	(6,704)
Net assets attributable to unitholders		887,523	742,791

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities*	40,998	(113,473)
Forward currency contracts	8,362	(33,754)
Currency gains/(losses)	12,464	(7,929)
Custodian transaction costs	(15)	(16)
Net capital gains/(losses)	61,809	(155,172)

* Includes realised losses of £27,827,293 and unrealised gains of £68,824,938 (2022: realised gains of £9,340,224 and unrealised losses of £122,813,650). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	896	863
Interest distributions on CIS holdings	8,081	4,859
Interest from UK bank deposits	73	7
Overseas dividends	6,300	6,179
Rebate from underlying CIS holdings	62	60
Securities lending revenue	31	34
UK dividends	449	416
UK REIT dividends	16	20
US REIT dividends	211	114
Total revenue	16,119	12,552

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge and other expenses rebate [#]	–	(30)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	7	5
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	1	2
– Dividend charges [*]	43	57
– Legal fee	2	1
– Safe custody fee	7	2
Total expenses	67	45

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Interest Paid and Similar Charges

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Interest on bank overdrafts	2	–
Total interest paid and similar charges	2	–

7. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	16,646	12,851
	16,646	12,851
Add: Amounts deducted on cancellation of units	776	632
Deduct: Amounts received on issue of units	(1,372)	(976)
Distributions	16,050	12,507

Details of the final distribution per unit are set out in the table on page 73.

NOTES TO FINANCIAL STATEMENTS (continued)

9. Debtors

	31.12.2023	31.12.2022
	£000's	£000's
Accrued manager's charge rebates	–	33
Accrued rebate from underlying CIS holdings	20	21
Accrued revenue	7,304	6,406
Amount receivable on issue of units	1,992	1,485
Currency deals awaiting settlement	234	–
Sales awaiting settlement	10,543	569
Total debtors	20,093	8,514

10. Other Creditors

	31.12.2023	31.12.2022
	£000's	£000's
Accrued Audit fee	8	7
Accrued Depositary's fee	3	2
Accrued Safe custody fee	5	1
Amount payable for cancellation of units	2,608	1,641
Currency deals awaiting settlement	–	1
Custodian transaction costs	8	11
Purchases awaiting settlement	9,764	925
Total other creditors	12,396	2,588

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

NOTES TO FINANCIAL STATEMENTS (continued)

12. Related Parties (continued)

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

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

As at 31 December 2023:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
39%	1	61%

As at 31 December 2022:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
36%	1	64%

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

13. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

NOTES TO FINANCIAL STATEMENTS (continued)**13. Portfolio Transaction Costs (continued)**

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.01% (31 December 2022: Nil).

14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	679,772,747
Issued during the year	124,840,153
Cancelled during the year	(65,628,689)
Balance at the end of the year	738,984,211

15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805821.

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the year to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	111.68	133.16	118.88
Return before operating charges	11.97	(21.46)	14.31
Operating charges	(0.02)	(0.02)	(0.03)
Return after operating charges	11.95	(21.48)	14.28
Distributions	(2.35)	(2.00)	(1.76)
Retained distributions on accumulation units	2.35	2.00	1.76
Closing net asset value per unit	123.63	111.68	133.16
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	10.70%	(16.13)%	12.01%
Other Information			
Closing net asset value (£000's)	722,345	654,055	747,763
Closing number of units	584,267,544	585,672,155	561,560,436
Operating charges ²	0.02%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	123.80	133.34	134.43
Lowest bid unit price	112.00	105.00	118.40

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

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

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

ACS LIFEPAATH 2028-2030

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	2.3479
Distribution paid 29.2.2024	2.3479
Distribution paid 28.2.2023	1.9957

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES - 99.31%; 31.12.22 99.06%					
Equity Funds - 52.77%; 31.12.22 55.20%					
151,491,743	234,509	32.46	22,908	652	0.09
				381,184	52.77
			Fixed Income Funds - 46.54%; 31.12.22 43.86%		
54,092,412	71,822	9.94	68,280	7,243	1.00
30,775,170	31,964	4.43	40,978,751	36,212	5.01
415,650	2,149	0.30	28,028,024	44,363	6.14
968,401	28,159	3.90	89,011,371	107,014	14.82
5,501,139	11,929	1.65	73,233,492	79,466	11.00
			7,709,780	8,239	1.14
			50,816,001	53,665	7.43
				336,202	46.54

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets	
DERIVATIVES - (0.06%); 31.12.22 0.03%				
Forward Currency Contracts - (0.06%); 31.12.22 0.03%				
SGD 220,663	Singapore dollar vs UK sterling^	132	–	0.00
GBP 6,399,895	UK sterling vs Australian dollar	(6,463)	(63)	(0.01)
GBP 10,487,866	UK sterling vs Canadian dollar	(10,572)	(84)	(0.01)
GBP 2,295,783	UK sterling vs Danish krone	(2,301)	(5)	0.00
GBP 47,849,344	UK sterling vs Euro	(47,965)	(116)	(0.02)
GBP 1,258,353	UK sterling vs Hong Kong dollar	(1,255)	3	0.00
GBP 501,972	UK sterling vs Israel shekel	(507)	(5)	0.00
GBP 30,007,467	UK sterling vs Japanese yen	(30,557)	(550)	(0.08)
GBP 334,549	UK sterling vs New Zealand dollar	(337)	(3)	0.00
GBP 1,167,270	UK sterling vs Norwegian krone	(1,197)	(30)	0.00

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value	Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
GBP 1,003,211	UK sterling vs Singapore dollar	(1,006)	(3)	0.00
GBP 2,331,129	UK sterling vs Swedish krona	(2,367)	(36)	(0.01)
GBP 6,619,959	UK sterling vs Swiss franc	(6,700)	(80)	(0.01)
GBP 224,816,233	UK sterling vs United States dollar	(224,245)	572	0.08
USD 187,988	United States dollar vs UK sterling	147	(3)	0.00
		(335,193)	(403)	(0.06)
Portfolio of investments			716,983	99.25
Net other assets			5,362	0.75
Total net assets			722,345	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income			
Net capital gains/(losses)	3	56,214	(137,249)
Revenue	4	13,804	11,760
Expenses	5	(61)	(45)
Interest paid and similar charges	6	(4)	–
Net revenue before taxation		13,739	11,715
Taxation	7	–	–
Net revenue after taxation		13,739	11,715
Total return before distributions		69,953	(125,534)
Distributions	8	(13,739)	(11,715)
Change in net assets attributable to unitholders from investment activities		56,214	(137,249)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders	654,055	747,763
Amounts receivable on issue of units	60,215	82,891
Amounts payable on cancellation of units	(61,857)	(51,038)
	(1,642)	31,853
Change in net assets attributable to unitholders from investment activities	56,214	(137,249)
Retained distribution on accumulation units	13,718	11,688
Closing net assets attributable to unitholders	722,345	654,055

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		717,961	651,523
Current assets			
– Debtors	9	20,994	7,658
– Cash and bank balances		39	195
Total assets		738,994	659,376
Liabilities:			
Investment liabilities		(978)	(3,414)
Creditors			
– Other creditors	10	(15,671)	(1,907)
Total liabilities		(16,649)	(5,321)
Net assets attributable to unitholders		722,345	654,055

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities [†]	39,212	(100,445)
Forward currency contracts	6,646	(29,942)
Currency gains/(losses)	10,369	(6,848)
Custodian transaction costs	(13)	(14)
Net capital gains/(losses)	56,214	(137,249)

* Includes realised losses of £11,290,098 and unrealised gains of £57,147,927 (2022: realised losses of £14,139,780 and unrealised losses of £116,247,765). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	817	869
Interest distributions on CIS holdings	6,258	4,156
Interest from UK bank deposits	73	8
Overseas dividends	5,973	6,091
Rebate from underlying CIS holdings	46	51
Securities lending revenue	29	34
UK dividends	388	411
UK REIT dividends	14	19
US REIT dividends	206	121
Total revenue	13,804	11,760

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge and other expenses rebate [#]	–	(29)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	6	6
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	1	2
– Dividend charges [*]	39	56
– Legal fee	1	1
– Safe custody fee	7	1
Total expenses	61	45

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Interest Paid and Similar Charges

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Interest on bank overdrafts	4	–
Total interest paid and similar charges	4	–

7. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	13,718	11,688
	13,718	11,688
Add: Amounts deducted on cancellation of units	661	610
Deduct: Amounts received on issue of units	(640)	(583)
Distributions	13,739	11,715

Details of the final distribution per unit are set out in the table on page 85.

NOTES TO FINANCIAL STATEMENTS (continued)

9. Debtors

	31.12.2023	31.12.2022
	£000's	£000's
Accrued manager's charge rebates	–	32
Accrued rebate from underlying CIS holdings	14	18
Accrued revenue	6,683	6,262
Amount receivable on issue of units	965	370
Currency deals awaiting settlement	156	–
Sales awaiting settlement	13,176	976
Total debtors	20,994	7,658

10. Other Creditors

	31.12.2023	31.12.2022
	£000's	£000's
Accrued Audit fee	8	7
Accrued Depositary's fee	3	3
Accrued Safe custody fee	5	1
Amount payable for cancellation of units	2,045	1,650
Currency deals awaiting settlement	–	1
Custodian transaction costs	6	10
Purchases awaiting settlement	13,604	235
Total other creditors	15,671	1,907

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

NOTES TO FINANCIAL STATEMENTS (continued)

12. Related Parties (continued)

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

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

As at 31 December 2023:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
11%	1	89%

As at 31 December 2022:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
12%	1	88%

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

13. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

NOTES TO FINANCIAL STATEMENTS (continued)

13. Portfolio Transaction Costs (continued)

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2022: Nil).

14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	585,672,155
Issued during the year	52,281,768
Cancelled during the year	(53,686,379)
Balance at the end of the year	584,267,544

15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805822.

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the year to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	113.95	135.50	119.48
Return before operating charges	13.06	(21.53)	16.05
Operating charges	(0.02)	(0.02)	(0.03)
Return after operating charges	13.04	(21.55)	16.02
Distributions	(2.39)	(2.05)	(1.79)
Retained distributions on accumulation units	2.39	2.05	1.79
Closing net asset value per unit	126.99	113.95	135.50
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	11.44%	(15.90)%	13.41%
Other Information			
Closing net asset value (£000's)	1,522,449	1,248,581	1,281,997
Closing number of units	1,198,854,080	1,095,699,825	946,137,205
Operating charges ²	0.01%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	127.18	135.75	136.63
Lowest bid unit price	114.00	108.00	119.30

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

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

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

ACS LIFEPATH 2031-2033

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	2.3943
Distribution paid 29.2.2024	2.3943
Distribution paid 28.2.2023	2.0517

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES - 99.01%; 31.12.22 98.97%			Fixed Income Funds - 39.74%; 31.12.22 37.76%		
Equity Funds - 59.27%; 31.12.22 61.21%			iShares Emerging Markets Government Bond Index Fund (LU)		
318,417,582	492,911	32.38	158,286	16,791	1.10
ACS World ESG Tracker Fund			iShares ESG Sterling Corporate Bond Index Fund (UK)		
164,453,773	218,371	14.34	81,421,184	71,949	4.73
ACS World Small Cap ESG Screened Equity Tracker Fund			iShares Overseas Corporate Bond Index Fund (UK)		
75,541,726	78,478	5.15	54,408,182	86,118	5.66
iShares Diversified Commodity Swap UCITS ETF			iShares Overseas Government Bond Index Fund (UK)		
1,745,022	9,022	0.59	155,435,473	186,872	12.27
iShares Emerging Markets Index Fund (IE)			iShares UK Gilts All Stocks Index Fund (UK)		
2,112,642	61,431	4.04	137,033,646	148,696	9.77
iShares Global Property Securities Equity Index Fund (UK)			iShares Up to 10 Years Gilts Index Fund (UK)		
15,490,584	33,591	2.21	9,386,927	10,032	0.66
iShares MSCI Emerging Markets UCITS ETF			iShares Up to 10 Years Index Linked Gilt Index Fund (UK)		
299,080	8,509	0.56	80,082,027	84,572	5.55
	902,313	59.27		605,030	39.74

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES - (0.05%); 31.12.22 0.05%			
Forward Currency Contracts - (0.05%); 31.12.22 0.05%			
JPY 42,635,543 Japanese yen vs UK sterling^	239	-	0.00
SGD 389,671 Singapore dollar vs UK sterling^	232	-	0.00
GBP 12,104,419 UK sterling vs Australian dollar	(12,225)	(120)	(0.01)
GBP 19,760,426 UK sterling vs Canadian dollar	(19,920)	(160)	(0.01)
GBP 4,535,136 UK sterling vs Danish krone	(4,546)	(10)	0.00
GBP 84,170,450 UK sterling vs Euro	(84,377)	(207)	(0.01)
GBP 2,536,282 UK sterling vs Hong Kong dollar	(2,530)	6	0.00
GBP 853,871 UK sterling vs Israel shekel	(863)	(9)	0.00
GBP 53,733,674 UK sterling vs Japanese yen	(54,722)	(989)	(0.07)
GBP 536,330 UK sterling vs New Zealand dollar	(541)	(5)	0.00
GBP 2,241,850 UK sterling vs Norwegian krone	(2,300)	(58)	0.00

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value	Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
GBP 1,989,055	UK sterling vs Singapore dollar	(1,994)	(5)	0.00
GBP 4,684,899	UK sterling vs Swedish krona	(4,758)	(73)	(0.01)
GBP 12,916,868	UK sterling vs Swiss franc	(13,073)	(156)	(0.01)
GBP 425,351,968	UK sterling vs United States dollar	(424,269)	1,083	0.07
USD 1,289,683	United States dollar vs UK sterling	1,012	(3)	0.00
		(624,635)	(706)	(0.05)
Portfolio of investments			1,506,637	98.96
Net other assets			15,812	1.04
Total net assets			1,522,449	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income			
Net capital gains/(losses)	3	123,896	(240,344)
Revenue	4	27,746	21,412
Expenses	5	(108)	(95)
Interest paid and similar charges	6	(6)	(1)
Net revenue before taxation		27,632	21,316
Taxation	7	–	–
Net revenue after taxation		27,632	21,316
Total return before distributions		151,528	(219,028)
Distributions	8	(27,632)	(21,316)
Change in net assets attributable to unitholders from investment activities		123,896	(240,344)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders	1,248,581	1,281,997
Amounts receivable on issue of units	200,551	233,632
Amounts payable on cancellation of units	(79,283)	(49,185)
	121,268	184,447
Change in net assets attributable to unitholders from investment activities	123,896	(240,344)
Retained distribution on accumulation units	28,704	22,481
Closing net assets attributable to unitholders	1,522,449	1,248,581

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		1,508,432	1,241,887
Current assets			
– Debtors	9	33,806	13,967
– Cash and bank balances		81	374
Total assets		1,542,319	1,256,228
Liabilities:			
Investment liabilities		(1,795)	(5,608)
Creditors			
– Other creditors	10	(18,075)	(2,039)
Total liabilities		(19,870)	(7,647)
Net assets attributable to unitholders		1,522,449	1,248,581

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities*	92,169	(176,708)
Forward currency contracts	31,447	(52,294)
Currency gains/(losses)	295	(11,326)
Custodian transaction costs	(15)	(16)
Net capital gains/(losses)	123,896	(240,344)

* Includes realised losses of £33,686,179 and unrealised gains of £125,855,546 (2022: realised gains of £12,332,515 and unrealised losses of £189,040,501). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	1,808	1,700
Interest distributions on CIS holdings	11,090	6,425
Interest from UK bank deposits	170	19
Overseas dividends	13,236	12,022
Rebate from underlying CIS holdings	84	83
Securities lending revenue	62	67
UK dividends	797	812
UK REIT dividends	29	35
US REIT dividends	470	249
Total revenue	27,746	21,412

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge and other expenses rebate [#]	–	(35)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	6	6
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	2	3
– Dividend charges [*]	83	109
– Legal fee	2	2
– Safe custody fee	8	2
Total expenses	108	95

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Interest Paid and Similar Charges

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Interest on bank overdrafts	6	1
Total interest paid and similar charges	6	1

7. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	28,704	22,481
	28,704	22,481
Add: Amounts deducted on cancellation of units	810	609
Deduct: Amounts received on issue of units	(1,882)	(1,774)
Distributions	27,632	21,316

Details of the final distribution per unit are set out in the table on page 97.

NOTES TO FINANCIAL STATEMENTS (continued)

9. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Manager's charge rebates	–	37
Accrued rebate from underlying CIS holdings	24	31
Accrued revenue	15,445	13,167
Amount receivable on issue of units	2,919	732
Currency deals awaiting settlement	294	–
Sales awaiting settlement	15,124	–
Total debtors	33,806	13,967

10. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	8	7
Accrued Depositary's fee	3	3
Accrued Safe custody fee	5	1
Amount payable for cancellation of units	2,097	1,432
Currency deals awaiting settlement	–	2
Custodian transaction costs	8	11
Purchases awaiting settlement	15,954	583
Total other creditors	18,075	2,039

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

NOTES TO FINANCIAL STATEMENTS (continued)

12. Related Parties (continued)

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

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

As at 31 December 2023:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
48%	1	52%

As at 31 December 2022:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
44%	1	56%

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

13. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

NOTES TO FINANCIAL STATEMENTS (continued)**13. Portfolio Transaction Costs (continued)**

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.10% (31 December 2022: Nil).

14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	1,095,699,825
Issued during the year	170,235,561
Cancelled during the year	(67,081,306)
Balance at the end of the year	1,198,854,080

15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805823.

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the year to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	116.27	137.70	119.92
Return before operating charges	14.16	(21.41)	17.81
Operating charges	(0.02)	(0.02)	(0.03)
Return after operating charges	14.14	(21.43)	17.78
Distributions	(2.49)	(2.16)	(1.88)
Retained distributions on accumulation units	2.49	2.16	1.88
Closing net asset value per unit	130.41	116.27	137.70
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	12.16%	(15.56)%	14.83%
Other Information			
Closing net asset value (£000's)	909,945	783,233	855,790
Closing number of units	697,771,412	673,656,387	621,494,166
Operating charges ²	0.02%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	130.64	138.01	138.72
Lowest bid unit price	117.00	110.00	119.70

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

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

³ Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of debt instruments. See note 14 for further details.

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	2.4929
Distribution paid 29.2.2024	2.4929
Distribution paid 28.2.2023	2.1563

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES - 98.93%; 31.12.22 98.84%			Fixed Income Funds - 33.64%; 31.12.22 31.99%		
Equity Funds - 65.29%; 31.12.22 66.85%					
190,007,370	294,137	32.33	86,841	9,212	1.01
127,554,959	169,376	18.61	44,279,212	39,128	4.30
50,756,538	52,744	5.80	29,633,072	46,904	5.15
863,975	4,467	0.49	79,761,830	95,893	10.54
1,421,672	41,340	4.54	71,487,590	77,572	8.53
12,212,192	26,482	2.91	2,989,648	3,195	0.35
194,245	5,526	0.61	32,398,871	34,215	3.76
	594,072	65.29		306,119	33.64

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES - (0.03%); 31.12.22 0.06%			
Forward Currency Contracts - (0.03%); 31.12.22 0.06%			
AUD 647,129 Australian dollar vs UK sterling	346	(1)	0.00
CAD 1,056,198 Canadian dollar vs UK sterling	625	(3)	0.00
DKK 993,324 Danish krone vs UK sterling^	115	-	0.00
EUR 4,159,422 Euro vs UK sterling	3,606	(1)	0.00
HKD 1,132,120 Hong Kong dollar vs UK sterling^	114	-	0.00
JPY 507,932,584 Japanese yen vs UK sterling^	2,839	-	0.00
NOK 2,344,245 Norwegian krone vs UK sterling^	181	-	0.00
SGD 506,944 Singapore dollar vs UK sterling^	302	-	0.00
SEK 3,907,868 Swedish krona vs UK sterling^	304	-	0.00

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value	Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
CHF 772,055	Swiss franc vs UK sterling [^]	722	–	0.00
GBP 7,265,314	UK sterling vs Australian dollar	(7,336)	(71)	(0.01)
GBP 11,868,694	UK sterling vs Canadian dollar	(11,962)	(93)	(0.01)
GBP 2,796,900	UK sterling vs Danish krone	(2,802)	(5)	0.00
GBP 48,800,866	UK sterling vs Euro	(48,889)	(88)	(0.01)
GBP 1,665,668	UK sterling vs Hong Kong dollar	(1,660)	5	0.00
GBP 597,796	UK sterling vs Israel shekel	(604)	(6)	0.00
GBP 32,166,165	UK sterling vs Japanese yen	(32,736)	(570)	(0.06)
GBP 344,499	UK sterling vs New Zealand dollar	(347)	(3)	0.00
GBP 1,416,421	UK sterling vs Norwegian krone	(1,452)	(36)	0.00
GBP 1,451,226	UK sterling vs Singapore dollar	(1,454)	(3)	0.00
GBP 3,251,602	UK sterling vs Swedish krona	(3,300)	(48)	(0.01)
GBP 8,251,171	UK sterling vs Swiss franc	(8,345)	(94)	(0.01)
GBP 257,914,474	UK sterling vs United States dollar	(257,228)	686	0.08
USD 20,278,657	United States dollar vs UK sterling	15,925	16	0.00
		(353,036)	(315)	(0.03)
Portfolio of investments			899,876	98.90
Net other assets			10,069	1.10
Total net assets			909,945	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

[^] Investments which are less than £500 are rounded to zero.

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income			
Net capital gains/(losses)	3	80,538	(153,150)
Revenue	4	17,243	14,227
Expenses	5	(78)	(57)
Interest paid and similar charges	6	(3)	(1)
Net revenue before taxation		17,162	14,169
Taxation	7	–	–
Net revenue after taxation		17,162	14,169
Total return before distributions		97,700	(138,981)
Distributions	8	(17,162)	(14,165)
Change in net assets attributable to unitholders from investment activities		80,538	(153,146)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders	783,233	855,790
Amounts receivable on issue of units	77,649	102,339
Amounts payable on cancellation of units	(48,870)	(36,276)
	28,779	66,063
Change in net assets attributable to unitholders from investment activities	80,538	(153,146)
Retained distribution on accumulation units	17,395	14,526
Closing net assets attributable to unitholders	909,945	783,233

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		900,898	777,946
Current assets			
– Debtors	9	18,498	9,378
– Cash and bank balances	10	48	231
Total assets		919,444	787,555
Liabilities:			
Investment liabilities		(1,022)	(3,328)
Creditors			
– Other creditors	11	(8,477)	(994)
Total liabilities		(9,499)	(4,322)
Net assets attributable to unitholders		909,945	783,233

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities*	62,890	(112,128)
Forward currency contracts	6,609	(33,573)
Currency gains/(losses)	11,051	(7,432)
Custodian transaction costs	(12)	(17)
Net capital gains/(losses)	80,538	(153,150)

* Includes realised losses of £15,609,903 and unrealised gains of £78,499,608 (2022: realised gains of £7,249,898 and unrealised losses of £119,378,442). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	1,325	1,191
Interest distributions on CIS holdings	5,945	3,641
Interest from UK bank deposits	117	15
Overseas dividends	8,929	8,502
Rebate from underlying CIS holdings	43	46
Securities lending revenue	42	48
UK dividends	499	574
UK REIT dividends	19	23
US REIT dividends	324	187
Total revenue	17,243	14,227

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge and other expenses rebate [#]	–	(36)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	7	5
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	1	2
– Dividend charges [*]	54	76
– Legal fee	2	1
– Safe custody fee	7	1
Total expenses	78	57

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Interest Paid and Similar Charges

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Interest on bank overdrafts	3	1
Total interest paid and similar charges	3	1

7. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	17,395	14,526
	17,395	14,526
Add: Amounts deducted on cancellation of units	542	473
Deduct: Amounts received on issue of units	(775)	(834)
Distributions	17,162	14,165
The distributable amount has been calculated as follows:		
Net revenue after taxation	17,162	14,169
Add: Capitalised expenses	–	(4)
Distributions	17,162	14,165

Details of the final distribution per unit are set out in the table on page 109.

NOTES TO FINANCIAL STATEMENTS (continued)

9. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued manager's charge rebates	–	36
Accrued rebate from underlying CIS holdings	12	17
Accrued revenue	10,024	9,108
Amount receivable on issue of units	1,352	217
Sales awaiting settlement	7,110	–
Total debtors	18,498	9,378

10. Cash and Bank Balances

	31.12.2023 £000's	31.12.2022 £000's
Cash and bank balances	48	231
Total cash and bank balances	48	231

11. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	8	7
Accrued Depositary's fee	3	1
Accrued Safe custody fee	5	1
Currency deals awaiting settlement	1	1
Custodian transaction costs	6	10
Purchases awaiting settlement	8,454	974
Total other creditors	8,477	994

12. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

13. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 11. Securities lending revenue earned by the Fund is disclosed in note 4.

NOTES TO FINANCIAL STATEMENTS (continued)

13. Related Parties (continued)

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

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

As at 31 December 2023:

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

As at 31 December 2022:

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

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

14. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

NOTES TO FINANCIAL STATEMENTS (continued)**14. Portfolio Transaction Costs (continued)**

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2022: Nil).

15. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	673,656,387
Issued during the year	64,388,606
Cancelled during the year	(40,273,581)
Balance at the end of the year	697,771,412

16. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805824.

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the year to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	118.93	140.20	120.54
Return before operating charges	15.55	(21.24)	19.69
Operating charges	(0.01)	(0.03)	(0.03)
Return after operating charges	15.54	(21.27)	19.66
Distributions	(2.55)	(2.25)	(1.93)
Retained distributions on accumulation units	2.55	2.25	1.93
Closing net asset value per unit	134.47	118.93	140.20
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	13.07%	(15.17)%	16.31%
Other Information			
Closing net asset value (£000's)	1,591,344	1,272,717	1,268,771
Closing number of units	1,183,447,066	1,070,123,723	905,001,815
Operating charges ²	0.01%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	134.73	140.57	141.21
Lowest bid unit price	119.00	113.00	120.30

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

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

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

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	2.5546
Distribution paid 29.2.2024	2.5546
Distribution paid 28.2.2023	2.2490

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value	Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
GBP 17,894,921	UK sterling vs Canadian dollar	(18,036)	(141)	(0.01)
GBP 4,378,432	UK sterling vs Danish krone	(4,386)	(8)	0.00
GBP 69,884,203	UK sterling vs Euro	(70,008)	(124)	(0.01)
GBP 2,630,266	UK sterling vs Hong Kong dollar	(2,622)	8	0.00
GBP 980,938	UK sterling vs Israel shekel	(990)	(9)	0.00
GBP 47,029,580	UK sterling vs Japanese yen	(47,858)	(828)	(0.05)
GBP 597,483	UK sterling vs New Zealand dollar	(602)	(5)	0.00
GBP 2,163,831	UK sterling vs Norwegian krone	(2,218)	(54)	0.00
GBP 2,017,307	UK sterling vs Singapore dollar	(2,021)	(4)	0.00
GBP 4,867,827	UK sterling vs Swedish krona	(4,940)	(73)	0.00
GBP 12,719,147	UK sterling vs Swiss franc	(12,864)	(145)	(0.01)
GBP 389,298,277	UK sterling vs United States dollar	(388,266)	1,032	0.06
USD 38,052,147	United States dollar vs UK sterling	29,883	35	0.00
		(520,009)	(435)	(0.03)
Portfolio of investments			1,572,343	98.80
Net other assets			19,001	1.20
Total net assets			1,591,344	100.00

Underlying exposure has been calculated according to the guidelines by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income			
Net capital gains/(losses)	3	148,060	(228,923)
Revenue	4	29,041	22,631
Expenses	5	(121)	(109)
Interest paid and similar charges	6	(4)	(2)
Net revenue before taxation		28,916	22,520
Taxation	7	–	–
Net revenue after taxation		28,916	22,520
Total return before distributions		176,976	(206,403)
Distributions	8	(28,916)	(22,520)
Change in net assets attributable to unitholders from investment activities		148,060	(228,923)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders	1,272,717	1,268,771
Amounts receivable on issue of units	188,451	243,102
Amounts payable on cancellation of units	(48,116)	(34,300)
	140,335	208,802
Change in net assets attributable to unitholders from investment activities	148,060	(228,923)
Retained distribution on accumulation units	30,232	24,067
Closing net assets attributable to unitholders	1,591,344	1,272,717

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		1,573,854	1,262,414
Current assets			
– Debtors	9	31,587	18,246
– Cash and bank balances		84	375
Total assets		1,605,525	1,281,035
Liabilities:			
Investment liabilities		(1,511)	(5,077)
Creditors			
– Other creditors	10	(12,670)	(3,241)
Total liabilities		(14,181)	(8,318)
Net assets attributable to unitholders		1,591,344	1,272,717

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities*	120,785	(168,745)
Forward currency contracts	9,542	(49,682)
Currency gains/(losses)	17,749	(10,480)
Custodian transaction costs	(16)	(16)
Net capital gains/(losses)	148,060	(228,923)

*Includes realised losses of £19,918,866 and unrealised gains of £140,703,348 (2022: realised gains of £6,993,693 and unrealised losses of £175,738,536). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	2,407	2,175
Interest distributions on CIS holdings	8,342	4,634
Interest from UK bank deposits	223	27
Overseas dividends	16,432	14,323
Rebate from underlying CIS holdings	61	61
Securities lending revenue	75	81
UK dividends	859	970
UK REIT dividends	33	38
US REIT dividends	609	322
Total revenue	29,041	22,631

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge and other expenses rebate [#]	–	(40)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	6	6
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	2	4
– Dividend charges [*]	96	128
– Legal fee	2	2
– Safe custody fee	8	1
Total expenses	121	109

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Interest Paid and Similar Charges

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Interest on bank overdrafts	4	2
Total interest paid and similar charges	4	2

7. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	30,232	24,067
	30,232	24,067
Add: Amounts deducted on cancellation of units	504	470
Deduct: Amounts received on issue of units	(1,820)	(2,017)
Distributions	28,916	22,520

Details of the final distribution per unit are set out in the table on page 121.

NOTES TO FINANCIAL STATEMENTS (continued)

9. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Manager's charge rebates	–	42
Accrued rebate from underlying CIS holdings	16	23
Accrued revenue	18,955	16,243
Amount receivable on issue of units	1,888	1,938
Sales awaiting settlement	10,728	–
Total debtors	31,587	18,246

10. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	8	7
Accrued Depositary's fee	3	3
Accrued Safe custody fee	5	1
Amount payable for cancellation of units	400	–
Currency deals awaiting settlement	2	2
Custodian transaction costs	7	10
Purchases awaiting settlement	12,245	3,218
Total other creditors	12,670	3,241

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

NOTES TO FINANCIAL STATEMENTS (continued)

12. Related Parties (continued)

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

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

As at 31 December 2023:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
43%	1	57%

As at 31 December 2022:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
40%	1	60%

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

13. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

NOTES TO FINANCIAL STATEMENTS (continued)**13. Portfolio Transaction Costs (continued)**

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2022: Nil).

14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	1,070,123,723
Issued during the year	151,922,389
Cancelled during the year	(38,599,046)
Balance at the end of the year	1,183,447,066

15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805825.

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the year to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	121.39	142.24	120.83
Return before operating charges	17.19	(20.82)	21.44
Operating charges	(0.04)	(0.03)	(0.03)
Return after operating charges	17.15	(20.85)	21.41
Distributions	(2.64)	(2.37)	(2.03)
Retained distributions on accumulation units	2.64	2.37	2.03
Closing net asset value per unit	138.54	121.39	142.24
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	14.13%	(14.66)%	17.72%
Other Information			
Closing net asset value (£000's)	795,966	655,647	703,874
Closing number of units	574,542,093	540,106,872	494,846,852
Operating charges ²	0.02%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	138.84	142.68	143.24
Lowest bid unit price	121.61	116.00	120.60

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

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

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

ACS LIFEPATH 2040-2042

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	2.6448
Distribution paid 29.2.2024	2.6448
Distribution paid 28.2.2023	2.3650

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES - 98.74%; 31.12.22 98.60%			Fixed Income Funds - 21.83%; 31.12.22 20.02%		
Equity Funds - 76.91%; 31.12.22 78.58%					
166,175,048	ACS World ESG Equity Tracker Fund	257,251 32.32	50,429	iShares Emerging Markets Government Bond Index Fund (LU)	5,350 0.67
162,907,840	ACS World ESG Screened Equity Tracker Fund	216,320 27.18	29,629,142	iShares ESG Sterling Corporate Bond Index Fund (UK)	26,182 3.29
55,706,854	ACS World Small Cap ESG Screened Equity Tracker Fund	57,886 7.27	21,837,085	iShares Overseas Corporate Bond Index Fund (UK)	34,564 4.34
1,484,836	iShares Emerging Markets Index Fund (IE)	43,056 5.41	46,914,273	iShares Overseas Government Bond Index Fund (UK)	56,402 7.09
13,787,419	iShares Global Property Securities Equity Index Fund (UK)	29,898 3.76	41,499,951	iShares UK Gilts All Stocks Index Fund (UK)	45,032 5.66
273,038	iShares MSCI Emerging Markets UCITS ETF	7,768 0.97	5,874,811	iShares Up to 10 Years Index Linked Gilt Index Fund (UK)	6,204 0.78
		612,179 76.91			173,734 21.83

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES - (0.02%); 31.12.22 0.08%			
Forward Currency Contracts - (0.02%); 31.12.22 0.08%			
AUD 751,501	Australian dollar vs UK sterling	402	(1) 0.00
CAD 1,163,167	Canadian dollar vs UK sterling	689	(3) 0.00
DKK 1,429,618	Danish krone vs UK sterling^	166	- 0.00
EUR 3,650,037	Euro vs UK sterling	3,164	(2) 0.00
HKD 1,254,324	Hong Kong dollar vs UK sterling^	126	- 0.00
JPY 433,629,478	Japanese yen vs UK sterling^	2,424	- 0.00
NOK 1,894,616	Norwegian krone vs UK sterling^	146	- 0.00
SGD 274,442	Singapore dollar vs UK sterling^	163	- 0.00
SEK 3,043,843	Swedish krona vs UK sterling^	237	- 0.00
CHF 722,260	Swiss franc vs UK sterling^	675	- 0.00
GBP 4,593,755	UK sterling vs Australian dollar	(4,638)	(45) 0.00
GBP 7,438,550	UK sterling vs Canadian dollar	(7,497)	(59) (0.01)
GBP 1,886,799	UK sterling vs Danish krone	(1,890)	(3) 0.00

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value	Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
GBP 27,398,422	UK sterling vs Euro	(27,446)	(48)	(0.01)
GBP 1,143,379	UK sterling vs Hong Kong dollar	(1,140)	4	0.00
GBP 448,099	UK sterling vs Israel shekel	(452)	(4)	0.00
GBP 18,709,441	UK sterling vs Japanese yen	(19,039)	(329)	(0.04)
GBP 266,742	UK sterling vs New Zealand dollar	(269)	(2)	0.00
GBP 912,270	UK sterling vs Norwegian krone	(935)	(23)	0.00
GBP 868,857	UK sterling vs Singapore dollar	(870)	(2)	0.00
GBP 2,115,729	UK sterling vs Swedish krona	(2,147)	(32)	0.00
GBP 5,410,670	UK sterling vs Swiss franc	(5,472)	(62)	(0.01)
GBP 162,308,979	UK sterling vs United States dollar	(161,881)	428	0.05
USD 21,154,362	United States dollar vs UK sterling	16,613	22	0.00
		(208,871)	(161)	(0.02)
Portfolio of investments			785,752	98.72
Net other assets			10,214	1.28
Total net assets			795,966	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income			
Net capital gains/(losses)	3	81,309	(121,030)
Revenue	4	14,881	12,528
Expenses	5	(75)	(55)
Interest paid and similar charges	6	(2)	(2)
Net revenue before taxation		14,804	12,471
Taxation	7	–	–
Net revenue after taxation		14,804	12,471
Total return before distributions		96,113	(108,559)
Distributions	8	(14,804)	(12,471)
Change in net assets attributable to unitholders from investment activities		81,309	(121,030)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders	655,647	703,874
Amounts receivable on issue of units	75,972	92,696
Amounts payable on cancellation of units	(32,158)	(32,667)
	43,814	60,029
Change in net assets attributable to unitholders from investment activities	81,309	(121,030)
Retained distribution on accumulation units	15,196	12,774
Closing net assets attributable to unitholders	795,966	655,647

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		786,367	649,483
Current assets			
– Debtors	9	18,758	9,799
– Cash and bank balances		41	190
Total assets		805,166	659,472
Liabilities:			
Investment liabilities		(615)	(2,456)
Creditors			
– Other creditors	10	(8,585)	(1,369)
Total liabilities		(9,200)	(3,825)
Net assets attributable to unitholders		795,966	655,647

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities*	67,138	(89,299)
Forward currency contracts	5,241	(26,346)
Currency gains/(losses)	8,943	(5,372)
Custodian transaction costs	(13)	(13)
Net capital gains/(losses)	81,309	(121,030)

* Includes realised losses of £6,977,116 and unrealised gains of £74,115,158 (2022: realised gains of £2,681,689 and unrealised losses of £91,980,282). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	1,341	1,263
Interest distributions on CIS holdings	3,459	2,075
Interest from UK bank deposits	125	17
Overseas dividends	9,084	8,318
Rebate from underlying CIS holdings	25	26
Securities lending revenue	41	47
UK dividends	447	564
UK REIT dividends	18	21
US REIT dividends	341	197
Total revenue	14,881	12,528

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge and other expenses rebate [#]	–	(35)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	7	5
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	1	2
– Dividend charges [*]	52	74
– Legal fee	1	1
– Safe custody fee	7	–
Total expenses	75	55

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Interest Paid and Similar Charges

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Interest on bank overdrafts	2	2
Total interest paid and similar charges	2	2

7. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	15,196	12,774
	15,196	12,774
Add: Amounts deducted on cancellation of units	371	496
Deduct: Amounts received on issue of units	(763)	(799)
Distributions	14,804	12,471

Details of the final distribution per unit are set out in the table on page 133.

NOTES TO FINANCIAL STATEMENTS (continued)

9. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued manager's charge rebates	–	38
Accrued rebate from underlying CIS holdings	7	10
Accrued revenue	10,239	9,107
Amount receivable on issue of units	1,744	644
Sales awaiting settlement	6,768	–
Total debtors	18,758	9,799

10. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	8	7
Accrued Depositary's fee	3	2
Accrued Safe custody fee	4	–
Currency deals awaiting settlement	1	1
Custodian transaction costs	7	9
Purchases awaiting settlement	8,562	1,350
Total other creditors	8,585	1,369

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

NOTES TO FINANCIAL STATEMENTS (continued)

12. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

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

As at 31 December 2022:

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

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

13. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (31 December 2022: Nil).

NOTES TO FINANCIAL STATEMENTS (continued)

14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	540,106,872
Issued during the year	59,531,671
Cancelled during the year	(25,096,450)
Balance at the end of the year	574,542,093

15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805826.

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the year to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	123.94	144.52	121.20
Return before operating charges	18.71	(20.55)	23.35
Operating charges	(0.03)	(0.03)	(0.03)
Return after operating charges	18.68	(20.58)	23.32
Distributions	(2.73)	(2.45)	(2.08)
Retained distributions on accumulation units	2.73	2.45	2.08
Closing net asset value per unit	142.62	123.94	144.52
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	15.07%	(14.24)%	19.24%
Other Information			
Closing net asset value (£000's)	1,379,578	1,050,593	1,013,404
Closing number of units	967,311,864	847,688,876	701,215,858
Operating charges ²	0.02%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	142.94	145.01	145.55
Lowest bid unit price	124.14	118.00	120.90

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

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

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

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DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	2.7250
Distribution paid 29.2.2024	2.7250
Distribution paid 28.2.2023	2.4521

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES - 98.65%; 31.12.22 98.49%			iShares MSCI Emerging Markets UCITS ETF		
			622,000	17,696	1.28
Equity Funds - 82.68%; 31.12.22 84.38%			Fixed Income Funds - 15.97%; 31.12.22 14.11%		
287,133,772	444,495	32.22		1,140,541	82.68
324,828,655	431,343	31.27	71,153	7,548	0.55
105,840,932	109,968	7.97	43,615,369	38,542	2.79
2,737,193	79,592	5.77	31,251,327	49,465	3.58
26,491,162	57,447	4.17	58,050,584	69,791	5.06
			50,692,301	55,006	3.99
				220,352	15.97

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES - (0.02%); 31.12.22 0.09%			
Forward Currency Contracts - (0.02%); 31.12.22 0.09%			
GBP 6,503,663	UK sterling vs Australian dollar	(6,563)	(60) (0.01)
GBP 10,401,971	UK sterling vs Canadian dollar	(10,478)	(76) (0.01)
GBP 2,605,882	UK sterling vs Danish krone	(2,611)	(5) 0.00
GBP 34,996,835	UK sterling vs Euro	(35,057)	(60) 0.00
GBP 1,590,158	UK sterling vs Hong Kong dollar	(1,585)	5 0.00
GBP 669,930	UK sterling vs Israel shekel	(676)	(7) 0.00
GBP 24,130,962	UK sterling vs Japanese yen	(24,556)	(424) (0.03)
GBP 390,471	UK sterling vs New Zealand dollar	(394)	(3) 0.00
GBP 1,239,232	UK sterling vs Norwegian krone	(1,270)	(31) 0.00
GBP 1,200,453	UK sterling vs Singapore dollar	(1,203)	(2) 0.00
GBP 2,947,323	UK sterling vs Swedish krona	(2,991)	(44) 0.00
GBP 7,386,594	UK sterling vs Swiss franc	(7,471)	(84) (0.01)

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
GBP 223,704,297 UK sterling vs United States dollar	(223,141)	563	0.04
	(317,996)	(228)	(0.02)
Portfolio of investments		1,360,665	98.63
Net other assets		18,913	1.37
Total net assets		1,379,578	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income			
Net capital gains/(losses)	3	146,477	(174,742)
Revenue	4	25,013	19,369
Expenses	5	(113)	(92)
Interest paid and similar charges	6	(2)	(7)
Net revenue before taxation		24,898	19,270
Taxation	7	–	–
Net revenue after taxation		24,898	19,270
Total return before distributions		171,375	(155,472)
Distributions	8	(24,897)	(19,270)
Change in net assets attributable to unitholders from investment activities		146,478	(174,742)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders	1,050,593	1,013,404
Amounts receivable on issue of units	189,566	216,651
Amounts payable on cancellation of units	(33,418)	(25,506)
	156,148	191,145
Change in net assets attributable to unitholders from investment activities	146,478	(174,742)
Retained distribution on accumulation units	26,359	20,786
Closing net assets attributable to unitholders	1,379,578	1,050,593

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		1,361,461	1,039,293
Current assets			
– Debtors	9	29,026	17,465
– Cash and bank balances		72	306
Total assets		1,390,559	1,057,064
Liabilities:			
Investment liabilities		(796)	(3,644)
Creditors			
– Other creditors	10	(10,185)	(2,827)
Total liabilities		(10,981)	(6,471)
Net assets attributable to unitholders		1,379,578	1,050,593

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities [†]	124,911	(129,784)
Forward currency contracts	7,645	(37,208)
Currency gains/(losses)	13,936	(7,733)
Custodian transaction costs	(15)	(17)
Net capital gains/(losses)	146,477	(174,742)

* Includes realised losses of £8,343,731 and unrealised gains of £133,254,405 (2022: realised gains of £336,923 and unrealised losses of £130,120,656. Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	2,423	2,117
Interest distributions on CIS holdings	4,521	2,354
Interest from UK bank deposits	230	31
Overseas dividends	16,314	13,491
Rebate from underlying CIS holdings	38	29
Securities lending revenue	72	77
UK dividends	761	914
UK REIT dividends	30	33
US REIT dividends	624	323
Total revenue	25,013	19,369

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge and other expenses rebate [#]	–	(45)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	6	6
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	2	3
– Dividend charges [*]	90	119
– Legal fee	2	1
– Safe custody fee	6	–
Total expenses	113	92

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Interest Paid and Similar Charges

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Interest on bank overdrafts	2	7
Total interest paid and similar charges	2	7

7. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	26,359	20,786
	26,359	20,786
Add: Amounts deducted on cancellation of units	357	398
Deduct: Amounts received on issue of units	(1,819)	(1,914)
Distributions	24,897	19,270
The distributable amount has been calculated as follows:		
Net revenue after taxation	24,898	19,270
Deduct: Revenue carried forward	(1)	–
Distributions	24,897	19,270

Details of the final distribution per unit are set out in the table on page 145.

NOTES TO FINANCIAL STATEMENTS (continued)

9. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Manager's charge rebates	–	49
Accrued rebate from underlying CIS holdings	13	11
Accrued revenue	18,932	15,749
Amount receivable on issue of units	1,295	1,656
Sales awaiting settlement	8,786	–
Total debtors	29,026	17,465

10. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	8	7
Accrued Depositary's fee	3	3
Accrued Safe Custody fee	4	–
Amount payable for cancellation of units	111	–
Currency deals awaiting settlement	1	1
Custodian transaction costs	9	12
Purchases awaiting settlement	10,049	2,804
Total other creditors	10,185	2,827

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

NOTES TO FINANCIAL STATEMENTS (continued)

12. Related Parties (continued)

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

The following investor(s)

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

As at 31 December 2023:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
45%	1	55%

As at 31 December 2022:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
42%	1	58%

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

13. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

NOTES TO FINANCIAL STATEMENTS (continued)

13. Portfolio Transaction Costs (continued)

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.01% (31 December 2022: Nil).

14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	847,688,876
Issued during the year	144,963,184
Cancelled during the year	(25,340,196)
Balance at the end of the year	967,311,864

15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805827.

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the year to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	126.36	146.26	121.53
Return before operating charges	20.07	(19.87)	24.76
Operating charges	(0.03)	(0.03)	(0.03)
Return after operating charges	20.04	(19.90)	24.73
Distributions	(2.83)	(2.58)	(2.18)
Retained distributions on accumulation units	2.83	2.58	2.18
Closing net asset value per unit	146.40	126.36	146.26
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	15.86%	(13.61)%	20.35%
Other Information			
Closing net asset value (£000's)	677,748	537,416	556,901
Closing number of units	462,940,093	425,289,819	380,761,939
Operating charges ²	0.02%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	146.74	146.79	147.30
Lowest bid unit price	127.00	121.00	121.20

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

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

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

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	2.8279
Distribution paid 29.2.2024	2.8279
Distribution paid 28.2.2023	2.5818

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES - 98.54%; 31.12.22 98.38%							
Equity Funds - 88.69%; 31.12.22 90.05%							
824,444	ACS UK Equity Tracker Fund	1,012	0.15	14,072,646	iShares Global Property Securities Equity Index Fund (UK)	30,517	4.50
140,801,188	ACS World ESG Equity Tracker Fund	217,965	32.16	322,618	iShares MSCI Emerging Markets UCITS ETF	9,178	1.36
165,188,852	ACS World ESG Screened Equity Tracker Fund	219,358	32.37			601,071	88.69
12,100,279	ACS World Ex UK Equity Tracker Fund	23,641	3.49	Fixed Income Funds - 9.85%; 31.12.22 8.33%			
55,791,086	ACS World Small Cap ESG Screened Equity Tracker Fund	57,968	8.55	20,554	iShares Emerging Markets Government Bond Index Fund (LU)	2,180	0.32
1,424,858	iShares Emerging Markets Index Fund (IE)	41,432	6.11	16,483,021	iShares ESG Sterling Corporate Bond Index Fund (UK)	14,566	2.15
				12,763,872	iShares Overseas Corporate Bond Index Fund (UK)	20,203	2.98
				13,305,994	iShares Overseas Government Bond Index Fund (UK)	15,997	2.36
				12,747,909	iShares UK Gilts All Stocks Index Fund (UK)	13,833	2.04
						66,779	9.85

Holding or Nominal Value	Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES - (0.01%); 31.12.22 0.10%				
Forward Currency Contracts - (0.01%); 31.12.22 0.10%				
140,248,395	KRW Korean won vs UK sterling^	85	-	0.00
GBP 2,224,768	UK sterling vs Australian dollar	(2,245)	(20)	0.00
GBP 3,511,068	UK sterling vs Canadian dollar	(3,537)	(26)	(0.01)
GBP 906,912	UK sterling vs Danish krone	(909)	(2)	0.00
GBP 11,006,758	UK sterling vs Euro	(11,026)	(19)	0.00
GBP 564,060	UK sterling vs Hong Kong dollar	(562)	2	0.00
GBP 199,703	UK sterling vs Israel shekel	(202)	(2)	0.00
GBP 7,806,022	UK sterling vs Japanese yen	(7,944)	(138)	(0.02)
GBP 170,725	UK sterling vs Korean won^	(170)	-	0.00
GBP 206,482	UK sterling vs New Zealand dollar	(208)	(2)	0.00
GBP 425,051	UK sterling vs Norwegian krone	(436)	(11)	0.00
GBP 18,127	UK sterling vs Polish zloty^	(18)	-	0.00

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value	Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
GBP 420,497	UK sterling vs Singapore dollar	(421)	(1)	0.00
GBP 1,032,726	UK sterling vs Swedish krona	(1,048)	(15)	0.00
GBP 2,578,236	UK sterling vs Swiss franc	(2,608)	(29)	(0.01)
GBP 75,642,905	UK sterling vs United States dollar	(75,452)	191	0.03
USD 231,995	United States dollar vs UK sterling	182	(1)	0.00
		(106,519)	(73)	(0.01)
Portfolio of investments			667,777	98.53
Net other assets			9,971	1.47
Total net assets			677,748	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

[^] Investments which are less than £500 are rounded to zero.

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	£000's	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income				
Net capital gains/(losses)	3		76,885	(90,000)
Revenue	4	12,687		10,621
Expenses	5	(71)		(45)
Interest paid and similar charges	6	(1)		(2)
Net revenue before taxation		12,615		10,574
Taxation	7	–		–
Net revenue after taxation			12,615	10,574
Total return before distributions			89,500	(79,426)
Distributions	8		(12,616)	(10,574)
Change in net assets attributable to unitholders from investment activities			76,884	(90,000)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	£000's	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders		537,416	556,901
Amounts receivable on issue of units	76,344		81,801
Amounts payable on cancellation of units	(25,987)		(22,266)
		50,357	59,535
Change in net assets attributable to unitholders from investment activities		76,884	(90,000)
Retained distribution on accumulation units		13,091	10,980
Closing net assets attributable to unitholders		677,748	537,416

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		668,043	531,194
Current assets			
– Debtors	9	14,353	9,607
– Cash and bank balances		35	148
Total assets		682,431	540,949
Liabilities:			
Investment liabilities		(266)	(1,983)
Creditors			
– Other creditors	10	(4,417)	(1,550)
Total liabilities		(4,683)	(3,533)
Net assets attributable to unitholders		677,748	537,416

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities [†]	66,942	(67,639)
Forward currency contracts	3,151	(18,252)
Currency gains/(losses)	6,806	(4,095)
Custodian transaction costs	(14)	(14)
Net capital gains/(losses)	76,885	(90,000)

* Includes realised losses of £1,437,638 and unrealised gains of £68,379,454 (2022: realised gains of £770,246 and unrealised losses of £68,408,923). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	1,331	1,221
Interest distributions on CIS holdings	1,613	955
Interest from UK bank deposits	119	16
Overseas dividends	8,830	7,653
Rebate from underlying CIS holdings	13	11
Securities lending revenue	41	45
UK dividends	387	520
UK REIT dividends	16	18
US REIT dividends	337	182
Total revenue	12,687	10,621

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge and other expenses rebate [#]	–	(37)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	7	5
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	1	1
– Dividend charges [*]	48	67
– Legal fee	1	1
– Safe custody fee	7	–
Total expenses	71	45

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Interest Paid and Similar Charges

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Interest on bank overdrafts	1	2
Total interest paid and similar charges	1	2

7. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	13,091	10,980
	13,091	10,980
Add: Amounts deducted on cancellation of units	300	343
Deduct: Amounts received on issue of units	(775)	(749)
Distributions	12,616	10,574

Details of the final distribution per unit are set out in the table on page 157.

NOTES TO FINANCIAL STATEMENTS (continued)

9. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued manager's charge rebates	–	42
Accrued rebate from underlying CIS holdings	4	4
Accrued revenue	9,986	8,684
Amount receivable on issue of units	1,461	877
Sales awaiting settlement	2,902	–
Total debtors	14,353	9,607

10. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	8	7
Accrued Depositary's fee	3	2
Accrued Safe custody fee	5	–
Currency deals awaiting settlement	–	1
Custodian transaction costs	7	10
Purchases awaiting settlement	4,394	1,530
Total other creditors	4,417	1,550

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

NOTES TO FINANCIAL STATEMENTS (continued)

12. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

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

As at 31 December 2022:

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

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

13. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2022: Nil).

NOTES TO FINANCIAL STATEMENTS (continued)

14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	425,289,819
Issued during the year	56,936,807
Cancelled during the year	(19,286,533)
Balance at the end of the year	462,940,093

15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805828.

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the year to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	127.70	147.75	121.85
Return before operating charges	21.12	(20.02)	25.93
Operating charges	(0.03)	(0.03)	(0.03)
Return after operating charges	21.09	(20.05)	25.90
Distributions	(2.89)	(2.64)	(2.21)
Retained distributions on accumulation units	2.89	2.64	2.21
Closing net asset value per unit	148.79	127.70	147.75
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	16.52%	(13.57)%	21.26%
Other Information			
Closing net asset value (£000's)	1,088,239	785,154	718,556
Closing number of units	731,408,490	614,822,723	486,333,826
Operating charges ²	0.02%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	149.15	148.34	148.81
Lowest bid unit price	128.00	122.00	121.50

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

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

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

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	2.8892
Distribution paid 29.2.2024	2.8892
Distribution paid 28.2.2023	2.6371

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment		Market Value	% of Total Net Assets	Holding or Nominal Value Investment		Market Value	% of Total Net Assets
		£000's				£000's	
COLLECTIVE INVESTMENT SCHEMES - 98.46%; 31.12.22 98.28%							
Equity Funds - 93.24%; 31.12.22 94.30%							
2,588,810	ACS UK Equity Tracker Fund	3,180	0.29	521,380	iShares MSCI Emerging Markets UCITS ETF	14,833	1.36
226,597,296	ACS World ESG Equity Tracker Fund	350,781	32.24				
264,211,051	ACS World ESG Screened Equity Tracker Fund	350,841	32.24			1,014,629	93.24
38,082,484	ACS World Ex UK Equity Tracker Fund	74,345	6.83	Fixed Income Funds - 5.22%; 31.12.22 3.98%			
94,252,798	ACS World Small Cap ESG Screened Equity Tracker Fund	97,937	9.00	16,206	iShares Emerging Markets Government Bond Index Fund (LU)	1,719	0.16
2,404,835	iShares Emerging Markets Index Fund (IE)	69,928	6.43	20,076,224	iShares ESG Sterling Corporate Bond Index Fund (UK)	17,741	1.63
24,341,298	iShares Global Property Securities Equity Index Fund (UK)	52,784	4.85	13,878,855	iShares Overseas Corporate Bond Index Fund (UK)	21,968	2.02
				6,732,321	iShares Overseas Government Bond Index Fund (UK)	8,094	0.74
				6,735,833	iShares UK Gilts All Stocks Index Fund (UK)	7,309	0.67
						56,831	5.22

Holding or Nominal Value Investment		Underlying Exposure	Market Value	% of Total Net Assets
		£000's	£000's	
DERIVATIVES - (0.01%); 31.12.22 0.10%				
Forward Currency Contracts - (0.01%); 31.12.22 0.10%				
AUD 1,490,160	Australian dollar vs UK sterling	797	(1)	0.00
CAD 2,136,938	Canadian dollar vs UK sterling	1,265	(7)	0.00
DKK 2,946,326	Danish krone vs UK sterling^	343	-	0.00
EUR 4,690,375	Euro vs UK sterling	4,066	(3)	0.00
HKD 2,259,923	Hong Kong dollar vs UK sterling^	227	-	0.00
ILS 669,578	Israel shekel vs UK sterling	145	(1)	0.00
JPY 570,208,133	Japanese yen vs UK sterling	3,187	(1)	0.00
KRW 250,086,413	Korean won vs UK sterling^	152	-	0.00
NOK 2,483,551	Norwegian krone vs UK sterling^	192	-	0.00
SGD 333,280	Singapore dollar vs UK sterling^	198	-	0.00
SEK 5,379,240	Swedish krona vs UK sterling	419	(1)	0.00
CHF 1,148,865	Swiss franc vs UK sterling^	1,074	-	0.00
GBP 3,508,246	UK sterling vs Australian dollar	(3,542)	(34)	0.00

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
GBP 5,498,337 UK sterling vs Canadian dollar	(5,542)	(43)	(0.01)
GBP 1,509,392 UK sterling vs Danish krone	(1,512)	(3)	0.00
GBP 16,756,041 UK sterling vs Euro	(16,786)	(30)	0.00
GBP 952,697 UK sterling vs Hong Kong dollar	(950)	3	0.00
GBP 458,722 UK sterling vs Israel shekel	(463)	(4)	0.00
GBP 12,479,048 UK sterling vs Japanese yen	(12,700)	(221)	(0.02)
GBP 304,431 UK sterling vs Korean won	(304)	1	0.00
GBP 260,308 UK sterling vs New Zealand dollar	(262)	(2)	0.00
GBP 701,051 UK sterling vs Norwegian krone	(719)	(18)	0.00
GBP 44,849 UK sterling vs Polish zloty^	(45)	-	0.00
GBP 703,958 UK sterling vs Singapore dollar	(705)	(1)	0.00
GBP 1,728,526 UK sterling vs Swedish krona	(1,754)	(26)	0.00
GBP 4,307,266 UK sterling vs Swiss franc	(4,356)	(49)	(0.01)
GBP 119,170,767 UK sterling vs United States dollar	(118,855)	316	0.03
USD 35,166,448 United States dollar vs UK sterling	27,618	37	0.00
	(128,812)	(88)	(0.01)
Portfolio of investments		1,071,372	98.45
Net other assets		16,867	1.55
Total net assets		1,088,239	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income			
Net capital gains/(losses)	3	123,729	(120,333)
Revenue	4	19,712	14,803
Expenses	5	(99)	(63)
Interest paid and similar charges	6	(2)	(3)
Net revenue before taxation		19,611	14,737
Taxation	7	–	–
Net revenue after taxation		19,611	14,737
Total return before distributions		143,340	(105,596)
Distributions	8	(19,611)	(14,737)
Change in net assets attributable to unitholders from investment activities		123,729	(120,333)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders	785,154	718,556
Amounts receivable on issue of units	182,324	188,598
Amounts payable on cancellation of units	(24,100)	(17,880)
	158,224	170,718
Change in net assets attributable to unitholders from investment activities	123,729	(120,333)
Retained distribution on accumulation units	21,132	16,213
Closing net assets attributable to unitholders	1,088,239	785,154

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		1,071,817	775,025
Current assets			
– Debtors	9	21,982	15,531
– Cash and bank balances		55	227
Total assets		1,093,854	790,783
Liabilities:			
Investment liabilities		(445)	(2,550)
Creditors			
– Other creditors	10	(5,170)	(3,079)
Total liabilities		(5,615)	(5,629)
Net assets attributable to unitholders		1,088,239	785,154

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities [†]	109,679	(88,894)
Forward currency contracts	4,485	(25,990)
Currency gains/(losses)	9,582	(5,430)
Custodian transaction costs	(17)	(19)
Net capital gains/(losses)	123,729	(120,333)

* Includes realised losses of £2,592,125 and unrealised gains of £112,270,793 (2022: realised gains of £164,027 and unrealised losses of £89,058,180). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	2,192	1,714
Interest distributions on CIS holdings	1,761	982
Interest from UK bank deposits	186	23
Overseas dividends	14,317	10,985
Rebate from underlying CIS holdings	15	7
Securities lending revenue	68	66
UK dividends	599	748
UK REIT dividends	27	26
US REIT dividends	547	252
Total revenue	19,712	14,803

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge and other expenses rebate [#]	–	(47)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	7	5
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	1	2
– Dividend charges [*]	75	94
– Legal fee	2	1
– Safe custody fee	7	–
Total expenses	99	63

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Interest Paid and Similar Charges

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Interest on bank overdrafts	2	3
Total interest paid and similar charges	2	3

7. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	21,132	16,213
	21,132	16,213
Add: Amounts deducted on cancellation of units	263	287
Deduct: Amounts received on issue of units	(1,784)	(1,763)
Distributions	19,611	14,737

Details of the final distribution per unit are set out in the table on page 169.

NOTES TO FINANCIAL STATEMENTS (continued)

9. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued manager's charge rebates	–	54
Accrued rebate from underlying CIS holdings	6	3
Accrued revenue	16,858	13,313
Amount receivable on issue of units	3,255	2,161
Sales awaiting settlement	1,863	–
Total debtors	21,982	15,531

10. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	8	7
Accrued Depositary's fee	3	2
Accrued Safe custody fee	5	–
Currency deals awaiting settlement	–	1
Custodian transaction costs	10	15
Purchases awaiting settlement	5,144	3,054
Total other creditors	5,170	3,079

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

NOTES TO FINANCIAL STATEMENTS (continued)

12. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
46%	1	54%

As at 31 December 2022:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
42%	1	58%

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

13. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2022: Nil).

NOTES TO FINANCIAL STATEMENTS (continued)

14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	614,822,723
Issued during the year	134,189,637
Cancelled during the year	(17,603,870)
Balance at the end of the year	731,408,490

15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805829.

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the year to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	128.65	148.33	121.94
Return before operating charges	21.95	(19.65)	26.42
Operating charges	(0.03)	(0.03)	(0.03)
Return after operating charges	21.92	(19.68)	26.39
Distributions	(2.96)	(2.71)	(2.26)
Retained distributions on accumulation units	2.96	2.71	2.26
Closing net asset value per unit	150.57	128.65	148.33
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	17.04%	(13.27)%	21.64%
Other Information			
Closing net asset value (£000's)	486,030	363,893	361,946
Closing number of units	322,794,441	282,856,788	244,017,642
Operating charges ²	0.02%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	150.93	148.92	149.40
Lowest bid unit price	129.00	123.00	121.60

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

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

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

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	2.9646
Distribution paid 29.2.2024	2.9646
Distribution paid 28.2.2023	2.7126

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets		
COLLECTIVE INVESTMENT SCHEMES - 98.38%; 31.12.22 98.23%							
Equity Funds - 96.54%; 31.12.22 97.01%							
1,569,813	ACS UK Equity Tracker Fund	1,928	0.40				
101,276,573	ACS World ESG Equity Tracker Fund	156,783	32.26	11,007,712	iShares Global Property Securities Equity Index Fund (UK)	23,870	4.91
118,297,558	ACS World ESG Screened Equity Tracker Fund	157,087	32.32	230,703	iShares MSCI Emerging Markets UCITS ETF	6,563	1.35
23,263,911	ACS World Ex UK Equity Tracker Fund	45,413	9.34	469,203 96.54			
43,048,110	ACS World Small Cap ESG Screened Equity Tracker Fund	44,731	9.20	Fixed Income Funds - 1.84%; 31.12.22 1.22%			
1,128,948	iShares Emerging Markets Index Fund (IE)	32,828	6.76	3,605,228	iShares ESG Sterling Corporate Bond Index Fund (UK)	3,186	0.65
				2,474,867	iShares Overseas Corporate Bond Index Fund (UK)	3,917	0.80
				995,578	iShares Overseas Government Bond Index Fund (UK)	1,197	0.25
				623,747	iShares UK Gilts All Stocks Index Fund (UK)	677	0.14
				8,977 1.84			

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES - (0.01%); 31.12.22 0.11%			
Forward Currency Contracts - (0.01%); 31.12.22 0.11%			
KRW 56,289,707	Korean won vs UK sterling^	34	0.00
GBP 804,862	UK sterling vs Australian dollar	(813)	0.00
GBP 1,296,787	UK sterling vs Canadian dollar	(1,306)	0.00
GBP 347,987	UK sterling vs Danish krone	(349)	0.00
GBP 3,701,464	UK sterling vs Euro	(3,708)	0.00
GBP 221,273	UK sterling vs Hong Kong dollar	(220)	0.00
GBP 78,953	UK sterling vs Israel shekel	(80)	0.00
GBP 2,841,536	UK sterling vs Japanese yen	(2,892)	(0.01)
GBP 68,522	UK sterling vs Korean won^	(68)	0.00
GBP 120,147	UK sterling vs New Zealand dollar	(121)	0.00
GBP 160,081	UK sterling vs Norwegian krone	(164)	0.00
GBP 29,644	UK sterling vs Polish zloty^	(30)	0.00
GBP 162,383	UK sterling vs Singapore dollar^	(163)	0.00
GBP 398,591	UK sterling vs Swedish krona	(404)	0.00
GBP 989,870	UK sterling vs Swiss franc	(1,001)	(0.01)
GBP 28,171,949	UK sterling vs United States dollar	(28,100)	0.01

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
USD 103,593 United States dollar vs UK sterling^	81	–	0.00
	(39,304)	(26)	(0.01)
Portfolio of investments		478,154	98.37
Net other assets		7,876	1.63
Total net assets		486,030	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority (“ESMA”) (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income			
Net capital gains/(losses)	3	57,741	(57,740)
Revenue	4	9,097	7,276
Expenses	5	(50)	(27)
Interest paid and similar charges	6	(1)	(2)
Net revenue before taxation		9,046	7,247
Taxation	7	–	–
Net revenue after taxation		9,046	7,247
Total return before distributions		66,787	(50,493)
Distributions	8	(9,046)	(7,247)
Change in net assets attributable to unitholders from investment activities		57,741	(57,740)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders	363,893	361,946
Amounts receivable on issue of units	68,089	63,772
Amounts payable on cancellation of units	(13,262)	(11,758)
	54,827	52,014
Change in net assets attributable to unitholders from investment activities	57,741	(57,740)
Retained distribution on accumulation units	9,569	7,673
Closing net assets attributable to unitholders	486,030	363,893

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		478,253	359,017
Current assets			
– Debtors	9	9,785	6,966
– Cash and bank balances		25	104
Total assets		488,063	366,087
Liabilities:			
Investment liabilities		(99)	(1,195)
Creditors			
– Other creditors	10	(1,934)	(999)
Total liabilities		(2,033)	(2,194)
Net assets attributable to unitholders		486,030	363,893

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities [†]	51,110	(43,126)
Forward currency contracts	6,648	(12,247)
Currency losses	–	(2,354)
Custodian transaction costs	(17)	(13)
Net capital gains/(losses)	57,741	(57,740)

*Includes realised gains of £1,130,154 and unrealised gains of £49,979,361 (2022: realised gains of £288,034 and unrealised losses of £43,414,221). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	1,035	890
Interest distributions on CIS holdings	649	392
Interest from UK bank deposits	85	12
Overseas dividends	6,745	5,438
Rebate from underlying CIS holdings	5	1
Securities lending revenue	33	33
UK dividends	275	372
UK REIT dividends	13	13
US REIT dividends	257	125
Total revenue	9,097	7,276

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge and other expenses rebate [#]	(8)	(34)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	7	5
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	1	1
– Dividend charges [*]	35	46
– Legal fee	1	1
– Safe custody fee	7	–
Total expenses	50	27

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Interest Paid and Similar Charges

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Interest on bank overdrafts	1	2
Total interest paid and similar charges	1	2

7. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	9,569	7,673
	9,569	7,673
Add: Amounts deducted on cancellation of units	169	195
Deduct: Amounts received on issue of units	(692)	(621)
Distributions	9,046	7,247

Details of the final distribution per unit are set out in the table on page 181.

NOTES TO FINANCIAL STATEMENTS (continued)

9. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued manager's charge rebates	10	43
Accrued rebate from underlying CIS holdings	2	1
Accrued revenue	7,802	6,378
Amount receivable on issue of units	1,907	544
CIS income tax recoverable	64	–
Total debtors	9,785	6,966

10. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	8	7
Accrued Bank interest charge	1	–
Accrued Depositary's fee	3	2
Accrued Safe custody fee	4	–
Amount payable for cancellation of units	–	19
Custodian transaction costs	9	12
Purchases awaiting settlement	1,909	959
Total other creditors	1,934	999

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

NOTES TO FINANCIAL STATEMENTS (continued)

12. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

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

As at 31 December 2022:

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

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

13. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2022: Nil).

NOTES TO FINANCIAL STATEMENTS (continued)

14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	282,856,788
Issued during the year	49,491,958
Cancelled during the year	(9,554,305)
Balance at the end of the year	322,794,441

15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 10 June 2021. The Fund's FCA product reference number is 953803.

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the period from 28.6.2021 [^] to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	93.02	106.87	100.00
Return before operating charges	16.03	(13.83)	6.88
Operating charges	(0.02)	(0.02)	(0.01)
Return after operating charges	16.01	(13.85)	6.87
Distributions	(2.13)	(1.94)	(0.80)
Retained distributions on accumulation units	2.13	1.94	0.80
Closing net asset value per unit	109.03	93.02	106.87
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	17.21%	(12.96)%	6.87%
Other Information			
Closing net asset value (£000's)	677,319	454,661	378,314
Closing number of units	621,236,825	488,776,578	354,006,181
Operating charges ²	0.02%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	109.31	107.29	107.64
Lowest bid unit price	93.15	88.98	98.76

[^] The date of commencement of operations.

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

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

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

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	2.1318
Distribution paid 29.2.2024	2.1318
Distribution paid 28.2.2023	1.9358

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets		
COLLECTIVE INVESTMENT SCHEMES - 98.37%; 31.12.22 98.22%							
Equity Funds - 98.11%; 31.12.22 98.22%							
2,459,376	ACS UK Equity Tracker Fund	3,019	0.45	1,522,166	iShares Emerging Markets Index Fund (IE)	44,262	6.53
141,016,999	ACS World ESG Equity Tracker Fund	218,146	32.21	15,784,075	iShares Global Property Securities Equity Index Fund (UK)	34,228	5.05
164,594,979	ACS World ESG Screened Equity Tracker Fund	218,425	32.25	401,977	iShares MSCI Emerging Markets UCITS ETF	11,436	1.69
36,550,789	ACS World Ex UK Equity Tracker Fund	71,264	10.52	664,537 98.11			
61,361,444	ACS World Small Cap ESG Screened Equity Tracker Fund	63,757	9.41	Fixed Income Funds - 0.26%; 31.12.22 0.00%			
				820,473	iShares ESG Sterling Corporate Bond Index Fund (UK)	725	0.11
				652,661	iShares Overseas Corporate Bond Index Fund (UK)	1,033	0.15
				1,758 0.26			

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES - (0.01%); 31.12.22 0.09%			
Forward Currency Contracts - (0.01%); 31.12.22 0.09%			
KRW 87,538,000	Korean won vs UK sterling^	53	0.00
GBP 1,132,188	UK sterling vs Australian dollar	(1,143)	0.00
GBP 1,812,309	UK sterling vs Canadian dollar	(1,826)	0.00
GBP 490,349	UK sterling vs Danish krone	(491)	0.00
GBP 5,056,652	UK sterling vs Euro	(5,066)	0.00
GBP 313,012	UK sterling vs Hong Kong dollar	(312)	0.00
GBP 112,461	UK sterling vs Israel shekel	(114)	0.00
GBP 3,977,048	UK sterling vs Japanese yen	(4,047)	(0.01)
GBP 106,446	UK sterling vs Korean won^	(106)	0.00
GBP 169,870	UK sterling vs New Zealand dollar	(171)	0.00
GBP 225,235	UK sterling vs Norwegian krone	(231)	0.00
GBP 25,015	UK sterling vs Polish zloty^	(25)	0.00
GBP 229,305	UK sterling vs Singapore dollar^	(230)	0.00
GBP 563,344	UK sterling vs Swedish krona	(572)	0.00
GBP 1,392,159	UK sterling vs Swiss franc	(1,408)	(0.01)
GBP 39,044,569	UK sterling vs United States dollar	(38,946)	0.01
		(54,635)	(0.01)

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
Portfolio of investments		666,257	98.36
Net other assets		11,062	1.64
Total net assets		677,319	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income			
Net capital gains/(losses)	3	77,766	(62,320)
Revenue	4	12,014	8,296
Expenses	5	(62)	(38)
Interest paid and similar charges	6	(1)	(2)
Net revenue before taxation		11,951	8,256
Taxation	7	–	–
Net revenue after taxation		11,951	8,256
Total return before distributions		89,717	(54,064)
Distributions	8	(11,951)	(8,256)
Change in net assets attributable to unitholders from investment activities		77,766	(62,320)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders	454,661	378,314
Amounts receivable on issue of units	138,569	136,151
Amounts payable on cancellation of units	(6,921)	(6,946)
	131,648	129,205
Change in net assets attributable to unitholders from investment activities	77,766	(62,320)
Retained distribution on accumulation units	13,244	9,462
Closing net assets attributable to unitholders	677,319	454,661

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		666,394	448,551
Current assets			
– Debtors	9	13,409	9,403
– Cash and bank balances		34	137
Total assets		679,837	458,091
Liabilities:			
Investment liabilities		(137)	(1,565)
Creditors			
– Other creditors	10	(2,381)	(1,865)
Total liabilities		(2,518)	(3,430)
Net assets attributable to unitholders		677,319	454,661

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities*	69,723	(47,100)
Forward currency contracts	2,138	(12,184)
Currency gains/(losses)	5,926	(3,016)
Custodian transaction costs	(21)	(20)
Net capital gains/(losses)	77,766	(62,320)

* Includes realised gains of £201,663 and unrealised gains of £69,521,243 (2022: realised losses of £3,574,869 and unrealised losses of £43,524,617). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	1,408	986
Interest distributions on CIS holdings	113	14
Interest on overseas tax reclaims	625	398
Overseas dividends	9,087	6,277
Rebate from underlying CIS holdings	7	–
Securities lending revenue	45	39
UK dividends	364	428
UK REIT dividends	17	15
US REIT dividends	348	139
Total revenue	12,014	8,296

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge and other expenses rebate [#]	–	(30)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	6	5
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	1	1
– Dividend charges [*]	46	53
– Legal fee	1	–
– Safe custody fee	1	1
Total expenses	62	38

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.02%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Interest Paid and Similar Charges

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Interest on bank overdrafts	1	2
Total interest paid and similar charges	1	2

7. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

8. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	13,244	9,462
	13,244	9,462
Add: Amounts deducted on cancellation of units	85	117
Deduct: Amounts received on issue of units	(1,378)	(1,323)
Distributions	11,951	8,256

Details of the final distribution per unit are set out in the table on page 193.

NOTES TO FINANCIAL STATEMENTS (continued)

9. Debtors

	31.12.2023	31.12.2022
	£000's	£000's
Accrued manager's charge rebates	–	39
Accrued rebate from underlying CIS holdings	4	–
Accrued revenue	11,047	8,047
Amount receivable on issue of units	2,358	1,317
Total debtors	13,409	9,403

10. Other Creditors

	31.12.2023	31.12.2022
	£000's	£000's
Accrued Audit fee	8	7
Accrued Depositary's fee	2	2
Accrued Safe custody fee	2	2
Custodian transaction costs	13	15
Purchases awaiting settlement	2,356	1,839
Total other creditors	2,381	1,865

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

NOTES TO FINANCIAL STATEMENTS (continued)

12. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

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

As at 31 December 2022:

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

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

13. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2022: Nil).

NOTES TO FINANCIAL STATEMENTS (continued)

14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	488,776,578
Issued during the year	139,335,275
Cancelled during the year	(6,875,028)
Balance at the end of the year	621,236,825

15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 17 August 2022. The Fund's FCA product reference number is 988111.

Performance Record

Comparative Table

	X1 Accumulation Units	
	For the year to 31.12.2023	For the period from 28.11.2022 [^] to 31.12.2022
	Pence per unit	Pence per unit
Change in net assets per unit		
Opening net asset value per unit	98.40	100.00
Return before operating charges	12.17	(1.60)
Operating charges	(0.02)	0.00
Return after operating charges	12.15	(1.60)
Distributions	(0.94)	(0.06)
Retained distributions on accumulation units	0.94	0.06
Closing net asset value per unit	110.55	98.40
After direct transaction costs of:	0.00	0.00
Performance		
Return after charges ¹	12.35%	(1.60)%
Other Information		
Closing net asset value (£000's)	787,438	5,298
Closing number of units	712,308,864	5,384,304
Operating charges ²	0.02%	0.03%
Direct transaction costs ³	0.00%	0.00%
Prices	Pence per unit	Pence per unit
Highest offer unit price	110.66	100.61
Lowest bid unit price	98.84	97.70

[^] The date of commencement of operations.

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

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

³ Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments. See note 12 for further details.

BLACKROCK FUTUREWISE 2023-27

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	0.9434
Distribution paid 29.2.2024	0.9434
Distribution paid 28.2.2023	0.0603

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES - 99.21%; 31.12.22 99.91%			Portfolio of investments		
Equity Funds - 41.02%; 31.12.22 46.87%			Net other assets		
				781,228	99.21
				6,210	0.79
			Total net assets	787,438	100.00
33,100,645	Insights Equity Fund*	37,149	4.72	Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument. * Managed by a related party.	
	ACS Europe ex UK ESG				
16,245,869	Insights Equity Fund*	17,538	2.23		
	ACS Japan ESG				
189,962,239	Insights Equity Fund*	213,920	27.16		
	ACS North America ESG				
10,891,705	Insights Equity Fund*	11,251	1.43		
	ACS UK ESG Insights Equity Fund*				
10,164,279	Fidelity Sustainable Research Enhanced Emerging Markets Equity UCITS ETF	34,397	4.37		
	Fidelity Sustainable Research Enhanced Pacific ex Japan Equity UCITS ETF				
2,049,428	UCITS ETF	8,769	1.11		
		323,024	41.02		
Fixed Income Funds - 58.19%; 31.12.22 53.04%					
	Fidelity Funds - Sustainable Climate Bond Fund				
75,283,025		69,863	8.87		
	Fidelity Sustainable Global Corporate Bond Paris-Aligned Multifactor UCITS ETF				
44,379,226		208,848	26.52		
	Fidelity Sustainable Global High Yield Bond Paris-Aligned Multifactor UCITS ETF				
25,185,983		143,913	18.28		
	Fidelity Sustainable USD EM Bond UCITS ETF				
8,035,280		35,580	4.52		
		458,204	58.19		

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2023 £000's	For the period from 28.11.2022 ¹ to 31.12.2022 £000's
Income				
Net capital gains/(losses)	3		47,204	(92)
Revenue	4	3,904		3
Expenses	5	(40)		–
Interest paid and similar charges		–		–
Net revenue before taxation		3,864		3
Taxation	6	–		–
Net revenue after taxation			3,864	3
Total return before distributions			51,068	(89)
Distributions	7		(3,864)	(3)
Change in net assets attributable to unitholders from investment activities			47,204	(92)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

		For the year to 31.12.2023 £000's	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 ¹ £000's
Opening net assets attributable to unitholders			5,298	–
Amounts receivable on issue of units		747,538		5,399
Amounts payable on cancellation of units		(19,322)		(12)
			728,216	5,387
Change in net assets attributable to unitholders from investment activities			47,204	(92)
Retained distribution on accumulation units			6,720	3
Closing net assets attributable to unitholders			787,438	5,298

¹ The Fund launched on 28 November 2022.

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 ¹ £000's
Assets:			
Fixed assets			
– Investment assets		781,228	5,293
Current assets			
– Debtors	8	7,216	11
– Cash and bank balances		76	2
Total assets		788,520	5,306
Liabilities:			
Creditors			
– Other creditors	9	(1,082)	(8)
Total liabilities		(1,082)	(8)
Net assets attributable to unitholders		787,438	5,298

¹ The Fund launched on 28 November 2022.

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities*	46,370	(92)
Custodian transaction costs	56	(1)
Rebate from underlying CIS holdings	778	1
Net capital gains/(losses)	47,204	(92)

*Includes realised losses of £32,279 and unrealised gains of £46,402,486 (2022: realised losses of £251 and unrealised losses of £91,492). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Equity distributions on CIS holdings	85	–
Interest distributions on CIS holdings	905	–
Interest from UK bank deposits	18	–
Overseas dividends	2,420	3
Rebate from underlying CIS holdings	139	–
Securities lending revenue	3	–
UK dividends	213	–
UK REIT dividends	11	–
US REIT dividends	110	–
Total revenue	3,904	3

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual service charge	20	–
– Annual service charge rebate	(20)	–
– Manager's charge and other expenses rebate [#]	–	(7)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	6	1
Other expenses:		
– Audit fee	7	5
– Dividend charges [*]	15	–
– Legal fee	5	1
– Safe custody fee	7	–
Total expenses	40	–

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.03%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS Holdings.

6. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Final accumulation	6,720	3
	6,720	3
Add: Amounts deducted on cancellation of units	101	–
Deduct: Amounts received on issue of units	(2,957)	–
Distributions	3,864	3

Details of the final distribution per unit are set out in the table on page 205.

8. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued manager's charge rebates	–	7
Accrued rebate from underlying CIS holdings	902	1
Accrued revenue	5,252	3
Amount receivable on issue of units	849	–
Sales awaiting settlement	213	–
Total debtors	7,216	11

NOTES TO FINANCIAL STATEMENTS (continued)

9. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	6	5
Accrued Depository's fee	3	1
Accrued Legal fee	–	1
Accrued Safe custody fee	3	–
Amount payable for cancellation of units	215	–
Custodian transaction costs	7	1
Purchases awaiting settlement	848	–
Total other creditors	1,082	8

10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

11. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depository in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 9. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

NOTES TO FINANCIAL STATEMENTS (continued)

11. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

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

As at 31 December 2022:

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

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

12. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.30% (31 December 2022: Nil).

NOTES TO FINANCIAL STATEMENTS (continued)

13. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	5,384,304
Issued during the year	725,694,687
Cancelled during the year	(18,770,127)
Balance at the end of the year	712,308,864

14. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 17 August 2022. The Fund's FCA product reference number is 988112.

Performance Record

Comparative Table

	X1 Accumulation Units	
	For the year to 31.12.2023	For the period from 28.11.2022 [^] to 31.12.2022
	Pence per unit	Pence per unit
Change in net assets per unit		
Opening net asset value per unit	98.03	100.00
Return before operating charges	14.10	(1.97)
Operating charges	(0.03)	0.00
Return after operating charges	14.07	(1.97)
Distributions	(1.47)	(0.11)
Retained distributions on accumulation units	1.47	0.11
Closing net asset value per unit	112.10	98.03
After direct transaction costs of:	0.00	0.00
Performance		
Return after charges ¹	14.35%	(1.97)%
Other Information		
Closing net asset value (£000's)	1,369,457	4,433
Closing number of units	1,221,609,958	4,521,953
Operating charges ²	0.02%	0.03%
Direct transaction costs ³	0.00%	0.00%
Prices	Pence per unit	Pence per unit
Highest offer unit price	112.34	101.05
Lowest bid unit price	98.37	96.92

[^] The date of commencement of operations.

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

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

³ Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of debt instruments. See note 12 for further details.

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	1.4712
Distribution paid 29.2.2024	1.4712
Distribution paid 28.2.2023	0.1055

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets		
COLLECTIVE INVESTMENT SCHEMES - 98.72%; 31.12.22 99.86%			Portfolio of investments	1,351,881	98.72		
Equity Funds - 75.43%; 31.12.22 82.02%			Net other assets	17,576	1.28		
			Total net assets	1,369,457	100.00		
108,903,378	ACS Europe ex UK ESG Insights Equity Fund*	122,216	8.92	Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument. * Managed by a related party.			
51,984,237	ACS Japan ESG Insights Equity Fund*	56,118	4.10				
394,782,127	ACS North America ESG Insights Equity Fund*	444,571	32.46				
34,981,204	ACS UK ESG Insights Equity Fund*	36,134	2.64				
207,184,225	ACS US ESG Insights Equity Fund*	234,400	17.12				
32,649,875	Fidelity Sustainable Research Enhanced Emerging Markets Equity UCITS ETF	111,173	8.12				
6,609,521	Fidelity Sustainable Research Enhanced Pacific ex Japan Equity UCITS ETF	28,282	2.07				
	1,032,894	75.43					
Fixed Income Funds - 23.29%; 31.12.22 17.84%							
53,377,148	Fidelity Funds - Sustainable Climate Bond Fund	49,534	3.62				
31,531,547	Fidelity Sustainable Global Corporate Bond Paris-Aligned Multifactor UCITS ETF	148,388	10.84				
17,556,868	Fidelity Sustainable Global High Yield Bond Paris-Aligned Multifactor UCITS ETF	100,320	7.32				
4,684,997	Fidelity Sustainable USD EM Bond UCITS ETF	20,745	1.51				
	318,987	23.29					

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 ¹ £000's	For the period from 28.11.2022 to 31.12.2022 ¹ £000's
Income					
Net capital gains/(losses)	3		84,825		(98)
Revenue	4	9,490		5	
Expenses	5	(75)		–	
Interest paid and similar charges		–		–	
Net revenue before taxation		9,415		5	
Taxation	6	–		–	
Net revenue after taxation			9,415		5
Total return before distributions			94,240		(93)
Distributions	7		(9,414)		(5)
Change in net assets attributable to unitholders from investment activities			84,826		(98)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

		For the year to 31.12.2023 £000's	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 ¹ £000's	For the period from 28.11.2022 to 31.12.2022 ¹ £000's
Opening net assets attributable to unitholders			4,433		–
Amounts receivable on issue of units		1,282,158		4,743	
Amounts payable on cancellation of units		(19,932)		(217)	
			1,262,226		4,526
Change in net assets attributable to unitholders from investment activities			84,826		(98)
Retained distribution on accumulation units			17,972		5
Closing net assets attributable to unitholders			1,369,457		4,433

¹ The Fund launched on 28 November 2022.

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 ¹ £000's
Assets:			
Fixed assets			
– Investment assets		1,351,881	4,427
Current assets			
– Debtors	8	18,752	23
– Cash and bank balances		135	2
Total assets		1,370,768	4,452
Liabilities:			
Creditors			
– Other creditors	9	(1,311)	(19)
Total liabilities		(1,311)	(19)
Net assets attributable to unitholders		1,369,457	4,433

¹ The Fund launched on 28 November 2022.

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities*	84,032	(98)
Custodian transaction costs	15	–
Rebate from underlying CIS holdings	778	–
Net capital gains/(losses)	84,825	(98)

* Includes realised losses of £341,399 and unrealised gains of £84,373,613 (2022: realised losses of £2,545 and unrealised losses of £95,472). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Equity distributions on CIS holdings	221	–
Interest distributions on CIS holdings	507	–
Interest from UK bank deposits	51	–
Overseas dividends	7,533	5
Rebate from underlying CIS holdings	99	–
Securities lending revenue	8	–
UK dividends	672	–
UK REIT dividends	36	–
US REIT dividends	363	–
Total revenue	9,490	5

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual service charge	34	–
– Annual service charge rebate	(34)	–
– Manager's charge and other expenses rebate [#]	–	(7)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	6	1
Other expenses:		
– Audit fee	7	5
– Dividend charges [*]	47	–
– Legal fee	8	1
– Safe custody fee	7	–
Total expenses	75	–

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.03%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Final accumulation	17,972	5
	17,972	5
Add: Amounts deducted on cancellation of units	176	–
Deduct: Amounts received on issue of units	(8,734)	–
Distributions	9,414	5
The distributable amount has been calculated as follows:		
Net revenue after taxation	9,415	5
Deduct: Revenue carried forward	(1)	–
Distributions	9,414	5

Details of the final distribution per unit are set out in the table on page 216.

NOTES TO FINANCIAL STATEMENTS (continued)

8. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Manager's charge rebates	864	7
Accrued revenue	16,652	5
Amount receivable on issue of units	1,236	11
Total debtors	18,752	23

9. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	6	5
Accrued Depositary's fee	3	1
Accrued Legal fee	–	1
Accrued Safe custody fee	2	–
Amount payable for cancellation of units	57	–
Custodian transaction costs	8	–
Purchases awaiting settlement	1,235	12
Total other creditors	1,311	19

10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

11. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 9. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

NOTES TO FINANCIAL STATEMENTS (continued)

11. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

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

As at 31 December 2022:

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

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

12. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2022: Nil).

NOTES TO FINANCIAL STATEMENTS (continued)

13. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	4,521,953
Issued during the year	1,236,190,756
Cancelled during the year	(19,102,751)
Balance at the end of the year	1,221,609,958

14. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 17 August 2022. The Fund's FCA product reference number is 988113.

Performance Record

Comparative Table

	X1 Accumulation Units	
	For the year to 31.12.2023	For the period from 28.11.2022 [^] to 31.12.2022
	Pence per unit	Pence per unit
Change in net assets per unit		
Opening net asset value per unit	97.82	100.00
Return before operating charges	15.17	(2.18)
Operating charges	(0.03)	0.00
Return after operating charges	15.14	(2.18)
Distributions	(1.79)	(0.13)
Retained distributions on accumulation units	1.79	0.13
Closing net asset value per unit	112.96	97.82
After direct transaction costs of:	0.00	0.00
Performance		
Return after charges ¹	15.48%	(2.18)%
Other Information		
Closing net asset value (£000's)	1,891,672	7,940
Closing number of units	1,674,671,879	8,116,577
Operating charges ²	0.01%	0.03%
Direct transaction costs ³	0.00%	0.00%
Prices	Pence per unit	Pence per unit
Highest offer unit price	113.28	101.36
Lowest bid unit price	98.13	96.26

[^] The date of commencement of operations.

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

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

³ Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of debt instruments. See note 12 for further details.

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	1.7908
Distribution paid 29.2.2024	1.7908
Distribution paid 28.2.2023	0.1286

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES - 98.38%; 31.12.22		
99.84%		
Equity Funds - 98.38%; 31.12.22 99.84%		
196,644,187	220,672	11.67
ACS Europe ex UK ESG Insights Equity Fund*		
93,624,957	101,072	5.34
ACS Japan ESG Insights Equity Fund*		
544,141,644	612,767	32.39
ACS North America ESG Insights Equity Fund*		
63,275,904	65,358	3.46
ACS UK ESG Insights Equity Fund*		
537,961,318	608,639	32.17
ACS US ESG Insights Equity Fund*		
59,133,104	201,348	10.64
Fidelity Sustainable Research Enhanced Emerging Markets Equity UCITS ETF		
11,958,919	51,172	2.71
Fidelity Sustainable Research Enhanced Pacific ex Japan Equity UCITS ETF		
	1,861,028	98.38
Portfolio of investments	1,861,028	98.38
Net other assets	30,644	1.62
Total net assets	1,891,672	100.00

Underlying exposure has been calculated according to the guidelines by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial instrument.

* Managed by a related party.

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2023 £000's	For the period from 28.11.2022 ¹ to 31.12.2022 £000's
Income				
Net capital gains/(losses)	3		119,006	(187)
Revenue	4	15,755		10
Expenses	5	(114)		(1)
Interest paid and similar charges		–		–
Net revenue before taxation		15,641		9
Taxation	6	–		–
Net revenue after taxation			15,641	9
Total return before distributions			134,647	(178)
Distributions	7		(15,641)	(10)
Change in net assets attributable to unitholders from investment activities			119,006	(188)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

		For the year to 31.12.2023 £000's	For the year to 31.12.2023 £000's	For the period from 28.11.2022 ¹ to 31.12.2022 ¹ £000's
Opening net assets attributable to unitholders			7,940	–
Amounts receivable on issue of units		1,755,386		8,118
Amounts payable on cancellation of units		(20,650)		–
			1,734,736	8,118
Change in net assets attributable to unitholders from investment activities			119,006	(188)
Retained distribution on accumulation units			29,990	10
Closing net assets attributable to unitholders			1,891,672	7,940

¹ The Fund launched on 28 November 2022.

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 ¹ £000's
Assets:			
Fixed assets			
– Investment assets		1,861,028	7,927
Current assets			
– Debtors	8	35,381	19
– Cash and bank balances		186	2
Total assets		1,896,595	7,948
Liabilities:			
Creditors			
– Other creditors	9	(4,923)	(8)
Total liabilities		(4,923)	(8)
Net assets attributable to unitholders		1,891,672	7,940

¹ The Fund launched on 28 November 2022.

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities*	118,398	(187)
Custodian transaction costs	(9)	–
Rebate from underlying CIS holdings	617	–
Net capital gains/(losses)	119,006	(187)

* Includes realised losses of £529,600 and unrealised gains of £118,927,306 (2022: realised losses of £1,420 and unrealised losses of £186,841). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Equity distributions on CIS holdings	334	–
Interest from UK bank deposits	82	–
Overseas dividends	13,398	9
Securities lending revenue	14	–
UK dividends	1,201	–
UK REIT dividends	64	–
US REIT dividends	662	1
Total revenue	15,755	10

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual service charge	48	–
– Annual service charge rebate	(48)	–
– Manager's charge and other expenses rebate [#]	–	(7)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	6	1
Other expenses:		
– Audit fee	7	5
– Dividend charges [*]	84	–
– Legal fee	12	2
– Safe custody fee	5	–
Total expenses	114	1

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.03%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Final accumulation	29,990	10
	29,990	10
Add: Amounts deducted on cancellation of units	248	–
Deduct: Amounts received on issue of units	(14,597)	–
Distributions	15,641	10
The distributable amount has been calculated as follows:		
Net revenue after taxation	15,641	9
Deduct: Revenue carried forward	–	1
Distributions	15,641	10

Details of the final distribution per unit are set out in the table on page 227.

NOTES TO FINANCIAL STATEMENTS (continued)

8. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued manager's charge rebates	–	8
Accrued rebate from underlying CIS holdings	607	–
Accrued revenue	29,854	11
Amount receivable on issue of units	4,920	–
Total debtors	35,381	19

9. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	6	5
Accrued Depositary's fee	3	1
Accrued Legal fee	–	2
Accrued Safe custody fee	1	–
Custodian transaction costs	6	–
Purchases awaiting settlement	4,907	–
Total other creditors	4,923	8

10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

11. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 9. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

NOTES TO FINANCIAL STATEMENTS (continued)

11. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

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

As at 31 December 2022:

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

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties. (31 December 2022: £Nil).

12. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.14% (31 December 2022: Nil).

NOTES TO FINANCIAL STATEMENTS (continued)

13. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	8,116,577
Issued during the year	1,686,164,068
Cancelled during the year	(19,608,766)
Balance at the end of the year	1,674,671,879

14. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

BLACKROCK FUTUREWISE EARLY DAYS AGGREGATOR

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 17 August 2022. The Fund's FCA product reference number is 988109.

Performance Record

Comparative Table

	X1 Accumulation Units	
	For the year to 31.12.2023	For the period from 28.11.2022 [^] to 31.12.2022
	Pence per unit	Pence per unit
Change in net assets per unit		
Opening net asset value per unit	97.85	100.00
Return before operating charges	15.32	(2.15)
Operating charges	(0.01)	0.00
Return after operating charges	15.31	(2.15)
Distributions	(1.80)	(0.13)
Retained distributions on accumulation units	1.80	0.13
Closing net asset value per unit	113.16	97.85
After direct transaction costs of:	0.00	0.00
Performance		
Return after charges ¹	15.65%	(2.15)%
Other Information		
Closing net asset value (£000's)	6,183,236	8,107
Closing number of units	5,464,084,654	8,285,751
Operating charges ²	0.01%	0.03%
Direct transaction costs ³	0.00%	0.00%
Prices	Pence per unit	Pence per unit
Highest offer unit price	113.49	101.34
Lowest bid unit price	98.20	96.29

[^] The date of commencement of operations.

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

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

³ Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments. See note 12 for further details.

BLACKROCK FUTUREWISE EARLY DAYS AGGREGATOR

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	1.8045
Distribution paid 29.2.2024	1.8045
Distribution paid 28.2.2023	0.1280

BLACKROCK FUTUREWISE EARLY DAYS AGGREGATOR

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES - 98.38%; 31.12.22		
99.84%		
Equity Funds - 98.38%; 31.12.22 99.84%		
656,194,999	736,345	11.91
ACS Europe ex UK ESG Insights Equity Fund*		
300,207,059	324,066	5.24
ACS Japan ESG Insights Equity Fund*		
1,779,632,990	2,004,114	32.41
ACS North America ESG Insights Equity Fund*		
206,147,274	212,931	3.44
ACS UK ESG Insights Equity Fund*		
1,764,207,585	1,995,999	32.28
ACS US ESG Insights Equity Fund*		
189,151,772	644,062	10.42
Fidelity Sustainable Research Enhanced Emerging Markets Equity UCITS ETF		
38,745,713	165,793	2.68
Fidelity Sustainable Research Enhanced Pacific ex Japan Equity UCITS ETF		
	6,083,310	98.38
Portfolio of investments	6,083,310	98.38
Net other assets	99,926	1.62
Total net assets	6,183,236	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

* Managed by a related party.

BLACKROCK FUTUREWISE EARLY DAYS AGGREGATOR

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2023 £000's	For the period from 28.11.2022 ¹ to 31.12.2022 £000's	For the period from 28.11.2022 ¹ to 31.12.2022 £000's
Income					
Net capital gains/(losses)	3		378,666		(183)
Revenue	4	48,175		10	
Expenses	5	(318)		–	
Interest paid and similar charges		–		–	
Net revenue before taxation		47,857		10	
Taxation	6	–		–	
Net revenue after taxation			47,857		10
Total return before distributions			426,523		(173)
Distributions	7		(47,853)		(10)
Change in net assets attributable to unitholders from investment activities			378,670		(183)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

		For the year to 31.12.2023 £000's	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 ¹ £000's	For the period from 28.11.2022 to 31.12.2022 ¹ £000's
Opening net assets attributable to unitholders			8,107		–
Amounts receivable on issue of units		5,706,171		8,288	
Amounts payable on cancellation of units		(8,311)		(9)	
			5,697,860		8,279
Change in net assets attributable to unitholders from investment activities			378,670		(183)
Retained distribution on accumulation units			98,599		11
Closing net assets attributable to unitholders			6,183,236		8,107

¹ The Fund launched on 28 November 2022.

BLACKROCK FUTUREWISE EARLY DAYS AGGREGATOR

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 ¹ £000's
Assets:			
Fixed assets			
– Investment assets		6,083,310	8,094
Current assets			
– Debtors	8	123,806	24
– Cash and bank balances		151	2
Total assets		6,207,267	8,120
Liabilities:			
Creditors			
– Other creditors	9	(24,031)	(13)
Total liabilities		(24,031)	(13)
Net assets attributable to unitholders		6,183,236	8,107

¹ The Fund launched on 28 November 2022.

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities*	376,835	(183)
Custodian transaction costs	(4)	–
Rebate from underlying CIS holdings	1,835	–
Net capital gains/(losses)	378,666	(183)

*Includes realised losses of £21,178 and unrealised gains of £376,856,084 (2022: realised losses of £1,784 and unrealised losses of £180,898). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Equity distributions on CIS holdings	454	–
Interest from UK bank deposits	260	–
Overseas dividends	41,477	9
Securities lending revenue	43	–
UK dividends	3,692	–
UK REIT dividends	193	–
US REIT dividends	2,056	1
Total revenue	48,175	10

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual service charge	150	–
– Annual service charge rebate	(150)	–
– Manager's charge and other expenses rebate [#]	–	(12)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	6	1
Other expenses:		
– Audit fee	7	5
– Dividend charges [*]	258	–
– Legal fee	36	6
– Safe custody fee	11	–
Total expenses	318	–

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.03%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Final accumulation	98,599	11
	98,599	11
Add: Amounts deducted on cancellation of units	83	–
Deduct: Amounts received on issue of units	(50,829)	(1)
Distributions	47,853	10
The distributable amount has been calculated as follows:		
Net revenue after taxation	47,857	10
Deduct: Revenue carried forward	(4)	–
Distributions	47,853	10

Details of the final distribution per unit are set out in the table on page 238.

BLACKROCK FUTUREWISE EARLY DAYS AGGREGATOR

NOTES TO FINANCIAL STATEMENTS (continued)

8. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued manager's charge rebates	–	13
Accrued rebate from underlying CIS holdings	1,820	–
Accrued revenue	97,915	11
Amount receivable on issue of units	24,071	–
Total debtors	123,806	24

9. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	6	5
Accrued Depositary's fee	3	1
Accrued Legal fee	–	7
Accrued Safe custody fee	5	–
Custodian transaction costs	6	–
Purchases awaiting settlement	24,011	–
Total other creditors	24,031	13

10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

11. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 9. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

BLACKROCK FUTUREWISE EARLY DAYS AGGREGATOR

NOTES TO FINANCIAL STATEMENTS (continued)

11. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

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

As at 31 December 2022:

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

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

12. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil (31 December 2022: Nil).

BLACKROCK FUTUREWISE EARLY DAYS AGGREGATOR

NOTES TO FINANCIAL STATEMENTS (continued)

13. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	8,285,751
Issued during the year	5,463,811,533
Cancelled during the year	(8,012,630)
Balance at the end of the year	5,464,084,654

14. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

BLACKROCK FUTUREWISE RETIREMENT AGGREGATOR

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 17 August 2022. The Fund's FCA product reference number is 988110.

Performance Record

Comparative Table

	X1 Accumulation Units	
	For the year to 31.12.2023	For the period from 28.11.2022 [^] to 31.12.2022
	Pence per unit	Pence per unit
Change in net assets per unit		
Opening net asset value per unit	98.60	100.00
Return before operating charges	11.19	(1.40)
Operating charges	(0.03)	0.00
Return after operating charges	11.16	(1.40)
Distributions	(0.85)	(0.04)
Retained distributions on accumulation units	0.85	0.04
Closing net asset value per unit	109.76	98.60
After direct transaction costs of:	0.00	0.00
Performance		
Return after charges	11.32%	(1.40)%
Other Information		
Closing net asset value (£000's)	256,543	2,358
Closing number of units	233,720,169	2,391,706
Operating charges ¹	0.03%	0.03%
Direct transaction costs ²	0.00%	0.00%
Prices	Pence per unit	Pence per unit
Highest offer unit price	109.90	100.61
Lowest bid unit price	98.97	98.00

[^] Unit class launched on 28 November 2022.

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

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

³ Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments. See note 12 for further details.

BLACKROCK FUTUREWISE RETIREMENT AGGREGATOR

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	0.8450
Distribution paid 29.2.2024	0.8450
Distribution paid 28.2.2023	0.0353

BLACKROCK FUTUREWISE RETIREMENT AGGREGATOR

PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment		Market Value £000's	% of Total Net Assets	Holding or Nominal Value Investment		Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES - 99.37%; 31.12.22 99.96%				Portfolio of investments			
Equity Funds - 29.54%; 31.12.22 27.95%				Net other assets			
	ACS Europe ex UK ESG Insights Equity Fund*	7,677,662	8,615 3.36	254,921 99.37			
	ACS Japan ESG Insights Equity Fund*	3,826,281	4,131 1.61	1,622 0.63			
	ACS North America ESG Insights Equity Fund*	44,601,553	50,226 19.58	256,543 100.00			
	ACS UK ESG Insights Equity Fund*	2,611,210	2,697 1.05	Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.			
	Fidelity Sustainable Research Enhanced Emerging Markets Equity UCITS ETF	2,366,528	8,058 3.14	* Managed by a related party.			
	Fidelity Sustainable Research Enhanced Pacific ex Japan Equity UCITS ETF	481,283	2,060 0.80				
		75,787	29.54				
Fixed Income Funds - 69.83%; 31.12.22 72.01%							
	Fidelity Funds - Sustainable Climate Bond Fund	28,308,105	26,270 10.24				
	Fidelity Sustainable Global Corporate Bond Paris-Aligned Multifactor UCITS ETF	16,705,106	78,614 30.65				
	Fidelity Sustainable Global High Yield Bond Paris-Aligned Multifactor UCITS ETF	9,854,900	56,311 21.95				
	Fidelity Sustainable USD EM Bond UCITS ETF	4,051,281	17,939 6.99				
		179,134	69.83				

BLACKROCK FUTUREWISE RETIREMENT AGGREGATOR

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	For the year to 31.12.2023 £000's	For the year to 31.12.2023 £000's	For the period from 28.11.2022 ¹ to 31.12.2022 £000's	For the period from 28.11.2022 ¹ to 31.12.2022 £000's
Income					
Net capital gains/(losses)	3		15,080		(36)
Revenue	4	1,313		1	
Expenses	5	57		–	
Interest paid and similar charges		–		–	
Net revenue before taxation		1,370		1	
Taxation	6	–		–	
Net revenue after taxation			1,370		1
Total return before distributions			16,450		(35)
Distributions	7		(1,370)		(1)
Change in net assets attributable to unitholders from investment activities			15,080		(36)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

		For the year to 31.12.2023 £000's	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 ¹ £000's	For the period from 28.11.2022 to 31.12.2022 ¹ £000's
Opening net assets attributable to unitholders			2,358		–
Amounts receivable on issue of units		259,093		2,407	
Amounts payable on cancellation of units		(21,963)		(14)	
			237,130		2,393
Change in net assets attributable to unitholders from investment activities			15,080		(36)
Retained distribution on accumulation units			1,975		1
Closing net assets attributable to unitholders			256,543		2,358

¹ The Fund launched on 28 November 2022.

BLACKROCK FUTUREWISE RETIREMENT AGGREGATOR

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 ¹ £000's
Assets:			
Fixed assets			
– Investment assets		254,921	2,357
Current assets			
– Debtors	8	2,221	7
– Cash and bank balances		25	1
Total assets		257,167	2,365
Liabilities:			
Creditors			
– Other creditors	9	(624)	(7)
Total liabilities		(624)	(7)
Net assets attributable to unitholders		256,543	2,358

¹ The Fund launched on 28 November 2022.

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
The net capital losses comprise:		
Gains/(losses) on non-derivative securities [†]	14,794	(36)
Custodian transaction costs	(34)	–
Rebate from underlying CIS holdings	320	–
Net capital gains/(losses)	15,080	(36)

* Includes realised gains of £200,402 and unrealised gains of £14,593,414 (2022: realised gains of £19 and unrealised losses of £35,662). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Equity distributions on CIS holdings	31	–
Interest distributions on CIS holdings	563	–
Interest from UK bank deposits	6	–
Overseas dividends	573	1
Rebate from underlying CIS holdings	58	–
Securities lending revenue	1	–
UK dividends	52	–
UK REIT dividends	3	–
US REIT dividends	26	–
Total revenue	1,313	1

BLACKROCK FUTUREWISE RETIREMENT AGGREGATOR

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 £000's
Payable to the Manager or associates of the Manager:		
– Annual service charge	7	–
– Annual service charge rebate	(7)	–
– Manager's charge and other expenses rebate [#]	(79)	(6)
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	6	1
Other expenses:		
– Audit fee	7	5
– Dividend charges*	3	–
– Legal fee	2	–
– Safe custody fee	4	–
Total expenses	(57)	–

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.03%.

* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the period from 28.11.2022 to 31.12.2022 ¹ £000's
Final accumulation	1,975	1
	1,975	1
Add: Amounts deducted on cancellation of units	86	–
Deduct: Amounts received on issue of units	(691)	–
Distributions	1,370	1

Details of the final distribution per unit are set out in the table on page 249.

8. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued manager's charge rebates	79	6
Accrued rebate from underlying CIS holdings	369	–
Accrued revenue	1,234	1
Amount receivable on issue of units	77	–
Sales awaiting settlement	462	–
Total debtors	2,221	7

BLACKROCK FUTUREWISE RETIREMENT AGGREGATOR

NOTES TO FINANCIAL STATEMENTS (continued)

9. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	6	5
Accrued Depositary's fee	3	1
Accrued Manager's charge	67	–
Accrued Legal fee	–	1
Accrued Safe custody fee	2	–
Amount payable for cancellation of units	461	–
Custodian transaction costs	7	–
Purchases awaiting settlement	78	–
Total other creditors	624	7

10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

11. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 9. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

BLACKROCK FUTUREWISE RETIREMENT AGGREGATOR

NOTES TO FINANCIAL STATEMENTS (continued)

11. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

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

As at 31 December 2022:

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

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

12. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.33% (31 December 2022: Nil).

13. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

BLACKROCK FUTUREWISE RETIREMENT AGGREGATOR

NOTES TO FINANCIAL STATEMENTS (continued)

13. Units in Issue (continued)

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	2,391,706
Issued during the year	252,662,027
Cancelled during the year	(21,333,564)
Balance at the end of the year	233,720,169

14. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

BLACKROCK GROWTH ALLOCATION FUND

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 27 April 2023 and launched on 14 June 2023. The Fund's FCA product reference number is 997135.

BLACKROCK GROWTH ALLOCATION FUND

Performance Record

Comparative Table

	X1R Accumulation Units
	For the period from 14.6.2023[^] to 31.12.2023
	Pence per unit
Change in net assets per unit	
Opening net asset value per unit	100.00
Return before operating charges	7.13
Operating charges	0.00
Return after operating charges	7.13
Distributions	(1.08)
Retained distributions on accumulation units	1.08
Closing net asset value per unit	107.13
After direct transaction costs of:	0.00
Performance	
Return after charges ¹	7.13%
Other Information	
Closing net asset value (£000's)	794,294
Closing number of units	741,464,175
Operating charges ²	0.00%
Direct transaction costs ³	0.00%
Prices	Pence per unit
Highest offer unit price	107.47
Lowest bid unit price	96.05

[^] The date of commencement of operations.

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

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

³ Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments. See note 12 for further details.

BLACKROCK GROWTH ALLOCATION FUND

DISTRIBUTION TABLE

for the period from 14 June 2023 to 31 December 2023

Final Distribution in Pence per Unit

	X1R Accumulation Units[^]
Net revenue	1.0801
Distribution paid 29.2.2024	1.0801

[^] The Fund launched on 14 June 2023, therefore no comparatives have been presented.

BLACKROCK GROWTH ALLOCATION FUND
PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment		Market Value	% of Total Net Assets	Holding or Nominal Value Investment		Market Value	% of Total Net Assets
		£000's				£000's	
COLLECTIVE INVESTMENT SCHEMES - 99.23%							
Equity Funds - 99.23%							
3,733,471	ACS UK Equity Tracker Fund	3,737	0.47	71,536,510	ACS World Small Cap ESG Screened Equity Tracker Fund	75,147	9.46
242,936,239	ACS World ESG Equity Tracker Fund	258,792	32.58	18,596,257	iShares Global Property Securities Equity Index Fund (UK)	40,326	5.08
240,542,270	ACS World ESG Screened Equity Tracker Fund	258,918	32.60	2,279,761	iShares MSCI Emerging Markets UCITS ETF	64,859	8.16
80,492,227	ACS World Ex UK Equity Tracker Fund	86,386	10.88			788,165	99.23

Holding or Nominal Value Investment		Underlying Exposure	Market Value	% of Total Net Assets
		£000's	£000's	
DERIVATIVES - (0.01)%				
Forward Currency Contracts - (0.01)%				
KRW 106,485,000	Korean won vs UK sterling^	65	-	0.00
GBP 1,326,892	UK sterling vs Australian dollar	(1,340)	(13)	0.00
GBP 2,124,148	UK sterling vs Canadian dollar	(2,140)	(15)	0.00
GBP 575,095	UK sterling vs Danish krone	(576)	(1)	0.00
GBP 5,905,755	UK sterling vs Euro	(5,916)	(10)	0.00
GBP 367,387	UK sterling vs Hong Kong dollar	(366)	1	0.00
GBP 131,583	UK sterling vs Israel shekel	(133)	(1)	0.00
GBP 4,661,715	UK sterling vs Japanese yen	(4,744)	(83)	(0.01)
GBP 129,624	UK sterling vs Korean won^	(129)	-	0.00
GBP 199,176	UK sterling vs New Zealand dollar	(201)	(2)	0.00
GBP 263,295	UK sterling vs Norwegian krone	(270)	(7)	0.00
GBP 36,107	UK sterling vs Polish zloty^	(36)	-	0.00
GBP 268,712	UK sterling vs Singapore dollar^	(269)	-	0.00
GBP 659,938	UK sterling vs Swedish krona	(670)	(10)	0.00
GBP 1,632,111	UK sterling vs Swiss franc	(1,651)	(19)	(0.01)
GBP 46,152,600	UK sterling vs United States dollar	(46,036)	117	0.01
		(64,412)	(43)	(0.01)

BLACKROCK GROWTH ALLOCATION FUND

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
Portfolio of investments		788,122	99.22
Net other assets		6,172	0.78
Total net assets		794,294	100.00

Note: The Fund launched during the financial period, hence no comparative date is available.

Underlying exposure has been calculated according to the guidelines by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial instrument.

All underlying funds are managed by a related party

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

BLACKROCK GROWTH ALLOCATION FUND

STATEMENT OF TOTAL RETURN

for the period from 14 June 2023 to 31 December 2023

	Notes	£000's	For the period from 14.6.2023 to 31.12.2023 ¹ £000's
Income			
Net capital gains	3		46,669
Revenue	4	7,655	
Expenses	5	(36)	
Interest paid and similar charges		(3)	
Net revenue before taxation		7,616	
Taxation	6	–	
Net revenue after taxation			7,616
Total return before distributions			54,285
Distributions	7		(7,616)
Change in net assets attributable to unitholders from investment activities			46,669

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the period from 14 June 2023 to 31 December 2023

	£000's	For the period from 14.6.2023 to 31.12.2023 ¹ £000's
Opening net assets attributable to unitholders		–
Amounts receivable on issue of units	785,534	
Amounts payable on cancellation of units	(45,918)	
		739,616
Change in net assets attributable to unitholders from investment activities		46,669
Retained distribution on accumulation units		8,009
Closing net assets attributable to unitholders		794,294

¹ The Fund launched on 14 June 2023, therefore no comparatives have been presented.

BLACKROCK GROWTH ALLOCATION FUND

BALANCE SHEET

at 31 December 2023

	31.12.2023 ¹
	Notes £000's
Assets:	
Fixed assets	
– Investment assets	788,283
Current assets	
– Debtors	8 6,831
– Cash and bank balances	45
Total assets	795,159
Liabilities:	
Investment liabilities	(161)
Creditors	
– Other creditors	9 (704)
Total liabilities	(865)
Net assets attributable to unitholders	794,294

¹ The Fund launched on 14 June 2023, therefore no comparatives have been presented.

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

NOTES TO FINANCIAL STATEMENTS

for the period from 14 June 2023 to 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains

	For the period from 14.6.2023 to 31.12.2023 £000's
The net capital gains comprise:	
Gains on non-derivative securities*	48,621
Forward currency contracts	(7,018)
Currency gains	5,047
Transaction charges	19
Net capital gains	46,669

* Includes realised gains of £161,995 and unrealised gains of £48,458,726.

4. Revenue

	For the period from 14.6.2023 to 31.12.2023 £000's
Equity distributions on CIS holdings	1,496
Interest distributions on CIS holdings	275
Interest from UK bank deposits	88
Overseas dividends	5,264
Rebate from underlying CIS holdings	56
Securities lending revenue	23
UK dividends	206
UK REIT dividends	9
US REIT dividends	238
Total revenue	7,655

BLACKROCK GROWTH ALLOCATION FUND

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the period from 14.6.2023 to 31.12.2023 £000's
Payable to the Manager or associates of the Manager:	
– Annual service charge	19
– Manager's charge and other expenses rebate [#]	(39)
Payable to the Depositary or associates of the Depositary:	
– Depositary fee	3
Other expenses:	
– Audit fee	9
– Dividend charges [*]	29
– Legal fee	10
– Safe custody fee	5
Total expenses	36

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.00%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the period from 14.6.2023 to 31.12.2023 ¹ £000's
Final accumulation	8,009
	8,009
Add: Amounts deducted on cancellation of units	213
Deduct: Amounts received on issue of units	(606)
Distributions	7,616

Details of the final distribution per unit are set out in the table on page 260.

8. Debtors

	31.12.2023 £000's
Accrued manager's charge rebates	46
Accrued rebate from underlying CIS holdings	27
Accrued revenue	6,118
Amount receivable on issue of units	530
Sales awaiting settlement	110
Total debtors	6,831

NOTES TO FINANCIAL STATEMENTS (continued)

9. Other Creditors

	31.12.2023
	£000's
Accrued Admin fee	19
Accrued Audit fee	9
Accrued Depositary's fee	3
Accrued Safe custody fee	4
Amount payable for cancellation of units	663
Custodian transaction costs	6
Total other creditors	704

10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date.

11. Related Parties

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

The following entities were related parties of the Fund during the period ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the period end are disclosed in notes 8 and 9. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

BLACKROCK GROWTH ALLOCATION FUND

NOTES TO FINANCIAL STATEMENTS (continued)

11. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

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

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

For the period ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties.

12. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was Nil.

13. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the period ended 31 December 2023 is as follows:

	X1R Accumulation Units
Balance at the beginning of the period	–
Issued during the period	787,086,303
Cancelled during the period	(45,622,128)
Balance at the end of the period	741,464,175

BLACKROCK GROWTH ALLOCATION FUND

NOTES TO FINANCIAL STATEMENTS (continued)

14. Subsequent Events

There have been no significant events subsequent to the period-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the period ended 31 December 2023.

BLACKROCK PENSION GROWTH FUND

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 5 April 2018. The Fund's FCA product reference number is 805830.

BLACKROCK PENSION GROWTH FUND

Performance Record

Comparative Table

	X1 Accumulation Units		
	For the year to 31.12.2023	For the year to 31.12.2022	For the year to 31.12.2021
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	125.44	141.92	124.92
Return before operating charges	15.55	(16.45)	17.03
Operating charges	(0.03)	(0.03)	(0.03)
Return after operating charges	15.52	(16.48)	17.00
Distributions	(3.30)	(3.11)	(2.48)
Retained distributions on accumulation units	3.30	3.11	2.48
Closing net asset value per unit	140.96	125.44	141.92
After direct transaction costs of:	0.00	0.00	0.00
Performance			
Return after charges ¹	12.37%	(11.61)%	13.61%
Other Information			
Closing net asset value (£000's)	8,567,760	7,976,381	9,355,338
Closing number of units	6,078,322,125	6,358,760,133	6,591,902,074
Operating charges ²	0.02%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	141.06	142.40	142.21
Lowest bid unit price	126.12	119.00	124.70

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

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

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

BLACKROCK PENSION GROWTH FUND

DISTRIBUTION TABLE

for the year ended 31 December 2023

Final Distribution in Pence per Unit

	X1 Accumulation Units
Net revenue	3.3038
Distribution paid 29.2.2024	3.3038
Distribution paid 28.2.2023	3.1136

BLACKROCK PENSION GROWTH FUND

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
CASH EQUIVALENTS		
Short-term Money Market Funds - 0.76%; 31.12.22 0.82%		
647,361 BlackRock ICS Sterling Liquid Environmentally Aware Fund	64,745	0.76
71,181 BlackRock Institutional Cash Series Sterling Liquidity Fund*	71	0.00
	64,816	0.76
Net other assets	51,743	0.60
Total net assets	8,567,760	100.00

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority (“ESMA”) (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

BLACKROCK PENSION GROWTH FUND

STATEMENT OF TOTAL RETURN

for the year ended 31 December 2023

	Notes	£000's	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Income				
Net capital gains/(losses)	3		755,906	(1,276,612)
Revenue	4	204,559		200,910
Expenses	5	(252)		(269)
Interest paid and similar charges		(1)		–
Net revenue before taxation		204,306		200,641
Taxation	6	–		–
Net revenue after taxation			204,306	200,641
Total return before distributions			960,212	(1,075,971)
Distributions	7		(204,305)	(200,640)
Change in net assets attributable to unitholders from investment activities			755,907	(1,276,611)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 31 December 2023

	£000's	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Opening net assets attributable to unitholders		7,976,381	9,355,338
Amounts receivable on issue of units	95,916		150,836
Amounts payable on cancellation of units	(461,260)		(451,168)
		(365,344)	(300,332)
Change in net assets attributable to unitholders from investment activities		755,907	(1,276,611)
Retained distribution on accumulation units		200,816	197,986
Closing net assets attributable to unitholders		8,567,760	7,976,381

BLACKROCK PENSION GROWTH FUND

BALANCE SHEET

at 31 December 2023

	Notes	31.12.2023 £000's	31.12.2022 £000's
Assets:			
Fixed assets			
– Investment assets		8,453,356	7,873,663
Current assets			
– Debtors	8	48,795	40,913
– Cash and bank balances		3,516	3,454
– Cash equivalents	9	64,816	65,062
Total assets		8,570,483	7,983,092
Liabilities:			
Investment liabilities		(2,155)	(6,693)
Creditors			
– Other creditors	10	(568)	(18)
Total liabilities		(2,723)	(6,711)
Net assets attributable to unitholders		8,567,760	7,976,381

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

BLACKROCK PENSION GROWTH FUND

NOTES TO FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains/(Losses)

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities*	614,133	(910,139)
Forward currency contracts	144,707	(367,228)
Currency (losses)/gains	(2,930)	763
Custodian transaction costs	(4)	(8)
Net capital gains/(losses)	755,906	(1,276,612)

* Includes realised losses of £76,938,677 and unrealised gains of £691,071,388 (2022: realised gains of £292,795,424 and unrealised losses of £1,202,934,139). Where realised gains/losses include gains/losses arising in previous periods, a corresponding gains/losses is included in unrealised gains/losses.

4. Revenue

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Equity distributions on CIS holdings	83,349	91,294
Interest distributions on CIS holdings	69,060	64,236
Interest from UK bank deposits	158	35
Overseas dividends	41,153	41,345
Revenue from short-term money market funds	8,224	3,016
Securities lending revenue	175	108
US REIT dividends	2,440	876
Total revenue	204,559	200,910

BLACKROCK PENSION GROWTH FUND

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Payable to the Depositary or associates of the Depositary:		
– Depositary fee	12	12
Other expenses:		
– Audit fee	7	8
– Credit administration expenses	11	25
– Dividend charges*	203	206
– Legal fee	10	16
– Safe custody fee	9	2
Total expenses	252	269

* This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the year to 31.12.2023 £000's	For the year to 31.12.2022 £000's
Final accumulation	200,816	197,986
	200,816	197,986
Add: Amounts deducted on cancellation of units	4,644	4,283
Deduct: Amounts received on issue of units	(1,155)	(1,629)
Distributions	204,305	200,640
The distributable amount has been calculated as follows:		
Net revenue after taxation	204,306	200,641
Add: Revenue brought forward	4	3
Deduct: Revenue carried forward	(5)	(4)
Distributions	204,305	200,640

Details of the final distribution per unit are set out in the table on page 272.

8. Debtors

	31.12.2023 £000's	31.12.2022 £000's
Accrued rebate from underlying CIS holdings	5	5
Accrued revenue	45,566	36,388
Amount receivable on issue of units	3,224	4,520
Total debtors	48,795	40,913

BLACKROCK PENSION GROWTH FUND

NOTES TO FINANCIAL STATEMENTS (continued)

9. Cash Equivalents

	31.12.2023 £000's	31.12.2022 £000's
Investment in short-term money market funds	64,816	65,062
Total cash equivalents	64,816	65,062

10. Other Creditors

	31.12.2023 £000's	31.12.2022 £000's
Accrued Audit fee	8	7
Accrued Depositary's fee	6	5
Accrued Safe custody fee	6	1
Amount payable for cancellation of units	546	–
Custodian transaction costs	2	5
Total other creditors	568	18

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (31 December 2022: £Nil).

12. Related Parties

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

The following entities were related parties of the Fund during the year ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 10. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

BLACKROCK PENSION GROWTH FUND

NOTES TO FINANCIAL STATEMENTS (continued)

12. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Total % of units held by Affiliated Funds		
Nil	1	99.98%

As at 31 December 2022:

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

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

For the year ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties (31 December 2022: £Nil).

13. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However, additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

At the Balance Sheet date, the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.02% (31 December 2022: Nil).

BLACKROCK PENSION GROWTH FUND

NOTES TO FINANCIAL STATEMENTS (continued)

14. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the year ended 31 December 2023 is as follows:

	X1 Accumulation Units
Balance at the beginning of the year	6,358,760,133
Issued during the year	73,208,317
Cancelled during the year	(353,646,325)
Balance at the end of the year	6,078,322,125

15. Subsequent Events

There have been no significant events subsequent to the year-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 31 December 2023.

BLACKROCK RETIREMENT ALLOCATION FUND

About the Fund

The Fund is a sub-fund of BlackRock Authorised Contractual Scheme 2, a Co-Ownership Scheme constituted as a non-UCITS retail scheme and an AIF. The Fund was authorised by the FCA on 27 April 2023 and launched on 14 June 2023. The Fund's FCA product reference number is 997136.

BLACKROCK RETIREMENT ALLOCATION FUND

Performance Record

Comparative Table

	X1R Accumulation Units
	For the period from 14.6.2023[^] to 31.12.2023
	Pence per unit
Change in net assets per unit	
Opening net asset value per unit	100.00
Return before operating charges	5.93
Operating charges	0.00
Return after operating charges	5.93
Distributions	(0.78)
Retained distributions on accumulation units	0.78
Closing net asset value per unit	105.93
After direct transaction costs of:	0.00
Performance	
Return after charges ¹	5.93%
Other Information	
Closing net asset value (£000's)	189,379
Closing number of units	178,771,628
Operating charges ²	0.00%
Direct transaction costs ³	0.00%
Prices	Pence per unit
Highest offer unit price	106.25
Lowest bid unit price	97.71

[^] The date of commencement of operations.

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

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

³ Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments. See note 12 for further details.

BLACKROCK RETIREMENT ALLOCATION FUND

DISTRIBUTION TABLE

for the period from 14 June 2023 to 31 December 2023

Final Distribution in Pence per Unit

	X1R Accumulation Units[^]
Net revenue	0.7758
Distribution paid 29.2.2024	0.7758

[^] The Fund launched on 14 June 2023, therefore no comparatives have been presented.

BLACKROCK RETIREMENT ALLOCATION FUND
PORTFOLIO STATEMENT

at 31 December 2023

Holding or Nominal Value Investment		Market Value	% of Total Net Assets	Holding or Nominal Value Investment		Market Value	% of Total Net Assets
		£000's				£000's	
COLLECTIVE INVESTMENT SCHEMES - 99.70%				Fixed Income Funds - 59.83%			
Equity Funds - 39.87%							
56,343,958	ACS World ESG Equity Tracker Fund	60,022	31.69	7,488,271	iShares ESG Sterling Corporate Bond Index Fund (UK)	6,617	3.49
5,593,339	ACS World Small Cap ESG Screened Equity Tracker Fund	5,876	3.10	5,183,752	iShares Overseas Corporate Bond Index Fund (UK)	8,205	4.33
555,019	iShares Diversified Commodity Swap UCITS ETF	2,869	1.52	31,814,741	iShares Overseas Government Bond Index Fund (UK)	38,249	20.20
833,855	iShares Global Property Securities Equity Index Fund (UK)	1,808	0.95	21,945,920	iShares UK Gilts All Stocks Index Fund (UK)	23,814	12.58
173,574	iShares MSCI Emerging Markets UCITS ETF	4,938	2.61	6,591,087	iShares Up to 10 Years Gilts Index Fund (UK)	7,044	3.72
		75,513	39.87	27,815,175	iShares Up to 10 Years Index Linked Gilt Index Fund (UK)	29,374	15.51
						113,303	59.83

Holding or Nominal Value Investment		Underlying Exposure	Market Value	% of Total Net Assets
		£000's	£000's	
DERIVATIVES - (0.07)%				
Forward Currency Contracts - (0.07)%				
CAD 63,864	Canadian dollar vs UK sterling^	38	-	0.00
EUR 751,614	Euro vs UK sterling^	652	-	0.00
ILS 101,531	Israel shekel vs UK sterling^	22	-	0.00
JPY 113,558,581	Japanese yen vs UK sterling^	635	-	0.00
NOK 490,323	Norwegian krone vs UK sterling^	38	-	0.00
SGD 98,457	Singapore dollar vs UK sterling^	59	-	0.00
CHF 121,172	Swiss franc vs UK sterling^	113	-	0.00
GBP 1,981,372	UK sterling vs Australian dollar	(2,001)	(19)	(0.01)
GBP 3,196,855	UK sterling vs Canadian dollar	(3,222)	(25)	(0.01)
GBP 619,034	UK sterling vs Danish krone	(620)	(1)	0.00
GBP 17,281,784	UK sterling vs Euro	(17,314)	(32)	(0.02)
GBP 340,080	UK sterling vs Hong Kong dollar	(339)	1	0.00
GBP 141,560	UK sterling vs Israel shekel	(143)	(1)	0.00
GBP 11,610,810	UK sterling vs Japanese yen	(11,816)	(205)	(0.11)
GBP 81,404	UK sterling vs New Zealand dollar	(82)	(1)	0.00
GBP 365,027	UK sterling vs Norwegian krone	(374)	(9)	0.00

BLACKROCK RETIREMENT ALLOCATION FUND

PORTFOLIO STATEMENT (continued)

Holding or Nominal Value	Investment	Underlying Exposure £000's	Market Value £000's	% of Total Net Assets
GBP 285,513	UK sterling vs Singapore dollar	(286)	(1)	0.00
GBP 637,259	UK sterling vs Swedish krona	(647)	(10)	(0.01)
GBP 1,930,697	UK sterling vs Swiss franc	(1,953)	(22)	(0.01)
GBP 68,121,103	UK sterling vs United States dollar	(67,940)	181	0.10
USD 2,719,036	United States dollar vs UK sterling	2,135	2	0.00
		(103,045)	(142)	(0.07)
Portfolio of investments			188,674	99.63
Net other assets			705	0.37
Total net assets			189,379	100.00

Note: The Fund launched on 14 June 2023, therefore no comparatives have been presented.

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

All underlying funds are managed by a related party.

The counterparties for the forward currency contracts are disclosed in note 2(b)(i).

^ Investments which are less than £500 are rounded to zero.

BLACKROCK RETIREMENT ALLOCATION FUND

STATEMENT OF TOTAL RETURN

for the period from 14 June 2023 to 31 December 2023

	Notes	£000's	For the period from 14.6.2023 ¹ to 31.12.2023 £000's
Income			
Net capital gains	3		8,924
Revenue	4	1,261	
Expenses	5	(5)	
Interest paid and similar charges		–	
Net revenue before taxation		1,256	
Taxation	6	–	
Net revenue after taxation			1,256
Total return before distributions			10,180
Distributions	7		(1,256)
Change in net assets attributable to unitholders from investment activities			8,924

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the period from 14 June 2023 to 31 December 2023

	£000's	For the period from 14.6.2023 to 31.12.2023 ¹ £000's
Opening net assets attributable to unitholders		–
Amounts receivable on issue of units	201,266	
Amounts payable on cancellation of units	(22,198)	
		179,068
Change in net assets attributable to unitholders from investment activities		8,924
Retained distribution on accumulation units		1,387
Closing net assets attributable to unitholders		189,379

¹ The Fund launched on 14 June 2023, therefore no comparatives have been presented.

BLACKROCK RETIREMENT ALLOCATION FUND

BALANCE SHEET

at 31 December 2023

	31.12.2023 ¹	
	Notes	£000's
Assets:		
Fixed assets		
– Investment assets		189,000
Current assets		
– Debtors	8	5,478
– Cash and bank balances		12
Total assets		194,490
Liabilities:		
Investment liabilities		(326)
Creditors		
– Other creditors	9	(4,785)
Total liabilities		(5,111)
Net assets attributable to unitholders		189,379

¹ The Fund launched on 14 June 2023, therefore no comparatives have been presented.

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
3 April 2024

BLACKROCK RETIREMENT ALLOCATION FUND

NOTES TO FINANCIAL STATEMENTS

for the period from 14 June 2023 to 31 December 2023

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 27 and 28.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 29 to 58.

3. Net Capital Gains

	For the period from 14.6.2023 to 31.12.2023 £000's
The net capital gains comprise:	
Gains on non-derivative securities*	8,954
Forward currency contracts	(1,825)
Currency gains	1,794
Custodian transaction costs	1
Net capital gains	8,924

*Includes realised gains of £222,131 and unrealised gains of £8,732,338.

4. Revenue

	For the period from 14.6.2023 to 31.12.2023 £000's
Equity distributions on CIS holdings	126
Interest distributions on CIS holdings	551
Interest from UK bank deposits	9
Overseas dividends	495
Rebate from underlying CIS holdings	20
Securities lending revenue	2
UK dividends	38
UK REIT dividends	1
US REIT dividends	19
Total revenue	1,261

BLACKROCK RETIREMENT ALLOCATION FUND

NOTES TO FINANCIAL STATEMENTS (continued)

5. Expenses

	For the period from 14.6.2023 to 31.12.2023 £000's
Payable to the Manager or associates of the Manager:	
– Annual service charge	5
– Manager's charge and other expenses rebate [#]	(33)
Payable to the Depositary or associates of the Depositary:	
– Depositary fee	3
Other expenses:	
– Audit fee	9
– Dividend charges [*]	5
– Legal fee	10
– Safe custody fee	6
Total expenses	5

[#] The Fund received rebates from the Manager to ensure that the operating charge does not exceed 0.00%.

^{*} This charge relates to the Fund's proportionate share in expenses from tax transparent underlying CIS holdings.

6. Taxation

(a) Analysis of tax charge

As the Fund is an Authorised Contractual Scheme, it is exempt from United Kingdom (UK) tax on capital gains realised on the disposal of investments held within the Fund and any UK corporation tax.

7. Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the redemption of units and comprise:

	For the period from 14.6.2023 to 31.12.2023 £000's
Final accumulation	1,387
	1,387
Add: Amounts deducted on cancellation of units	122
Deduct: Amounts received on issue of units	(253)
Distributions	1,256

Details of the final distribution per unit are set out in the table on page 284.

8. Debtors

	31.12.2023 £000's
Accrued Manager's charge rebates	42
Accrued rebate from underlying CIS holdings	9
Accrued revenue	613
Amount receivable on issue of units	174
Sales awaiting settlement	4,640
Total debtors	5,478

BLACKROCK RETIREMENT ALLOCATION FUND

NOTES TO FINANCIAL STATEMENTS (continued)

9. Other Creditors

	31.12.2023
	£000's
Accrued Admin fee	5
Accrued Audit fee	9
Accrued Depositary's fee	3
Accrued Safe custody fee	4
Amount payable for cancellation of units	491
Custodian transaction costs	8
Purchases awaiting settlement	4,265
Total other creditors	4,785

10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date.

11. Related Parties

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

The following entities were related parties of the Fund during the period ended 31 December 2023:

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

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

The Manager acts as either principal or agent for the Depositary in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the period end are disclosed in notes 8 and 9. Securities lending revenue earned by the Fund is disclosed in note 4.

The Investment Manager, in accordance with the Contractual Scheme Deed, may enter into commission sharing arrangements with related parties (including, without limitation, brokers who are affiliated to the BlackRock Group), which may result in the Fund benefiting from research or execution services which the Investment Manager believes are useful in the investment decision-making or trade execution process. Such research or execution services may include, without limitation and to the extent permitted by applicable law: research reports on companies, industries and securities; and the provision of economic and financial information and analysis. Due to the bundled nature of these services and the application of such benefits across a number of BlackRock managed funds, it is not feasible to quantify the benefit to the Fund. The Investment Manager may also enter into these arrangements with brokers who are not affiliated to the BlackRock Group.

BLACKROCK RETIREMENT ALLOCATION FUND

NOTES TO FINANCIAL STATEMENTS (continued)

11. Related Parties (continued)

The following investor(s)

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

As at 31 December 2023:

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

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

For the period ended 31 December 2023, the Fund does not have any in-specie transactions with its related parties.

12. Portfolio Transaction Costs

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

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales.

However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable.

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

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

13. Units in Issue

Revenue is allocated each day pro rata to the capital value of assets attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

The movement in units in issue for the period ended 31 December 2023 is as follows:

	X1R Accumulation Units
Balance at the beginning of the period	–
Issued during the period	200,860,605
Cancelled during the period	(22,088,977)
Balance at the end of the period	178,771,628

BLACKROCK RETIREMENT ALLOCATION FUND

NOTES TO FINANCIAL STATEMENTS (continued)

14. Subsequent Events

There have been no significant events subsequent to the period-end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the period ended 31 December 2023.

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

STATEMENT OF MANAGER'S RESPONSIBILITIES

The Manager is required by the terms of the Contractual Scheme Deed to prepare the financial statements for each financial year. These financial statements must be prepared in accordance with generally accepted accounting standards in the United Kingdom to give a true and fair view of the state of affairs of the Funds at the year end and of the net revenue and net capital losses for the year. In preparing these financial statements the Manager is required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the funds will continue in operation. For the reasons stated in note 1(a), the financial statements have been prepared on a going concern basis.

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

The Manager is responsible for keeping such accounting records as are necessary to enable it to ensure that the financial statements comply with the Financial Conduct Authority's ("FCA") Collective Investment Schemes Sourcebook ("the Sourcebook"), Financial Conduct Authority's ("FCA") Investment Funds Sourcebook ("FUND"), the SORP and the Contractual Scheme Deed.

BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE DEPOSITARY TO THE UNITHOLDERS OF THE BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2 ("THE SCHEME") FOR THE YEAR ENDED 31 DECEMBER 2023

The Depositary must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, the Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (together "the Regulations") and the Contractual Scheme Deed and Prospectus (together the "Scheme documents") as detailed below.

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

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

The Depositary must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

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

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and Scheme documents of the Scheme; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the scheme in accordance with the Regulations and Scheme documents of the Scheme.

Northern Trust Investor Services Limited
UK Trustee and Depositary Services

London
3 April 2024



INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

Opinion

We have audited the financial statements of BlackRock Authorised Contractual Scheme 2 (“the Scheme”) for the year ended 31 December 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables for each of the Scheme’s Funds, the Financial Instruments and Risks and the accounting policies of the Scheme, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, FRS 102 ‘The Financial Reporting Standard applicable to the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Scheme comprising each of its Funds as at 31 December 2023 and of the net revenue and the net capital gains on the scheme property of the Scheme comprising each of its Funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report below. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the “FRC”) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 1(a) of the financial statements which explains that the Manager intends to close the ACS LifePath 2022-2024 Fund (the “Fund”) and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements for this Fund only, have been prepared on other than going concern basis as described in Note 1(a). The financial statements for the Scheme as a whole remain prepared on a going concern basis. Our opinion is not modified in respect of this matter.



Conclusions relating to going concern

The financial statements for the ACS LifePath 2022-2024 Fund have been prepared on other than going concern basis as disclosed in Note 1(a).

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability (except for ACS LifePath 2022-2024 Fund) to continue as a going concern for a period assessed by the Manager, which is twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our audit report thereon. The Manager is responsible for the other information contained in the Annual Report.

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

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

We have nothing to report in this regard.



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

In our opinion:

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Manager

As explained more fully in the Manager’s responsibilities statement set out on page 294, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Scheme’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Scheme or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Scheme and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Association's Statement of Recommended Practice (IA SORP), the FCA Collective Investment Schemes Sourcebook, the Scheme Deed and the Prospectus.
- We understood how the Scheme is complying with those frameworks through discussions with the Manager and the Scheme's administrators and a review of the Scheme's documented policies and procedures.
- We assessed the susceptibility of the Scheme's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Scheme.
- Due to the regulated nature of the Scheme, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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



Use of our report

This report is made solely to the Scheme's unitholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Scheme's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor

Edinburgh
3 April 2024

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BLACKROCK AUTHORISED CONTRACTUAL SCHEME 2

SUPPLEMENTARY INFORMATION

Additional disclosures are required when a Fund invests in Securities Financing Transactions (SFTs). However as none of the Funds invested in SFTs for the year ended 31 December 2023, no additional disclosures have been provided (31 December 2022: £Nil).

About Us

BlackRock is a premier provider of asset management, risk management, and advisory services to institutional, intermediary, and individual clients worldwide. As of 31 December 2023, the firm manages £7.85 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

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

BlackRock serves clients in North and South America, Europe, Asia, Australia, Africa, and the Middle East. Headquartered in New York, the firm maintains offices in over 36 countries around the world.

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