BlackRock®

Annual report and audited financial statements

BlackRock Gold and General Fund

For the financial year ended 29 February 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.

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

Authorised and regulated by the FCA

Auditor
Ernst & Young LLP
25 Churchill Place, Canary Wharf, London E14 5EY

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
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For your protection, telephone calls are usually recorded.

* Non-executive Director.

About the Fund

BlackRock Gold and General Fund (the "Fund") is a UCITS scheme under the COLL Sourcebook. The Fund was established on 16 March 1988. The Fund was previously known as James Capel Gold and General Fund. On 17 December 1991 the Manager took over management of the Fund and its name was changed to Mercury Gold and General Fund. On 30 September 2000 the Fund changed its name to Merrill Lynch Gold and General Fund. The Fund adopted its present name with effect from 28 April 2008. The Fund's FCA product reference number is 113856.

Assessment of value:

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

Fund Managers

As at 29 February 2020, the Fund Managers of the Fund are Evy Hambro and Tom Holl.

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.

Subsequent Events

Outbreak of COVID-19

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

Risk and Reward Profile

Unit Class	Lower risk Typically lower rewards						Higher risk Typically higher rewards
A Income	1	2	3	4	5	6	**7**
A Accumulation	1	2	3	4	5	6	**7**
X Income	1	2	3	4	5	6	**7**
X Accumulation	1	2	3	4	5	6	**7**
D Income	1	2	3	4	5	6	**7**
D Accumulation	1	2	3	4	5	6	**7**
DI Income	1	2	3	4	5	6	**7**
DI Accumulation	1	2	3	4	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.

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

Investment Report

for the year ended 29 February 2020

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) (gross of fees) over the long term (5 or more consecutive years beginning at the point of investment) through investment in shares of companies related to gold mining, commodities and precious-metals.

Comparator benchmark	Investment management approach
FTSE Gold Mines Index	Active

Performance Summary

The following table compares the realised Fund performance against the performance of the relevant comparator benchmark during the financial year ended 29 February 2020.

The returns disclosed are the performance returns for the primary unit class for 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 %	Comparator benchmark %
Class D Accumulation Units	31.07	28.80

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 8.18% for the financial year ended 29 February 2020. World stock markets recorded gains 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 US and China—one of the chief economic uncertainties in recent years—further boosted markets.

However, the emergence of COVID-19 in January 2020 injected uncertainty into global equity markets, and most of the gains from earlier in the reporting period were reversed. China's efforts to control the outbreak, which included travel and work restrictions, resulted in lower growth expectations for 2020. Meanwhile, the spread of the virus to other parts of the world raised concerns about the effect of the virus on global growth and corporate earnings.

In global bond markets, however, the increased uncertainty created by COVID-19 led to gains for many bonds, as investors sought out securities traditionally seen as lower volatility in response to the outbreak. Global government and corporate fixed rate securities posted solid returns, as falling interest rates and low inflation boosted most types of bonds. In Europe and Japan, an increase in interest rates by the European Central Bank ("ECB") and the Bank of Japan, excess liquidity, and institutional demand for bonds led to negative yields for a large portion of both bond markets, while modest inflation and interest rate cuts by the Fed drove strong returns in the US. 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 of 1.12% in February 2020. Bond yields decline when bond prices rise. High yield bonds underperformed their investment grade counterparts, as investors anticipated wide ranging economic and market disruptions from COVID-19.

Emerging markets stocks, which tend to be relatively volatile, declined due in part to COVID-19 concerns. 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 also affected by the Chinese shutdown and resulting economic contagion from China, the primary economic engine in the region. Emerging market bonds generally performed in line with other international bonds, although yields rose sharply near the end of the reporting period, as the COVID-19 outbreak led to risk avoidance.

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 outbreak of COVID-19. Negative yields in the bond market also increased the relative attractiveness of gold, a zero-yield, price-driven investment that tends to perform well amid global uncertainty. Oil prices fell on demand concerns related to an ongoing slowdown in global manufacturing, uncertainty surrounding the energy-intensive Chinese economy, the failure of the Saudi-Russia negotiations and the sudden outbreak of COVID-19.

Looking at the foreign exchange markets, the performance of the US dollar was mixed, with only modest gains and losses relative to the world's other currencies. The Euro depreciated slightly against the US dollar amid slow economic growth and concerns about the bloc's exposure to global trade disruptions resulting from COVID-19, as well as the potential for political and fiscal fallout in the EU. Sterling, which fluctuated with Brexit uncertainty, ended down slightly against the US dollar. The Swiss franc and Japanese yen, which tend to benefit from global economic uncertainty, both advanced slightly relative to the US dollar.

In terms of economic growth, the US continued to grow faster than most other developed countries. Growth in Europe remained sluggish, slowing to only 0.1% in the fourth quarter of 2019. While overall growth was tepid in Japan, the economy accelerated in the second half of the reporting period, driven by government stimulus and business investment. China, the world's second largest economy, saw growth slow to a pace of approximately 6%, as trade conflict in the early part of the period with the US constrained export growth, as did the COVID-19 outbreak in the latter part of the period.

Sluggish economic conditions and benign inflation set the stage for more accommodative monetary policy, and the Fed lowered interest rates three times from July to October 2019. The ECB also reduced interest rates and revived its bond purchase program in September 2019, while the Bank of Japan continued to try to support growth with stimulus. As COVID-19 became an increasingly serious shock to economic growth, the Fed indicated its willingness to cut interest rates to counteract the economic effects of COVID-19. During the last week of the reporting period, market prices began to decrease due to the possibility that COVID-19 could become a global pandemic, which could require large amounts of economic stimulus from fiscal and monetary policymakers.

Fund Performance Review and Activity

Over the financial year to 29 February 2020, the Fund's active return was +2.27%, outperforming its comparator benchmark (active return is the difference between the Fund's return and the comparator benchmark return).

Global equity markets posted positive returns during the year, however, this positivity masked volatility during the period, as trade war concerns between the US and China, and the more recent outbreak of the COVID-19 continued to weigh on global economic growth expectations. Against this backdrop, we saw gold bullion perform positively, rising by +21.7% in US dollar terms, to a 7-year high of $1,674/oz.

The main supportive driver for gold was the turnaround in US Fed interest rate policy and the related fall in real rates. The US 10-year real rate (interest rates that have been adjusted for inflation) fell from 0.96% at the start of 2019 to 0.07% by the end of the year. From there, real rates moved sharply lower in 2020 (US 10-year real rate was -0.28% at the end of February 2020) and the gold price moved higher as a result.

Outperformance versus the FTSE Gold Mines Index has been due to our quality bias, which has allowed us to weather the market volatility.

During the financial year the following stocks were the largest contributors to and detractors from the Fund's return relative to the comparator benchmark:

Largest Contributors		Largest Detractors	
Stock	Effect on Fund return	Stock	Effect on Fund return
Kirkland Lake Gold^	1.84%	Fresnillo#	-2.17%
Newmont Goldcorp^	1.23%	Barrick Gold^	-2.16%
St Barbara^	1.12%	Oceanagold#	-1.89%
Polyus#	1.01%	Newmont Goldcorp*, ^	-1.44%
Franco Nevada#	0.92%	Detour Gold^	-0.92%

^ Underweight position - holds less exposure than the benchmark.
# Overweight position - holds more exposure than the benchmark.
* During the period Newmont and Goldcorp merged to become Newmont Goldcorp. Prior to this merger, Newmont detracted from relative performance.

Within the portfolio, positive contributors included our overweight holding in Polyus, which benefited from the announcement of positive results. Our off-benchmark exposure to royalty company Franco Nevada also continued to contribute positively to relative performance.

Underweight positions in Barrick and Newmont appeared amongst the largest detractors, as they were among the strongest performers in the benchmark. Despite being the two largest holdings within the portfolio, concentration limits mean that the portfolio is underweight both companies as they are the two largest gold companies and represent almost 40% of the benchmark.

The following table details the significant active positions, where the Fund is overweight (holds more exposure than the comparator benchmark) and underweight (holds less exposure than the comparator benchmark), at 29 February 2020 and 28 February 2019:

Top overweight positions			
29 February 2020		28 February 2019	
Stock	Weighting	Stock	Weighting
Wheaton Precious Metals	4.8%	Franco Nevada	4.5%
Franco Nevada	4.8%	Wheaton Precious Metals	4.3%
Polyus	3.4%	Fresnillo	3.8%

Top underweight positions			
29 February 2020		28 February 2019	
Stock	Weighting	Stock	Weighting
Newmont	-11.6%	Barrick Gold	-8.2%
Barrick Gold	-9.9%	Newmont	-6.8%
Kirkland Lake Gold	-3.5%	Kirkland Lake Gold	-5.2%

Where the Fund is underweight to a stock, the return from such stock will have an opposite effect on the Fund's active return. This may result in a stock being listed as a contributor/detractor but not listed on the Fund's Portfolio Statement.

Performance Record

Comparative Table

	A Income Units			A Accumulation Units		
	For the year to 29.2.2020	For the year to 28.2.2019	For the year to 28.2.2018	For the year to 29.2.2020	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	802.0	773.5	974.5	846.5	815.1	1,027
Return before operating charges	196.1	44.52	(183.6)	207.1	46.98	(193.6)
Operating charges	(18.46)	(14.70)	(17.50)	(19.49)	(15.57)	(18.34)
Return after operating charges	177.6	29.82	(201.1)	187.6	31.41	(211.9)
Distributions	0.00	(1.34)	0.00	0.00	(1.37)	0.00
Retained distributions on accumulation units	N/A	N/A	N/A	0.00	1.37	0.00
Closing net asset value per unit	979.6	802.0	773.5	1,034	846.5	815.1
After direct transaction costs of	(0.86)	(0.84)	(0.67)	(0.91)	(0.88)	(0.71)
Performance						
Return after charges[1]	22.15%	3.86%	(20.63)%	22.16%	3.85%	(20.64)%
Other information						
Closing net asset value (£000's)	25,419	33,421	42,039	292,353	264,095	342,339
Closing number of units	2,594,695	4,167,323	5,435,246	28,272,212	31,198,103	42,001,036
Operating charges[2]	1.92%	1.92%	1.93%	1.92%	1.93%	1.92%
Direct transaction costs[3]	0.09%	0.11%	0.07%	0.09%	0.11%	0.07%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	1,222	902.5	1,104	1,289	951.0	1,163
Lowest bid unit price	752.5	662.6	772.5	794.2	698.2	814.1

[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 and debt instruments. See note 14 for further details.

Performance Record continued

Comparative Table continued

	X Income Units			X Accumulation Units	
	For the year to 29.2.2020	For the year to 28.2.2019	Since inception^ to 28.2.2018	For the year to 29.2.2020	Since inception to 28.2.2019
	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	84.50	81.43	100.0	101.3	100.0
Return before operating charges	20.71	4.71	(18.35)	24.82	1.32
Operating charges	(0.02)	(0.02)	0.00	(0.02)	(0.01)
Return after operating charges	20.69	4.69	(18.35)	24.80	1.31
Distributions	(1.37)	(1.62)	(0.22)	(1.64)	(1.28)
Retained distributions on accumulation units	N/A	N/A	N/A	1.64	1.28
Closing net asset value per unit	103.8	84.50	81.43	126.1	101.3
After direct transaction costs of	(0.09)	(0.09)	(0.03)	(0.11)	(0.10)
Performance					
Return after charges[1]	24.49%	5.76%	(18.35)%	24.48%	1.31%
Other information					
Closing net asset value (£000's)	22,648	19,694	21,268	9,881	7,822
Closing number of units	21,814,920	23,305,603	26,118,503	7,835,969	7,720,714
Operating charges[2]	0.02%	0.02%	0.01%	0.02%	0.01%
Direct transaction costs[3]	0.09%	0.11%	0.07%	0.09%	0.11%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	123.7	92.13	100.6	148.3	108.4
Lowest bid unit price	79.55	70.45	81.55	95.37	82.86

[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 and debt instruments. See note 14 for further details.

Comparative Table continued

	D Income Units			D Accumulation Units		
	For the year to 29.2.2020	For the year to 28.2.2019	For the year to 28.2.2018	For the year to 29.2.2020	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	843.6	813.3	1,017	907.0	866.8	1,084
Return before operating charges	206.5	47.20	(192.5)	222.1	50.27	(205.4)
Operating charges	(11.88)	(9.45)	(11.11)	(12.77)	(10.07)	(11.84)
Return after operating charges	194.6	37.75	(203.6)	209.3	40.20	(217.2)
Distributions	(2.12)	(7.49)	(0.10)	(2.33)	(7.95)	(0.10)
Retained distributions on accumulation units	N/A	N/A	N/A	2.33	7.95	0.10
Closing net asset value per unit	1,036	843.6	813.3	1,116	907.0	866.8
After direct transaction costs of	(0.91)	(0.88)	(0.70)	(0.97)	(0.94)	(0.75)
Performance						
Return after charges[1]	23.07%	4.64%	(20.02)%	23.08%	4.64%	(20.04)%
Other information						
Closing net asset value (£000's)	184,292	203,905	176,039	395,102	288,564	316,464
Closing number of units	17,787,586	24,171,943	21,646,021	35,393,569	31,815,429	36,511,367
Operating charges[2]	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%
Direct transaction costs[3]	0.09%	0.11%	0.07%	0.09%	0.11%	0.07%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	1,228	910.4	1,098	1,321	970.3	1,170
Lowest bid unit price	792.5	699.5	812.4	852.1	745.5	865.7

[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 and debt instruments. See note 14 for further details.

Comparative Table continued

	DI Income Units			DI Accumulation Units		
	For the year to 29.2.2020	For the year to 28.2.2019	For the year to 28.2.2018	For the year to 29.2.2020	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	886.9	854.9	1,070	921.0	877.7	1,094
Return before operating charges	217.3	49.83	(203.2)	225.6	51.15	(207.1)
Operating charges	(9.73)	(7.65)	(9.00)	(9.99)	(7.86)	(9.21)
Return after operating charges	207.6	42.18	(212.2)	215.6	43.29	(216.3)
Distributions	(5.16)	(10.20)	(2.88)	(5.39)	(10.47)	(2.93)
Retained distributions on accumulation units	N/A	N/A	N/A	5.39	10.47	2.93
Closing net asset value per unit	1,089	886.9	854.9	1,137	921.0	877.7
After direct transaction costs of	(0.95)	(0.93)	(0.74)	(0.99)	(0.95)	(0.76)
Performance						
Return after charges[1]	23.41%	4.93%	(19.83)%	23.41%	4.93%	(19.77)%
Other information						
Closing net asset value (£000's)	22,007	7,315	7,316	69,588	51,502	43,176
Closing number of units	2,020,157	824,766	855,799	6,122,571	5,591,996	4,919,041
Operating charges[2]	0.91%	0.90%	0.90%	0.90%	0.90%	0.90%
Direct transaction costs[3]	0.09%	0.11%	0.07%	0.09%	0.11%	0.07%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	1,293	959.6	1,155	1,343	985.2	1,182
Lowest bid unit price	833.6	736.4	854.9	865.7	756.0	876.6

[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 and debt instruments. See note 14 for further details.

Distribution Table

for the year ended 29 February 2020

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2019

Group 2 – Units purchased 1 March 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)	0.0000	0.0000	0.0000	0.0000	1.3679	1.0857	1.6393	0.3037
Equalisation†	–	0.0000	–	0.0000	–	0.2822	–	1.3356
Distribution paid 30.4.2020	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**1.3679**	**1.3679**	**1.6393**	**1.6393**
Distribution paid 30.4.2019	**1.3404**	**1.3404**	**1.3656**	**1.3656**	**1.6224**	**1.6224**	**1.2792**	**1.2792**

	D Income Units		D Accumulation Units		DI Income Units		DI Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	2.1230	0.8901	2.3315	0.9227	5.1577	2.0552	5.3861	2.5828
Equalisation†	–	1.2329	–	1.4088	–	3.1025	–	2.8033
Distribution paid 30.4.2020	**2.1230**	**2.1230**	**2.3315**	**2.3315**	**5.1577**	**5.1577**	**5.3861**	**5.3861**
Distribution paid 30.4.2019	**7.4902**	**7.4902**	**7.9514**	**7.9514**	**10.2007**	**10.2007**	**10.4717**	**10.4717**

† 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.

Portfolio Statement

at 29 February 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
EQUITIES – 98.30%; 28.2.2019 99.58%			
Australia – 17.47%; 28.2.2019 18.81%			
53,389,000	Blackham Resources	270	0.03
97,497,458	Blackham Resources TR	492	0.05
510,076	Castile Resources	51	0.00
13,294,533	Evolution Mining[Ø]	27,045	2.65
8,792,710	Gold Road Resources[Ø]	6,414	0.63
3,475,001	Newcrest Mining	46,133	4.52
7,928,310	Northern Star Resources[Ø]	53,868	5.27
14,359,338	OceanaGold	16,247	1.59
38,206,416	Oklo Resources	4,436	0.43
11,795,489	Saracen Mineral	22,447	2.20
1,020,153	Westgold Resources	1,035	0.10
		178,438	**17.47**
Belgium – 0.51%; 28.2.2019 1.14%			
159,002	Umicore[Ø]	**5,164**	**0.51**
Canada – 45.56%; 28.2.2019 49.66%			
1,527,782	Agnico Eagle Mines	56,467	5.53
7,590,032	Alamos Gold	34,529	3.38
4,400,000	Artemis Gold	3,028	0.30
13,164,298	B2Gold	41,154	4.03
438,618	Barrick Gold	6,175	0.60
6,466,727	Barrick Gold[Ø]	96,396	9.44
3,403,217	Belo Sun Mining	873	0.09
3,608,661	Centerra Gold	17,722	1.74
582,511	Franco-Nevada	48,774	4.78
8,480,294	Kinross Gold	32,990	3.23
612,369	Kirkland Lake Gold	15,361	1.50
894,187	MAG Silver	5,883	0.58
551,283	Mountain Province Diamonds	289	0.03
60,704	Osisko Gold Royalties	391	0.04
2,908,039	Osisko Mining	4,732	0.46
1,050,982	Pan American Silver[Ø]	16,284	1.59
3,148,336	Pretium Resources	17,463	1.71
1,651,607	Teranga Gold	6,483	0.63
946,931	TMAC Resources	867	0.08
1,008,097	Torex Gold Resources[Ø]	10,407	1.02
2,208,197	Wheaton Precious Metals	49,070	4.80
		465,338	**45.56**
Cyprus – 2.47%; 28.2.2019 0.00%			
2,116,480	Polymetal International	**25,239**	**2.47**
Jersey – 1.77%; 28.2.2019 2.32%			
13,989,184	Centamin	**18,039**	**1.77**
Mexico – 1.04%; 28.2.2019 4.23%			
1,766,305	Fresnillo	**10,665**	**1.04**
Monaco – 3.23%; 28.2.2019 3.02%			
2,398,080	Endeavour Mining[Ø]	**32,994**	**3.23**
Peru – 0.00%; 28.2.2019 0.74%			
Russia – 6.41%; 28.2.2019 5.09%			
730,329	Polyus	35,393	3.47
4,575,500	Vysochayshiy[1]	30,031	2.94
		65,424	**6.41**
South Africa – 8.12%; 28.2.2019 5.13%			
2,978,979	AngloGold Ashanti[Ø]	40,674	3.98
500,355	Gold Fields	2,315	0.23
4,189,466	Gold Fields	19,190	1.88
5,286,897	Great Basin Gold[2]	–	0.00
1,085,939	Impala Platinum	6,737	0.66
1,392,132	Northam Platinum	7,703	0.75
4,032,764	Sibanye Stillwater	6,300	0.62
		82,919	**8.12**
Switzerland – 0.00%; 28.2.2019 0.53%			
United Kingdom – 0.00%; 28.2.2019 1.37%			
United States of America – 11.72%; 28.2.2019 7.54%			
4,730,255	Alacer Gold	16,471	1.61
272,440	Banro Newco[2]	–	0.00
347,151	Newmont Goldcorp	11,845	1.16
2,616,884	Newmont Goldcorp	91,416	8.95
		119,732	**11.72**
United States Virgin Islands – 0.00%; 28.2.2019 0.00%			
75,000	Gobi Coal and Energy[2]	**–**	**0.00**
BONDS – 0.00%; 28.2.2019 0.00%			
Canadian Dollar Denominated Corporate Bonds – 0.00%; 28.2.2019 0.00%			
CA$2,299,257	Great Basin Gold 8% 30/11/2014[2]	**–**	**0.00**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
	COLLECTIVE INVESTMENT SCHEMES – 1.43; 28.2.2019 1.02%		
	Short-term Money Market Funds – 1.43%; 28.2.2019 1.02%		
145,939	Institutional Cash Series plc - Institutional Sterling Liquidity Environmentally Aware Fund - Agency Income Class†	**14,596**	**1.43**
	Portfolio of investments	**1,018,548**	**99.73**
	CASH EQUIVALENTS		
	Short-term Money Market Funds - 0.00%; 28.2.2019 1.02%		
	Net other assets	2,742	0.27
	Total net assets	**1,021,290**	**100.00**

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

[1] Illiquid Security Fair Valued by the Manager.

[2] Security fair valued by Manager at zero.

Ø All or a portion of this investment represents a security on loan, see note 2(b) iv) for further details.

† Managed by a related party.

Statement of Total Return

for the year ended 29 February 2020

	Notes	£000's	For the year to 29.2.2020 £000's	£000's	For the year to 28.2.2019 £000's
Income					
Net capital gains	3		182,273		30,705
Revenue	4	15,510		19,557	
Expenses	5	(13,701)		(12,339)	
Interest payable and similar charges	6	(14)		–	
Net revenue before taxation		1,795		7,218	
Taxation	7	(1,403)		(1,160)	
Net revenue after taxation			392		6,058
Total return before distributions			182,665		36,763
Distributions	8		(2,100)		(6,064)
Change in net assets attributable to unitholders from investment activities			**180,565**		**30,699**

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 29 February 2020

	£000's	For the year to 29.2.2020 £000's	£000's	For the year to 28.2.2019 £000's
Opening net assets attributable to unitholders		876,318		948,641
Amounts receivable on issue of units	437,104		250,630	
Amounts payable on cancellation of units	(473,980)		(357,294)	
		(36,876)		(106,664)
Change in net assets attributable to unitholders from investment activities		180,565		30,699
Retained distribution on accumulation units		1,283		3,640
Unclaimed distributions over 6 years old		–		2
Closing net assets attributable to unitholders		**1,021,290**		**876,318**

Balance Sheet

at 29 February 2020

	Notes	29.2.2020 £000's	28.2.2019 £000's
Assets:			
Fixed assets			
– Investment assets		1,018,548	872,616
Current assets			
– Debtors	9	16,711	2,553
– Cash and bank balances		1,417	1,774
– Cash equivalents	10	–	8,938
Total assets		**1,036,676**	**885,881**
Liabilities:			
Creditors			
– Distributions payable		(781)	(2,329)
– Other creditors	11	(14,605)	(7,234)
Total liabilities		**(15,386)**	**(9,563)**
Net assets attributable to unitholders		**1,021,290**	**876,318**

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
20 May 2020

Notes to Financial Statements
for the year ended 29 February 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. The financial statements have been prepared on the going concern basis. Please refer to Note 16 for further information on the impact of COVID-19.

(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.

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.

(c) 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.

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

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

(f) 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.

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

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

(h) Any transactions in foreign currencies are translated into Sterling at the rates of exchange ruling on the date of any such transaction. Assets and liabilities in foreign currencies are translated into Sterling at the exchange rates ruling at the end of the accounting period. Revenue items in foreign currencies are translated into Sterling at the exchange rate when the revenue is received.

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

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

Distribution Policies

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

(l) Special dividends and share buy backs recognised as revenue form part of the distribution.

(m) All of the net revenue available for distribution at the final accounting period end will be distributed to unitholders as a dividend with the balance attributable to accumulation unitholders retained within the Fund. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

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.

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, warrants, rights and corporate bonds.

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 2020 and 28 February 2019 based on a 99% confidence level was 4.66% and 3.13% 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.

Management of foreign currency risk

Foreign currency exposures are managed within parameters utilising forward currency contracts. There were no open forward currency contracts at the year end (28 February 2019: Nil).

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.

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.

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 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.

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) Trustee and Custodian

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

All of the investments 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 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 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 2020 was AA- (28 February 2019: A) (Standard & Poor's rating).

ii) 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.

iii) 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.

iv) 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.

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 2020 Securities on loan £000's	29 February 2020 Collateral received £000's	28 February 2019 Securities on loan £000's	28 February 2019 Collateral received £000's
Barclays Capital Securities Limited	UK	–	–	1,622	1,716
Citigroup Global Markets Limited	UK	473	511	–	–
Credit Suisse AG Dublin Branch	Ireland	1,305	1,375	502	532
Credit Suisse Securities (Europe) Limited	UK	1,607	1,672	29,051	31,528
Deutsche Bank AG	Germany	505	552	8,189	9,231
Goldman Sachs International	UK	–	–	9,159	12,000
HSBC Bank Plc	UK	–	–	1,895	1,998
J.P. Morgan Securities Plc	UK	10,368	11,087	6,870	7,615
Macquarie Bank Limited	Australia	–	–	242	306
Merrill Lynch International	UK	2,827	3,115	11,121	11,971
Morgan Stanley & Co. International Plc	UK	–	–	6,018	6,615
The Bank of Nova Scotia	Canada	–	–	4,242	4,682
UBS AG	Switzerland	305	333	2,188	2,418
Total		**17,390**	**18,645**	**81,099**	**90,612**

At 29 February 2020, collateral received from these borrowing counterparties comprised of 23.49% in debt securities and 76.51% in equity securities (28 February 2019: 37.31% in debt securities and 62.69% in equity securities).

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 2020 and 28 February 2019, 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.

(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.

All financial liabilities held by the Fund as at 28 February 2018 and 28 February 2017, based on contractual maturities, fall due within one month.

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.

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
29 February 2020				
Investment assets	973,870	14,647	30,031*	**1,018,548**
Investment liabilities	–	–	–	**–**
28 February 2019				
Investment assets	850,605	–	22,011	**872,616**
Investment liabilities	–	–	–	**–**

* Includes securities fair valued by the Manager. 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 a methodology known as the Commitment Approach in order to measure the global exposure of the Fund. The Commitment Approach is a methodology that aggregates the underlying market or notional values of FDIs to determine the degree of global exposure of the Fund to FDIs. In accordance with the COLL Sourcebook, global exposure for a fund utilising the Commitment Approach must not exceed 100% of the Fund's NAV. The calculation of global exposure represents only one element of the Fund's risk management process and in that respect the Manager will continue to report VaR as a market risk measure to the Board of Directors.

The Fund did not hold any FDIs at 29 February 2020 and 28 February 2019.

3. Net Capital Gains

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
The net capital gains comprise:		
Gains on non-derivative securities	182,084	30,742
Losses on derivative securities	(3)	(144)
Currency gains	237	125
Custodian transaction costs	(45)	(18)
Net capital gains	**182,273**	**30,705**

4. Revenue

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interest from UK bank deposits	10	7
Overseas dividends	14,011	18,173
Revenue from short-term money market funds	68	34
Securities lending revenue	85	57
UK dividends	1,336	1,286
Total revenue	**15,510**	**19,557**

5. Expenses

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Payable to the Manager or associates of the Manager:		
– Annual service charge^	1,349	1,216
– Manager's charge	12,138	10,951
	13,487	12,167
Other expenses:		
– ADR fee#	20	–
– Audit fee	8	7
– Legal and other professional fees	1	–
– Safe custody fees	70	66
– Trustee's fees	126	111
– VAT recoverable	(11)	(12)
	214	172
Total expenses	**13,701**	**12,339**

^ 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.
# ADR ("American Depositary Receipt") fees are fees associated with the creating or releasing of ADRs from ordinary shares, charged by the depositary bank.

6. Interest Payable and Similar Charges

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interest on bank overdrafts	14	–
Total interest payable and similar charges	**14**	**–**

7. Taxation

(a) Analysis of tax charge

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Overseas tax	1,403	1,160
Total tax charge [see note 7(b)]	**1,403**	**1,160**

7. Taxation continued

(b) Factors affecting the tax charge

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

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Net revenue before taxation	1,795	7,218
Corporation tax at 20% (28 February 2019: 20%)	359	1,444
Effects of:		
Movement in unrecognised excess management expenses	2,248	1,452
Overseas tax	1,403	1,160
Relief on overseas tax expensed	(52)	(114)
Revenue not subject to tax	(2,555)	(2,782)
Total tax charge [see note 7(a)]	**1,403**	**1,160**

At 29 February 2020, the Fund had surplus management expenses of £315,903,000 (28 February 2019: £304,664,000.) 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 £63,181,000 (28 February 2019: £60,933,000) has not been recognised.

8. Distributions

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Final distribution	2,064	5,969
	2,064	5,969
Add: Amounts deducted on cancellation of units	423	1,086
Less: Amounts received on issue of units	(387)	(991)
Distributions	**2,100**	**6,064**
The distributable amount has been calculated as follows:		
Net revenue after taxation	392	6,058
Add: Equalisation on conversions	32	6
Add: Shortfall transfer to capital	1,676	–
Distributions	**2,100**	**6,064**

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

9. Debtors

	29.2.2020 £000's	28.2.2019 £000's
Accrued revenue	1,573	307
Amounts receivable for issue of units	14,427	1,761
Overseas tax recoverable	91	200
Sales awaiting settlement	620	285
Total debtors	**16,711**	**2,553**

10. Cash Equivalents

	29.2.2020 £000's	28.2.2019 £000's
Investment in short-term money market funds	–	8,938
Total cash equivalents	**–**	**8,938**

11. Other Creditors

	29.2.2020 £000's	28.2.2019 £000's
Accrued Annual service charge^	583	278
Accrued Audit fee	7	7
Accrued Directors insurance	–	24
Accrued FCA fee	–	1
Accrued Manager's charge	2,107	2,573
Accrued Manager's charge rebates	24	–
Accrued Safe custody fees	11	24
Accrued Trustee's fee	21	26
Amounts payable for cancellation of units	6,408	2,818
Currency purchases awaiting settlement	13	–
Custodian transaction costs	6	6
Overseas capital gains tax provision	565	1,246
Purchases awaiting settlement	4,860	231
Total other creditors	**14,605**	**7,234**

^ 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.

13. Related Parties continued

The following entities were related parties of the Fund during the year ended 29 February 2020:

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 Stock Lending Agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA. PNC Financial Services Group Inc. ("PNC") is a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Fund during the years ended 29 February 2020 and 28 February 2019.

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.

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 2020 and 28 February 2019 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.

14. Portfolio Transaction Costs

For the year ended 29 February 2020

Purchases (excluding derivatives)	Transaction Value £000's	Direct Transaction Costs Commissions £000's	%	Taxes £000's	%
Equity instruments	350,994	336	0.10	62	0.02
Total purchases	**350,994**	**336**		**62**	
Total purchases including transaction costs	**351,392**				

Sales (excluding derivatives)	Transaction Value £000's	Direct Transaction Costs Commissions £000's	%	Taxes £000's	%
Equity instruments	401,953	502	0.12	6	0.00
Total sales	**401,953**	**502**		**6**	
Total sales net of transaction costs	**401,445**				
Total transaction costs		**838**		**68**	
Total transaction costs as a % of average net assets		**0.08%**		**0.01%**	

For the year ended 28 February 2019

Purchases (excluding derivatives)	Transaction Value £000's	Direct Transaction Costs Commissions £000's	%	Taxes £000's	%
Equity instruments	242,981	260	0.11	200	0.08
Total purchases	**242,981**	**260**		**200**	
Total purchases including transaction costs	**243,441**				

Sales (excluding derivatives)	Transaction Value £000's	Direct Transaction Costs Commissions £000's	%	Taxes £000's	%
Equity instruments	347,852	499	0.14	2	0.00
Debt instruments	1,917	–	–	–	–
Total sales	**349,769**	**499**		**2**	
Total sales net of transaction costs	**349,268**				
Total transaction costs		**759**		**202**	
Total transaction costs as a % of average net assets		**0.09%**		**0.02%**	

14. Portfolio Transaction Costs continued

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.

Dealing spread costs suffered 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 0.58% (28 February 2019: 0.47%).

15. Units in Issue

The movement in units in issue for the year ended 29 February 2020 is as follows:

	A Income Units	A Accumulation Units	X Income Units	X Accumulation Units
Balance at the beginning of the year	4,167,323	31,198,103	23,305,603	7,720,714
Issued during the year	1,167,113	9,046,038	477,557	3,397,529
Cancelled during the year	(1,790,546)	(11,163,235)	(1,968,240)	(3,282,274)
Converted during the year	(949,195)	(808,694)	–	–
Balance at the end of the year	**2,594,695**	**28,272,212**	**21,814,920**	**7,835,969**

	D Income Units	D Accumulation Units	DI Income Units	DI Accumulation Units
Balance at the beginning of the year	24,171,943	31,815,429	824,766	5,591,996
Issued during the year	7,860,535	16,376,138	1,777,298	4,199,032
Cancelled during the year	(13,963,118)	(12,836,657)	(1,714,442)	(4,358,025)
Converted during the year	(281,774)	38,659	1,132,535	689,568
Balance at the end of the year	**17,787,586**	**35,393,569**	**2,020,157**	**6,122,571**

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

16. Post Balance Sheet Events

The Directors have assessed the impact of market conditions arising from the COVID-19 outbreak on the Fund's ability to meet its investment objective. 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. No investment objectives are expected to be altered as a result of this event, and the Investment Manager will continue to monitor the performance of the Fund on an ongoing basis.

There are no material events that have been identified that may cast significant doubt about the Fund's ability to continue as a going concern for at least the next twelve months from the date these financial statements are authorised for issue. The Manager believes that the Fund has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements. From the year end to 12 noon on 15 May 2020, the return on Class D Accumulation, the primary unit class, was 25.85%. Performance returns for the other unit classes in issue can be obtained upon request.

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 gains for the year.

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

The Manager is responsible for keeping such accounting records as are necessary to enable it to ensure that the financial statements comply with the 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 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
20 May 2020

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working world

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Independent Auditor's Report to the Unitholders of BlackRock Gold and General Fund

Opinion

We have audited the financial statements of BlackRock Gold and General Fund ("the Fund") for the year ended 29 February 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 Table. 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 29 February 2020 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 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

We draw attention to Note 1 and Note 16 of the financial statements, which describe the market impact the Fund is facing as a result of COVID-19 as well as an estimate of any financial effects on the Fund itself. Our opinion is not modified in respect of this matter.

Building a better working world

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Conclusions relating to going concern

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

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

Other information

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

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

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

We have nothing to report in this regard.

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

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 year 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.

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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.

Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 40, 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.

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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

London
22 May 2020

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, the Prospectus, as amended from time to time, and the ESMA Guidelines, employ techniques and instruments relating to transferable securities. These include repurchases/reverse repurchase transactions ("repo transactions") and securities lending, provided that such techniques and instruments are used for efficient portfolio management purposes.

Securities Lending

The total value of securities on loan as a proportion of the Fund's NAV and total lendable assets, as at the Balance Sheet date, is 1.70% and 1.90% respectively. 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 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.

The value of securities on loan and associated collateral analysed by counterparty, as at 29 February 2020, is disclosed in the notes to the financial statements.

All securities on loan have an open maturity tenor as they are recallable 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, as at 29 February 2020.

Currency	Cash collateral received £000's	Cash collateral posted £000's	Non-cash collateral received £000's	Non-cash collateral posted £000's
Securities lending transactions				
CAD	–	–	303	–
CHF	–	–	739	–
CNY	–	–	639	–
DKK	–	–	79	–
EUR	–	–	5,627	–
GBP	–	–	2,213	–
HKD	–	–	297	–
JPY	–	–	1,889	–
NOK	–	–	71	–
SEK	–	–	43	–
SGD	–	–	12	–
USD	–	–	6,733	–
Total	**–**	**–**	**18,645**	**–**

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

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, as at 29 February 2020.

Collateral type and quality	Maturity Tenor 1 - 7 days £000's	8 - 30 days £000's	31 - 90 days £000's	91 - 365 days £000's	More than 365 days £000's	Open transactions £000's	Total £000's
Collateral received - securities lending							
Fixed income							
Investment grade	–	264	220	144	3,751	–	**4,379**
Equities							
Recognised equity index	–	–	–	–	–	14,133	**14,133**
ETFs							
UCITS	–	–	–	–	–	5	**5**
Non-UCITS	–	–	–	–	–	128	**128**
Total	**–**	**264**	**220**	**144**	**3,751**	**14,266**	**18,645**

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.

As at 29 February 2020, all non-cash collateral received by the Fund in respect of securities lending transactions is held by the Fund's Trustee (or through its delegates).

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 as at 29 February 2020.

Issuer	Value £000's	% of The Fund's NAV
J.P. Morgan Securities Plc	11,087	1.09
Merrill Lynch International	3,115	0.31
Credit Suisse Securities (Europe) Limited	1,672	0.16
Credit Suisse AG Dublin Branch	1,375	0.14
Deutsche Bank AG	552	0.05
Citigroup Global Markets Limited	511	0.05
UBS AG	333	0.03
Total	**18,645**	**1.83**

Supplementary Information continued

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

The Fund has not been fully collateralised in securities issued or guaranteed by an EU member state at the year end date.

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