BlackRock®

Final report and audited financial statements

BlackRock Fixed Income Global Opportunities Fund

For the financial period 1 March 2019 to 30 June 2020

Contents

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* C L Carter (resigned 17 May 2019) M B Cook W I Cullen* R A R Hayes A M Lawrence L E Watkins (resigned 1 March 2019 and reappointed 7 February 2020) M T Zemek* H N Mepham (appointed 26 November 2019)

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

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

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

Authorised and regulated by the FCA.

Investment Adviser
BlackRock Financial Management, Inc
55 East 52nd Street, New York, NY 10055, United States

Regulated by the Securities and Exchange Commission.

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
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For your protection, telephone calls are usually recorded.

* Non-executive Director.

About the Fund

BlackRock Fixed Income Global Opportunities Fund (the "Fund") was a UCITS scheme under the COLL Sourcebook. The Fund was established on 18 December 1990. The Fund was previously known as Mercury Global Bond Fund. On 30 September 2000 the Fund changed its name to Merrill Lynch Global Bond Fund. On 28 April 2008 the Fund changed its name to BlackRock Global Bond Fund. The Fund adopted its present name with effect from 19 March 2015. The Fund's FCA product reference number was 147479.

Fund Managers

Up to 1 June 2020, the Fund Managers of the Fund were Rick Rieder, Bob Miller and Aidan Doyle.

The former Fund Manager, Andreas Doherrenhaus, relinquished his fund management responsibilites on 8 January 2020.

Significant Events

Changes in the Directors of the Manager

L E Watkins resigned as a Director effective 1 March 2019 and was reappointed effective 7 February 2020. C L Carter resigned as a Director effective 17 May 2019. H N Mepham was appointed as a Director effective 26 November 2019.

Outbreak of COVID-19

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

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

Fund Closure

As set out in the letter to unitholders dated 24 January 2020, the Fund commenced wind-up on 1 June 2020. As the size of the Fund had consistently been under £80 million and it was not expected to raise subscriptions in the future, the Investment Manager considered the Fund to be no longer commercially viable and, in accordance with the rules of the UK Financial Conduct Authority (the "FCA"), we decided to close it. As at 1 June 2020, all units in the Fund were cancelled. Consequently, these financial statements are not prepared on a going concern basis for the period ended 30 June 2020, but on a break-up basis. This set of financial statements for the period to 30 June 2020 will be the final set of accounts produced for this Fund.

Investment Report

for the period 1 March 2019 to 1 June 2020 (date of closure)

Investment Objective

The aim of the Fund was 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) of 3.5% above 3 month GBP LIBOR (gross of fees) over the medium to long term (five consecutive years).

Target benchmark	Investment management approach
3 month GBP LIBOR (plus 3.5% (gross of fees))	Active

Performance Summary

The following table compares the realised Fund performance against the performance of the relevant comparator benchmark during the financial period 1 March 2019 to 31 May 2020 (the day prior to fund closure).

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

	Fund return %	Target benchmark %
Class D Accumulation Units	1.07	0.86

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

Global Economic Overview

Global equities, as represented by the MSCI All Country World Index ("ACWI") (in GBP terms), posted a return of 11.38% for the period 1 March 2019 to 1 June 2020. World stock markets gained for much of the reporting period, supported by solid, if slowing, economic growth and central bank easing from the US Federal Reserve (the "Fed") and several other central banks. The de-escalation of the trade conflict between the U.S. and China—one of the chief economic uncertainties of the last several years—further boosted markets.

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

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

Global government and corporate fixed income securities posted solid returns overall, as falling interest rates and low inflation boosted most types of bonds. Corporate bonds delivered positive returns, although solvency concerns amid deteriorating economic conditions meant that investment grade bonds performed slightly better than their higher yield counterparts. In Europe and Japan, negative short-term interest rate policy by the European Central Bank ("ECB") and the Bank of Japan, investor appetite for less volatile investments, and institutional demand for bonds led to negative yields for a large portion of both bond markets.

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

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

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

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

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

Fund Performance Review and Activity

Over the period from 1 March 2019 to 1 June 2020, the Fund's return was 1.07%, outperforming its target benchmark, which returned 0.86%.

The main contributor to our returns was our long exposure to US government bonds, as US treasuries performed well in 2019 given the trajectory of the Fed's monetary policy path and the attractive carry. In 2020 these safe haven bonds rallied during the COVID-19 induced selloff. Our allocations to US & European investment grade and high yield credit contributed to performance despite detracting in the first quarter of 2020 as in 2019 credit spreads tightened on the back of supportive global central banks and solid corporate fundamentals. The allocation to an absolute return strategy focused on US assets. Our agency mortgage relative value strategy was one of the larger allocations and drivers of performance. The allocations to Commercial mortgage-backed securities ("CMBS"), Municipal bonds and Asset-backed securities ("ABS") were the key detractors as the sell off experienced in March 2020 across assets class overshadowed their positive contributions from 2019.

Fund Closure

In accordance with the rules of the UK Financial Conduct Authority (the FCA), it was decided to wind up the Fund on the basis that it was no longer commercially viable, and this decision was taken in the best interests of shareholders. The Fund was closed because of recent performance being below expectations. On 1 June 2020, all units in the Fund were cancelled.

Performance Record

Comparative Table

	A Income Units			A Accumulation Units		
	1.3.2019 to 30.6.2020†	For the year to 28.2.2019	For the year to 28.2.2018	1.3.2019 to 30.6.2020†	For the year to 28.2.2019	For the year to 28.2.2018
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	153.7	160.3	160.1	353.7	359.9	352.9
Return before operating charges	2.65	(0.80)	5.04	5.96	(1.82)	11.28
Operating charges	(1.88)	(1.95)	(1.93)	(4.37)	(4.40)	(4.28)
Return after operating charges	0.77	(2.75)	3.11	1.59	(6.22)	7.00
Distributions	(3.91)	(3.88)	(2.91)	(9.09)	(8.78)	(6.44)
Retained distributions on accumulation units	N/A	N/A	N/A	9.09	8.78	6.44
Closing net asset value per unit	150.6	153.7	160.3	355.3	353.7	359.9
After direct transaction costs of	(0.09)	(0.05)	(0.10)	(0.22)	(0.12)	(0.22)
Performance						
Return after charges[1]	0.50%	(1.71)%	(1.94)%	0.45%	(1.73)%	1.98%
Other information						
Closing net asset value (£000's)	–	1,258	1,560	–	9,891	14,321
Closing number of units	0.00	818,483	973,056	0.00	2,796,598	3,979,629
Operating charges[2]	1.29%	1.24%	1.20%	1.29%	1.24%	1.20%
Direct transaction costs[3]	0.06%	0.03%	0.06%	0.06%	0.03%	0.06%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	167.0	168.9	171.7	389.8	379.0	381.5
Lowest bid unit price	143.0	153.6	159.8	337.4	349.3	352.3

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

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

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

† The above table shows performance information to 1 June 2020, the date the Fund commenced termination.

Performance Record continued

Comparative Table continued

	X Income Units			X Accumulation Units		
	1.3.2019 to 30.6.2020†	For the year to 28.2.2019	For the year to 28.2.2018	1.3.2019 to 30.6.2020†	For the year to 28.2.2019	For the year to 28.2.2018
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	94.44	98.52	98.72	105.0	105.8	102.5
Return before operating charges	2.09	(0.58)	3.11	2.09	(0.59)	3.33
Operating charges	(0.22)	(0.17)	(0.03)	(0.24)	(0.23)	(0.03)
Return after operating charges	1.87	(0.75)	3.08	1.85	(0.82)	3.30
Distributions	(3.59)	(3.33)	(3.28)	(3.84)	(3.65)	(3.41)
Retained distributions on accumulation units	N/A	N/A	N/A	3.84	3.65	3.41
Closing net asset value per unit	92.72	94.44	98.52	106.9	105.0	105.8
After direct transaction costs of	(0.06)	(0.03)	(0.06)	(0.06)	(0.04)	(0.06)
Performance						
Return after charges[1]	1.98%	(0.76)%	3.12%	1.76%	(0.78)%	3.22%
Other information						
Closing net asset value (£000's)	–	–	–	–	4,693	-
Closing number of units	0.00	100	100	0.00	4,470,010	100
Operating charges[2]	0.24%	0.18%	0.15%	0.24%	0.22%	0.15%
Direct transaction costs[3]	0.06%	0.03%	0.06%	0.06%	0.03%	0.06%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	98.23	98.88	100.9	111.3	106.0	106.4
Lowest bid unit price	87.87	94.71	98.64	101.3	103.5	102.4

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

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

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

† The above table shows performance information to 1 June 2020, the date the Fund commenced termination.

Performance Record continued

Comparative Table continued

	D Income Units			D Accumulation Units		
	1.3.2019 to 30.6.2020†	For the year to 28.2.2019	For the year to 28.2.2018	1.3.2019 to 30.6.2020†	For the year to 28.2.2019	For the year to 28.2.2018
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	153.7	160.3	160.1	363.5	368.0	359.0
Return before operating charges	2.95	(0.75)	5.06	6.63	(1.87)	11.55
Operating charges	(1.15)	(1.15)	(1.13)	(2.76)	(2.65)	(2.55)
Return after operating charges	1.80	(1.90)	3.93	3.87	(4.52)	9.00
Distributions	(4.70)	(4.69)	(3.73)	(11.18)	(10.83)	(8.40)
Retained distributions on accumulation units	N/A	N/A	N/A	11.18	10.83	8.40
Closing net asset value per unit	150.8	153.7	160.3	367.4	363.5	368.0
After direct transaction costs of	(0.09)	(0.05)	(0.10)	(0.22)	(0.12)	(0.22)
Performance						
Return after charges[1]	1.17%	(1.19)%	2.45%	1.06%	(1.23)%	2.51%
Other information						
Closing net asset value (£000's)	–	11,074	16,329	–	39,360	79,047
Closing number of units	0.00	7,204,414	10,183,676	0.00	10,829,011	21,481,542
Operating charges[2]	0.79%	0.73%	0.70%	0.79%	0.73%	0.70%
Direct transaction costs[3]	0.06%	0.03%	0.06%	0.06%	0.03%	0.06%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	159.5	160.9	163.9	383.3	369.1	371.4
Lowest bid unit price	143.1	153.9	159.9	348.5	358.7	358.6

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

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

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

† The above table shows performance information to 1 June 2020, the date the Fund commenced termination.

Performance Record continued

Comparative Table continued

	Z Income Units			Z Accumulation Units		
	1.3.2019 to 30.6.2020†	For the year to 28.2.2019	For the year to 28.2.2018	1.3.2019 to 30.6.2020†	For the year to 28.2.2019	For the year to 28.2.2018
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	95.35	99.46	99.31	103.2	104.3	101.7
Return before operating charges	1.87	(0.54)	3.17	1.91	(0.48)	3.22
Operating charges	(0.64)	(0.59)	(0.60)	(0.69)	(0.65)	(0.62)
Return after operating charges	1.23	(1.13)	2.57	1.22	(1.13)	2.60
Distributions	(3.02)	(2.98)	(2.42)	(3.29)	(3.18)	(2.48)
Retained distributions on accumulation units	N/A	N/A	N/A	3.29	3.18	2.48
Closing net asset value per unit	93.56	95.35	99.46	104.4	103.2	104.3
After direct transaction costs of	(0.06)	(0.03)	(0.06)	(0.06)	(0.03)	(0.06)
Performance						
Return after charges[1]	1.29%	(1.14)%	2.59%	1.18%	(1.08)%	2.56%
Other information						
Closing net asset value (£000's)	–	1,010	6,208	–	3,317	3,146
Closing number of units	0.00	1,059,550	6,241,192	0.00	3,214,970	3,015,382
Operating charges[2]	0.71%	0.60%	0.60%	0.69%	0.63%	0.60%
Direct transaction costs[3]	0.06%	0.03%	0.06%	0.06%	0.03%	0.06%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	98.98	99.83	101.7	108.9	104.6	105.3
Lowest bid unit price	88.76	95.52	99.21	99.04	101.8	101.6

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

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

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

† The above table shows performance information to 1 June 2020, the date the Fund commenced termination.

Distribution Tables

for the period 1 March 2019 to 30 June 2020

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2019

Group 2 – Units purchased 1 September 2019 to 29 February 2020

	A Income Units		A Accumulation Units		X Income Units		X Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.7469	0.8257	4.0868	2.8285	1.6600	1.6600	1.7908	0.9671
Equalisation†	–	0.9212	–	1.2583	–	0.0000	–	0.8237
Distribution paid 30.4.2020	**1.7469**	**1.7469**	**4.0868**	**4.0868**	**1.6600**	**1.6600**	**1.7908**	**1.7908**
Distribution paid 30.4.2019	**1.9074**	**1.9074**	**4.3326**	**4.3326**	**2.2940**	**2.2940**	**5.3317**	**5.3317**

	D Income Units		D Accumulation Units		Z Income Units		Z Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	2.1334	1.0990	5.1378	3.0825	1.3782	0.7209	1.5162	1.5162
Equalisation†	–	1.0344	–	2.0553	–	0.6573	–	0.0000
Distribution paid 30.4.2020	**2.1334**	**2.1334**	**5.1378**	**5.1378**	**1.3782**	**1.3782**	**1.5162**	**1.5162**
Distribution paid 30.4.2019	**1.6400**	**1.6400**	**1.8267**	**1.8267**	**1.4724**	**1.4724**	**1.5690**	**1.5690**

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2019

Group 2 – Units purchased 1 March 2019 to 31 August 2019

	A Income Units		A Accumulation Units		X Income Units		X Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	2.1649	1.2967	4.9994	2.3656	1.9300	1.9300	2.0467	1.6550
Equalisation†	–	0.8682	–	2.6338	–	0.0000	–	0.3917
Distribution paid 31.10.2019	**2.1649**	**2.1649**	**4.9994**	**4.9994**	**1.9300**	**1.9300**	**2.0467**	**2.0467**
Distribution paid 31.10.2018	**1.9755**	**1.9755**	**4.4457**	**4.4457**	**1.6900**	**1.6900**	**1.8209**	**1.8209**

	D Income Units		D Accumulation Units		Z Income Units		Z Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	2.5638	1.3466	6.0376	3.0438	1.6396	0.5765	1.7736	1.7736
Equalisation†	–	1.2172	–	2.9938	–	1.0631	–	0.0000
Distribution paid 31.10.2019	**2.5638**	**2.5638**	**6.0376**	**6.0376**	**1.6396**	**1.6396**	**1.7736**	**1.7736**
Distribution paid 31.10.2018	**2.4000**	**2.4000**	**5.5016**	**5.5016**	**1.5113**	**1.5113**	**1.6140**	**1.6140**

† 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 ″Manager″). The disclosures are made in accordance with the 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 Financial Conduct Authority 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 alternative investment funds in accordance with the Directive, and will ensure compliance with the requirements of Article 14b of the Directive and the UCITS Remuneration Code.

The Manager 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 all of its subsidiaries, including the Manager); and (b) the Manager’s board of directors (the “Manager’s Board”). These bodies are responsible for the determination of BlackRock’s remuneration policies.

(a) MDCC

The MDCC’s purposes include:

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

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 8 meetings during 2019. The MDCC charter is available on BlackRock, Inc.'s website (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 Manager's Board

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

The Manager's Board (through independent review by the relevant control functions) remains satisfied with the implementation of the UCITS Remuneration Policy as it applies to the Manager and its Identified Staff.

Decision-making process

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

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

Annual incentive awards are paid from a bonus pool.

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

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

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

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

Individuals are not involved in setting their own remuneration.

Control functions

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

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

Link between pay and performance

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

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

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

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

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

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;

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

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[1] and Organic Revenue Growth[2]. Determination of pay-out will be made based on the firm's achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where the firm's financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

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

Identified Staff

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

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

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

Quantitative Remuneration Disclosure

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

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

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

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

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

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

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS-related business in respect of the Manager's financial year ending 31 December 2019 is GBP 21.4 million. This figure is comprised of fixed remuneration of GBP 1.8 million and variable remuneration of GBP 19.6 million. There were a total of 84 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager, which has been attributed to the Manager's UCITS-related business in respect of the Manager's financial year ending 31 December 2019, to its senior management was GBP 0.2 million, and to other members of its staff whose actions have a material impact on the risk profile of the Fund was GBP 21.2 million.

Statement of Total Return

for the period 1 March 2019 to 30 June 2020

	Notes	£000's	For the period from 1.3.2019 to 30.6.2020 £000's	£000's	For the year to 28.2.2019 £000's
Income					
Net capital losses	3		(1,633)		(5,283)
Revenue	4	3,360		4,272	
Expenses	5	(615)		(698)	
Interest payable and similar charges	6	(117)		(334)	
Net revenue before taxation		2,628		3,240	
Taxation	7	(36)		(26)	
Net revenue after taxation			2,592		3,214
Total return before distributions			959		(2,069)
Distributions	8		(2,562)		(3,231)
Change in net assets attributable to unitholders from investment activities			**(1,603)**		**(5,300)**

Statement of Change in Net Assets Attributable to Unitholders

for the period 1 March 2019 to 30 June 2020

	£000's	For the period from 1.3.2019 to 30.6.2020 £000's	£000's	For the year to 28.2.2019 £000's
Opening net assets attributable to unitholders		70,603		120,611
Amounts receivable on issue of units	78,478		72,301	
Amounts payable on cancellation of units	(147,478)		(119,439)	
		(69,000)		(47,138)
Change in net assets attributable to unitholders from investment activities		(1,603)		(5,300)
Retained distribution on accumulation units		–		2,430
Closing net assets attributable to unitholders		**–**		**70,603**

Balance Sheet
at 30 June 2020

	Notes	30.6.2020 £000's	28.2.2019 £000's
Assets:			
Fixed assets			
– Investment assets		–	63,719
Current assets			
– Debtors	9	–	958
– Cash and bank balances	10	160	12,327
– Cash collateral posted		1	330
Total assets		**161**	**77,334**
Liabilities:			
Investment liabilities		–	(1,521)
Creditors			
– Amounts held at futures clearing houses and brokers		–	(19)
– Cash collateral payable		–	(10)
– Distributions payable		–	(196)
– Other creditors	11	(161)	(4,985)
Total liabilities		**(161)**	**(6,731)**
Net assets attributable to unitholders		**–**	**70,603**

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

Notes to Financial Statements

for the period from 1 March 2019 to 30 June 2020

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.

As a result of the investment decision made on 24 January 2020, the Fund cancelled all remaining units on 1 June 2020. As a result, these financial statements are not prepared on a going concern basis for the period ended 30 June 2020, but are prepared on a break-up basis. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimated settlement amount.

(b) Bank interest was recognised on an accruals basis.

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

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

All revenue was recognised as a gross amount that took account of any withholding taxes but excluded any other taxes such as attributable tax credits.

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

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

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

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

The Fund received Manager’s charge rebates from BlackRock related investments in the normal course of business. These were recognised on an accruals basis and were treated as revenue, unless it was the policy of the underlying fund to charge its fees to capital, in which case these rebates were recognised as capital.Bank interest was recognised on an accruals basis.

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

(d) 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.

(e) Cash and bank balances consist of deposits held on call with banks and cash held with clearing brokers and counterparties.

(f) 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 their Balance Sheet separately from other assets and identifies the asset as pledged investments. Such assets are valued consistently with the accounting policies listed above.

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

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

Distribution Policies

(g) Returns from bond futures recognised as revenue from long positions formed part of the distribution. Amounts recognised as revenue from short positions reduced the amounts available for distribution.

(h) The Fund satisfied the qualifying investments tests as specified in S468L ICTA 1988 at all times throughout the distribution period. As such, distributions were paid as interest distributions.

2. Financial Instruments and Risks

The Fund's investment activities exposed it to the various types of risk which were associated with the financial instruments and markets in which it invested.

Risk management framework

The Manager delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager was also responsible for ensuring that the Fund was managed within the terms of its investment guidelines and limits set out in the Prospectus. The Manager reserved 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.

The Manager appointed a risk manager who had 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 had the ability to determine if the appropriate risk management processes were in place for the Fund. This captured the risk management tools employed, how the levels of risk are controlled, ensuring risk/return was considered in portfolio construction and reviewing outcomes.

The principal risk exposure of the Fund is set out as follows:

(a) Market risk

Market risk arose 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 have suffered through holding market positions in the face of market movements. The Fund was exposed to market risk by virtue of its investments in corporate bonds, government bonds, credit default swaps, interest rate swaps, futures contracts, options, swaptions, total return swaps and forward currency contracts.

A key metric the RQA Group used 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 could neither guarantee that losses would not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts would not occur more frequently.

The Fund cancelled all remaining units on 1 June 2020, therefore a VaR calculation is not produced as at 30 June 2020.

The one day VaR as at 28 February 2019 based on a 99% confidence level was 0.19%.

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 have invested in securities, which were denominated in currencies other than its reporting currency.

The Fund may have also invested in forward currency contracts and thus gained further exposure to foreign currency risk.

Management of foreign currency risk

Foreign currency exposures were managed within parameters utilising forward currency contracts.

(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 was exposed to counterparty credit risk from the parties with which they traded and would have borne the risk of settlement default.

Management of counterparty credit risk

Counterparty risk was 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 completed a formal review of each new counterparty, monitored and reviewed all approved counterparties on an ongoing basis and maintained an active oversight of counterparty exposures.

The Manager maintained a list of approved counterparties. This list was regularly monitored and revised for changes based on the counterparty's creditworthiness, market reputation and expectations of future financial performance. Transactions would only have been opened with financial intermediaries on the approved counterparties list.

i) Trustee and Custodian

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

Investments were segregated from the assets of the Custodian, with ownership rights remaining with the Fund. Bankruptcy or insolvency of the Custodian may have caused the Fund's rights with respect to its investments held by the Custodian to be delayed or limited. The maximum exposure to this risk was the total amount of bond investments.

The Fund would have been exposed to the credit risk of the Custodian, or any depositary used by the Trustee regarding cash balances held in accounts with same. In the event of insolvency or bankruptcy of the Custodian or any depositary used by the Trustee, the Fund would have been 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 employed specific procedures to ensure that the Trustee employed was a reputable institution and that the associated credit risk was acceptable to the Fund. The Fund only transacted with counterparties that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies.

The long term credit rating of the parent company of the Trustee and Custodian, The Bank of New York Mellon Corporation, as at 30 June 2020 was A (28 February 2019: A) (Standard & Poor's rating).

ii) Counterparties

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

Counterparty credit risk arising on transactions with brokers related to transactions awaiting settlement. Risk relating to unsettled transactions was 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 monitored the credit rating and financial position of the brokers used to further mitigate this risk.

iii) Securities lending

The Fund engaged in security lending activities which exposed the Fund to counterparty credit risk. The maximum exposure to the Fund was equal to the value of the securities loaned.

Securities lending transactions entered into by the Fund were 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 was transferred under a title transfer arrangement and was 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 was segregated from the assets belonging to the Fund's Trustee or the Stock Lending Agent.

At 30 June 2020 there were no securities on loan or related collateral outstanding (28 February 2019: 6.62% in debt securities, 90.77% in equity securities and 2.61% in cash).

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

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Fund received either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitored the fair value of the securities loaned and additional collateral was obtained, if necessary.

The Fund also benefited from a borrower default indemnity provided by BlackRock Inc. The indemnity allowed for full replacement of securities lent. BlackRock Inc. bore the cost of indemnification against borrower default.

iv) Collateral

The Fund engaged in activities which may have required collateral to be provided to a counterparty ("collateral posted") or may have held collateral received ("collateral received") from a counterparty.

Management of counterparty credit risk related to collateral

The Fund used inbound collateral received from a counterparty to reduce the credit risk associated with any trading activity the Fund had 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 30 June 2020 collateral received by the Fund in respect of OTC FDIs was £Nil. Collateral posted by the Fund in respect of OTC FDIs was £1,000.

As at 28 February 2019 collateral received by the Fund in respect of OTC FDIs was £10,000 in the form of cash. Collateral posted by the Fund in respect of OTC FDIs was £330,000 in the form of cash.

(c) Liquidity risk

Exposure to liquidity risk

Liquidity risk was the risk that the Fund would encounter difficulties in meeting its obligations associated with financial liabilities.

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

The Fund was 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 30 June 2020 and 28 February 2019, based on contractual maturities, fall/fell due within one to three months, with the exception of corporation tax payable which falls due within nine to twelve months.

Management of liquidity risk

Liquidity risk was minimised by holding sufficient liquid investments which could have been readily realised to meet liquidity demands.

At times of excessive redemptions the Manager may have decided to defer redemptions at any valuation point to the next valuation point where the requested aggregate redemptions exceeded 10 per cent of the Fund's NAV. This would therefore have allowed 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 could have reduced the impact of dilution on the Fund. All unitholders who sought to redeem units at any valuation point at which redemptions were deferred would have been treated consistently.

The Fund's liquidity risk was managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The portfolio managers reviewed daily forward looking cash reports which projected cash obligations. These reports allowed them to manage the Fund's cash obligations.

3. Net Capital Losses

	For the period from 1.3.2019 to 30.6.2020 £000's	For the year to 28.2.2019 £000's
The net capital losses comprise:		
Gains on non-derivative securities	5,840	3,846
Losses on derivative securities	(5,515)	(8,768)
Currency losses	(1,815)	(208)
Custodian transaction costs	(143)	(153)
Net capital losses	**(1,633)**	**(5,283)**

4. Revenue

	For the period from 1.3.2019 to 30.6.2020 £000's	For the year to 28.2.2019 £000's
Interest from overseas fixed interest securities	2,851	3,571
Interest from UK bank deposits	45	64
Interest from UK fixed interest securities	298	385
Overseas dividends	26	12
Proceeds from litigation	136	–
Returns from bond futures	–	222
Securities lending revenue	4	18
Total revenue	**3,360**	**4,272**

5. Expenses

	For the period from 1.3.2019 to 30.6.2020 £000's	For the year to 28.2.2019 £000's
Payable to the Manager or associates of the Manager:		
– Annual service charge^	38	58
– Manager's charge	538	598
	576	656
Other expenses:		
– Audit fee	10	9
– Legal and other professional fees	4	2
– Safe custody fees	6	11
– Trustee's fees	19	20
	39	42
Total expenses	**615**	**698**

^ The 'Annual service charge' was previously referred to as the 'Registrar's fee' - please refer to the prospectus issued on 2 March 2020 for more details.

6. Interest Payable and Similar Charges

	For the period from 1.3.2019 to 30.6.2020 £000's	For the year to 28.2.2019 £000's
Interest on bank overdrafts	11	14
Returns from short position bond futures	103	317
Interest on collateral	3	3
Total interest payable and similar charges	**117**	**334**

7. Taxation

(a) Analysis of tax charge

	For the period from 1.3.2019 to 30.6.2020 £000's	For the year to 28.2.2019 £000's
Corporation tax	20	18
Double taxation relief	(4)	(4)
Overseas tax	18	12
Prior year adjustment to corporation tax	2	–
Total tax charge [see note 7(b)]	**36**	**26**

(b) Factors affecting the tax charge

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

	For the period from 1.3.2019 to 30.6.2020 £000's	For the year to 28.2.2019 £000's
Net revenue before taxation	2,628	3,240
Corporation tax at 20% (28 February 2019: 20%)	526	648
Effects of:		
Capitalised income subject to tax	16	17
Double taxation relief	(4)	(4)
Overseas tax	18	12
Prior year adjustment	2	–
Relief for overseas tax treated as an expense	–	(1)
Revenue not subject to tax	(5)	(2)
Tax deductible interest distributions	(517)	(644)
Total tax charge [see note 7(a)]	**36**	**26**

8. Distributions

	For the period from 1.3.2019 to 30.6.2020 £000's	For the year to 28.2.2019 £000's
Interim distribution	1,197	1,897
Final distribution	838	1,027
	2,035	2,924
Add: Amounts deducted on cancellation of units	1,194	722
Less: Amounts received on issue of units	(667)	(415)
Distributions	**2,562**	**3,231**
The distributable amount has been calculated as follows:		
Net revenue after taxation	2,592	3,214
Less: Equalisation on conversions	(46)	–
Add: Capitalised corporation tax on offshore fund gains	16	17
Distributions	**2,562**	**3,231**

Details of the interim and final distributions per unit are set out in the tables on page 11.

9. Debtors

	30.6.2020 £000's	28.2.2019 £000's
Accrued revenue	–	513
Amounts receivable for issue of units	–	391
Sales awaiting settlement	–	54
Total debtors	**–**	**958**

10. Cash and Bank Balances

	30.6.2020 £000's	28.2.2019 £000's
Amount held at futures clearing houses and brokers	–	451
Cash and bank balances	160	11,876
Total cash and bank balances	**160**	**12,327**

11. Other Creditors

	30.6.2020 £000's	28.2.2019 £000's
Accrued Annual service charge^	3	13
Accrued Audit fee	–	8
Accrued FCA fee	–	1
Accrued Manager's charge	66	100
Accrued Safe custody fees	3	4
Accrued Trustee's fee	2	4
Amounts payable for cancellation of units	–	1,287
Amounts payable to Manager	23	–
Corporation tax payable	16	14
Custodian transaction costs	48	39
Purchases awaiting settlement	–	3,515
Total other creditors	**161**	**4,985**

^ The 'Annual service charge' was previously referred to as the 'Registrar's fee' - please refer to the prospectus issued on 2 March 2020 for more details.

12. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2019: £Nil).

13. Related Parties

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

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

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

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

The Manager acted 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 from the Manager at the period 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 period end in respect of these fees are shown in note 11.

Notes to Financial Statements continued

14. Portfolio Transaction Costs

For the period 1 March 2019 to 30 June 2020

Purchases (excluding derivatives)	Transaction Value £000's	Direct Transaction Costs Commissions £000's	%	Taxes £000's	%
Equity instruments	1,415	–	–	–	–
Debt instruments	134,281	–	–	–	–
Collective investment schemes	13,522	–	–	–	–
Total purchases	**149,218**	**–**		**–**	
Total purchases including transaction costs	**149,218**				

Sales (excluding derivatives)	Transaction Value £000's	Direct Transaction Costs Commissions £000's	%	Taxes £000's	%
Equity instruments	2,008	–	–	–	–
Debt instruments	201,052	–	–	12	0.01
Collective investment schemes	13,573	–	–	–	–
Total sales	**216,633**	**–**		**12**	
Total sales net of transaction costs	**216,621**				
Derivative transaction costs		**31**		**–**	
Total transaction costs		**31**		**12**	
Total transaction costs as a % of average net assets		**0.04%**		**0.02%**	

14. Portfolio Transaction Costs continued

For the year ended 28 February 2019

		Direct Transaction Costs			
Purchases (excluding derivatives)	**Transaction Value £000's**	**Commissions £000's**	**%**	**Taxes £000's**	**%**
Equity instruments	626	–	–	–	–
Debt instruments	587,345	–	–	–	–
Collective investment schemes	17,108	–	–	–	–
Total purchases	**605,079**	**–**		**–**	
Total purchases including transaction costs	**605,079**				

		Direct Transaction Costs			
Sales (excluding derivatives)	**Transaction Value £000's**	**Commissions £000's**	**%**	**Taxes £000's**	**%**
Equity instruments	866	–	–	–	–
Debt instruments	632,491	–	–	1	0.00
Collective investment schemes	17,137	–	–	–	–
Total sales	**650,494**	**–**		**1**	
Total sales net of transaction costs	**650,493**				
Derivative transaction costs		**35**		**–**	
Total transaction costs		**35**		**1**	
Total transaction costs as a % of average net assets		**0.03%**		**0.00%**	

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

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges formed 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.

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

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

15. Units in Issue

The movement in units in issue for the period 1 March 2019 to 30 June 2020 is as follows:

	A Income Units	A Accumulation Units	X Income Units	X Accumulation Units
Balance at the beginning of the period	818,483	2,796,599	100	4,470,010
Issued during the period	42,496	8,439,354	–	9,507,280
Cancelled during the period	(835,245)	(18,148,851)	(100)	(13,977,290)
Converted during the period	(25,734)	6,912,898	–	–
Balance at the end of the period	**–**	**–**	**–**	**–**

	D Income Units	D Accumulation Units	Z Income Units	Z Accumulation Units
Balance at the beginning of the period	7,204,413	10,829,011	1,059,550	3,214,970
Issued during the period	2,707,357	8,987,824	386,819	13,294
Cancelled during the period	(10,473,548)	(12,854,234)	(1,535,043)	(3,231,858)
Converted during the period	561,778	(6,962,601)	88,674	3,594
Balance at the end of the period	**–**	**–**	**–**	**–**

Revenue was allocated each day pro rata to the capital value of assets attributable to each class and taxation was 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 had the same rights on winding up.

16. Post Balance Sheet Events

As the Fund commenced termination on 1 June 2020, there have been no post balance sheet events.

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 period end and of the net revenue and net losses for the period.

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 Period Ended 30 June 2020

The Depositary 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 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
24 August 2020

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Independent Auditor's Report to the Unitholders of BlackRock Fixed Income Global Opportunities Fund

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

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

Emphasis of Matter - Financial statements prepared on a break-up basis

We draw attention to note 1(a) of the financial statements which explains that the Manager intends to liquidate the fund and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a break-up basis as described in note 1(a). Our opinion is not modified in respect of this matter.

As a result of the entire fund being liquidated, the going concern section has been removed from the audit opinion.

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Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

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 Financial Conduct Authority and the Trust Deed;
- the information given in the Manager's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

Matters on which we are required to report by exception

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

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

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Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 34, 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 liquidate 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.

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 unitholders of the fund, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the unitholders of the fund 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 unitholders of the fund as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor

Edinburgh
26 August 2020

About us

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

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

BlackRock serves clients in North and South America, Europe, Asia, Australia, Africa, and the Middle East. Headquartered in New York, the firm maintains offices in over 30 countries around the world.

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