

A high-angle, top-down view of a person walking on a wooden staircase that winds through a dense, lush green forest. The person is wearing a blue t-shirt, khaki shorts, a grey backpack, a black cap, and a face mask. The staircase is made of light-colored wooden planks and has metal railings. The surrounding vegetation is thick and vibrant green, with various types of trees and plants visible. The overall scene is bright and natural.

BlackRock

Value Assessment

As of June 2024



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Chairman's Letter

Dear Investors,

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

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

In the year since our last report, certain themes in the broader macro environment have remained consistent, such as persistent inflation, structurally higher interest rates, supply constraints and lower growth compared to pre-pandemic levels. However, there are bright spots of opportunity and new waves of investment that may unlock significant transformation, such as the further development of artificial intelligence (AI), leading to potential increased productivity; the low-carbon transition; and a rewiring of global supply chains. As these macro environment challenges and opportunities evolve, we remain as committed as ever to serving our investors and providing them with continued value as demonstrated in this report.

In last year's Value Assessment report, we announced the launch of a tiered pricing model for a number of our funds within our UK authorised fund range on 6 October 2023. The model applies automatic discounts to the Annual Management Charge (AMC) of a fund as its assets under management (AUM) grow above certain defined levels. This allows fund investors to benefit from reduced fees where further economies of scale are generated. I am pleased to report as a result of this initiative that investors have already achieved savings of £38,000 over the assessment period of this report.

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



Graham Bamping

Non-Executive Director
and Board Chairman of
BlackRock Fund Managers
Limited

The preparation of this year’s report once again benefitted from challenge and input from BFM’s Non-Executive Directors. We continued to work with our two independent specialists, Broadridge Financial Solutions and Fitz Partners, to provide additional analysis on the methodology used and to advise on appropriate peer group comparisons.

In this year’s assessment, we found that the large majority of the funds evaluated – representing 99.8% of assets under management within our UK authorised funds – delivered value. Of these, eleven funds, representing 1.6% of assets under management were rated as delivering value, with action initiated to improve value further. One fund, representing 0.2% of assets under management was found not to deliver value consistently, details on these funds can be found in the fund pages. We classified ten funds, representing the remaining 0.01% of assets under management, as too new to rate. We also found that:

- 79% of unit classes in our funds were priced at or below the median of their respective peer groups¹ as of 30 June 2024
- BFM passed on savings of £2.0 million to fund investors via expense caps and £38,000 in savings from the implementation of the tiered pricing model during the one-year period ending 30 June 2024

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

Graham Bamping

Non-Executive Director & Board Chairman of BlackRock Fund Managers Limited

Board of Directors of BlackRock Fund Managers Limited (BFM)

Graham Bamping
Non-Executive Director & Board Chairman

Sheree Sabin
Executive Director & BFM Chief Executive Officer

Iain Cullen
Independent Non-Executive Director

Theodora Zemek
Independent Non-Executive Director

Donald Edgar
Executive Director

Adrian Lawrence
Executive Director

Thomas Hale
Executive Director

¹ Comparison of ongoing charges relates to a comparable unit class from a peer group within the relevant Investment Association fund sector

BlackRock's Commitment to Delivering Value

BlackRock's goal is to help more people experience financial well-being. Throughout our history, we have continually found ways to contribute to a more equitable and certain future — for our clients, employees and shareholders, and for the people in the communities where we live and work.

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

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

01

We are a fiduciary to our clients

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

02

We are one BlackRock

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

03

We are passionate about performance

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

04

We take emotional ownership

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

05

We are committed to a better future

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

BlackRock leverages its broad-based platform, pairing diverse investment capabilities with best-in-class technology, data-driven insights and rigorous risk management practices to deliver value to investors. We believe that portfolios integrating environmental, social and governance (ESG) factors can provide better long-term, risk-adjusted returns. Our research tells us that these factors can affect economic growth, asset values and financial markets. Sustainability is integral to the way BlackRock manages risk, constructs portfolios and designs products.

Section 1

Our Approach to Assessing Value

Overview

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

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

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

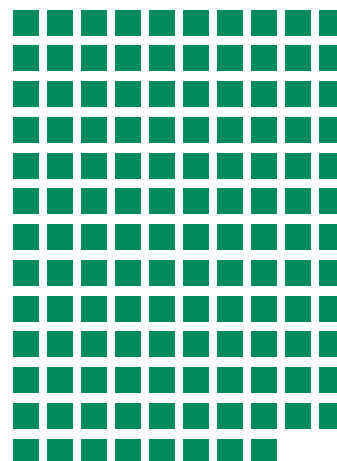
Our Value Assessment process

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

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

Of our 150 funds

128
delivered value



11
delivered value plus action



10
too new to rate



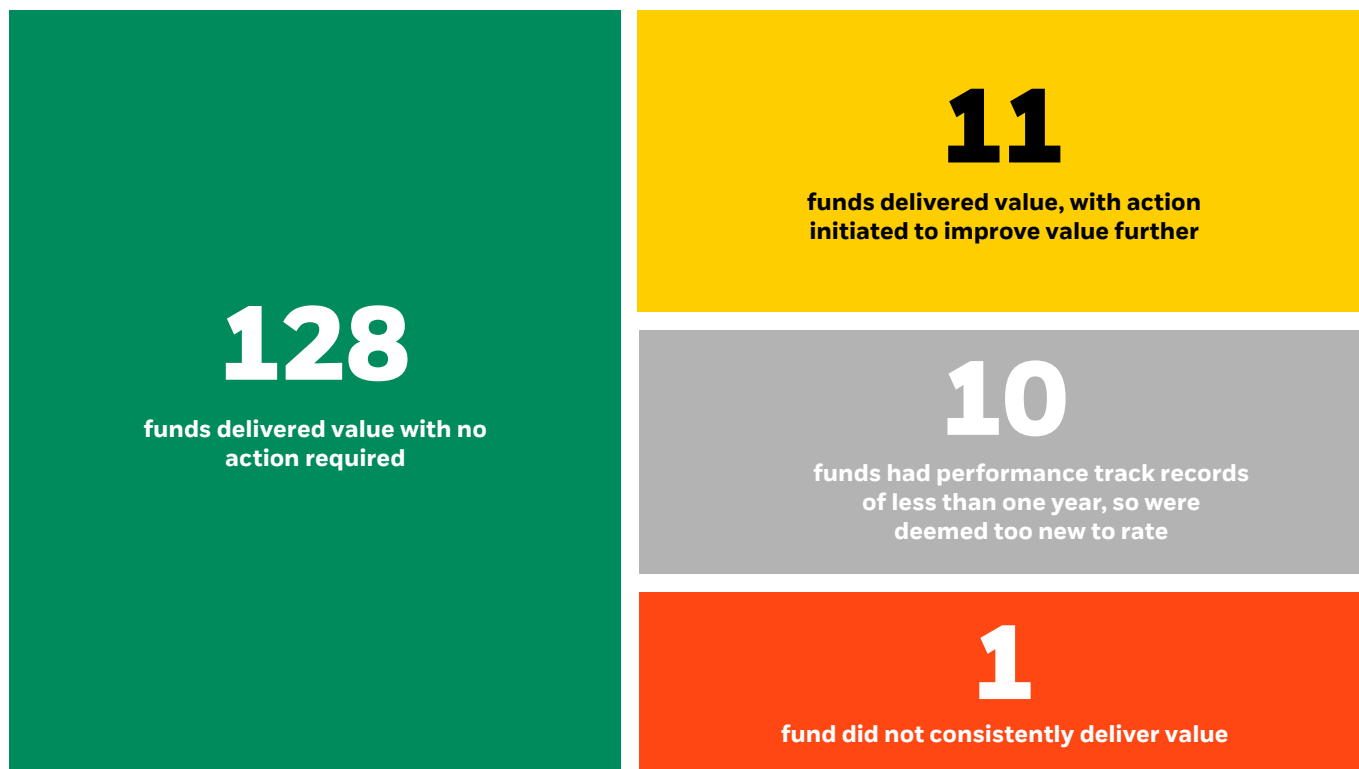
1
did not consistently deliver value





Summary of results

We have determined that BFM provided value to investors in our UK authorised funds. Across the 150 funds assessed in the year ending 30 of June 2024, we concluded that:



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



Action Taken to Improve Value & Choice for Investors

Since our 2023 Value Assessment report, we identified and implemented certain remedial actions to improve the value offered by BlackRock funds.

	Details
Fee reduction Last year, we identified one fund as an outlier based on the level of the Annual Management Charge (AMC) when compared against similar products offered by our competitors.	BlackRock Cash Fund The AMC on this fund was reduced, effective as of 10 January 2024, to offer a more competitive AMC when compared to similar products available in the market. For example, our standard retail share class AMC was reduced from 19 bps to 15 bps. Further details on current pricing levels can be found in the prospectus .
Annual Management Charge (AMC) tiered pricing model BlackRock launched an Annual Management Charge (AMC) tiered pricing model on 6 October 2023. The model applies to fee-bearing classes for a number of active BFM funds targeting retail investors within our UK authorised fund range. The model provides a discount on the AMC as the fund grows in scale.	At the launch of the tiered pricing model, certain funds were eligible to receive discounts on the AMC under the tiered pricing model. Since introduction and up to 30 June 2024 assessment date, two funds ¹ had crossed their first breakpoint with investors receiving discounts amounting to £38,000.

Focus Area

¹ BlackRock Continental European Fund and BlackRock Global Unconstrained Equity Fund (UK)

Details

Unit class conversions

BlackRock has taken steps to move direct investors to lower-charging unit classes of the same fund with similar rights, when doing so was deemed to be in the investors' best interests.

Please refer to **Section 2: Value Assessment Criteria** for more details on unit class conversions.

During the assessment period, we identified certain investors eligible for a lower-charging unit class within the same fund. Consequently, between June and October 2024, we converted 58 unit holders to lower-charging unit classes across 11 funds. This resulted in an estimated annualised saving of £9,900 for BFM fund investors.

BlackRock in partnership with Bank of New York Mellon, our transfer agent for funds in scope for unit class conversion, has introduced a standardised operational process to convert eligible unitholders to lower fee-paying unit classes on a semi-annual basis.

Enhanced performance monitoring

Our previous assessment identified ten funds that required enhanced performance monitoring due to their investment underperformance. All of these funds were subject to heightened scrutiny by the BFM Board over the last twelve months leading up to the reference date of this report. Two of the ten funds successfully passed our 2024 assessment and have been removed from the enhanced performance monitoring programme.

Please refer to **Section 4: Fund Pages** for more detailed fund-specific commentary for funds that did not pass their assessments for the 2024 cycle.

BlackRock Systematic Multi Allocation Credit Fund

This fund successfully passed our 2024 performance assessment and has been removed from the enhanced performance monitoring programme.

BlackRock Absolute Return Bond Fund

This fund successfully passed our 2024 performance assessment and has been removed from the enhanced performance monitoring programme.

BlackRock Institutional Bond Fund – Index Linked

This fund did not pass our 2024 performance assessment. However, a change in portfolio manager occurred in April 2024. The fund will continue to be on the enhanced performance monitoring programme while we assess the impact of this change.

BlackRock UK Fund

This fund did not pass our 2024 performance assessment. However, performance has steadily improved since the portfolio manager changed in December 2022. A further change in portfolio manager occurred in May 2024. The fund will continue to be on the enhanced performance monitoring programme while we assess the impact of this change.

BlackRock UK Smaller Companies Fund

This fund did not pass our 2024 performance assessment. However, performance has substantially improved during the twelve months leading up to the reference date of this report. The fund will continue to be on the enhanced performance monitoring programme.

Focus Area

Details

Enhanced performance monitoring (continued)

BlackRock UK Special Situations Fund

This fund did not pass our 2024 performance assessment. However, during the investment process review, we identified a misalignment between investment process and benchmark. We have taken action by amending the benchmark to align with the fund’s asset allocation constraints. The fund will continue to be on the enhanced performance monitoring programme while we assess the impact of this change.

BlackRock Dynamic Allocation Fund

This fund did not pass our 2024 performance assessment. We have taken action to include a new comparator benchmark to help contextualise short-term performance of the fund. The fund will continue to be on the enhanced performance monitoring programme while we assess the impact of this change.

BlackRock Market Advantage Fund

This fund did not pass our 2024 performance assessment and will continue to be on the enhanced performance monitoring programme. We have taken action to include a new comparator benchmark to help contextualise short-term performance of the fund. We also plan to make further significant enhancements to the fund.

BlackRock Developed Markets Sustainable Equity Fund (UK)

This fund did not pass our 2024 performance assessment. However, a change in portfolio managers occurred in May 2024. The fund will continue to be on the enhanced performance monitoring programme while we assess the impact of this change.

BlackRock Charities Growth & Income Fund

This fund did not pass our 2024 performance assessment. However, we have taken action by enhancing the fund’s investment process during January 2024. The prospectus was also updated to include a secondary performance comparator to allow investors more easily to compare performance versus peers. The fund will continue to be on the enhanced performance monitoring programme while we assess the impact of these changes.

Focus Area

Section 2

Value Assessment Criteria

Performance

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

Our evaluation method

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

- **Active strategies:** We evaluated each fund's net-of-fees performance relative to its benchmark over medium- (three-year) and long-term (five-year) periods. Where net performance relative to benchmark was not materially negative, we went on to consider performance relative to peers over the same periods. For the peer review, either we analysed sector data from an independent third party, such as Morningstar, or we referred to a customised peer group when appropriate.

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

- **Index strategies:** We evaluated each fund's net-of-fees performance relative to its benchmark index over a one-year period. We considered one year to be an appropriate horizon, given how important close benchmark tracking is to index strategies. Where necessary, we conducted additional analysis to identify the factors driving any deviation of returns from the benchmark. For index funds with ESG considerations, if the considerations are due to the nature of the index then the same methodology as above is followed. If funds have additional objectives, they will be assessed as outcome-oriented strategies as described below.
- **Outcome-oriented strategies:** The investment objectives of these funds are tied to specific outcomes. We evaluated each fund's net-of-fees performance against the outcome(s) stated in its investment objective over medium- (three-year) and long-term (five-year) periods as applicable. We also examined each fund's net-of-fees performance relative to its benchmark, as applicable. Where appropriate comparators were available, we evaluated funds relative to their peer groups. The funds fall into several distinct categories: income generation; volatility targeting; ESG objectives and/or target asset allocation. For each of these sub-categories, we considered the following in our assessment:
 - **Income generation:** We evaluated whether the fund generated above average income over the income assessment period.
 - **Volatility targets:** We evaluated the fund's time spent in the volatility target zone over the assessment period.

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

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

Our conclusions

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

Rising interest rates and inflation were challenging for investors and portfolio managers alike and affected the performance of some actively managed funds. However, we continue to maintain conviction in our investment teams' ability to outperform their respective benchmarks over the long term. If a fund did not perform well, we have noted this in **Section 4: Fund Pages**. We have also explained the underperformance and, where necessary, initiated enhanced performance monitoring to improve future value delivery. As a result of this year's assessment, we have included twelve funds in our enhanced performance monitoring programme.

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

Comparable Market Rates

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

Our evaluation method

Working with BlackRock, the BFM Board examined the costs of our funds relative to those of similar funds offered by our competitors. We focused on the Ongoing Charges Figure (OCF) for each unit class within a fund, which is referenced in the fund's Key Investor Information Document (or, for certain funds, the Key Information Document) and reflects its total annual costs.

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

Our conclusions

We concluded that the large majority of our UK authorised funds and unit classes delivered value. We ensure that our funds are priced reasonably relative to their peers by pricing them competitively at the time of launch. We assess their management charges on an ongoing basis and scrutinise BlackRock's terms with third-party providers.

There are certain funds within the BFM range that offer only one unit class that does not charge a management fee within the fund. These funds target institutional investors, and their management fees are negotiated separately and billed outside the fund. This means that the OCF for these funds excludes management fees. For these funds, we have concluded that value was delivered on the basis that the institutional investors in these unit classes are able to negotiate bespoke pricing arrangements with us or our competitors.

If a fund was not priced competitively relative to its peers, we have noted it in **Section 4: Fund Pages**. We have included commentary on what drove those results and have also included details on any remedial action.

Comparable Services

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

Our evaluation method

BlackRock's investors access investment strategies in many ways, including through funds and segregated mandates. The client's choice of investment structure is typically driven by the size of the investment and the level and type of service required. Working in conjunction with BlackRock, the BFM Board considered the following key factors in our evaluation:

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

Our conclusions

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

Authorised Fund Manager Costs

BlackRock's deliberate approach to pricing ensures investors are charged fairly with respect to services received.

Our evaluation method

Working in conjunction with BlackRock, the BFM Board examined the services, benefits and absolute level of costs. We focused on the Ongoing Charges Figure (OCF), which is referenced in the funds' Key Investor Information Document (or for certain funds, the Key Information Document) and reflects the funds' total annual costs.

Our analysis considered the results from examining the estimated fund-level profitability for each of our UK authorised funds. This analysis considered direct fund expenses, indirect expenses and/or allocated costs associated with providing services related to our UK authorised funds.

Our conclusions

We concluded that the large majority of our funds delivered value for investors. BlackRock applies a consistent approach to setting the level of each individual fee item, which considers factors such as asset class, management style and target investor.



Economies of Scale

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

Our evaluation method

Working in conjunction with BlackRock, the BFM Board examined how BlackRock achieves scale and how this ultimately benefits fund investors. We focused on four ways in which BlackRock shares its economies of scale:

- **Pricing power with service providers:** BlackRock leverages its global scale to negotiate highly competitive rates with third-party service providers. These relationships are essential for delivering efficient, risk-controlled processes. The negotiated, improved rates with the funds' service providers are passed on to investors through reduced service charges. These have resulted in cost savings for investors across the fund range.
- **Expense caps:** Given that the fixed costs of operating a fund may disproportionately affect small or newly launched funds, BlackRock has processes in place to ensure that fund expenses are competitive regardless of fund size. For smaller funds or those with high operating costs, BlackRock and the BFM Board decide whether an expense cap should be applied to lower the effective fee for end investors. This ensures that funds are priced to benefit from BlackRock's scale from the time of launch.
- **Reinvestment:** As a global business, BlackRock reinvests substantial amounts of revenue annually into its centralised operational, technology and investment platforms. We considered how these reinvestments deliver benefits and enrich investors' experience through better trade execution, robust risk management and compliance. We also considered the positive impact on investment teams' capabilities and improved client servicing.
- **Annual Management Charge (AMC) tiered pricing model:** BlackRock launched an AMC tiered pricing model on 6 October 2023. The model applies to fee-bearing classes for a number of BFM funds within our UK authorised fund range. See **page 20** for further information.

Our conclusions

We concluded that investors in all our UK authorised funds, regardless of size, benefitted from economies of scale. These benefits include:

- **Pricing power with service providers:** BlackRock uses its global scale and longstanding relationships to negotiate preferable rates with external service providers. We share the cost savings with fund investors.
- **Expense caps:** BlackRock maintains a policy of capping expenses on small funds to limit the impact of external costs for small and newly launched funds. During the assessment period, we passed on savings of £2.0 million to investors through expense caps across 65 funds.
- **Annual Management Charge (AMC) tiered pricing model:** Since the introduction, two funds have grown in scale above their first tier and have provided discounts to investors of over £38,000 through a reduction of the AMC.¹
- **Seed capital:** As of the assessment date, BlackRock had £65 million of seed capital invested in UK authorised funds to support the scaling of smaller or while newer funds establish a track record.
- **Industry-leading technology:** BlackRock's Aladdin platform combines sophisticated risk analytics with comprehensive portfolio management, trading, liquidity management, compliance and accounting tools.
- **BlackRock Investment Stewardship (BIS):** Over the last decade, BlackRock has built one of the largest and most diverse investment stewardship teams in the industry. This reflects both the importance of stewardship as a core component of BlackRock's fiduciary responsibility to our clients and the industry's evolving understanding of how corporate governance and sustainability can impact companies' long-term financial performance.
- **BlackRock Investment Institute (BII):** BlackRock's proprietary research group BII provides analysis on the global economy, markets, geopolitics and long-term asset allocation. BII's insights enable BlackRock's portfolio managers and clients to make informed decisions on the macro environment.
- **BlackRock Sustainable & Transition Solutions (STS):** BlackRock is a global leader in sustainable investing. It draws on research across its investment teams and BII to understand the relationship between climate- and sustainability-related factors and investment returns. We believe that climate risk is investment risk. By integrating climate and sustainability considerations into our investment process we can help investors build more resilient portfolios and achieve better long-term, risk-adjusted returns.
- **Unique insights:** BlackRock has a vast investment platform comprising 2,700+ investment professionals globally across different asset classes, with an average tenure of more than seven years. Portfolio managers supporting our UK authorised fund range benefit from this collective intelligence and shared deep market expertise to generate meaningful investment ideas across multiple disciplines.



Introducing our Annual Management Charge (AMC) tiered pricing model

Since 6 October 2023, the management fee-bearing classes for a number of BFM funds within our UK authorised fund range have employed a new AMC tiered pricing model. This means that as the fund grows in size, its AMC is discounted and savings are automatically passed on to the investors. The model applies to actively managed funds targeted to retail investors, meaning the following types of funds are excluded:

- Funds targeted primarily at institutional investors, where the fees are separately negotiated with clients; and
- Index funds and funds-of-funds that are primarily invested in index or index-style building blocks, as index funds are priced at scale at launch through mechanisms such as fee caps

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

Quality of Service

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

Our evaluation method

Working in conjunction with BlackRock, the BFM Board evaluated the quality of service we provided to fund investors. Our holistic review was based on the evaluation of four key service characteristics. We considered internal management information (MI), such as client experience surveys and external metrics from third parties, in our assessment.

- **Client experience:** We considered an independent assessment that evaluates fund managers based on interviews with retail investors. Additionally, BlackRock reviewed results from our own most recent global client experience survey of more than 650 institutional investors. The results allowed us to compare BlackRock's service quality to competitors in the UK and overseas.
- **Client complaints:** In addition to survey results for retail and institutional clients, we also considered client complaints received over the assessment period. We examined the quantity, nature and resolution of complaints linked to our UK authorised funds.
- **Risk management:** We examined whether operational issues affecting individual funds had impacted the quality of service provided to investors. We assessed these issues by using quantitative inputs from existing enterprise risk procedures. We also flagged any funds that experienced material operating events, caused due to issues committed by BlackRock or a third party. In any such instance, we strive to identify and address them appropriately and introduce adequate controls for mitigation in future.
- **Fund operations:** We evaluated the requirements for highly-scalable fund operations to ensure their stability and effectiveness. These included administrative services, vendor management, robust compliance and regulatory controls and resilient IT systems. We considered metrics from service quality reports from fund administrators and transfer agencies.

Our conclusions

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

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

Classes of Units

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

Our evaluation method

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

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

Our conclusions

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

Working in conjunction with BlackRock, the BFM Board has continued our programme of unit class conversions. During the assessment period, we identified certain direct investors that would benefit from moving to a lower-charging unit class within the same fund. We also enhanced our ability to source and review investor data, thereby improving our ability to identify direct investors for conversion to lower-charging unit classes.

Consequently, between June and October 2024, we oversaw 78 conversions impacting 58 investors to lower-charging unit classes across 11 funds, resulting in an estimated annualised saving of £9,900 for BFM fund investors.

In addition to the annual assessment described above, BlackRock in partnership with Bank of New York Mellon, our transfer agent for funds in scope for unit class conversion, has introduced a standardised operational process to convert eligible unitholders to lower-fee-paying unit classes on a semi-annual basis.

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

Section 3

Value Assessment Results

Fund Dashboard

How to interpret criteria assessments

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

BlackRock funds

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

Fund Dashboard

How to interpret criteria assessments

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

BlackRock funds

	Further information	Performance	Comparable market rates	Comparable services	AFM costs	Economies of scale	Quality of service	Classes of units	Overall assessment
Outcome-oriented funds									
ESG objective									
BlackRock Catholic Charities Growth & Income Fund	p.38	■	●	●	●	●	●	●	Delivered value plus action
BlackRock Charities Growth & Income Fund	p.39	■	●	●	●	●	●	●	Delivered value plus action
BlackRock Developed Markets Sustainable Equity Fund (UK)	p.40	■	●	●	●	●	●	●	Delivered value plus action
BlackRock Sustainable Sterling Short Duration Credit Fund	p.41	■	●	●	●	●	●	●	Delivered value plus action
ACS Climate Transition World Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS Europe ex UK ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS Japan ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS North America ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS UK ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS US ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
ACS World ESG Insights Equity Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Global Corporate ESG Insights Bond Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Sustainable Sterling Strategic Bond Fund		●	●	●	●	●	●	●	Delivered value
Income generation									
BlackRock Continental European Income Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Global Income Fund		●	●	●	●	●	●	●	Delivered value
BlackRock UK Income Fund		●	●	●	●	●	●	●	Delivered value
Volatility target									
Blackrock Managed Volatility Fund		●	●	●	●	●	●	●	Delivered value
BlackRock Managed Volatility Fund I		●	●	●	●	●	●	●	Delivered value
BlackRock Managed Volatility Fund II		●	●	●	●	●	●	●	Delivered value
BlackRock Managed Volatility Fund III		●	●	●	●	●	●	●	Delivered value
BlackRock Managed Volatility Fund IV		●	●	●	●	●	●	●	Delivered value
BlackRock UK Managed Volatility Fund I		●	●	●	●	●	●	●	Delivered value
BlackRock UK Managed Volatility Fund II		●	●	●	●	●	●	●	Delivered value
BlackRock UK Managed Volatility Fund III		●	●	●	●	●	●	●	Delivered value
Blackrock Volatility Strategy Fund I		●	●	●	●	●	●	●	Delivered value
Blackrock Volatility Strategy Fund II		●	●	●	●	●	●	●	Delivered value
Blackrock Volatility Strategy Fund III		●	●	●	●	●	●	●	Delivered value
Blackrock Volatility Strategy Fund IV		●	●	●	●	●	●	●	Delivered value
MyMap 3 Fund		●	●	●	●	●	●	●	Delivered value
MyMap 4 Fund		●	●	●	●	●	●	●	Delivered value
MyMap 5 Fund		●	●	●	●	●	●	●	Delivered value
MyMap 6 Fund		●	●	●	●	●	●	●	Delivered value

Fund Dashboard

How to interpret criteria assessments

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

BlackRock funds

	Performance	Comparable market rates	Comparable services	AFM costs	Economies of scale	Quality of service	Classes of units	Overall assessment
Outcome-oriented funds								
Target asset allocation								
ACS LifePath 2022-2024	●	●	●	●	●	●	●	Delivered value
ACS LifePath 2025-2027	●	●	●	●	●	●	●	Delivered value
ACS LifePath 2028-2030	●	●	●	●	●	●	●	Delivered value
ACS LifePath 2031-2033	●	●	●	●	●	●	●	Delivered value
ACS LifePath 2034-2036	●	●	●	●	●	●	●	Delivered value
ACS LifePath 2037-2039	●	●	●	●	●	●	●	Delivered value
ACS LifePath 2040-2042	●	●	●	●	●	●	●	Delivered value
ACS LifePath 2043-2045	●	●	●	●	●	●	●	Delivered value
ACS LifePath 2046-2048	●	●	●	●	●	●	●	Delivered value
ACS LifePath 2049-2051	●	●	●	●	●	●	●	Delivered value
ACS LifePath 2052-2054	●	●	●	●	●	●	●	Delivered value
ACS LifePath 2055-2057	●	●	●	●	●	●	●	Delivered value
BlackRock FutureWise 2023-27	●	●	●	●	●	●	●	Delivered value
BlackRock FutureWise 2028-32	●	●	●	●	●	●	●	Delivered value
BlackRock FutureWise 2033-37	●	●	●	●	●	●	●	Delivered value
BlackRock FutureWise Early Days Aggregator	●	●	●	●	●	●	●	Delivered value
BlackRock FutureWise Retirement Aggregator	●	●	●	●	●	●	●	Delivered value
BlackRock Growth Allocation Fund	●	●	●	●	●	●	●	Delivered value
BlackRock LifePath Retirement Fund	▲	●	●	●	●	●	●	Too new to rate
BlackRock LifePath Target Date Fund 2030	▲	●	●	●	●	●	●	Too new to rate
BlackRock LifePath Target Date Fund 2035	▲	●	●	●	●	●	●	Too new to rate
BlackRock LifePath Target Date Fund 2040	▲	●	●	●	●	●	●	Too new to rate
BlackRock LifePath Target Date Fund 2045	▲	●	●	●	●	●	●	Too new to rate
BlackRock LifePath Target Date Fund 2050	▲	●	●	●	●	●	●	Too new to rate
BlackRock LifePath Target Date Fund 2055	▲	●	●	●	●	●	●	Too new to rate
BlackRock LifePath Target Date Fund 2060	▲	●	●	●	●	●	●	Too new to rate
BlackRock LifePath Target Date Fund 2065	▲	●	●	●	●	●	●	Too new to rate
BlackRock Retirement Allocation Fund	●	●	●	●	●	●	●	Delivered value
Capital preservation								
BlackRock Cash Fund	●	●	●	●	●	●	●	Delivered value
Multiple: Volatility target & Income generation								
MyMap 4 Select Income Fund	●	●	●	●	●	●	●	Delivered value
Multiple: Volatility target & ESG objective								
BlackRock ESG Strategic Growth Fund	●	●	●	●	●	●	●	Delivered value
MyMap 3 Select ESG Fund	●	●	●	●	●	●	●	Delivered value
MyMap 5 Select ESG Fund	●	●	●	●	●	●	●	Delivered value
MyMap 7 Select ESG Fund	●	●	●	●	●	●	●	Delivered value

Fund Dashboard

How to interpret criteria assessments

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

BlackRock funds

	Performance	Comparable market rates	Comparable services	AFM costs	Economies of scale	Quality of service	Classes of units	Overall assessment
Index funds								
ACS 30:70 Global Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS 50:50 Global Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS 60:40 Global Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS Continental European Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS Japan Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS UK Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS US Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World ESG Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World ESG Screened Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World ex UK Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World Low Carbon Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World Multifactor Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World Multifactor ESG Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
ACS World Small Cap ESG Screened Equity Tracker Fund	●	●	●	●	●	●	●	Delivered value
BlackRock Charities UK Equity Index Fund	●	●	●	●	●	●	●	Delivered value
BlackRock Corporate Bond 1-10 Year Fund	●	●	●	●	●	●	●	Delivered value
BlackRock Global Equity Fund	●	●	●	●	●	●	●	Delivered value
BlackRock Overseas Equity Fund	●	●	●	●	●	●	●	Delivered value
iShares 100 UK Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares 350 UK Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Continental European Equity ESG Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Continental European Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Corporate Bond Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Developed World Fossil Fuel Screened Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Emerging Markets Equity ESG Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Emerging Markets Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Environment & Low Carbon Tilt Real Estate Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares ESG Overseas Corporate Bond Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares ESG Sterling Corporate Bond Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Index Linked Gilt Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Japan Equity ESG Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Japan Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Mid Cap UK Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares North American Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Over 15 Years Corporate Bond Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Over 15 Years Gilts Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Overseas Government Bond Index Fund (UK)	●	●	●	●	●	●	●	Delivered value

Fund Dashboard

How to interpret criteria assessments

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

BlackRock funds

	Performance	Comparable market rates	Comparable services	AFM costs	Economies of scale	Quality of service	Classes of units	Overall assessment
Index funds								
iShares Pacific ex Japan Equity ESG Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Pacific ex Japan Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares UK Equity ESG Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares UK Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares UK Gilts All Stocks Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Up To 10 Years Gilts Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares Up to 10 Years Index Linked Gilt Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares US Equity ESG Index Fund (UK)	●	●	●	●	●	●	●	Delivered value
iShares US Equity Index Fund (UK)	●	●	●	●	●	●	●	Delivered value

Section 4

Fund Pages

BlackRock Armed Forces Charities Growth & Income Fund

BlackRock Charities Funds

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

Benchmark

Composite of MSCI World Index (GBP) (60%); Global Aggregate Bond Index (GBP Hedged) (20%); 3 Month GBP SONIA compounded in arrears plus 3% (20%)

Morningstar / IA categories

GBP Allocation 60-80% Equity / Mixed Investment 40-85% Shares

Overall value statement

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

Performance (Active)

Our assessment concluded that the fund underperformed its benchmark, net of fees, over the three- and five-year periods driven largely by performance over 2023. One of the key drivers of the fund's underperformance over 2023 was the large allocation to UK listed alternative investments, which now trade at a significant discount, having been subject to selling pressure as UK government bond yields rose. In addition, falling energy prices impacted positions in renewable energy generating assets. Also impacting performance was an underweight position in equities based on our view that

inflation would hold on longer than expected and central banks would have to keep interest rates at higher levels for longer. Finally, market and benchmark performance was driven by a concentrated group of large technology companies. The highly diversified nature of the fund has meant that the fund has been underweight these large technology companies. The fund's benchmark was changed in January 2024 better to reflect the global opportunity set in which the fund can invest, providing greater global diversification across equities, fixed income and alternatives. The prospectus was also updated to include a secondary comparator to allow investors more easily to compare performance versus peers. Due to the underperformance, we have initiated enhanced performance monitoring of the fund as we continue to track the impact of these changes.¹

Costs, charges & service quality

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



Overall rating

Delivered value plus action

Assessment criteria

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

> Click for more fund information

¹ The performance before 6 December 2019 relates to when the fund was structured as a Common Investment Fund ("CIF"). The fund is now structured as a Charities Authorised Investment Fund but has the same investment objective and policy as its CIF predecessor entity.

BlackRock Dynamic Allocation Fund

Retail Authorised Unit Trusts

The fund aims to provide a return on investment generated through an increase in the value of the assets held by the fund and/or income received from those assets, which exceeds the Bank of England's Base Interest Rate by 3.5% per annum (gross of fees) over the medium to long term (three to five consecutive years).

Benchmark

Bank of England's Base Interest Rate plus 3.5% per annum (gross of fees)

Morningstar / IA categories

GBP Flexible Allocation / Specialist

Overall value statement

Our review determined that the fund overall delivered value. However, the fund underperformed over the assessment period and, therefore, we have decided that the fund will remain on enhanced performance monitoring.

Performance (Active)

Our assessment concluded that the fund underperformed its benchmark, net of fees, over the three- and five-year periods. It also did not deliver on its objective of providing a 3.5% return per annum in excess of the Bank of England's Base Interest Rate, gross of fees, over the three- and five-year periods. Finally, it failed to deliver better risk-adjusted returns when compared to a customised group of the most comparable peers over the three- and five-year periods. Risk-adjusted returns were considered due to the investment style of the fund and the substantial variation in equity weight across different peers. Long-term performance of the fund was impacted by negative returns for both bonds and equities in 2022. As a result, it was extremely challenging for a fund that is broadly invested in stocks and bonds to

provide a "cash plus" return. Since last year's report, we have amended the prospectus and introduced a secondary performance comparator for periods where a diversified multi-asset portfolio may underperform a "cash plus" benchmark. The fund has outperformed this secondary performance comparator in the twelve months leading up to the reference date of this report. Due to the underperformance versus the benchmark, and following the introduction of the secondary performance comparator, the fund will remain on enhanced performance monitoring as we continue to track the impact of this change.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We concluded that the fund was priced appropriately. We also confirmed that it was priced at a reasonable level compared to both an external peer group determined by the IA and to similar BlackRock products. The Specialist sector, assigned by the IA, includes funds that have an investment universe that is not accommodated by mainstream sectors. We, therefore, also reviewed the fund against an independently selected custom peer group recommended by Fitz Partners. We found that the fund was priced appropriately on this basis.



Overall rating

Delivered value plus action

Assessment criteria

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

> [Click for more fund information](#)

BlackRock Emerging Markets Fund

Retail Authorised Unit Trusts

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

Benchmark

MSCI Emerging Markets Index

Morningstar / IA categories

Global Emerging Markets Equity /
Global Emerging Markets

Overall value statement

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

Performance (Active)

Our assessment concluded that the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund underperformed when compared to its Morningstar peer group over the same periods. Underperformance was concentrated in two challenging periods during this timeframe. The first was in 2022, when overweight positioning to Russia, as the country

invaded Ukraine, detracted from relative performance. The second, more recent, period in late 2023 and the first half of 2024, when the portfolio was overweight in Brazil and Indonesia, also detracted from performance. An underweight and stock selection decisions in India, as well as stock selection in China also weighed on returns during this period. Due to this underperformance, we have initiated enhanced performance monitoring of the fund, which includes a review of the investment process.

Costs, charges & service quality

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



Overall rating

Delivered value plus action

Assessment criteria

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

> [Click for more fund information](#)

BlackRock Institutional Bond Funds – Index Linked

BlackRock Institutional Bond Funds

The fund aims to outperform its benchmark (gross of fees) over five consecutive years.

Benchmark

FTSE-A Government Securities Over 5 Year Index-Linked Index

Morningstar / IA categories

GBP Inflation-Linked Bond / UK Index Linked Gilts

Overall value statement

Our review determined that the fund overall delivered value. However, the fund underperformed over the assessment period and, therefore, we have decided that the fund will remain on enhanced performance monitoring.

Performance (Active)

Our assessment concluded that the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund also underperformed when compared to its Morningstar peer group over the same periods. Much like last year, the underperformance was largely due to an active position in [long-duration](#) bonds which was impacted by a spike in [gilt yields](#) following the UK's mini-budget in September 2022, and the impact was large enough to affect the fund's long-term performance. The fund's portfolio manager was changed in April 2024 to a more experienced investor within the same team. The fund will remain on enhanced performance monitoring as we continue to track the impact of this change.

Costs, charges & service quality

We reviewed the AFM costs associated with the fund, together with the quality of service provided and the benefits generated by our economies of scale. We observed that, due to a decline in fund AUM, the OCF charged by the fund started to rise because of fixed expenses and other ongoing costs increasing relative to declining fund assets. We concluded that the fund's AMC was appropriate compared to both an external peer group determined by the IA and to similar BlackRock products. However, due to the increased operational expenses, BlackRock has taken action and introduced a fee cap to protect investors from further increases in operational expenses.



Overall rating

Delivered value plus action

Assessment criteria

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

> [Click for more fund information](#)

BlackRock Market Advantage Fund

Retail Authorised Unit Trusts

The fund aims to provide a return on investment generated through an increase in the value of the assets held by the fund and/or income received from those assets, which exceeds 3 month SONIA compounded in arrears by 3.5% per annum (gross of fees) over the medium to long term (three to five consecutive years).

Benchmark

3-month SONIA compounded in arrears plus 3.5% per annum (gross of fees)

Morningstar / IA categories

GBP Flexible Allocation / Mixed Investment 0–35% Shares

Overall value statement

Our review determined that the fund did not consistently deliver value. As in last year's report, the fund underperformed over the assessment period. We have taken action through amendments to the fund prospectus including the addition of a secondary performance comparator benchmark and amendments to the investment process. We also plan to make further significant enhancements while continuing enhanced performance monitoring of the fund.

Performance (Active)

Our assessment concluded that the fund underperformed its benchmark, net of fees, over the three- and five-year periods. As a consequence of a particularly challenging market environment in 2022, the fund did not meet its objective of providing a 3.5% return in excess of the 3-month SONIA rate, gross of fees, over the five-year period.

Much like last year, the long-term underperformance versus the cash plus benchmark is driven by the negative returns of both equity and bond markets in 2022 that were significant enough to affect the fund's long-term track record. 2022 was a difficult year for financial markets with equity and bond markets falling in response to recessionary fears, supply side inflation shocks, the ongoing Russia-Ukraine conflict and interest rate increases.

Since last year's report, we made further enhancements to the description of the fund's investment process and strategy in the prospectus that better articulates to investors how the fund aims to achieve its objective through a balanced exposure to markets. We also introduced a secondary performance comparator to the prospectus that allows investors to compare performance in periods where a balanced exposure to markets may underperform a "cash plus" style benchmark. While reviewing the performance of the fund versus this secondary comparator in the twelve months leading up to the reference date of this report, we noted that the fund also underperformed the secondary performance comparator benchmark. Therefore, the fund will remain on enhanced performance monitoring. We will also plan to make further significant enhancements to the fund's investment process and strategy following the publication of this report.

The fund has consistently delivered value to investors on all other aspects of value assessment, including fair costs and charges and a high quality of service.

Costs, charges & service quality

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



Overall rating

Did not consistently deliver value

Assessment criteria

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

[> Click for more fund information](#)

BlackRock UK Fund

Retail Authorised Unit Trusts

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

Benchmark

FTSE All Share Index

Morningstar / IA categories

UK Large-Cap Equity / UK All Companies

Overall value statement

Our review determined that the fund overall delivered value. However, the fund underperformed over the assessment period and, therefore, we have decided that the fund will remain on enhanced performance monitoring.

Performance (Active)

Our assessment concluded that the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund underperformed when compared to its Morningstar peer group over the same periods. Performance over the three- and five-year periods was largely impacted by the underperformance that the fund suffered during the 2022 calendar year. 2022 was a difficult year for financial markets with equity markets falling in response to recessionary fears, supply side inflation shocks, the ongoing Russia-Ukraine conflict and interest rate rises. The underperformance in the fund was largely driven by the overall underperformance of growth stocks, where the fund allocation was overweight, and outperformance of value stocks, where the fund allocation was underweight, due to a rise in bond yields during 2022.

In the last two years, the fund was identified as requiring enhanced performance monitoring and a review of its investment process as it had underperformed its benchmark, net of fees, over the three- and five-year periods. Performance of the fund has steadily improved since the fund's portfolio manager changed in December 2022, with a further reorganisation in May 2024 better to align the portfolio management of the fund with large-cap UK equities. The fund will remain on enhanced performance monitoring as we continue to track the impact of these changes.

Costs, charges & service quality

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



Overall rating

Delivered value plus action

Assessment criteria

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

> [Click for more fund information](#)

BlackRock UK Smaller Companies Fund

Retail Authorised Unit Trusts

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

Benchmark

Deutsche Numis Smaller Companies plus AIM ex-Investment Trusts Index

Morningstar / IA categories

UK Small-Cap Equity / UK Smaller Companies

Overall value statement

Our review determined that the fund overall delivered value. However, the fund underperformed over the assessment period and, therefore, we have decided that the fund will remain on enhanced performance monitoring.

Performance (Active)

Our assessment concluded that the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund also underperformed when compared to its Morningstar peer group over the three- and five-year periods. The underperformance in the fund was largely driven by the overall underperformance of growth stocks and outperformance of value stocks due to a rise in bond yields during 2022. With the fund's focus on growth stocks over value stocks,

this proved to be a major driver of its underperformance. Despite the impact of 2022, in the twelve months leading up to the reference date of this report, the fund's performance substantially improved. As a result of this outperformance since last year's report, we have decided not to take any further action at this time, but the fund will remain on enhanced performance monitoring to continue to track this improvement in performance.

Costs, charges & service quality

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



Overall rating

Delivered value plus action

Assessment criteria

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

> [Click for more fund information](#)

BlackRock UK Special Situations Fund

Retail Authorised Unit Trusts

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

Benchmark

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

Morningstar / IA categories

UK Flex-Cap Equity / UK All Companies

Overall value statement

Our review determined that the fund overall delivered value. However, the fund underperformed over the assessment period and, therefore, we have decided that the fund will remain on enhanced performance monitoring.

Performance (Active)

Our assessment concluded that the fund underperformed its benchmark, net of fees, over the three- and five-year periods. The fund also underperformed when compared against its Morningstar peer group over the same periods. Performance over the three- and five-year periods is largely impacted by the underperformance that the fund suffered during the 2022 calendar year. 2022 was a difficult year for financial markets with equity markets falling in response to recessionary fears, supply side inflation shocks, the ongoing Russia-Ukraine conflict and interest rate rises. Concerns around the

UK economic outlook led small- & mid-caps in the UK to underperform large-caps significantly. This proved to be a major headwind for the fund given its constraint to allocate at least 50% to small- and mid-cap equities. Following the review of the investment process, we have taken the decision to amend the fund's benchmark better to align with the fund's asset allocation constraints. Due to the underperformance, and following the change in the fund's benchmark, the fund will remain on enhanced performance monitoring as we continue to track the impact of this change.

Costs, charges & service quality

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



Overall rating

Delivered value plus action

Assessment criteria

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

> [Click for more fund information](#)

BlackRock Catholic Charities Growth & Income Fund

BlackRock Charities Funds

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

Benchmark

Composite of MSCI World Index (GBP) (60%); Global Aggregate Bond Index (GBP Hedged) (20%); 3 Month GBP SONIA compounded in arrears plus 3% (20%)

Morningstar / IA categories

GBP Allocation 60–80% Equity / Mixed Investment 40–85% Shares

Overall value statement

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

Performance

(Outcome-oriented)

Our assessment concluded that the fund underperformed its benchmark, net of fees, over the three- and five-year periods driven largely by performance over 2023. One of the key drivers of the fund's underperformance over 2023 was the large allocation to UK [listed alternative](#) investments, which now trade at a significant discount having been subject to selling pressure as UK government bond yields rose. In addition, falling energy prices impacted positions in renewable energy generating assets. Also impacting performance

was an underweight position in equities based on our view that inflation would hold on longer than expected and central banks would have to keep interest rates at higher levels for longer. Finally, market and benchmark performance was driven by a concentrated group of large technology companies. The highly diversified nature of the fund has meant that the fund has been underweight these large technology companies. The fund's benchmark was changed in January 2024 better to reflect the global opportunity set in which the fund can invest, providing greater global diversification across equities, fixed income and alternatives. The prospectus was also updated to include a secondary comparator to allow investors more easily to compare performance versus peers. Due to the underperformance, we have initiated enhanced performance monitoring of the fund as we continue to track the impact of these changes.¹

Costs, charges & service quality

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



Overall rating

Delivered value plus action

Assessment criteria

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

> [Click for more fund information](#)

¹ The performance before 6 December 2019 relates to when the fund was structured as a Common Investment Fund (CIF). The fund is now structured as a Charities Authorised Investment Fund but has the same investment objective and policy as its CIF predecessor entity.

BlackRock Charities Growth & Income Fund

BlackRock Charities Funds

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

Benchmark

Composite of MSCI World Index (GBP) (60%); Global Aggregate Bond Index (GBP Hedged) (20%); 3 Month GBP SONIA compounded in arrears plus 3% (20%)

Morningstar / IA categories

GBP Allocation 60-80% Equity / Mixed Investment 40-85% Shares

Overall value statement

Our review determined that the fund overall delivered value. However, the fund underperformed over the assessment period and, therefore, we have decided that the fund will remain on enhanced performance monitoring.

Performance

(Outcome-oriented)

Our assessment concluded that the fund underperformed its benchmark, net of fees, over the three- and five-year periods driven largely by performance over 2023. One of the key drivers of the fund's underperformance over 2023 was the large allocation to UK [listed alternative investments](#), which now trade at a significant discount having been subject to selling pressure as UK government bond yields rose. In addition, falling energy prices impacted positions in renewable energy generating assets. Also impacting performance was an underweight position in equities based on our view that inflation would hold on longer than expected and central banks would have to keep interest rates at higher levels for longer. Finally, market and benchmark performance was driven by a concentrated group of

large technology companies. The highly diversified nature of the fund has meant that the fund has been underweight these large technology companies. The fund's benchmark was changed in January 2024 better to reflect the global opportunity set in which the fund can invest, providing greater global diversification across equities, fixed income and alternatives. The prospectus was also updated to include a secondary comparator to allow investors more easily to compare performance versus peers. The fund will remain on enhanced performance monitoring as we continue to track the impact of these changes.¹

Costs, charges & service quality

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



Overall rating

Delivered value plus action

Assessment criteria

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

> [Click for more fund information](#)

¹ The performance before 6 December 2019 relates to when the fund was structured as a Common Investment Fund (CIF). The fund is now structured as a Charities Authorised Investment Fund but has the same investment objective and policy as its CIF predecessor entity.

BlackRock Developed Markets Sustainable Equity Fund (UK)

Retail Authorised Unit Trusts

The fund aims to provide a return on investment generated through an increase in the value of the assets held by the fund and/or income received from those assets (gross of fees) over the medium to long term (three to five or more consecutive years) by investing in shares of global equity securities in a manner consistent with the principles of sustainable investing.

Benchmark

MSCI World Index

Morningstar / IA categories

Global Large-Cap Growth Equity / Global

Overall value statement

Our review determined that the fund overall delivered value. However, the fund underperformed over the assessment period and, therefore, we have decided that the fund will remain on enhanced performance monitoring.

Performance

(Outcome-oriented)

Our assessment concluded that the fund underperformed its benchmark, net of fees, since the fund's repositioning in 2022. The fund underperformed when compared to its Morningstar peer group, which includes sustainable and non-sustainable funds, over the same period. Much like last year, the underperformance was driven by the strong performance of large technology companies that were in the benchmark, but were not owned by the fund. The fund's underperformance

was also driven by the strong performance of energy companies, that were in the benchmark but were not owned by the fund due to its sustainability constraints and the investment team's desire to avoid exposure to high carbon emitters. The fund's portfolio managers were changed in May 2024. The new portfolio managers have extensive experience in running global equity portfolios, rather than a UK focus, and we believe they are best placed to take this strategy forward. The fund will remain on enhanced performance monitoring as we continue to track the impact of this change. The fund delivered on its ESG objectives over the assessment period.

Costs, charges & service quality

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



Overall rating

Delivered value plus action

Assessment criteria

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

> [Click for more fund information](#)

BlackRock Sustainable Sterling Short Duration Credit Fund

BlackRock Investment Funds

The fund aims to provide a return on investment of 1.5% per annum (gross of fees) over the return of 3-month SONIA compounded in arrears in a manner consistent with the principles of sustainable investment over a period of between one to three consecutive years generated through an increase in the value of the assets held by the fund and/or income received from those assets.

Benchmark

3-month SONIA compounded in arrears plus 1.5% (for performance evaluation). Note: ICE BAML 1-5 Year Global Corporate Index is used for measuring the fund's carbon emission intensity score

Morningstar / IA categories

GBP Corporate Bond - Short Term / £ Corporate Bond

Overall value statement

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

Performance

(Outcome-oriented)

Our assessment concluded that the fund underperformed its benchmark, net of fees, over the three-year period. The fund also did not deliver on its objective of providing a 1.5% return per annum, gross of fees, in excess of the 3-month SONIA rate over the three-year periods. The underperformance was largely due to the underperformance of fixed income assets versus cash

benchmarks over the period since central banks across the globe began raising short-term interest rates in 2022, which resulted in higher bond yields along with lower bond prices and has impacted the fund's performance since inception. The fund performed in line with the median of its Morningstar peer group over the three-year period and also delivered on its ESG objectives over the assessment period. Despite the fund performing in line with its Morningstar peers, our assessment found that the gross of fees performance was significantly behind the target return. Due to this underperformance, we have initiated enhanced performance monitoring of the fund, which includes a review of the investment process.

Costs, charges & service quality

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



Overall rating

Delivered value plus action

Assessment criteria

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

> [Click for more fund information](#)



Glossary of Terms

Absolute return strategy

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

Active strategy

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

Alpha

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

Alpha target

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

Annual Management Charge (AMC)

The charge that covers the costs of portfolio management services provided to a fund

Annual Management Charge (AMC) tiered pricing

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

Annual Service Charge (ASC)

The charge that covers non-portfolio management related costs, such as transfer agency and fund accounting services

Asset allocation

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

Assets Under Management (AUM)

The total market value of investments held within a fund or investment company on behalf of investors

Authorised Fund Manager (AFM)

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

Basis point

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

Benchmark

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

Beta

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

Broadridge Financial Solutions (Broadridge)

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

Capital growth

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

Capital preservation

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

Carbon emission intensity score

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

Comparator benchmark

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

Composite benchmark

A benchmark made up of a blend of multiple indices

Constraining benchmark

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

Custom peer group

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

Direct investor

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

Drawdown

A withdrawal from the fund to support retirement

Duration

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

ESG

Environmental, social and governance

ESG objective

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

Financial Conduct Authority (FCA)

The regulatory body for the financial services industry in the United Kingdom

Fitz Partners

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

Future

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

Gilt

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

Gross performance

The investment return before fees are deducted

Growth stock

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

Income generation

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

Index

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

Index strategy

An investment approach that closely tracks a benchmark index

Investment Association (IA) sector

A group of funds with similar characteristics as defined by the Investment Association

Investment horizon

The recommended holding period for a fund

Investment manager

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

Investment universe

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

Key Investor Information Document (KIID) or Key Information Document (KID)

A document that includes critical information about a fund, such as details about its investment objective, risks and fees

Liquidity

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

Listed alternatives

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

Management style

The investment approach taken by a fund's management team

Market capitalisation

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

Median

The midpoint of a range of values

MSCI

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

Morningstar category

A group of funds with similar characteristics as defined by Morningstar

Net performance

The investment return after fees have been deducted

Non-Executive Director

A member of a fund company's Board of Directors who is not involved in the day-to-day management of the company

Ongoing Charges Figure (OCF)

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

Operating event

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

Outcome-oriented strategy

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

Peer group

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

Repositioning

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

Risk-adjusted return

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

Quartile

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

Segregated mandate

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

SONIA (Sterling Overnight Index Average)

An interest rate benchmark that reflects the average interest rate that banks pay when they borrow sterling overnight

Target asset allocation

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

Target benchmark

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

Tracking difference

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

Valuation point

The point in time when a fund is priced

Value stock

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

Volatility

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

Volatility targeting

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

Yield

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

Zero management fee unit class

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

About BlackRock

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


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


As of 30 June 2024, the firm has \$10.6 trillion in assets under management and employs over 19,000 employees in 42 countries.

Contact us

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Important Information

BlackRock has not considered the suitability of any investment against your individual needs and risk tolerance. To ensure you understand whether our product is suitable, please read the Key Investor Information Document (or for certain funds, the Key Information Document). Any decision to invest must be based solely on the information contained in the Company's Prospectus, Key Investor Information Document (or for certain funds, the Key Information Document) and the latest half-yearly report and unaudited accounts and/or annual report and audited accounts. Investors should read the fund specific risks in the Key Investor Information Document (or for certain funds, the Key Information Document) and the Company's Prospectus. We recommend you seek independent professional advice prior to investing. If, after reading this brochure, you have any questions or would like any additional information, please contact your financial adviser or speak to our Investor Services Team on 0800 445522.

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time.

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