



# Annual report and audited financial statements

## BlackRock Charities Funds

- BlackRock Armed Forces Charities Growth & Income Fund
- BlackRock Catholic Charities Growth & Income Fund
- BlackRock Charities Growth & Income Fund
- BlackRock Charities UK Bond Fund
- BlackRock Charities UK Equity ESG Fund
- BlackRock Charities UK Equity Fund
- BlackRock Charities UK Equity Index Fund

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# General Information

## **Advisory Committee Members - BlackRock Armed Forces Charities Growth & Income Fund:**

Mr Michael Baines (Chairman)  
Mr Guy Davies  
Major General A Lyons CBE  
Major General Ashley Truluck CB, CBE  
Colonel Paul Mitchell Air Vice-Marshal  
The Hon David Murray CVO, OBE (resigned April 2020)  
Air Vice-Marshal Chris Elliot, CBE (appointed April 2020)  
Major General Martin Rutledge CB, OBE  
Major General Shaun Burley CB, MBE (resigned February 2020)  
Major General Richard Semple (appointed February 2020)  
Lieutenant General Sir Andrew Gregory KBE, CB  
Mrs Sara Wall Baade  
Mr Anthony Scott  
Mr James Duckworth-Chad  
Major General Sharon Nesmith  
and Mr Michael Adler (appointed February 2020).

## **Advisory Committee Members - BlackRock Catholic Charities Growth & Income Fund:**

Simon O'Toole (Chairman)  
Tom Breen  
Richard Brumby (resigned March 2020)  
Dom Patrick Fludder  
Father Robert Gay  
Sister Doreen Bradley  
Sister Hannah Dwyer  
Jonathan Waterfield  
and Sister Philomena Dzimba (resigned March 2020).

## **Manager, Registrar & Alternative Investment Fund Manager**

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

Member of The Investment Association and authorised and regulated by the Financial Conduct Authority ("FCA") with permission to carry on the activities of managing an alternative investment fund in the United Kingdom. As such, the Manager has been appointed to be the alternative investment fund

manager of the Funds, each of which is an alternative investment fund for the purpose of the Alternative Investment Fund Managers Directive.

## **Directors of the Manager**

G D Bamping\*  
M B Cook  
W I Cullen\*  
R A R Hayes  
A M Lawrence  
L E Watkins  
M T Zemek\*  
H N Mephram (appointed 26 November 2019)

## **Trustee & Custodian**

The Bank of New York Mellon (International) Limited  
One Canada Square, London E14 5AL

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

## **Investment Manager**

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

Authorised and regulated by the FCA.

## **Auditor**

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

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

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

BlackRock Fund Managers Limited  
12 Throgmorton Avenue, London EC2N 2DL  
Telephone: 020 7743 3000  
Dealing and Investor Services: 0800 44 55 22  
blackrock.co.uk

**For your protection, telephone calls are usually recorded.**

\* Non-executive Director.

## About the Trust

The Trust is an authorised unit trust scheme established as an umbrella and authorised and regulated by the FCA as a CAIF and as a non-UCITS retail scheme for the purposes of the FCA Rules. The Trust was established on 1 April 2019 and was authorised by the FCA on 1 April 2019. The Trust's FCA product reference number is 839484. The Trust is a UK charity registered with the Commission with registration number 1182766.

### **Cross sub-fund holdings within the Trust**

As at 30 June 2020 there were no cross sub-fund holdings within the Trust.

### **Alternative Investment Fund Managers Directive (the "AIFMD")**

BlackRock Fund Managers Limited (the "Manager") is authorised to manage and market the Funds, which are alternative investment funds, in accordance with the "AIFMD".

In this document, (other than in the section entitled 'Report on Remuneration'), the term "AIFMD" means, collectively, Directive 2011/61/EU, as supplemented by Commission Delegated Regulation (EU) No. 231/2013, and as transposed by UK SI 2013/1773 and any other applicable national implementing measures in the United Kingdom including, without limitation, the rules contained in the FCA handbook of rules and guidance, each as may be amended or updated from time to time.

### **Assessment of value:**

The Financial Conduct Authority has introduced new requirements for UK authorised fund managers to consider whether the charges taken from a fund it manages are justified in the context of the overall service and value offered by that fund, and to report on those findings. BlackRock is preparing for the reporting requirement, including assessing relevant charges, and will be publishing the assessment of value statements no later than 31 October 2020 in a composite report for all funds managed by BlackRock subject to these requirements.

## Corporate Governance

The Manager is responsible for the management and administration of the Funds (as further detailed in the Prospectus) except to the extent that such responsibilities are those of the Trustee. The Manager has delegated certain functions with respect to the portfolio management of the assets of the Funds, the performance of certain risk management functions and the distribution of units to BlackRock Investment Management (UK) Limited (the "Investment Manager") pursuant to an investment management agreement.

The Manager and Investment Manager meet twice a year with the Advisory Committee to review the performance of the Funds and to discuss the investment policies and objectives. The Trustee attends these meetings at least annually and submits reports on a quarterly basis. Any matters for decision which are outside the powers delegated to the Manager are discussed by the Manager and the Trustee.

### **The Advisory Committees of the BlackRock Armed Forces Charities Growth & Income Fund and the BlackRock Catholic Charities Growth & Income Fund**

The duties and powers of the Advisory Committees are set out in the Prospectus. To the extent of those duties and powers, the Advisory Committee members are charity trustees of the Funds within the meaning of the Charities Act 2011.

The Advisory Committees report on the discharge of their responsibilities in the Annual Report which are limited to a consultative function only.

# Charity Authorised Investment Fund Managers

## Fund

The Funds are Charity Authorised Investment Funds established and registered with the Commission and the FCA. Pursuant to section 97(1) of the Charities Act 2011 and the Funds' governing document, the Trust Deed, any charity established in England and Wales, and charities established in Scotland and Northern Ireland pursuant to the Charities Act 2006 (as amended from time to time) may invest in the Funds. Subject to any restrictions in the terms of the Trust Deed, or that may apply to an eligible charity, the trustees of any charity, large or small, may contribute the whole or any part of their investment property to it at any time. The Funds should not be regarded as short-term investments.

## Charity Trustees' Investment Responsibilities

The Commission requires trustees of charities to invest their assets only in investments authorised under the governing document of their charity or the Trustee Act 2000 if applicable. Trustees are required to invest prudently in order to achieve both income and/or capital growth. Furthermore, trustees are required to seek regular professional advice regarding their investments.

As at 30 June 2020, the Fund Managers of the Trust are Adam Ryan, Conan McKenzie, Lamiaa Chaabi, Simon Blundell, Ben Edwards, David Curtin, Adam Avigdori, David Goldman and Kieran Doyle.

## Significant Events

### Outbreak of COVID-19

An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now developed into a global pandemic. The impact of this significant event on the Funds' financial risk exposure is disclosed in Note 2.

The Manager has assessed the impact of market conditions arising from the COVID-19 outbreak on the Funds' ability to meet their investment objectives. Based on the latest available information, the Funds continue to be managed in line with their investment objectives, with no disruption to the operations of the Funds and the publication of net asset values.

# Investment Report

for the period ended 30 June 2020

## Investment Objective

### **BlackRock Armed Forces Charities Growth & Income Fund BlackRock Charities UK Equity Fund**

The aim of the Funds is to provide a return on your investment (net of fees) over a period of 5 or more consecutive years beginning at the point of investment, generated through an increase in the value of the assets held by the Funds and/or income received from those assets.

### **BlackRock Catholic Charities Growth & Income Fund BlackRock Charities Growth & Income Fund BlackRock Charities UK Equity ESG Fund**

The aim of the Funds is to provide a return on your investment (net of fees) over a period of 5 or more consecutive years beginning at the point of investment, generated through an increase in the value of the assets held by the Funds and/or income received from those assets whilst adhering to the Funds' ethical investment policies.

### **BlackRock Charities UK Bond Fund**

The aim of the Fund is to provide a return on your investment, generated through income paid out by assets held by the Fund.

### **BlackRock Charities UK Equity Index Fund**

The aim of the Fund is to provide a return on your investment (net of fees), generated through an increase in the value of the assets held by the Fund and/or income received from those assets by tracking closely the performance of the FTSE All Share Index ("Benchmark Index").

# Investment Report

Fund name	Target/comparator benchmark	Investment management approach
BlackRock Armed Forces Charities Growth & Income Fund	FTSE All-Share Net Index in GBP 30%, MSCI World Ex UK net Index in GBP 30%, BBG Barclays Sterling Aggregate Gilts Index 20%, 3 Month LIBOR 10%, IPD All Balanced Funds Index 10% <sup>#</sup>	Active
BlackRock Catholic Charities Growth & Income Fund	FTSE Custom All-Share ex Tobacco, Defense, Aerospace, Beverages and Investment Trusts(30%); MSCI World SRI Index (30%); BBG Barc Sterling Aggregate:Gilts (20%); 3M LIBOR (GBP 3M British Pound Sterling London Interbank Offer Rate) (10%); IPD All Balanced Funds Index (10%) <sup>#</sup>	Active
BlackRock Charities Growth & Income Fund	FTSE Custom All-Share ex Tobacco, Defense, Aerospace, Beverages and Investment Trusts (30%); MSCI World SRI Index (30%); BBG Barc Sterling Aggregate: Gilts (20%); 3M LIBOR (GBP 3M British Pound Sterling London Interbank Offer Rate) (10%); IPD All Balanced Funds Index (10%) <sup>#</sup>	Active
BlackRock Charities UK Bond Fund	50% All Stocks Gilt (gov bonds)/50% iBoxx Sterling Non-Gilt 1-10 Yr <sup>^</sup>	Active
BlackRock Charities UK Equity ESG Fund	FTSE Custom All-Share ex Tobacco Defense Aerospace Beverages and Inv. Trust <sup>#</sup>	Active
BlackRock Charities UK Equity Fund	FTSE All-Share TR Index <sup>^</sup>	Active
BlackRock Charities UK Equity Index Fund	FTSE All-Share Index <sup>^</sup>	Passive

<sup>#</sup> Comparator benchmark

<sup>^</sup> Target benchmark

## Performance Summary

The following table compares the realised performance of the Funds during the financial period ended 30 June 2020.

The returns disclosed are the performance returns for the primary unit class of the Funds, net of fees, which has been selected as a representative unit class. The primary unit class represents the class of unit which is the highest charging unit class, free of any commissions or rebates, and is freely available. Performance returns for any other unit class can be made available on request.

# Investment Report

	Fund return %	Target/comparator benchmark return %
BlackRock Armed Forces Charities Growth & Income Fund – Class A Accumulation Units	(1.03)	(2.37)
BlackRock Catholic Charities Growth & Income Fund – Class A Accumulation Units	(2.67)	(1.76)
BlackRock Charities Growth & Income Fund – Class A Accumulation Units	5.53	3.01
BlackRock Charities UK Bond Fund – Class A Accumulation Units	5.17	5.22
BlackRock Charities UK Equity ESG Fund – Class A Accumulation Units	(14.21)	(18.74)
BlackRock Charities UK Equity Fund – Class A Accumulation Units	(13.39)	(17.51)
BlackRock Charities UK Equity Index Fund – Class A Accumulation Units	(17.24)	(17.22)

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

## Global Economic Overview

Global equities, as represented by the MSCI All Country World Index (“ACWI”), posted a return of 5.18% (in GBP terms) for the twelve months ended 30 June 2020. World stock markets gained for much of the reporting period, supported by solid, if slowing, economic growth and central bank easing from the US Federal Reserve (the “Fed”) and several other central banks. The de-escalation of the trade conflict between the U.S. and China—one of the chief economic uncertainties of the last several years—further boosted markets.

However, the spread of COVID-19 in early 2020 injected uncertainty into global equity markets, leading to steep declines for all classes of equities. Countries around the globe instituted restrictions to slow the virus’ spread, resulting in a sharp economic downturn and a sudden rise in unemployment. Turbulence in energy markets also impacted equities, as a rapid fall in oil prices threatened the viability of parts of the energy sector. In April and May 2020, however, equities regained a significant proportion of their losses as aggressive monetary and fiscal policy, new virus treatments and the loosening of restrictions in many countries raised hopes for a recovery. Nonetheless, a rise in COVID-19 cases in the US and several other countries late in the reporting period raised the prospect of renewed shutdowns.

The environment for global bond markets was positive for most of the reporting period prior to the COVID-19 outbreak, as low inflation, risk avoidance, and demand for yield led to higher bond prices despite yields near historic lows. However, as the COVID-19 outbreak worsened in March 2020 and the impact to the global economy became apparent, many bond prices fell, particularly for riskier classes of bonds, before recovering somewhat after central bank interventions. The demand for less risky assets drove the yield on the 10-year US Treasury, a benchmark lending rate for the bond market, to an all-time low in March 2020.



# Investment Report

Global government and corporate bonds posted positive returns overall, as investors sought safety amid concerns about deteriorating credit conditions. Investment-grade corporate bonds delivered a positive return, while high-yield bonds fell and credit spreads (the difference in yield between US Treasuries and lower-rated bonds) widened. Late in the reporting period, the Fed implemented an unprecedented corporate bond purchasing facility, which provided significant support to US corporate bonds.

Stocks in emerging markets declined for the reporting period. As China executed the shutdown of several of its provinces to impede the spread of the disease, many emerging countries in Asia that export to China were exposed to COVID-19 and resulting economic contagion from China, the primary growth engine in the region. Thereafter, several countries in Asia, including China, loosened restrictions and reopened parts of their economies. Emerging market bond prices, which fell sharply in March 2020, recovered somewhat due to optimism about the pace of economic recovery, although they returned less than other international bonds for the 12-month period.

In the commodities market, gold prices rose to a nine-year high amid geopolitical tensions and a move towards less risky assets due to the outbreak of COVID-19. Negative yields in the bond market also increased the relative attractiveness of gold, a zero-yield, price-driven investment that tends to perform well amid global uncertainty. Oil prices, already low throughout most of the reporting period, fell rapidly to a 21-year low in April 2020. The combination of weakened demand and increased supply following a dispute between Russia and Saudi Arabia (two of the world's leading oil producers) drove oil prices down sharply, although prices recovered somewhat throughout May and June 2020.

Looking at currencies, the performance of the US dollar was mixed, with only modest gains and losses relative to the world's currencies. The euro declined slightly relative to the US dollar, and the British pound fell following signals that the Bank of England may implement negative interest rates. The Swiss franc, which tends to benefit from global economic uncertainty, advanced slightly relative to the US dollar.

Prior to the spread of COVID-19, global economic growth was slow but resilient, with the US growing faster than most other developed countries. However, the disruption caused by COVID-19 led to a significant economic contraction, and the U.S. economy shrank by an annualized 5% in the first quarter of 2020. The economies of the eurozone, Japan, and China also contracted in the first quarter, and most economists forecasted even steeper declines in economic activity for the second quarter.

In an attempt to boost slowing growth, most central banks favoured more accommodative monetary policy in 2019, and the Fed, the ECB, and the Bank of Japan all either lowered interest rates or increased monetary stimulus. After the COVID-19 outbreak, the Fed instituted two emergency rate cuts, and along with other influential central banks implemented a major bond-buying program to stabilize debt markets.

## **BlackRock Armed Forces Charities Growth & Income Fund** **BlackRock Catholic Charities Growth & Income Fund**

Over the period from 6 December 2019 to 30 June 2020, the BlackRock Armed Forces Charities Growth & Income Fund's return was -1.03%, outperforming its comparator benchmark, which returned -2.37% and regrettably, the BlackRock Catholic Charities Growth & Income Fund's return was -2.67%, underperforming its comparator benchmark, which returned -1.76%.

# Investment Report

The Funds launched on 6 December 2019, and markets rallied into year-end on the back of a trade deal between the US and China and improving economic data. Global growth estimates then plummeted in the first quarter of 2020 as COVID-19 sparked a pandemic. This resulted in authorities globally resorting to extreme measures in order to slow the spread of the virus. Broad equity indices fell significantly, and markets almost seized up at the height of the panic. Intervention from governments and central banks helped stabilise markets and economies, as well as fuel a remarkable recovery in asset prices.

## BlackRock Armed Forces Charities Growth & Income Fund

During the period the following positions were the largest contributors to and detractors from the Fund's absolute return:

Largest Contributors		Largest Detractors	
Strategy	Effect on Fund return	Strategy	Effect on Fund return
US equity futures	2.27%	Segregated UK equity portfolio	-3.22%
Baillie Gifford US Growth Trust	0.95%	Bespoke US Policy basket	-1.02%
Bespoke US Enterprise Tech basket	0.86%	SME Credit Realisation Income Fund	-0.65%
Volatility Index (VIX) futures	0.71%	European equity options	-0.61%
UK government bonds	0.71%	Starwood European Real Estate Fund	-0.38%

Despite significant volatility, over the period US equities have been one of the top performing asset classes. Driving performance has been the Fund's exposure to US equities through futures. In addition, targeted exposure to US equities through the Baillie Gifford US Growth Trust plc, a fund that seeks to identify quality companies that are positioned to deliver long term growth, and the bespoke US Enterprise Tech basket, which looks to identify companies that are likely to benefit from the transition to cloud computing and the use of artificial intelligence, has also benefitted the Fund. The ability to use VIX futures on a tactical basis aided the Fund's returns in the first quarter of 2020 providing a tactical hedge when markets sold off. The segregated UK equity portfolio, which despite outperforming the broad UK market, detracted from absolute returns as UK equities were first impacted by political uncertainty and then the COVID-19 outbreak.

The following table details the significant portfolio weightings at 30 June 2020:

30 June 2020	
Asset Class	Weighting
UK Equities	23.4%
Overseas Equities	34.9%
Fixed Income	21.0%
Property	7.4%
Alternatives	13.8%

Over the course of the period the Fund's exposure to markets has been dynamically managed in order to protect capital during times of market stress as well as to lean into potential opportunities. One of those areas of opportunity is in corporate bonds which we have allocated to in preference over equities. The Fund's alternative allocation has increased as we added existing holdings at attractive valuations as well as adding allocations to gold and silver to further diversify the Fund.

# Investment Report

## BlackRock Catholic Charities Growth & Income Fund

During the period the following positions were the largest contributors to and detractors from the absolute return:

Largest Contributors		Largest Detractors	
Strategy	Effect on Fund return	Strategy	Effect on Fund return
US equity futures	1.50%	Segregated UK equity portfolio	-4.51%
Baillie Gifford US Growth Trust	1.40%	SME Credit Realisation Income Fund	-0.63%
Segregated fixed income portfolio	1.03%	European equity options	-0.60%
Volatility Index (VIX) futures	0.71%	Starwood European Real Estate Finance	-0.43%
Scottish Mortgage Investment Trust	0.29%	iShares MSCI USA SRI UCITS ETF	-0.22%

Despite significant volatility, over the period US equities have been one of the top performing asset classes. Driving performance has been the Fund's exposure to US equities through futures as well as the targeted exposure to US equities through the Baillie Gifford US Growth Trust, a fund that seeks to identify quality companies that are positioned to deliver long term growth. The ability to use VIX futures on a tactical basis aided the Fund's returns in the first quarter of 2020 providing a tactical hedge when markets sold off. The segregated UK equity portfolio, which despite outperforming the broad UK market, detracted from absolute returns as UK equities were first impacted by political uncertainty and then the COVID-19 outbreak.

The following table details the significant portfolio weightings at 30 June 2020:

30 June 2020	
Asset Class	Weighting
UK Equities	28.2%
Overseas Equities	30.9%
Fixed Income	17.8%
Property	7.9%
Alternatives	15.2%
Cash	0.0%

Despite the table showing only small changes in the asset allocation at each point in time, over the course of the year the Fund's exposure to markets has been dynamically managed in order to protect capital during times of market stress as well as to lean into potential opportunities. The Fund's alternative allocation has increased as we added existing holdings at attractive valuations as well as adding allocations to gold and silver to further diversify the Fund.

## **BlackRock Charities Growth & Income Fund**

Over the period from 13 June 2019 to 30 June 2020, the Fund's return was 5.53%, outperforming its comparator benchmark, which returned 3.01%.

Following a bout of volatility at the start of the period as trade negotiations between the US and China stumbled, markets rallied into year-end following the eventual agreement of a trade deal and improving economic data globally. Global growth estimates then plummeted towards the end of the first quarter of 2020 as the spread of COVID-19 sparked a pandemic. This resulted in authorities globally resorting to extreme measures in order to slow the spread of the virus. Broad equity indices fell significantly, and markets almost seized up at the height of the panic. Intervention from governments and central banks helped stabilise markets and economies, as well as fuel a remarkable recovery in asset prices.

# Investment Report

During the period the following positions were the largest contributors to and detractors from the Fund's absolute return:

Largest Contributors		Largest Detractors	
Strategy	Effect on Fund return	Strategy	Effect on Fund return
Baillie Gifford US Growth Trust	1.30%	Segregated UK equity portfolio	-2.84%
US equity futures	0.97%	European equity options	-0.66%
Bespoke US Enterprise Tech basket	0.97%	COIF Charities Property Fund	-0.33%
VIX futures	0.81%	iShares MSCI EM SRI	-0.14%
iShares Core UK Gilts	0.60%	Starwood European Real Estate Finance	-0.11%

Despite significant volatility, over the period US equities have been one of the top performing asset classes. Driving performance has been the Fund's targeted exposure to US equities through the Baillie Gifford US Growth Trust plc, a fund that seeks to identify quality companies that are positioned to deliver long term growth, and the bespoke US Enterprise Tech basket, which looks to identify companies that are likely to benefit from the transition to cloud computing and the use of artificial intelligence. The ability to use VIX futures on a tactical basis aided the Fund's returns in the first quarter of 2020 providing a tactical hedge when markets sold off.

The segregated UK equity portfolio, which despite outperforming the broad UK market, detracted from absolute returns as UK equities were first impacted by political uncertainty and then the COVID-19 outbreak.

The following table details the significant portfolio weightings at 30 June 2020:

30 June 2020	
Asset Class	Weighting
Overseas Equities	32.1%
UK Equities	28.5%
Fixed Income	19.4%
Alternatives	12.5%
Property	5.0%

Over the course of the period the Fund's exposure to markets has been dynamically managed in order to protect capital during times of market stress as well as to lean into potential opportunities. The Fund's alternative allocation has increased as we added existing holdings at attractive valuations as well as adding allocations to gold and silver to further diversify the Fund.

## BlackRock Charities UK Bond Fund

Over the period from 6 December 2019 to 30 June 2020, the Fund's active return was -0.05%, underperforming its target benchmark (active return is the difference between the Fund's return and the target benchmark return).

The removal of much of the uncertainty that overhung the economy in 2019 due to Brexit was quickly overshadowed at the start of the new year by the outbreak of COVID-19 that spread rapidly from China to the rest of the world, threatening human lives and global economies. In March, risk assets were significantly impacted by the risk-off sentiment that ensued due to COVID-19. However, from April onwards, risk assets recovered strongly from the lows, reflective entirely of the number and scale of monetary and fiscal support programs globally.

# Investment Report

The Fund's relative underperformance during the period was largely driven by sector and security selection within credit. In addition, the Fund's yield curve positioning and exposure to overseas government bonds detracted from performance.

During the period the following positions were the largest contributors to and detractors from the Fund's return relative to its target benchmark:

Largest Contributors		Largest Detractors	
Sector	Effect on Fund return	Sector	Effect on Fund return
Inflation	0.10%	Sector and Security Selection	-0.22%
Duration	0.05%	Yield Curve	-0.08%
Credit Allocation	0.05%	Overseas Government Bonds	-0.05%

Sector and security selection within credit was the largest detractor. The Fund's underweight to financials and overweight to utilities were the main sources of underperformance.

The largest contributor to performance was the Fund's inflation exposure as the outlook in both US dollar and sterling inflation markets improved in Q2 2020.

The following table details the significant portfolio weightings at 30 June 2020:

30 June 2020	
Country of risk	Weighting
United Kingdom	76.0%
France	5.9%
United States	5.9%

## BlackRock Charities UK Equity ESG Fund BlackRock Charities UK Equity Fund

Over the period from 6 December 2019 to 30 June 2020, the funds' returns were -14.21% and -13.39%, respectively. However, the Funds' active returns were 4.12% and 4.53%, respectively, outperforming their comparator/target benchmarks (active return is the difference between the Fund's return and the comparator/target benchmark).

Two issues dominated the period under review. The first, COVID-19, continues to sweep through economies and stock markets, with equities seeing declines in the first quarter of 2020. The second, global fiscal and monetary stimulation, provides ongoing support to the market. The worst affected sectors during the sell-off, especially those in travel and leisure and general retail with an element of consumer spending, were those hit by lockdowns. The oil sector's decline, in the face of collapsing commodity prices, was matched by the fall in banks and other financial sectors, though defensive sectors fared better. The second quarter of 2020 saw stock markets respond favorably to continued efforts from policy makers to stave off the worst impacts of COVID-19, and we saw global equities deliver the strongest second quarter returns since 2009 as many economies began to lift restrictions. As China led the recovery, miners and other industrial cyclicals rallied in response to higher spending and strong metal prices. Technology stocks proved defensive in the sell off and continue to lead the markets higher.

# Investment Report

## BlackRock Charities UK Equity ESG Fund

The Fund's underweight exposure to oil and gas contributed to performance. Stock selection in consumer goods and basic materials also contributed. Stock selection in financials detracted from performance, as did stock selection in industrials.

During the period the following positions were the largest contributors to and detractors from the Fund's return relative to the comparator benchmark:

Largest Contributors		Largest Detractors	
Stock	Effect on Fund return	Stock	Effect on Fund return
Rio Tinto <sup>#</sup>	1.14%	Lloyds Banking <sup>#</sup>	-0.65%
HSBC <sup>^</sup>	0.79%	Whitbread <sup>#</sup>	-0.61%
Reckitt Benckiser <sup>#</sup>	0.74%	easyJet <sup>#</sup>	-0.59%
RELX <sup>#</sup>	0.73%	Experian <sup>^</sup>	-0.36%
National Grid <sup>#</sup>	0.59%	Standard Chartered <sup>#</sup>	-0.35%

# Overweight position - holds more exposure than the benchmark.

^ Underweight position - holds less exposure than the benchmark.

Rio Tinto contributed to performance as the mining company was able to keep most of its sites open during lockdown and has benefitted from the continued recovery in China where steel mills are re-stocking iron ore. Lloyds detracted from performance. Financials have underperformed thanks to the collapse in government bond yields after the Bank of England cut interest rates, and also requested that UK banks halt dividend payments.

The following table details the significant active positions, where the Fund is overweight (holds more exposure than the benchmark) and underweight (holds less exposure than the benchmark), at 30 June 2020:

Top overweight positions	
30 June 2020	
Sector	Weighting
Consumer Goods	15.8%
Consumer Services	17.7%
Utilities	4.8%

Top underweight positions	
30 June 2020	
Sector	Weighting
Industrials	4.9%
Financials	17.7%
Oil & Gas	5.8%

We entered 2020 with defensively positioned portfolios. As COVID-19 unfolded, we removed stocks with financial gearing, especially when this was combined with operational gearing. These included Aviva, St James' Place, Euromoney, London Stock Exchange, Bellway, easyJet and WPP. The extreme market sell-off also provided us with an opportunity to add high quality companies available at the lowest price in a number of years. We bought shares in companies with good levels of liquidity, strong balance sheets and managements able to weather the downturn and emerge from the COVID-19 challenge in an even stronger position. These stocks included BHP, Intermediate Capital, United Utilities, Informa, Next, Berkeley, SSP, Burberry and WH Smith.

# Investment Report

## BlackRock Charities UK Equity Fund

The fund's underweight exposure to oil and gas contributed to performance. Stock selection in consumer goods and basic materials also contributed. Stock selection in financials detracted from performance, as did stock selection in industrials.

During the period the following positions were the largest contributors to and detractors from the Fund's return relative to the target benchmark:

Largest Contributors		Largest Detractors	
Stock	Effect on Fund return	Stock	Effect on Fund return
Rio Tinto <sup>#</sup>	1.30%	Lloyds Banking <sup>#</sup>	-0.72%
HSBC <sup>^</sup>	0.77%	Whitbread <sup>#</sup>	-0.64%
Reckitt Benckiser <sup>#</sup>	0.73%	easyJet <sup>#</sup>	-0.61%
RELX <sup>#</sup>	0.70%	Standard Chartered <sup>#</sup>	-0.39%
Royal Dutch Shell <sup>^</sup>	0.69%	GlaxoSmithKline <sup>^</sup>	-0.36%

<sup>#</sup> Overweight position - holds more exposure than the benchmark.

<sup>^</sup> Underweight position - holds less exposure than the benchmark.

Rio Tinto contributed to performance as the mining company was able to keep most of its sites open during lockdown and has benefitted from the continued recovery in China where steel mills are re-stocking iron ore. Lloyds detracted from performance. Financials have underperformed thanks to the collapse in government bond yields after the Bank of England cut interest rates, and also requested that UK banks halt dividend payments.

The following table details the significant active positions, where the Fund is overweight (holds more exposure than the benchmark) and underweight (holds less exposure than the benchmark), at 30 June 2020:

Top overweight positions	
30 June 2020	
Sector	Weighting
Consumer Services	16.8%
Consumer Goods	20.7%
Utilities	4.3%

Top underweight positions	
30 June 2020	
Sector	Weighting
Financials	5.2%
Industrials	4.5%
Oil & Gas	16.6%

We entered 2020 with defensively positioned portfolios. As COVID-19 unfolded, we removed stocks with financial gearing, especially when this was combined with operational gearing. These included Aviva, St James' Place, Euromoney, London Stock Exchange, Bellway and WPP. The extreme market sell-off also provided us with an opportunity to add high quality companies available at the lowest price in a number of years. We bought shares in companies with good levels of liquidity, strong balance sheets and managements able to weather the downturn and emerge from the COVID-19 challenge in an even stronger position. These stocks included BHP, Intermediate Capital, United Utilities, Informa, Next, Berkeley, SSP, Burberry and WH Smith.

# Report on Remuneration

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

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

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

## Remuneration Governance

BlackRock’s remuneration governance in EMEA operates as a tiered structure which includes: (a) the Management Development and Compensation Committee (“MDCC”) (which is the global, independent remuneration committee for BlackRock, Inc. and all of its subsidiaries, including the Manager); and (b) the Manager’s board of directors (the “Manager’s Board”). These bodies are responsible for the determination of BlackRock’s remuneration policies.

### (a) MDCC

The MDCC’s purposes include:

- providing oversight of:
  - BlackRock’s executive compensation programmes;
  - BlackRock’s employee benefit plans; and
  - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed as administrator;
- reviewing and discussing the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approving the MDCC’s report for inclusion in the proxy statement;
- reviewing, assessing and making reports and recommendations to the BlackRock, Inc. board of directors (the “BlackRock, Inc. Board”) as appropriate on BlackRock’s talent development and succession planning, with the emphasis on performance and succession at the highest management levels; and
- in accordance with applicable UK and European regulations and guidance, to act as the Remuneration Committee for BlackRock’s EMEA regulated entities.

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

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

The MDCC held 8 meetings during 2019. The MDCC charter is available on BlackRock, Inc.’s website ([www.blackrock.com](http://www.blackrock.com)).



# Report on Remuneration

## **(b) The Manager's Board**

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

### **Decision-making process**

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

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

Annual incentive awards are paid from a bonus pool.

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

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

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

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

Individuals are not involved in setting their own remuneration.

### **Control functions**

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

# Report on Remuneration

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

## Link between pay and performance

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

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

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

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

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

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually; relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

# Report on Remuneration

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

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

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

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

Supplementary to the annual discretionary bonus as described above, equity awards from the “Partner Plan” and “Targeted Equity Award Plan” are made to select senior leaders to provide greater linkage with future business results. The long-term incentive awards have been established individually to provide meaningful incentive for continued performance over a multi-year period recognising the scope of the individual's role, business expertise and leadership skills.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of As Adjusted Operating Margin<sup>1</sup> and Organic Revenue Growth<sup>2</sup>. Determination of pay-out will be made based on the firm's achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where the firm's financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

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

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

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

# Report on Remuneration

## Identified Staff

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

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

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

## Quantitative Remuneration Disclosure

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

Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of the Fund, including individuals who, although not directly employed by the Manager, are assigned by their employer to carry out services directly for the Manager.

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

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

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's AIFMD-related business in respect of the Manager's financial year ending 31 December 2019 is GBP 23.8 million. This figure is comprised of fixed remuneration of GBP 1.4 million and variable remuneration of GBP 22.4 million. There were a total of 53 beneficiaries of the remuneration described above.

## Report on Remuneration

The amount of the aggregate remuneration awarded by the Manager, which has been attributed to the Manager's AIFMD-related business in respect of the Manager's financial year ending 31 December 2019, to its senior management was GBP 0.1 million, and to members of its staff whose actions have a material impact on the risk profile of the Manager's AIFMD-related business was GBP 23.7 million.

# Accounting and Distribution Policies\*

for the period ended 30 June 2020

## Accounting Policies

- (a) The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for Authorised Funds (the "SORP") issued by the Investment Management Association (now known as the Investment Association) in May 2014 and amended in June 2017 and as applicable to charity authorised investment funds and Charities (Accounts & Reports) Regulations 2008.

The financial statements have been prepared on a going concern basis in accordance with UK GAAP and the SORP. The Funds are able to meet all of their liabilities from their assets. The performance, marketability and risks of the Funds are reviewed on a regular basis throughout the financial period. Therefore, the Directors of the Manager believe that the Funds will continue in operational existence for the foreseeable future and are financially sound. The Directors of the Manager are satisfied that, at the time of approving the financial statements, and following consideration of COVID-19, it is appropriate to continue to adopt the going concern basis in preparing the financial statements of the Funds.

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

All REIT dividend revenue is recognised on an accruals basis.

Revenue from fixed interest securities is recognised on an effective interest rate basis.

Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Funds.

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

Any reported revenue from an offshore fund with reporting status from HMRC, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available. The equalisation element is treated as capital.

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

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

Returns from bond futures are streamed into revenue and capital components.

Returns from total return swaps in the form of dividends or interest received from the underlying security or index are recognised as revenue. Capital gains on the underlying security or index are treated as capital.

Bank interest is recognised on an accruals basis.

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

- (c) Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.
- (d) The underlying circumstances behind both special dividends and share buy backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Any tax treatment will follow the accounting treatment of the principal amount.

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

## Accounting and Distribution Policies

- (e) Underwriting commission is wholly recognised as revenue when the issue takes place, except where the Funds are required to take up some or all of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of those shares.
- (f) All expenses, except those relating to the purchase and sale of investments are charged against revenue. All expenses are recognised on an accruals basis.
- (g) The end of the accounting period on the balance sheet date is the Valuation point (12 noon) where this is a business day or end of day where this is a non-business day. All investments are valued at their fair value as at the end of the accounting period. In the case of an investment which is not quoted, listed or dealt in on a recognised market, or in respect of which a listed, traded or dealt price or quotation is not available at the time of valuation, the fair value of such investment shall be estimated with care and in good faith by a competent professional person, body, firm or corporation including the Manager's pricing committee and such fair value shall be determined on the basis of the probable realisation value of the investment. The Manager shall be entitled to adopt an alternative method of valuing any particular asset if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset or liability.

For over the counter derivatives (e.g. credit default swaps, forward currency contracts, interest rate swaps, swaptions, TBA mortgage-backed securities, total return swaps and currency options), fair value is determined based on valuation pricing models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions. The fair value of exchange traded and over the counter derivatives represents the price that would be required to close out the contracts at the balance sheet date. Amounts due to and from an individual counterparty which falls under a legally enforceable master netting agreement are netted.

Revenue received in the form of premiums on written options is recognised as revenue on a straight line basis over the period of the contract, with the balance recognised as capital. If the contract is sold or closed out, the unamortised portion of the premium remains in capital.

Investments in dual priced Collective Investment Schemes have been valued at market values, defined as fair value, which is 12 noon where this is a business day or end of day where this is a non-business day at the end of the accounting period, in accordance with the valuation point of the underlying fund. Investments in single priced Collective Investment Schemes have been valued at market values, defined as fair value, which is 12 noon where this is a business day or end of day where this is a non-business day at the end of the accounting period, in accordance with the valuation point of the underlying fund.

- (h) Any transactions in foreign currencies are translated into Sterling at the rates of exchange ruling on the date of any such transaction. Assets and liabilities in foreign currencies are translated into Sterling at the exchange rates ruling at the end of the accounting period. Revenue items in foreign currencies are translated into Sterling at the exchange rate when the revenue is received.
- (i) Where appropriate, certain permitted financial instruments such as derivatives are used for efficient portfolio management. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in 'Revenue' in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in 'Net capital gains/(losses)' in the Statement of Total Return.
- (j) Cash and bank balances consist of deposits held on call with banks and cash held with clearing brokers and counterparties. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
- (k) Cash collateral provided by the Funds is identified on the Balance Sheet as pledged cash collateral and is not included as a component of cash and cash equivalents.

# Accounting and Distribution Policies

For collateral other than cash provided by the Funds, the party to whom the collateral is provided has the right by contract to sell or repledge the collateral but has an obligation to return equivalent securities to the Funds on maturity or sale of the contract. The Funds classify these assets on their Balance Sheet separately from other assets and identifies the asset as pledged investments. Such assets are valued consistently with the accounting policies listed above.

Cash collateral provided to the Funds by counterparties is identified in the Balance Sheet as cash collateral payable. The Funds may reinvest this cash collateral and the assets purchased are included in investment assets or cash equivalents on the Balance Sheet.

For collateral received from counterparties other than cash, a disclosure of the collateral provided is made in the notes to the financial statements.

## Distribution Policies

- (l) The ordinary element of stock dividends is treated as revenue and forms part of the distribution.
- (m) Special dividends and share buy backs recognised as revenue form part of the distribution.
- (n) Returns from bond futures recognised as revenue from long positions form part of the distribution. Amounts recognised as revenue from short positions reduce the amounts available for distribution.
- (o) Under the rules of the CAIF regime, the Manager can operate an Income Reserve Account, retaining no more than 15% of the revenue earned on a year to date basis. Of the net revenue available for distribution, unitholders of income unit classes will receive dividends or interest distributions with the balance attributable to accumulation unitholders retained within the Funds. In order to conduct a controlled dividend flow to unitholders, interim distributions may be made at the Manager's discretion.
- (p) With the exception of the BlackRock Charities UK Equity Index Fund, some or all of the Funds' expenses are reimbursed by capital in conjunction with operating an Income Reserve Account in order to manage distributions to unitholders. The amount reimbursed may vary between accounting periods.
- (q) The BlackRock Charities UK Bond Fund has satisfied the qualifying investments tests as specified in S468L ICTA 1988 at all times throughout its distribution period. As such, any revenue available for distribution will be paid as an interest distribution. All other funds will pay a dividend distribution.



# Financial Instruments and Risks\*

## Introduction and overview

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

## Risk management framework

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

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

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

### a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Funds may suffer through holding market positions in the face of market movements. The Funds are exposed to market risk by virtue of their investments in collective investment schemes, equities, warrants, rights, corporate bonds, government bonds, futures contracts, forward currency contracts, options, interest rate swaps and credit default swaps.

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

The VaR calculations are based on an adjusted historical simulation model with a confidence level of 99%, a holding period of one day and a historical observation period of not less than 500 days. A VaR number is defined at a specified probability and a specified time horizon. A 99% one day VaR means that the expectation is that 99% of the time over a one day period a Fund will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk.

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

# Financial Instruments and Risks

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

The one day VaR as at 30 June 2020 based on a 99% confidence level is outlined in the table below:

<b>Fund</b>	<b>30 June 2020</b>
	<b>%</b>
BlackRock Armed Forces Charities Growth & Income Fund	5.02
BlackRock Catholic Charities Growth & Income Fund	5.71
BlackRock Charities Growth & Income Fund	4.68
BlackRock Charities UK Bond Fund	1.26
BlackRock Charities UK Equity ESG Fund	8.43
BlackRock Charities UK Equity Fund	8.31
BlackRock Charities UK Equity Index Fund	8.33

## **i) Market risk arising from foreign currency risk**

### **Exposure to foreign currency risk**

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

The Funds may invest in securities, which as far as possible and practicable, consist of the component securities of the benchmark index of each Fund, and which may be denominated in currencies other than its reporting currency.

The Funds, in line with their benchmarks, are unhedged and are therefore exposed to foreign currency risk.

Consequently, each Fund is exposed to the risk of currency fluctuations between the base currency of the benchmark index and the base currency of the constituent securities of the benchmark index.

### **Management of foreign currency risk**

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

The net assets of the Funds are denominated mainly in Sterling, therefore the Balance Sheet and Statement of Total Return are unlikely to be directly affected by currency movements.

# Financial Instruments and Risks

## ii) Market risk arising from other price risk

### Exposure to other price risk

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

An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and has now developed into a global pandemic. COVID-19 has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19 has adversely affected the economies of many nations across the entire global economy, individual issuers and capital markets, and could continue to extents that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

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

### Management of other price risk

The Investment Manager manages the Funds' other price risk on a daily basis in accordance with their investment objectives.

By diversifying the portfolios, where this is appropriate and consistent with the Funds' objectives, the risk that a price change of a particular investment will have a material impact on the Net Asset Value ("NAV") of the Funds is minimised. The investment concentrations within the portfolios are disclosed in the Portfolio Statement of each Fund by investment type.

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

## iii) Market risk arising from interest rate risk

### Exposure to interest rate risk

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

The Funds are exposed to interest rate risk on their cash and bank balances held at The Bank of New York Mellon (International) Limited, amounts held at futures clearing houses and brokers, cash equivalent holdings and their investments in fixed and floating rate interest bearing securities where the value of these securities may fluctuate as a result of a change in interest rates. Cash held on deposit at The Bank of New York Mellon (International) Limited receives/incurs interest at the prevailing daily rate which may be negative depending on the currency in which the cash is held.

# Financial Instruments and Risks

The Funds have additional indirect exposure to interest rate risk through their investments in CIS, whereby the values of an underlying fund may fluctuate as a result of a change in interest rates through its investment in interest bearing securities.

## **Management of interest rate risk**

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

## **b) Counterparty credit risk**

### **Exposure to counterparty credit risk**

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

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

### **Management of counterparty credit risk**

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

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

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

## **i) Exchange Traded Financial Derivative Instruments**

The Funds' holdings in futures contracts and exchange traded options expose the Funds to counterparty credit risk.

### **Management of counterparty credit risk related to futures contracts**

The exposure is limited by trading the contracts through a clearing house. The Funds' exposure to counterparty credit risk on contracts in which they currently have a gain position is reduced by such gains received in cash from the counterparty under the daily mark-to market mechanism on exchange traded futures contracts (variation margin). The Funds' exposure to credit risk on contracts in which they currently have a loss position is equal to the amount of margin posted to the counterparty which has not been transferred to the exchange under the daily mark-to-market mechanism. The counterparty for futures contracts is Goldman Sachs International.

# Financial Instruments and Risks

Margin is paid or received on futures and exchange traded options to cover any exposure by the counterparty or the Funds to each other. Margin receivable from the Funds' clearing brokers and the counterparty is included in "Cash and bank balances" on the Balance Sheet. Margin payable to the Funds' clearing brokers and the counterparty is included in "Amounts held at futures clearing houses and brokers" on the Balance Sheet.

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

## ii) **Over-the-Counter ("OTC") Financial Derivative Instruments ("FDIs")**

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

Counterparty credit risk arises from the failure of the counterparty to perform according to the terms of the contract. The Fund's exposure to counterparty credit risk is limited to the contracts in which it currently has a gain position reduced by the cash collateral received from the counterparty or to counterparties which have received collateral from the Funds.

All OTC FDIs are entered into by the Funds under an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement. An ISDA Master Agreement is a bilateral agreement between the Funds and a counterparty that governs OTC FDIs (including total return swaps) entered into by the parties. The parties' exposures under the ISDA Master Agreement are netted and collateralised together, therefore any collateral disclosures provided are in respect of all OTC FDIs entered into by the Funds under the ISDA Master Agreement, not just total return swaps. All collateral received/posted by the Funds under the ISDA Master Agreement is transferred bilaterally under a title transfer arrangement.

The carrying value of financial assets together with cash best represents the Funds' gross maximum exposure to counterparty credit risk at the reporting date, before including the effect of ISDA Master Agreements and close-out netting, which would reduce the overall counterparty credit risk exposure. Cash held as security by the counterparty to derivative contracts is subject to the credit risk of the counterparty.

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

### **Management of counterparty credit risk related to OTC FDIs**

For total return swaps held by the BlackRock Armed Forces Charities Growth & Income Fund, cash movements take place on a daily basis, above a certain threshold for each counterparty. The risk is further mitigated as contracts are reset on a monthly basis (1 year rolling maturity at each monthly reset) with the gain or loss being realised. The BlackRock Armed Forces Charities Growth & Income Fund is required to maintain collateral with the counterparties to secure these financial instruments.

Forward currency contracts do not require variation margin and thus the counterparty credit risk is monitored through the BlackRock RQA Counterparty & Concentration Risk Team which monitors the creditworthiness of the counterparty. The counterparties for forward currency contracts are disclosed in the Portfolio Statement of each Fund.

The lowest credit rating of any one counterparty as at 30 June 2020 is A- (Standard & Poor's rating).

## Financial Instruments and Risks

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

30 June 2020

Counterparty	Forwards	Total Return Swaps	Total Exposure
<b>BlackRock Armed Forces Charities Growth &amp; Income Fund</b>	<b>£000's</b>		
Bank of America Merrill Lynch	(206)	–	(206)
Barclays Bank Plc	(199)	–	(199)
BNP Paribas Arbitrage SNC	43	–	43
Goldman Sachs International	48	–	48
HSBC Bank Plc	(702)	–	(702)
Royal Bank of Canada	(178)	–	(178)
Royal Bank of Scotland Plc	434	–	434
Société Générale SA	(239)	40	(199)
UBS AG	(340)	–	(340)
Westpac Banking Corporation	(255)	–	(255)

Counterparty	Forwards	Total Exposure
<b>BlackRock Catholic Charities Growth &amp; Income Fund</b>	<b>£000's</b>	
Bank of America Merrill Lynch	(92)	(92)
Barclays Bank Plc	(89)	(89)
BNP Paribas Arbitrage SNC	2	2
Goldman Sachs International	(2)	(2)
HSBC Bank Plc	(362)	(362)
Royal Bank of Canada	(78)	(78)
Royal Bank of Scotland Plc	216	216
Société Générale SA	(83)	(83)
State Street Global Advisors Limited	(4)	(4)
Toronto-Dominion Bank	(14)	(14)
UBS AG	(152)	(152)
Westpac Banking Corporation	8	8

## Financial Instruments and Risks

Counterparty	Forwards	Total Exposure
<b>BlackRock Charities Growth &amp; Income Fund</b>	<b>£000's</b>	
Bank of America Merrill Lynch	(40)	(40)
Barclays Bank Plc	(44)	(44)
BNP Paribas Arbitrage SNC	(41)	(41)
Citigroup Global Markets Limited	(52)	(52)
Goldman Sachs International	8	8
HSBC Bank Plc	(186)	(186)
Morgan Stanley & Co. International Plc	(28)	(28)
Royal Bank of Canada	(100)	(100)
Royal Bank of Scotland Plc	83	83
Société Générale SA	(25)	(25)
Standard Chartered Bank	(32)	(32)
UBS AG	(20)	(20)

Counterparty	Forwards	Inflation Swaps	Total Exposure
<b>BlackRock Charities UK Bond Fund</b>	<b>£000's</b>	<b>£000's</b>	
Bank of America Merrill Lynch	(11)	88	77
BNP Paribas Arbitrage SNC	(2)	–	(2)
HSBC Bank Plc	19	–	19
Royal Bank of Scotland Plc	(10)	–	(10)
State Street Global Advisors Limited	(17)	–	(17)
Toronto-Dominion Bank	(80)	–	(80)
UBS AG	11	–	11
Westpac Banking Corporation	(8)	–	(8)

### iii) Trustee and Custodian

The Funds' Trustee is The Bank of New York Mellon (International) Limited (the "Trustee and "Custodian").

Substantially all of the investments other than FDIs of the Funds are held by the Custodian at period end. Investments are segregated from the assets of the Custodian, with ownership rights remaining with the Funds. Bankruptcy or insolvency of the Custodian may cause the Funds' rights with respect to their investments held by the Custodian to be delayed or limited. The maximum exposure to this risk is the total amount of equity and bond investments disclosed in the Portfolio Statement of each Fund.

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

# Financial Instruments and Risks

## **Management of counterparty credit risk related to the Trustee and Custodian**

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

The long term credit rating of the parent company of the Trustee and Custodian, The Bank of New York Mellon Corporation, as at 30 June 2020 was A (Standard & Poor's rating).

## **iv) Counterparties**

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

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

## **Management of counterparty credit risk related to Counterparties**

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

## **v) Debt securities**

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

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. A number of the Funds invest into sovereign and corporate debt which exposes the Funds to the risk that the issuer of the bonds may default on interest or principal payments.

## **Management of counterparty credit risk related to debt securities**

To manage this risk the Investment Manager invests in a wide range of securities, subject to the investment objectives of each Fund and monitors the credit ratings of the investments as disclosed in each Fund's Portfolio Statement. The ratings of the debt securities are continually monitored by the BlackRock Portfolio Management Group.



# Financial Instruments and Risks

The following tables detail the credit rating profile of the debt securities held by the Funds as a percentage of the NAV as at the Balance Sheet date.

30 June 2020

Fund	Investment grade %	Non-investment grade %	Not rated %	Total %
BlackRock Armed Forces Charities Growth & Income Fund	10.11	–	–	10.11
BlackRock Catholic Charities Growth & Income Fund	13.25	0.19	–	13.44
BlackRock Charities Growth & Income Fund	10.28	–	–	10.28
BlackRock Charities UK Bond Fund	92.54	4.97	–	97.51

## vi) Collateral

The Funds engage in activities which may require collateral to be provided to a counterparty (“collateral posted”) or may hold collateral received (“collateral received”) from a counterparty.

### Management of counterparty credit risk related to collateral

The Funds use collateral received from a counterparty to reduce the credit risk associated with any trading activity the Funds have engaged in.

#### BlackRock Armed Forces Charities Growth & Income Fund

As at 30 June 2020 collateral received by the Fund in respect of OTC FDIs was £Nil. Collateral posted by the Fund in respect of OTC FDIs was £4,288,000 in the form of cash.

#### BlackRock Catholic Charities Growth & Income Fund

As at 30 June 2020 collateral received by the Fund in respect of OTC FDIs was £Nil. Collateral posted by the Fund in respect of OTC FDIs was £Nil.

#### BlackRock Charities Growth & Income Fund

As at 30 June 2020 collateral received by the Fund in respect of OTC FDIs was £Nil.. Collateral posted by the Fund in respect of OTC FDIs was £Nil.

#### BlackRock Charities UK Bond Fund

As at 30 June 2020 collateral received by the Fund in respect of OTC FDIs was £Nil. Collateral posted by the Fund in respect of OTC FDIs was £269,000 in the form of cash.

#### BlackRock Charities UK Equity ESG Fund

As at 30 June 2020 collateral received by the Fund in respect of OTC FDIs was £Nil. Collateral posted by the Fund in respect of OTC FDIs was £Nil.

#### BlackRock Charities UK Equity Fund

As at 30 June 2020 collateral received by the Fund in respect of OTC FDIs was £Nil. Collateral posted by the Fund in respect of OTC FDIs was £Nil.

# Financial Instruments and Risks

## **BlackRock Charities UK Equity Index Fund**

As at 30 June 2020 collateral received by the Fund in respect of OTC FDIs was £Nil. Collateral posted by the Fund in respect of OTC FDIs was £Nil.

### **c) Liquidity risk**

#### **Exposure to liquidity risk**

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

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

The Funds are also exposed to the liquidity risk of daily margin calls on derivatives.

All non-derivative financial liabilities including distributions payable held by the Funds as at 30 June 2020 based on contractual maturities, fall due within one to three months.

#### **Management of liquidity risk**

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

At times of excessive redemptions the Manager may decide to defer redemptions at any valuation point to the next valuation point where the requested aggregate redemptions exceed 10 per cent of a Fund's NAV. This will therefore allow the Manager to protect the interests of continuing unitholders by allowing the Manager to match the sale of scheme property to the level of redemptions. This should reduce the impact of dilution on the Funds. All unitholders who have sought to redeem units at any valuation point at which redemptions are deferred will be treated consistently and any redemption requests received in the meantime will not be processed until the redemption requests that have been deferred to the subsequent valuation points have been processed.

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

### **d) Valuation of financial instruments**

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

#### **Level 1 – Quoted prices for identical instruments in active markets**

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

# Financial Instruments and Risks

## Level 2 – Valuation techniques using observable inputs other than quoted prices in level 1

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

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

## Level 3 – Valuation techniques using significant unobservable inputs

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

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

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

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

The tables below are an analysis of the Funds' investment assets and investment liabilities measured at fair value at the Balance Sheet date.

<b>BlackRock Armed Forces Charities Growth &amp; Income Fund</b>	<b>Level 1 £000's</b>	<b>Level 2 £000's</b>	<b>Level 3 £000's</b>	<b>Total £000's</b>
<b>30 June 2020</b>				
Investment assets	251,177	112,439	–	<b>363,616</b>
Investment liabilities	(1,614)	(3,280)	–	<b>(4,894)</b>
<b>BlackRock Catholic Charities Growth &amp; Income Fund</b>	<b>Level 1 £000's</b>	<b>Level 2 £000's</b>	<b>Level 3 £000's</b>	<b>Total £000's</b>
<b>30 June 2020</b>				
Investment assets	110,591	47,474	–	<b>158,065</b>
Investment liabilities	(523)	(1,363)	–	<b>(1,886)</b>

## Financial Instruments and Risks

<b>BlackRock Charities Growth &amp; Income Fund</b>	<b>Level 1 £000's</b>	<b>Level 2 £000's</b>	<b>Level 3 £000's</b>	<b>Total £000's</b>
<b>30 June 2020</b>				
Investment assets	74,997	29,733	–	<b>104,730</b>
Investment liabilities	(185)	(751)	–	<b>(936)</b>
<b>BlackRock Charities UK Bond Fund</b>	<b>Level 1 £000's</b>	<b>Level 2 £000's</b>	<b>Level 3 £000's</b>	<b>Total £000's</b>
<b>30 June 2020</b>				
Investment assets	86,950	97,428	–	<b>184,378</b>
Investment liabilities	(83)	(198)	–	<b>(281)</b>
<b>BlackRock Charities UK Equity ESG Fund</b>	<b>Level 1 £000's</b>	<b>Level 2 £000's</b>	<b>Level 3 £000's</b>	<b>Total £000's</b>
<b>30 June 2020</b>				
Investment assets	73,976	7,978	–	<b>81,954</b>
<b>BlackRock Charities UK Equity Fund</b>	<b>Level 1 £000's</b>	<b>Level 2 £000's</b>	<b>Level 3 £000's</b>	<b>Total £000's</b>
<b>30 June 2020</b>				
Investment assets	225,448	24,014	–	<b>249,462</b>
<b>BlackRock Charities UK Equity Index Fund</b>	<b>Level 1 £000's</b>	<b>Level 2 £000's</b>	<b>Level 3 £000's</b>	<b>Total £000's</b>
<b>30 June 2020</b>				
Investment assets	264,437	3,742	–	<b>268,179</b>

Securities with a value less than £500 are not disclosed in the tables above.

### e) Leverage

The Funds may employ leverage and borrow cash in accordance with their stated investment policy or investment strategy. The Funds may employ leverage in their investment programmes through various means including the use of Financial Derivative Instruments (“FDIs”).

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

## Financial Instruments and Risks

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

Fund	Gross exposure		Commitment Approach	
	Maximum limit	Leverage as at 30.6.2020	Maximum limit	Leverage as at 30.6.2020
BlackRock Armed Forces Charities Growth & Income Fund	4.0:1	2.1:1	2.5:1	1.2:1
BlackRock Catholic Charities Growth & Income Fund	4.0:1	2.0:1	2.5:1	1.1:1
BlackRock Charities Growth & Income Fund	4.0:1	2.0:1	2.5:1	1.1:1
BlackRock Charities UK Bond Fund	4.5:1	1.1:1	4.0:1	1.1:1
BlackRock Charities UK Equity ESG Fund	2.0:1	1.0:1	1.3:1	1.0:1
BlackRock Charities UK Equity Fund	2.0:1	1.0:1	1.3:1	1.0:1
BlackRock Charities UK Equity Index Fund	1.1:1	1.0:1	1.1:1	1.0:1

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



# BlackRock Armed Forces Charities Growth & Income Fund

## Performance Record

### Comparative Table

	A Income Units	A Accumulation Units
	6.12.2019 to 30.6.2020	6.12.2019 to 30.6.2020
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	212.2	377.2
Return before operating charges	3.61	6.83
Operating charges	(0.54)	(0.96)
Return after operating charges	3.07	5.87
Distributions	(5.85)	(11.08)
Retained distributions on accumulation units	N/A	11.08
<b>Closing net asset value per unit</b>		
After direct transaction costs of	(0.05)	(0.10)
<b>Performance</b>		
Return after charges <sup>1</sup>	1.45%	1.56%
<b>Other information</b>		
Closing net asset value (£000's)	265,293	102,062
Closing number of units	126,681,358	26,643,209
Operating charges <sup>2</sup>	0.46%	0.45%
Direct transaction costs <sup>3</sup>	0.03%	0.03%
<b>Prices</b>		
Highest offer unit price	224.5	402.6
Lowest bid unit price	174.5	313.0

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

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

<sup>3</sup> Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments, debt instruments and collective investment schemes.

See note 14 for further details.

# BlackRock Armed Forces Charities Growth & Income Fund

## Distribution Tables

for the period from 6 December 2019 to 30 June 2020

### Final Distribution in Pence per Unit

For the period from 1 April 2020 to 30 June 2020

	A Income Units	A Accumulation Units
Distribution paid 20.7.2020	1.9500	4.1196

### Second Interim Distribution in Pence per Unit

For the period from 1 January 2020 to 31 March 2020

	A Income Units	A Accumulation Units
Distribution paid 20.4.2020	1.9500	3.4959

### First Interim Distribution in Pence per Unit

For the period from 6 December 2019 to 31 December 2019

	A Income Units	A Accumulation Units
Distribution paid 20.1.2020	1.9500	3.4628



# BlackRock Armed Forces Charities Growth & Income Fund

## Portfolio Statement

at 30 June 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>EQUITIES – 41.76%</b>			
<b>AUSTRALIA – 0.40%</b>			
<b>Mining – 0.40%</b>			
	89,200 BHP	1,476	0.40
<b>BELGIUM – 0.04%</b>			
<b>Beverages – 0.04%</b>			
	3,588 Anheuser-Busch InBev SA/NV	143	0.04
<b>BERMUDA – 0.35%</b>			
<b>Insurance – 0.35%</b>			
	165,185 Hiscox	1,302	0.35
<b>BRAZIL – 0.04%</b>			
<b>Diversified Financial Services – 0.04%</b>			
	4,679 Pagueseguro Digital	134	0.04
<b>DENMARK – 0.39%</b>			
<b>Pharmaceuticals – 0.39%</b>			
	27,242 Novo Nordisk	1,430	0.39
<b>FINLAND – 0.22%</b>			
<b>Machinery Diversified – 0.22%</b>			
	14,874 Kone	826	0.22
<b>FRANCE – 1.25%</b>			
<b>Apparel – 0.54%</b>			
	518 Hermes International	350	0.10
	574 Kering	253	0.07
	3,799 LVMH Moet Hennessy Louis Vuitton	1,348	0.37
		1,951	0.54
<b>Beverages – 0.13%</b>			
	3,711 Pernod Ricard	472	0.13
<b>Commercial Services – 0.04%</b>			
	1,974 Worldline SA/France	138	0.04
<b>Computers – 0.17%</b>			
	4,826 Ingenico	623	0.17
<b>Cosmetics &amp; Personal Care – 0.31%</b>			
	4,400 L'Oreal	1,142	0.31
<b>Pharmaceuticals – 0.06%</b>			
	2,774 Sanofi	229	0.06

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>GERMANY – 0.82%</b>			
<b>Apparel – 0.16%</b>			
	1,258 adidas	268	0.07
	5,517 Puma	345	0.09
		613	0.16
<b>Automobile Manufacturers – 0.11%</b>			
	3,440 Bayerische Motoren Werke	178	0.05
	1,785 Volkswagen	234	0.06
		412	0.11
<b>Automobile Parts &amp; Equipment – 0.02%</b>			
	1,064 Continental	84	0.02
<b>Chemicals – 0.23%</b>			
	8,886 Symrise	835	0.23
<b>Home Furnishings – 0.11%</b>			
	880 Rational	399	0.11
<b>Miscellaneous Manufacturing – 0.06%</b>			
	2,436 Siemens	232	0.06
<b>Software – 0.13%</b>			
	4,086 SAP	462	0.13
<b>IRELAND – 0.48%</b>			
<b>Building Materials – 0.17%</b>			
	12,033 Kingspan	625	0.17
<b>Investment Companies – 0.04%</b>			
	153,477 Greencoat Renewables	165	0.04
<b>Retail – 0.27%</b>			
	149,292 Grafton	985	0.27
<b>ISRAEL – 0.09%</b>			
<b>Computers – 0.09%</b>			
	3,116 Check Point Software Technologies	271	0.07
	977 CyberArk Software	78	0.02
		349	0.09
<b>ITALY – 0.23%</b>			
<b>Automobile Manufacturers – 0.23%</b>			
	6,173 Ferrari	852	0.23
<b>JAPAN – 0.16%</b>			
<b>Automobile Manufacturers – 0.08%</b>			
	5,600 Toyota Motor	284	0.08

# BlackRock Armed Forces Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Machinery Diversified – 0.06%</b>			
1,600 FANUC		231	0.06
<b>Software – 0.02%</b>			
4,400 FFRI Security		80	0.02
<b>NETHERLANDS – 1.32%</b>			
<b>Commercial Services – 0.05%</b>			
155 Adyen		182	0.05
<b>Oil &amp; Gas Producers – 0.72%</b>			
215,525 Royal Dutch Shell		2,638	0.72
<b>Semiconductors – 0.55%</b>			
6,863 ASML		2,039	0.55
<b>SPAIN – 0.04%</b>			
<b>Banks – 0.04%</b>			
69,446 Banco Santander		137	0.04
<b>SWEDEN – 0.39%</b>			
<b>Electronics – 0.19%</b>			
43,294 Assa Abloy		715	0.19
<b>Machinery Diversified – 0.20%</b>			
15,303 Hexagon		723	0.20
<b>SWITZERLAND – 0.70%</b>			
<b>Food Producers – 0.33%</b>			
13,756 Nestle		1,231	0.33
<b>Healthcare Services – 0.20%</b>			
1,709 Lonza		730	0.20
<b>Pharmaceuticals – 0.17%</b>			
2,178 Roche		611	0.17
<b>UNITED KINGDOM – 24.87%</b>			
<b>Aerospace &amp; Defence – 0.08%</b>			
57,887 BAE Systems		280	0.08
<b>Agriculture – 1.30%</b>			
149,736 British American Tobacco		4,649	1.27
7,234 Imperial Brands		111	0.03
		<b>4,760</b>	<b>1.30</b>
<b>Alternative Energy Sources – 0.58%</b>			
614,626 John Laing		2,141	0.58
<b>Apparel – 0.40%</b>			
90,787 Burberry		1,452	0.40
<b>Banks – 1.40%</b>			
225,017 HSBC		851	0.23

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
6,578,244 Lloyds Banking		2,051	0.56
508,823 Standard Chartered		2,239	0.61
		<b>5,141</b>	<b>1.40</b>
<b>Beverages – 0.33%</b>			
30,569 Diageo		820	0.22
19,106 Fevertree Drinks		391	0.11
		<b>1,211</b>	<b>0.33</b>
<b>Commercial Services – 1.51%</b>			
246,018 RELX		4,601	1.25
189,799 Rentokil Initial		967	0.26
		<b>5,568</b>	<b>1.51</b>
<b>Computers – 0.03%</b>			
58,373 NCC		104	0.03
<b>Cosmetics &amp; Personal Care – 1.10%</b>			
92,750 Unilever		4,039	1.10
<b>Distribution &amp; Wholesale – 0.33%</b>			
18,155 Ferguson		1,200	0.33
<b>Diversified Financial Services – 0.60%</b>			
36,151 Hargreaves Lansdown		589	0.16
19,497 London Stock Exchange		1,629	0.44
		<b>2,218</b>	<b>0.60</b>
<b>Engineering &amp; Construction – 0.26%</b>			
73,443 HomeServe		955	0.26
<b>Food Producers – 1.32%</b>			
78,107 Associated British Foods		1,496	0.41
305,963 SSP		786	0.21
1,132,082 Tesco		2,582	0.70
		<b>4,864</b>	<b>1.32</b>
<b>Gas – 0.82%</b>			
304,179 National Grid		3,006	0.82
<b>Healthcare Products – 0.68%</b>			
164,869 Smith & Nephew		2,482	0.68
<b>Home Builders – 0.67%</b>			
24,534 Berkeley		1,022	0.28
1,006,775 Taylor Wimpey		1,433	0.39
		<b>2,455</b>	<b>0.67</b>
<b>Household Products – 1.32%</b>			
65,037 Reckitt Benckiser		4,834	1.32

# BlackRock Armed Forces Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Insurance – 1.25%</b>			
632,228	M&G	1,059	0.29
209,563	Phoenix	1,350	0.37
177,196	Prudential	2,159	0.59
		<b>4,568</b>	<b>1.25</b>
<b>Internet – 0.72%</b>			
140,279	Auto Trader	738	0.20
295,009	Rightmove	1,610	0.44
71,818	Trainline	312	0.08
		<b>2,660</b>	<b>0.72</b>
<b>Investment Companies – 0.99%</b>			
3,420,168	Sdcl Energy Efficiency Income Trust	<b>3,625</b>	<b>0.99</b>
<b>Lodging – 0.42%</b>			
4,724	InterContinental Hotels	168	0.05
61,375	Whitbread	1,361	0.37
		<b>1,529</b>	<b>0.42</b>
<b>Machinery Diversified – 0.28%</b>			
10,391	Spirax-Sarco Engineering	<b>1,037</b>	<b>0.28</b>
<b>Media – 0.15%</b>			
116,500	Informa	<b>548</b>	<b>0.15</b>
<b>Metal &amp; Hardware – 0.24%</b>			
143,156	Bodycote	<b>896</b>	<b>0.24</b>
<b>Mining – 1.62%</b>			
130,457	Rio Tinto	<b>5,934</b>	<b>1.62</b>
<b>Oil &amp; Gas Producers – 0.56%</b>			
674,932	BP	<b>2,073</b>	<b>0.56</b>
<b>Pharmaceuticals – 2.19%</b>			
76,853	AstraZeneca	6,472	1.76
96,032	GlaxoSmithKline	1,571	0.43
		<b>8,043</b>	<b>2.19</b>
<b>Private Equity – 0.59%</b>			
140,494	3i	1,170	0.32
78,100	Intermediate Capital	1,006	0.27
		<b>2,176</b>	<b>0.59</b>
<b>Real Estate Investment Trusts – 1.83%</b>			
6,883,430	Triple Point Social Housing Reit	<b>6,718</b>	<b>1.83</b>
<b>Retail – 0.68%</b>			
40,600	Next	1,987	0.54

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
48,227	WH Smith	527	0.14
		<b>2,514</b>	<b>0.68</b>
<b>Telecommunications – 0.38%</b>			
1,071,076	Vodafone	<b>1,380</b>	<b>0.38</b>
<b>Water – 0.24%</b>			
95,000	United Utilities	<b>865</b>	<b>0.24</b>
<b>UNITED STATES OF AMERICA – 9.97%</b>			
<b>Apparel – 0.06%</b>			
2,950	NIKE	<b>234</b>	<b>0.06</b>
<b>Banks – 0.12%</b>			
1,382	Goldman Sachs	221	0.06
2,744	JPMorgan Chase &	209	0.06
		<b>430</b>	<b>0.12</b>
<b>Beverages – 0.14%</b>			
6,063	Coca-Cola	219	0.06
2,813	PepsiCo	301	0.08
		<b>520</b>	<b>0.14</b>
<b>Biotechnology – 0.12%</b>			
2,408	Amgen	<b>459</b>	<b>0.12</b>
<b>Commercial Services – 0.83%</b>			
13,840	Booz Allen Hamilton	871	0.24
2,496	Euronet Worldwide	193	0.05
4,239	Evo Payments	78	0.02
4,520	Global Payments	620	0.17
1,152	PayPal	162	0.04
3,340	S&P Global	890	0.24
15,119	Sabre	99	0.03
1,699	Square	144	0.04
		<b>3,057</b>	<b>0.83</b>
<b>Computers – 1.33%</b>			
4,491	Apple	1,325	0.36
16,924	Conduent	33	0.01
3,106	ForeScout Technologies	53	0.01
8,368	Fortinet	929	0.25
3,333	International Business Machines	325	0.09
11,076	Leidos	840	0.23
4,801	NetApp	172	0.05
6,995	OneSpan	158	0.04
1,446	Qualys	122	0.03
2,325	Rapid7	96	0.03



# BlackRock Armed Forces Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>BONDS – 10.11%</b>			
<b>UK Sterling Denominated Government Bonds – 10.11%</b>			
£14,321,994	United Kingdom Gilt 1.75% 22/1/2049	18,489	5.03
£12,658,881	United Kingdom Gilt 4.75% 7/12/2030	18,649	5.08
		<b>37,138</b>	<b>10.11</b>
<b>COLLECTIVE INVESTMENT SCHEMES – 46.34%</b>			
<b>Equity Funds – 10.67%</b>			
90,289	BBGI SICAV SA/Fund	147	0.04
18,403	BlackRock Global Impact Fund	1,857	0.51
824,794	BlackRock UK Smaller Companies Fund†	7,909	2.15
23,579,569	Blackstone/GSO Loan Financing	14,146	3.85
6,277,251	Bluefield Solar Income Fund	8,380	2.28
17,441	HarbourVest Global Private Equity	275	0.08
357,500	Hipgnosis Songs Fund Fund	415	0.11
203,477	International Public Partnerships	342	0.09
26,617	Pershing Square Ltd/Fund	503	0.14
350,265	Sequoia Economic Infrastructure Income Fund	364	0.10
9,150,291	SME Credit Realisation Fund	4,859	1.32
		<b>39,197</b>	<b>10.67</b>
<b>Exchange Traded Funds – 12.85%</b>			
862,484	iShares High Yield Bond ESG UCITS ETF†	3,691	1.01
75,494	iShares Core GBP Bond UCITS ETF†	11,665	3.18
2,468,398	iShares MSCI Japan SRI UCITS ETF†	10,549	2.87
770,180	iShares MSCI USA SRI UCITS ETF†	3,759	1.02
189,500	iShares Physical Gold ETC†	5,349	1.46

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
403,200	iShares Physical Silver ETC†	5,723	1.56
566,836	iShares UK Property UCITS ETF†	2,800	0.76
938,398	iShares USD High Yield Bond ESG UCITS ETF†	3,652	0.99
		<b>47,188</b>	<b>12.85</b>
<b>Fixed Income Funds – 2.02%</b>			
725,556	Blackrock Global Funds - European High Yield Bond Fund†	<b>7,429</b>	<b>2.02</b>
<b>Investment Trusts – 6.50%</b>			
149,654	3i Infrastructure	437	0.12
9,750,000	Aquila European Renewables Income Fund Fund	8,774	2.39
4,285,762	Baillie Gifford US Growth Trust	9,086	2.47
728,183	BlackRock Frontiers Investment Trust†	695	0.19
297,971	BlackRock Smaller Cos Trust†	3,802	1.04
105,234	HgCapital Trust PLC/Fund	248	0.07
176,987	Hicl Infrastructure	305	0.08
2,010,609	Schroder UK Public Private	513	0.14
		<b>23,860</b>	<b>6.50</b>
<b>Property Funds – 8.42%</b>			
15,952,521	COIF Charities Property Fund	17,465	4.75
15,809,713	Starwood European Real Estate Finance	13,470	3.67
		<b>30,935</b>	<b>8.42</b>
<b>Short-term Money Market Funds – 5.88%</b>			
216,024	Institutional Cash Series plc - Institutional Sterling Liquidity Environmentally Aware Fund - Agency Income class†	<b>21,608</b>	<b>5.88</b>

# BlackRock Armed Forces Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>DERIVATIVES – (0.55%)</b>			
<b>Forward Currency Contracts – (0.44%)</b>			
AU\$26,203,874	Australian dollar vs US dollar	966	0.28
€12,220,000	Euro vs US dollar	(68)	(0.02)
¥1,320,000,000	Japanese yen vs US dollar	74	0.02
SG\$29,637,167	Singapore dollar vs US dollar	77	0.03
KRW 19,935,723,000	South Korean won vs US dollar	78	0.02
SEK 80,621,313	Swedish krona vs US dollar	448	0.10
£9,643,753	UK sterling vs Euro	(267)	(0.07)
£14,765,000	UK sterling vs US dollar	(166)	(0.05)
US\$16,850,000	US dollar vs Australian dollar	(801)	(0.23)
US\$4,408,470	US dollar vs Euro	(83)	(0.02)
US\$6,480,000	US dollar vs Indonesian rupiah	(226)	(0.06)
US\$8,600,000	US dollar vs Japanese yen	43	0.01
US\$21,150,000	US dollar vs Singapore dollar	(420)	(0.11)
US\$25,240,000	US dollar vs South Korean won	(592)	(0.16)
US\$8,100,000	US dollar vs Swedish krona	(551)	(0.15)
US\$13,214,502	US dollar vs UK sterling	(106)	(0.03)
		<b>(1,594)</b>	<b>(0.44)</b>
<b>Futures – (0.26%)</b>			
(38)	Euro Stoxx 50 September 2020	(4)	0.00
(98)	FTSE 100 September 2020	(10)	0.00
(124)	Russell 2000 E-Mini September 2020	(48)	(0.01)
224	S&P 500 E-Mini September 2020	(945)	(0.26)
(20)	US 10 Year Ultra July 2020	53	0.01
		<b>(954)</b>	<b>(0.26)</b>
<b>Options – 0.14%</b>			
(1,538)	CBOE Call Option 22/07/2020 50	(106)	(0.03)
(406)	CBOE Put Option 19/08/2020 30	(136)	(0.04)
(812)	CBOE Put Option 22/07/2020 30	(230)	(0.06)
272	Dax Call Option 17/07/2020 12500	298	0.08
(272)	Dax Call Option 17/07/2020 13000	(87)	(0.02)
559	Euro Stoxx 50 Call Option 18/12/2020 3450	572	0.15
461	Euro Stoxx 50 Call Option 18/12/2020 4000	29	0.01
97	Russell 2000 E-Mini Call Option 17/07/2020 1480	181	0.05
(97)	Russell 2000 E-Mini Call Option 17/07/2020 1550	(39)	(0.01)
(45)	S&P 500 E-Mini Put Option 17/07/2020 2500	(9)	0.00
45	S&P 500 E-Mini Put Option 17/07/2020 2750	28	0.01
		<b>501</b>	<b>0.14</b>
<b>Total Return Swaps – 0.01%</b>			
4,393,925	Société Générale 3M US Dollar LIBOR BBA 1% 14/12/2020	109	0.03

# BlackRock Armed Forces Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
4,612,627	Société Générale 3M US Dollar LIBOR BBA 1.2% 14/12/2020	(69)	(0.02)
		<b>40</b>	<b>0.01</b>
<b>Portfolio of investments</b>		<b>358,763</b>	<b>97.66</b>
Net other assets		8,592	2.34
<b>Total net assets</b>		<b>367,355</b>	<b>100.00</b>

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

The counterparties for the forward currency contracts are Bank of America Merrill Lynch, Barclays Bank Plc, BNP Paribas Arbitrage SNC, Goldman Sachs International, HSBC Bank Plc, Royal Bank of Canada, Royal Bank of Scotland Plc, Société Générale SA and UBS AG.

The total return swaps ("TRS") shown in the portfolio statement starting on page 45 are expressed at both their mark-to-market and original notional value, which when added together represent the current notional value of the TRS. The current notional value of a TRS represents the reference amount used to calculate payments between the counterparties to the TRS. The full notional value represents the economic interest in the security underlying the TRS, but does not change hands in full between the counterparties.

† Managed by a related party.

# BlackRock Armed Forces Charities Growth & Income Fund

## Statement of Total Return

for the period from 6 December 2019 to 30 June 2020

	Notes	£000's	For the period from 6.12.2019 to 30.6.2020 £000's
Income			
Net capital losses	2		(2,263)
Revenue	3	8,859	
Expenses	4	(846)	
Interest payable and similar charges	5	(13)	
Net revenue before taxation		8,000	
Taxation	6	(86)	
Net revenue after taxation			7,914
Total return before distributions			5,651
Distributions	7		(8,644)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(2,993)</b>

## Statement of Change in Net Assets Attributable to Unitholders

for the period from 6 December 2019 to 30 June 2020

	£000's	For the period from 6.12.2019 to 30.6.2020 £000's
<b>Opening net assets attributable to unitholders</b>		–
Amounts receivable on issue of units	22,678	
In-Specie from terminated CIF entity	349,188	
Amounts payable on cancellation of units	(2,818)	
		369,048
Change in net assets attributable to unitholders from investment activities		(2,993)
Retained distribution on accumulation units		2,851
Movement in Income Reserve Account [see note 13]		(1,551)
<b>Closing net assets attributable to unitholders</b>		<b>367,355</b>



# BlackRock Armed Forces Charities Growth & Income Fund

## Balance Sheet

at 30 June 2020

	Notes	30.6.2020 £000's
<b>Assets:</b>		
Fixed assets		
– Investment assets		363,726
Current assets		
– Debtors	8	483
– Cash and bank balances	9	6,828
– Cash collateral posted		4,288
<b>Total assets</b>		<b>375,325</b>
<b>Liabilities:</b>		
Investment liabilities		(4,963)
Creditors		
– Distributions payable		(2,470)
– Other creditors	10	(537)
<b>Total liabilities</b>		<b>(7,970)</b>
<b>Net assets attributable to unitholders</b>		<b>367,355</b>

M T Zemek (Director)

G D Bamping (Director)

BlackRock Fund Managers Limited

24 August 2020

# BlackRock Armed Forces Charities Growth & Income Fund

## Notes to Financial Statements

for the period from 6 December 2019 to 30 June 2020

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 21 to 23.

### 2. Net Capital Losses

	For the period from 6.12.2019 to 30.6.2020 £000's
The net capital losses comprise:	
Losses on non-derivative securities	(12,195)
Gains on derivative securities	9,797
Currency gains	125
Manager's charge rebates	15
Custodian transaction costs	(5)
<b>Net capital losses</b>	<b>(2,263)</b>

Net losses (excluding Manager's charge rebates and transaction costs) listed above of £(2,273,000) comprise net realised gains of £553,000 and net unrealised losses of £(2,826,000).

### 3. Revenue

	For the period from 6.12.2019 to 30.6.2020 £000's
Equity distributions on CIS holdings	378
Interest from UK bank deposits	15
Interest from UK fixed interest securities	119
Manager's charge rebates	153
Option premiums	3,402
Overseas dividends	2,794
Returns from bond futures	26
Revenue from short-term money market funds	11
Stock dividends	1
UK dividends	1,832
UK REIT dividends	127
US REIT dividends	1
<b>Total revenue</b>	<b>8,859</b>

# BlackRock Armed Forces Charities Growth & Income Fund

## Notes to Financial Statements

### 4. Expenses

	For the period from 6.12.2019 to 30.6.2020 £000's
Payable to the Manager or associates of the Manager:	
– Manager's charge	792
	<hr/>
	792
Other expenses:	
– Audit fee	3
– Legal and other professional fees	19
– Safe custody fees	5
– Trustee's fees	27
	<hr/>
	54
<b>Total expenses</b>	<b>846</b>

### 5. Interest Payable and Similar Charges

	For the period from 6.12.2019 to 30.6.2020 £000's
Interest on bank overdrafts	13
<b>Total interest payable and similar charges</b>	<b>13</b>

### 6. Taxation

	For the period from 6.12.2019 to 30.6.2020 £000's
Overseas tax	86
<b>Total tax charge</b>	<b>86</b>

# BlackRock Armed Forces Charities Growth & Income Fund

## Notes to Financial Statements

### 7. Distributions

	For the period from 6.12.2019 to 30.6.2020 £000's
First distribution	3,297
Second distribution	3,384
Final distribution	3,568
	10,249
Less: Movement in Income Reserve Account [see note 13]	(1,551)
Add: Amounts deducted on cancellation of units	6
Less: Amounts received on issue of units	(60)
<b>Distributions</b>	<b>8,644</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	7,914
Add: Expenses reimbursed by capital	730
<b>Distributions</b>	<b>8,644</b>

### 8. Debtors

	30.6.2020 £000's
Accrued Manager's charge rebates	62
Accrued revenue	391
Overseas tax recoverable	30
<b>Total debtors</b>	<b>483</b>

### 9. Cash and Bank Balances

	30.6.2020 £000's
Amount held at futures clearing houses and brokers	1,345
Cash and bank balances	5,483
<b>Total cash and bank balances</b>	<b>6,828</b>

# BlackRock Armed Forces Charities Growth & Income Fund

## Notes to Financial Statements

### 10. Other Creditors

	<b>30.6.2020</b>
	<b>£000's</b>
Accrued Audit fee	3
Accrued Legal and other professional fees	18
Accrued Manager's charge	340
Accrued Safe custody fees	5
Accrued Trustee's fee	11
Custodian transaction costs	8
Purchases awaiting settlement	152
<b>Total other creditors</b>	<b>537</b>

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date.

### 12. Related Parties

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

The following entities were related parties of the Fund during the period ended 30 June 2020:

Manager/Registrar: BlackRock Fund Managers Limited  
Investment Manager: BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA. During the period to 30 June 2020 PNC Financial Services Group Inc. ("PNC"), was a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Fund during the period to 30 June 2020. On 11 May 2020, PNC announced its intent to sell its investment in BlackRock, Inc. through a registered offering and related buyback by BlackRock.

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the period end are disclosed in notes 8 and 10. Management fees and registration fees paid to the Manager are shown in note 4. The balances due at the period end in respect of these fees are shown in note 10.

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

# BlackRock Armed Forces Charities Growth & Income Fund

## Notes to Financial Statements

### 12. Related Parties

underlying funds which are not subject to any management charges. Alternatively, where this is not possible, the Manager will rebate management charges to the Fund. The Fund will not be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

The Fund's investments in other BlackRock related party entities are individually identified in the Portfolio Statement.

As at 30 June 2020, none of the unitholders:

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

### 13. Income Reserve Account

	For the period from 6.12.2019 to 30.6.2020 £000's
Opening balance as transferred from terminated CIF	11,827
Net increase in respect of units created and cancelled	54
Decrease in Revenue	(1,605)
<b>Revenue Carried Forward</b>	<b>10,276</b>

# BlackRock Armed Forces Charities Growth & Income Fund

## Notes to Financial Statements

### 14. Portfolio Transaction Costs

For the period from 6 December 2019 to 30 June 2020

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	36,895	17	0.05	3	0.01
Debt instruments	21,999	–	–	–	–
Collective investment schemes	132,235	8	0.01	17	0.00
<b>Total purchases</b>	<b>191,129</b>	<b>25</b>		<b>20</b>	
<b>Total purchases including transaction costs</b>	<b>191,174</b>				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	71,570	25	0.03	1	0.00
Collective investment schemes	102,856	7	0.01	–	–
<b>Total sales</b>	<b>174,426</b>	<b>32</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>174,393</b>				
<b>Derivative transaction costs</b>		<b>30</b>		<b>–</b>	
<b>Total transaction costs</b>		<b>87</b>		<b>21</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.02%</b>		<b>0.01%</b>	

The above analysis covers direct transaction costs incurred by the Fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

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

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

# BlackRock Armed Forces Charities Growth & Income Fund

## Notes to Financial Statements

### 14. Portfolio Transaction Costs

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

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.68%.

### 15. Units in Issue

The movement in units in issue for the period from 06 December 2019 to 30 June 2020 is as follows:

	A Income Units	A Accumulation Units
Balance at the beginning of the period	–	–
In-specified from terminated CIF	124,512,876	22,721,310
Issued during the period	2,852,632	4,291,080
Cancelled during the period	(684,150)	(369,181)
<b>Balance at the end of the period</b>	<b>126,681,358</b>	<b>26,643,209</b>

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

### 16. Subsequent Events

There have been no significant events subsequent to the period end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the period ended 30 June 2020.





# BlackRock Catholic Charities Growth & Income Fund

## Performance Record

### Comparative Table

	A Income Units	A Accumulation Units
	6.12.2019 to 30.6.2020	6.12.2019 to 30.6.2020
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	145.0	199.5
Return before operating charges	(0.34)	(0.29)
Operating charges	(0.48)	(0.66)
Return after operating charges	(0.82)	(0.95)
Distributions	(2.95)	(4.07)
Retained distributions on accumulation units	N/A	4.07
<b>Closing net asset value per unit</b>		
After direct transaction costs of	(0.04)	(0.06)
<b>Performance</b>		
Return after charges <sup>1</sup>	(0.57)%	(0.48)%
<b>Other information</b>		
Closing net asset value (£000's)	144,846	16,085
Closing number of units	102,559,403	8,100,791
Operating charges <sup>2</sup>	0.59%	0.59%
Direct transaction costs <sup>3</sup>	0.03%	0.03%
<b>Prices</b>		
Highest offer unit price	153.9	211.8
Lowest bid unit price	119.6	164.6

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

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

<sup>3</sup> Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments, debt instruments and collective investment schemes.

See note 14 for further details.

# BlackRock Catholic Charities Growth & Income Fund

## Distribution Tables

for the period to 30 June 2020

### Final Distribution in Pence per Unit

For the period from 1 April 2020 to 30 June 2020

	A Income Units	A Accumulation Units
Distribution paid 20.7.2020	1.8362	2.5468

### Second Interim Distribution in Pence per Unit

For the period from 1 January 2020 to 31 March 2020

	A Income Units	A Accumulation Units
Distribution paid 20.4.2020	1.0500	1.4451

### First Interim Distribution in Pence per Unit

For the period from 6 December 2019 to 31 December 2019

	A Income Units	A Accumulation Units
Distribution paid 20.1.2020	0.0598	0.0823

# BlackRock Catholic Charities Growth & Income Fund

## Portfolio Statement

at 30 June 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets		
<b>EQUITIES – 41.51%</b>				<b>SWEDEN – 0.32%</b>					
<b>AUSTRALIA – 0.53%</b>				<b>Machinery Construction &amp; Mining – 0.32%</b>					
<b>Mining – 0.53%</b>				33,980 Sandvik					
52,000 BHP				860	0.53	515	0.32		
<b>BERMUDA – 0.45%</b>				<b>SWITZERLAND – 0.72%</b>					
<b>Insurance – 0.45%</b>				<b>Insurance – 0.72%</b>					
90,932 Hiscox				717	0.45	6,594 Chubb	675	0.42	
<b>CANADA – 0.27%</b>				7,660 Swiss Re				478	0.30
<b>Banks – 0.22%</b>								1,153	0.72
6,525 Royal Bank of Canada				358	0.22	<b>UNITED KINGDOM – 27.45%</b>			
<b>Engineering &amp; Construction – 0.05%</b>				<b>Alternative Energy Sources – 0.82%</b>					
6,485 SNC-Lavalin				88	0.05	381,002 John Laing			
<b>GERMANY – 0.16%</b>				<b>Apparel – 0.65%</b>					
<b>Automobile Parts &amp; Equipment – 0.16%</b>				65,600 Burberry				1,049	0.65
3,219 Continental				256	0.16	<b>Banks – 2.02%</b>			
<b>IRELAND – 1.04%</b>				220,610 HSBC				835	0.52
<b>Computers – 0.64%</b>				3,749,897 Lloyds Banking				1,169	0.73
5,965 Accenture				1,036	0.64	282,689 Standard Chartered			
<b>Investment Companies – 0.05%</b>								3,248	2.02
69,219 Greencoat Renewables				74	0.05	<b>Commercial Services – 2.16%</b>			
<b>Retail – 0.35%</b>				154,812 RELX				2,895	1.80
85,112 Grafton				562	0.35	114,844 Rentokil Initial			
<b>JAPAN – 0.75%</b>								3,480	2.16
<b>Banks – 0.28%</b>				<b>Cosmetics &amp; Personal Care – 1.99%</b>					
54,800 Mitsubishi UFJ Financial				173	0.11	73,631 Unilever			
12,000 Sumitomo Mitsui Trust				272	0.17	<b>Distribution &amp; Wholesale – 0.74%</b>			
				445	0.28	17,927 Ferguson			
<b>Chemicals – 0.17%</b>				<b>Engineering &amp; Construction – 0.57%</b>					
70,900 Toray Industries				269	0.17	70,740 HomeServe			
<b>Pharmaceuticals – 0.30%</b>								920	0.57
13,600 Otsuka				478	0.30	<b>Food Producers – 1.79%</b>			
<b>NETHERLANDS – 1.15%</b>				47,146 Associated British Foods				903	0.56
<b>Oil &amp; Gas Producers – 1.15%</b>				166,735 SSP				428	0.27
150,641 Royal Dutch Shell				1,844	1.15	680,217 Tesco			
<b>SPAIN – 0.16%</b>								1,551	0.96
<b>Banks – 0.16%</b>				<b>Food Services – 0.32%</b>					
126,408 Banco Santander				250	0.16	46,113 Compass			
				<b>Gas – 1.60%</b>				513	0.32
				260,739 National Grid				2,577	1.60
				<b>Home Builders – 0.90%</b>					
				13,224 Berkeley				551	0.34

# BlackRock Catholic Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
628,569	Taylor Wimpey	895	0.56
		<b>1,446</b>	<b>0.90</b>
<b>Insurance – 2.06%</b>			
368,333	M&G	617	0.38
132,104	Phoenix	851	0.53
151,737	Prudential	1,849	1.15
		<b>3,317</b>	<b>2.06</b>
<b>Internet – 1.47%</b>			
163,106	Auto Trader	859	0.53
247,152	Rightmove	1,348	0.84
38,424	Trainline	167	0.10
		<b>2,374</b>	<b>1.47</b>
<b>Investment Companies – 0.99%</b>			
1,505,551	Sdcl Energy Efficiency Income Trust	1,596	0.99
<b>Media – 0.18%</b>			
63,100	Informa	297	0.18
<b>Metal &amp; Hardware – 0.32%</b>			
83,321	Bodycote	522	0.32
<b>Mining – 2.47%</b>			
77,452	Rio Tinto	3,523	2.19
8,320	Rio Tinto	454	0.28
		<b>3,977</b>	<b>2.47</b>
<b>Oil &amp; Gas Producers – 0.92%</b>			
481,012	BP	1,477	0.92
<b>Private Equity – 0.75%</b>			
79,083	3i	658	0.41
42,100	Intermediate Capital	542	0.34
		<b>1,200</b>	<b>0.75</b>
<b>Real Estate Investment Trusts – 1.86%</b>			
3,072,090	Triple Point Social Housing Reit	2,998	1.86
<b>Retail – 0.93%</b>			
23,900	Next	1,170	0.73
29,012	WH Smith	317	0.20
		<b>1,487</b>	<b>0.93</b>
<b>Telecommunications – 1.10%</b>			
1,372,561	Vodafone	1,769	1.10
<b>Water – 0.84%</b>			
148,900	United Utilities	1,355	0.84

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>UNITED STATES OF AMERICA – 8.51%</b>			
<b>Automobile Parts &amp; Equipment – 0.06%</b>			
14,320	Goodyear Tire & Rubber	104	0.06
<b>Banks – 0.20%</b>			
8,067	Morgan Stanley	315	0.20
<b>Beverages – 0.54%</b>			
8,115	PepsiCo	868	0.54
<b>Computers – 1.00%</b>			
5,465	Apple	1,612	1.00
<b>Cosmetics &amp; Personal Care – 0.40%</b>			
10,898	Colgate-Palmolive	646	0.40
<b>Diversified Financial Services – 2.14%</b>			
7,106	Mastercard	1,699	1.06
11,117	Visa	1,735	1.08
		<b>3,434</b>	<b>2.14</b>
<b>Food Producers – 0.20%</b>			
12,291	Kraft Heinz	317	0.20
<b>Healthcare Products – 0.29%</b>			
5,451	Edwards Lifesciences	305	0.19
3,584	Henry Schein	169	0.10
		<b>474</b>	<b>0.29</b>
<b>Healthcare Services – 0.23%</b>			
1,749	Anthem	372	0.23
<b>Miscellaneous Manufacturing – 0.51%</b>			
11,530	Eaton	816	0.51
<b>Oil &amp; Gas Producers – 0.18%</b>			
7,878	Exxon Mobil	285	0.18
<b>Pharmaceuticals – 0.22%</b>			
1,435	Covetrus	21	0.01
6,524	CVS Health	343	0.21
		<b>364</b>	<b>0.22</b>
<b>Retail – 0.28%</b>			
8,877	Gap	91	0.06
5,037	Yum! Brands	354	0.22
		<b>445</b>	<b>0.28</b>
<b>Software – 1.53%</b>			
10,912	Microsoft	1,797	1.12
14,847	Oracle	664	0.41
		<b>2,461</b>	<b>1.53</b>

# BlackRock Catholic Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Telecommunications – 0.48%</b>							
20,598	Cisco Systems	777	0.48	£100,000	Oesterreichische Kontrollbank 0.75% 7/3/2022	101	0.06
<b>Transportation – 0.25%</b>							
4,448	United Parcel Service	400	0.25	£200,000	Prs Finance 2% 23/1/2029	219	0.14
<b>BONDS – 13.44%</b>							
<b>Euro Denominated Government Bonds – 0.25%</b>							
€41,000	Bundesrepublik Deutschland Bundesanleihe 0.25% 15/2/2029	40	0.02	£150,000	UNITE USAF II 3.921% 30/6/2030	162	0.10
€66,000	Portugal Obrigacoes do Tesouro OT 0.475% 18/10/2030	60	0.04	£100,000	Volkswagen Financial Services 1.625% 10/2/2024	99	0.06
€330,000	Spain Government Bond 0.5% 30/4/2030	303	0.19	£130,000	Western Power Distribution 3.625% 6/11/2023	137	0.09
		<b>403</b>	<b>0.25</b>			<b>2,767</b>	<b>1.72</b>
<b>UK Sterling Denominated Corporate Bonds – 1.72%</b>				<b>UK Sterling Denominated Government Bonds – 11.31%</b>			
£100,000	Barclays 2.375% 6/10/2023	101	0.06	£200,000	BNG Bank 1% 17/6/2022	203	0.13
£120,000	BG Energy Capital 5.125% 1/12/2025	147	0.09	£100,000	BNG Bank 1.25% 15/12/2021	101	0.06
£90,000	Council Of Europe Development Bank 0.625% 15/6/2022	91	0.06	£100,000	Caisse des Depots et Consignations 1% 25/1/2021	100	0.06
£110,000	Coventry Building Society 1.5% 23/1/2023	112	0.07	£250,000	CPPIB Capital 0.375% 25/7/2023	250	0.16
£100,000	Daimler International Finance 1.625% 11/11/2024	99	0.06	£100,000	Kommunalbanken 1.125% 15/12/2021	101	0.06
£100,000	Dexia Credit Local 1.125% 15/6/2022	101	0.06	£102,000	Kommunalbanken 1.125% 30/11/2022	104	0.07
£100,000	DWR Cymru Financing UK 1.375% 31/3/2033	100	0.06	£100,000	Kommunekredit 1.375% 12/10/2022	103	0.06
£100,000	HSBC 2.175% 27/6/2023	101	0.06	£257,000	United Kingdom Gilt 0.125% 31/1/2023	258	0.16
£78,000	International Development Association 0.75% 12/12/2024	80	0.05	£209,000	United Kingdom Gilt 0.125% 30/1/2026	211	0.13
£160,000	Landeskreditbank Baden-Wuerttemberg Foerderbank 0.875% 7/3/2022	162	0.10	£416,000	United Kingdom Gilt 0.375% 22/10/2030	422	0.26
£341,000	LCR Finance 4.5% 7/12/2028	451	0.28	£86,000	United Kingdom Gilt 0.5% 22/10/2061	84	0.05
£100,000	Lloyds Banking 1.875% 15/1/2026	100	0.06	£229,000	United Kingdom Gilt 0.625% 7/6/2025	237	0.15
£200,000	NRW Bank 0.375% 16/12/2024	200	0.13	£212,000	United Kingdom Gilt 0.625% 22/10/2050	210	0.13
£100,000	NRW Bank 1% 15/6/2022	101	0.06	£164,000	United Kingdom Gilt 0.875% 22/10/2029	175	0.11
£100,000	NRW Bank 1.375% 15/12/2023	103	0.07	£61,000	United Kingdom Gilt 1.25% 22/10/2041	69	0.04
				£264,000	United Kingdom Gilt 1.5% 22/7/2047	321	0.20
				£149,000	United Kingdom Gilt 1.625% 22/10/2028	168	0.10
				£189,000	United Kingdom Gilt 1.625% 22/10/2054	248	0.15
				£170,000	United Kingdom Gilt 1.625% 22/10/2071	258	0.16

# BlackRock Catholic Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£711,000	United Kingdom Gilt 1.75% 7/9/2037	852	0.53
£1,799,931	United Kingdom Gilt 1.75% 22/1/2049	2,324	1.44
£384,000	United Kingdom Gilt 1.75% 22/7/2057	534	0.33
£242,000	United Kingdom Gilt 2.5% 22/7/2065	430	0.27
£725,000	United Kingdom Gilt 2.75% 7/9/2024	810	0.50
£412,766	United Kingdom Gilt 3.25% 22/1/2044	648	0.40
£371,000	United Kingdom Gilt 3.5% 22/1/2045	612	0.38
£277,000	United Kingdom Gilt 3.5% 22/7/2068	623	0.39
£328,000	United Kingdom Gilt 3.75% 7/9/2021	342	0.21
£286,000	United Kingdom Gilt 3.75% 22/7/2052	548	0.34
£135,000	United Kingdom Gilt 4% 22/1/2060	300	0.19
£67,000	United Kingdom Gilt 4.25% 7/12/2027	88	0.06
£600,000	United Kingdom Gilt 4.25% 7/6/2032	879	0.55
£699,000	United Kingdom Gilt 4.25% 7/3/2036	1,099	0.68
£273,000	United Kingdom Gilt 4.25% 7/9/2039	456	0.28
£571,000	United Kingdom Gilt 4.25% 7/12/2040	973	0.61
£268,000	United Kingdom Gilt 4.25% 7/12/2046	503	0.31
£187,534	United Kingdom Gilt 4.25% 7/12/2049	370	0.23
£259,000	United Kingdom Gilt 4.25% 7/12/2055	561	0.35
£347,000	United Kingdom Gilt 4.5% 7/9/2034	543	0.34
£351,000	United Kingdom Gilt 4.5% 7/12/2042	637	0.40
£140,000	United Kingdom Gilt 4.75% 7/12/2038	244	0.15
£168,000	United Kingdom Gilt 5% 7/3/2025	208	0.13
		<b>18,207</b>	<b>11.31</b>

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>US Dollar Denominated Government Bonds – 0.16%</b>			
\$291,000	United States Treasury Inflation Indexed Bonds 0.25% 15/7/2029	<b>258</b>	<b>0.16</b>
<b>COLLECTIVE INVESTMENT SCHEMES – 42.50%</b>			
<b>Equity Funds – 11.81%</b>			
40,721	BBGI SICAV SA/Fund	66	0.04
412,773	BlackRock Global Funds - European Equity Income Fund†	5,110	3.17
16,202	BlackRock Global Impact Fund†	1,635	1.02
23,780	BlackRock Strategic Funds - European Unconstrained Equity Fund†	3,164	1.97
1,717,603	Blackstone/GSO Loan Financing	1,030	0.64
3,762,194	Bluefield Solar Income Fund	5,023	3.12
7,866	HarbourVest Global Private Equity	124	0.08
161,235	Hipgnosis Songs Fund	187	0.12
91,770	International Public Partnerships	154	0.09
12,004	Pershing Square Ltd/Fund	227	0.14
157,973	Sequoia Economic Infrastructure Income Fund	164	0.10
4,001,154	SME Credit Realisation Fund	2,125	1.32
		<b>19,009</b>	<b>11.81</b>
<b>Exchange Traded Funds – 8.67%</b>			
380,610	iShares High Yield Bond ESG UCITS ETF†	1,629	1.01
515,946	iShares MSCI USA SRI UCITS ETF†	2,518	1.57
85,600	iShares Physical Gold ETC†	2,416	1.50
177,300	iShares Physical Silver ETC†	2,516	1.56
829,556	iShares USD High Yield Bond ESG UCITS ETF†	3,228	2.01
21,100	iShares USD High Yield Bond UCITS ETF†	1,640	1.02
		<b>13,947</b>	<b>8.67</b>
<b>Investment Trusts – 10.71%</b>			
67,495	3i Infrastructure	197	0.12

# BlackRock Catholic Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
4,430,000	Aquila European Renewables Income Fund	3,987	2.48
3,826,802	Baillie Gifford US Growth Trust	8,113	5.04
349,655	BlackRock Smaller Cos Trust†	4,461	2.77
47,462	HgCapital Trust PLC/Fund	112	0.07
79,822	Hicl Infrastructure	137	0.09
864,281	Schroder UK Public Private	221	0.14
		<b>17,228</b>	<b>10.71</b>

### Property Funds – 10.12%

8,836,897	COIF Charities Property Fund	9,675	6.01
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Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
7,764,498	Starwood European Real Estate Finance	6,615	4.11
		<b>16,290</b>	<b>10.12</b>
<b>Short-term Money Market Funds – 1.19%</b>			
19,186	Institutional Cash Series plc - Institutional Sterling Liquidity Environmentally Aware Fund - Agency Income class†	<b>1,919</b>	<b>1.19</b>

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
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### DERIVATIVES – (0.40%)

#### Forward Currency Contracts – (0.40%)

AU\$70,000	Australian dollar vs UK sterling	2	0.00
AU\$11,645,256	Australian dollar vs US dollar	432	0.27
€190,000	Euro vs UK sterling	7	0.00
€5,410,000	Euro vs US dollar	(30)	(0.02)
SG\$13,187,341	Singapore dollar vs US dollar	35	0.03
KRW 9,061,692,000	South Korean won vs US dollar	36	0.02
SEK 36,082,334	Swedish krona vs US dollar	201	0.11
£40,045	UK sterling vs Australian dollar	(4)	0.00
£619,780	UK sterling vs Euro	(22)	(0.01)
£9,198,184	UK sterling vs US dollar	(73)	(0.04)
US\$7,485,000	US dollar vs Australian dollar	(356)	(0.23)
US\$1,937,970	US dollar vs Euro	(37)	(0.02)
US\$2,860,000	US dollar vs Indonesian rupiah	(99)	(0.06)
US\$9,410,000	US dollar vs Singapore dollar	(187)	(0.11)
US\$11,350,000	US dollar vs South Korean won	(265)	(0.16)
US\$3,625,000	US dollar vs Swedish krona	(247)	(0.15)
US\$6,261,934	US dollar vs UK sterling	(43)	(0.03)
		<b>(650)</b>	<b>(0.40)</b>

#### Futures – (0.14%)

(73)	Euro Stoxx 50 September 2020	(20)	(0.01)
1	Euro-BTP September 2020	2	0.00
(6)	Euro-Bund September 2020	(11)	(0.01)
3	Euro-OAT September 2020	5	0.00
(26)	FTSE 100 September 2020	(3)	0.00
52	S&P 500 E-Mini September 2020	(219)	(0.14)



# BlackRock Catholic Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
(9)	US 10 Year Ultra July 2020	24	0.02
2	US 10 Year Ultra September 2020 <sup>^</sup>	-	0.00
		<b>(222)</b>	<b>(0.14)</b>
<b>Options – 0.14%</b>			
(680)	CBOE Call Option 22/07/2020 50	(47)	(0.03)
(181)	CBOE Put Option 19/08/2020 30	(61)	(0.04)
(363)	CBOE Put Option 22/07/2020 30	(103)	(0.07)
120	Dax Call Option 17/07/2020 12500	131	0.08
(120)	Dax Call Option 17/07/2020 13000	(38)	(0.02)
252	Euro Stoxx 50 Call Option 18/12/2020 3450	258	0.16
213	Euro Stoxx 50 Call Option 18/12/2020 4000	14	0.01
43	Russell 2000 E-Mini Call Option 17/07/2020 1480	80	0.05
(43)	Russell 2000 E-Mini Call Option 17/07/2020 1550	(17)	(0.01)
(20)	S&P 500 E-Mini Put Option 17/07/2020 2500	(4)	0.00
20	S&P 500 E-Mini Put Option 17/07/2020 2750	12	0.01
		<b>225</b>	<b>0.14</b>
<b>Portfolio of investments</b>		<b>156,179</b>	<b>97.05</b>
Net other assets		4,752	2.95
<b>Total net assets</b>		<b>160,931</b>	<b>100.00</b>

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

The counterparties for the forward currency contracts are Bank of America Merrill Lynch, Barclays Bank Plc, BNP Paribas Arbitrage SNC, Goldman Sachs International, HSBC Bank Plc, Royal Bank of Canada, Royal Bank of Scotland Plc, Société Générale SA, State Street Global Advisors Limited, Toronto-Dominion Bank and UBS AG.

<sup>†</sup> Managed by a related party.

<sup>^</sup> Investments which are less than £500 are rounded to zero.

# BlackRock Catholic Charities Growth & Income Fund

## Statement of Total Return

for the period 6 December 2019 to 30 June 2020

	Notes	£000's	For the period from 6.12.2019 to 30.6.2020 £000's
Income			
Net capital losses	2		(4,201)
Revenue	3	4,055	
Expenses	4	(502)	
Interest Payable and Similar Charges		(4)	
Net revenue before taxation		3,549	
Taxation	6	(33)	
Net revenue after taxation			3,516
Total return before distributions			(685)
Distributions	7		(3,949)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(4,634)</b>

## Statement of Change in Net Assets Attributable to Unitholders

for the period 6 December 2019 to 30 June 2020

	£000's	For the period from 6.12.2019 to 30.6.2020 £000's
<b>Opening net assets attributable to unitholders</b>		–
Amounts receivable on issue of units	203	
In-Specie from terminated CIF entity	167,401	
Amounts payable on cancellation of units	(2,945)	
		164,659
Change in net assets attributable to unitholders from investment activities		(4,634)
Retained distribution on accumulation units		331
Movement in Income Reserve Account [see note 13]		575
<b>Closing net assets attributable to unitholders</b>		<b>160,931</b>

# BlackRock Catholic Charities Growth & Income Fund

## Balance Sheet

at 30 June 2020

	Notes	30.6.2020 £000's
<b>Assets:</b>		
Fixed assets		
– Investment assets		158,065
Current assets		
– Debtors	8	898
– Cash and bank balances	9	6,217
<b>Total assets</b>		<b>165,180</b>
<b>Liabilities:</b>		
Investment liabilities		(1,886)
Creditors		
– Distributions payable		(1,883)
– Other creditors	10	(480)
<b>Total liabilities</b>		<b>(4,249)</b>
<b>Net assets attributable to unitholders</b>		<b>160,931</b>

M T Zemek (Director)  
G D Bamping (Director)  
BlackRock Fund Managers Limited  
24 August 2020

# BlackRock Catholic Charities Growth & Income Fund

## Notes to Financial Statements

for the period from 6 December 2019 to 30 June 2020

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 21 to 23.

### 2. Net Capital Losses

	For the period from 6.12.2019 to 30.6.2020 £000's
The net capital losses comprise:	
Losses on non-derivative securities	(7,141)
Gains on derivative securities	2,863
Currency gains	72
Manager's charge rebates	12
Custodian transaction costs	(7)
<b>Net capital losses</b>	<b>(4,201)</b>

Net losses (excluding transaction costs and management charge rebates ) listed above of £(4,206,000) comprise net realised losses of £(1,546,000) and net unrealised losses of £(2,660,000).

### 3. Revenue

	For the period from 6.12.2019 to 30.6.2020 £000's
Equity distributions on CIS holdings	261
Interest from overseas fixed interest securities	12
Interest from UK bank deposits	5
Interest from UK fixed interest securities	116
Manager's charge rebates	24
Option premiums	1,467
Overseas dividends	1,154
Returns from bond futures	16
Revenue from short-term money market funds	5
Stock dividends	42
UK dividends	896
UK REIT dividends	57
<b>Total revenue</b>	<b>4,055</b>

# BlackRock Catholic Charities Growth & Income Fund

## Notes to Financial Statements

### 4. Expenses

	For the period from 6.12.2019 to 30.6.2020 £000's
Payable to the Manager or associates of the Manager:	
– Manager's charge	462
	<hr/>
	462
Other expenses:	
– Audit fee	3
– Legal and other professional fees	21
– Safe custody fees	4
– Trustee's fees	12
	<hr/>
	40
<b>Total expenses</b>	<b>502</b>

### 5. Interest Payable and Similar Charges

	For the period from 6.12.2019 to 30.6.2020 £000's
Interest on bank overdrafts	3
Interest on balances held at futures clearing houses and brokers	1
	<hr/>
<b>Total interest payable and similar charges</b>	<b>4</b>

### 6. Taxation

	For the period from 6.12.2019 to 30.6.2020 £000's
Overseas tax	33
	<hr/>
<b>Total tax charge</b>	<b>33</b>

# BlackRock Catholic Charities Growth & Income Fund

## Notes to Financial Statements

### 7. Distributions

	For the period from 6.12.2019 to 30.6.2020 £000's
First distribution	69
Second distribution	1,205
Final distribution	2,090
	3,364
Add: Movement in Income Reserve Account [see note 13]	575
Add: Amounts deducted on cancellation of units	10
<b>Distributions</b>	<b>3,949</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	3,516
Add: Management expenses reimbursed by capital	433
<b>Distributions</b>	<b>3,949</b>

### 8. Debtors

	30.6.2020 £000's
Accrued Manager's charge rebates	14
Accrued revenue	499
Overseas tax recoverable	16
Sales awaiting settlement	369
<b>Total debtors</b>	<b>898</b>

### 9. Cash and Bank Balances

	30.6.2020 £000's
Amount held at futures clearing houses and brokers	1,633
Cash and bank balances	4,584
<b>Total cash and bank balances</b>	<b>6,217</b>

# BlackRock Catholic Charities Growth & Income Fund

## Notes to Financial Statements

### 10. Other Creditors

	<b>30.6.2020</b>
	<b>£000's</b>
Accrued Audit fee	3
Accrued Legal and other professional fees	17
Accrued Manager's charge	194
Accrued Safe custody fees	4
Accrued Trustee's fee	5
Custodian transaction costs	6
Purchases awaiting settlement	251
<b>Total other creditors</b>	<b>480</b>

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date.

### 12. Related Parties

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

The following entities were related parties of the Fund during the period ended 30 June 2020:

Manager/Registrar: BlackRock Fund Managers Limited  
Investment Manager: BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA. During the period to 30 June 2020 PNC Financial Services Group Inc. ("PNC"), was a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Fund during the period to 30 June 2020. On 11 May 2020, PNC announced its intent to sell its investment in BlackRock, Inc. through a registered offering and related buyback by BlackRock.

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the period end are disclosed in notes 8 and 10. Management fees and registration fees paid to the Manager are shown in note 4. The balances due at the period end in respect of these fees are shown in note 10.

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

# BlackRock Catholic Charities Growth & Income Fund

## Notes to Financial Statements

### 12. Related Parties

underlying funds which are not subject to any management charges. Alternatively, where this is not possible, the Manager will rebate management charges to the Fund. The Fund will not be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

The Fund's investments in other BlackRock related party entities are individually identified in the Portfolio Statement.

As at 30 June 2020, none of the unitholders:

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

### 13. Income Reserve Account

	For the period from 6.12.2019 to 30.6.2020 £000's
Opening balance as transferred from terminated CIF	2,299
Net decrease in respect of units created and cancelled	(10)
Increase in Revenue	585
<b>Revenue Carried Forward</b>	<b>2,874</b>



# BlackRock Catholic Charities Growth & Income Fund

## Notes to Financial Statements

### 14. Portfolio Transaction Costs

For the period ended 30 June 2020

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	20,582	8	0.04	1	0.00
Debt instruments	22,616	–	–	–	–
Collective investment schemes	34,286	7	0.02	11	0.03
<b>Total purchases</b>	<b>77,484</b>	<b>15</b>		<b>12</b>	
<b>Total purchases including transaction costs</b>	<b>77,511</b>				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	26,081	9	0.03	–	–
Debt instruments	24,289	–	–	–	–
Collective investment schemes	21,808	3	0.01	–	–
<b>Total sales</b>	<b>72,178</b>	<b>12</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>72,166</b>				
<b>Derivative transaction costs</b>		<b>13</b>		<b>–</b>	
<b>Total transaction costs</b>		<b>40</b>		<b>12</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.02%</b>		<b>0.01%</b>	

The above analysis covers direct transaction costs incurred by the Fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

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

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

# BlackRock Catholic Charities Growth & Income Fund

## Notes to Financial Statements

### 14. Portfolio Transaction Costs

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

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.64%.

### 15. Units in Issue

The movement in units in issue for the period from 06 December 2019 to 30 June 2020 is as follows:

	A Income Units	A Accumulation Units
Balance at the beginning of the period	–	–
In-specified from terminated CIF	104,392,436	8,174,616
Issued during the period	132,979	1,913
Cancelled during the period	(1,966,012)	(75,738)
<b>Balance at the end of the period</b>	<b>102,559,403</b>	<b>8,100,791</b>

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

### 16. Subsequent Events

There have been no significant events subsequent to the period end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the period ended 30 June 2020.



# BlackRock Charities Growth & Income Fund

## Performance Record

### Comparative Table

	A Income Units	A Accumulation Units
	Since inception to 30.6.2020	Since inception to 30.6.2020
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	100.0	100.0
Return before operating charges	5.66	4.66
Operating charges	(0.57)	(0.38)
Return after operating charges	5.09	4.28
Distributions	(2.76)	(2.15)
Retained distributions on accumulation units	N/A	2.15
<b>Closing net asset value per unit</b>		
After direct transaction costs of	(0.08)	(0.05)
<b>Performance</b>		
Return after charges <sup>1</sup>	5.09%	4.28%
<b>Other information</b>		
Closing net asset value (£000's)	18,177	7,099
Closing number of units	17,763,533	6,807,883
Operating charges <sup>2</sup>	0.54%	0.54%
Direct transaction costs <sup>3</sup>	0.08%	0.11%
<b>Prices</b>		
Highest offer unit price	107.5	107.7
Lowest bid unit price	84.61	84.79

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

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

<sup>3</sup> Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments, debt instruments and collective investment schemes.

See note 14 for further details.

# BlackRock Charities Growth & Income Fund

## Performance Record

### Comparative Table

	X Accumulation Units	C Income Units
	Since inception to 30.6.2020	Since inception to 30.6.2020
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	100.0	100.0
Return before operating charges	5.79	1.83
Operating charges	(0.10)	(0.27)
Return after operating charges	5.69	1.56
Distributions	(2.97)	(1.88)
Retained distributions on accumulation units	2.97	N/A
<b>Closing net asset value per unit</b>		
After direct transaction costs of	(0.08)	(0.04)
<b>Performance</b>		
Return after charges <sup>1</sup>	5.69%	1.56%
<b>Other information</b>		
Closing net asset value (£000's)	10,822	55,089
Closing number of units	10,238,724	55,264,781
Operating charges <sup>2</sup>	0.09%	0.47%
Direct transaction costs <sup>3</sup>	0.08%	0.13%
<b>Prices</b>		
	Pence per unit	Pence per unit
Highest offer unit price	109.0	110.0
Lowest bid unit price	85.83	82.46

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

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

<sup>3</sup> Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments, debt instruments and collective investment schemes.

See note 14 for further details.

# BlackRock Charities Growth & Income Fund

## Performance Record

### Comparative Table

	C Accumulation Units
	Since inception to 30.6.2020
	Pence per unit
<b>Change in net assets per unit</b>	
Opening net asset value per unit	100.0
Return before operating charges	2.93
Operating charges	(0.26)
Return after operating charges	2.67
Distributions	(1.77)
Retained distributions on accumulation units	1.77
<b>Closing net asset value per unit</b>	102.7
After direct transaction costs of	(0.04)
<b>Performance</b>	
Return after charges <sup>1</sup>	2.67%
<b>Other information</b>	
Closing net asset value (£000's)	17,245
Closing number of units	16,796,848
Operating charges <sup>2</sup>	0.48%
Direct transaction costs <sup>3</sup>	0.15%
<b>Prices</b>	
Highest offer unit price	111.3
Lowest bid unit price	83.47

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

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

<sup>3</sup> Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments, debt instruments and collective investment schemes.

See note 14 for further details.

# BlackRock Charities Growth & Income Fund

## Distribution Tables

for the period from 13 June 2019 to 30 June 2020

### Final Distribution in Pence per Unit

For the period from 1 April 2020 to 30 June 2020

	A Income Units	A Accumulation Units
Distribution paid 20.7.2020	1.0372	1.1436

  

	X Accumulation Units	C Income Units
Distribution paid 20.7.2020	1.0836	1.1450

  

	C Accumulation Units
Distribution paid 20.7.2020	1.1895

### Fourth Interim Distribution in Pence per Unit

For the period 1 January 2020 to 31 March 2020

	A Income Units	A Accumulation Units
Distribution paid 20.4.2020	0.6000	0.5696

  

	X Accumulation Units	C Income Units
Distribution paid 20.4.2020	0.6595	0.5182

  

	C Accumulation Units
Distribution paid 20.4.2020	0.4983

### Third Interim Distribution in Pence per Unit

For the period from 1 October 2019 to 31 December 2019

	A Income Units	A Accumulation Units
Distribution paid 20.1.2020	0.6000	0.4353

  

	X Accumulation Units	C Income Units
Distribution paid 20.1.2020	0.6470	0.2119

  

	C Accumulation Units
Distribution paid 20.1.2020	0.0773

# BlackRock Charities Growth & Income Fund

## Distribution Tables

### Second Interim Distribution in Pence per Unit

For the period from 1 July 2019 to 30 September 2019

	A Income Units	X Accumulation Units
Distribution paid 21.10.2019	0.4500	0.4918

### First Interim Distribution in Pence per Unit

For the period from 13 June 2019 to 30 June 2019

	A Income Units	X Accumulation Units
Distribution paid 22.7.2019	0.0720	0.0849



# BlackRock Charities Growth & Income Fund

## Portfolio Statement

at 30 June 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>EQUITIES – 38.25%</b>			
<b>AUSTRALIA – 0.50%</b>			
Mining – 0.50%	33,139 BHP	548	0.50
<b>BERMUDA – 0.42%</b>			
Insurance – 0.42%	58,296 Hiscox	460	0.42
<b>BRAZIL – 0.06%</b>			
Diversified Financial Services – 0.06%	2,379 Pagueseguro Digital	68	0.06
<b>DENMARK – 0.08%</b>			
Pharmaceuticals – 0.08%	1,703 Novo Nordisk	89	0.08
<b>FRANCE – 0.50%</b>			
Apparel – 0.14%	127 Hermes International	86	0.08
	161 Kering	71	0.06
		157	0.14
<b>Commercial Services – 0.08%</b>			
	1,254 Worldline SA/France	88	0.08
<b>Computers – 0.12%</b>			
	992 Ingenico	128	0.12
<b>Cosmetics &amp; Personal Care – 0.08%</b>			
	318 L'Oreal	83	0.08
<b>Pharmaceuticals – 0.08%</b>			
	1,029 Sanofi	85	0.08
<b>GERMANY – 0.38%</b>			
Apparel – 0.14%	309 adidas	66	0.06
	1,464 Puma	92	0.08
		158	0.14
<b>Automobile Manufacturers – 0.12%</b>			
	1,259 Bayerische Motoren Werke	65	0.06
	542 Volkswagen	71	0.06
		136	0.12
<b>Automobile Parts &amp; Equipment – 0.05%</b>			
	625 Continental	50	0.05

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Miscellaneous Manufacturing – 0.07%</b>			
	750 Siemens	72	0.07
<b>IRELAND – 0.36%</b>			
<b>Investment Companies – 0.03%</b>			
	25,885 Greencoat Renewables	28	0.03
<b>Retail – 0.33%</b>			
	53,999 Grafton	356	0.33
<b>ISRAEL – 0.11%</b>			
<b>Computers – 0.11%</b>			
	759 Check Point Software Technologies	66	0.06
	653 CyberArk Software	52	0.05
		118	0.11
<b>JAPAN – 0.19%</b>			
<b>Automobile Manufacturers – 0.07%</b>			
	1,500 Toyota Motor	76	0.07
<b>Machinery Diversified – 0.07%</b>			
	500 FANUC	72	0.07
<b>Software – 0.05%</b>			
	3,000 FFRI Security	54	0.05
<b>NETHERLANDS – 1.05%</b>			
<b>Commercial Services – 0.12%</b>			
	107 Adyen	126	0.12
<b>Oil &amp; Gas Producers – 0.93%</b>			
	82,471 Royal Dutch Shell	1,009	0.93
<b>SPAIN – 0.04%</b>			
<b>Banks – 0.04%</b>			
	19,856 Banco Santander	39	0.04
<b>SWITZERLAND – 0.15%</b>			
<b>Food Producers – 0.07%</b>			
	874 Nestle	78	0.07
<b>Pharmaceuticals – 0.08%</b>			
	322 Roche	90	0.08
<b>UNITED KINGDOM – 26.73%</b>			
<b>Alternative Energy Sources – 0.70%</b>			
	217,538 John Laing	758	0.70
<b>Apparel – 0.48%</b>			
	32,247 Burberry	516	0.48

# BlackRock Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Banks – 1.80%</b>				25,420	Trainline	110	0.10
111,382	HSBC	421	0.39			<b>667</b>	<b>0.61</b>
2,326,201	Lloyds Banking	725	0.67	<b>Investment Companies – 0.98%</b>			
183,511	Standard Chartered	807	0.74	1,007,867	Sdcl Energy Efficiency Income Trust	<b>1,068</b>	<b>0.98</b>
		<b>1,953</b>	<b>1.80</b>	<b>Lodging – 0.49%</b>			
<b>Commercial Services – 1.90%</b>				1,353	InterContinental Hotels	48	0.04
90,255	RELX	1,688	1.56	21,858	Whitbread	485	0.45
71,504	Rentokil Initial	364	0.34			<b>533</b>	<b>0.49</b>
		<b>2,052</b>	<b>1.90</b>	<b>Media – 0.16%</b>			
<b>Computers – 0.07%</b>				37,182	Informa	<b>175</b>	<b>0.16</b>
40,681	NCC	<b>72</b>	<b>0.07</b>	<b>Metal &amp; Hardware – 0.30%</b>			
<b>Cosmetics &amp; Personal Care – 1.37%</b>				52,477	Bodycote	<b>329</b>	<b>0.30</b>
34,222	Unilever	<b>1,490</b>	<b>1.37</b>	<b>Mining – 1.97%</b>			
<b>Distribution &amp; Wholesale – 0.47%</b>				46,944	Rio Tinto	<b>2,135</b>	<b>1.97</b>
7,768	Ferguson	<b>514</b>	<b>0.47</b>	<b>Oil &amp; Gas Producers – 0.82%</b>			
<b>Engineering &amp; Construction – 0.29%</b>				288,343	BP	<b>886</b>	<b>0.82</b>
24,624	HomeServe	<b>320</b>	<b>0.29</b>	<b>Pharmaceuticals – 2.92%</b>			
<b>Food Producers – 1.61%</b>				28,330	AstraZeneca	2,386	2.20
27,666	Associated British Foods	530	0.49	47,978	GlaxoSmithKline	785	0.72
108,449	SSP	279	0.26			<b>3,171</b>	<b>2.92</b>
407,790	Tesco	930	0.86	<b>Private Equity – 0.73%</b>			
		<b>1,739</b>	<b>1.61</b>	51,614	3i	430	0.40
<b>Gas – 1.10%</b>				27,611	Intermediate Capital	356	0.33
120,801	National Grid	<b>1,194</b>	<b>1.10</b>			<b>786</b>	<b>0.73</b>
<b>Healthcare Products – 0.71%</b>				<b>Real Estate Investment Trusts – 1.61%</b>			
50,856	Smith & Nephew	<b>766</b>	<b>0.71</b>	1,786,330	Triple Point Social Housing Reit	<b>1,743</b>	<b>1.61</b>
<b>Home Builders – 0.80%</b>				<b>Retail – 0.85%</b>			
8,597	Berkeley	358	0.33	14,891	Next	729	0.67
354,937	Taylor Wimpey	505	0.47	17,904	WH Smith	196	0.18
		<b>863</b>	<b>0.80</b>			<b>925</b>	<b>0.85</b>
<b>Household Products – 1.65%</b>				<b>Telecommunications – 0.54%</b>			
24,070	Reckitt Benckiser	<b>1,789</b>	<b>1.65</b>	454,681	Vodafone	<b>586</b>	<b>0.54</b>
<b>Insurance – 1.52%</b>				<b>Water – 0.28%</b>			
205,557	M&G	344	0.32	33,621	United Utilities	<b>306</b>	<b>0.28</b>
81,315	Phoenix	524	0.48	<b>UNITED STATES OF AMERICA – 7.68%</b>			
64,079	Prudential	781	0.72	<b>Apparel – 0.08%</b>			
		<b>1,649</b>	<b>1.52</b>	1,080	NIKE	<b>86</b>	<b>0.08</b>
<b>Internet – 0.61%</b>							
102,064	Rightmove	557	0.51				

# BlackRock Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Banks – 0.13%</b>			
472	Goldman Sachs	75	0.07
818	JPMorgan Chase &	62	0.06
		<b>137</b>	<b>0.13</b>
<b>Beverages – 0.13%</b>			
1,731	Coca-Cola	63	0.06
671	PepsiCo	72	0.07
		<b>135</b>	<b>0.13</b>
<b>Biotechnology – 0.09%</b>			
510	Amgen	<b>97</b>	<b>0.09</b>
<b>Commercial Services – 0.39%</b>			
528	Euronet Worldwide	41	0.04
2,849	Evo Payments	53	0.05
548	Global Payments	75	0.07
748	PayPal	105	0.10
4,328	Sabre	28	0.03
1,220	Square	104	0.10
		<b>406</b>	<b>0.39</b>
<b>Computers – 1.29%</b>			
1,093	Apple	323	0.30
10,713	Conduent	21	0.02
2,506	ForeScout Technologies	43	0.04
2,356	Fortinet	262	0.24
704	International Business Machines	69	0.06
1,550	NetApp	56	0.05
6,306	OneSpan	142	0.13
988	Qualys	83	0.08
1,633	Rapid7	67	0.06
2,183	Seagate Technology	85	0.08
6,282	SecureWorks	58	0.05
1,390	Varonis Systems	99	0.09
1,118	Zscaler	99	0.09
		<b>1,407</b>	<b>1.29</b>
<b>Cosmetics &amp; Personal Care – 0.14%</b>			
1,222	Colgate-Palmolive	72	0.07
816	Procter & Gamble	79	0.07
		<b>151</b>	<b>0.14</b>
<b>Diversified Financial Services – 0.40%</b>			
693	Mastercard	166	0.15
1,737	Visa	271	0.25
		<b>437</b>	<b>0.40</b>

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Electronics – 0.08%</b>			
1,271	Agilent Technologies	<b>91</b>	<b>0.08</b>
<b>Internet – 1.53%</b>			
195	Alphabet	224	0.21
113	Amazon.com	252	0.23
1,270	F5 Networks	143	0.13
1,211	Facebook	223	0.21
5,954	FireEye	59	0.05
1,927	Mimecast	65	0.06
9,466	NortonLifeLock	152	0.14
664	Okta	108	0.10
924	Palo Alto Networks	172	0.16
784	Proofpoint	70	0.06
876	VeriSign	147	0.13
9,500	Zix	53	0.05
		<b>1,668</b>	<b>1.53</b>
<b>Leisure Time – 0.03%</b>			
717	Royal Caribbean Cruises	<b>29</b>	<b>0.03</b>
<b>Media – 0.05%</b>			
658	Walt Disney	<b>59</b>	<b>0.05</b>
<b>Office &amp; Business Equipment – 0.09%</b>			
492	Zebra Technologies	<b>102</b>	<b>0.09</b>
<b>Pharmaceuticals – 0.07%</b>			
630	Johnson & Johnson	<b>72</b>	<b>0.07</b>
<b>Retail – 0.12%</b>			
436	McDonald's	65	0.06
1,075	Starbucks	64	0.06
		<b>129</b>	<b>0.12</b>
<b>Semiconductors – 0.71%</b>			
911	Analog Devices	90	0.08
340	Broadcom	87	0.08
4,572	Intel	221	0.20
3,960	Marvell Technology	112	0.10
651	NVIDIA	200	0.18
4,806	ON Semiconductor	77	0.07
		<b>787</b>	<b>0.71</b>
<b>Software – 1.95%</b>			
765	Adobe	269	0.25
1,083	Akamai Technologies	94	0.09
483	ANSYS	114	0.10
769	Aspen Technology	64	0.06
1,373	Cadence Design Systems	107	0.10
306	Fair Isaac	104	0.10

# BlackRock Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
1,358	Fidelity National Information Services	147	0.14	73,798	Blackstone/GSO Loan Financing	44	0.04
3,020	Fiserv	238	0.22	1,776,372	Bluefield Solar Income Fund	2,371	2.19
706	Intuit	169	0.16	2,941	HarbourVest Global Private Equity	46	0.04
723	Microsoft	119	0.11	60,290	Hipgnosis Songs Fund	70	0.06
15,872	MobileIron	63	0.06	34,315	International Public Partnerships	58	0.05
1,775	Oracle	79	0.07	4,489	Pershing Square Ltd/Fund	85	0.08
1,087	PTC	68	0.06	59,071	Sequoia Economic Infrastructure Income Fund	61	0.06
629	salesforce.com	95	0.09				
1,564	Splunk	251	0.23				
1,532	Verint Systems	56	0.05				
540	VMware	68	0.06				
		<b>2,105</b>	<b>1.95</b>			<b>12,518</b>	<b>11.54</b>
<b>Telecommunications – 0.34%</b>				<b>Exchange Traded Funds – 19.50%</b>			
13,948	A10 Networks	77	0.07	451,532	iShares High Yield Bond ESG UCITS ETF†	1,932	1.78
391	Arista Networks	66	0.06	16,888	iShares Core GBP Bond UCITS ETF†	2,609	2.41
3,390	Cisco Systems	128	0.12	393,465	iShares MSCI Japan SRI UCITS ETF†	1,682	1.55
5,861	CommScope	39	0.04	1,513,488	iShares MSCI USA SRI UCITS ETF†	7,387	6.81
2,996	Juniper Networks	55	0.05	79,216	iShares Physical Gold ETC†	2,236	2.06
		<b>365</b>	<b>0.34</b>	118,700	iShares Physical Silver ETC†	1,685	1.56
<b>Transportation – 0.06%</b>				928,008	iShares USD High Yield Bond ESG UCITS ETF†	3,611	3.33
555	FedEx	<b>63</b>	<b>0.06</b>			<b>21,142</b>	<b>19.50</b>
<b>BONDS – 10.28%</b>				<b>Investment Trusts – 4.43%</b>			
<b>UK Sterling Denominated Government Bonds – 10.28%</b>				25,238	3i Infrastructure	74	0.07
£2,809,593	United Kingdom Gilt 0.375% 22/10/2030	2,852	2.63	2,300,000	Aquila European Renewables Income Fund	2,070	1.91
£4,789,584	United Kingdom Gilt 1.75% 22/1/2049	6,183	5.70	1,212,835	Baillie Gifford US Growth Trust	2,571	2.37
£1,432,443	United Kingdom Gilt 4.75% 7/12/2030	2,110	1.95	17,747	HgCapital Trust PLC/Fund	42	0.04
		<b>11,145</b>	<b>10.28</b>	29,848	Hicl Infrastructure	51	0.04
<b>COLLECTIVE INVESTMENT SCHEMES – 47.48%</b>						<b>4,808</b>	<b>4.43</b>
<b>Equity Funds – 11.54%</b>				<b>Property Funds – 7.14%</b>			
15,227	BBGI SICAV SA/Fund	25	0.02	3,280,083	COIF Charities Property Fund	3,591	3.31
146,884	BlackRock Global Funds - European Equity Income Fund†	1,818	1.68	4,870,243	Starwood European Real Estate Finance	4,150	3.83
10,846	BlackRock Global Impact Fund†	1,095	1.01			<b>7,741</b>	<b>7.14</b>
403,074	BlackRock Growth and Recovery Fund†	2,909	2.68				
29,584	BlackRock Strategic Funds - European Unconstrained Equity Fund†	3,936	3.63				

# BlackRock Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Short-term Money Market Funds – 4.87%</b>			
52,776	Institutional Cash Series plc - Institutional Sterling Liquidity Environmentally Aware Fund - Agency Income class <sup>†</sup>	<b>5,279</b>	<b>4.87</b>

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>DERIVATIVES – (0.29%)</b>			
<b>Forward Currency Contracts – (0.44%)</b>			
AU\$6,120,836	Australian dollar vs US dollar	173	0.17
€6,045,000	Euro vs US dollar	(33)	(0.03)
SG\$7,354,575	Singapore dollar vs US dollar	10	0.02
KRW 3,383,024,500	South Korean won vs US dollar	12	0.00
SEK 13,934,966	Swedish krona vs US dollar	79	0.08
£697,262	UK sterling vs Euro	(19)	(0.02)
£6,110,000	UK sterling vs US dollar	(75)	(0.07)
US\$4,000,000	US dollar vs Australian dollar	(187)	(0.18)
US\$1,317,600	US dollar vs Euro	(25)	(0.02)
US\$1,925,000	US dollar vs Indonesian rupiah	(68)	(0.06)
US\$5,260,000	US dollar vs Singapore dollar	(100)	(0.11)
US\$5,400,000	US dollar vs South Korean won	(127)	(0.11)
US\$1,400,000	US dollar vs Swedish krona	(96)	(0.09)
US\$2,630,665	US dollar vs UK sterling	(21)	(0.02)
		<b>(477)</b>	<b>(0.44)</b>

### Futures – (0.02%)

45	Euro Stoxx 50 September 2020	(5)	0.00
8	S&P 500 E-Mini September 2020	(34)	(0.03)
16	US 10 Year Note (CBT) September 2020	5	0.00
(3)	US 10 Year Ultra July 2020	8	0.01
		<b>(26)</b>	<b>(0.02)</b>

### Options – 0.17%

(378)	CBOE Call Option 22/07/2020 50	(26)	(0.02)
(123)	CBOE Put Option 19/08/2020 30	(41)	(0.04)
(137)	CBOE Put Option 22/07/2020 30	(39)	(0.04)
81	Dax Call Option 17/07/2020 12500	89	0.08
(81)	Dax Call Option 17/07/2020 13000	(26)	(0.02)
174	Euro Stoxx 50 Call Option 18/12/2020 3450	178	0.16
77	Euro Stoxx 50 Call Option 18/12/2020 4000	5	0.01
29	Russell 2000 E-Mini Call Option 17/07/2020 1480	54	0.05
(29)	Russell 2000 E-Mini Call Option 17/07/2020 1550	(12)	(0.01)
(8)	S&P 500 E-Mini Put Option 17/07/2020 2500	(2)	0.00

# BlackRock Charities Growth & Income Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	8 S&P 500 E-Mini Put Option 17/07/2020 2750	5	0.00
		<b>185</b>	<b>0.17</b>
<b>Portfolio of investments</b>		<b>103,794</b>	<b>95.72</b>
	Net other assets	4,638	4.28
<b>Total net assets</b>		<b>108,432</b>	<b>100.00</b>

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

The counterparties for the forward currency contracts are Bank of America Merrill Lynch, Barclays Bank Plc, BNP Paribas Arbitrage SNC, Citigroup Global Markets Limited, Goldman Sachs International, HSBC Bank Plc, Morgan Stanley & Co. International Plc, Royal Bank of Canada, Royal Bank of Scotland Plc, Société Générale SA, Standard Chartered Bank and UBS AG.

† Managed by a related party.

# BlackRock Charities Growth & Income Fund

## Statement of Total Return

for the period from 13 June 2019 to 30 June 2020

			For the period from 13.6.2019 to 30.6.2020 £000's
	Notes	£000's	£000's
Income			
Net capital gains	2		2,103
Revenue	3	2,129	
Expenses	4	(207)	
Interest payable and similar charges	5	(2)	
Net revenue before taxation		1,920	
Taxation	6	(11)	
Net revenue after taxation			1,909
Total return before distributions			4,012
Distributions	7		(2,022)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>1,990</b>

## Statement of Change in Net Assets Attributable to Unitholders

for the period from 13 June 2019 to 30 June 2020

		For the period from 13.6.2019 to 30.6.2020 £000's
	£000's	£000's
<b>Opening net assets attributable to unitholders</b>		<b>-</b>
Amounts receivable on issue of units	89,047	
In-Specie from other CAIF entity	35,143	
Amounts payable on cancellation of units	(18,891)	
		105,299
Dilution adjustment		31
Stamp duty reserve tax		(1)
Change in net assets attributable to unitholders from investment activities		1,990
Retained distribution on accumulation units		716
Movement in Income Reserve Account [see note 13]		397
<b>Closing net assets attributable to unitholders</b>		<b>108,432</b>

# BlackRock Charities Growth & Income Fund

## Balance Sheet

at 30 June 2020

	Notes	30.6.2020 £000's
<b>Assets:</b>		
Fixed assets		
– Investment assets		104,730
Current assets		
– Debtors	8	146
– Cash and bank balances	9	5,419
<b>Total assets</b>		<b>110,295</b>
<b>Liabilities:</b>		
Investment liabilities		(936)
Creditors		
– Distributions payable		(817)
– Other creditors	10	(110)
<b>Total liabilities</b>		<b>(1,863)</b>
<b>Net assets attributable to unitholders</b>		<b>108,432</b>

M T Zemek (Director)

G D Bamping (Director)

BlackRock Fund Managers Limited

24 August 2020



# BlackRock Charities Growth & Income Fund

## Notes to Financial Statements

for the period from 13 June 2019 to 30 June 2020

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 21 to 23.

### 2. Net Capital Gains

	For the period from 13.6.2019 to 30.6.2020 £000's
The net capital gains comprise:	
Gains on non-derivative securities	1,554
Gains on derivative securities	546
Currency gains	17
Custodian transaction costs	(14)
<b>Net capital gains</b>	<b>2,103</b>

Net gains (excluding transaction costs) listed above of £2,117,000 comprise net realised losses of £(564,000) and net unrealised gains of £2,681,000.

### 3. Revenue

	For the period from 13.6.2019 to 30.6.2020 £000's
Equity distributions on CIS holdings	160
Interest from overseas fixed interest securities	8
Interest from UK bank deposits	7
Interest from UK fixed interest securities	21
Manager's charge rebates	48
Option premiums	751
Overseas dividends	603
Returns from bond futures	11
Revenue from short-term money market funds	3
Stock dividends	6
UK dividends	466
UK REIT dividends	45
<b>Total revenue</b>	<b>2,129</b>

# BlackRock Charities Growth & Income Fund

## Notes to Financial Statements

### 4. Expenses

	For the period from 13.6.2019 to 30.6.2020 £000's
Payable to the Manager or associates of the Manager:	
– Manager's charge	190
	<hr/>
	190
Other expenses:	
– Audit fee	4
– Legal and other professional fees	4
– Safe custody fees	3
– Trustee's fees	6
	<hr/>
	17
<b>Total expenses</b>	<b>207</b>

### 5. Interest Payable and Similar Charges

	For the period from 13.6.2019 to 30.6.2020 £000's
Interest on bank overdrafts	2
<b>Total interest payable and similar charges</b>	<b>2</b>

### 6. Taxation

	For the period from 13.6.2019 to 30.6.2020 £000's
Overseas tax	11
<b>Total tax charge [see note(b)]</b>	<b>11</b>

# BlackRock Charities Growth & Income Fund

## Notes to Financial Statements

### 7. Distributions

	For the period from 13.6.2019 to 30.6.2020 £000's
First interim distribution	21
Second interim distribution	144
Third interim distribution	238
Fourth interim distribution	344
Final distribution	1,206
	1,953
Add: Movement in Income Reserve Account [see note 13]	397
Add: Amounts deducted on cancellation of units	53
Less: Amounts received on issue of units	(381)
<b>Distributions</b>	<b>2,022</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	1,909
Add: Management expenses reimbursed by capital	113
<b>Distributions</b>	<b>2,022</b>

### 8. Debtors

	30.6.2020 £000's
Accrued Manager's charge rebates	15
Accrued revenue	130
Overseas tax recoverable	1
<b>Total debtors</b>	<b>146</b>

### 9. Cash and Bank Balances

	30.6.2020 £000's
Amount held at futures clearing houses and brokers	671
Cash and bank balances	4,748
<b>Total cash and bank balances</b>	<b>5,419</b>

# BlackRock Charities Growth & Income Fund

## Notes to Financial Statements

### 10. Other Creditors

	30.6.2020 £000's
Accrued Audit fee	4
Accrued Manager's charge	78
Accrued Safe custody fees	1
Accrued Trustee's fee	2
Custodian transaction costs	6
Purchases awaiting settlement	19
<b>Total other creditors</b>	<b>110</b>

### 11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date.

### 12. Related Parties

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

The following entities were related parties of the Fund during the period ended 30 June 2020:

Manager/Registrar: BlackRock Fund Managers Limited  
Investment Manager: BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA. During the period to 30 June 2020 PNC Financial Services Group Inc. ("PNC"), was a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Fund during the period to 30 June 2020. On 11 May 2020, PNC announced its intent to sell its investment in BlackRock, Inc. through a registered offering and related buyback by BlackRock.

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7. Any amounts due to or from the Manager at the period end are disclosed in notes 8 and 10. Management fees and registration fees paid to the Manager are shown in note 4. The balances due at the period end in respect of these fees are shown in note 10.

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

# BlackRock Charities Growth & Income Fund

## Notes to Financial Statements

### 12. Related Parties

the Manager will rebate management charges to the Fund. The Fund will not be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

The Fund's investments in other BlackRock related party entities are individually identified in the Portfolio Statement.

As at 30 June 2020, none of the unitholders:

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

### 13. Income Reserve Account

	For the period from 13.6.2019 to 30.6.2020 £000's
Opening balance at the start of the period	-
Net increase in respect of units created and cancelled	328
Increase in Revenue	69
<b>Revenue Carried Forward</b>	<b>397</b>

# BlackRock Charities Growth & Income Fund

## Notes to Financial Statements

### 14. Portfolio Transaction Costs

For the period from 13 June 2019 to 30 June 2020

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	30,199	9	0.03	4	0.01
Debt instruments	13,704	–	–	–	–
In-Species	35,143	–	–	–	–
Collective investment schemes	55,404	8	0.01	10	0.02
<b>Total purchases</b>	<b>134,450</b>	<b>17</b>		<b>14</b>	
<b>Total purchases including transaction costs</b>	<b>134,481</b>				

  

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	10,581	4	0.04	–	–
Debt instruments	2,740	–	–	–	–
Collective investment schemes	23,152	1	0.00	–	–
<b>Total sales</b>	<b>36,473</b>	<b>5</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>36,468</b>				
<b>Derivative transaction costs</b>		<b>5</b>		<b>–</b>	
<b>Total transaction costs</b>		<b>27</b>		<b>14</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.05%</b>		<b>0.03%</b>	

The above analysis covers direct transaction costs incurred by the Fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

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

# BlackRock Charities Growth & Income Fund

## Notes to Financial Statements

### 14. Portfolio Transaction Costs

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

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

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.48%.

### 15. Units in Issue

The movement in units in issue for the period from 13 June 2019 to 30 June 2020 is as follows:

	<b>A Income Units</b>	<b>A Accumulation Units</b>	<b>X Accumulation Units</b>	<b>C Income Units</b>	<b>C Accumulation Units</b>
Balance at the beginning of the period	–	–	–	–	–
Issued during the period	24,933,344	6,807,883	10,446,735	66,652,115	16,944,107
Cancelled during the period	(7,169,811)	–	(208,010)	(11,387,334)	(147,259)
<b>Balance at the end of the period</b>	<b>17,763,533</b>	<b>6,807,883</b>	<b>10,238,725</b>	<b>55,264,781</b>	<b>16,796,848</b>

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

### 16. Subsequent Events

There have been no significant events subsequent to the period end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the period ended 30 June 2020.

# BlackRock Charities UK Bond Fund

## About the Fund

The Fund is a sub-fund of BlackRock Charities Funds, a non-UCITS retail scheme under the COLL Sourcebook. The Sub-Fund was established on 1 April 2019 and was authorised by the FCA on 1 April 2019. The Sub-Fund's FCA product reference number is 839485.

## Risk and Reward Profile

Unit Class	Lower risk Typically lower rewards			Higher risk Typically higher rewards			
	←		→				→
A Income	1	<b>2</b>	3	4	5	6	7
A Accumulation	1	<b>2</b>	3	4	5	6	7

- The risk indicator was calculated incorporating historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed and may change over time.
- The lowest category does not mean risk free.
- The use of derivatives will impact the value of the Fund and may expose the Fund to a higher degree of risk. Derivatives are highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains, resulting in greater fluctuations in the value of the Fund. The impact to the Fund can be greater where derivatives are used in an extensive or complex way.

For more information on this, please see the Fund's Key Investor Information Documents ("KIIDs"), which are available at [www.blackrock.com](http://www.blackrock.com).



# BlackRock Charities UK Bond Fund

## Performance Record

### Comparative Table

	A Income Units	A Accumulation Units
	6.12.2019 to 30.6.2020	6.12.2019 to 30.6.2020
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	191.9	5,186
Return before operating charges	8.56	233.9
Operating charges	(0.43)	(12.34)
Return after operating charges	8.13	221.6
Distributions	(4.34)	(117.8)
Retained distributions on accumulation units	N/A	117.8
<b>Closing net asset value per unit</b>		
After direct transaction costs of	0.00	(0.11)
<b>Performance</b>		
Return after charges <sup>1</sup>	4.24%	4.27%
<b>Other information</b>		
Closing net asset value (£000's)	170,032	18,825
Closing number of units	86,888,835	348,117
Operating charges <sup>2</sup>	0.39%	0.41%
Direct transaction costs <sup>3</sup>	0.00%	0.00%
<b>Prices</b>		
Highest offer unit price	203.3	5,502
Lowest bid unit price	182.7	4,945

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

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

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

# BlackRock Charities UK Bond Fund

## Distribution Tables

for the period from 6 December 2019 to 30 June 2020

### Final Distribution in Pence per Unit

For the period from 1 April 2020 to 30 June 2020

	A Income Units	A Accumulation Units
Distribution paid 20.7.2020	2.0000	54.6525

### Second Interim Distribution in Pence per Unit

For the period from 1 January 2020 to 31 March 2020

	A Income Units	A Accumulation Units
Distribution paid 20.4.2020	2.0000	54.1164

### First Interim Distribution in Pence per Unit

For the period from 6 December 2019 to 31 December 2019

	A Income Units	A Accumulation Units
Distribution paid 20.1.2020	0.3350	9.0530



# BlackRock Charities UK Bond Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£570,000	GKN 5.375% 19/9/2022	594	0.31	£275,000	Pension Insurance 6.5% 3/7/2024	315	0.17
£105,000	Glencore Finance Europe 3.125% 26/3/2026	108	0.06	£615,000	Porterbrook Rail Finance 6.5% 20/10/2020	623	0.33
£815,000	Goldman Sachs 7.125% 7/8/2025	1,042	0.55	£115,000	Porterbrook Rail Finance 7.125% 20/10/2026	145	0.08
£905,000	Great Rolling Stock 6.25% 27/7/2020	908	0.48	£70,000	Prudential 6.125% 19/12/2031	90	0.05
£545,000	Greene King Finance 3.593% 15/3/2035	541	0.29	£115,000	RI Finance Bonds No 3 6.125% 13/11/2028	135	0.07
£170,000	Heathrow Funding 6.75% 3/12/2028	212	0.11	£100,000	Royal Bank of Scotland 3.125% 28/3/2027	105	0.06
£2,380,000	Heathrow Funding 9.2% 29/3/2023	2,499	1.32	£645,000	Santander UK 2.92% 8/5/2026	671	0.36
£105,000	Hiscox 6.125% 24/11/2045	110	0.06	£1,680,000	Scottish Widows 5.5% 16/6/2023	1,820	0.96
£675,000	HSBC 3% 22/7/2028	715	0.38	£1,910,000	Severn Trent Utilities Finance 6.125% 26/2/2024	2,260	1.20
£665,000	HSBC 6.5% 20/5/2024	784	0.42	£300,000	Siemens Financieringsmaatschappij 0.875% 5/6/2023	302	0.16
£1,000,000	HSBC 6.75% 11/9/2028	1,281	0.68	£800,000	Society of Lloyd's 4.75% 30/10/2024	839	0.44
£1,775,000	HSBC Bank 6.5% 7/7/2023	2,001	1.06	£255,000	Society of Lloyd's 4.875% 7/2/2047	262	0.14
£150,000	Iberdrola Finanzas 6% 1/7/2022	165	0.09	£1,616,000	SP Manweb 4.875% 20/9/2027	2,002	1.06
£300,000	Iberdrola Finanzas 7.375% 29/1/2024	367	0.19	£450,000	SSE 3.625% 16/9/2077	451	0.24
£250,000	Imperial Brands Finance 5.5% 28/9/2026	299	0.16	£830,000	SSE 8.375% 20/11/2028	1,263	0.67
£210,000	Imperial Brands Finance 8.125% 15/3/2024	257	0.14	£400,000	Telecom Italia SpA/Milano 5.875% 19/5/2023	432	0.23
£1,500,000	Imperial Brands Finance 9% 17/2/2022	1,688	0.89	£435,000	Telefonica Emisiones 5.375% 2/2/2026	526	0.28
£469,000	innogy Finance 6.25% 3/6/2030	663	0.35	£165,882	Telereal Securitisation 5.3887% 10/12/2033	200	0.11
£1,310,000	innogy Finance 6.5% 20/4/2021	1,367	0.72	£317,055	Tesco Property Finance 1 7.6227% 13/7/2039	474	0.25
£600,000	Intu Metrocentre Finance 4.125% 6/12/2028	305	0.16	£490,000	Thames Water Utilities Finance 2.375% 3/5/2023	481	0.25
£1,745,000	Lloyds Bank 7.5% 15/4/2024	2,149	1.14	£410,000	Thames Water Utilities Finance 3.5% 25/2/2028	463	0.25
£1,128,000	Lloyds Bank 7.625% 22/4/2025	1,394	0.74	£220,000	Thames Water Utilities Finance 5.75% 13/9/2030	231	0.12
£2,070,000	Lloyds Bank 9.625% 6/4/2023	2,475	1.31	£390,000	UBS AG/Jersey 8.75% 18/12/2025	509	0.27
£600,000	London Power Networks 2.625% 1/3/2029	656	0.35	£1,300,000	UNITE USAF II 3.921% 30/6/2030	1,407	0.75
£765,000	London Power Networks 5.125% 31/3/2023	851	0.45	£120,000	Virgin Money UK 5% 9/2/2026	116	0.06
£305,000	M&G 5.625% 20/10/2051	329	0.17	£100,000	Volkswagen Financial Services 2.75% 10/7/2023	103	0.05
£105,000	National Express 2.375% 20/11/2028	101	0.05	£300,000	Volkswagen International Finance 3.375% 16/11/2026	320	0.17
£800,000	National Westminster Bank 6.5% 7/9/2021	839	0.44	£150,000	Walgreens Boots Alliance 3.6% 20/11/2025	155	0.08
£675,000	NGG Finance 5.625% 18/6/2073	757	0.40	£425,000	Wells Fargo & 3.5% 12/9/2029	486	0.26
£616,000	NIE Finance 6.375% 2/6/2026	797	0.42	£1,450,000	Western Power Distribution 3.625% 6/11/2023	1,529	0.81
£480,000	Orange 5.75% Perpetual 29/10/2049	519	0.27				
£522,000	Orange 5.875% Perpetual 28/2/2049	550	0.29				
£875,000	Orange 7.25% 10/11/2020	895	0.47				
£460,000	Orange 8.125% 20/11/2028	703	0.37				

# BlackRock Charities UK Bond Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£845,000	Western Power Distribution South Wales 9.25% 9/11/2020	869	0.46
£390,000	Yorkshire Building Society 3% 18/4/2025	405	0.21
£1,040,000	Yorkshire Water Finance 3.75% 22/3/2046	1,071	0.57
		<b>93,214</b>	<b>49.36</b>

### UK Sterling Denominated Government Bonds – 46.02%

£353,000	United Kingdom Gilt 0.125% 30/1/2026	355	0.19
£246,000	United Kingdom Gilt 0.5% 22/10/2061	240	0.13
£1,012,000	United Kingdom Gilt 0.625% 22/10/2050	1,004	0.53
£460,000	United Kingdom Gilt 1.625% 22/10/2071	698	0.37
£252,000	United Kingdom Gilt 1.75% 7/9/2037	302	0.16
£2,770,000	United Kingdom Gilt 2% 7/9/2025	3,071	1.63
£93,000	United Kingdom Gilt 2.5% 22/7/2065	165	0.09
£1,696,000	United Kingdom Gilt 3.25% 22/1/2044	2,663	1.41
£443,000	United Kingdom Gilt 3.5% 22/1/2045	731	0.39
£1,643,000	United Kingdom Gilt 3.5% 22/7/2068	3,697	1.96
£1,627,000	United Kingdom Gilt 3.75% 22/7/2052	3,115	1.65
£1,282,000	United Kingdom Gilt 4% 22/1/2060	2,846	1.51
£1,297,000	United Kingdom Gilt 4.25% 7/6/2032	1,900	1.01
£6,576,000	United Kingdom Gilt 4.25% 7/3/2036	10,337	5.47
£1,800,000	United Kingdom Gilt 4.25% 7/9/2039	3,008	1.59
£1,936,000	United Kingdom Gilt 4.25% 7/12/2040	3,300	1.75
£974,000	United Kingdom Gilt 4.25% 7/12/2046	1,829	0.97
£2,611,431	United Kingdom Gilt 4.25% 7/12/2049	5,147	2.72
£3,222,000	United Kingdom Gilt 4.25% 7/12/2055	6,978	3.69
£2,008,000	United Kingdom Gilt 4.5% 7/9/2034	3,143	1.66
£2,904,000	United Kingdom Gilt 4.5% 7/12/2042	5,273	2.79

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£427,000	United Kingdom Gilt 4.75% 7/12/2038	743	0.39
£6,688,018	United Kingdom Gilt 5% 7/3/2025	8,271	4.38
£12,101,869	United Kingdom Gilt 6% 7/12/2028	18,089	9.58
		<b>86,905</b>	<b>46.02</b>

### EURO – 1.22%

#### Euro Denominated Corporate Bonds – 0.22%

€260,000	Honeywell International 0% 10/3/2024	234	0.12
€200,000	RELX Finance 0% 18/3/2024	179	0.10
		<b>413</b>	<b>0.22</b>

#### Euro Denominated Government Bonds – 1.00%

€420,000	Portugal Obrigacoes do Tesouro OT 0.475% 18/10/2030	382	0.20
€1,020,000	Spain Government Bond 0.5% 30/4/2030	935	0.50
€615,000	Spain Government Bond 1.2% 31/10/2040	573	0.30
		<b>1,890</b>	<b>1.00</b>

### US DOLLAR – 0.91%

#### US Dollar Denominated Government Bonds – 0.91%

\$1,940,000	United States Treasury Inflation Indexed Bonds 0.25% 15/7/2029	<b>1,723</b>	<b>0.91</b>
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### DERIVATIVES – (0.03%)

#### Forward Currency Contracts – (0.05%)

AU\$330,000	Australian dollar vs UK sterling	12	0.01
€1,770,000	Euro vs UK sterling	40	0.02
£165,192	UK sterling vs Australian dollar	(19)	(0.01)
£4,388,298	UK sterling vs Euro	(131)	(0.07)
£3,800,788	UK sterling vs US dollar	(10)	0.00
US\$2,550,000	US dollar vs UK sterling	10	0.00
		<b>(98)</b>	<b>(0.05)</b>

#### Futures – (0.02%)

9	Euro-BTP September 2020	12	0.01
(37)	Euro-Bund September 2020	(71)	(0.04)
(1)	Euro-Buxl September 2020	(3)	0.00

# BlackRock Charities UK Bond Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
18	Euro-OAT September 2020	31	0.02
(13)	Long Gilt September 2020	(9)	(0.01)
8	US 10 Year Ultra September 2020	2	0.00
		<b>(38)</b>	<b>(0.02)</b>
<b>Inflation Swaps – 0.04%</b>			
1,396,000	Bank of America Merrill Lynch (UK sterling) 0% vs Variable 18/12/2028	46	0.02
2,221,000	Bank of America Merrill Lynch (UK sterling) 0% vs Variable 17/12/2029	72	0.04
1,009,000	Bank of America Merrill Lynch (UK sterling) 0% vs Variable 18/3/2030	8	0.00
498,000	Bank of America Merrill Lynch (UK sterling) 0% vs Variable 16/12/2049	(38)	(0.02)
		<b>88</b>	<b>0.04</b>
<b>Portfolio of investments</b>		<b>184,097</b>	<b>97.48</b>
<b>CASH EQUIVALENTS</b>			
<b>Short-term Money Market Funds – 2.27%</b>			
4,286,817	BlackRock Institutional Cash Series plc - Institutional Sterling Liquidity Fund - Agency Income class <sup>†</sup>	<b>4,287</b>	<b>2.27</b>
Net other assets		473	0.25
<b>Total net assets</b>		<b>188,857</b>	<b>100.00</b>

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

The counterparties for the forward currency contracts are Bank of America Merrill Lynch, Barclays Bank Plc, BNP Paribas Arbitrage SNC, HSBC Bank Plc, Royal Bank of Canada, Royal Bank of Scotland Plc, State Street Global Advisors Limited, Toronto-Dominion Bank and UBS AG.

<sup>†</sup> Managed by a related party.

# BlackRock Charities UK Bond Fund

## Statement of Total Return

for the period 6 December 2019 to 30 June 2020

	Notes	£000's	For the period from 6.12.2019 to 30.6.2020 £000's
Income			
Net capital gains	1		7,293
Revenue	2	1,670	
Expenses	3	(413)	
Interest payable and similar charges	4	(1)	
Net revenue			1,256
Total return before distributions			8,549
Distributions	5		(4,268)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>4,281</b>

## Statement of Change in Net Assets Attributable to Unitholders

for the period 6 December 2019 to 30 June 2020

	£000's	For the period from 6.12.2019 to 30.6.2020 £000's
<b>Opening net assets attributable to unitholders</b>		–
Amounts receivable on issue of units	30,612	
In-Specie from terminated CIF entity	185,341	
Amounts payable on cancellation of units	(31,829)	
		184,124
Change in net assets attributable to unitholders from investment activities		4,281
Retained distribution on accumulation units		401
Movement in Income Reserve Account [see note 12]		51
<b>Closing net assets attributable to unitholders</b>		<b>188,857</b>

# BlackRock Charities UK Bond Fund

## Balance Sheet

at 30 June 2020

	Notes	30.6.2020 £000's
<b>Assets:</b>		
Fixed assets		
– Investment assets		184,378
Current assets		
– Debtors	6	10,936
– Cash and bank balances	7	433
– Cash collateral posted		269
– Cash equivalents	8	4,287
<b>Total assets</b>		<b>200,303</b>
<b>Liabilities:</b>		
Investment liabilities		(281)
Creditors		
– Amounts held at futures clearing houses and brokers		(3)
– Distributions payable		(1,738)
– Other creditors	9	(9,424)
<b>Total liabilities</b>		<b>(11,446)</b>
<b>Net assets attributable to unitholders</b>		<b>188,857</b>

M T Zemek (Director)

G D Bamping (Director)

BlackRock Fund Managers Limited

24 August 2020



# BlackRock Charities UK Bond Fund

## Notes to Financial Statements

for the period from 6 December 2019 to 30 June 2020

### 1. Net Capital Gains

	For the period from 6.12.2019 to 30.6.2020 £000's
The net capital gains comprise:	
Gains on non-derivative securities	7,590
Losses on derivative securities	(234)
Currency losses	(54)
Custodian transaction costs	(9)
<b>Net capital gains</b>	<b>7,293</b>

Net gains (excluding transaction costs) listed above of £7,302,000 comprise net realised gains of £2,239,000 and net unrealised gains of £5,063,000.

### 2. Revenue

	For the period from 6.12.2019 to 30.6.2020 £000's
Interest from overseas fixed interest securities	517
Interest from UK bank deposits	1
Interest from UK fixed interest securities	1,124
Returns from bond futures	25
Revenue from short-term money market funds	3
<b>Total revenue</b>	<b>1,670</b>

# BlackRock Charities UK Bond Fund

## Notes to Financial Statements

### 3. Expenses

	For the period from 6.12.2019 to 30.6.2020 £000's
Payable to the Manager or associates of the Manager:	
– Manager's charge	375
	<hr/>
	375
Other expenses:	
– Audit fee	3
– Legal and other professional fees	17
– Safe custody fees	4
– Trustee's fees	14
	<hr/>
	38
<b>Total expenses</b>	<b>413</b>

### 4. Interest Payable and Similar Charges

	For the period from 6.12.2019 to 30.6.2020 £000's
Interest on bank overdrafts	1
<b>Total interest payable and similar charges</b>	<b>1</b>

# BlackRock Charities UK Bond Fund

## Notes to Financial Statements

### 5. Distributions

	For the period from 6.12.2019 to 30.6.2020 £000's
First distribution	327
Second distribution	1,950
Final distribution	1,928
	4,205
Add: Movement in Income Reserve Account [see note 12]	51
Add: Amounts deducted on cancellation of units	205
Less: Amounts received on issue of units	(193)
<b>Distributions</b>	<b>4,268</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	1,256
Add: Amortisation transferred to capital	2,620
Add: Expenses reimbursed by capital	392
<b>Distributions</b>	<b>4,268</b>

### 6. Debtors

	30.6.2020 £000's
Accrued revenue	2,430
Amounts receivable for issue of units	7,681
Sales awaiting settlement	825
<b>Total debtors</b>	<b>10,936</b>

### 7. Cash and Bank Balances

	30.6.2020 £000's
Amount held at futures clearing houses and brokers	51
Cash and bank balances	382
<b>Total cash and bank balances</b>	<b>433</b>

# BlackRock Charities UK Bond Fund

## Notes to Financial Statements

### 8. Cash Equivalents

	30.6.2020 £000's
Investment in short-term money market funds	4,287
<b>Total cash equivalents</b>	<b>4,287</b>

### 9. Other Creditors

	30.6.2020 £000's
Accrued Audit fee	3
Accrued Legal and other professional fees	17
Accrued Manager's charge	163
Accrued Safe custody fees	4
Accrued Trustee's fee	6
Amounts payable for cancellation of units	860
Custodian transaction costs	8
Purchases awaiting settlement	8,363
<b>Total other creditors</b>	<b>9,424</b>

### 10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date.

### 11. Related Parties

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

The following entities were related parties of the Fund during the period ended 30 June 2020:

Manager/Registrar:	BlackRock Fund Managers Limited
Investment Manager:	BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA. During the period to 30 June 2020 PNC Financial Services Group Inc. ("PNC"), was a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Fund during the period to 30 June 2020. On 11 May 2020, PNC announced its intent to sell its investment in BlackRock, Inc. through a registered offering and related buyback by BlackRock.

# BlackRock Charities UK Bond Fund

## Notes to Financial Statements

### 11. Related Parties

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 5. Any amounts due to or from the Manager at the period end are disclosed in notes 6 and 9. Management fees and registration fees paid to the Manager are shown in note 3. The balances due at the period end in respect of these fees are shown in note 9.

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

As at 30 June 2020, none of the unitholders:

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

### 12. Income Reserve Account

	<b>For the period from 6.12.2019 to 30.6.2020 £000's</b>
Opening balance as transferred from terminated CIF	92
Net decrease in respect of units created and cancelled	(12)
Increase in Revenue	63
<b>Revenue Carried Forward</b>	<b>143</b>

# BlackRock Charities UK Bond Fund

## Notes to Financial Statements

### 13. Portfolio Transaction Costs

For the period from 6 December 2019 to 30 June 2020

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Debt instruments	65,641	–	–	–	–
<b>Total purchases</b>	<b>65,641</b>	<b>–</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>65,641</b>				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Debt instruments	67,252	–	–	–	–
<b>Total sales</b>	<b>67,252</b>	<b>–</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>67,252</b>				
<b>Derivative transaction costs</b>		<b>4</b>		<b>–</b>	
<b>Total transaction costs</b>		<b>4</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.00%</b>		<b>0.00%</b>	

The above analysis covers direct transaction costs incurred by the Fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

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

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

# BlackRock Charities UK Bond Fund

## Notes to Financial Statements

### 13. Portfolio Transaction Costs

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

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.33%.

### 14. Units in Issue

The movement in units in issue for the period from 06 December 2019 to 30 June 2020 is as follows:

	A Income Units	A Accumulation Units
Balance at the beginning of the period	–	–
In-specified from terminated CIF	90,393,934	244,097
Issued during the period	12,217,454	250,970
Cancelled during the period	(15,722,553)	(146,950)
<b>Balance at the end of the period</b>	<b>86,888,835</b>	<b>348,117</b>

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

### 15. Subsequent Events

There have been no significant events subsequent to the period end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the period ended 30 June 2020.





# BlackRock Charities UK Equity ESG Fund

## Performance Record

### Comparative Table

	A Income Units	A Accumulation Units
	6.12.2019 to 30.6.2020	6.12.2019 to 30.6.2020
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	208.9	418.5
Return before operating charges	(21.38)	(42.35)
Operating charges	(0.62)	(1.24)
Return after operating charges	(22.00)	(43.59)
Distributions	(2.93)	(5.90)
Retained distributions on accumulation units	N/A	5.90
<b>Closing net asset value per unit</b>		
After direct transaction costs of	(0.07)	(0.13)
<b>Performance</b>		
Return after charges <sup>1</sup>	(10.53)%	(10.42)%
<b>Other information</b>		
Closing net asset value (£000's)	78,036	4,592
Closing number of units	42,418,058	1,224,943
Operating charges <sup>2</sup>	0.56%	0.56%
Direct transaction costs <sup>3</sup>	0.03%	0.03%
<b>Prices</b>		
Highest offer unit price	222.1	445.4
Lowest bid unit price	147.5	295.7

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

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

<sup>3</sup> Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments and collective investment schemes.

See note 12 for further details.

# BlackRock Charities UK Equity ESG Fund

## Distribution Tables

for the period from 6 December 2019 to 30 June 2020

### Final Distribution in Pence per Unit

For the period from 1 April 2020 to 30 June 2020

	A Income Units	A Accumulation Units
Distribution paid 20.7.2020	1.4500	2.9269

### Second Interim Distribution in Pence per Unit

For the period from 1 January 2020 to 31 March 2020

	A Income Units	A Accumulation Units
Distribution paid 20.4.2020	1.3500	2.7071

### First Interim Distribution in Pence per Unit

For the period from 6 December 2019 to 31 December 2019

	A Income Units	A Accumulation Units
Distribution paid 20.1.2020	0.1326	0.2657

# BlackRock Charities UK Equity ESG Fund

## Portfolio Statement

at 30 June 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>EQUITIES – 89.53%</b>			
<b>AUSTRALIA – 2.28%</b>			
Mining – 2.28%	113,711 BHP	1,881	2.28
<b>BERMUDA – 1.49%</b>			
Insurance – 1.49%	156,540 Hiscox	1,234	1.49
<b>IRELAND – 1.10%</b>			
Retail – 1.10%	137,917 Grafton	910	1.10
<b>NETHERLANDS – 3.17%</b>			
Oil & Gas Producers – 3.17%	214,068 Royal Dutch Shell	2,620	3.17
<b>UNITED KINGDOM – 81.49%</b>			
Alternative Energy Sources – 2.40%	569,273 John Laing	1,983	2.40
Apparel – 1.42%	73,390 Burberry	1,174	1.42
Banks – 6.06%	274,617 HSBC	1,039	1.26
	6,088,510 Lloyds Banking	1,898	2.30
	469,502 Standard Chartered	2,066	2.50
		<b>5,003</b>	<b>6.06</b>
Commercial Services – 6.67%	241,738 RELX	4,521	5.47
	194,940 Rentokil Initial	993	1.20
		<b>5,514</b>	<b>6.67</b>
Cosmetics & Personal Care – 4.93%	93,470 Unilever	4,071	4.93
Distribution & Wholesale – 1.50%	18,707 Ferguson	1,237	1.50
Engineering & Construction – 1.11%	70,212 HomeServe	913	1.11
Food Producers – 5.37%	68,180 Associated British Foods	1,306	1.58
	297,675 SSP	764	0.92
	1,040,911 Tesco	2,374	2.87
		<b>4,444</b>	<b>5.37</b>

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Gas – 3.77%</b>			
	314,974 National Grid	3,113	3.77
<b>Healthcare Products – 2.16%</b>			
	118,766 Smith & Nephew	1,788	2.16
<b>Home Builders – 2.73%</b>			
	22,980 Berkeley	957	1.16
	909,198 Taylor Wimpey	1,294	1.57
		<b>2,251</b>	<b>2.73</b>
<b>Household Products – 5.25%</b>			
	58,410 Reckitt Benckiser	4,341	5.25
<b>Insurance – 5.43%</b>			
	550,070 M&G	921	1.11
	198,140 Phoenix	1,276	1.54
	188,730 Prudential	2,300	2.78
		<b>4,497</b>	<b>5.43</b>
<b>Internet – 2.28%</b>			
	289,123 Rightmove	1,577	1.91
	70,428 Trainline	306	0.37
		<b>1,883</b>	<b>2.28</b>
<b>Lodging – 1.50%</b>			
	56,006 Whitbread	1,242	1.50
<b>Media – 0.66%</b>			
	115,088 Informa	541	0.66
<b>Metal &amp; Hardware – 1.10%</b>			
	144,921 Bodycote	907	1.10
<b>Mining – 6.19%</b>			
	112,404 Rio Tinto	5,113	6.19
<b>Oil &amp; Gas Producers – 2.68%</b>			
	722,084 BP	2,218	2.68
<b>Pharmaceuticals – 9.95%</b>			
	74,404 AstraZeneca	6,266	7.58
	119,482 GlaxoSmithKline	1,955	2.37
		<b>8,221</b>	<b>9.95</b>
<b>Private Equity – 2.49%</b>			
	132,920 3i	1,107	1.34
	73,500 Intermediate Capital	947	1.15
		<b>2,054</b>	<b>2.49</b>
<b>Retail – 3.00%</b>			
	39,682 Next	1,942	2.35

# BlackRock Charities UK Equity ESG Fund

## Portfolio Statement

<b>Holding or Nominal Value</b>	<b>Investment</b>	<b>Market Value £000's</b>	<b>% of Total Net Assets</b>
49,292	WH Smith	539	0.65
		<b>2,481</b>	<b>3.00</b>
<b>Telecommunications – 1.80%</b>			
1,153,520	Vodafone	<b>1,486</b>	<b>1.80</b>
<b>Water – 1.04%</b>			
94,024	United Utilities	<b>856</b>	<b>1.04</b>
<b>COLLECTIVE INVESTMENT SCHEMES – 9.65%</b>			
<b>Equity Funds – 9.65%</b>			
1,105,627	BlackRock Growth and Recovery Fund†	<b>7,978</b>	<b>9.65</b>
<b>Portfolio of investments</b>		<b>81,954</b>	<b>99.18</b>
Net other assets		674	0.82
<b>Total net assets</b>		<b>82,628</b>	<b>100.00</b>

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

† Managed by a related party.

# BlackRock Charities UK Equity ESG Fund

## Statement of Total Return

for the period 6 December 2019 to 30 June 2020

	Notes	£000's	For the period from 6.12.2019 to 30.6.2020 £000's
Income			
Net capital losses	2		(13,032)
Revenue	3	1,787	
Expenses	4	(313)	
Net revenue			1,474
Total return before distributions			(11,558)
Distributions	5		(1,747)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(13,305)</b>

## Statement of Change in Net Assets Attributable to Unitholders

for the period 6 December 2019 to 30 June 2020

	£000's	For the period from 6.12.2019 to 30.6.2020 £000's
<b>Opening net assets attributable to unitholders</b>		–
Amounts receivable on issue of units	9,280	
In-Specie from terminated CIF entity	108,843	
In-Specie to another CAIF entity	(4,755)	
Amounts payable on cancellation of units	(17,741)	
		95,627
Change in net assets attributable to unitholders from investment activities		(13,305)
Retained distribution on accumulation units		97
Movement in Income Reserve Account[see note 11]		209
<b>Closing net assets attributable to unitholders</b>		<b>82,628</b>

# BlackRock Charities UK Equity ESG Fund

## Balance Sheet

at 30 June 2020

	Notes	30.6.2020 £000's
<b>Assets:</b>		
Fixed assets		
– Investment assets		81,954
Current assets		
– Debtors	6	1,026
– Cash and bank balances		698
<b>Total assets</b>		<b>83,678</b>
<b>Liabilities:</b>		
Creditors		
– Distributions payable		(615)
– Other creditors	8	(435)
<b>Total liabilities</b>		<b>(1,050)</b>
<b>Net assets attributable to unitholders</b>		<b>82,628</b>

M T Zemek (Director)

G D Bamping (Director)

BlackRock Fund Managers Limited

24 August 2020

# BlackRock Charities UK Equity ESG Fund

## Notes to Financial Statements

for the period from 6 December 2019 to 30 June 2020

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 21 to 23.

### 2. Net Capital Losses

	For the period from 6.12.2019 to 30.6.2020 £000's
The net capital losses comprise:	
Losses on non-derivative securities	(13,010)
Currency losses	(21)
Custodian transaction costs	(1)
<b>Net capital losses</b>	<b>(13,032)</b>

Net losses (excluding transaction costs) listed above of £(13,031,000) comprise net realised losses of £(6,970,000) and net unrealised losses of £(6,061,000).

### 3. Revenue

	For the period from 6.12.2019 to 30.6.2020 £000's
Equity distributions on CIS holdings	67
Interest from UK bank deposits	2
Manager's charge rebates	51
Revenue from short-term money market funds	1
Stock dividends	60
UK dividends	1,606
<b>Total revenue</b>	<b>1,787</b>

# BlackRock Charities UK Equity ESG Fund

## Notes to Financial Statements

### 4. Expenses

	For the period from 6.12.2019 to 30.6.2020 £000's
Payable to the Manager or associates of the Manager:	
– Manager's charge	284
	284
Other expenses:	
– Audit fee	3
– Legal and other professional fees	17
– Safe custody fees	1
– Trustee's fees	8
	29
<b>Total expenses</b>	<b>313</b>

### 5. Distributions

	For the period from 6.12.2019 to 30.6.2020 £000's
First distribution	70
Second distribution	713
Final distribution	651
	1,434
Add: Movement in Income Reserve Account [see note 11]	209
Add: Amounts deducted on cancellation of units	127
Less: Amounts received on issue of units	(23)
<b>Distributions</b>	<b>1,747</b>
The distributable amount has been calculated as follows:	
Net revenue after taxation	1,474
Add: Management expenses reimbursed by capital	273
<b>Distributions</b>	<b>1,747</b>



# BlackRock Charities UK Equity ESG Fund

## Notes to Financial Statements

### 6. Debtors

	30.6.2020 £000's
Accrued Manager's charge rebates	20
Accrued revenue	233
Amounts receivable for issue of units	773
<b>Total debtors</b>	<b>1,026</b>

### 7. Cash and Bank Balances

	30.6.2020 £000's
Amount held at futures clearing houses and brokers	–
Cash and bank balances	698
<b>Total cash and bank balances</b>	<b>698</b>

### 8. Other Creditors

	30.6.2020 £000's
Accrued Audit fee	3
Accrued Legal and other professional fees	17
Accrued Manager's charge	108
Accrued Safe custody fees	1
Accrued Trustee's fee	3
Amounts payable for cancellation of units	201
Custodian transaction costs	1
Purchases awaiting settlement	101
<b>Total other creditors</b>	<b>435</b>

### 9. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date.

### 10. Related Parties

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

The following entities were related parties of the Fund during the period ended 30 June 2020:

Manager/Registrar: BlackRock Fund Managers Limited  
Investment Manager: BlackRock Investment Management (UK) Limited

# BlackRock Charities UK Equity ESG Fund

## Notes to Financial Statements

### 10. Related Parties

The ultimate holding company of the Manager, Registrar and Investment Manager is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA. During the period to 30 June 2020 PNC Financial Services Group Inc. ("PNC"), was a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Fund during the period to 30 June 2020. On 11 May 2020, PNC announced its intent to sell its investment in BlackRock, Inc. through a registered offering and related buyback by BlackRock.

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 5. Any amounts due to or from the Manager at the period end are disclosed in notes 6 and 8. Management fees and registration fees paid to the Manager are shown in note 4. The balances due at the period end in respect of these fees are shown in note 8.

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

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

The Fund's investments in other BlackRock related party entities are individually identified in the Portfolio Statement.

# BlackRock Charities UK Equity ESG Fund

## Notes to Financial Statements

### 10. Related Parties

As at 30 June 2020, the following unitholders:

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

<b>Total % of units held by Affiliated Funds</b>	<b>Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds</b>	<b>Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds</b>
Nil	1	53%

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

### 11. Income Reserve Account

	<b>For the period from 6.12.2019 to 30.6.2020 £000's</b>
Opening balance as transferred from terminated CIF	3,176
Net decrease in respect of units created and cancelled	(103)
Increase in Revenue	312
<b>Revenue Carried Forward</b>	<b>3,385</b>

# BlackRock Charities UK Equity ESG Fund

## Notes to Financial Statements

### 12. Portfolio Transaction Costs

For the period ended 30 June 2020

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	26,260	16	0.06	1	0.00
<b>Total purchases</b>	<b>26,260</b>	<b>16</b>		<b>1</b>	
<b>Total purchases including transaction costs</b>	<b>26,277</b>				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	33,647	17	0.05	–	–
Collective investment schemes	247	–	–	–	–
In-Specie	4,574	–	–	–	–
<b>Total sales</b>	<b>38,468</b>	<b>17</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>38,451</b>				
<b>Total transaction costs</b>		<b>33</b>		<b>1</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.03%</b>		<b>0.00%</b>	

The above analysis covers direct transaction costs incurred by the Fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

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

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.28%.

# BlackRock Charities UK Equity ESG Fund

## Notes to Financial Statements

### 13. Units in Issue

The movement in units in issue for the period from 06 December 2019 to 30 June 2020 is as follows:

	A Income Units	A Accumulation Units
Balance at the beginning of the period	–	–
In-Specied from terminated CIF	48,047,268	2,060,486
In-Specied to other CAIF	(2,672,743)	–
Issued during the period	2,431,594	–
Cancelled during the period	(5,388,061)	(835,543)
<b>Balance at the end of the period</b>	<b>42,418,058</b>	<b>1,224,943</b>

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

### 14. Subsequent Events

There have been no significant events subsequent to the period end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the period ended 30 June 2020.



# BlackRock Charities UK Equity Fund

## Performance Record

### Comparative Table

	A Income Units	A Accumulation Units
	6.12.2019 to 30.6.2020	6.12.2019 to 30.6.2020
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	658.3	2,039
Return before operating charges	(59.09)	(181.4)
Operating charges	(1.89)	(5.87)
Return after operating charges	(60.98)	(187.3)
Distributions	(9.45)	(29.36)
Retained distributions on accumulation units	N/A	29.36
<b>Closing net asset value per unit</b>		
After direct transaction costs of	(0.20)	(0.62)
<b>Performance</b>		
Return after charges <sup>1</sup>	(9.26)%	(9.18)%
<b>Other information</b>		
Closing net asset value (£000's)	210,026	38,612
Closing number of units	35,726,721	2,085,169
Operating charges <sup>2</sup>	0.54%	0.54%
Direct transaction costs <sup>3</sup>	0.03%	0.03%
<b>Prices</b>		
Highest offer unit price	704.2	2,183
Lowest bid unit price	469.3	1,455

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

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

<sup>3</sup> Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments and collective investment schemes.

See note 11 for further details.

# BlackRock Charities UK Equity Fund

## Distribution Tables

for the period from 6 December 2019 to 30 June 2020

### Final Distribution in Pence per Unit

For the period from 1 April 2020 to 30 June 2020

	A Income Units	A Accumulation Units
Distribution paid 20.7.2020	5.0000	15.5819

### Second Interim Distribution in Pence per Unit

For the period from 1 January 2020 to 31 March 2020

	A Income Units	A Accumulation Units
Distribution paid 20.4.2020	4.0000	12.3937

### First Interim Distribution in Pence per Unit

For the period from 6 December 2019 to 31 December 2019

	A Income Units	A Accumulation Units
Distribution paid 20.1.2020	0.4455	1.3800



# BlackRock Charities UK Equity Fund

## Portfolio Statement

at 30 June 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>EQUITIES – 90.67%</b>			
<b>AUSTRALIA – 1.66%</b>			
<b>Mining – 1.66%</b>			
250,272	BHP	4,140	1.66
<b>BERMUDA – 1.45%</b>			
<b>Insurance – 1.45%</b>			
455,985	Hiscox	3,594	1.45
<b>IRELAND – 1.18%</b>			
<b>Retail – 1.18%</b>			
446,306	Grafton	2,946	1.18
<b>NETHERLANDS – 2.98%</b>			
<b>Oil &amp; Gas Producers – 2.98%</b>			
604,416	Royal Dutch Shell	7,398	2.98
<b>UNITED KINGDOM – 83.40%</b>			
<b>Agriculture – 5.03%</b>			
403,228	British American Tobacco	12,518	5.03
<b>Alternative Energy Sources – 2.42%</b>			
1,724,646	John Laing	6,009	2.42
<b>Apparel – 1.42%</b>			
221,499	Burberry	3,543	1.42
<b>Banks – 5.58%</b>			
523,763	HSBC	1,982	0.80
18,288,220	Lloyds Banking	5,701	2.29
1,407,209	Standard Chartered	6,192	2.49
		<b>13,875</b>	<b>5.58</b>
<b>Beverages – 0.46%</b>			
56,196	Fevertree Drinks	1,150	0.46
<b>Commercial Services – 6.20%</b>			
680,410	RELX	12,724	5.12
526,037	Rentokil Initial	2,681	1.08
		<b>15,405</b>	<b>6.20</b>
<b>Cosmetics &amp; Personal Care – 4.48%</b>			
255,569	Unilever	11,130	4.48
<b>Distribution &amp; Wholesale – 1.33%</b>			
50,035	Ferguson	3,308	1.33
<b>Engineering &amp; Construction – 0.98%</b>			
186,645	HomeServe	2,426	0.98

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Food Producers – 5.43%</b>			
219,131	Associated British Foods	4,196	1.69
863,801	SSP	2,218	0.89
3,111,241	Tesco	7,097	2.85
		<b>13,511</b>	<b>5.43</b>
<b>Gas – 3.39%</b>			
854,067	National Grid	8,440	3.39
<b>Healthcare Products – 3.08%</b>			
508,350	Smith & Nephew	7,653	3.08
<b>Home Builders – 2.74%</b>			
67,885	Berkeley	2,827	1.14
2,798,694	Taylor Wimpey	3,984	1.60
		<b>6,811</b>	<b>2.74</b>
<b>Household Products – 5.06%</b>			
169,224	Reckitt Benckiser	12,577	5.06
<b>Insurance – 4.83%</b>			
1,657,643	M&G	2,777	1.12
589,054	Phoenix	3,794	1.53
444,329	Prudential	5,414	2.18
		<b>11,985</b>	<b>4.83</b>
<b>Internet – 2.15%</b>			
818,453	Rightmove	4,465	1.80
201,882	Trainline	877	0.35
		<b>5,342</b>	<b>2.15</b>
<b>Lodging – 1.54%</b>			
172,481	Whitbread	3,824	1.54
<b>Media – 0.62%</b>			
327,418	Informa	1,540	0.62
<b>Metal &amp; Hardware – 0.99%</b>			
394,555	Bodycote	2,470	0.99
<b>Mining – 6.59%</b>			
360,451	Rio Tinto	16,395	6.59
<b>Oil &amp; Gas Producers – 2.30%</b>			
1,865,407	BP	5,730	2.30
<b>Pharmaceuticals – 9.00%</b>			
216,754	AstraZeneca	18,253	7.34
252,741	GlaxoSmithKline	4,135	1.66
		<b>22,388</b>	<b>9.00</b>
<b>Private Equity – 2.43%</b>			
388,537	3i	3,235	1.30

# BlackRock Charities UK Equity Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
219,131	Intermediate Capital	2,822	1.13
		<b>6,057</b>	<b>2.43</b>
<b>Retail – 2.84%</b>			
114,156	Next	5,587	2.25
133,305	WH Smith	1,457	0.59
		<b>7,044</b>	<b>2.84</b>
<b>Telecommunications – 1.53%</b>			
2,959,242	Vodafone	<b>3,813</b>	<b>1.53</b>
<b>Water – 0.98%</b>			
266,553	United Utilities	<b>2,426</b>	<b>0.98</b>
<b>COLLECTIVE INVESTMENT SCHEMES – 9.66%</b>			
<b>Equity Funds – 9.22%</b>			
3,176,807	BlackRock Growth and Recovery Fund†	<b>22,924</b>	<b>9.22</b>

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Short-term Money Market Funds – 0.44%</b>			
10,901	Institutional Cash Series plc - Institutional Sterling Liquidity Environmentally Aware Fund - Agency Income class†	<b>1,090</b>	<b>0.44</b>
<b>Portfolio of investments</b>			
		<b>249,462</b>	<b>100.33</b>
	Net other liabilities	(824)	(0.33)
<b>Total net assets</b>		<b>248,638</b>	<b>100.00</b>

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

† Managed by a related party.

# BlackRock Charities UK Equity Fund

## Statement of Total Return

for the period 6 December 2019 to 30 June 2020

	Notes	£000's	For the period from 6.12.2019 to 30.6.2020 £000's
Income			
Net capital losses	2		(31,596)
Revenue	3	5,061	
Expenses	4	(847)	
Net revenue			4,214
Total return before distributions			(27,382)
Distributions	5		(4,953)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(32,335)</b>

## Statement of Change in Net Assets Attributable to Unitholders

for the period 6 December 2019 to 30 June 2020

	£000's	For the period from 6.12.2019 to 30.6.2020 £000's
<b>Opening net assets attributable to unitholders</b>		–
Amounts receivable on issue of units	19,083	
In-Specie from terminated CIF entity	312,437	
In-Specie to other CAIF entity	(8,649)	
Amounts payable on cancellation of units	(43,191)	
		279,680
Change in net assets attributable to unitholders from investment activities		(32,335)
Retained distribution on accumulation units		636
Movement in Income Reserve Account [see note 10]		657
<b>Closing net assets attributable to unitholders</b>		<b>248,638</b>

# BlackRock Charities UK Equity Fund

## Balance Sheet

at 30 June 2020

	Notes	30.6.2020 £000's
<b>Assets:</b>		
Fixed assets		
– Investment assets		249,462
Current assets		
– Debtors	6	1,233
– Cash and bank balances		1,522
<b>Total assets</b>		<b>252,217</b>
<b>Liabilities:</b>		
Creditors		
– Distributions payable		(1,786)
– Other creditors	7	(1,793)
<b>Total liabilities</b>		<b>(3,579)</b>
<b>Net assets attributable to unitholders</b>		<b>248,638</b>

M T Zemek (Director)

G D Bamping (Director)

BlackRock Fund Managers Limited

24 August 2020

# BlackRock Charities UK Equity Fund

## Notes to Financial Statements

for the period from 6 December 2019 to 30 June 2020

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 21 to 23.

### 2. Net Capital Losses

	For the period from 6.12.2019 to 30.6.2020 £000's
The net capital losses comprise:	
Losses on non-derivative securities	(31,545)
Currency losses	(47)
Custodian transaction costs	(4)
<b>Net capital losses</b>	<b>(31,596)</b>

Net losses (excluding transaction costs) listed above of £(31,592,000) comprise net realised losses of £(14,986,000) and net unrealised losses of £(16,606,000).

### 3. Revenue

	For the period from 6.12.2019 to 30.6.2020 £000's
Equity distributions on CIS holdings	186
Interest from UK bank deposits	2
Manager's charge rebates	145
Overseas dividends	1
Stock dividends	182
UK dividends	4,545
<b>Total revenue</b>	<b>5,061</b>

# BlackRock Charities UK Equity Fund

## Notes to Financial Statements

### 4. Expenses

	For the period from 6.12.2019 to 30.6.2020 £000's
Payable to the Manager or associates of the Manager:	
– Manager's charge	802
	<hr/> 802
Other expenses:	
– Audit fee	4
– Legal and other professional fees	17
– Safe custody fees	3
– Trustee's fees	21
	<hr/> 45
<b>Total expenses</b>	<b>847</b>

### 5. Distributions

	For the period from 6.12.2019 to 30.6.2020 £000's
First distribution	209
Second distribution	1,810
Final distribution	2,111
	<hr/> 4,130
Add: Movement in Income Reserve Account [see note 10]	657
Add: Amounts deducted on cancellation of units	388
Less: Amounts received on issue of units	(222)
<b>Distributions</b>	<b>4,953</b>
The distributable amount has been calculated as follows:	
Net revenue after taxation	4,214
Add: Expenses reimbursed by capital	739
<b>Distributions</b>	<b>4,953</b>

# BlackRock Charities UK Equity Fund

## Notes to Financial Statements

### 6. Debtors

	<b>30.6.2020</b> <b>£000's</b>
Accrued Manager's charge rebates	57
Accrued revenue	601
Amounts receivable for issue of units	575
<b>Total debtors</b>	<b>1,233</b>

### 7. Other Creditors

	<b>30.6.2020</b> <b>£000's</b>
Accrued Audit fee	4
Accrued Legal and other professional fees	17
Accrued Manager's charge	312
Accrued Safe custody fees	3
Accrued Trustee's fee	8
Amounts payable for cancellation of units	1,028
Custodian transaction costs	3
Purchases awaiting settlement	418
<b>Total other creditors</b>	<b>1,793</b>

### 8. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date.

### 9. Related Parties

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

The following entities were related parties of the Fund during the period ended 30 June 2020:

Manager/Registrar: BlackRock Fund Managers Limited  
Investment Manager: BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA. During the period to 30 June 2020 PNC Financial Services Group Inc. ("PNC"), was a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Fund during the period to 30 June 2020. On 11 May 2020, PNC announced its intent to sell its investment in BlackRock, Inc. through a registered offering and related buyback by BlackRock.

# BlackRock Charities UK Equity Fund

## Notes to Financial Statements

### 9. Related Parties

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 5. Any amounts due to or from the Manager at the period end are disclosed in notes 6 and 7. Management fees and registration fees paid to the Manager are shown in note 4. The balances due at the period end in respect of these fees are shown in note 7.

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

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

The Fund's investments in other BlackRock related party entities are individually identified in the Portfolio Statement.

As at 30 June 2020, none of the unitholders:

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



# BlackRock Charities UK Equity Fund

## Notes to Financial Statements

### 10. Income Reserve Account

	For the period from 6.12.2019 to 30.6.2020 £000's
Opening balance as transferred from terminated CIF	10,815
Net decrease in respect of units created and cancelled	(166)
Increase in Revenue	823
<b>Revenue carried forward</b>	<b>11,472</b>

### 11. Portfolio Transaction Costs

For the period from 6 December 2019 to 30 June 2020

	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments	62,907	36	0.06	3	0.00
<b>Total purchases</b>	<b>62,907</b>	<b>36</b>		<b>3</b>	
<b>Total purchases including transaction costs</b>	<b>62,946</b>				

	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
<b>Sales (excluding derivatives)</b>					
Equity instruments	84,736	50	0.06	–	–
Collective investment schemes	1,057	–	–	–	–
In-Species	7,878	–	–	–	–
<b>Total sales</b>	<b>93,671</b>	<b>50</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>93,621</b>				
<b>Total transaction costs</b>		<b>86</b>		<b>3</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.03%</b>		<b>0.00%</b>	

The above analysis covers direct transaction costs incurred by the Fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

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

# BlackRock Charities UK Equity Fund

## Notes to Financial Statements

### 11. Portfolio Transaction Costs

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.26%.

### 12. Units in Issue

The movement in units in issue for the period from 06 December 2019 to 30 June 2020 is as follows:

	A Income Units	A Accumulation Units
Balance at the beginning of the period	–	–
In-Specied from terminated CIF	38,698,777	2,847,088
Issued during the period	3,488,996	504,649
Cancelled during the period	(6,461,052)	(1,266,568)
<b>Balance at the end of the period</b>	<b>35,726,721</b>	<b>2,085,169</b>

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

### 13. Subsequent Events

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the period ended 30 June 2020.



# BlackRock Charities UK Equity Index Fund

## Performance Record

### Comparative Table

	A Income Units	A Accumulation Units
	6.12.2019 to 30.6.2020	6.12.2019 to 30.6.2020
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	1,376	2,619
Return before operating charges	(191.6)	(353.7)
Operating charges	(0.78)	(1.49)
Return after operating charges	(192.4)	(355.2)
Distributions	(19.97)	(38.34)
Retained distributions on accumulation units	N/A	38.34
<b>Closing net asset value per unit</b>		
After direct transaction costs of	(0.09)	(0.17)
<b>Performance</b>		
Return after charges <sup>1</sup>	(13.98)%	(13.56)%
<b>Other information</b>		
Closing net asset value (£000's)	139,240	8,895
Closing number of units	11,965,608	392,905
Operating charges <sup>2</sup>	0.11%	0.11%
Direct transaction costs <sup>3</sup>	0.00%	0.00%
<b>Prices</b>		
Highest offer unit price	1,461	2,794
Lowest bid unit price	933.1	1,784

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

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

<sup>3</sup> Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments and collective investment schemes.

See note 12 for further details.

# BlackRock Charities UK Equity Index Fund

## Performance Record

### Comparative Table

	X Income Units	X Accumulation Units
	6.12.2019 to 30.6.2020	6.12.2019 to 30.6.2020
	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>		
Opening net asset value per unit	111.2	139.2
Return before operating charges	(15.56)	(18.74)
Operating charges	(0.02)	(0.02)
Return after operating charges	(15.58)	(18.76)
Distributions	(1.66)	(2.09)
Retained distributions on accumulation units	N/A	2.09
<b>Closing net asset value per unit</b>		
After direct transaction costs of	93.96	120.4
	(0.01)	(0.01)
<b>Performance</b>		
Return after charges <sup>1</sup>	(14.01)%	(13.48)%
<b>Other information</b>		
Closing net asset value (£000's)	96,547	24,475
Closing number of units	102,753,739	20,321,110
Operating charges <sup>2</sup>	0.03%	0.03%
Direct transaction costs <sup>3</sup>	0.00%	0.00%
<b>Prices</b>		
	Pence per unit	Pence per unit
Highest offer unit price	118.0	148.6
Lowest bid unit price	75.36	94.90

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

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

<sup>3</sup> Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity instruments and collective investment schemes.

See note 12 for further details.

# BlackRock Charities UK Equity Index Fund

## Distribution Tables

for the period from 6 December 2019 to 30 June 2020

### Final Distribution in Pence per Unit

For the period from 1 April 2020 to 30 June 2020

	A Income Units	A Accumulation Units	X Income Units	X Accumulation Units
Distribution paid				
20.7.2020	7.0533	13.6371	0.5864	0.7469

### Second Interim Distribution in Pence per Unit

For the period from 1 January 2020 to 31 March 2020

	A Income Units	A Accumulation Units	X Income Units	X Accumulation Units
Distribution paid				
20.4.2020	11.5609	22.1027	0.9540	1.2014

### First Interim Distribution in Pence per Unit

For the period from 6 December 2019 to 31 December 2019

	A Income Units	A Accumulation Units	X Income Units	X Accumulation Units
Distribution paid				
20.1.2020	1.3603	2.5991	0.1157	0.1456



# BlackRock Charities UK Equity Index Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>ISRAEL – 0.08%</b>			
<b>Biotechnology – 0.01%</b>			
35,765	BATM Advanced Communications	36	0.01
<b>Diversified Financial Services – 0.07%</b>			
15,008	Plus500	197	0.07
<b>JERSEY – 0.16%</b>			
<b>Diversified Financial Services – 0.06%</b>			
14,528	JTC	67	0.02
18,553	Sanne	117	0.04
		<b>184</b>	<b>0.06</b>
<b>Mining – 0.10%</b>			
144,365	Centamin	265	0.10
<b>JORDAN – 0.19%</b>			
<b>Pharmaceuticals – 0.19%</b>			
23,186	Hikma Pharmaceuticals	513	0.19
<b>MEXICO – 0.08%</b>			
<b>Mining – 0.08%</b>			
24,853	Fresnillo	209	0.08
<b>NETHERLANDS – 5.56%</b>			
<b>Food Producers – 0.51%</b>			
16,262	Just Eat Takeaway.com	1,370	0.51
<b>Lodging – 0.01%</b>			
2,926	PPHE Hotel	32	0.01
<b>Oil &amp; Gas Producers – 5.04%</b>			
566,961	Royal Dutch Shell	7,297	2.71
512,374	Royal Dutch Shell	6,271	2.33
		<b>13,568</b>	<b>5.04</b>
<b>PERU – 0.02%</b>			
<b>Mining – 0.02%</b>			
31,436	Hochschild Mining	61	0.02
<b>RUSSIA – 0.11%</b>			
<b>Iron &amp; Steel – 0.08%</b>			
74,553	Evrax	215	0.08
<b>Mining – 0.03%</b>			
348,043	Petrovavlovsk	87	0.03
<b>SINGAPORE – 0.03%</b>			
<b>Electricity – 0.03%</b>			
2,058	XP Power	72	0.03

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>SOUTH AFRICA – 0.11%</b>			
<b>Banks – 0.06%</b>			
95,377	Investec	154	0.06
<b>Healthcare Services – 0.05%</b>			
52,448	Mediclinic International	139	0.05
<b>SWITZERLAND – 1.39%</b>			
<b>Airlines – 0.12%</b>			
9,300	Wizz Air	310	0.12
<b>Beverages – 0.20%</b>			
26,608	Coca-Cola HBC	540	0.20
<b>Commercial Services – 0.10%</b>			
104,376	IWG	277	0.10
<b>Iron &amp; Steel – 0.02%</b>			
37,560	Ferrexpo	65	0.02
<b>Mining – 0.95%</b>			
1,488,745	Glencore	2,549	0.95
<b>UNITED ARAB EMIRATES – 0.10%</b>			
<b>Diversified Financial Services – 0.10%</b>			
60,892	Network International	268	0.10
<b>UNITED KINGDOM – 78.36%</b>			
<b>Advertising – 0.45%</b>			
53,382	Ascential	154	0.06
22,625	Kin & Carta	14	0.01
164,294	WPP	1,036	0.38
		<b>1,204</b>	<b>0.45</b>
<b>Aerospace &amp; Defence – 1.28%</b>			
443,752	BAE Systems	2,145	0.80
44,223	Chemring	107	0.04
108,558	Meggitt	319	0.12
235,984	Rolls-Royce	674	0.25
9,389	Ultra Electronics	188	0.07
		<b>3,433</b>	<b>1.28</b>
<b>Agriculture – 4.51%</b>			
315,370	British American Tobacco	9,791	3.64
23,638	Carr's	26	0.01
9,272	Genus	326	0.12
130,169	Imperial Brands	2,003	0.74
		<b>12,146</b>	<b>4.51</b>
<b>Airlines – 0.25%</b>			
33,457	easyJet	228	0.08



# BlackRock Charities UK Equity Index Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
205,648	International Consolidated Airlines	457	0.17
		<b>685</b>	<b>0.25</b>
<b>Alternative Energy Sources – 0.11%</b>			
18,941	Calisen	34	0.01
67,780	John Laing	236	0.09
56,842	Stobart	20	0.01
		<b>290</b>	<b>0.11</b>
<b>Apparel – 0.33%</b>			
54,950	Burberry	879	0.33
5,562	Ted Baker	5	0.00
		<b>884</b>	<b>0.33</b>
<b>Automobile Manufacturers – 0.02%</b>			
83,414	Aston Martin Lagonda Global	41	0.02
<b>Automobile Parts &amp; Equipment – 0.02%</b>			
33,500	TI Fluid Systems	62	0.02
<b>Banks – 7.08%</b>			
2,377,095	Barclays	2,719	1.01
2,815,140	HSBC	10,653	3.96
9,662,093	Lloyds Banking	3,012	1.12
21,830	Metro Bank	23	0.01
32,032	Paragon Banking	112	0.04
634,983	Royal Bank of Scotland	772	0.29
360,504	Standard Chartered	1,586	0.59
169,582	Virgin Money UK	156	0.06
		<b>19,033</b>	<b>7.08</b>
<b>Beverages – 3.34%</b>			
10,509	Barr	47	0.02
35,869	Britvic	276	0.10
316,921	Diageo	8,498	3.16
6,046	Fuller Smith & Turner	44	0.02
91,539	Marston's	49	0.02
27,382	Stock Spirits	64	0.02
		<b>8,978</b>	<b>3.34</b>
<b>Biotechnology – 0.02%</b>			
7,769	Oxford Biomedica	54	0.02
<b>Building Materials – 0.18%</b>			
28,567	Forterra	57	0.02
53,567	Ibstock	96	0.04
26,426	Marshalls	163	0.06
5,068	Norcros	8	0.00
24,478	Polypipe	106	0.04

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
34,540	Tyman	65	0.02
		<b>495</b>	<b>0.18</b>
<b>Chemicals – 0.71%</b>			
17,006	Croda International	894	0.33
78,461	Elementis	50	0.02
26,762	Johnson Matthey	561	0.21
43,253	Synthomer	120	0.04
9,679	Trealt	48	0.02
11,185	Victrex	219	0.08
8,455	Zotefoams <sup>1</sup>	29	0.01
		<b>1,921</b>	<b>0.71</b>
<b>Commercial Services – 4.11%</b>			
3,399	4imprint	84	0.03
73,971	AA	17	0.01
33,767	Aggreko	150	0.06
61,753	Ashtead	1,677	0.62
68,912	Babcock International	214	0.08
228,184	Capita	101	0.04
13,161	Clipper Logistics	39	0.01
16,117	De La Rue	21	0.01
7,051	De La Rue Rights 04/07/2020	1	0.00
6,664	Dignity	16	0.01
44,420	Equiniti	64	0.02
24,437	Finabir <sup>2</sup>	–	0.00
212,229	G4S	242	0.09
214,219	Hays	255	0.09
36,190	Hye	36	0.01
22,577	Intertek	1,228	0.46
14,642	Mears	23	0.01
49,801	Mitie	41	0.02
42,370	Pagegroup	160	0.06
75,689	QinetiQ	225	0.08
32,558	Redde Northgate	54	0.02
256,720	RELX	4,801	1.78
258,816	Rentokil Initial	1,319	0.49
12,639	Robert Walters	51	0.02
23,088	RPS	11	0.00
17,553	Savills	145	0.05
58,071	Speedy Hire	33	0.01
20,218	SThree	55	0.02
1,129	Vp <sup>1</sup>	8	0.00
32,480	XPS Pensions	36	0.01
		<b>11,107</b>	<b>4.11</b>
<b>Computers – 0.34%</b>			
10,630	Computacenter	174	0.06

# BlackRock Charities UK Equity Index Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
11,327	FDM	102	0.04
9,482	Kainos	71	0.03
43,711	NCC	78	0.03
11,294	RM	26	0.01
174,443	Serco	266	0.10
16,445	Softcat	179	0.07
		<b>896</b>	<b>0.34</b>

### Cosmetics & Personal Care – 2.46%

30,091	PZ Cussons	56	0.02
150,508	Unilever	6,555	2.44
		<b>6,611</b>	<b>2.46</b>

### Distribution & Wholesale – 1.49%

46,055	Bunzl	998	0.37
15,088	Diploma	271	0.10
31,055	Ferguson	2,053	0.76
52,808	Inchcape	259	0.10
29,060	Macfarlane	20	0.01
76,050	SIG	23	0.01
19,012	SIG Rights 09/07/2020 Rights 7/9/2020 12:00:00 AM	–	0.00
34,560	Travis Perkins	389	0.14
		<b>4,013</b>	<b>1.49</b>

### Diversified Financial Services – 3.51%

37,608	AJ Bell	145	0.05
23,792	Amigo	1	0.00
21,073	Arrow Global	18	0.01
63,329	Ashmore	264	0.10
38,371	Brewin Dolphin	100	0.04
20,954	Close Brothers	232	0.09
17,839	CMC Markets	47	0.02
19,427	Funding Circle	13	0.00
49,537	Hargreaves Lansdown	807	0.30
49,194	IG	402	0.15
36,255	IntegralFin	166	0.06
32,439	International Personal Finance	17	0.01
56,139	Jupiter Fund Management	144	0.05
7,842	Liontrust Asset Management	102	0.04
43,276	London Stock Exchange	3,615	1.34
206,113	Man PLC/Jersey	269	0.10
47,688	Ninety One	98	0.04
193,437	Northern Rock Asset Management <sup>^</sup>	–	0.00
51,357	OneSavings Bank	136	0.05
10,106	PayPoint	61	0.02
34,900	Provident Financial	61	0.02

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
252,575	Quilter	351	0.13
7,381	Rathbone Brothers	105	0.04
547	River & Mercantile	1	0.00
852	S&U	14	0.01
15,155	Schroders	447	0.17
73,720	St James's Place	702	0.26
310,653	Standard Life Aberdeen	831	0.31
76,590	TP ICAP	269	0.10
		<b>9,418</b>	<b>3.51</b>

### Electricity – 0.79%

18,568	ContourGlobal	35	0.01
55,197	Drax	142	0.05
143,895	SSE	1,963	0.73
		<b>2,140</b>	<b>0.79</b>

### Electronics – 1.00%

3,820	Dialight	12	0.00
11,647	DiscoverIE	60	0.02
60,791	Electrocomponents	408	0.15
51,879	Halma	1,195	0.44
7,422	Oxford Instruments	106	0.04
4,782	Renishaw	192	0.07
119,562	Rotork	335	0.12
15,837	Spectris	400	0.15
18,083	TT Electronics	29	0.01
		<b>2,737</b>	<b>1.00</b>

### Engineering & Construction – 0.48%

92,712	Balfour Beatty	242	0.09
23,864	Costain	17	0.01
12,959	Galliford Try	15	0.01
45	Goodwin	1	0.00
10,405	Headlam	28	0.01
37,106	HomeServe	482	0.18
5,859	John Menzies	7	0.00
8,817	Keller	56	0.02
21,984	Kier	21	0.01
6,085	Morgan Sindall	75	0.03
7,256	Ricardo	29	0.01
40,904	Severfield	24	0.01
111,067	Signature Aviation	258	0.10
		<b>1,255</b>	<b>0.48</b>

### Entertainment – 0.13%

137,433	Cineworld	83	0.03
10,975	Gamesys	94	0.03
23,733	Rank	35	0.01

# BlackRock Charities UK Equity Index Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
144,757	William Hill	165	0.06
		<b>377</b>	<b>0.13</b>
<b>Environmental Control – 0.03%</b>			
24,820	Biffa	50	0.02
126,187	Renewi	33	0.01
		<b>83</b>	<b>0.03</b>
<b>Food Producers – 2.85%</b>			
47,608	Associated British Foods	912	0.34
27,101	Bakkavor	19	0.01
7,010	Cranswick	253	0.09
29,571	Devro	45	0.02
13,688	Greggs	221	0.08
8,245	Hilton Food	104	0.04
232,088	J Sainsbury	484	0.18
63,166	Ocado	1,280	0.48
122,061	Premier Foods	85	0.03
72,671	SSP	187	0.07
63,234	Tate & Lyle	422	0.16
1,336,434	Tesco	3,048	1.13
310,557	Wm Morrison Supermarkets	591	0.22
		<b>7,651</b>	<b>2.85</b>
<b>Food Services – 1.02%</b>			
245,704	Compass	<b>2,732</b>	<b>1.02</b>
<b>Forest Products &amp; Paper – 0.37%</b>			
66,353	Mondi	<b>1,002</b>	<b>0.37</b>
<b>Gas – 1.90%</b>			
810,750	Centrica	312	0.12
484,582	National Grid	4,789	1.78
		<b>5,101</b>	<b>1.90</b>
<b>Healthcare Products – 0.84%</b>			
218,720	ConvaTec	428	0.16
121,508	Smith & Nephew	1,829	0.68
		<b>2,257</b>	<b>0.84</b>
<b>Healthcare Services – 0.02%</b>			
1,093	Medica	1	0.00
49,591	Spire Healthcare	42	0.02
		<b>43</b>	<b>0.02</b>
<b>Home Builders – 1.53%</b>			
138,056	Barratt Developments	684	0.25
16,880	Bellway	430	0.16
16,026	Berkeley	667	0.25

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
60,678	Countryside Properties	201	0.07
30,490	Crest Nicholson	60	0.02
6,955	MJ Gleeson	45	0.02
43,401	Persimmon	992	0.37
32,514	Redrow	140	0.05
498,944	Taylor Wimpey	710	0.26
30,107	Vistry	214	0.08
		<b>4,143</b>	<b>1.53</b>
<b>Home Furnishings – 0.16%</b>			
79,776	Howden Joinery	<b>441</b>	<b>0.16</b>
<b>Household Products – 2.41%</b>			
25,406	McBride	15	0.01
86,892	Reckitt Benckiser	6,458	2.40
		<b>6,473</b>	<b>2.41</b>
<b>Insurance – 4.26%</b>			
29,080	Admiral	669	0.25
545,346	Aviva	1,492	0.55
82,111	Beazley	337	0.13
19,801	Chesnara	56	0.02
187,584	Direct Line Insurance	508	0.19
40,095	Hastings	77	0.03
121,813	Just	64	0.02
33,218	Lancashire	269	0.10
824,033	Legal & General	1,820	0.68
362,078	M&G	606	0.23
73,823	Phoenix	475	0.18
360,368	Prudential	4,391	1.63
143,399	RSA Insurance	588	0.22
34,396	Sabre Insurance	91	0.03
		<b>11,443</b>	<b>4.26</b>
<b>Internet – 0.69%</b>			
130,028	Auto Trader	684	0.25
38,950	GoCo	38	0.01
71,837	Moneysupermarket.com	232	0.09
119,187	Rightmove	650	0.24
63,029	Trainline	274	0.10
		<b>1,878</b>	<b>0.69</b>
<b>Investment Companies – 0.33%</b>			
4,851	City of London Investment	18	0.01
27,790	JPMorgan Global Core Real Assets	30	0.01
658,878	Melrose Industries	751	0.28
48,663	Octopus Renewables Infrastructure Trust	54	0.02

# BlackRock Charities UK Equity Index Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
33,191	Sdcl Energy Efficiency Income Trust	35	0.01	47,990	Photo-Me International	26	0.01
				4,213	Porvair	24	0.01
		<b>888</b>	<b>0.33</b>	59,433	Senior	42	0.02
<b>Leisure Time – 0.05%</b>				54,246	Smiths	763	0.28
18,055	Gym	27	0.01	29,292	Vesuvius	114	0.04
21,302	Hollywood Bowl	32	0.01	5,840	Vitec	39	0.01
15,465	On the Beach	46	0.02	26,839	Volution	50	0.02
146,281	Saga	23	0.01			<b>1,775</b>	<b>0.66</b>
		<b>128</b>	<b>0.05</b>	<b>Oil &amp; Gas Producers – 3.28%</b>			
<b>Lodging – 0.55%</b>				2,740,165	BP	8,416	3.13
24,911	InterContinental Hotels	888	0.33	70,139	Cairn Energy	83	0.03
27,310	Whitbread	605	0.22	13,749	Energean	84	0.03
		<b>1,493</b>	<b>0.55</b>	276,139	EnQuest	38	0.01
<b>Machinery Construction &amp; Mining – 0.14%</b>				35,541	Petrofac	63	0.02
34,793	Weir	<b>370</b>	<b>0.14</b>	51,614	Pharos Energy	9	0.00
<b>Machinery Diversified – 0.37%</b>				105,039	Premier Oil	54	0.02
10,058	Spirax-Sarco Engineering	<b>1,003</b>	<b>0.37</b>	190,444	Tullow Oil	60	0.02
				52,468	Vivo Energy	42	0.02
<b>Media – 0.86%</b>						<b>8,849</b>	<b>3.28</b>
7,821	Bloomsbury Publishing	16	0.01	<b>Oil &amp; Gas Services – 0.08%</b>			
15,320	Euromoney Institutional Investor	120	0.04	14,787	Hunting	31	0.01
13,691	Future	174	0.06	90,401	John Wood	175	0.07
205,538	Informa	967	0.36			<b>206</b>	<b>0.08</b>
504,084	ITV	376	0.14	<b>Packaging &amp; Containers – 0.26%</b>			
105,178	Pearson	606	0.23	179,532	DS Smith	589	0.22
43,894	Reach	34	0.01	35,131	Essentra	102	0.04
9,800	STV	22	0.01			<b>691</b>	<b>0.26</b>
		<b>2,315</b>	<b>0.86</b>	<b>Pharmaceuticals – 10.02%</b>			
<b>Metal &amp; Hardware – 0.07%</b>				181,358	AstraZeneca	15,272	5.67
27,091	Bodycote	170	0.06	13,741	Dechra Pharmaceuticals	391	0.15
17,860	Trifast	20	0.01	681,065	GlaxoSmithKline	11,144	4.14
		<b>190</b>	<b>0.07</b>	95,978	Indivior	80	0.03
<b>Mining – 3.77%</b>				86,690	Vectura	84	0.03
170,489	Anglo American	3,187	1.18			<b>26,971</b>	<b>10.02</b>
29,099	KAZ Minerals	145	0.05	<b>Private Equity – 0.63%</b>			
149,998	Rio Tinto	6,823	2.54	130,417	3i	1,086	0.40
		<b>10,155</b>	<b>3.77</b>	45,405	Allied Minds	15	0.01
<b>Miscellaneous Manufacturing – 0.66%</b>				39,133	Intermediate Capital	504	0.19
4,326	Avon Rubber	138	0.05	130,262	IP	83	0.03
10,935	Hill & Smith	136	0.05	1,568	Schroder European Real Estate Investment Trust	1	0.00
36,589	IMI	338	0.13			<b>1,689</b>	<b>0.63</b>
43,380	Morgan Advanced Materials	105	0.04				

# BlackRock Charities UK Equity Index Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Real Estate Investment &amp; Services – 0.32%</b>			
33,392	AEW UK REIT	22	0.01
4,761	Capital & Regional	4	0.00
24,599	CLS	46	0.02
39,141	Ediston Property Investment	21	0.01
65,591	Empiric Student Property	38	0.01
22,704	Foxtons	9	0.00
87,015	Grainger	249	0.09
25,922	Harworth	26	0.01
14,231	Helical	44	0.02
17,258	Henry Boot	43	0.02
5,975	LSL Property Services	12	0.00
80,795	McCarthy & Stone	57	0.02
511	Palace Capital	1	0.00
14,758	Phoenix Spree Deutschland	43	0.02
90,408	Picton Property Income	61	0.02
26,582	St Modwen Properties	92	0.03
71,067	Tritax EuroBox	72	0.03
21,855	U & I	17	0.01
		<b>857</b>	<b>0.32</b>

<b>Real Estate Investment Trusts – 2.30%</b>			
36,100	Aberdeen Standard European Logistics Income	37	0.01
361,046	Assura	283	0.11
21,335	Big Yellow	214	0.08
35,351	BMO Real Estate Investments	19	0.01
128,542	British Land	497	0.18
102,805	Capital & Counties Properties	150	0.06
75,673	Civitas Social Housing	83	0.03
48,426	Custodian Reit	44	0.02
13,735	Derwent London	381	0.14
57,269	GCP Student Living	71	0.03
33,459	Great Portland Estates	211	0.08
107,818	Hammerson	87	0.03
22,725	Impact Healthcare Reit	22	0.01
128,664	Intu Properties	2	0.00
97,583	Land	540	0.20
124,309	LondonMetric Property	261	0.10
80,855	LXI REIT	91	0.03
15,978	McKay	29	0.01
35,035	NewRiver REIT	22	0.01
171,222	Primary Health Properties	268	0.10
32,939	RDI REIT	27	0.01
57,041	Regional REIT	41	0.02
26,009	Residential Secure Income	23	0.01
93,169	Schroder Real Estate Investment Trust	28	0.01

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
161,894	Segro	1,448	0.54
31,128	Shaftesbury	164	0.06
68,936	Standard Life Investment Property Income Trust	42	0.02
56,451	Target Healthcare REIT	62	0.02
46,570	Triple Point Social Housing Reit	45	0.02
232,756	Tritax Big Box REIT	338	0.13
44,021	UNITE	413	0.15
19,127	Urban & Civic	43	0.02
19,170	Workspace	125	0.05
		<b>6,111</b>	<b>2.30</b>

<b>Retail – 1.50%</b>			
116,583	B&M European Value Retail	463	0.17
39,223	Card Factory	20	0.01
29,550	DFS Furniture	49	0.02
133,235	Dixons Carphone	119	0.04
62,746	Domino's Pizza	195	0.07
14,243	Dunelm	169	0.06
23,959	Frasers	73	0.03
33,487	Halfords	51	0.02
11,649	J D Wetherspoon	117	0.04
59,715	JD Sports Fashion	371	0.14
289,114	Kingfisher	638	0.24
58,519	Lookers	12	0.00
262,653	Marks & Spencer	260	0.10
30,839	Mitchells & Butlers	58	0.02
10,139	Motorpoint	25	0.01
17,464	Next	855	0.32
197,412	Pendragon	17	0.01
63,980	Pets at Home	153	0.06
93,290	Restaurant	53	0.02
8,563	Superdry	12	0.00
20,990	Watches of Switzerland	59	0.02
17,676	WH Smith	193	0.07
49,185	World	70	0.03
		<b>4,032</b>	<b>1.50</b>

<b>Software – 0.62%</b>			
18,953	Alfa Financial Software	14	0.01
9,056	Aptitude Software	31	0.01
8,806	AVEVA	360	0.13
43,968	Micro Focus International	190	0.07
148,840	Sage	999	0.37
13,526	SDL	68	0.03
		<b>1,662</b>	<b>0.62</b>

# BlackRock Charities UK Equity Index Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Storage &amp; Warehousing – 0.08%</b>				79,784	BBGI SICAV SA/Fund	130	0.05
27,553	Safestore	200	0.07	2,085	BH Global Fund	39	0.01
20,178	Wincanton	37	0.01	2,131	BH Macro	75	0.03
		<b>237</b>	<b>0.08</b>	43,833	Bluefield Solar Income Fund	59	0.02
<b>Telecommunications – 2.50%</b>				40,754	CVC Credit Partners European Opportunities	36	0.01
160,790	Airtel Africa	100	0.04	90,569	Foresight Solar Fund	99	0.04
1,200,405	BT	1,369	0.51	46,770	GCP Asset Backed Income Fund	41	0.02
70,420	Helios Towers	105	0.04	118,839	GCP Infrastructure Investments	133	0.05
80,491	Spirent Communications	194	0.07	17,256	Genesis Emerging Markets Fund	124	0.05
97,111	TalkTalk Telecom	83	0.03	10,349	HarbourVest Global Private Equity	163	0.06
7,410	Telecom Plus	105	0.04	18,142	Henderson Far East Income	57	0.02
3,699,125	Vodafone	4,767	1.77	84,703	Hipgnosis Songs Fund Fund	98	0.04
		<b>6,723</b>	<b>2.50</b>	219,895	International Public Partnerships	369	0.14
<b>Textiles – 0.04%</b>				77,114	JLEN Environmental Assets	91	0.03
193,109	Coats	<b>108</b>	<b>0.04</b>	7,541	NB Private Equity Partners Ltd/Fund	70	0.03
<b>Toys, Games &amp; Hobbies – 0.13%</b>				28,267	Pershing Square Ltd/Fund	534	0.20
4,439	Games Workshop	<b>356</b>	<b>0.13</b>	228,996	Renewables Infrastructure	289	0.11
<b>Transportation – 0.24%</b>				6,598	Riverstone Energy	25	0.01
3,339	Clarkson	75	0.03	23,336	Ruffer Investment Company	56	0.02
168,296	Firstgroup	85	0.03	38,786	Schroder Oriental Income Fund	87	0.03
5,199	Go-Ahead	43	0.02	218,190	Sequoia Economic Infrastructure Income Fund	227	0.08
5,129	James Fisher & Sons	70	0.03	44,022	SME Credit Realisation Fund	23	0.01
57,782	National Express	108	0.04	29,633	SQN Asset Finance Income Fund	10	0.00
123,315	Royal Mail	225	0.08	12,590	SQN Asset Finance Income Fund	7	0.00
55,024	Stagecoach	33	0.01	68,739	Syncona	169	0.06
		<b>639</b>	<b>0.24</b>	62,931	TwentyFour Income Fund	63	0.02
<b>Water – 0.87%</b>				30,522	TwentyFour Select Monthly Income Fund	26	0.01
57,364	Pennon	642	0.24	27,266	Vietnam Enterprise Investments	113	0.04
33,244	Severn Trent	824	0.31	24,155	VinaCapital Vietnam Opportunity Fund	79	0.03
95,788	United Utilities	872	0.32				
		<b>2,338</b>	<b>0.87</b>			<b>3,414</b>	<b>1.27</b>
<b>UNITED STATES OF AMERICA – 0.09%</b>				<b>Fixed Income Funds – 0.04%</b>			
<b>Biotechnology – 0.02%</b>				21,088	City Merchants High Yield Trust	37	0.02
24,273	PureTech Health	<b>64</b>	<b>0.02</b>	74,111	CQS New City High Yield Fund	35	0.01
<b>Leisure Time – 0.07%</b>				43,021	NB Global Floating Rate Income Fund	35	0.01
18,232	Carnival	<b>180</b>	<b>0.07</b>			<b>107</b>	<b>0.04</b>
<b>COLLECTIVE INVESTMENT SCHEMES – 6.33%</b>				<b>Investment Trusts – 5.01%</b>			
<b>Equity Funds – 1.27%</b>				82,628	3i Infrastructure	241	0.09
29,974	Aberdeen Asian Income Fund	55	0.02	48,540	Aberdeen Diversified Income and Growth Trust	45	0.02
30,785	Apax Global Alpha	43	0.02	10,555	Aberdeen New Dawn Investment Trust	26	0.01
13,397	Baillie Gifford UK Growth Fund	24	0.01				

# BlackRock Charities UK Equity Index Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
10,847	Aberdeen New India Investment Trust	44	0.02	41,466	Edinburgh Worldwide Investment Trust	108	0.04
4,018	Aberdeen Standard Asia Focus	39	0.01	5,432	Electra Private Equity	10	0.00
2,326	Aberdeen Standard Equity Income Trust	6	0.00	14,285	EP Global Opportunities Trust	38	0.01
11,284	Aberforth Smaller Companies Trust	104	0.04	49,011	European Assets Trust	48	0.02
36,570	Aberforth Split Level Income Trust	17	0.01	16,240	European Opportunities Trust	113	0.04
45,547	Alliance Trust	356	0.13	74,478	F&C Investment Trust	509	0.19
5,159	Allianz Technology Trust	116	0.04	13,300	Fidelity Asian Values	43	0.02
1,077	Artemis Alpha Trust	3	0.00	48,136	Fidelity China Special Situations	133	0.05
17,715	Asia Dragon Trust	70	0.03	52,662	Fidelity European Trust	137	0.05
25,272	Augmentum Fintech	27	0.01	17,687	Fidelity Japan Trust	31	0.01
14,151	Avi Global Trust	97	0.04	21,090	Fidelity Special Values	40	0.02
6,251	Baillie Gifford European Growth Trust	65	0.02	28,439	Finsbury Growth & Income Trust	235	0.09
13,669	Baillie Gifford Japan Trust	107	0.04	3,104	Fundsmith Emerging Equities Trust	34	0.01
45,488	Baillie Gifford Shin Nippon	87	0.03	210,519	Greencoat UK Wind	302	0.11
30,765	Baillie Gifford US Growth Trust	65	0.02	12,024	Henderson Alternative Strategies Trust	33	0.01
17,222	Bankers Investment Trust	170	0.06	13,935	Henderson Diversified Income Trust	12	0.00
68,359	BB Healthcare Trust	110	0.04	2,249	Henderson European Focus Trust	27	0.01
4,521	Biotech Growth Trust	56	0.02	3,923	Henderson EuroTrust	48	0.02
32,972	BlackRock Frontiers Investment Trust†	31	0.01	15,791	Henderson High Income Trust	23	0.01
8,840	BlackRock Greater Europe Investment Trust†	36	0.01	21,195	Henderson International Income Trust	31	0.01
6,075	BlackRock Latin American Investment Trust†	20	0.01	8,782	Henderson Smaller Companies Investment Trust	68	0.03
12,792	BlackRock North American Income Trust†	19	0.01	8,752	Herald Investment Trust	134	0.05
7,188	BlackRock Smaller Cos Trust†	92	0.03	52,756	HgCapital Trust PLC/Fund	124	0.05
10,058	Blackrock Throgmorton Trust†	56	0.02	260,675	HicI Infrastructure	449	0.17
27,784	BlackRock World Mining Trust†	104	0.04	9,269	ICG Enterprise Trust	70	0.03
17,550	BMO Capital & Income Investment Trust	46	0.02	28,874	Impax Environmental Markets	91	0.03
73,284	BMO Global Smaller Companies	85	0.03	5,800	Independent Investment Trust	23	0.01
11,375	BMO Private Equity Trust	36	0.01	7,230	International Biotechnology Trust	55	0.02
5,575	Brunner Investment Trust	43	0.02	13,116	Invesco Asia Trust	36	0.01
4,193	Caledonia Investments	110	0.04	3,185	Invesco Income Growth Trust	7	0.00
1,550	Capital Gearing Trust	68	0.03	6,109	Invesco Perpetual UK Smaller Cos Investment Trust	23	0.01
20,428	CC Japan Income & Growth Trust	24	0.01	27,006	JP Morgan American Investment Trust	130	0.05
59,640	City of London Investment Trust	202	0.08	12,151	JP Morgan Asia Growth & Income Trust	49	0.02
62,783	Diverse Income Trust	52	0.02	9,799	JP Morgan Claverhouse Investment Trust	56	0.02
23,895	Dunedin Income Growth Investment Trust	61	0.02	17,219	JP Morgan Emerging Markets Investment Trust	171	0.06
17,532	Ecofin Global Utilities and Infrastructure Trust	29	0.01	14,424	JP Morgan European Investment Trust - Growth	38	0.01
25,201	Edinburgh Investment Trust	117	0.04				

# BlackRock Charities UK Equity Index Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
14,357	JP Morgan European Investment Trust - Income	16	0.01	7,744	Pantheon International Fund	151	0.06
16,722	JP Morgan Global Growth & Income	56	0.02	31,544	Perpetual Income and Growth Investment Trust	71	0.03
13,305	JP Morgan Indian Investment Trust	72	0.03	371	Personal Assets Trust	164	0.06
10,778	JP Morgan Japan Smaller Cos Trust	48	0.02	17,036	Polar Capital Global Financials Trust	19	0.01
20,398	JP Morgan Japanese Investment Trust	110	0.04	14,548	Polar Capital Global Healthcare Trust	35	0.01
4,412	JP Morgan Mid Cap Investment Trust	39	0.01	17,980	Polar Capital Technology Trust	366	0.14
8,417	JP Morgan Russian	52	0.02	9,523	Pollen Street Secured Lending	70	0.03
14,476	JP Morgan Smaller Companies Investment Trust	32	0.01	17,679	RIT Capital Partners	315	0.12
10,137	JP Morgan US Smaller Companies Investment Trust	30	0.01	17,448	Schroder Asian Total Return Investment	64	0.02
13,269	JPMorgan China Growth & Income	60	0.02	20,824	Schroder AsiaPacific Fund	97	0.04
18,251	JPMorgan European Smaller Cos Trust	61	0.02	5,176	Schroder Income Growth Fund	13	0.00
46,170	JPMorgan Global Emerging Markets Income Trust	51	0.02	20,613	Schroder Japan Growth Fund	36	0.01
2,993	Jupiter US Smaller Companies	28	0.01	4,387	Schroder UK Mid Cap Fund	19	0.01
11,430	Keystone Investment Trust	29	0.01	107,951	Schroder UK Public Private	28	0.01
15,226	Law Debenture Fund	79	0.03	18,594	Scottish American Investment	77	0.03
21	Lindsell Train Investment Trust	24	0.01	11,841	Scottish Investment Trust	89	0.03
3,604	Lowland Investment Company	35	0.01	200,651	Scottish Mortgage Investment Trust	1,644	0.61
23,181	M&G Credit Income Investment Trust	23	0.01	5,677	Scottish Oriental Smaller Companies Trust	46	0.02
9,570	Majedie Investments	18	0.01	15,456	Smithson Investment Trust	227	0.08
7,906	Martin Currie Global Portfolio Trust	25	0.01	12,580	Standard Life Private Equity Trust	36	0.01
108,607	Mercantile Investment Trust	206	0.08	16,270	Standard Life UK Smaller Cos Trust	78	0.03
15,551	Merchants Trust	60	0.02	12,342	Strategic Equity Capital	24	0.01
5,876	Mid Wynd International Investment Trust	36	0.01	8,266	Temple Bar Investment Trust	64	0.02
17,725	Middlefield Canadian Income PCC	14	0.01	32,142	Templeton Emerging Markets Investment Trust	249	0.09
31,328	Monks Investment Trust	331	0.12	5,551	TR European Growth Trust	47	0.02
2,523	Montanaro European Smaller Cos Trust	30	0.01	42,975	TR Property Investment Trust - Ordinary Shares	143	0.05
17,506	Montanaro UK Smaller Companies Investment Trust	19	0.01	32,677	Troy Income & Growth Trust	24	0.01
9,603	Murray Income Trust	74	0.03	12,522	Trust of Scotland	24	0.01
16,498	Murray International Trust	164	0.06	30,282	Utilico Emerging Markets Trust Fund	54	0.02
71,246	NextEnergy Solar Fund	76	0.03	13,203	Value and Income Trust	22	0.01
18,200	North American Income Trust	43	0.02	44,313	VPC Specialty Lending Investments	29	0.01
996	North Atlantic Smaller Cos Investment Trust	28	0.01	126,435	Witan Investment Trust	232	0.09
19,971	Pacific Assets Trust	52	0.02	10,600	Witan Pacific Investment Trust	36	0.01
6,456	Pacific Horizon Investment Trust	31	0.01	7,744	Worldwide Healthcare Trust	280	0.10
						<b>13,486</b>	<b>5.01</b>



# BlackRock Charities UK Equity Index Fund

## Portfolio Statement

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>Property Funds – 0.01%</b>			
5,035	ICG-Longbow Senior Secured UK Property Debt Investments	3	0.00
46,558	Starwood European Real Estate Finance	40	0.01
		<b>43</b>	<b>0.01</b>

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>DERIVATIVES – 0.02%</b>			
<b>Futures – 0.02%</b>			
	39 FTSE 100 Index September 2020	46	0.02
<b>Portfolio of investments</b>		<b>268,179</b>	<b>99.64</b>
Net other assets		978	0.36
<b>Total net assets</b>		<b>269,157</b>	<b>100.00</b>

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

<sup>1</sup> Illiquid Security Fair Valued by the Manager.

<sup>2</sup> Fair valued by the Manager

<sup>□</sup> Delisted investment fair valued at zero.

<sup>†</sup> Managed by a related party.

# BlackRock Charities UK Equity Index Fund

## Statement of Total Return

for the period from 6 December 2019 to 30 June 2020

	Notes	£000's	For the period from 6.12.2019 to 30.6.2020 £000's
Income			
Net capital losses	2		(45,752)
Revenue	3	4,736	
Expenses	4	(105)	
Net revenue before taxation		4,631	
Taxation	5	(38)	
Net revenue after taxation			4,593
Total return before distributions			(41,159)
Distributions	6		(4,611)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(45,770)</b>

## Statement of Change in Net Assets Attributable to Unitholders

for the period from 6 December 2019 to 30 June 2020

	£000's	For the period from 6.12.2019 to 30.6.2020 £000's
<b>Opening net assets attributable to unitholders</b>		–
Amounts receivable on issue of units	52,698	
In-Specie from terminated CIF entity	279,646	
Amounts payable on cancellation of units	(17,963)	
		314,381
Stamp duty reserve tax		(6)
Change in net assets attributable to unitholders from investment activities		(45,770)
Retained distribution on accumulation units		552
<b>Closing net assets attributable to unitholders</b>		<b>269,157</b>

# BlackRock Charities UK Equity Index Fund

## Balance Sheet

at 30 June 2020

	Notes	30.6.2020 £000's
<b>Assets:</b>		
Fixed assets		
– Investment assets		268,179
Current assets		
– Debtors	7	1,244
– Cash and bank balances	8	1,285
<b>Total assets</b>		<b>270,708</b>
<b>Liabilities:</b>		
Creditors		
– Distributions payable		(1,447)
– Other creditors	9	(104)
<b>Total liabilities</b>		<b>(1,551)</b>
<b>Net assets attributable to unitholders</b>		<b>269,157</b>

M T Zemek (Director)

G D Bamping (Director)

BlackRock Fund Managers Limited

24 August 2020

# BlackRock Charities UK Equity Index Fund

## Notes to Financial Statements

for the period from 6 December 2019 to 30 June 2020

### 1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 21 to 23.

### 2. Net Capital Losses

	For the period from 6.12.2019 to 30.6.2020 £000's
The net capital losses comprise:	
Losses on non-derivative securities	(44,891)
Losses on derivative securities	(818)
Currency losses	(35)
Manager's charge rebates	1
Custodian transaction costs	(9)
<b>Net capital losses</b>	<b>(45,752)</b>

Net losses (excluding Manager's charge rebates and transaction costs) listed above of £(45,744,000) comprise net realised losses of £(3,277,000) and net unrealised losses of £(42,467,000).

### 3. Revenue

	For the period from 6.12.2019 to 30.6.2020 £000's
Equity distributions on CIS holdings	42
Interest distributions on CIS holdings	4
Interest from UK bank deposits	2
Overseas dividends	583
Overseas REIT dividends	4
Stock dividends	22
UK dividends	3,990
UK REIT dividends	89
<b>Total revenue</b>	<b>4,736</b>

# BlackRock Charities UK Equity Index Fund

## Notes to Financial Statements

### 4. Expenses

	For the period from 6.12.2019 to 30.6.2020 £000's
Payable to the Manager or associates of the Manager:	
– Manager's charge	66
	<hr/>
	66
Other expenses:	
– Audit fee	3
– Legal and other professional fees	18
– Safe custody fees	3
– Trustee's fees	15
	<hr/>
	39
	<hr/>
<b>Total expenses</b>	<b>105</b>

### 5. Taxation

	For the period from 6.12.2019 to 30.6.2020 £000's
Overseas tax	38
	<hr/>
<b>Total tax charge</b>	<b>38</b>

# BlackRock Charities UK Equity Index Fund

## Notes to Financial Statements

### 6. Distributions

	For the period from 6.12.2019 to 30.6.2020 £000's
First distribution	313
Second distribution	2,700
Final distribution	1,652
	4,665
Add: Amounts deducted on cancellation of units	30
Less: Amounts received on issue of units	(84)
<b>Distributions</b>	<b>4,611</b>

The distributable amount has been calculated as follows:

Net revenue after taxation	4,593
Add: Expenses reimbursed by capital	18
<b>Distributions</b>	<b>4,611</b>

### 7. Debtors

	30.6.2020 £000's
Accrued revenue	579
Amounts receivable for issue of units	630
Overseas tax recoverable	35
<b>Total debtors</b>	<b>1,244</b>

### 8. Cash and Bank Balances

	30.6.2020 £000's
Amount held at futures clearing houses and brokers	137
Cash and bank balances	1,148
<b>Total cash and bank balances</b>	<b>1,285</b>

# BlackRock Charities UK Equity Index Fund

## Notes to Financial Statements

### 9. Other Creditors

	<b>30.6.2020</b>
	<b>£000's</b>
Accrued Audit fee	3
Accrued Legal and other professional fees	17
Accrued Manager's charge	27
Accrued Safe custody fees	3
Accrued Trustee's fee	6
Custodian transaction costs	8
Purchases awaiting settlement	40
<b>Total other creditors</b>	<b>104</b>

### 10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date.

### 11. Related Parties

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

The following entities were related parties of the Fund during the period ended 30 June 2020:

Manager/Registrar: BlackRock Fund Managers Limited  
Investment Manager: BlackRock Investment Management (UK) Limited

The ultimate holding company of the Manager, Registrar and Investment Manager is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA. During the period to 30 June 2020 PNC Financial Services Group Inc. ("PNC"), was a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Fund during the period to 30 June 2020. On 11 May 2020, PNC announced its intent to sell its investment in BlackRock, Inc. through a registered offering and related buyback by BlackRock.

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 6. Any amounts due to or from the Manager at the period end are disclosed in notes 7 and 9. Management fees and registration fees paid to the Manager are shown in note 4. The balances due at the period end in respect of these fees are shown in note 9.

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

# BlackRock Charities UK Equity Index Fund

## Notes to Financial Statements

### 11. Related Parties

underlying funds which are not subject to any management charges. Alternatively, where this is not possible, the Manager will rebate management charges to the Fund. The Fund will not be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

The Fund's investments in other BlackRock related party entities are individually identified in the Portfolio Statement.

As at 30 June 2020, the following investor(s):

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

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

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

	<b>For the period from 6.12.2019 to 30.6.2020 £000's</b>
Net decrease in respect of units created and cancelled	(53)
Increase in Revenue	53
<b>Revenue Carried Forward</b>	-



# BlackRock Charities UK Equity Index Fund

## Notes to Financial Statements

### 12. Portfolio Transaction Costs

For the period from 6 December 2019 to 30 June 2020

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	21,611	4	0.02	10	0.05
Collective investment schemes	1,291	–	–	1	0.08
<b>Total purchases</b>	<b>22,902</b>	<b>4</b>		<b>11</b>	
<b>Total purchases including transaction costs</b>	<b>22,917</b>				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	16,974	3	0.02	–	–
Collective investment schemes	878	–	–	–	–
<b>Total sales</b>	<b>17,852</b>	<b>3</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>17,849</b>				
<b>Derivative transaction costs</b>		<b>1</b>		<b>–</b>	
<b>Total transaction costs</b>		<b>8</b>		<b>11</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.00%</b>		<b>0.00%</b>	

The above analysis covers direct transaction costs incurred by the Fund during the period. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

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

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.12%.

# BlackRock Charities UK Equity Index Fund

## Notes to Financial Statements

### 13. Units in Issue

The movement in units in issue for the period from 06 December 2019 to 30 June 2020 is as follows:

	A Income Units	A Accumulation Units	X Income Units	X Accumulation Units
Balance at the beginning of the period	–	–	–	–
In-specified from terminated CIF	11,598,539	392,905	76,552,999	18,561,734
Issued during the period	804,577	–	39,837,207	1,759,376
Cancelled during the period	(437,508)	–	(13,636,467)	–
<b>Balance at the end of the period</b>	<b>11,965,608</b>	<b>392,905</b>	<b>102,753,739</b>	<b>20,321,110</b>

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

### 14. Subsequent Events

There have been no significant events subsequent to the period end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the period ended 30 June 2020.

## Statement of Manager's and Trustee's Responsibilities

The Manager is required by the terms of the Trust Deed to prepare the financial statements for each financial year. These financial statements must be prepared in accordance with generally accepted accounting standards in the United Kingdom to give a true and fair view of the state of affairs of the Trust at the year end and of the net revenue and net gains/(losses) for the year.

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

The Manager is responsible for keeping such accounting records as are necessary to enable it to ensure that the financial statements comply with the Financial Conduct Authority's ("FCA") Collective Investment Schemes Sourcebook ("the Sourcebook"), the SORP and the Trust Deed.

The Trustee acts as the depositary of the Funds and, in doing so, shall comply with the terms of the Scheme and the provisions of the AIFMD (which means, collectively, Directive 2011/61/EU, as implemented by Commission Delegated Regulation (EU) No. 231/2013, and as transposed by UK SI 2013/1773 and any other applicable national implementing measures in the UK including, without limitation, the rules contained in the FCA handbook of rules and guidance, each as may be amended or updated from time to time).

The Trustee is responsible for the safekeeping of all the property of the Scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the Scheme is managed in accordance with the Sourcebook, the FCA Investment Funds Sourcebook ("FUND"), the Trust's Trust Deed and Prospectus, in relation to the pricing of, and dealings in, units in the Trust; the application of revenue of the Scheme; and the investment and borrowing powers of the Trust.

## Statement of Manager's and Trustee's Responsibilities

The Manager is responsible for keeping such accounting records as are necessary to enable it to prepare the financial statements for the Funds for each financial year. These financial statements must be prepared in accordance with generally accepted accounting principles to give a true and fair view of the state of affairs of the Funds at the year end and of the revenue for the year. The financial statements must comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 ("the Regulations"), the Scheme and, where relevant, should comply with the disclosure requirements of the current Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (subsequently The Investment Association).

The Manager's duties and powers also include: instructing the Trustee on the cancellation of units; carrying out regular valuations of each Fund's property and ensuring that units issued by each Fund are correctly priced; maintaining daily records of units purchased by the Manager or sold on behalf of the Trustee; and appointing the auditor of each Fund. The Manager is responsible for managing the investments of the Funds. The Manager has delegated certain functions with respect to the portfolio management of the assets of each Fund, the performance of certain risk management functions and the distribution of units to the Investment Manager, BlackRock Investment Management (UK) Limited. In addition, the Manager is required to make available all of the Manager's records relating to the Funds for inspection by the Trustee.

Under the Scheme, the Trustee is responsible amongst other things for the custody and control of the property of the Funds, the collection of all income due to the Funds, and the claiming of any repayment of tax which may be due. The Trustee may create and cancel units in accordance with the instructions of the Manager (except where not permitted to by the Scheme Particulars). The Trustee will make distributions and allocations of income to unitholders as applicable.

The Trustee acts as the depositary of the Funds and, in doing so, shall comply with the terms of the Scheme and the provisions of the AIFMD (which means, collectively, Directive 2011/61/EU, as implemented by Commission Delegated Regulation (EU) No. 231/2013, and as transposed by UK SI 2013/1773 and any other applicable national implementing measures in the UK including, without limitation, the rules contained in the FCA handbook of rules and guidance, each as may be amended or updated from time to time).

The Trustee has delegated certain safekeeping functions to The Bank of New York Mellon (International) Limited.

The Trustee also has the duty of supervision and oversight of the Manager's compliance with the Scheme and the Scheme Particulars. In particular, the Trustee must be satisfied that the Manager is not exceeding his powers and that the Manager is maintaining adequate and proper records.

The Trustee is required to take all steps and execute all documents which are necessary to secure that purchases and sales of investments of the Funds are properly completed, and is required to exercise voting rights attaching to such investments as properly instructed by the Manager.

# Report of the Trustee

The Trustee is responsible for the appointment of the Registrar and for the supervision and oversight of the Registrar. The Trustee is responsible for supervision and oversight of any delegate which it appoints. The Trustee is responsible for the appointment and dismissal of persons engaged by the Trustee in connection with the Funds, for the making of an Annual Report on the discharge of its responsibilities for the management of the Funds, and is responsible for the authorisation of payments out of the property of the Funds of reasonable costs and expenses of the Advisory Committee. The Trustee is responsible for the winding up of the Funds.

Under the Regulations, the Trustee has a duty to enquire into the conduct of the Manager in the management of the Funds in each accounting period and to report thereon to unitholders. A copy of the Trustee's report is set out below.

The Funds require that annual reports, including audited financial statements, are sent to the Charity Commission and to all participants in the Funds.

## To the Unitholders of the Funds

We confirm that in the Trustee's opinion, the Manager has managed the Funds in all material respects in accordance with the limitations imposed on the investment and borrowing powers of the Manager and Trustee by the Prospectus, and otherwise in accordance with the provisions of the Prospectus.

The Bank of New York Mellon  
(International) Limited

London  
24 August 2020

## Independent Auditor's Report to the unitholders of the BlackRock Charities Funds

We have audited the financial statements of the BlackRock Charities Funds ("the Funds") for the period ended 30 June 2020 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders together with the Balance Sheet for each of the Funds, the accounting policies of the Funds, the related notes and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the financial position of the Funds as at 30 June 2020 and of the net revenue and the net capital gains/(losses) on the scheme property of the Funds for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information.

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

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

We have nothing to report in this regard.

### **Opinions on Other Matters Prescribed by the Rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority**

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

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

### **Responsibilities of the Manager**

As explained more fully in the Manager's responsibilities statement set out on page 158, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the funds or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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





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

Tel: +44 131 777 2000  
Fax: +44 131 777 2001  
ey.com

## Use of Our Report

This report is made solely to the unitholders of the funds, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the unitholders of the funds those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the funds and the unitholders of the funds as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP  
Statutory Auditor

Edinburgh  
26 August 2020

## Supplementary Information

### Efficient Portfolio Management Techniques

The Manager may, on behalf of certain Funds and subject to the conditions and within the limits laid down by the FCA and the Prospectus, employ techniques and instruments relating to transferable securities, including investments in Over-the-Counter Financial Derivative Instruments (OTC FDIs) provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against exchange risk or for direct investment purposes, where applicable.

In addition to the investments in OTC FDIs, the Funds may employ other techniques and instruments relating to transferable securities and money market instruments, subject to the conditions set out in the Trust's Prospectus, as amended from time to time, and the ESMA Guidelines, such as repurchase / reverse repurchase transactions ("repo transactions") and securities lending.

The sub-funds have not engaged in securities lending during the period ended 30 June 2020 and the BlackRock Armed Forces Charities Growth & Income Fund is the only sub-fund to hold OTC FDIs in the form of Total Return Swaps as at 30 June 2020.

Fund	TRS (including CFDs)		Returns earned £000's
	Currency	% of NAV	
BlackRock Armed Forces Charities Growth & Income Fund	GBP	2.03	–

Counterparty	Counterparty's country of establishment	TRS Underlying exposure
BlackRock Armed Forces Charities Growth & Income Fund		
Société Générale SA	France	7,460
<b>Total</b>		<b>7,460</b>

# About us

BlackRock is a premier provider of asset management, risk management, and advisory services to institutional, intermediary, and individual clients worldwide. As of 30 June 2020, the firm manages £5.92 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

Through BlackRock Solutions®, the firm offers risk management and advisory services that combine capital markets expertise with proprietary-developed analytics, systems, and technology. Through BlackRock Solutions, the Firm provides risk management and enterprise investment services for over 200 clients.

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