


**BlackRock.**



**Annual report  
and audited financial  
statements**

BlackRock Dynamic Diversified  
Growth Fund

For the financial year ended 29 February 2024

NM0524U-3615568-1/82

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# General Information

## Manager & Registrar

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

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

## Directors of the Manager

G D Bamping\*  
S Corrigan (Resigned 2 May 2023)  
W I Cullen\*  
D Edgar  
T S Hale (Appointed 16 April 2024)  
K Henry (Appointed 3 March 2023 and resigned 24 January 2024)  
A M Lawrence  
H N Mephram  
S Sabin (Appointed 18 August 2023)  
M T Zemek\*

## Trustee & Custodian

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

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

## Investment Manager

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

Authorised and regulated by the FCA.

## Stock Lending Agent

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

Authorised and regulated by the FCA

## Auditor

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

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

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

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

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

\* Non-executive Director.

## About the Fund

BlackRock Dynamic Diversified Growth Fund (the "Fund") is a UCITS scheme under the COLL Sourcebook. The Fund was established on 30 June 2006. The Fund was previously known as Merrill Lynch Target Return Fund. The Fund changed its name to BlackRock Target Return Fund on 28 April 2008, to BlackRock Cautious Portfolio Fund on 1 May 2009 and adopted its present name with effect from 21 February 2014. The Fund's FCA product reference number is 452384.

### Assessment of value

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

## Fund Managers

As at 29 February 2024, the Fund Managers were Adam Ryan and Conan McKenzie.

## Significant Events

### Changes in the Directors of the Manager

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

S Corrigan resigned as a Director effective 2 May 2023.

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

## Subsequent Events

### Changes in the Directors of the Manager

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

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

# Risk and Reward Profile

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

- The risk indicator was calculated incorporating historical or simulated 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).

# Investment Manager's Report

for the year ended 29 February 2024

## Investment Objective

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

Target benchmark	Investment management approach
Bank of England's Base Interest Rate (plus 3.5% per annum (gross of fees))	Active

## Performance Summary

The following table compares the Fund's realised performance against the performance of the target benchmark during the financial year ended 29 February 2024.

	Fund return %	Target benchmark %
Class D Accumulation Units	7.55	8.45

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

- Fund returns shown, calculated net of fees, are the performance returns for the primary unit class of the Fund which has been selected as a representative unit class. The primary unit class represents the class of unit which is the highest charging unit class, free of any commissions or rebates, and is freely available. Performance returns for any other unit class can be made available on request.
- Fund returns are based on the NAV per unit as at close of business for reporting purposes only, for the purpose of fair comparison and presentation with the target benchmark close of business valuation point.
- Due to the Financial Reporting Standard 102 ("FRS 102") and the Statement of Recommended Practice for Authorised Funds ("SORP") requirements, including the accounting policy for the valuation point at 12 noon, there may be differences between the NAV per unit as recorded in the financial statements and the NAV per unit calculated in accordance with the Prospectus.

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

## Global Economic Overview

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

# Investment Manager's Report continued

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

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

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

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

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

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

# Investment Manager's Report continued

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

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

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

## Fund Performance Review and Activity

Over the financial year to 29 February 2024, the Fund's performance return was 7.55%, regrettably underperforming its target benchmark which returned 8.45%.

Outside of a handful of names within the technology and luxury goods sectors which performed strongly over the financial year, financial markets were driven by the evolving path of inflation and economic growth. At the start of the financial year, higher than expected inflation data, combined with instability within the banking sector, negatively impacted investor sentiment. As central banks followed through on raising interest rates, the realisation that interest rates may need to remain higher for longer led to a fall in equity and fixed income markets. However, they rallied strongly towards the year-end as resilient economic data and falling inflation rates led to increased prospect of inflation returning to target levels without a recession. Capital markets began to anticipate potential interest rate cuts. Although the Investment Manager believes this will continue, markets have significantly reduced their expectations on the extent of interest rate cuts in 2024.

Against this backdrop, the Fund delivered a positive return over the financial year, driven most prominently by its equity allocation. Also contributing strongly was the fixed income allocation, as well as cash and currency exposures. Commodities, and gold in particular, contributed positively to the Fund's performance as geopolitical tensions rose over the period. Conversely, the exposure to listed alternatives and volatility strategies detracted from performance.

During the financial year, the following 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 Enterprise Tech Equity Basket	1.44%	Bluefield Solar Income Fund Ltd	(0.37%)
BlackRock Global Corporate Bond Portfolio	1.28%	Foresight Solar Fund Ltd	(0.35%)
BlackRock European Unconstrained Equity Portfolio	1.19%	Blackstone Loan Financing Limited	(0.31%)
Global Brands Equity Basket	0.73%	VIX Futures (hedging)	(0.24%)
BlackRock European High Yield Portfolio	0.68%	Green Technology Equity Basket	(0.21%)



# Investment Manager's Report continued

The US Enterprise Tech Equity Basket was a key contributor to the Fund's performance during the financial year given its exposure to the US technology sector, whilst the Global Brands Equity Basket benefitted from the continued resilience in the global consumer spending. Also key to driving Fund performance over the financial year was the allocation to strategies managed by asset class specialists including the BlackRock Global Corporate Bond Portfolio, BlackRock European Unconstrained Equity Portfolio and BlackRock European High Yield Portfolio which all outperformed.

The Bluefield Solar Income Fund and the Foresight Solar Fund detracted from performance during the financial year as their share price fell to a discount to their underlying net asset value. This was driven predominantly by a rise in UK government bond yields. Nevertheless the Investment Manager retains conviction in the underlying assets to continue to deliver income and growth. Investments linked to the sustainability themes also demonstrated weak performance over the period, as evidenced by the performance of the Green Technology Equity Basket. The investment in Blackstone Loan Financing Limited was not able to completely recover from underperformance at the start of the period whilst hedging strategies to protect against heightened equity volatility in the form of VIX Futures also detracted from performance.

The following table details the significant portfolio weightings at 29 February 2024 and 28 February 2023:

29 February 2024		28 February 2023	
Sector	Gross Exposure	Sector	Gross Exposure
Developed Market Equities	31.86%	Non-Government Bonds	30.00%
Non-Government Bonds	28.51%	Cash, FX & Derivatives Cover	28.43%
Cash, FX & Derivatives Cover	11.62%	Developed Market Equities	21.07%
Government Bonds	8.41%	Emerging Market Equities	5.64%
Alternatives	5.85%	Alternatives	5.56%

The Fund started the financial year cautiously positioned, with a low level of risk given the wide range of interest rate expectations which continued to drive volatility in financial markets. Over the financial year, the Fund significantly increased its allocation to equities as the future path for interest rates became clearer. The Investment Manager also increased allocation to government bonds. The Manager's aim is to dynamically adjust the portfolio's sensitivity to interest rates, given the continued uncertainty surrounding monetary policy.

As the growth outlook remains robust, particularly for the US, the market consensus is that inflation will return to central banks' target levels and the US and Europe will avoid a severe recession. It should be recognised that there are many potential risks to this outlook, including the lagged consequences of higher interest rates and very significant geopolitical tensions that the Investment Manager is closely monitoring. The preference is for holding higher quality assets as companies with stable revenue generation and healthier balance sheets that are better placed to withstand the current tighter credit conditions. The Investment Manager continues to focus on portfolio resilience and downside protection and believes that active asset allocation and dynamic monitoring of positioning remain important parts of the toolkit for navigating periods of uncertainty.

# Performance Record

## Comparative Table

	A Income Units			A Accumulation Units		
	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>						
Opening net asset value per unit	127.1	133.3	135.4	149.4	153.9	155.1
Return before operating charges	10.56	(1.92)	0.90	11.97	(2.52)	0.90
Operating charges	(1.72)	(1.71)	(1.83)	(2.02)	(1.97)	(2.10)
Return after operating charges	8.84	(3.63)	(0.93)	9.95	(4.49)	(1.20)
Distributions	(3.86)	(2.62)	(1.21)	(4.04)	(2.69)	(1.33)
Retained distributions on accumulation units	N/A	N/A	N/A	4.04	2.69	1.33
<b>Closing net asset value per unit</b>						
After direct transaction costs of	(0.03)	(0.04)	(0.06)	(0.04)	(0.04)	(0.07)
<b>Performance</b>						
Return after charges <sup>1</sup>	6.96%	(2.72)%	(0.69)%	6.66%	(2.92)%	(0.77)%
<b>Other information</b>						
Closing net asset value (£000's)	9	33	69	10,436	589,877	745,418
Closing number of units	6,716	25,930	51,969	6,548,850	394,801,315	484,351,115
Operating charges <sup>2</sup>	1.33%	1.33%	1.32%	1.33%	1.33%	1.32%
Direct transaction costs <sup>3</sup>	0.02%	0.03%	0.04%	0.02%	0.03%	0.04%
<b>Prices</b>						
Highest offer unit price	141.3	139.7	147.7	165.7	161.3	169.1
Lowest bid unit price	124.3	122.2	133.2	145.8	141.0	152.4

<sup>1</sup> The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on close of business prices.

<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 15 for further details.

# Performance Record continued

## Comparative Table continued

	X Accumulation Units			D Income Units		
	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>						
Opening net asset value per unit	164.8	168.5	168.1	126.6	132.8	135.0
Return before operating charges	12.63	(3.68)	0.46	9.89	(2.75)	0.54
Operating charges	(0.07)	(0.07)	(0.05)	(0.81)	(0.81)	(0.86)
Return after operating charges	12.56	(3.75)	0.41	9.08	(3.56)	(0.32)
Distributions	(6.04)	(4.11)	(3.14)	(4.03)	(2.62)	(1.86)
Retained distributions on accumulation units	6.04	4.11	3.14	N/A	N/A	N/A
<b>Closing net asset value per unit</b>						
After direct transaction costs of	(0.04)	(0.05)	(0.07)	(0.03)	(0.04)	(0.06)
<b>Performance</b>						
Return after charges <sup>1</sup>	7.62%	(2.23)%	0.24%	7.17%	(2.68)%	(0.24)%
<b>Other information</b>						
Closing net asset value (£000's)	1,150,099	637,882	738,070	11,453	9,704	10,036
Closing number of units	648,458,693	387,177,038	437,989,933	8,700,134	7,663,787	7,555,974
Operating charges <sup>2</sup>	0.04%	0.04%	0.03%	0.63%	0.63%	0.62%
Direct transaction costs <sup>3</sup>	0.02%	0.03%	0.04%	0.02%	0.03%	0.04%
<b>Prices</b>						
Highest offer unit price	178.6	171.2	178.8	136.6	135.1	143.1
Lowest bid unit price	161.6	155.2	166.9	123.8	121.9	133.4

<sup>1</sup> The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on close of business prices.

<sup>2</sup> Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depository 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 15 for further details.

# Performance Record continued

## Comparative Table continued

	D Accumulation Units		
	For the year to 29.2.2024	For the year to 28.2.2023	For the year to 28.2.2022
	Pence per unit	Pence per unit	Pence per unit
<b>Change in net assets per unit</b>			
Opening net asset value per unit	156.3	160.6	161.0
Return before operating charges	12.14	(3.35)	0.63
Operating charges	(1.00)	(0.98)	(1.03)
Return after operating charges	11.14	(4.33)	(0.40)
Distributions	(4.97)	(3.17)	(2.21)
Retained distributions on accumulation units	4.97	3.17	2.21
<b>Closing net asset value per unit</b>			
After direct transaction costs of	(0.04)	(0.05)	(0.07)
<b>Performance</b>			
Return after charges <sup>1</sup>	7.13%	(2.70)%	(0.25)%
<b>Other information</b>			
Closing net asset value (£000's)	15,782	16,825	19,131
Closing number of units	9,425,512	10,766,409	11,912,095
Operating charges <sup>2</sup>	0.63%	0.63%	0.62%
Direct transaction costs <sup>3</sup>	0.02%	0.03%	0.04%
<b>Prices</b>			
Highest offer unit price	168.6	163.1	170.6
Lowest bid unit price	152.8	147.4	159.0

<sup>1</sup> The return after charges figures are based on the net asset value reported for financial statements purposes prepared under UK GAAP and SORP requirements and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on close of business prices.

<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 15 for further details.

# Distribution Table

for the year ended 29 February 2024

## Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2023

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

	A Income Units		A Accumulation Units		X Accumulation Units		D Income Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	3.8619	3.0426	4.0411	2.4462	6.0405	2.7375	4.0262	1.9234
Equalisation <sup>†</sup>	–	0.8193	–	1.5949	–	3.3030	–	2.1028
<b>Distribution paid 30.4.2024</b>	<b>3.8619</b>	<b>3.8619</b>	<b>4.0411</b>	<b>4.0411</b>	<b>6.0405</b>	<b>6.0405</b>	<b>4.0262</b>	<b>4.0262</b>
<b>Distribution paid 30.4.2023</b>	<b>2.6178</b>	<b>2.6178</b>	<b>2.6871</b>	<b>2.6871</b>	<b>4.1081</b>	<b>4.1081</b>	<b>2.6233</b>	<b>2.6233</b>

	D Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	4.9670	2.9748
Equalisation <sup>†</sup>	–	1.9922
<b>Distribution paid 30.4.2024</b>	<b>4.9670</b>	<b>4.9670</b>
<b>Distribution paid 30.4.2023</b>	<b>3.1705</b>	<b>3.1705</b>

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

# 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 “ManCo”). The disclosures are made in accordance with the provisions in the UK implementation of Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (“UCITS”), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the council of 23 July 2014, (the “Directive”), the “Guidelines on sound remuneration policies under the UCITS Directive and AIFMD” issued by the European Securities and Markets Authority, the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2018, the Financial Conduct Authority (“FCA”) Handbook SYSC 19E: The UCITS Remuneration Code (the “UCITS Remuneration Code”), and COLL 4.5.7 R(7).

BlackRock’s UCITS Remuneration Policy (the “UCITS Remuneration Policy”) will apply to the EEA entities within the BlackRock group authorised as a manager of UCITS funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive and to UK entities within the BlackRock group authorised as a manager of a UK UCITS fund in accordance with UCITS as implemented, retained and onshored in the UK.

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

## Remuneration Governance

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

The implementation of the remuneration policy is annually subject to central and independent review for compliance with policies and procedures for remuneration adopted by the MDCC and by the ManCo’s Board. The most recent review found no fundamental issues. The remuneration disclosure is produced and owned by MDCC and the Manager’s Board.

No material changes were made to the remuneration policy in 2023.

### (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;

## Report on Remuneration continued

- reviewing, assessing and making reports and recommendations to the BlackRock, Inc. Board of Directors (the “BlackRock, Inc. Board”) as appropriate on BlackRock’s talent development and succession planning, with the emphasis on performance and succession at the highest management levels; and
- supporting the boards of the Company’s EMEA regulated entities in meeting their remuneration-related obligations by overseeing the design and implementation of EMEA remuneration policy in accordance with applicable regulations.

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

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

The MDCC held 7 meetings during 2023. The MDCC charter is available on BlackRock, Inc.’s website ([www.blackrock.com](http://www.blackrock.com)).

Through its regular reviews, the MDCC continues to be satisfied with the principles of BlackRock’s compensation policy and approach.

### **(b) The ManCo’s Board**

The ManCo’s Board in its supervisory function has the task of supervising and providing oversight of the UCITS Remuneration Policy as it applies to the ManCo and its Identified Staff (as defined below).

The responsibilities of the supervisory function include:

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

### **Decision-making process**

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

## Report on Remuneration continued

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

Annual incentive awards are paid from a bonus pool.

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

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

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

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

Individuals are not involved in setting their own remuneration.

### **Control functions**

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

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



## Link between pay and performance

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

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

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

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

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

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

## Report on Remuneration continued

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters.

Remuneration practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

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

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

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

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

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of As Adjusted Operating Margin<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.

<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 continued

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

### Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff, being categories of staff of the ManCo, 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 ManCo or of the funds it manages.

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

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

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

### Quantitative Remuneration Disclosure

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

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

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 ManCo is included in the aggregate figures disclosed.

## Report on Remuneration continued

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

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

The amount of the aggregate remuneration awarded by the ManCo in respect of the ManCo's financial year ending 31 December 2023, to its senior management was USD 6.1 million, and to other members of its staff whose actions potentially have a material impact on the risk profile of the ManCo or its funds was USD 4.2 million.

# Portfolio Statement

at 29 February 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
<b>EQUITIES – 25.08%; 28.2.2023 24.61%</b>			
<b>Australia – 0.07%; 28.2.2023 0.10%</b>			
	48,931 National Australia Bank	851	0.07
<b>Austria – 0.06%; 28.2.2023 0.14%</b>			
	142,582 ams-OSRAM	167	0.01
	2,371 Andritz	115	0.01
	10,928 Kontron	202	0.02
	3,707 Verbund <sup>o</sup>	210	0.02
		<b>694</b>	<b>0.06</b>
<b>Belgium – 0.07%; 28.2.2023 0.11%</b>			
	48,600 Umicore	802	0.07
<b>Brazil – 0.00%; 28.2.2023 0.10%</b>			
<b>Canada – 0.10%; 28.2.2023 0.25%</b>			
	4,445 Canadian Solar	73	0.01
	24,421 Enbridge	663	0.06
	9,068 Magna International <sup>o</sup>	392	0.03
		<b>1,128</b>	<b>0.10</b>
<b>Denmark – 0.77%; 28.2.2023 0.67%</b>			
	77,400 Novo Nordisk	7,379	0.62
	5,880 Orsted <sup>o</sup>	263	0.02
	6,249 Pandora	813	0.07
	1,460 Rockwool	371	0.03
	16,536 Vestas Wind Systems	364	0.03
		<b>9,190</b>	<b>0.77</b>
<b>Finland – 0.00%; 28.2.2023 0.26%</b>			
<b>France – 1.66%; 28.2.2023 1.23%</b>			
	1,034 Air Liquide	167	0.01
	1,416 Christian Dior	968	0.08
	7,557 Edenred	295	0.02
	2,333 Hermes International	4,643	0.39
	2,534 Kering	925	0.08
	5,765 L'Oreal	2,187	0.18
	6,960 LVMH Moet Hennessy Louis Vuitton	5,042	0.42
	12,818 Saint-Gobain	783	0.07
	4,363 Sartorius Stedim Biotech	948	0.08
	16,284 Schneider Electric	2,910	0.24
	16,668 STMicroelectronics	592	0.05
	2,100 Teleperformance	210	0.02
	21,402 Worldline	197	0.02
		<b>19,867</b>	<b>1.66</b>
<b>Germany – 0.49%; 28.2.2023 0.42%</b>			
	13,044 HUGO BOSS	712	0.06

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	16,299 Infineon Technologies	461	0.04
	1,630 Rational	1,051	0.09
	10,387 Siemens	1,623	0.14
	20,679 Siemens Energy	252	0.02
	1,959 SMA Solar Technology <sup>o</sup>	93	0.01
	5,924 Software	198	0.02
	16,468 Symrise	1,306	0.11
		<b>5,696</b>	<b>0.49</b>
<b>Hong Kong – 0.00%; 28.2.2023 0.00%</b>			
	52,000 Digital China	14	0.00
<b>Ireland – 0.18%; 28.2.2023 0.25%</b>			
	29,149 Kingspan	2,088	0.18
<b>Israel – 0.00%; 28.2.2023 0.05%</b>			
<b>Italy – 0.68%; 28.2.2023 0.34%</b>			
	14,787 Ferrari <sup>o</sup>	5,027	0.42
	15,088 Moncler	851	0.07
	3,058 PRADA	17	0.00
	151,200 PRADA	844	0.07
	58,252 Salvatore Ferragamo	611	0.05
	70,568 Snam <sup>o</sup>	263	0.02
	14,734 Tod's	543	0.05
		<b>8,156</b>	<b>0.68</b>
<b>Japan – 0.22%; 28.2.2023 0.22%</b>			
	27,100 Daiichi Sankyo	710	0.06
	700 Fujitsu	86	0.01
	6,800 Kurita Water Industries	217	0.02
	7,600 Omron	222	0.02
	60,600 Renesas Electronics	783	0.07
	27,900 Yamaha Motor <sup>o</sup>	197	0.02
	6,400 Yaskawa Electric	206	0.02
		<b>2,421</b>	<b>0.22</b>
<b>Netherlands – 0.82%; 28.2.2023 0.76%</b>			
	286 Adyen <sup>o</sup>	354	0.03
	11,225 ASML	8,280	0.70
	6,865 Koninklijke Philips	109	0.01
	8,908 Koninklijke Vopak	261	0.02
	3,694 NXP Semiconductors	713	0.06
		<b>9,717</b>	<b>0.82</b>
<b>Norway – 0.05%; 28.2.2023 0.30%</b>			
	504,185 Aker Carbon Capture	301	0.02
	21,777 Nordic Semiconductor <sup>o</sup>	145	0.01
	17,481 TOMRA Systems <sup>o</sup>	184	0.02
		<b>630</b>	<b>0.05</b>

# Portfolio Statement continued

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>Portugal – 0.00%; 28.2.2023 0.03%</b>				138,815	Pennon	935	0.08
<b>South Korea – 0.04%; 28.2.2023 0.08%</b>				38,729	Pentair	2,348	0.20
	427 Samsung Electronics	459	0.04	60,911	Reckitt Benckiser	3,042	0.26
<b>Spain – 0.03%; 28.2.2023 0.19%</b>				261,959	RELX	9,077	0.76
	1,803 Acciona	160	0.01	372,339	Rentokil Initial	1,628	0.14
	24,623 EDP Renovaveis	268	0.02	439,083	Rightmove	2,497	0.21
		<b>428</b>	<b>0.03</b>	81,425	Rio Tinto	4,164	0.35
<b>Sweden – 0.18%; 28.2.2023 0.55%</b>				956,439	Serco	1,818	0.15
	79,974 Assa Abloy	1,808	0.15	8,695	Severn Trent <sup>o</sup>	221	0.02
	9,497 Getinge <sup>o</sup>	149	0.01	105,103	Shell	2,586	0.22
	28,744 Nibe Industrier <sup>o</sup>	127	0.01	212,001	Smith & Nephew	2,212	0.19
	34,736 Telefonaktiebolaget LM Ericsson <sup>o</sup>	150	0.01	23,743	Spirax-Sarco Engineering	2,443	0.21
		<b>2,234</b>	<b>0.18</b>	71,720	Spirit Communications	75	0.01
<b>Switzerland – 0.59%; 28.2.2023 0.73%</b>				15,137	SSE	248	0.02
	20,789 ABB	757	0.06	668,255	Standard Chartered	4,449	0.37
	3,472 Belimo	1,314	0.11	23,815	United Utilities <sup>o</sup>	248	0.02
	23,059 Nestle	1,894	0.16	141,227	Watches of Switzerland <sup>o</sup>	584	0.05
	5,751 Sika	1,311	0.11				
	3,851 Swatch <sup>o</sup>	722	0.06			<b>96,020</b>	<b>8.10</b>
	647 VAT	255	0.02	<b>United States of America – 10.93%; 28.2.2023 9.54%</b>			
	1,988 Zurich Insurance <sup>o</sup>	845	0.07	5,793	A O Smith	380	0.03
		<b>7,098</b>	<b>0.59</b>	24,852	A10 Networks	260	0.02
<b>Taiwan – 0.04%; 28.2.2023 0.02%</b>				32,360	AAR <sup>o</sup>	1,697	0.14
	5,352 Taiwan Semiconductor Manufacturing	539	0.04	2,732	Adobe	1,192	0.10
<b>United Kingdom – 8.10%; 28.2.2023 8.27%</b>				16,813	Advanced Micro Devices	2,346	0.20
	227,771 3i	5,621	0.47	16,993	AeroVironment <sup>o</sup>	1,701	0.14
	66,453 AstraZeneca	6,748	0.57	2,253	AGCO	195	0.02
	525,831 Auto Trader	3,910	0.33	5,331	Agilent Technologies	577	0.05
	51,068 Burberry	652	0.05	744	Air Products and Chemicals	137	0.01
	5,271 Capri	193	0.02	21,212	Alphabet	2,287	0.19
	19,959 CNH Industrial	188	0.02	20,491	Amazon.com	2,805	0.24
	315,869 Compass	6,854	0.58	4,231	Ambarella	194	0.02
	18,802 Ferguson <sup>o</sup>	3,099	0.26	10,367	American Water Works	966	0.08
	13,350,685 Forward Partners	3,605	0.30	10,754	Analog Devices	1,596	0.13
	148,695 Halma <sup>o</sup>	3,447	0.29	3,456	Ansys	909	0.08
	92,857 Hargreaves Lansdown <sup>o</sup>	682	0.06	1	Apartment Income REIT	–	0.00
	207,629 ITM Power	112	0.01	1	Apartment Investment and Management	–	0.00
	103,663 Johnson Matthey <sup>o</sup>	1,597	0.13	21,610	Apple	3,099	0.26
	82,014 London Stock Exchange	7,221	0.61	8,422	Applied Materials	1,315	0.11
	191,402 Melrose Industries	1,221	0.10	7,925	Arista Networks	1,711	0.14
	1,028,669 Molten Ventures	2,664	0.22	2,227	Aspen Technology	336	0.03
	77,823 Next	6,512	0.55	2,537	Badger Meter	316	0.03
	43,597 Pagegroup	198	0.02	9,334	Ball	463	0.04
	172,965 Patisserie <sup>1</sup>	–	0.00	3,422	Block	212	0.02
	307,300 Pearson	2,921	0.25	12,602	Booz Allen Hamilton	1,468	0.12
				18,310	Boston Scientific	970	0.08

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	5,271 Broadcom	5,374	0.45
	13,429 Cadence Design Systems	3,191	0.27
	16,918 California Water Service	614	0.05
	25,454 CECO Environmental	449	0.04
	6,705 CEVA	117	0.01
	33,483 Cisco Systems	1,272	0.11
	103,061 CommScope	151	0.01
	157,653 Conduent	416	0.03
	9,468 Curtiss-Wright	1,763	0.15
	3,879 DanaHER	784	0.07
	3,940 Deere	1,136	0.10
	1,657 Dexcom	150	0.01
	6,681 Digi International <sup>o</sup>	154	0.01
	30,490 DocGo <sup>o</sup>	95	0.01
	29,370 Donaldson	1,640	0.14
	9,497 Dover	1,234	0.10
	12,973 Dow	565	0.05
	5,701 Dynatrace	223	0.02
	11,130 Eaton	2,525	0.21
	11,754 Ecolab	2,091	0.18
	2,966 Emerson Electric	248	0.02
	3,986 EnerSys	285	0.02
	1,181 Enphase Energy	111	0.01
	7,862 Equity Residential	371	0.03
	33,153 Essential Utilities	912	0.08
	7,664 Estee Lauder	893	0.07
	5,481 F5	805	0.07
	2,186 Fair Isaac	2,203	0.19
	1,883 First Solar	222	0.02
	17,460 Fortinet	959	0.08
	1,206 FTI Consulting	205	0.02
	1,059 Generac	93	0.01
	27,531 Hexcel	1,625	0.14
	40,321 Howmet Aerospace	2,129	0.18
	32,163 Intel	1,068	0.09
	10,655 International Business Machines	1,561	0.13
	2,472 Intuit	1,288	0.11
	7,362 Johnson & Johnson	940	0.08
	37,366 Juniper Networks	1,095	0.09
	97,174 Kaman	3,502	0.29
	10,746 Kellanova	477	0.04
	6,924 Kimberly-Clark	664	0.06
	3,669 Linde	1,309	0.11
	8,503 LKQ	355	0.03
	12,930 Marvell Technology	690	0.06
	2,558 Masimo <sup>o</sup>	260	0.02
	1,981 MasTec <sup>o</sup>	117	0.01

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	11,174 Mastercard	4,232	0.36
	7,892 Meta Platforms	3,018	0.25
	11,883 MetLife	651	0.05
	9,619 Microchip Technology	625	0.05
	10,557 Micron Technology	749	0.06
	22,374 Microsoft	7,211	0.61
	10,182 NetApp	709	0.06
	15,092 Newmont	356	0.03
	11,156 Nvidia	6,850	0.58
	8,863 ON Semiconductor	536	0.04
	16,481 Oracle	1,455	0.12
	5,203 Ormat Technologies <sup>o</sup>	265	0.02
	3,801 Ouster	16	0.00
	6,377 Palo Alto Networks	1,594	0.13
	6,625 Paychex	641	0.05
	8,130 PTC	1,184	0.10
	4,296 Qorvo	380	0.03
	5,455 QualComm	672	0.06
	5,989 Ralph Lauren	870	0.07
	31,792 Rambus	1,429	0.12
	12,803 Republic Services	1,882	0.16
	22,556 Resideo Technologies	398	0.03
	902 Rockwell Automation	204	0.02
	4,605 S&P Global	1,564	0.13
	62,720 Sabre	129	0.01
	5,284 Salesforce	1,254	0.11
	10,002 Seagate Technology	724	0.06
	4,790 Silicon Laboratories	510	0.04
	4,403 Skyworks Solutions	354	0.03
	8,292 Splunk	1,023	0.09
	29,303 Steelcase	303	0.03
	1,929 TE Connectivity	218	0.02
	5,313 Terex <sup>o</sup>	238	0.02
	1,497 Tesla	239	0.02
	3,643 Texas Instruments	470	0.04
	3,075 Timken <sup>o</sup>	204	0.02
	17,797 Trimble	857	0.07
	221,152 Triumph	2,458	0.21
	39,927 V2X	1,198	0.10
	1,293 Veralto	89	0.01
	5,271 VeriSign	810	0.07
	5,704 Visa	1,288	0.11
	72,299 Vuzix	97	0.01
	1,755 Waste Management	287	0.02
	11,537 Watts Water Technologies	1,819	0.15
	2,686 WK Kellogg	31	0.00
	18,897 Xylem	1,877	0.16

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	2,163 Zebra Technologies	466	0.04
		<b>129,897</b>	<b>10.93</b>
<b>BONDS – 25.96%; 28.2.2023 25.26%</b>			
<b>Australian Dollar Denominated Corporate Bonds – 0.07%; 28.2.2023 0.06%</b>			
AU\$1,850,000	Origin Energy Finance 2.65% 11/11/2027	<b>869</b>	<b>0.07</b>
<b>Canadian Dollar Denominated Corporate Bonds – 0.15%; 28.2.2023 0.20%</b>			
CAS\$350,000	Bell Telephone of Canada or Bell Canada 4.35% 18/12/2045	178	0.02
CAS\$550,000	Bell Telephone of Canada or Bell Canada 4.45% 27/2/2047	282	0.02
CAS\$470,000	Enbridge 3.2% 8/6/2027	261	0.02
CAS\$660,000	Rogers Communications 3.25% 1/5/2029	356	0.03
CAS\$460,000	TELUS 4.4% 29/1/2046	231	0.02
CAS\$260,000	TELUS 4.4% 29/1/2046	131	0.01
CAS\$40,000	TELUS 4.7% 6/3/2048	21	0.00
CAS\$660,000	TransCanada PipeLines 3.39% 15/3/2028	365	0.03
		<b>1,825</b>	<b>0.15</b>
<b>Euro Denominated Bonds – 0.37%; 28.2.2023 0.39%</b>			
€204,082	Aernnova Aero 6.916% 20/2/2027	172	0.01
€795,918	Aernnova Aero 6.955% 20/2/2027	669	0.06
€997,500	Altice Fi FRN 8.942% 31/10/2027	840	0.07
€1,000,000	Lorca Tel FRN 8.104% 17/9/2027	853	0.07
€995,000	Nieslsen FRN 10.353% 6/3/2028	847	0.07
€1,200,000	Wella Rain 7.157% 28/1/2029	1,012	0.09
		<b>4,393</b>	<b>0.37</b>
<b>Euro Denominated Corporate Bonds – 10.53%; 28.2.2023 7.99%</b>			
€390,000	ABB Finance 3.375% 15/1/2034	326	0.03
€100,000	Abertis Infraestructuras Finance 2.625% Perpetual 26/1/2027	78	0.01
€200,000	Abertis Infraestructuras Finance 3.248% Perpetual 24/11/2025	164	0.01
€200,000	ABN AMRO Bank 3.875% 15/1/2032 <sup>o</sup>	169	0.01

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€400,000	ABN AMRO Bank 5.5% 21/9/2033	353	0.03
€200,000	ABN AMRO Bank 6.875% Perpetual 22/9/2031	171	0.01
€100,000	Accor 2.625% Perpetual 30/1/2025	84	0.01
€100,000	Adler 21% 31/7/2025	85	0.01
€100,000	Adler Financing 12.5% 30/6/2025	96	0.01
€200,000	Agps Bondco 5% 14/1/2029	66	0.01
€131,000	Ahlstrom 3 Oy 3.625% 4/2/2028 <sup>o</sup>	105	0.01
€471,000	AIB 5.25% Perpetual 9/10/2024 <sup>o</sup>	398	0.03
€100,000	Air France-KLM 1.875% 16/1/2025	84	0.01
€100,000	Air France-KLM 8.125% 31/5/2028	96	0.01
€236,000	Albemarle New 1.625% 25/11/2028 <sup>o</sup>	181	0.01
€300,000	Allianz 2.121% 8/7/2050	223	0.02
€107,000	Allied Universal Holdco/Allied Universal Finance/Atlas Luxco 4 3.625% 1/6/2028	83	0.01
€220,000	Allwyn Entertainment Financing UK 7.25% 30/4/2030	199	0.02
€200,000	Alpha Bank 5% 12/5/2030 <sup>o</sup>	170	0.01
€105,000	Altice Financing 2.25% 15/1/2025 <sup>o</sup>	87	0.01
€312,000	Altice Financing 4.25% 15/8/2029 <sup>o</sup>	234	0.02
€139,000	Altice France 2.125% 15/2/2025	115	0.01
€186,000	Altice France 4% 15/7/2029	124	0.01
€200,000	Altice France 4.25% 15/10/2029 <sup>o</sup>	134	0.01
€106,000	Altice France 5.875% 1/2/2027	82	0.01
€100,000	Altice France 11.5% 1/2/2027	87	0.01
€413,000	American Tower 0.5% 15/1/2028	311	0.03
€200,000	ams-OSRAM 0% 5/3/2025	157	0.01
€154,000	ams-OSRAM 10.5% 30/3/2029 <sup>o</sup>	134	0.01
€420,000	AP Moller - Maersk 3.75% 5/3/2032	357	0.03



# Portfolio Statement continued

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
€300,000	Ardagh Packaging Finance / Ardagh USA 2.125% 15/8/2026 <sup>0</sup>	232	0.02	€800,000	Banco Santander 5% 22/4/2034	684	0.06
€255,000	Ardonagh Finco 6.875% 15/2/2031 <sup>0</sup>	216	0.02	€200,000	Banff Merger Sub 8.375% 1/9/2026	170	0.01
€100,000	Aroundtown 0% 16/7/2026 <sup>0</sup>	73	0.01	€166,000	Banjay Entertainment 7% 1/5/2029	149	0.01
€486,000	ASML 0.625% 7/5/2029	365	0.03	€206,000	Bank of Ireland 7.5% Perpetual 19/5/2025	178	0.01
€300,000	ASR Nederland 3.375% 2/5/2049	239	0.02	€200,000	Bankinter 7.375% Perpetual 15/8/2028	174	0.01
€300,000	AT&T 2.05% 19/5/2032	225	0.02	€3,400,000	Banque Federative du Credit Mutuel 4.125% 13/3/2029	2,965	0.25
€100,000	ATF Netherlands 7.078% Perpetual 20/1/2025	47	0.00	€400,000	Banque Federative du Credit Mutuel 4.125% 18/9/2030	351	0.03
€200,000	Atos 0% 6/11/2024	54	0.00	€1,000,000	Barclays 4.918% 8/8/2030 <sup>0</sup>	879	0.07
€150,000	AXA 6.375% Perpetual 16/7/2033 <sup>0</sup>	132	0.01	€1,400,000	Bayer 2.375% 12/11/2079	1,148	0.10
€371,000	Azzurra Aeroporti 2.125% 30/5/2024	315	0.03	€200,000	Bayer 4.5% 25/3/2082 <sup>0</sup>	160	0.01
€101,000	Azzurra Aeroporti 2.625% 30/5/2027	81	0.01	€300,000	Bayer 4.625% 26/5/2033 <sup>0</sup>	256	0.02
€1,900,000	Babcock International 1.375% 13/9/2027	1,483	0.12	€100,000	Bayer 6.625% 25/9/2083 <sup>0</sup>	84	0.01
€225,000	Banca Monte dei Paschi di Siena 6.75% 2/3/2026	196	0.02	€100,000	Bayer 7% 25/9/2083	86	0.01
€200,000	Banco Bilbao Vizcaya Argentaria 6% Perpetual 29/3/2024	171	0.01	€100,000	BCP V Modular Services Finance II 4.75% 30/11/2028	81	0.01
€325,000	Banco BPM 3.375% 19/1/2032	263	0.02	€210,000	BMW Finance 4.125% 4/10/2033 <sup>0</sup>	188	0.02
€700,000	Banco BPM 4.875% 17/1/2030	606	0.05	€400,000	BNP Paribas 0.25% 13/4/2027	317	0.03
€475,000	Banco BPM 6% 14/6/2028	425	0.04	€2,400,000	BNP Paribas 0.875% 11/7/2030	1,745	0.15
€300,000	Banco de Credito Social Cooperativo 7.5% 14/9/2029	281	0.02	€162,000	Boels Topholding 6.25% 15/2/2029	144	0.01
€200,000	Banco de Sabadell 2.5% 15/4/2031	163	0.01	€700,000	Booking 0.5% 8/3/2028	531	0.04
€700,000	Banco de Sabadell 4% 15/1/2030	597	0.05	€260,000	Booking 4% 1/3/2044	219	0.02
€300,000	Banco de Sabadell 5.5% 8/9/2029 <sup>0</sup>	267	0.02	€273,000	Boxer Parent 6.5% 2/10/2025 <sup>0</sup>	231	0.02
€200,000	Banco de Sabadell 5.75% Perpetual 15/3/2026 <sup>0</sup>	161	0.01	€1,000,000	BP Capital Markets 3.773% 12/5/2030	864	0.07
€100,000	Banco de Sabadell 6% 16/8/2033 <sup>0</sup>	88	0.01	€750,000	BP Capital Markets 4.323% 12/5/2035	665	0.06
€1,100,000	Banco Santander 3.75% 9/1/2034	925	0.08	€300,000	BPCE 3.875% 25/1/2036	255	0.02
€500,000	Banco Santander 4.25% 12/6/2030	439	0.04	€200,000	BPCE 4.875% 26/2/2036	171	0.01
€800,000	Banco Santander 4.625% 18/10/2027	692	0.06	€700,000	British Telecommunications 1.874% 18/8/2080	573	0.05
				€800,000	British Telecommunications 4.25% 6/1/2033	697	0.06

# Portfolio Statement continued

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
€175,000	Burger King France 8.64% 1/11/2026	151	0.01	€350,000	Citigroup 4.112% 22/9/2033	303	0.03
€200,000	CaixaBank 5.875% Perpetual 9/10/2027	166	0.01	€100,000	Citycon Treasury 2.375% 15/11/2027	78	0.01
€200,000	CaixaBank 7.5% Perpetual 16/1/2030 <sup>0</sup>	174	0.01	€100,000	Coentreprise de Transport d'Electricite 3.75% 17/1/2036	84	0.01
€400,000	Capital One Financial 1.65% 12/6/2029 <sup>0</sup>	297	0.02	€100,000	Commerzbank 4.625% 17/1/2031	86	0.01
€100,000	Carnival 1% 28/10/2029 <sup>0</sup>	67	0.01	€300,000	Commerzbank 5.125% 18/1/2030	264	0.02
€356,000	Carnival 7.625% 1/3/2026	311	0.03	€400,000	Commerzbank 6.125% Perpetual 9/10/2025	330	0.03
€142,000	Catalent Pharma Solutions 2.375% 1/3/2028 <sup>0</sup>	117	0.01	€100,000	Commerzbank 6.5% 6/12/2032 <sup>0</sup>	89	0.01
€100,000	Cedacri Mergeco 8.526% 15/5/2028 <sup>0</sup>	86	0.01	€300,000	Commerzbank 6.75% 5/10/2033	270	0.02
€103,000	Cedacri Mergeco 9.401% 15/5/2028	88	0.01	€860,000	Continental 4% 1/3/2027	742	0.06
€900,000	Cellnex Finance 1% 15/9/2027	697	0.06	€500,000	Cooperatieve Rabobank 4% 10/1/2030	433	0.04
€200,000	Cellnex Finance 1.5% 8/6/2028	155	0.01	€200,000	Cooperatieve Rabobank 4.375% Perpetual 29/6/2027 <sup>0</sup>	160	0.01
€100,000	Cellnex Finance 2% 15/9/2032	73	0.01	€300,000	Credit Agricole 4.25% 11/7/2029	260	0.02
€200,000	Cellnex Finance 2% 15/2/2033	144	0.01	€300,000	Credit Agricole 4.375% 27/11/2033	264	0.02
€200,000	Cellnex Telecom 0.75% 20/11/2031	142	0.01	€200,000	Credit Agricole Assurances 1.5% 6/10/2031	138	0.01
€200,000	Cellnex Telecom 1.75% 23/10/2030 <sup>0</sup>	149	0.01	€118,000	Crown European 3.375% 15/5/2025	100	0.01
€100,000	Cellnex Telecom 1.875% 26/6/2029 <sup>0</sup>	77	0.01	€100,000	Crown European 5% 15/5/2028	88	0.01
€400,000	Cellnex Telecom 2.125% 11/8/2030	348	0.03	€171,000	Cullinan Holdco Scsp 4.625% 15/10/2026 <sup>0</sup>	130	0.01
€300,000	Chanel Ceres 0.5% 31/7/2026	237	0.02	€200,000	Dana Financing Luxembourg 8.5% 15/7/2031 <sup>0</sup>	188	0.02
€1,000,000	Chemours FRN 7.86% 18/8/2028	840	0.07	€100,000	Davide Campari-Milano 2.375% 17/1/2029	88	0.01
€250,000	Cheplapharm Arzneimittel 4.375% 15/1/2028 <sup>0</sup>	208	0.02	€200,000	DEMIRE Deutsche Mittelstand Real Estate 1.875% 15/10/2024 <sup>0</sup>	112	0.01
€137,000	Cheplapharm Arzneimittel 7.5% 15/5/2030	124	0.01	€100,000	Deutsche Bahn Finance 4% 23/11/2043 <sup>0</sup>	90	0.01
€365,000	Chorus 0.875% 5/12/2026	289	0.02	€300,000	Deutsche Bank 4% 24/6/2032	244	0.02
€129,000	Cidron Aida Finco 5% 1/4/2028 <sup>0</sup>	107	0.01	€200,000	Deutsche Bank 10% Perpetual 1/12/2027	178	0.01
€100,000	Cirsa Finance International 7.875% 31/7/2028	90	0.01	€100,000	Deutsche Lufthansa 2.875% 16/5/2027	82	0.01
€100,000	Cirsa Finance International 8.412% 31/7/2028 <sup>0</sup>	87	0.01	€450,000	Digital Dutch Finco 1% 15/1/2032	301	0.02

# Portfolio Statement continued

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
€100,000	Digital Dutch Finco 1.25% 1/2/2031	70	0.01	€600,000	Engie 4.5% 6/9/2042	527	0.04
€300,000	Duke Energy 3.85% 15/6/2034	247	0.02	€254,000	Engineering - Ingegneria Informatica - 11.125% 15/5/2028 <sup>0</sup>	234	0.02
€125,000	EC Finance 3% 15/10/2026	104	0.01	€330,000	Eni 3.875% 15/1/2034	278	0.02
€700,000	EDP - Energias de Portugal 1.7% 20/7/2080	573	0.05	€1,240,000	Eni 4.25% 19/5/2033	1,080	0.09
€100,000	EDP - Energias de Portugal 1.875% 2/8/2081	80	0.01	€181,000	Ephios Subco 3 7.875% 31/1/2031	165	0.01
€100,000	EDP - Energias de Portugal 5.943% 23/4/2083	88	0.01	€900,000	Eurogrid 1.113% 15/5/2032	628	0.05
€107,000	eircom Finance 1.75% 1/11/2024	90	0.01	€300,000	Eurogrid 3.915% 1/2/2034	255	0.02
€200,000	Electricite de France 3% Perpetual 3/9/2027	158	0.01	€300,000	Eutelsat 1.5% 13/10/2028 <sup>0</sup>	166	0.01
€600,000	Electricite de France 3.375% Perpetual 15/6/2030 <sup>0</sup>	455	0.04	€100,000	Fastighets Balder 1.125% 29/1/2027 <sup>0</sup>	76	0.01
€500,000	Electricite de France 3.75% 5/6/2027	429	0.04	€1,000,000	FedEx 0.95% 4/5/2033	654	0.05
€700,000	Elia Transmission Belgium 3.25% 4/4/2028	593	0.05	€100,000	Fiber Bidco 7.97% 15/1/2030	86	0.01
€200,000	Elia Transmission Belgium 3.75% 16/1/2036	169	0.01	€200,000	Fiber Bidco 11% 25/10/2027	186	0.02
€154,000	Elior 3.75% 15/7/2026 <sup>0</sup>	123	0.01	€150,000	Finnair 4.25% 19/5/2025	126	0.01
€106,000	Emerald Borrower / Emerald Co-Issuer 6.375% 15/12/2030	95	0.01	€300,000	FIS Fabbrica Italiana Sintetici 5.625% 1/8/2027 <sup>0</sup>	247	0.02
€102,000	Emerald Borrower / Emerald Co-Issuer 6.375% 15/12/2030	92	0.01	€1,400,000	Fiserv 1.125% 1/7/2027	1,102	0.09
€700,000	EnBW Energie Baden- Wuerttemberg 1.125% 5/11/2079	586	0.05	€163,000	Food Service Project 5.5% 21/1/2027 <sup>0</sup>	139	0.01
€500,000	EnBW Energie Baden- Wuerttemberg 1.625% 5/8/2079 <sup>0</sup>	386	0.03	€760,000	Ford Motor Credit 5.125% 20/2/2029	671	0.06
€100,000	EnBW Energie Baden- Wuerttemberg 5.25% 23/1/2084	86	0.01	€515,000	Fortum 2.125% 27/2/2029 <sup>0</sup>	407	0.03
€700,000	EnBW International Finance 3.85% 23/5/2030	605	0.05	€300,000	Forvia 2.625% 15/6/2025	254	0.02
€1,300,000	Enel 5.625% 21/6/2027 <sup>0</sup>	1,182	0.10	€100,000	Forvia 2.75% 15/2/2027 <sup>0</sup>	81	0.01
€485,000	Enexis 0.75% 2/7/2031	343	0.03	€537,000	Forvia 7.25% 15/6/2026 <sup>0</sup>	484	0.04
€900,000	Engie 0.375% 26/10/2029	642	0.05	€121,000	Garfunkelux Holdco 3 6.75% 1/11/2025 <sup>0</sup>	77	0.01
€100,000	Engie 3.875% 6/12/2033	85	0.01	€274,000	GE Capital European Funding Unlimited 3.65% 23/8/2032	228	0.02
				€200,000	General Electric 0.875% 17/5/2025 <sup>0</sup>	165	0.01
				€638,000	General Electric 1.5% 17/5/2029	493	0.04
				€1,520,000	Global Payments 4.875% 17/3/2031	1,333	0.11
				€204,000	Global Switch Finance 1.375% 7/10/2030	158	0.01

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value €000's	% of Total Net Assets
€100,000	Goldman Sachs 0.875% 9/5/2029	74	0.01
€115,000	Goldstory 5.375% 1/3/2026	100	0.01
€101,000	Goldstory 6.75% 1/2/2030	87	0.01
€100,000	Goldstory 7.922% 1/2/2030	86	0.01
€121,000	Gruenthal 4.125% 15/5/2028	102	0.01
€100,000	Gruenthal 6.75% 15/5/2030	91	0.01
€155,000	Heimstaden Bostad 2.625% Perpetual 1/2/2027	70	0.01
€100,000	Heimstaden Bostad 3.375% Perpetual 15/1/2026	51	0.00
€135,000	Heimstaden Bostad Treasury 0.625% 24/7/2025	107	0.01
€100,000	Heimstaden Bostad Treasury 1% 13/4/2028	67	0.01
€263,000	Herens Midco 5.25% 15/5/2029 <sup>0</sup>	156	0.01
€660,000	Honeywell International 3.75% 1/3/2036	555	0.05
€200,000	HSBC 4.75% Perpetual 4/7/2029 <sup>0</sup>	158	0.01
€1,500,000	HSBC Continental Europe 1.375% 4/9/2028	1,165	0.10
€166,000	HT Troplast 9.375% 15/7/2028 <sup>0</sup>	147	0.01
€1,000,000	Idemia FRN 0% 29/9/2028	855	0.07
€208,000	IHO Verwaltungs 8.75% 15/5/2028	193	0.02
€100,000	iliad 1.875% 11/2/2028	78	0.01
€100,000	iliad 5.375% 14/6/2027	87	0.01
€400,000	iliad 5.375% 15/2/2029 <sup>0</sup>	346	0.03
€100,000	iliad 5.625% 15/2/2030	88	0.01
€500,000	IMCD 2.125% 31/3/2027	402	0.03
€700,000	IMCD 4.875% 18/9/2028	616	0.05
€1,000,000	Ineos Fina 0% 8/11/2027	854	0.07
€182,000	INEOS Finance 6.375% 15/4/2029	156	0.01
€100,000	INEOS Quattro Finance 2.8.5% 15/3/2029 <sup>0</sup>	90	0.01
€100,000	INEOS Styrolution Ludwigshafen 2.25% 16/1/2027 <sup>0</sup>	79	0.01

Holding or Nominal Value	Investment	Market Value €000's	% of Total Net Assets
€261,000	Infrastrutture Wireless Italiane 1.625% 21/10/2028 <sup>0</sup>	203	0.02
€300,000	ING Groep 0.25% 1/2/2030	214	0.02
€700,000	ING Groep 1% 16/11/2032	547	0.05
€200,000	ING Groep 5% 20/2/2035 <sup>0</sup>	173	0.01
€200,000	Inter Media and Communication 6.75% 9/2/2027 <sup>0</sup>	166	0.01
€400,000	International Consolidated Airlines 3.75% 25/3/2029 <sup>0</sup>	333	0.03
€300,000	Intesa Sanpaolo 5.5% Perpetual 1/3/2028 <sup>0</sup>	241	0.02
€100,000	Intrum 9.25% 15/3/2028 <sup>0</sup>	63	0.00
€430,000	Italgas 0.25% 24/6/2025	351	0.03
€790,000	JDE Peet's 4.5% 23/1/2034	686	0.06
€400,000	John Deere Cash Management 2.2% 2/4/2032 <sup>0</sup>	314	0.03
€460,000	JPMorgan Chase 1.09% 11/3/2027	372	0.03
€1,300,000	JPMorgan Chase 4.457% 13/11/2031	1,150	0.10
€148,000	Kaixo Bondco Telecom 5.125% 30/9/2029 <sup>0</sup>	125	0.01
€400,000	KBC 4.75% 17/4/2035	339	0.03
€200,000	KBC 8% Perpetual 5/9/2028 <sup>0</sup>	181	0.01
€1,225,000	Kinder Morgan 2.25% 16/3/2027	998	0.08
€242,000	Kleopatra Finco 4.25% 1/3/2026 <sup>0</sup>	182	0.01
€170,000	Kronos International 9.5% 15/3/2029	154	0.01
€300,000	La Financiere Atalian 5.125% 15/5/2025	198	0.02
€200,000	La Poste 3.125% Perpetual 29/10/2025	165	0.01
€100,000	Liberty Mutual 3.625% 23/5/2059	85	0.01
€700,000	Linde 3.2% 14/2/2031	592	0.05
€217,000	Lloyds Banking 4.947% Perpetual 27/6/2025 <sup>0</sup>	180	0.01
€331,000	Lorca Telecom Bondco 4% 18/9/2027	278	0.02
€138,000	Lottomatica 7.937% 15/12/2030	120	0.01

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€100,000	Lottomatica 9.75% 30/9/2027	92	0.01
€203,000	Loxam 6.375% 15/5/2028 <sup>o</sup>	180	0.01
€134,000	Loxam 6.375% 31/5/2029	119	0.01
€400,000	McDonald's 3.875% 20/2/2031	346	0.03
€450,000	McDonald's 4.125% 28/11/2035	389	0.03
€600,000	McDonald's 4.25% 7/3/2035	526	0.04
€1,000,000	Median FRN 9.061% 16/11/2027	828	0.07
€300,000	Medtronic Global 3% 15/10/2028	251	0.02
€400,000	Microsoft 2.625% 2/5/2033	331	0.03
€150,000	Midco GB 7.75% 1/11/2027	129	0.01
€527,000	Mobico 4.875% 26/9/2031	444	0.04
€100,000	Monitchem HoldCo 3 8.75% 1/5/2028	89	0.01
€1,386,000	Moody's 0.95% 25/2/2030	1,012	0.08
€150,000	Morgan Stanley 0.495% 26/10/2029 <sup>o</sup>	110	0.01
€938,000	Morgan Stanley 2.95% 7/5/2032	750	0.06
€330,000	Motability Operations 3.875% 24/1/2034	281	0.02
€100,000	Motion Finco 7.375% 15/6/2030	89	0.01
€1,530,000	National Grid North America 0.41% 20/1/2026	1,227	0.10
€510,000	National Grid North America 4.668% 12/9/2033	455	0.04
€570,000	Nestle Finance International 3.25% 23/1/2037	472	0.04
€400,000	Nexi 0% 24/2/2028	297	0.02
€165,000	NGG Finance 1.625% 5/12/2079	138	0.01
€156,000	Nobian Finance 3.625% 15/7/2026	128	0.01
€100,000	Novafives 5% 15/6/2025	84	0.01
€194,000	OI European 6.25% 15/5/2028 <sup>o</sup>	172	0.01
€100,000	Olympus Water US 5.375% 1/10/2029	75	0.01

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€206,000	Olympus Water US 9.625% 15/11/2028 <sup>o</sup>	189	0.02
€900,000	Orange 2.375% Perpetual 15/1/2025	751	0.06
€1,039,000	Origin Energy Finance 1% 17/9/2029	768	0.06
€100,000	Paprec 6.5% 17/11/2027	90	0.01
€100,000	Paprec 7.25% 17/11/2029	91	0.01
€193,000	PCF 4.75% 15/4/2026 <sup>o</sup>	129	0.01
€192,000	Picard Groupe 3.875% 1/7/2026 <sup>o</sup>	160	0.01
€100,000	Pinnacle Bidco 8.25% 11/10/2028 <sup>o</sup>	89	0.01
€1,200,000	Pluxee 3.5% 4/9/2028	1,019	0.09
€137,000	Q-Park I 5.125% 1/3/2029	118	0.01
€800,000	RCI Banque 2.625% 18/2/2030	666	0.06
€1,500,000	RCI Banque 4.125% 1/12/2025	1,286	0.11
€100,000	RCS & RDS 2.5% 5/2/2025	84	0.01
€100,000	RCS & RDS 3.25% 5/2/2028	79	0.01
€550,000	Realty Income 5.125% 6/7/2034 <sup>o</sup>	502	0.04
€1,100,000	Redexis Gas Finance 1.875% 28/5/2025	916	0.08
€204,000	Rekeep 7.25% 1/2/2026 <sup>o</sup>	157	0.01
€230,000	Repsol International Finance 4.247% Perpetual 11/9/2028 <sup>o</sup>	190	0.02
€230,000	Repsol International Finance 4.5% 25/3/2075	196	0.02
€700,000	REWE International Finance 4.875% 13/9/2030 <sup>o</sup>	622	0.05
€2,300,000	Rolls-Royce 1.625% 9/5/2028	1,792	0.15
€1,400,000	Rolls-Royce 4.625% 16/2/2026	1,209	0.10
€440,000	Rossini 6.75% 30/10/2025	376	0.03
€1,100,000	RTX 2.15% 18/5/2030	840	0.07
€430,000	RWE 3.625% 10/1/2032 <sup>o</sup>	362	0.03
€500,000	Sanofi 1.5% 1/4/2030	387	0.03
€300,000	Sartorius Finance 4.375% 14/9/2029	262	0.02

# Portfolio Statement continued

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
€600,000	Sartorius Finance 4.875% 14/9/2035	537	0.04	€334,000	Techem Verwaltungsgesellschaft 675 mbH 2% 15/7/2025	281	0.02
€210,000	SBB Treasury 0.75% 14/12/2028	110	0.01	€383,000	Tele Columbus 3.875% 2/5/2025	200	0.02
€130,000	SBB Treasury 1.125% 26/11/2029	68	0.01	€585,000	Telecom Italia 1.625% 18/1/2029	431	0.04
€500,000	Schaeffler 4.5% 14/8/2026	431	0.04	€233,000	Telecom Italia 6.875% 15/2/2028	212	0.02
€200,000	SCIL IV / SCIL USA 9.5% 15/7/2028 <sup>o</sup>	186	0.02	€184,000	Telecom Italia 7.875% 31/7/2028	173	0.01
€1,608,000	SES 2.875% Perpetual 27/5/2026	1,288	0.11	€400,000	Telefonica Emisiones 4.055% 24/1/2036	339	0.03
€500,000	Siemens Financieringsmaatschappij 3.625% 22/2/2044	416	0.03	€400,000	Telefonica Europe 6.135% Perpetual 3/2/2030	347	0.03
€302,000	Snam 0.875% 25/10/2026	241	0.02	€300,000	Telefonica Europe 6.75% Perpetual 7/6/2031 <sup>o</sup>	273	0.02
€900,000	Societe Generale 4.875% 21/11/2031	794	0.07	€100,000	Telefonica Europe 7.125% Perpetual 23/8/2028	92	0.01
€100,000	Societe Generale 7.875% Perpetual 18/1/2029	88	0.01	€700,000	Teleperformance 5.75% 22/11/2031 <sup>o</sup>	612	0.05
€298,000	SoftBank 2.125% 6/7/2024	252	0.02	€230,000	Telstra 1.375% 26/3/2029	178	0.01
€100,000	SoftBank 2.875% 6/1/2027	81	0.01	€200,000	TenneT 0.75% 26/8/2025	166	0.01
€128,000	SoftBank 3.125% 19/9/2025 <sup>o</sup>	107	0.01	€252,000	TenneT 1% 13/6/2026	206	0.02
€100,000	SoftBank 3.375% 6/7/2029	79	0.01	€1,200,000	TenneT 1.375% 5/6/2028	955	0.08
€209,000	SoftBank 3.875% 6/7/2032 <sup>o</sup>	160	0.01	€200,000	TenneT 1.625% 17/11/2026	165	0.01
€100,000	SoftBank 4% 19/9/2029	81	0.01	€1,400,000	TenneT 2.374% Perpetual 22/7/2025	1,157	0.10
€112,000	SoftBank 4.5% 20/4/2025	96	0.01	€100,000	TenneT 2.995% Perpetual 2/4/2024	85	0.01
€1,400,000	Southern 1.875% 15/9/2081	1,038	0.09	€600,000	Terega 0.625% 27/2/2028	452	0.04
€300,000	Southern 1.875% 15/9/2081	222	0.02	€150,000	Tereos Finance Groupe I 7.25% 15/4/2028 <sup>o</sup>	136	0.01
€450,000	Standard Chartered 1.2% 23/9/2031 <sup>o</sup>	348	0.03	€1,540,000	Terna - Rete Elettrica Nazionale 3.5% 17/1/2031	1,300	0.11
€122,000	Stonegate Pub Financing 2019 9.651% 31/7/2025 <sup>o</sup>	102	0.01	€100,000	Teva Pharmaceutical Finance Netherlands II 1.875% 31/3/2027	78	0.01
€100,000	Summer BC Holdco B 5.75% 31/10/2026	84	0.01	€100,000	Teva Pharmaceutical Finance Netherlands II 4.375% 9/5/2030	81	0.01
€100,000	Summer BidCo 10% 15/2/2029	87	0.01				
€175,000	Synthomer 3.875% 1/7/2025 <sup>o</sup>	148	0.01				
€87,920	Techem Verwaltungsgesellschaft 674 mbH 6% 30/7/2026	75	0.01				

# Portfolio Statement continued

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
€576,000	Teva Pharmaceutical Finance Netherlands II 7.375% 15/9/2029	540	0.04	€700,000	Veolia Environnement 2% Perpetual 15/11/2027	537	0.04
€100,000	Teva Pharmaceutical Finance Netherlands II 7.875% 15/9/2031 <sup>o</sup>	98	0.01	€184,000	Verisure 3.875% 15/7/2026	155	0.01
€1,300,000	Thales 4.125% 18/10/2028	1,140	0.10	€100,000	Verisure 9.25% 15/10/2027	91	0.01
€100,000	Thames Water Utilities Finance 4% 18/4/2027 <sup>o</sup>	81	0.01	€1,140,000	Viterra Finance 1% 24/9/2028	856	0.07
€573,000	Thermo Fisher Scientific Finance I 0.8% 18/10/2030 <sup>o</sup>	412	0.03	€100,000	Vivion Investments 3% 8/8/2024 <sup>o</sup>	81	0.01
€144,000	Titan II 5.125% 15/7/2029	108	0.01	€300,000	Vodafone 4.2% 3/10/2078	250	0.02
€200,000	TK Elevator Midco 4.375% 15/7/2027 <sup>o</sup>	166	0.01	€1,600,000	Volkswagen International Finance 3.5% Perpetual 17/6/2025	1,334	0.11
€500,000	TotalEnergies 1.75% Perpetual 4/4/2024	426	0.04	€200,000	Volkswagen International Finance 3.875% Perpetual 17/6/2029	155	0.01
€561,000	TotalEnergies 2.625% Perpetual 26/2/2025 <sup>o</sup>	469	0.04	€640,000	Volvo Treasury 2.625% 20/2/2026	536	0.04
€300,000	TotalEnergies Capital Canada 2.125% 18/9/2029 <sup>o</sup>	239	0.02	€100,000	Vonovia 0.625% 14/12/2029	70	0.01
€100,000	Trivium Packaging Finance 7.651% 15/8/2026	85	0.01	€100,000	Vonovia 1.5% 14/6/2041	53	0.00
€173,000	TUI 5.875% 15/3/2029	146	0.01	€375,000	VZ Secured Financing 3.5% 15/1/2032 <sup>o</sup>	286	0.02
€111,000	TUI Cruises 6.5% 15/5/2026 <sup>o</sup>	95	0.01	€100,000	VZ Vendor Financing II 2.875% 15/1/2029	74	0.01
€950,000	UBS 2.875% 2/4/2032	750	0.06	€100,000	WEPA Hygieneprodukte 5.625% 15/1/2031	86	0.01
€1,400,000	UBS 7.75% 1/3/2029	1,355	0.11	€1,900,000	Wintershall Dea Finance 1.332% 25/9/2028	1,426	0.12
€100,000	UGI International 2.5% 1/12/2029 <sup>o</sup>	76	0.01	€900,000	Wintershall Dea Finance 2 2.4985% Perpetual 20/4/2026	708	0.06
€270,000	UniCredit 7.5% Perpetual 3/6/2026	237	0.02	€3,696	Worldline 0% 30/7/2026	284	0.02
€100,000	United 3.125% 15/2/2026	83	0.01	€1,000,000	Worldline 4.125% 12/9/2028 <sup>o</sup>	828	0.07
€105,000	United 4% 15/11/2027	86	0.01	€166,000	Wp/ap Telecom III 5.5% 15/1/2030	131	0.01
€111,000	United 6.75% 15/2/2031 <sup>o</sup>	96	0.01	€100,000	ZF Europe Finance 4.75% 31/1/2029 <sup>o</sup>	85	0.01
€100,000	United 8.134% 15/2/2031 <sup>o</sup>	86	0.01	€200,000	ZF Europe Finance 6.125% 13/3/2029	179	0.01
€610,000	Upjohn Finance 1.023% 23/6/2024	517	0.04	€200,000	ZF Finance 2.75% 25/5/2027	161	0.01
€184,000	Vallourec SACA 8.5% 30/6/2026 <sup>o</sup>	158	0.01	€300,000	ZF Finance 5.75% 3/8/2026	263	0.02
€225,000	Var Energi 7.862% 15/11/2083 <sup>o</sup>	202	0.02				
€500,000	Veolia Environnement 1.625% Perpetual 1/6/2026	395	0.03				

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€200,000	Ziggo 2.875% 15/1/2030 <sup>0</sup>	152	0.01
		<b>125,040</b>	<b>10.53</b>
<b>Euro Denominated Government Bonds – 0.08%; 28.2.2023 0.03%</b>			
€700,000	Hungary Government International Bond 5.375% 12/9/2033	623	0.05
€395,000	Romanian Government International Bond 5.625% 22/2/2036	330	0.03
		<b>953</b>	<b>0.08</b>
<b>Euro Denominated Mortgage Backed Securities – 1.45%; 28.2.2023 1.74%</b>			
€900,000	AlbaCore EURO CLO I 7.144% 18/10/2034	746	0.06
€583,000	ARBOUR CLO IX 7.192% 15/4/2034	489	0.04
€500,000	Arini European CLO I 9.972% 15/7/2036	430	0.04
€250,000	Aurium CLO VIII 6.916% 23/6/2034	208	0.02
€500,000	BlueMountain 2021- 1 CLO 9.352% 15/4/2034	420	0.04
€400,000	Bridgepoint CLO 1 8.192% 15/1/2034	344	0.03
€1,000,000	Bridgepoint CLO 3 10.182% 15/1/2036	849	0.07
€262,000	Cairn CLO XVI 9.144% 15/1/2037 <sup>2</sup>	225	0.02
€150,000	CIFC European Funding CLO I 7.142% 15/7/2032	126	0.01
€400,000	CIFC European Funding CLO III 9.552% 15/1/2034	341	0.03
€650,000	CIFC European Funding CLO IV 6.994% 18/8/2035	547	0.05
€500,000	Contego CLO VII 7.908% 14/5/2032	427	0.04
€1,000,000	Contego CLO VIII 10.008% 25/1/2034	841	0.07
€883,000	CVC Cordatus Loan Fund XX 6.916% 22/6/2034	743	0.06
€600,000	CVC Cordatus Loan Fund XXVII 10.522% 15/4/2035	516	0.04

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€419,391	Fair Oaks Loan Funding III 10.052% 15/10/2034	352	0.03
€800,000	Fidelity Grand Harbour CLO 2021-1 10.162% 15/10/2034	673	0.06
€298,000	Fidelity Grand Harbour CLO 2023-1 9.801% 15/8/2036	256	0.02
€200,000	Fidelity Grand Harbour CLO 2023-2 0% 15/4/2038 <sup>2</sup>	171	0.01
€500,000	Henley CLO IV 6.948% 25/4/2034	421	0.04
€500,000	Henley CLO IV 9.198% 25/4/2034	412	0.03
€285,000	Margay CLO I 10.342% 15/7/2036	245	0.02
€300,000	Marino Park CLO 9.635% 16/1/2034	253	0.02
€313,000	Neuberger Berman Loan Advisers Euro CLO 9.452% 17/4/2034	267	0.02
€873,000	Neuberger Berman Loan Advisers Euro CLO 2 10.002% 15/4/2034	744	0.06
€800,000	Palmer Square European CLO 2022- 1 10.33% 21/1/2035	674	0.06
€373,000	Palmer Square European CLO 2022- 2 7.917% 15/1/2038	320	0.03
€690,000	Palmer Square European CLO 2023- 1 10.142% 15/7/2036	595	0.05
€1,000,000	Providus CLO II 7.392% 15/7/2031	852	0.07
€500,000	Providus CLO V 6.851% 15/2/2035	418	0.03
€500,000	Providus CLO VI 7.115% 20/5/2034	419	0.04
€1,250,000	Rockfield Park CLO 6.942% 16/7/2034	1,052	0.09
€1,000,000	Tikehau CLO VI 10.262% 15/1/2035	840	0.07
€200,000	Voya Euro CLO IV 7.042% 15/10/2034	167	0.01
€1,000,000	Voya Euro CLO IV 10.102% 15/10/2034	838	0.07
		<b>17,221</b>	<b>1.45</b>



# Portfolio Statement continued

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>UK Sterling Denominated Corporate Bonds – 2.08%; 28.2.2023 2.96%</b>				£170,000	CPUK Finance 4.5% 28/8/2027	152	0.01
£500,000	ABN AMRO Bank 5.25% 26/5/2026	499	0.04	£450,000	Danske Bank 2.25% 14/1/2028	409	0.03
£307,000	Allied Universal Holdco/Allied Universal Finance/Atlas Luxco 4 4.875% 1/6/2028 <sup>0</sup>	270	0.02	£600,000	Deutsche Bank 2.625% 16/12/2024	585	0.05
£498,000	APA Infrastructure 3.5% 22/3/2030	439	0.04	£300,000	Digital Stout 2.75% 19/7/2024	297	0.03
£200,000	Ardagh Packaging Finance / Ardagh USA 4.75% 15/7/2027 <sup>0</sup>	143	0.01	£200,000	Electricite de France 6% Perpetual 29/1/2026	195	0.02
£179,000	Aroundtown 4.75% Perpetual 25/6/2024	91	0.01	£289,000	Encore Capital 4.25% 1/6/2028	240	0.02
£550,000	AT&T 5.5% 15/3/2027	552	0.05	£454,000	Fiserv 2.25% 1/7/2025	435	0.04
£1,245,000	Babcock International 1.875% 5/10/2026	1,132	0.10	£900,000	Ford Motor Credit 4.535% 6/3/2025	888	0.07
£1,100,000	Banco Santander 1.5% 14/4/2026	1,008	0.08	£188,000	Ford Motor Credit 6.86% 5/6/2026 <sup>0</sup>	192	0.02
£300,000	Banco Santander 2.25% 4/10/2032	259	0.02	£223,000	Galaxy Bidco 6.5% 31/7/2026	220	0.02
£400,000	Barclays 7.125% Perpetual 15/6/2025	391	0.03	£151,000	Garfunkelux Holdco 3 7.75% 1/11/2025 <sup>0</sup>	112	0.01
£200,000	Bellis Acquisition 3.25% 16/2/2026 <sup>0</sup>	189	0.02	£2,725,000	Glencore Finance Europe 3.125% 26/3/2026	2,591	0.22
£559,000	Bellis Acquisition 4.5% 16/2/2026	539	0.05	£590,000	Goldman Sachs 7.25% 10/4/2028	628	0.05
£1,100,000	BNP Paribas 2.875% 24/2/2029	975	0.08	£300,000	Heathrow Finance 3.875% 1/3/2027	282	0.02
£100,000	Boparan Finance 7.625% 30/11/2025 <sup>0</sup>	95	0.01	£120,000	Heathrow Finance 4.75% 1/3/2024	120	0.01
£200,000	BP Capital Markets 4.25% Perpetual 22/3/2027	187	0.02	£800,000	HSBC 1.75% 24/7/2027	729	0.06
£150,000	British Telecommunications 8.375% 20/12/2083 <sup>0</sup>	158	0.01	£800,000	Imperial Brands Finance 5.5% 28/9/2026	793	0.07
£395,000	Channel Link Enterprises Finance 3.043% 30/6/2050 <sup>0</sup>	340	0.03	£600,000	Imperial Brands Finance 8.125% 15/3/2024	600	0.05
£196,000	Cidron Aida Finco 6.25% 1/4/2028 <sup>0</sup>	189	0.02	£275,000	Intesa Sanpaolo 5.148% 10/6/2030 <sup>0</sup>	249	0.02
£1,300,000	Citigroup 1.75% 23/10/2026	1,184	0.10	£173,000	Kier 9% 15/2/2029	175	0.01
£200,000	CK Hutchison Telecom Finance 2.625% 17/10/2034 <sup>0</sup>	140	0.01	£300,000	Lloyds Banking 1.875% 15/1/2026	290	0.02
£200,000	Clariane 4.125% Perpetual 2/4/2024	99	0.01	£188,000	Market Bidco Finco 5.5% 4/11/2027	170	0.01
£400,000	Commerzbank 1.75% 22/1/2025	386	0.03	£342,000	Mobico 2.375% 20/11/2028	291	0.02
£100,000	Commerzbank 8.625% 28/2/2033 <sup>0</sup>	105	0.01	£235,000	Mobico 4.25% Perpetual 26/11/2025	213	0.02
				£200,000	Nationwide Building Society 5.75% Perpetual 20/6/2027 <sup>0</sup>	185	0.02
				£150,000	NatWest Markets 6.625% 22/6/2026	153	0.01
				£100,000	Pinewood Finance 3.625% 15/11/2027	93	0.01

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£116,000	Pinnacle Bidco 10% 11/10/2028 <sup>o</sup>	122	0.01
£132,000	Premier Foods Finance 3.5% 15/10/2026	126	0.01
£200,000	Santander UK 6.75% Perpetual 24/6/2024	199	0.02
£200,000	Santander UK 7.482% 29/8/2029	210	0.02
£400,000	Sky 6% 21/5/2027	411	0.03
£190,000	Verizon Communications 2.5% 8/4/2031	160	0.01
£1,000,000	Virgin Me FRN 8.4706% 15/11/2027	989	0.08
£100,000	Virgin Media Secured Finance 4.125% 15/8/2030	83	0.01
£400,000	Virgin Media Secured Finance 4.25% 15/1/2030	342	0.03
£204,000	Virgin Media Vendor Financing Notes III 4.875% 15/7/2028	181	0.02
£732,000	Vmed O2 UK Financing I 4% 31/1/2029	634	0.05
£169,000	Vmed O2 UK Financing I 4.5% 15/7/2031	140	0.01
£310,000	Vodafone 4.875% 3/10/2078 <sup>o</sup>	302	0.03
£123,000	Vodafone 8% 30/8/2086	130	0.01
		<b>24,686</b>	<b>2.08</b>

## UK Sterling Denominated Government Bonds – 0.14%; 28.2.2023 0.18%

£3,274,197	United Kingdom Gilt 1.5% 31/7/2053	<b>1,631</b>	<b>0.14</b>
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## US Dollar Denominated Corporate Bonds – 10.89%; 28.2.2023 11.69%

\$260,000	7-Eleven 1.8% 10/2/2031	163	0.01
\$600,000	AbbVie 4.3% 14/5/2036	439	0.04
\$150,000	AbbVie 4.55% 15/3/2035	113	0.01
\$250,000	AbbVie 5.4% 15/3/2054	199	0.02
\$300,000	ABN AMRO Bank 2.47% 13/12/2029 <sup>o</sup>	206	0.02
\$200,000	ABN AMRO Bank 3.324% 13/3/2037	125	0.01
\$235,000	AEP Texas 5.4% 1/6/2033	185	0.02
\$300,000	AEP Transmission 3.65% 1/4/2050	177	0.02
\$750,000	AerCap Ireland Capital / AerCap Global Aviation Trust 3.3% 30/1/2032	500	0.04

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$720,000	AerCap Ireland Capital / AerCap Global Aviation Trust 3.5% 15/1/2025	559	0.05
\$250,000	Aetna 4.125% 15/11/2042	157	0.01
\$200,000	Ahlstrom 3 Oy 4.875% 4/2/2028	144	0.01
\$800,000	Allianz 3.2% Perpetual 30/10/2027	501	0.04
\$400,000	Allianz 3.5% Perpetual 17/11/2025 <sup>o</sup>	287	0.02
\$550,000	Allstate 5.25% 30/3/2033	432	0.04
\$200,000	Amazon.com 2.7% 3/6/2060	97	0.01
\$200,000	Amazon.com 2.7% 3/6/2060	97	0.01
\$236,000	American Tower 3.65% 15/3/2027	178	0.02
\$400,000	American Tower 5.65% 15/3/2033	317	0.03
\$180,000	American Water Capital 3.45% 1/5/2050	103	0.01
\$490,000	Amgen 3.375% 21/2/2050	276	0.02
\$10,000	Amgen 4.2% 22/2/2052	6	0.00
\$500,000	Amgen 5.25% 2/3/2033	393	0.03
\$200,000	Amgen 5.65% 2/3/2053	157	0.01
\$60,000	Amgen 5.65% 2/3/2053	47	0.00
\$1,010,000	Anheuser-Busch InBev Worldwide 5.55% 23/1/2049	813	0.07
\$150,000	Aon Global 4.45% 24/5/2043	97	0.01
\$410,000	Aon North America 5.75% 1/3/2054	323	0.03
\$810,000	AP Moller - Maersk 5.875% 14/9/2033	643	0.05
\$140,000	Apple 3.85% 4/5/2043	94	0.01
\$1,250,000	Apple 3.95% 8/8/2052	815	0.07
\$440,000	Apple 4.1% 8/8/2062	288	0.02
\$145,000	AstraZeneca 4.375% 17/8/2048	101	0.01
\$400,000	AT&T 4.3% 15/2/2030	301	0.03
\$1,749,000	AT&T 4.5% 15/5/2035	1,268	0.11
\$10,000	Atmos Energy 2.85% 15/2/2052	5	0.00
\$460,000	Atmos Energy 2.85% 15/2/2052	230	0.02
\$625,000	Autodesk 2.85% 15/1/2030	437	0.04
\$500,000	BAE Systems 1.9% 15/2/2031	319	0.03

# Portfolio Statement continued

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
\$315,000	BAE Systems 1.9% 15/2/2031	201	0.02	\$250,000	BPCE 5.748% 19/7/2033	195	0.02
\$150,000	Baltimore Gas and Electric 3.2% 15/9/2049	80	0.01	\$600,000	BPCE 6.508% 18/1/2035	469	0.04
\$500,000	Baltimore Gas and Electric 3.2% 15/9/2049	268	0.02	\$600,000	BPCE 6.714% 19/10/2029 <sup>o</sup>	492	0.04
\$250,000	Baltimore Gas and Electric 3.5% 15/8/2046	145	0.01	\$90,000	Bristol-Myers Squibb 4.25% 26/10/2049	59	0.01
\$100,000	Baltimore Gas and Electric 5.4% 1/6/2053	78	0.01	\$510,000	Bristol-Myers Squibb 4.25% 26/10/2049	334	0.03
\$580,000	Bank of America 2.015% 13/2/2026	443	0.04	\$290,000	Bristol-Myers Squibb 5.1% 22/2/2031	229	0.02
\$800,000	Bank of America 2.592% 29/4/2031	539	0.05	\$600,000	Bristol-Myers Squibb 5.55% 22/2/2054	475	0.04
\$1,150,000	Bank of America 2.687% 22/4/2032	758	0.06	\$60,000	Bristol-Myers Squibb 6.25% 15/11/2053	52	0.00
\$200,000	Bank of America 2.972% 21/7/2052	104	0.01	\$200,000	British Telecommunications 4.25% 23/11/2081	148	0.01
\$1,200,000	Bank of America 3.559% 23/4/2027	912	0.08	\$600,000	British Telecommunications 4.25% 23/11/2081	444	0.04
\$1,750,000	Bank of America 4.571% 27/4/2033	1,296	0.11	\$140,000	Cameron LNG 3.302% 15/1/2035	91	0.01
\$650,000	Bank of America 5.015% 22/7/2033	499	0.04	\$115,000	Canadian National Railway 6.125% 1/11/2053	102	0.01
\$1,040,000	Bank of America 5.015% 22/7/2033	799	0.07	\$600,000	Capital One Financial 5.817% 1/2/2034	468	0.04
\$245,000	Bank of America 5.468% 23/1/2035	192	0.02	\$555,000	Capital One Financial 7.624% 30/10/2031	479	0.04
\$500,000	Barclays 7.437% 2/11/2033	431	0.04	\$54,000	Carrier Global 2.493% 15/2/2027	40	0.00
\$100,000	Barclays 7.437% 2/11/2033	86	0.01	\$700,000	CCO / CCO Capital 4.75% 1/3/2030	468	0.04
\$400,000	Barclays 8% Perpetual 15/3/2029	311	0.03	\$650,000	Charles Schwab 6.136% 24/8/2034	531	0.04
\$759,000	Bayer US Finance 6.5% 21/11/2033	598	0.05	\$265,000	Charter Communications Operating / Charter Communications Operating Capital 5.375% 1/4/2038	179	0.02
\$200,000	Bayer US Finance 6.875% 21/11/2053	156	0.01	\$503,000	Charter Communications Operating / Charter Communications Operating Capital 5.375% 1/5/2047	312	0.03
\$320,000	Bayer US Finance II 4.375% 15/12/2028	235	0.02				
\$1,950,000	BNP Paribas 2.159% 15/9/2029	1,331	0.11				
\$400,000	BNP Paribas 2.871% 19/4/2032 <sup>o</sup>	264	0.02				
\$200,000	BNP Paribas 7.75% Perpetual 16/8/2029 <sup>o</sup>	159	0.01				
\$2,800,000	Boeing 2.196% 4/2/2026	2,076	0.17				
\$500,000	Boeing 3.55% 1/3/2038	305	0.03				
\$100,000	Boeing 5.93% 1/5/2060	75	0.01				
\$635,000	Boeing 5.93% 1/5/2060	478	0.04				
\$285,000	BPCE 4.5% 15/3/2025	221	0.02				

# Portfolio Statement continued

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
\$954,000	Charter Communications Operating / Charter Communications Operating Capital 6.384% 23/10/2035	730	0.06	\$665,000	Cox Communications 2.6% 15/6/2031	429	0.04
\$800,000	Charter Communications Operating / Charter Communications Operating Capital 6.834% 23/10/2055	597	0.05	\$1,050,000	Credit Agricole 4% 10/1/2033	765	0.06
\$2,100,000	Cheniere Energy 4.625% 15/10/2028	1,596	0.13	\$1,100,000	Credit Agricole 6.316% 3/10/2029	896	0.08
\$175,000	Cigna 3.4% 15/3/2050	96	0.01	\$1,391,000	Crown Castle 2.9% 15/3/2027	1,023	0.09
\$200,000	Cigna 4.9% 15/12/2048	141	0.01	\$350,000	CVS Health 5.125% 20/7/2045	250	0.02
\$615,000	Cisco Systems 5.05% 26/2/2034	487	0.04	\$411,000	Danaos 8.5% 1/3/2028	330	0.03
\$150,000	Citigroup 2.561% 1/5/2032	97	0.01	\$1,700,000	Danske Bank 5.705% 1/3/2030	1,343	0.11
\$320,000	Citigroup 2.666% 29/1/2031	217	0.02	\$510,000	Deutsche Bank 7.146% 13/7/2027	414	0.03
\$1,300,000	Citigroup 4.412% 31/3/2031	969	0.08	\$330,000	Devon Energy 4.75% 15/5/2042	220	0.02
\$350,000	Citigroup 6.174% 25/5/2034	278	0.02	\$130,000	Devon Energy 5.6% 15/7/2041	97	0.01
\$550,000	Citigroup 6.675% 13/9/2043	476	0.04	\$200,000	Diamondback Energy 6.25% 15/3/2033	166	0.01
\$250,000	Columbia Pipelines 5.681% 15/1/2034	194	0.02	\$725,000	Dominion Energy 2.25% 15/8/2031	462	0.04
\$110,000	Columbia Pipelines Operating 6.544% 15/11/2053	92	0.01	\$300,000	Dominion Energy 3.375% 1/4/2030	213	0.02
\$503,000	Comcast 2.937% 1/11/2056	243	0.02	\$75,000	Dominion Energy South Carolina 6.25% 15/10/2053	65	0.01
\$502,000	Comcast 2.987% 1/11/2063	236	0.02	\$180,000	DTE Energy 1.05% 1/6/2025	135	0.01
\$200,000	Comcast 3.25% 1/11/2039	121	0.01	\$890,000	Duke Energy 3.25% 15/1/2082	590	0.05
\$500,000	Comcast 3.9% 1/3/2038	336	0.03	\$100,000	Duke Energy Carolinas 3.2% 15/8/2049	54	0.00
\$150,000	Comcast 3.999% 1/11/2049	93	0.01	\$335,000	Duke Energy Carolinas 3.55% 15/3/2052	189	0.02
\$90,000	CommonSpirit Health 3.91% 1/10/2050	54	0.00	\$500,000	Duke Energy Carolinas 5.35% 15/1/2053	383	0.03
\$90,000	Consumers Energy 3.1% 15/8/2050	49	0.00	\$115,000	Duke Energy Florida 5.95% 15/11/2052	95	0.01
\$190,000	Consumers Energy 4.2% 1/9/2052	124	0.01	\$500,000	Duke Energy Florida 6.2% 15/11/2053	426	0.04
\$1,405,000	Consumers Energy 4.9% 15/2/2029	1,105	0.09	\$400,000	Duke Energy Progress 3.45% 15/3/2029	295	0.02
\$281,000	Cooperatieve Rabobank 4.375% 4/8/2025	218	0.02	\$300,000	Duke Energy Progress 4% 1/4/2052	184	0.02
\$200,000	Cox Communications 1.8% 1/10/2030	125	0.01	\$580,000	Ecolab 4.8% 24/3/2030	457	0.04
				\$605,000	Edison International 5.25% 15/11/2028	475	0.04
				\$520,000	Edison International 6.95% 15/11/2029	438	0.04
				\$265,000	Elevance Health 2.25% 15/5/2030	178	0.02

# Portfolio Statement continued

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
\$290,000	Elevance Health 5.125% 15/2/2053	216	0.02	\$450,000	General Motors 5.4% 1/4/2048	318	0.03
\$480,000	Enbridge 5.7% 8/3/2033	382	0.03	\$400,000	Georgia Power 4.95% 17/5/2033	308	0.03
\$85,000	Enbridge 6.2% 15/11/2030	70	0.01	\$435,000	Georgia Power 5.004% 23/2/2027	343	0.03
\$300,000	Enbridge Energy Partners 5.5% 15/9/2040	229	0.02	\$550,000	Gilead Sciences 4% 1/9/2036	384	0.03
\$230,000	Enel Finance International 7.75% 14/10/2052	215	0.02	\$136,000	Gilead Sciences 4.15% 1/3/2047	88	0.01
\$220,000	Energy Transfer 4.95% 15/1/2043	149	0.01	\$664,000	Gilead Sciences 5.55% 15/10/2053	530	0.04
\$350,000	Energy Transfer 5.95% 15/5/2054	270	0.02	\$600,000	GLP Capital / GLP Financing II 4% 15/1/2031	418	0.04
\$235,000	Energy Transfer 6.1% 15/2/2042	183	0.02	\$685,000	Goldman Sachs 2.383% 21/7/2032	439	0.04
\$405,000	Energy Transfer 6.4% 1/12/2030	336	0.03	\$370,000	Goldman Sachs 2.615% 22/4/2032	242	0.02
\$160,000	Energy Transfer 6.55% 1/12/2033	134	0.01	\$400,000	Goldman Sachs 2.65% 21/10/2032	260	0.02
\$1,623	Ensemble Investment 0% 11/8/2028	11,919	1.00	\$2,330,000	Goldman Sachs 3.691% 5/6/2028	1,756	0.15
\$705,000	Entergy Louisiana 3.12% 1/9/2027	524	0.04	\$500,000	Goldman Sachs 4.017% 31/10/2038	337	0.03
\$35,000	EOG Resources 4.95% 15/4/2050	26	0.00	\$400,000	Goldman Sachs 6.75% 1/10/2037	342	0.03
\$1,242,000	EQT 5.75% 1/2/2034	964	0.08	\$700,000	Greensaif Pipelines Bidco 6.129% 23/2/2038	562	0.05
\$389,000	Equinix 2.15% 15/7/2030	255	0.02	\$180,000	Halliburton 4.85% 15/11/2035	136	0.01
\$1,000,000	Eversource Energy 5.125% 15/5/2033	760	0.06	\$500,000	Harbour Energy 5.5% 15/10/2026 <sup>o</sup>	384	0.03
\$200,000	Exelon 4.05% 15/4/2030	148	0.01	\$490,000	HCA 5.5% 15/6/2047	359	0.03
\$10,000	Exelon 4.7% 15/4/2050	7	0.00	\$285,000	HCA 6% 1/4/2054	222	0.02
\$75,000	Exelon 5.1% 15/6/2045	54	0.00	\$360,000	Hess 4.3% 1/4/2027	277	0.02
\$650,000	Fifth Third Bancorp 5.631% 29/1/2032	508	0.04	\$300,000	Hess 5.8% 1/4/2047	241	0.02
\$200,000	Fiserv 5.625% 21/8/2033	160	0.01	\$160,000	Hess 7.125% 15/3/2033	141	0.01
\$110,000	Florida Gas Transmission 2.55% 1/7/2030	73	0.01	\$345,000	Home Depot 3.625% 15/4/2052	205	0.02
\$400,000	Florida Power & Light 5.3% 1/4/2053	310	0.03	\$900,000	HSBC 2.206% 17/8/2029	616	0.05
\$125,000	Ford Foundation 2.415% 1/6/2050	61	0.01	\$35,000	Hubbell 2.3% 15/3/2031	23	0.00
\$250,000	Ford Motor Credit 7.122% 7/11/2033	210	0.02	\$200,000	Iliad 6.5% 15/10/2026	156	0.01
\$500,000	Gacii First Investment 5.375% 29/1/2054	346	0.03	\$200,000	ING Groep 3.875% Perpetual 16/5/2027	129	0.01
\$300,000	General Dynamics 4.25% 1/4/2040	211	0.02	\$200,000	ING Groep 8% Perpetual 16/5/2030	158	0.01
\$230,000	General Mills 4.95% 29/3/2033	178	0.02	\$635,000	Intel 5.15% 21/2/2034	495	0.04
				\$790,000	Intel 5.7% 10/2/2053 <sup>o</sup>	628	0.05
				\$200,000	International Game Technology 5.25% 15/1/2029	153	0.01

# Portfolio Statement continued

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
\$100,000	Interpublic of 5.4% 1/10/2048	73	0.01	\$295,000	Merck 2.9% 10/12/2061	143	0.01
\$350,000	Intesa Sanpaolo 7.2% 28/11/2033	289	0.02	\$850,000	Metropolitan Life Global Funding I 1.55% 7/1/2031	525	0.04
\$200,000	Jaguar Land Rover Automotive 5.875% 15/1/2028	156	0.01	\$400,000	Metropolitan Life Global Funding I 5.05% 8/1/2034	308	0.03
\$745,000	JDE Peet's 1.375% 15/1/2027	526	0.04	\$895,000	Micron Technology 5.3% 15/1/2031	698	0.06
\$700,000	JDE Peet's 1.375% 15/1/2027	494	0.04	\$320,000	Microsoft 3.95% 8/8/2056	208	0.02
\$2,205,000	JPMorgan Chase 2.545% 8/11/2032	1,432	0.12	\$1,875,000	Morgan Stanley 1.593% 4/5/2027	1,366	0.12
\$300,000	JPMorgan Chase 2.58% 22/4/2032	198	0.02	\$1,100,000	Morgan Stanley 1.928% 28/4/2032	687	0.06
\$1,031,000	JPMorgan Chase 2.739% 15/10/2030	715	0.06	\$800,000	Morgan Stanley 2.511% 20/10/2032	517	0.04
\$335,000	JPMorgan Chase 5.336% 23/1/2035	262	0.02	\$250,000	Morgan Stanley 3.622% 1/4/2031	179	0.02
\$150,000	JPMorgan Chase 5.35% 1/6/2034	118	0.01	\$145,000	Morgan Stanley 5.466% 18/1/2035	114	0.01
\$200,000	Kilroy Realty 2.5% 15/11/2032	116	0.01	\$700,000	MPLX 4% 15/3/2028	529	0.04
\$370,000	Kilroy Realty 6.25% 15/1/2036	280	0.02	\$160,000	MPLX 4.5% 15/4/2038	110	0.01
\$260,000	Kinder Morgan Energy Partners 6.5% 1/2/2037	211	0.02	\$312,000	MPLX 4.8% 15/2/2029	241	0.02
\$120,000	Kinder Morgan Energy Partners 6.55% 15/9/2040	97	0.01	\$190,000	MPLX 5% 1/3/2033	143	0.01
\$350,000	Kinder Morgan Energy Partners 6.95% 15/1/2038	298	0.03	\$50,000	Nasdaq 5.95% 15/8/2053	41	0.00
\$285,000	L3Harris Technologies 2.9% 15/12/2029	199	0.02	\$1,500,000	NatWest 3.754% 1/11/2029	1,161	0.10
\$256,000	L3Harris Technologies 4.4% 15/6/2028	196	0.02	\$63,000	NBCUniversal Media 4.45% 15/1/2043	43	0.00
\$185,000	L3Harris Technologies 5.4% 31/7/2033	146	0.01	\$200,000	Neptune Energy Bondco 6.625% 15/5/2025	157	0.01
\$65,000	Lear 5.25% 15/5/2049	46	0.00	\$1,930,000	NextEra Energy Capital 2.25% 1/6/2030	1,279	0.11
\$200,000	Lloyds Banking 4.65% 24/3/2026	155	0.01	\$164,000	NextEra Energy Capital 5.05% 28/2/2033	126	0.01
\$135,000	Lockheed Martin 5.2% 15/2/2055	104	0.01	\$400,000	NextEra Energy Capital 5.25% 15/3/2034	309	0.03
\$750,000	Lowe's 3.5% 1/4/2051	412	0.03	\$251,000	NiSource 1.7% 15/2/2031	157	0.01
\$400,000	Macquarie 1.935% 14/4/2028	281	0.02	\$365,000	NiSource 5.25% 30/3/2028	290	0.02
\$220,000	Marathon Oil 4.4% 15/7/2027	169	0.01	\$225,000	NiSource 5.4% 30/6/2033	177	0.02
\$150,000	Marsh & McLennan 5.45% 15/3/2053	117	0.01	\$345,000	Norfolk Southern 2.55% 1/11/2029	239	0.02
\$400,000	Massachusetts Institute of Technology 3.067% 1/4/2052	227	0.02	\$355,000	Norfolk Southern 2.55% 1/11/2029	246	0.02
				\$115,000	NVIDIA 3.5% 1/4/2040	75	0.01
				\$400,000	Occidental Petroleum 6.45% 15/9/2036	334	0.03

# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$535,000	Ohio Power 1.625% 15/1/2031	336	0.03
\$300,000	Ohio Power 4% 1/6/2049	183	0.02
\$135,000	Ohio Power 5.85% 1/10/2035	107	0.01
\$200,000	Omnicom 2.6% 1/8/2031	132	0.01
\$405,000	Oncor Electric Delivery 5.3% 1/6/2042	322	0.03
\$320,000	Oncor Electric Delivery 5.65% 15/11/2033	260	0.02
\$580,000	ONEOK 6.625% 1/9/2053	490	0.04
\$390,000	Oracle 3.65% 25/3/2041	236	0.02
\$900,000	Oracle 6.9% 9/11/2052	797	0.07
\$85,000	Otis Worldwide 2.565% 15/2/2030	58	0.01
\$185,000	Otis Worldwide 2.565% 15/2/2030	127	0.01
\$115,000	Ovintiv 6.5% 15/8/2034	95	0.01
\$500,000	Pacific Gas and Electric 6.15% 15/1/2033	402	0.03
\$1,390,000	Pacific Gas and Electric 6.4% 15/6/2033	1,139	0.10
\$500,000	Paramount Global 4.85% 1/7/2042	279	0.02
\$675,000	Penske Truck Leasing / PTL Finance 1.7% 15/6/2026	490	0.04
\$300,000	Pfizer Investment Enterprises 5.11% 19/5/2043	227	0.02
\$425,000	Pfizer Investment Enterprises 5.3% 19/5/2053	326	0.03
\$250,000	Progressive 4.95% 15/6/2033	196	0.02
\$200,000	QUALCOMM 6% 20/5/2053	172	0.01
\$215,000	Realty Income 4.85% 15/3/2030	166	0.01
\$600,000	Realty Income 5.125% 15/2/2034	458	0.04
\$800,000	Rogers Communications 3.8% 15/3/2032	561	0.05
\$633,000	Rogers Communications 4.55% 15/3/2052	409	0.03
\$210,000	RTX 5.375% 27/2/2053	159	0.01
\$40,000	RTX 6.4% 15/3/2054	35	0.00
\$1,500,000	Ryder System 5.375% 15/3/2029	1,184	0.10

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$220,000	S&P Global 5.25% 15/9/2033	175	0.01
\$130,000	Sabine Pass Liquefaction 5.875% 30/6/2026	104	0.01
\$160,000	Sabine Pass Liquefaction 5.9% 15/9/2037	131	0.01
\$600,000	San Diego Gas & Electric 5.35% 1/4/2053	458	0.04
\$314,000	Sempra 6% 15/10/2039	250	0.02
\$850,000	Shimao 3.45% 11/1/2031	25	0.00
\$1,620,000	SK Hynix 5.5% 16/1/2029 <sup>0</sup>	1,277	0.11
\$1,000,000	Societe Generale 1.488% 14/12/2026	728	0.06
\$1,000,000	Societe Generale 2.226% 21/1/2026	764	0.06
\$420,000	Societe Generale 4.25% 19/8/2026	317	0.03
\$600,000	Societe Generale 6.447% 12/1/2027	478	0.04
\$200,000	Societe Generale 7.132% 19/1/2055 <sup>0</sup>	153	0.01
\$800,000	Southern 5.7% 15/3/2034	642	0.05
\$22,000	Southern California Edison 3.65% 1/2/2050	13	0.00
\$20,000	Southern California Edison 3.65% 1/2/2050	12	0.00
\$235,000	Southern California Edison 4.125% 1/3/2048	147	0.01
\$700,000	Southern California Edison 5.2% 1/6/2034	540	0.05
\$200,000	Southern California Edison 5.7% 1/3/2053	156	0.01
\$200,000	Southern California Edison 5.875% 1/12/2053	159	0.01
\$820,000	Southern California Edison 5.95% 1/11/2032	673	0.06
\$450,000	Standard Chartered 3.265% 18/2/2036	293	0.02
\$225,000	Steel Dynamics 3.25% 15/10/2050	116	0.01
\$200,000	Stellantis Finance US 1.711% 29/1/2027	144	0.01
\$225,000	Stena International 7.25% 15/1/2031	176	0.01

# Portfolio Statement continued

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
\$350,000	Tampa Electric 2.4% 15/3/2031	229	0.02	\$250,000	UnitedHealth 3.875% 15/8/2059	151	0.01
\$1,100,000	Targa Resources Partners / Targa Resources Partners Finance 5% 15/1/2028	850	0.07	\$250,000	UnitedHealth 4.75% 15/7/2045	181	0.02
\$200,000	Telecom Italia 5.303% 30/5/2024	158	0.01	\$400,000	UnitedHealth 5.05% 15/4/2053	299	0.03
\$180,000	Telecom Italia Capital 6% 30/9/2034	132	0.01	\$500,000	UnitedHealth 5.35% 15/2/2033	402	0.03
\$30,000	Telecom Italia Capital 6.375% 15/11/2033	23	0.00	\$188,837	US Airways 2013- 1 Class A Pass Through Trust 3.95% 15/11/2025	145	0.01
\$80,000	Telecom Italia Capital 7.2% 18/7/2036	63	0.01	\$500,000	US Bancorp 2.491% 3/11/2036	306	0.03
\$190,000	Telecom Italia Capital 7.721% 4/6/2038	153	0.01	\$215,000	Verizon Communications 2.55% 21/3/2031	143	0.01
\$155,000	Telefonica Emisiones 4.895% 6/3/2048	105	0.01	\$750,000	Viatrix 1.65% 22/6/2025	562	0.05
\$20,000	TELLUS 3.4% 13/5/2032	14	0.00	\$900,000	Viatrix 4% 22/6/2050	484	0.04
\$321,000	TELLUS 3.4% 13/5/2032	220	0.02	\$355,000	VICI Properties 5.125% 15/5/2032	264	0.02
\$200,000	TELLUS 4.6% 16/11/2048	134	0.01	\$310,000	Virginia Electric and Power 4.2% 15/5/2045	199	0.02
\$900,000	T-Mobile USA 2.55% 15/2/2031	598	0.05	\$200,000	Virginia Electric and Power 5.7% 15/8/2053	159	0.01
\$200,000	Toyota Motor Credit 1.9% 13/1/2027	146	0.01	\$55,000	Visa 4.3% 14/12/2045	39	0.00
\$645,000	Truist Financial 5.711% 24/1/2035	503	0.04	\$330,000	VMware 2.2% 15/8/2031	210	0.02
\$600,000	Truist Financial 5.867% 8/6/2034	473	0.04	\$315,000	Walt Disney 3.8% 22/3/2030	234	0.02
\$1,450,000	UBS 6.537% 12/8/2033	1,191	0.10	\$400,000	Walt Disney 4.95% 15/10/2045	293	0.02
\$200,000	UBS 7% Perpetual 19/2/2025	158	0.01	\$610,000	Waste Management 4.875% 15/2/2034	471	0.04
\$995,000	UBS 9.016% 15/11/2033	942	0.08	\$800,000	Wells Fargo 4.611% 25/4/2053	546	0.05
\$405,000	Unilever Capital 1.375% 14/9/2030	258	0.02	\$100,000	Wells Fargo 4.75% 7/12/2046	68	0.01
\$240,000	Union Pacific 4.05% 15/11/2045	154	0.01	\$200,000	Wells Fargo 5.013% 4/4/2051	145	0.01
\$30,000	Union Pacific 4.3% 1/3/2049	20	0.00	\$200,000	Wells Fargo 5.389% 24/4/2034	155	0.01
\$370,000	Union Pacific 4.375% 10/9/2038	262	0.02	\$265,000	Wells Fargo 5.499% 23/1/2035	207	0.02
\$100,080	United Airlines 2020- 1 Class B Pass Through Trust 4.875% 15/1/2026	78	0.01	\$1,155,000	Wells Fargo 5.574% 25/7/2029	917	0.08
\$75,000	United Parcel Service 3.4% 1/9/2049	44	0.00	\$260,000	Wells Fargo 6.491% 23/10/2034	218	0.02
\$171,000	UnitedHealth 2.9% 15/5/2050	89	0.01	\$500,000	Willis North America 5.9% 5/3/2054	390	0.03
\$129,000	UnitedHealth 2.9% 15/5/2050	67	0.01	\$390,000	Wisconsin Power and Light 3.95% 1/9/2032	283	0.02
\$300,000	UnitedHealth 3.25% 15/5/2051	166	0.01	\$194,000	WPP Finance 2010 3.75% 19/9/2024	152	0.01



# Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$551,000	Wyeth 5.95% 1/4/2037	464	0.04
		<b>129,306</b>	<b>10.89</b>
<b>US Dollar Denominated Government Bonds – 0.20%; 28.2.2023 0.02%</b>			
\$1,050,000	Mexico Government International Bond 6% 7/5/2036 <sup>o</sup>	826	0.07
\$600,000	Mexico Government International Bond 6.35% 9/2/2035 <sup>o</sup>	484	0.04
\$400,000	Peruvian Government International Bond 3% 15/1/2034	257	0.02
\$200,000	Saudi Government International Bond 5% 18/1/2053	139	0.01
\$300,000	Saudi Government International Bond 5.25% 16/1/2050 <sup>o</sup>	218	0.02
\$600,000	Saudi Government International Bond 5.75% 16/1/2054	458	0.04
		<b>2,382</b>	<b>0.20</b>

## COLLECTIVE INVESTMENT

**SCHEMES – 45.64%; 28.2.2023 32.70%**

### Equity Funds – 12.90%; 28.2.2023 12.97%

2,545,640	BlackRock Global Fund - Emerging Markets Equity Income Fund <sup>†</sup>	36,885	3.11
59,783,959	Blackstone Loan Financing	29,697	2.50
16,563,884	Bluefield Solar Income Fund	17,392	1.47
24,542,933	Foresight Solar Fund	22,089	1.86
112,000	HarbourVest Global Private Equity	2,492	0.21
986,604	iShares Physical Gold ETC <sup>†</sup>	30,800	2.59
165,033	NB Private Equity Partners	2,703	0.23

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
277,197	Oakley Capital Investments	1,295	0.11
8,365,916	Schiehallion Fund	3,703	0.31
6,530,900	Starwood European Real Estate Finance	6,087	0.51
		<b>153,143</b>	<b>12.90</b>
<b>Exchange Traded Funds – 0.00%; 28.2.2023 5.21%</b>			
<b>Fixed Income Funds – 5.54%; 28.2.2023 0.00%</b>			
647,973	iShares GBP Ultrashort Bond UCITS ETF <sup>†</sup>	<b>65,840</b>	<b>5.54</b>
<b>Investment Trusts – 4.73%; 28.2.2023 4.05%</b>			
5,336,749	BlackRock Frontiers Investment Trust <sup>†</sup>	8,219	0.69
1,298,885	BlackRock Smaller Companies Trust <sup>†</sup>	17,223	1.45
340,903	HgCapital Trust	1,515	0.13
177,662	ICG Enterprise Trust	2,157	0.18
1,124,549	Pantheon International	3,548	0.30
2,945,898	Scottish Mortgage Investment Trust	23,526	1.98
		<b>56,188</b>	<b>4.73</b>

### Property Funds – 0.00%; 28.2.2023 0.64%

### Short-term Money Market Funds – 22.47%; 28.2.2023 9.83%

183,760	BlackRock ICS Euro Liquid Environmentally Aware Fund <sup>†</sup>	16,120	1.36
930,896	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class <sup>†</sup>	93,092	7.84
1,993,694	BlackRock ICS US Dollar Liquid Environmentally Aware Fund Agency Income Class <sup>†</sup>	157,684	13.27
		<b>266,896</b>	<b>22.47</b>

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
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## DERIVATIVES – 0.20%; 28.2.2023 (0.51%)

### Credit Default Swaps – (0.04%); 28.2.2023 0.03%

7,270,000	Bank of America Merrill Lynch (iTraxx) 1% 20/12/2028	7,955	(135)	(0.01)
2,690,000	Bank of America Merrill Lynch (iTraxx) 1% 20/12/2028	2,072	57	0.00
1,630,000	Bank of America Merrill Lynch (Kroger) 1% 20/12/2028	1,260	(33)	0.00
240,000	Bank of America Merrill Lynch (Syensqo) 1% 20/12/2028	199	(4)	0.00
650,000	Bank of America Merrill Lynch (Unicredit) 1% 20/12/2028	544	12	0.00

# Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
1,020,000	Barclays (ENI SPA) 1% 20/12/2028	873	(20)	0.00
(114,000)	Barclays (EOFP) 5% 20/12/2028	98	11	0.00
1,300,000	Barclays (Stellantis) 5% 20/12/2028	1,090	(207)	(0.02)
950,000	Barclays (Unibail-Rodamco Se) 1% 20/6/2024	777	(4)	0.00
1,060,000	Barclays (Volkswagen) 1% 20/12/2028	914	(8)	0.00
46,000	BNP Paribas (Picard) 5% 20/12/2028	–	(3)	0.00
(25,751)	BNP Paribas (Ziggo Bond) 5% 20/12/2028	22	2	0.00
(170,000)	Goldman Sachs (CMA CGM) 5% 20/6/2027	151	18	0.00
1,640,000	Goldman Sachs (Dell) 1% 20/12/2028	1,394	(28)	0.00
995,000	Goldman Sachs (iTraxx) 1% 20/12/2028	729	59	0.00
2,390,000	Goldman Sachs (Next) 1% 20/12/2028	2,252	(41)	0.00
920,000	Goldman Sachs (Shermin-Williams) 1% 20/12/2028	761	(17)	0.00
585,000	Goldman Sachs (Solvay) 1% 20/12/2028	453	(5)	0.00
585,000	Goldman Sachs (Syensqo) 1% 20/12/2028	484	(11)	0.00
760,000	JP Morgan Chase Bank (Ab Electrolux 100(20-Jun-2028) Morgan Stanley) 1% 20/12/2028	586	14	0.00
750,000	JP Morgan Chase Bank (Aegon) 1% 20/12/2028	785	(13)	0.00
1,085,032	JP Morgan Chase Bank (Akzo Nobel) 1% 20/12/2028	916	(25)	0.00
350,000	JP Morgan Chase Bank (Banco BPM) 5% 20/6/2028	333	(34)	0.00
550,000	JP Morgan Chase Bank (Deutsche Bank) 1% 20/12/2028	466	4	0.00
550,000	JP Morgan Chase Bank (Deutsche Bank Aktiengesellsch) 1% 20/12/2028	466	4	0.00
400,000	JP Morgan Chase Bank (Llyods Banking) 1% 20/12/2028	309	(6)	0.00
350,000	JPLSW (Aegon) 1% 20/12/2028	366	(6)	0.00
1,460,000	JPLSW (Bouygues) 1% 20/12/2028	1,170	(41)	(0.01)
(127,000)	Morgan Stanley (Ladbrokes) 1% 20/6/2028	109	(2)	0.00
		<b>27,534</b>	<b>(462)</b>	<b>(0.04)</b>
<b>Forward Currency Contracts – (0.14%); 28.2.2023 0.01%</b>				
AU\$11,370,000	Australian Dollar vs US Dollar	11,721	(26)	0.00
BRL 111,200,000	Brazilian Real vs US Dollar	35,155	53	0.00
CA\$190,000	Canadian Dollar vs UK Sterling	110	(1)	0.00
CA\$20,060,000	Canadian Dollar vs US Dollar	23,487	(132)	(0.01)
COP 29,733,260,000	Colombian Peso vs US Dollar	11,853	34	0.00
€200,000	Euro vs UK Sterling	171	–	0.00
INR 6,934,200,000	Indian Rupee vs US Dollar	131,273	152	0.01
IDR 117,056,190,000	Indonesian Rupiah vs US Dollar	11,789	(35)	0.00
NOK 157,800,000	Norwegian Krone vs US Dollar	23,601	(71)	(0.01)
SG\$9,950,000	Singapore Dollar vs US Dollar	11,714	(1)	0.00
£ 1,853,808	UK Sterling vs Australian Dollar	1,839	14	0.00
£ 4,832,610	UK Sterling vs Canadian Dollar	4,802	31	0.00
£ 318,023,909	UK Sterling vs Euro	318,518	(493)	(0.04)
£ 150,396	UK Sterling vs Japanese Yen	149	1	0.00
£ 218,194	UK Sterling vs Swiss Franc	216	2	0.00
£ 629,124,729	UK Sterling vs US Dollar	630,458	(1,333)	(0.11)
US\$7,269,464	US Dollar vs Chilean Peso	11,449	40	0.00
US\$11,175,521	US Dollar vs Euro	17,693	(30)	0.00
US\$7,426,973	US Dollar vs Indian Rupee	11,753	(15)	0.00
US\$7,352,625	US Dollar vs Japanese Yen	11,583	38	0.00
US\$7,413,404	US Dollar vs Mexican Peso	11,742	(25)	0.00
US\$7,442,865	US Dollar vs Philippines Peso	11,754	10	0.00
US\$11,239,315	US Dollar vs Polish Zloty	17,825	(61)	0.00

# Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
US\$7,398,558	US Dollar vs South Korean Won	11,668	25	0.00
US\$90,011,574	US Dollar vs Taiwan Dollar	142,176	32	0.01
US\$7,342,362	US Dollar vs Thailand Baht	11,618	(14)	0.00
US\$30,720,000	US Dollar vs UK Sterling	24,277	170	0.01
		<b>1,500,394</b>	<b>(1,635)</b>	<b>(0.14)</b>
<b>Futures – 0.07%; 28.2.2023 (0.70%)</b>				
308	Australia 10 Year Bond March 2024	15,159	221	0.02
49	Canada 10 Year Bond June 2024	3,401	(9)	0.00
(156)	Euro-Bobl March 2024	15,476	182	0.02
111	Euro-Bund March 2024	34,213	(195)	(0.02)
(4)	Euro-Bund June 2024	450	1	0.00
(70)	Euro-Buxl March 2024	7,873	155	0.01
59	Euro-Schatz March 2024	5,307	(10)	0.00
(35)	Long Gilt June 2024	3,392	29	0.00
61	Long Gilt June 2024	5,912	(67)	(0.01)
218	MSCI Emerging Markets ex China March 2024	11,862	219	0.02
21	S&P 500 E-Mini Index March 2024	4,209	341	0.03
584	US 10 Year Note (CBT) June 2024	51,876	(140)	(0.01)
(60)	US 10 Year Ultra June 2024	5,391	12	0.00
137	US 2 Year Note (CBT) June 2024	22,158	(4)	0.00
241	US 5 Year Note (CBT) June 2024	20,332	(33)	0.00
111	US Long Bond (CBT) June 2024	10,381	20	0.00
11	US Ultra Bond (CBT) June 2024	1,100	5	0.00
(167)	US Ultra Bond (CBT) June 2024	16,703	64	0.01
		<b>235,195</b>	<b>791</b>	<b>0.07</b>
<b>Inflation Swaps – 0.01%; 28.2.2023 (0.12%)</b>				
1,179,500	Goldman Sachs (Euro) 2.495% vs Variable 15/4/2052	950	(69)	(0.01)
853,841	Goldman Sachs (Euro) 2.5075% vs Variable 15/4/2052	691	(47)	0.00
1,194,500	Goldman Sachs (Euro) 2.535% vs Variable 15/4/2052	975	(57)	0.00
1,099,000	Goldman Sachs (Euro) 2.58% vs Variable 15/3/2052	898	(46)	0.00
7,072,365	Morgan Stanley (Euro) 2.7575% vs Variable 15/5/2053	6,572	477	0.04
1,929,248	UBS (Euro) 2.56% vs Variable 15/4/2052	1,588	(79)	(0.01)
2,400,000	UBS (Euro) 2.585% vs Variable 15/4/2052	1,991	(83)	(0.01)
		<b>13,665</b>	<b>96</b>	<b>0.01</b>
<b>Interest Rate Swaps – (0.01%); 28.2.2023 (0.02%)</b>				
630,000	Bank of America Merrill Lynch (Swiss Franc) (0.268)% vs Variable 25/11/2026	541	(25)	0.00
320,000	Bank of America Merrill Lynch (Swiss Franc) 0.072% vs Variable 25/11/2031	263	(26)	(0.01)
		<b>804</b>	<b>(51)</b>	<b>(0.01)</b>
<b>Options – 0.07%; 28.2.2023 0.07%</b>				
44,163,000	BNP Paribas (US Dollar Put Japanese Yen Call Put 22/3/2024 @ 143.0)	1,554	10	0.00
186	FTSE MIB Index Put Index Option 15/03/24 EUR28,000	162	4	0.00
62,200,000	Goldman Sachs International (US Dollar Call Japanese Yen Put Call 1/3/2033 @ 136.0)	7,013	868	0.07
(44,163,000)	HSBC Bank (US Dollar Put Japanese Yen Call Put 22/3/2024 @ 143.0)	1,554	(10)	0.00
(1,479)	MSCI China Net Total Return Call Index Option 24/06/24 USD400	15,718	(1,952)	(0.16)
2,957	MSCI China Net Total Return Call Index Option 24/06/24 USD440	18,599	1,683	0.14

# Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
42	NASDAQ 100 Stock Put Index Option 15/03/24 USD 17,300	6,837	226	0.02
159	S&P 500 Put Index Option 15/3/2024 4,450	755	20	0.00
(37)	US 10 Year Put 22/3/2024 106	55	(1)	0.00
37	US 10 Year Put 22/3/2024 109	639	9	0.00
		<b>52,886</b>	<b>857</b>	<b>0.07</b>
<b>Swaptions – 0.00%; 28.2.2023 0.00%</b>				
13,370,000	Morgan Stanley International (Buy 5 Year Right to Pay 20/3/2024 62.5)	1,889	3	0.00
(13,370,000)	Morgan Stanley International (Sell 5 Year Right to Pay 20/3/2024 75)	508	(1)	0.00
		<b>2,397</b>	<b>2</b>	<b>0.00</b>
<b>Total Return Swaps – 0.24%; 28.2.2023 0.22%</b>				
147,485	Barclays Bank (Volatility Carry Strategy Index) 15/11/2024	18,741	–	0.00
11,634	Citibank (Global Brands Basket Index) 30/8/2024	35,992	3,087	0.26
2,170,000	Goldman Sachs International (Markit iBoxx EUR Liquid High Yield Index) 20/3/2024	1,906	(35)	0.00
2,557,053	JP Morgan Chase Bank (JPBLJDY) 14/3/2024	1,681	227	0.02
12,830,675	JP Morgan Chase Bank (JPBLJDY) 12/4/2024	8,434	473	0.04
286,392	JP Morgan Chase Bank (USD Rates Volatility Strategy Index) 21/2/2025	22,990	(157)	(0.01)
12,616	Morgan Stanley International (MSVCDRSE) 26/7/2024	5,588	66	0.00
1,938,493	UBS (Aquantum Scarcity Premium Commodity Index) 9/8/2024	25,531	(842)	(0.07)
		<b>120,863</b>	<b>2,819</b>	<b>0.24</b>
<b>Portfolio of investments</b>			<b>1,150,719</b>	<b>96.88</b>
Net other assets			37,060	3.12
<b>Total net assets</b>			<b>1,187,779</b>	<b>100.00</b>

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

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

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

The total return swaps ("TRS") shown in the portfolio statement starting on page 43 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.

<sup>1</sup> Security fair valued by Manager at zero.

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

<sup>0</sup> All or a portion of this investment represents a security on loan, see note 2(b) vi) for further details.

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

## Statement of Total Return

for the year ended 29 February 2024

	Notes	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
Income					
Net capital gains/(losses)	3		44,541		(71,655)
Revenue	4	52,554		39,133	
Expenses	5	(5,726)		(8,422)	
Interest payable and similar charges	6	(1,005)		(1,171)	
Net revenue before taxation		45,823		29,540	
Taxation	7	(6,108)		(483)	
Net revenue after taxation			39,715		29,057
Total return before distributions			84,256		(42,598)
Distributions	8		(43,854)		(28,495)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>40,402</b>		<b>(71,093)</b>

## Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2024

	£000's	For the year to 29.2.2024 £000's	£000's	For the year to 28.2.2023 £000's
<b>Opening net assets attributable to unitholders</b>			1,254,321	1,512,724
Amounts receivable on issue of units	110,662		89,793	
Amounts payable on cancellation of units	(257,509)		(303,959)	
			(146,847)	(214,166)
Change in net assets attributable to unitholders from investment activities		40,402		(71,093)
Retained distribution on accumulation units		39,903		26,856
<b>Closing net assets attributable to unitholders</b>			<b>1,187,779</b>	<b>1,254,321</b>

# Balance Sheet

at 29 February 2024

	Notes	29.2.2024 £000's	28.2.2023 £000's
<b>Assets:</b>			
Fixed assets			
– Investment assets		1,157,487	1,051,216
Current assets			
– Debtors	9	23,112	11,961
– Cash and bank balances	10	30,880	227,234
<b>Total assets</b>		<b>1,211,479</b>	<b>1,290,411</b>
<b>Liabilities:</b>			
Investment liabilities		(6,768)	(21,940)
Creditors			
– Amounts due to futures clearing houses and brokers		(1,277)	(140)
– Cash collateral payable		(3,824)	–
– Distributions payable		(351)	(202)
– Other creditors	11	(11,480)	(13,808)
<b>Total liabilities</b>		<b>(23,700)</b>	<b>(36,090)</b>
<b>Net assets attributable to unitholders</b>		<b>1,187,779</b>	<b>1,254,321</b>

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

29 May 2024

# Notes to Financial Statements

for the year ended 29 February 2024

## 1. Accounting and Distribution Policies

### Accounting Policies

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

The financial statements have been prepared on a going concern basis in accordance with UK GAAP and the SORP. The Fund is able to meet all of its liabilities from its assets. The performance, marketability and risks of the Fund are reviewed on a regular basis throughout the financial period. Therefore, the Directors of the Manager believe that the Fund will continue in operational existence for a period of one year from the date of approval of the financial statements and is financially sound. The Directors of the Manager are satisfied that, at the time of approving the financial statements, it is appropriate to continue to adopt the going concern basis in preparing the financial statements of the Fund.

- (b) Bank interest is recognised on an accruals basis.

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.

US REIT dividend revenue is accounted for partly as revenue and partly as capital, depending on the underlying REIT distribution. 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 Fund.

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.

The Fund receives 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.

## Notes to Financial Statements continued

- (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.
- (e) Underwriting commission is wholly recognised as revenue when the issue takes place, except where the Fund is 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) Provision for corporation tax is made at the current rate on the excess of taxable revenue over allowable expenses. Provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that it is considered more likely than not that there will be taxable profits in the future against which the asset can be offset.
- (h) Where the end of the accounting year on the Balance Sheet date is a business day, the valuation point is 12 noon, and where the end of the accounting year on the Balance Sheet date is a non-business day, the valuation point is end of day. All investments are valued at their fair value as at the end of the accounting period. In the case of an investment which is not quoted, listed or dealt in on a recognised market, or in respect of which a listed, traded or dealt price or quotation is not available at the time of valuation, the fair value of such investment shall be estimated with care and in good faith by a competent professional person, body, firm or corporation including the Manager's pricing committee and such fair value shall be determined on the basis of the probable realisation value of the investment. The Manager shall be entitled to adopt an alternative method of valuing any particular asset if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset or liability.

For Over-the-Counter ("OTC") derivatives including Credit Default Swaps, Contracts for Differences, Currency Swaps, Forward Currency Contracts, Inflation Swaps, Interest Rate Swaps, OTC Options, Swaptions, Synthetic Caps, Total Return Swaps and Volatility Swaps; fair value is determined based on valuation pricing models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions. The fair value of exchange traded and over the counter derivatives represents the price that would be required to close out the contracts at the Balance Sheet date. Amounts due to and from an individual counterparty which falls under a legally enforceable master netting agreement are netted.

Investments in dual priced Collective Investment Schemes have been valued at the latest available published bid price market values. Investments in single priced Collective Investment Schemes have been valued at the latest available published market values.

- (i) 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.



- (j) 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.

Revenue from over the counter derivatives is received in the form of premiums received on written options. Such premiums are 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.

- (k) Cash and bank balances consist of deposits held on call with banks and cash held with clearing brokers and counterparties.
- (l) Cash collateral provided by the Fund is identified on the Balance Sheet as pledged cash collateral and is not included as a component of cash and cash equivalents.

For collateral other than cash provided by the Fund, 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 Fund on maturity or sale of the contract. The Fund classifies these assets on its 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 Fund by counterparties is identified in the Balance Sheet as cash collateral payable. The Fund 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**

- (m) The ordinary element of stock dividends is treated as revenue and forms part of the distribution.
- (n) Special dividends and share buy backs recognised as revenue form part of the distribution.
- (o) 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.

## **2. Financial Instruments and Risks**

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

### **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 Fund is managed within the terms of its investment guidelines and limits set out in the Prospectus. The Manager reserves to itself the investment performance, product risk monitoring and oversight and the responsibility for the monitoring and oversight of regulatory and operational risk for the Fund.

## Notes to Financial Statements continued

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 Fund. 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 principal risk exposure of the Fund is 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 Fund may suffer through holding market positions in the face of market movements. The Fund is exposed to market risk by virtue of its investments in equities, corporate bonds, government bonds, credit default swaps, interest rate swaps, futures contracts, total return swaps, options, swaptions and forward currency contracts.

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

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

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

The one day VaR as at 29 February 2024 and 28 February 2023 based on a 99% confidence level was 0.74% and 0.67% respectively.

### 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 Fund may invest in securities, which may be denominated in currencies other than its reporting currency.

The Fund may also invest in forward currency contracts and thus gain further exposure to foreign currency risk.

## **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.

## **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 Fund and market prices of its investments.

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

### **Management of other price risk**

The Investment Manager manages the Fund's other price risk on a daily basis in accordance with the Fund's investment objective.

By diversifying the portfolio, where this is appropriate and consistent with the Fund's objectives, the risk that a price change of a particular investment will have a material impact on the Net Asset Value ("NAV") of the Fund is minimised. The investment concentrations within the portfolio are disclosed in the portfolio statement 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 Fund is exposed to interest rate risk on its 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 its 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.

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

# Notes to Financial Statements continued

## **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 Fund is 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 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 Fund's holdings in futures contracts expose the Fund 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 Fund's exposure to counterparty credit risk on contracts in which it currently has 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 Fund's exposure to credit risk on contracts in which it currently has 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 Bank of America Merrill Lynch.

The market value of the exchange traded derivatives held by the Fund is shown in the portfolio statement.

Margin is paid or received on futures to cover any exposure by the counterparty or the Fund to each other. Margin receivable from the Fund's clearing brokers and various counterparties is included in "Cash and bank balances" on the Balance Sheet. Margin payable to the Fund's clearing brokers and various counterparties 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 Fund's holdings in OTC FDIs expose the Fund 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 Fund.

All OTC FDIs are entered into by the Fund under an International Swaps and Derivatives Associations, Inc. Master Agreement (“ISDA Master Agreement”) or similar agreement. An ISDA Master Agreement is a bilateral agreement between the Fund 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 Fund under the ISDA Master Agreement, not just total return swaps. All collateral received/posted by the Fund under the ISDA Master Agreement is transferred bilaterally under a title transfer arrangement.

Cash held as security by the counterparty to derivative contracts is subject to the credit risk of the counterparty.

The carrying value of financial assets together with cash best represents the Fund's 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.

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

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

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

The lowest credit rating of any one counterparty as at 29 February 2024 was A (28 February 2023: A-) (Standard & Poor's rating).

# Notes to Financial Statements continued

The following tables detail the number of counterparties the Fund is exposed to by OTC FDIs type and the maximum exposure (which is calculated on a net basis) to any one counterparty.

29 February 2024

Counterparty	Credit Default Swaps £000's	Forwards £000's	Inflation Swaps £000's	Interest Rate Swaps £000's	OTC Options £000's	Swaptions £000's	Total Return Swaps £000's	Total Exposure £000's
Bank of America Merrill Lynch	(103)	–	–	(51)	8	–	–	<b>(146)</b>
Barclays Bank Plc	(228)	(186)	–	–	–	–	–	<b>(414)</b>
BNP Paribas Arbitrage SNC	(1)	259	–	–	10	–	–	<b>268</b>
Citigroup Global Markets Limited	–	93	–	–	–	–	3,087	<b>3,180</b>
Deutsche Bank AG	–	(15)	–	–	–	–	–	<b>(15)</b>
Goldman Sachs International	(25)	(65)	(219)	–	868	–	(35)	<b>524</b>
HSBC Bank Plc	–	117	–	–	(10)	–	–	<b>107</b>
J.P. Morgan Securities Plc	(103)	(193)	–	–	–	–	543	<b>247</b>
Morgan Stanley & Co. International Plc	(2)	99	477	–	–	2	66	<b>642</b>
Nomura International Plc	–	(639)	–	–	–	–	–	<b>(639)</b>
Royal Bank of Canada	–	(1,144)	–	–	–	–	–	<b>(1,144)</b>
Royal Bank of Scotland Plc	–	11	–	–	–	–	–	<b>11</b>
Standard Chartered Bank	–	11	–	–	–	–	–	<b>11</b>
UBS AG	–	17	(162)	–	–	–	(842)	<b>(987)</b>

# Notes to Financial Statements continued

28 February 2023

Counterparty	Credit Default Swaps £000's	Forwards £000's	Inflation Swaps £000's	Interest Rate Swaps £000's	Swaptions £000's	Total Return Swaps £000's	Total Exposure £000's
Bank of America Merrill Lynch	48	(1,954)	–	(224)	–	–	(2,130)
Barclays Bank Plc	(15)	560	–	–	38	(47)	536
BNP Paribas Arbitrage SNC	5	–	–	–	–	–	5
Citigroup Global Markets Limited	(16)	194	–	–	–	4,154	4,332
Deutsche Bank AG	8	5	–	–	–	–	13
Goldman Sachs International	(23)	2,138	(791)	–	4	1,000	2,328
HSBC Bank Plc	–	1,132	–	–	–	(1,940)	(808)
J.P. Morgan Securities Plc	417	876	–	–	–	(14)	1,279
Morgan Stanley & Co. International Plc	(39)	(3,228)	(16)	34	–	178	(3,071)
Royal Bank of Canada	–	26	–	–	–	–	26
Royal Bank of Scotland Plc	–	(20)	–	–	–	–	(20)
Standard Chartered Bank	–	46	–	–	–	–	46
State Street Global Advisors Limited	–	8	–	–	–	–	8
UBS AG	–	362	(678)	–	–	(584)	(900)

### iii) Trustee and Custodian

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

Substantially all of the investments other than FDIs of the Fund are held by the Custodian at year end. Investments are segregated from the assets of the Custodian, with ownership rights remaining with the Fund. Bankruptcy or insolvency of the Custodian may cause the Fund's rights with respect to its 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.

The Fund 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 Fund will be treated as a general creditor of the Trustee.

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

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

The long term credit rating of the parent company of the Trustee and Custodian, The Bank of New York Mellon Corporation, as at 29 February 2024 was A (28 February 2023: AA) (Standard & Poor's rating).

# Notes to Financial Statements continued

## 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 Fund.

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 higher credit risk have a greater possibility of default than more highly rated securities. The Fund invests into sovereign debt which exposes the Fund 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 objective of the Fund and monitors the credit ratings of the investments as disclosed in the portfolio statement. The ratings of the debt securities are continually monitored by the BlackRock Portfolio Management Group.

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

29 February 2024

Investment grade	Non-investment grade	Not rated	Total
%	%	%	%
19.37	5.04	1.55	25.96

28 February 2023

Investment grade	Non-investment grade	Not rated	Total
%	%	%	%
19.94	4.81	0.51	25.26

## vi) Securities lending

The Fund engages in security lending activities which expose the Fund to counterparty credit risk. The maximum exposure to the Fund is equal to the value of the securities loaned.



## Notes to Financial Statements continued

Securities lending transactions entered into by the Fund are subject to a written legal agreement between the Fund and the Stock Lending Agent, BlackRock Advisors (UK) Limited, a related party to the Fund, and separately between the Stock Lending Agent and the approved borrowing counterparty. Collateral received in exchange for securities lent is transferred under a title transfer arrangement and is delivered to and held in an account with a tri-party collateral manager in the name of the Trustee on behalf of the Fund. Collateral received is segregated from the assets belonging to the Fund's Trustee or the Stock Lending Agent.

The following table details the value of securities on loan (individually identified in the Portfolio Statement) and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

Counterparty	Counterparty's country of establishment	29 February 2024		28 February 2023	
		Securities on loan	Collateral received	Securities on loan	Collateral received
		£000's	£000's	£000's	£000's
Barclays Bank Plc	UK	8,507	8,958	3,296	3,448
Barclays Capital Securities Limited	UK	1,329	1,494	631	728
BNP Paribas Arbitrage SNC	France	2,610	2,810	3,013	3,319
Citigroup Global Markets Limited	UK	1,237	1,410	6,006	6,881
Credit Suisse International	UK	–	–	752	781
Deutsche Bank AG (Euroclear)	Germany	47	50	842	958
Goldman Sachs International	UK	4,611	4,884	5,265	5,515
HSBC Bank Plc	UK	–	–	4,748	5,275
J.P. Morgan Securities Plc	UK	2,179	2,435	1,343	1,583
J.P. Morgan Securities Plc (Euroclear)	UK	4,123	4,298	795	829
Merrill Lynch International	UK	2,056	2,138	482	502
Morgan Stanley & Co. International Plc	UK	3,232	3,571	639	670
Nomura International Plc	UK	1,227	1,294	2,081	2,177
RBC Europe Limited (Euroclear)	UK	266	277	139	145
Société Générale SA	France	–	–	1,406	1,589
The Bank of Nova Scotia	Canada	585	656	–	–
UBS AG	Switzerland	5,213	6,102	4,995	5,518
<b>Total</b>		<b>37,222</b>	<b>40,377</b>	<b>36,433</b>	<b>39,918</b>

At 29 February 2024, collateral received from these borrowing counterparties comprised of 73.34% in debt securities and 26.66% in equity securities (28 February 2023: 48.89% in debt securities, 50.65% in equity securities and 0.46% in cash).

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

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

To mitigate this risk, the Fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 29 February 2024 and 28 February 2023, all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Fund also benefits from a borrower default indemnity provided by BlackRock Inc. The indemnity allows for full replacement of securities lent. BlackRock Inc. bears the cost of indemnification against borrower default.

## **vii) Collateral**

The Fund engages 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 Fund uses inbound collateral received from a counterparty to reduce the credit risk associated with any trading activity the Fund has engaged in.

Cash collateral posted by the Fund is separately identified on the Balance Sheet as cash collateral posted and is not included as a component of cash and cash equivalents. Cash collateral received by the Fund is reflected on the Balance Sheet as cash collateral payable.

As at 29 February 2024 collateral received by the Fund in respect of OTC FDIs was £3,824,000 in the form of cash. Collateral posted by the Fund in respect of OTC FDIs was £Nil.

As at 28 February 2023 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 Fund will encounter difficulties in meeting its obligations associated with financial liabilities.

Liquidity risk to the Fund arises from the redemption requests of unitholders and the liquidity of the underlying investments the Fund is invested in. The Fund’s unitholders may redeem their units on the close of any daily dealing deadline for cash equal to a proportionate share of the Fund’s NAV. The Fund is 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 Fund is also exposed to the liquidity risk of daily margin calls on derivatives.

All non-derivative financial liabilities including distributions payable held by the Fund as at 29 February 2024 and 28 February 2023, 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 the 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 Fund. 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 Fund's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The portfolio managers review daily forward looking cash reports which project cash obligations. These reports allow them to manage the Fund's 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 – Unadjusted quoted prices for identical instruments in active markets**

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

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

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

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

#### **Level 3 – Valuation techniques using significant unobservable inputs**

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

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

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

## Notes to Financial Statements continued

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

	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
<b>29 February 2024</b>				
Investment assets	541,037	616,054	396 <sup>1</sup>	1,157,487
Investment liabilities	(2,411)	(4,357)	–	(6,768)
<b>28 February 2023</b>				
Investment assets	426,957	624,259	–	1,051,216
Investment liabilities	(9,943)	(11,997)	–	(21,940)

<sup>1</sup> Includes securities fair valued by the Manager at zero. These securities are identified on the Fund's Portfolio Statement.

### (e) Global exposure

The Manager is required by the COLL Sourcebook to employ a risk management process in respect of the Fund which enables it to accurately monitor and manage the global exposure from Financial Derivative Instruments ("FDIs").

The Manager uses the Absolute VaR methodology to measure the Fund's global exposure. For Absolute VaR, the monthly VaR will not exceed 20% of the Fund's NAV. Where a VaR calculation is performed using a horizon other than the one month regulatory limit, this 20% limit will be rescaled to reflect the appropriate risk horizon period as directed by the relevant regulatory guidelines. Utilisation refers to the level of risk taken in this context.

The exposures to FDIs at year end are marked on the Portfolio Statement.

The tables below detail the highest, lowest and average utilisation of the VaR limit, expressed as a percentage of the respective relative VaR regulatory limit.

#### 29 February 2024

Highest utilisation of the VaR limit	Lowest utilisation of the VaR limit	Average utilisation of the VaR limit
22.18%	15.44%	17.82%

#### 28 February 2023

Highest utilisation of the VaR limit	Lowest utilisation of the VaR limit	Average utilisation of the VaR limit
27.13%	14.83%	20.92%

## (f) Leverage

The use of derivatives may expose the Fund to a higher degree of risk. In particular, derivative contracts can be highly volatile and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase a fund's volatility.

The leverage is calculated on a gross exposure basis, by taking the sum of the notional values of the derivatives used by the Fund, without netting, and is expressed as a percentage of the NAV.

The average level of leverage employed by the Fund during the year was 153.97% (28 February 2023: 183.58%).

## 3. Net Capital Gains/(Losses)

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
The net capital gains/(losses) comprise:		
Gains on non-derivative securities	14,632	5,521
Gains/(losses) on derivative securities	39,362	(68,343)
Currency losses	(9,594)	(8,990)
Manager's charge rebates	142	143
Custodian transaction costs	(39)	(57)
US REIT dividends	38	71
<b>Net capital gains/(losses)</b>	<b>44,541</b>	<b>(71,655)</b>

# Notes to Financial Statements continued

## 4. Revenue

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Equity distributions on CIS holdings	1,035	913
Interest distributions on CIS holdings	7	–
Interest from overseas fixed interest securities	15,486	11,534
Interest from UK bank deposits	1,917	1,332
Interest from UK fixed interest securities	2,230	1,081
Interest on balances held at futures clearing houses and brokers	319	250
Interest on collateral	5	–
Manager's charge rebates	391	177
Overseas dividends	21,055	16,941
Overseas REIT dividends	–	3
Returns from bond futures	484	1,246
Revenue from short-term money market funds	7,076	2,372
Revenue from total return swaps	–	18
Securities lending revenue	81	131
Stock dividends	66	5
UK dividends	2,383	3,068
UK REIT dividends	–	2
US REIT dividends	19	60
<b>Total revenue</b>	<b>52,554</b>	<b>39,133</b>

## 5. Expenses

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Payable to the Manager or associates of the Manager:		
– Annual Management charge	5,326	7,939
– Annual service charge	190	263
	5,516	8,202
Other expenses:		
– Audit fee	11	9
– Legal and other professional fees	9	13
– Safe custody fees	58	57
– Trustee's fees	132	141
	210	220
<b>Total expenses</b>	<b>5,726</b>	<b>8,422</b>

# Notes to Financial Statements continued

## 6. Interest Payable and Similar Charges

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Interest on bank overdrafts	335	83
Returns from total return swaps	–	600
Returns from short position bond futures	670	488
<b>Total interest payable and similar charges</b>	<b>1,005</b>	<b>1,171</b>

## 7. Taxation

### (a) Analysis of tax charge

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Corporation tax	4,406	507
Double taxation relief	(10)	–
Overseas tax	372	566
<b>Current tax charge</b>	<b>4,768</b>	<b>1,073</b>
Deferred tax charge/(credit) [see note(c)]	1,223	(590)
Corporation tax prior year adjustment	117	–
<b>Total tax charge [see note 7(b)]</b>	<b>6,108</b>	<b>483</b>

# Notes to Financial Statements continued

## 7. Taxation continued

### (b) Factors affecting the tax charge

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

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Net revenue before taxation	45,823	29,540
Corporation tax at 20% (28 February 2023: 20%)	9,165	5,908
Effects of:		
Capitalised income subject to tax	28	28
Double taxation relief	(10)	–
Movement in unrecognised excess management expenses	0	(2,096)
Non taxable revenue	–	1
Overseas tax	372	565
Prior year adjustment	117	–
Prior year adjustment to excess management expenses	(137)	1
Relief on overseas tax expensed	–	(5)
Revenue not subject to tax	(3,427)	(3,919)
<b>Total tax charge [see note 7(a)]</b>	<b>6,108</b>	<b>483</b>

At 29 February 2024, the Fund had surplus management expenses of £Nil (28 February 2023: £6,111,000.) It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, a deferred tax asset of £Nil (28 February 2023: £1,223,000) has not been recognised.

### (c) Deferred tax

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Opening deferred tax balance	1,223	633
Deferred tax charge [see Note 7(a)]	(1,223)	590
<b>Closing deferred tax balance</b>	<b>0</b>	<b>1,223</b>



# Notes to Financial Statements continued

## 8. Distributions

	For the year to 29.2.2024 £000's	For the year to 28.2.2023 £000's
Final distribution	40,254	27,057
	40,254	27,057
Add: Amounts deducted on cancellation of units	5,108	2,269
Less: Amounts received on issue of units	(1,508)	(831)
<b>Distributions</b>	<b>43,854</b>	<b>28,495</b>
The distributable amount has been calculated as follows:		
Net revenue after taxation	39,715	29,057
Add: Equalisation on conversions	2,912	–
Add: Tax on capitalised Manager's charge rebates	28	28
Add/(Less): Deferred tax	1,223	(590)
Less: Non distributable stock dividends	(24)	–
<b>Distributions</b>	<b>43,854</b>	<b>28,495</b>

Details of the interim and final distributions per unit are set out in the tables on page 12.

## 9. Debtors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Manager's charge rebates	90	–
Accrued revenue	7,345	7,118
Amounts receivable for issue of units	1,526	744
Deferred tax	10	1,223
Overseas tax recoverable	347	283
Sales awaiting settlement	13,794	2,593
<b>Total debtors</b>	<b>23,112</b>	<b>11,961</b>

## 10. Cash and Bank Balances

	29.2.2024 £000's	28.2.2023 £000's
Amount held at futures clearing houses and brokers	4,897	19,130
Cash and bank balances	25,983	208,104
<b>Total cash and bank balances</b>	<b>30,880</b>	<b>227,234</b>

# Notes to Financial Statements continued

## 11. Other Creditors

	29.2.2024 £000's	28.2.2023 £000's
Accrued Annual Management charge	248	3,074
Accrued Annual service charge	21	77
Accrued Audit fee	10	9
Accrued Manager's charge rebates	–	21
Accrued Safe custody fees	11	16
Accrued Trustee's fee	161	75
Amounts payable for cancellation of units	151	626
Corporation tax payable	1,003	506
Currency purchases awaiting settlement	115	2,265
Custodian transaction costs	8	19
Purchases awaiting settlement	9,752	7,120
<b>Total other creditors</b>	<b>11,480</b>	<b>13,808</b>

## 12. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2023: £Nil).

## 13. Credit Facility

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

The credit facility was not used during the year.

## 14. Related Parties

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

The following entities were related parties of the Fund during the year ended 29 February 2024:

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

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

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or

## 14. Related Parties continued

from the Manager at the year end are disclosed in notes 9 and 11. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 11. Securities lending revenue earned by the Fund is disclosed in note 4.

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

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

As at 29 February 2024 and 28 February 2023, 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.

# Notes to Financial Statements continued

## 15. Portfolio Transaction Costs

For the year ended 29 February 2024

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	84,303	17	0.02	88	0.10
Debt instruments	490,027	–	–	–	–
Collective investment schemes	670,366	12	–	59	0.01
<b>Total purchases</b>	<b>1,244,696</b>	<b>29</b>		<b>147</b>	
<b>Total purchases including transaction costs</b>	<b>1,244,872</b>				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	131,346	35	0.03	1	0.00
Debt instruments	496,292	–	–	40	0.01
Collective investment schemes	522,478	10	0.00	–	–
<b>Total sales</b>	<b>1,150,116</b>	<b>45</b>		<b>41</b>	
<b>Total sales net of transaction costs</b>	<b>1,150,030</b>				
<b>Derivative transaction costs</b>		<b>80</b>		<b>–</b>	
<b>Total transaction costs</b>		<b>154</b>		<b>188</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.01%</b>		<b>0.01%</b>	

# Notes to Financial Statements continued

## 15. Portfolio Transaction Costs continued

For the year ended 28 February 2023

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	143,437	33	0.02	92	0.06
Debt instruments	346,971	–	–	–	–
Collective investment schemes	57,191	3	0.01	–	–
<b>Total purchases</b>	<b>547,599</b>	<b>36</b>		<b>92</b>	
<b>Total purchases including transaction costs</b>	<b>547,727</b>				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	250,392	44	0.02	5	0.00
Debt instruments	373,096	–	–	7	0.00
Collective investment schemes	110,568	23	0.02	–	–
<b>Total sales</b>	<b>734,056</b>	<b>67</b>		<b>12</b>	
<b>Total sales net of transaction costs</b>	<b>733,977</b>				
<b>Derivative transaction costs</b>		<b>189</b>		<b>0</b>	
<b>Total transaction costs</b>		<b>292</b>		<b>104</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 year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (such as commissions and taxes) are attributable to the Fund's purchase and sale of equity instruments. Additionally, for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be incurred on purchase and sale transactions.

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.

## Notes to Financial Statements continued

### 15. Portfolio Transaction Costs continued

During the year the Fund utilised FDIs including interest rate swaps, credit default swaps, inflation swaps, total return swaps, 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 0.14% (28 February 2023: 0.52%).

### 16. Units in Issue

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

	A Income Units	A Accumulation Units	X Accumulation Units	D Income Units
Balance at the beginning of the year	25,930	394,801,315	387,177,038	7,663,787
Issued during the year	115	30,382,538	38,246,105	271,251
Cancelled during the year	(2,208)	(34,639,623)	(123,326,141)	(348,995)
Converted during the year	(17,121)	(383,995,380)	346,361,691	1,114,091
<b>Balance at the end of the year</b>	<b>6,716</b>	<b>6,548,850</b>	<b>648,458,693</b>	<b>8,700,134</b>

	D Accumulation Units
Balance at the beginning of the year	10,766,409
Issued during the year	863,780
Cancelled during the year	(1,412,087)
Converted during the year	(792,590)
<b>Balance at the end of the year</b>	<b>9,425,512</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.

### 17. Post Balance Sheet Events

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

## Statement of Manager's Responsibilities

The Manager is required by the rules of the COLL Sourcebook 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 Fund at the year end and of the net revenue and net capital gains for the year. In preparing these financial statements the Manager is required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in operation.

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 COLL Sourcebook, the SORP and the Trust Deed.

# Statement of the Trustee's Responsibilities in Respect of the Fund and Report of the Trustee to the Unitholders of the Fund for the Year Ended 29 February 2024

The Depository in its capacity as Trustee of the Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Trustee is responsible for the safekeeping of all the custodial assets and maintaining a record of all other assets of the Fund in accordance with the Regulations.

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations and the Scheme documents of the Fund in relation to the investment and borrowing powers applicable to the Fund.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Fund, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Fund, acting through the AFM:

- (a) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Regulations and the Scheme documents of the Fund; and
- (b) has observed the investment and borrowing powers (b) and restrictions applicable to the Fund in accordance with the Regulations and the Scheme documents of the Fund.

The Bank of New York Mellon  
(International) Limited

London  
29 May 2024



## **Independent Auditor's Report to the Unitholders of BlackRock Dynamic Diversified Growth Fund**

### **Opinion**

We have audited the financial statements of BlackRock Dynamic Diversified Growth Fund ("the Fund") for the year ended 29 February 2024, which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Table, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 29 February 2024 and of the net revenue and the net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### **Basis for opinion**

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

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of twelve months from when these financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the Annual Report.

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

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")**

In our opinion:

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

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

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

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

### **Responsibilities of the Manager**

As explained more fully in the Manager's responsibilities statement set out on page 70, 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Fund 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.

## **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrators and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified fraud risks in relation to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested the appropriateness of management's classification of a sample of special dividends as either a capital or revenue return and incorporated unpredictability into the nature, timing and extent of our testing.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities including specialists where necessary to identify non-compliance with the applicable laws and regulations.

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

### **Use of our report**

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

Ernst & Young LLP  
Statutory Auditor

Edinburgh  
29 May 2024

# Supplementary Information

## Efficient Portfolio Management Techniques

The Manager may, on behalf of the Fund 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 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 Fund may employ other techniques and instruments relating to transferable securities and money market instruments, subject to the conditions set out in the Fund's Prospectus, as amended from time to time, and the relevant ESMA Guidelines (as adopted by the FCA), such as repurchase/reverse repurchase transactions ("repo transactions") and securities lending.

## Securities Lending and Total Return Swaps (TRS)

The following table details the value of securities on loan as a proportion of the Fund's total lendable assets and NAV and the value of TRS as a proportion of the Fund's NAV, as at 29 February 2024 and the returns earned for the year ended. 29 February 2024. Total lendable assets represents the aggregate value of assets forming part of the Fund's securities lending programme. This excludes any assets held by the Fund that are not considered lendable due to any market, regulatory, investment or other restriction. The value of TRS is based on the underlying exposure value on a gross absolute basis as disclosed in the Fund's portfolio statement.

Securities on loan		TRS	
% of lendable assets	% of NAV	% of NAV	Returns earned £000's
4.65	3.13	10.18	–

The total income earned from securities lending transactions is split between the relevant Fund and the Stock Lending Agent. The Fund receives 62.5% while the Stock Lending Agent receives 37.5% of such income, with all operational costs borne out of the Stock Lending Agent's share. Income earned during the year by the Fund from securities lending transactions is disclosed in the notes to the financial statements.

All returns and costs from TRS will accrue to the Fund and are not subject to any returns or cost sharing arrangements with the Fund's Manager or any other third parties.

The following tables detail the underlying exposure value on a gross absolute basis for TRS, analysed by counterparty as at 29 February 2024.

Counterparty	Counterparty's country of establishment	TRS
		Underlying exposure £000's
Barclays Bank	UK	18,741
Citigroup Global Markets Limited	UK	35,992
Goldman Sachs International	UK	1,906
J.P. Morgan Securities Plc	UK	33,105
Morgan Stanley International	UK	5,588
UBS	Switzerland	25,531
<b>Total</b>		<b>120,863</b>

## Supplementary Information continued

The value of securities on loan and associated collateral analysed by counterparty, as at 29 February 2024, is disclosed in the notes to the financial statements.

The following table provides an analysis of the maturity tenor of TRS as at 29 February 2024.

	Maturity Tenor					Total £000's
	1 - 30 days	31 - 90 days	91 - 365 days	More than 365 days	Open transactions	
	£000's	£000's	£000's	£000's	£000's	
TRS	3,587	8,434	108,842	–	–	<b>120,863</b>

The above maturity tenor analysis has been based on the respective transaction contractual maturity date. All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

### Collateral

The Fund engages in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

The following table provides an analysis by currency of the underlying cash and non-cash collateral received/posted by way of title transfer collateral arrangement by the Fund, in respect of securities lending transactions and OTC FDIs (including TRS), as at 29 February 2024.

Currency	Cash collateral received	Cash collateral posted	Non-cash collateral received	Non-cash collateral posted
	£000's	£000's	£000's	£000's
<b>Securities lending transactions</b>				
AUD	–	–	248	–
CAD	–	–	1,656	–
CHF	–	–	46	–
CNY	–	–	374	–
DKK	–	–	18	–
EUR	–	–	21,401	–
GBP	–	–	2,576	–
HKD	–	–	51	–
JPY	–	–	1,698	–
NOK	–	–	3	–
USD	–	–	12,306	–
<b>Total</b>	–	–	<b>40,377</b>	–
<b>OTC FDIs</b>				
GBP	3,824	–	–	–
	<b>3,824</b>	–	–	–
<b>Total</b>	<b>3,824</b>	–	<b>40,377</b>	–

## Supplementary Information continued

As at 29 February 2024, all cash collateral received in respect of OTC derivative transactions by the Fund was re-invested in money market funds managed by the Manager or its affiliates, as disclosed in the Fund's portfolio statement. All cash received as collateral has an open maturity tenor as it's not subject to a contractual maturity date.

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions and OTC FDIs cannot be sold, re-invested or pledged.

The returns earned by the Fund from the reinvestment of cash collateral in money market funds during the year ended 29 February 2024 is summarised below. These returns represent the accumulative total return of the representative money market fund for the year ended 29 February 2024. These returns do not take into account any interest payable to the counterparty under the relevant collateral arrangements.

Money market fund	Total return %
<b>Institutional Cash Series plc</b>	
BlackRock ICS Euro Liquid Environmentally Aware Fund	4.02
BlackRock ICS Sterling Liquid Environmentally Aware Fund Agency Income Class	5.38
BlackRock ICS US Dollar Liquid Environmentally Aware Fund Agency Income Class	5.50

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received/posted by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions and OTC FDIs (including TRS), as at 29 February 2024.

Collateral type and quality	Maturity Tenor					Open transactions	Total
	1 - 7 days	8 - 30 days	31 - 90 days	91 - 365 days	More than 365 days		
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Collateral received - securities lending</b>							
<b>Fixed income</b>							
Investment grade	20	170	278	2,781	26,363	–	<b>29,612</b>
<b>Equities</b>							
Recognised equity index	–	–	–	–	–	10,614	<b>10,614</b>
<b>ETFs</b>							
UCITS	–	–	–	–	–	151	<b>151</b>
<b>Total</b>	<b>20</b>	<b>170</b>	<b>278</b>	<b>2,781</b>	<b>26,363</b>	<b>10,765</b>	<b>40,377</b>

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency; Standard & Poor's, Moody's or Fitch.

A recognised equity index contains at least 20 equities where no single equity represents more than 20% of the total index and no five equities combined represent more than 60% of the total index.

The maturity tenor analysis for fixed income securities received as collateral is based on the respective contractual maturity date, while for equity securities and ETFs received as collateral are presented as open transactions as they are not subject to a contractual maturity date.



## Supplementary Information continued

As at 29 February 2024, all non-cash collateral received by the Fund in respect of securities lending transactions and OTC FDI (including TRS) is held by the Fund's Trustee (or through its delegates), with the exception of the amounts disclosed in the following table which are held through a securities settlement system.

Custodian	Non-cash collateral received	
	Securities lending	OTC FDIs
	£000's	£000's
Euroclear Bank SA/NAV	20,411	–

The following table lists the top ten issuers (or all the issuers if less than ten) by value of non-cash collateral received by the Fund by way of the title transfer collateral arrangement across securities lending transactions and OTC FDIs as at 29 February 2024.

Issuer	Value	% of the Fund's NAV
	£000's	
France, Republic Of (Government)	10,649	0.90
United States Treasury	5,551	0.47
Germany, Federal Republic Of (Government)	3,496	0.30
Spain, Kingdom Of (Government)	3,091	0.26
United Kingdom Of Great Britain And Northern Ireland (Government)	2,362	0.20
Austria, Republic Of (Government)	1,353	0.11
Canada (Government)	1,000	0.09
Pdd Holdings Ads Inc	700	0.06
Applied Material Inc	427	0.04
Ireland (Government)	424	0.04
Other issuers	11,324	0.93
<b>Total</b>	<b>40,377</b>	<b>3.40</b>

No securities collateral received from a single issuer, in relation to efficient portfolio management and OTC FDIs, has exceeded 20% of the Fund's NAV at the year end date.

# About us

BlackRock is a premier provider of asset management, risk management, and advisory services to institutional, intermediary, and individual clients worldwide. As of 31 March 2024, the firm manages £8.29 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

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