



Annual report and audited financial statements

BlackRock Non-UCITS Retail Funds (2)

- BlackRock Consensus 35 Fund
- BlackRock Consensus 60 Fund
- BlackRock Consensus 70 Fund
- BlackRock Consensus 85 Fund
- BlackRock Consensus 100 Fund
- BlackRock Global Equity Fund
- BlackRock Institutional UK Focus Fund
- BlackRock Overseas Equity Fund

Contents

General Information	2
About the Trust	3
Fund Managers	3
Significant Events	3
Subsequent Events	4
Investment Report	5
Report on Remuneration	11
Accounting and Distribution Policies	17
Financial Instruments and Risks	19
BlackRock Consensus 35 Fund	31
BlackRock Consensus 60 Fund	44
BlackRock Consensus 70 Fund	57
BlackRock Consensus 85 Fund	70
BlackRock Consensus 100 Fund	86
BlackRock Global Equity Fund	100
BlackRock Institutional UK Focus Fund	113
BlackRock Overseas Equity Fund	126
Statement of Manager's and Trustee's Responsibilities	139
Report of the Trustee	139
Independent Auditor's Report	141
Supplementary Information	145

General Information

Manager, Registrar & Alternative Investment Fund Manager

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

Member of The Investment Association and authorised and regulated by the Financial Conduct Authority ("FCA") with permission to carry on the activities of managing an alternative investment fund in the United Kingdom. As such, the Manager has been appointed to be the alternative investment fund manager of the Funds, each of which is an alternative investment fund for the purpose of the Alternative Investment Fund Managers Directive.

Directors of the Manager

G D Bamping* 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
blackrock.co.uk

For your protection, telephone calls are usually recorded.

* Non-executive Director.

About the Trust

BlackRock Non-UCITS Retail Funds (2) (the "Trust") is organised as an umbrella unit trust scheme comprising separate funds with segregated liability (each referred to herein as a "Fund" and collectively the "Funds").

The Trust is an authorised unit trust scheme and each Fund qualifies as a non-UCITS retail scheme under the FCA's Collective Investment Schemes Sourcebook (the "COLL Sourcebook").

Cross sub-fund holdings within the Trust

As at 29 February 2020 and 28 February 2019 there were no cross sub-fund holdings within the Trust.

Alternative Investment Fund Managers Directive (the "AIFMD")

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

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

Assessment of value:

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

Fund Managers

As at 29 February 2020, the Fund Manager of the Funds, with the exception of the BlackRock Institutional UK Focus Fund, is Stephen Walker. As at 29 February 2020, the Fund Manager of the BlackRock Institutional UK Focus Fund is Luke Chappell.

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 Mephram 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.

Investment Report

for the year ended 29 February 2020

Investment Objective

BlackRock Consensus 35 Fund
BlackRock Consensus 60 Fund
BlackRock Consensus 70 Fund
BlackRock Consensus 85 Fund
BlackRock Consensus 100 Fund
BlackRock Global Equity Fund
BlackRock Overseas Equity Fund

The aim of the Funds is to provide a return on your investment (generated through an increase in the value of the assets held by the Funds and/or income received from those assets) by investing in units or shares of collective investment schemes (i.e. other investment funds, which may be Associated Funds).

BlackRock Institutional UK Focus Fund

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

Fund name	Target/comparator benchmark	Investment management approach
BlackRock Consensus 35 Fund	The Lipper ABI Mixed Investment 0-35% Shares Pension Sector [#]	Passive
BlackRock Consensus 60 Fund	The Lipper ABI Mixed Investment 20-60% Shares Pension Sector [#]	Passive
BlackRock Consensus 70 Fund	The Lipper ABI Mixed Investment 20-60% Shares Pension Sector (60%) and the Lipper ABI Mixed Investment 40-85% Shares Pension Sector (40%) [#]	Passive
BlackRock Consensus 85 Fund	The Lipper ABI Mixed Investment 40%-85% Shares Pension Sector [#]	Passive
BlackRock Consensus 100 Fund	The Lipper ABI Global Equity Pensions Sector [#]	Passive
BlackRock Global Equity Fund	FTSE All Share Index (50%) and the FTSE World ex-UK Index (50%) [^]	Passive
BlackRock Institutional UK Focus Fund	FTSE All-Share Index [#]	Active
BlackRock Overseas Equity Fund	FTSE World ex-UK Index [^]	Passive

[#] Comparator benchmark

[^] Target benchmark

Performance Summary

The following table compares the realised performance of the Funds during the financial year ended 29 February 2020.

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

	Fund return %	Target/comparator benchmark return %
BlackRock Consensus 35 Fund – Class D Accumulation Units	8.11	5.75
BlackRock Consensus 60 Fund – Class D Accumulation Units	5.99	3.96
BlackRock Consensus 70 Fund – Class D Accumulation Units	5.52	4.30
BlackRock Consensus 85 Fund – Class D Accumulation Units	4.94	4.78
BlackRock Consensus 100 Fund – Class D Accumulation Units	5.61	6.87
BlackRock Global Equity Fund – Class D Accumulation Units	2.80	4.02
BlackRock Institutional UK Focus Fund – Class A Accumulation Units	9.02	(1.43)
BlackRock Overseas Equity Fund – Class I Accumulation Units	7.48	9.62

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.

Investment Report continued

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

BlackRock Consensus 35 Fund

BlackRock Consensus 60 Fund

BlackRock Consensus 70 Fund

BlackRock Consensus 85 Fund

BlackRock Consensus 100 Fund

Over the financial year to 29 February 2020 the Trust's return was 8.11%, 5.99%, 5.52%, 4.94% and 5.61% for the 5 Funds respectively.

Investment Report continued

Each Fund uses an asset allocation strategy that is based on the respective comparator benchmark. Given that each Fund is effectively a passively managed strategy, there were no decisions actively taken to deviate from the given asset allocation.

In the early part of the financial year, the developed market equity component led the way in terms of performance, with all regional markets closing the period higher. Specifically, Europe (ex UK) was the strongest performing region in terms of contribution to the overall performance of the Funds. Sentiment in the region was supported by accommodative monetary policy, the increased expectations of further stimulus, higher than normal capacity utilisation rates (which measures the proportion of potential economic output that is actually realised), and labor markets near full employment. In the U.S., the strong equity markets were predominantly a result of the prospect of easy monetary policy, which was backed by the summary of positive economic projections. Outperformance was despite volatility during the period being spurred on by trade tensions with China and Mexico. These escalating trade tensions were also felt in emerging markets, which resulted in a volatile period for equity markets. Nevertheless, buoyed by a weaker dollar, emerging market equities also ended the period up.

The fourth quarter of 2019 was a strong one for equity markets, buoyed by diminishing global geopolitical tensions. UK equities were the strongest performing market over the period, amid a dense quarter of Brexit developments and the Conservative Party winning a landslide general election victory. Economic activity elsewhere in Europe was better than in recent quarters, with the perceived easing in trade tensions contributing to positive sentiment. Despite this, monetary policy remained accommodative, with the ECB resuming its balance sheet expansion. In the U.S., risk appetite was boosted broadly by strong economic growth, easy monetary policy and importantly expectations of a U.S. and China trade deal. This positive sentiment was echoed in emerging markets, with China contributing the most to the MSCI Emerging Markets Index total returns. However, the macroeconomic landscape continued to falter in China, with manufacturing and production metrics trending downwards. In Latin America, Brazil outperformed, supported by lower rates and a revamped pension system, which helped boost investor sentiment

February 2020 was a turbulent month for financial markets, as the COVID-19 outbreak concerned investors, and bond yields were sent lower throughout the month. While a better than expected fourth quarter earnings season in the U.S. had lent optimism to the markets earlier in the month, increases in COVID-19 cases outside of China led to a sharp sell-off at the end of the month. Developed market equities were down by 8.1% for the month. Macro data in the U.S. was mixed, and the U.S. composite Purchasing Manager Index (PMI) fell to 49.6 in February down from 53.3 in January, signalling the first decrease in output for over six years (PMI below 50 indicates contraction). However, according to the January employment report, the labour market remains healthy. In the eurozone, composite PMI saw an uptick, coming in at 51.6. This reflects a fading of Brexit uncertainty and the negative impacts of US China trade conflict. Unfortunately, COVID-19 related issues such as a decline in export orders and a lengthening of delivery times are likely to intensify in March as the outbreak in Italy and around the world disrupts production. UK composite PMI data came in slightly lower than last month at 53, but remains in expansionary territory. Job growth in the UK continued its recent upswing and the unemployment rate remained at 3.8%, the lowest level since 1975.

In fixed income markets, returns were positive across the board, with more muted performance in UK domestic bonds being supported by much more favourable performance in overseas bonds, both in the corporate and government space. In February, due to the COVID-19 outbreak, 10-year government bond yields fell across the developed world (with the exception of Italy and Spain), resulting in positive performance from fixed income. Benchmark 10-year yields fell by 0.39% to 1.13% in the US, 0.09% to -0.15% in Japan, 0.17% to -0.61% in Germany and 0.09% to 0.44% in the UK.

Investment Report continued

BlackRock Global Equity Fund

Over the financial year to 29 February 2020, the Fund's return was 2.80%, regrettably underperforming its target benchmark, which returned 4.02%.

The tracking difference is a result of the difference in valuation point of the Fund (midday) and the pricing point of the target benchmark (close of business).

The Fund aims to track the average asset allocation of a 50% weighting in the FTSE All-Share Index and a 50% weighting in the FTSE World ex-UK Index.

BlackRock Institutional UK Focus Fund

Over the financial year to 29 February 2020, the Fund's active return was 10.45%, outperforming its comparator benchmark (active return is the difference between the Fund's return and the comparator benchmark return).

UK equity markets were down for the full year to the end of February 2020. After former Prime Minister ("PM") Theresa May failed to secure a Brexit deal in Parliament, the new PM Boris Johnson was elected on a "Get Brexit Done" platform. Investors held their breath going into the 12 December 2019 General Election and showed sign of relief when the Conservative party secured a majority. Sterling surged to a three and a half year high against the Euro on the hope that the new-found stability in Parliament would remove uncertainty around Brexit. However, late 2019 gains were lost at the start of 2020 due to the COVID-19 outbreak which had a largely negative impact on equity markets globally, sparking a risk-off response and a raft of forecast downgrades.

Active return was driven by stock selection and our focus on selecting high quality companies that have the ability to grow their business regardless of the wider economic environment. We used portfolio stress testing throughout the period to ensure the portfolio remained neutral to moves in Sterling, given that we could not justify taking capital risk where there was a wide range of potential outcomes where we had no informational advantage. That approach was justified, we believe, with relative returns during the year; a function of strong fundamental performance from the companies we hold rather than from currency and market fluctuations.

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

Largest Contributors		Largest Detractors	
Stock	Effect on Fund return	Stock	Effect on Fund return
London Stock Exchange [#]	3.19%	SSP [#]	-0.56%
Ferguson [#]	2.16%	Johnson Matthey [#]	-0.52%
Next [#]	1.66%	GlaxoSmithKline [^]	-0.41%
Royal Dutch Shell [^]	1.29%	Cairn Energy [#]	-0.40%
RELX [#]	1.05%	National Grid [^]	-0.37%

[#] Overweight position - holds more exposure than the benchmark.

[^] Underweight position - holds less exposure than the benchmark.

Investment Report continued

London Stock Exchange's share price drifted higher over the year on the back of its proposed acquisition of Refinitiv and buy-out interest from Hong Kong Exchanges and Clearing Limited (HKEX). Next is successfully demonstrating its ability to differentiate its performance from that of the majority of High Street clothing retailers. Next's key competitive advantage remains its online offering, the company has evolved from a paper-based catalogue of Next product to an online offering of Next product, both in the UK and overseas, and of third-party brands.

The top detractor during the period was Airport and railway focused retailer SSP. The company had a volatile year after losing its respected CEO and suffering from protests in Hong Kong and France. The company was negatively impacted at the start of 2020 by the COVID-19 outbreak, as the entire Travel & Leisure sector suffered.

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

Top overweight positions			
29 February 2020		28 February 2019	
Sector	Weighting	Sector	Weighting
Consumer Services	22.3%	Consumer Services	23.1%
Health Care	3.0%	Basic Materials	2.5%
Basic Materials	1.3%	Technology	-1.1%

Top underweight positions			
29 February 2020		28 February 2019	
Sector	Weighting	Sector	Weighting
Financials	-10.6%	Oil & Gas	-8.4%
Oil & Gas	-6.9%	Financials	-4.4%
Consumer Goods	-5.0%	Consumer Goods	-3.3%

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

BlackRock Overseas Equity Fund

Over the financial year to 29 February 2020, very regrettably the Fund's return was 7.48%, underperforming its target benchmark, which returned 9.62%.

The tracking difference is a result of (a) the difference in valuation point of the Fund (midday) and the pricing point of the target benchmark (close of business) and (b) the target benchmark covers certain countries (Israel, Brazil, Mexico, South Africa) that the investment process doesn't gain exposure to.

The Fund aims to track the average asset allocation of the FTSE World ex-UK Index.

Report on Remuneration

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

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

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

Remuneration Governance

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

(a) MDCC

The MDCC’s purposes include:

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

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

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

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

Report on Remuneration continued

(b) The Manager's Board

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

Decision-making process

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

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

Annual incentive awards are paid from a bonus pool.

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

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

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

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

Individuals are not involved in setting their own remuneration.

Control functions

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

Report on Remuneration continued

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

Link between pay and performance

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

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

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

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

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

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

Report on Remuneration continued

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

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

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

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

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

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the “BlackRock Performance Incentive Plan” (“BPIP”). Awards made from the BPIP have a three-year performance period based on a measurement of As Adjusted Operating Margin¹ and Organic Revenue Growth². 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.

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).

Report on Remuneration continued

Identified Staff

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

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

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

Quantitative Remuneration Disclosure

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

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

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

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

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

Report on Remuneration continued

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

Accounting and Distribution Policies*

for the year ended 29 February 2020

1 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 the Post Balance Sheet Events note of each fund for further information on the impact of COVID-19.

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

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

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

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

Bank interest is recognised on an accruals basis.

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

(c) Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.

(d) The underlying circumstances behind both special dividends and share buy backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Any tax treatment will follow the accounting treatment of the principal amount.

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

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

(g) Provision for corporation tax is made at the current rate on the excess of taxable revenue over allowable expenses. Provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that it is considered more likely than not that there will be taxable profits in the future against which the asset can be offset.

(h) 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

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

Accounting and Distribution Policies continued

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.

- (i) Any transactions in foreign currencies are translated into Sterling at the rates of exchange ruling on the date of any such transaction. Assets and liabilities in foreign currencies are translated into Sterling at the exchange rates ruling at the end of the accounting period. Revenue items in foreign currencies are translated into Sterling at the exchange rate when the revenue is received.
- (j) Where appropriate, certain permitted financial instruments such as derivatives are used for efficient portfolio management. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in 'Revenue' in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in 'Net capital gains/(losses)' in the Statement of Total Return.
- (k) 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

- (l) The ordinary element of stock dividends received by the BlackRock Institutional UK Focus Fund is treated as revenue but does not form part of the distribution.
- (m) Special dividends and share buy backs recognised as revenue form part of the distribution.
- (n) The units in each of the Funds are accumulation units, with the exception of the BlackRock Institutional UK Focus Fund which also has income units. All of the net revenue available for distribution held in respect to accumulation units at the final accounting period end will be accumulated by the Funds with a transfer from revenue to capital, with the exception of the BlackRock Institutional UK Focus Fund which will also make a distribution to unitholders in respect to income units held. In order to conduct a controlled dividend flow to unitholders, interim distributions may be made at the Manager's discretion, up to a maximum of the distributable revenue available for the period (with exception of the BlackRock Institutional UK Focus Fund which only distributes at Final). Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.
- (o) The BlackRock Consensus 35 Fund has satisfied the qualifying investment test as specified in S468L ICTA 1988 at all times throughout the distribution period. As such, any revenue available for distribution will be paid as an interest distribution. All other Funds will pay a dividend distribution.

Financial Instruments and Risks*

Introduction and overview

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

Risk management framework

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

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

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

a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Funds may suffer through holding market positions in the face of market movements. The Funds are exposed to market risk by virtue of their underlying investments in equities, corporate bonds and government bonds and direct investments in forward currency contracts and in the case of BlackRock Institutional UK Focus Fund, its direct investments in equities.

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 a Fund will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk.

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

Financial Instruments and Risks continued

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

The one day VaR as at 29 February 2020 and 28 February 2019 based on a 99% confidence level is outlined in the table below:

Fund	29 February 2020 %	28 February 2019 %
BlackRock Consensus 35 Fund	0.68	0.65
BlackRock Consensus 60 Fund	1.18	0.97
BlackRock Consensus 70 Fund	1.42	1.20
BlackRock Consensus 85 Fund	2.07	1.65
BlackRock Consensus 100 Fund	3.29	2.52
BlackRock Global Equity Fund	3.56	2.55
BlackRock Institutional UK Focus Fund	3.63	2.39
BlackRock Overseas Equity Fund	3.31	2.63

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 net assets of the Funds are denominated mainly in Sterling, however, the underlying CIS hold financial assets and financial liabilities denominated in other international currencies. As such, the Funds have indirect exposure to foreign currency risk through their underlying investments in CIS, whereby the value of the underlying CIS may fluctuate as a result of changes to foreign currency rates.

Management of foreign currency risk

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

ii) Market risk arising from other price risk

Exposure to other price risk

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

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

Management of other price risk

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

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

To manage other price risk, the Investment Manager performs extensive initial and ongoing due diligence on the underlying funds. The underlying funds are required to provide the Investment Manager with reports on a daily, monthly or quarterly basis, monitoring the internal controls and operational infrastructure of the managers of these funds.

iii) Market risk arising from interest rate risk

Exposure to interest rate risk

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

The Funds are exposed to interest rate risk on their cash and bank balances held at The Bank of New York Mellon (International) Limited, amounts held at futures clearing houses and brokers and cash equivalent holdings. Cash held on deposit at The Bank of New York Mellon (International) Limited receives/incurs interest at the prevailing daily rate which may be negative depending on the currency in which the cash is held.

The Funds also have indirect exposure to interest rate risk through their investments into CIS, whereby the value of the underlying asset may fluctuate as a result of a change in interest rates.

Management of interest rate risk

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

b) Counterparty credit risk

Exposure to counterparty credit risk

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

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

Management of counterparty credit risk

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

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

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

i) Over-the-Counter ("OTC") Financial Derivative Instruments ("FDIs")

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

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

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

Management of counterparty credit risk related to OTC FDIs

Forward currency contracts do not require variation margin and thus the counterparty credit risk is monitored through the BlackRock RQA Counterparty & Concentration Risk Team which monitors the creditworthiness of the counterparty.

The lowest credit rating of any one counterparty as at 29 February 2020 is A- (28 February 2019: AA-) (Standard & Poor's rating).

Financial Instruments and Risks continued

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

29 February 2020

Counterparty	Forwards	Total Exposure
BlackRock Consensus 35 Fund	£000's	£000's
Bank of America Merrill Lynch	(1,665)	(1,665)
Deutsche Bank AG	(28)	(28)
Goldman Sachs International	(1,362)	(1,362)
Toronto-Dominion Bank	(1)	(1)

Counterparty	Forwards	Total Exposure
BlackRock Consensus 60 Fund	£000's	£000's
Bank of America Merrill Lynch	(1,141)	(1,141)
Goldman Sachs International	(932)	(932)
Standard Chartered Bank	(21)	(21)

Counterparty	Forwards	Total Exposure
BlackRock Consensus 70 Fund	£000's	£000's
BNP Paribas Arbitrage SNC	(15)	(15)
Goldman Sachs International	(1,192)	(1,192)

Counterparty	Forwards	Total Exposure
BlackRock Consensus 85 Fund	£000's	£000's
Goldman Sachs International	(9,838)	(9,838)

28 February 2019

Counterparty	Forwards	Total Exposure
BlackRock Consensus 35 Fund	£000's	£000's
Goldman Sachs International	853	853
Royal Bank of Scotland Plc	15	15

Counterparty	Forwards	Total Exposure
BlackRock Consensus 60 Fund	£000's	£000's
Goldman Sachs International	593	593
Royal Bank of Scotland Plc	15	15

Financial Instruments and Risks continued

Counterparty	Forwards	Total Exposure
BlackRock Consensus 70 Fund	£000's	£000's
Barclays Bank Plc	15	15
Goldman Sachs International	340	340

Counterparty	Forwards	Total Exposure
BlackRock Consensus 85 Fund	£000's	£000's
Goldman Sachs International	2,995	2,995

ii) Trustee and Custodian

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

The Trustee is liable to the Funds for the loss of financial instruments of the Funds which are held in custody as part of the Trustee's safekeeping function. The liability of the Trustee will not be affected by the fact that it has entrusted the safekeeping function to the Custodian save where this liability is lawfully discharged to a delegate (any such discharge will be notified to unitholders) or where the loss of financial instruments arises as a result of an external event beyond reasonable control as provided for under AIFMD. The Trustee will not be indemnified out of the assets of the Funds for the loss of financial instruments where it is so liable. Substantially all of the investments of the Funds are held by the Custodian at the year end.

Investments are segregated from the assets of the Custodian, with ownership rights remaining with the Funds. Bankruptcy or insolvency of the Custodian may cause the Funds' rights with respect to their investments held by the Custodian to be delayed or limited. The maximum exposure to this risk is the total amount of equity and bond investments disclosed in the portfolio statement of each Fund.

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

Management of counterparty credit risk related to the Trustee and Custodian

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

The long term credit rating of the parent company of the Trustee and Custodian, The Bank of New York Mellon Corporation, as at 29 February 2020 was AA- (28 February 2019: A) (Standard & Poor's rating).

iii) Debt securities

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

The bonds held by the Funds' underlying CIS are issued by companies and government agencies in order to achieve the investment objectives for each of the Funds' underlying CIS.

Financial Instruments and Risks continued

The borrower receives from the Funds' underlying CIS a principal amount. The Funds' underlying CIS will then receive interest based on the coupon rate of the bond and repayment of the initial principal amount on the bond's maturity date.

Any impairment to the borrower's ability to pay amounts due may result in changes to the tradable value of the bond and the amount to be received upon maturity of the bond.

Management of counterparty credit risk related to debt securities

The ability of the borrower to repay not only the principal value but also any interest due on the bond, referred to as the borrower's credit rating, is monitored by the Investment Manager of the Funds' underlying CIS.

The Investment Manager of the Funds' underlying CIS may undertake its own research of the borrower's financial position in order to assess the ability of the borrower to pay amounts due.

The ratings of the underlying funds' debt securities are continually monitored by the BlackRock Portfolio Management Group.

iv) Securities Lending

The BlackRock Institutional UK Focus Fund engages in securities 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 Trust, 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 BlackRock Institutional UK Focus Fund. Collateral received is segregated from the assets belonging to the Fund's Trustee or the Stock Lending Agent.

Financial Instruments and Risks continued

The following table details the value of securities on loan (individually identified in the Fund's 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		28 February 2019	
		Securities on loan	Collateral received	Securities on loan	Collateral received
BlackRock Institutional UK Focus Fund		£000's	£000's	£000's	£000's
Barclays Capital Securities Limited	UK	829	855	5,065	5,358
Citigroup Global Markets Limited	UK	562	606	–	–
HSBC Bank Plc	UK	–	–	670	707
J.P. Morgan Securities Plc	UK	–	–	164	181
The Bank of Nova Scotia	Canada	170	187	245	271
Total		1,561	1,648	6,144	6,517

At 29 February 2020, collateral received from these borrowing counterparties comprised of 58.13% in debt securities and 41.87% in equity securities (28 February 2019: 75.68% in debt securities and 24.32% 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, 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 Funds will encounter difficulties in meeting their obligations associated with financial liabilities.

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

All non-derivative financial liabilities including distributions payable held by the Funds as at 29 February 2020 and 28 February 2019, based on contractual maturities, fall due within one to three months, with the exception of corporation tax payable which falls due within nine to twelve months.

Management of liquidity risk

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

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

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

d) Valuation of financial instruments

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

Level 1 – Quoted prices for identical instruments in active markets

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

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.

Financial Instruments and Risks continued

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

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

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

BlackRock Consensus 35 Fund	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2020				
Investment assets	–	238,524	–	238,524
Investment liabilities	–	(3,056)	–	(3,056)
28 February 2019				
Investment assets	–	151,794	–	151,794
Investment liabilities	–	–	–	–
BlackRock Consensus 60 Fund	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2020				
Investment assets	–	246,012	–	246,012
Investment liabilities	–	(2,094)	–	(2,094)
28 February 2019				
Investment assets	–	176,352	–	176,352
Investment liabilities	–	–	–	–
BlackRock Consensus 70 Fund	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2020				
Investment assets	–	173,258	–	173,258
Investment liabilities	–	(1,207)	–	(1,207)
28 February 2019				
Investment assets	–	123,668	–	123,668
Investment liabilities	–	–	–	–

Financial Instruments and Risks continued

BlackRock Consensus 85 Fund	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2020				
Investment assets	–	2,184,874	–	2,184,874
Investment liabilities	–	(9,838)	–	(9,838)
28 February 2019				
Investment assets	–	1,770,238	–	1,770,238
Investment liabilities	–	–	–	–
BlackRock Consensus 100 Fund	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2020				
Investment assets	–	95,615	–	95,615
Investment liabilities	–	–	–	–
28 February 2019				
Investment assets	–	77,932	–	77,932
Investment liabilities	–	–	–	–
BlackRock Global Equity Fund	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2020				
Investment assets	–	456,044	–	456,044
Investment liabilities	–	–	–	–
28 February 2019				
Investment assets	–	468,876	–	468,876
Investment liabilities	–	–	–	–
BlackRock Institutional UK Focus Fund	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2020				
Investment assets	34,249	1,676	–	35,925
Investment liabilities	–	–	–	–
28 February 2019				
Investment assets	90,267	–	–	90,267
Investment liabilities	–	–	–	–

Financial Instruments and Risks continued

BlackRock Overseas Equity Fund	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
29 February 2020				
Investment assets	–	2,044,608	–	2,044,608
Investment liabilities	–	–	–	–
28 February 2019				
Investment assets	–	1,506,782	–	1,506,782
Investment liabilities	–	–	–	–

e) Leverage

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

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

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

Fund	Gross exposure			Commitment Approach		
	Maximum limit	Leverage as at 29.2.2020	Leverage as at 28.2.2019	Maximum limit	Leverage as at 29.2.2020	Leverage as at 28.2.2019
BlackRock Consensus 35 Fund	1.1:1	2.4:1	2.2:1	1.1:1	1.4:1	1.4:1
BlackRock Consensus 60 Fund	1.1:1	1.9:1	1.8:1	1.1:1	1.3:1	1.2:1
BlackRock Consensus 70 Fund	1.1:1	1.7:1	1.6:1	1.1:1	1.2:1	1.2:1
BlackRock Consensus 85 Fund	1.1:1	1.5:1	1.4:1	1.1:1	1.2:1	1.1:1
BlackRock Consensus 100 Fund	1.1:1	1.0:1	1.0:1	1.1:1	1.0:1	1.0:1
BlackRock Global Equity Fund	1.1:1	1.0:1	1.0:1	1.1:1	1.0:1	1.0:1
BlackRock Institutional UK Focus Fund	2.0:1	1.0:1	1.0:1	1.3:1	1.0:1	1.0:1
BlackRock Overseas Equity Fund	1.1:1	1.0:1	1.0:1	1.1:1	1.0:1	1.0:1

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

BlackRock Consensus 35 Fund

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds (2), a non-UCITS retail scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 25 May 2012 and was established on 13 July 2012. The Fund's FCA product reference number is 643960.

BlackRock Consensus 35 Fund

Performance Record

Comparative Table

	A Accumulation 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	135.1	131.7	132.9	138.2	134.2	134.9
Return before operating charges	11.39	4.19	(0.33)	11.67	4.26	(0.38)
Operating charges	(0.90)	(0.84)	(0.84)	(0.34)	(0.31)	(0.31)
Return after operating charges	10.49	3.35	(1.17)	11.33	3.95	(0.69)
Distributions	(2.11)	(1.82)	(1.66)	(2.75)	(2.40)	(2.23)
Retained distributions on accumulation units	2.11	1.82	1.66	2.75	2.40	2.23
Closing net asset value per unit						
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges ¹	7.76%	2.54%	(0.88)%	8.20%	2.94%	(0.51)%
Other information						
Closing net asset value (£000's)	28,424	16,006	11,455	207,072	135,839	101,289
Closing number of units	19,522,736	11,851,647	8,695,974	138,481,763	98,331,179	75,467,728
Operating charges ²	0.63%	0.63%	0.63%	0.23%	0.23%	0.23%
Direct transaction costs ³	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest offer unit price	156.1	143.5	143.8	152.7	139.8	139.2
Lowest bid unit price	135.3	129.6	130.2	138.4	132.1	132.7

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 collective investment schemes. See note 13 for further details.

BlackRock Consensus 35 Fund

Distribution Tables

for the year ended 29 February 2020

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2019

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

	A Accumulation Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Gross revenue	1.2120	0.0000	1.5400	0.0000
Equalisation†	–	1.2120	–	1.5400
Distribution paid 30.4.2020	1.2120	1.2120	1.5400	1.5400
Distribution paid 30.4.2019	1.1000	1.1000	1.3929	1.3929

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2019

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

	A Accumulation Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Gross revenue	0.8984	0.0000	1.2074	0.0000
Equalisation†	–	0.8984	–	1.2074
Distribution paid 31.10.2019	0.8984	0.8984	1.2074	1.2074
Distribution paid 31.10.2018	0.7172	0.7172	1.0053	1.0053

† 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.

BlackRock Consensus 35 Fund

Portfolio Statement

at 29 February 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT			
SCHEMES – 101.29%; 28.2.2019 99.40%			
Equity Funds – 20.80%; 28.2.2019 23.11%			
3,115,536	iShares Continental European Equity Index Fund UK	7,770	3.30
120,622	iShares Emerging Markets Equity Index Fund UK	198	0.09
1,175,972	iShares Global Property Equity Index Fund UK	2,657	1.13
1,233,377	iShares Japan Equity Index Fund UK	2,680	1.14
2,548,026	iShares North American Equity Index Fund UK	10,274	4.36
334,920	iShares Pacific ex Japan Equity Index Fund UK	1,088	0.46
11,242,399	iShares UK Equity Index Fund UK	24,306	10.32
		48,973	20.80

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Fixed Income Funds – 74.38%; 28.2.2019 69.75%			
60,722	BlackRock Global Index Funds - iShare Emerging Markets Government Bond Index LU	6,757	2.87
13,642,579	iShares Corporate Bond Index Fund UK	23,356	9.92
4,376,555	iShares Index Linked Gilt Index Fund UK	7,878	3.34
34,523,738	iShares Overseas Corporate Bond Index Fund UK	58,449	24.82
30,502,614	iShares Overseas Government Bond Index Fund UK	43,588	18.51
18,618,755	iShares UK Gilts All Stocks Index Fund UK	35,133	14.92
		175,161	74.38
Short-term Money Market Funds – 6.11%; 28.2.2019 6.54%			
13,998,149	BlackRock Cash Fund	14,390	6.11

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – (1.30%); 28.2.2019 0.57%			
Forward Currency Contracts – (1.30%); 28.2.2019 0.57%			
£3,837,451	UK sterling vs Canadian dollar	(33)	(0.02)
£52,691,067	UK sterling vs Euro	(575)	(0.24)
£19,525,926	UK sterling vs Japanese yen	(348)	(0.15)
£131,186,587	UK sterling vs US dollar	(2,100)	(0.89)
		(3,056)	(1.30)
Portfolio of investments		235,468	99.99
Net other assets		28	0.01
Total net assets		235,496	100.00

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

The counterparties for the forward currency contracts are Bank of America Merrill Lynch, Deutsche Bank AG, Goldman Sachs International and Toronto-Dominion Bank.

All underlying funds are managed by a related party.

BlackRock Consensus 35 Fund

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		9,933		881
Revenue	4	3,830		2,604	
Expenses	5	(508)		(340)	
Interest payable and similar charges	6	(1)		–	
Net revenue before taxation		3,321		2,264	
Taxation	7	–		1	
Net revenue after taxation			3,321		2,265
Total return before distributions			13,254		3,146
Distributions	8		(3,321)		(2,265)
Change in net assets attributable to unitholders from investment activities			9,933		881

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			151,845	112,744
Amounts receivable on issue of units	110,074		77,366	
Amounts payable on cancellation of units	(40,340)		(41,682)	
			69,734	35,684
Stamp duty reserve tax			2	–
Change in net assets attributable to unitholders from investment activities			9,933	881
Retained distribution on accumulation units			3,982	2,536
Closing net assets attributable to unitholders			235,496	151,845

BlackRock Consensus 35 Fund

Balance Sheet

at 29 February 2020

	Notes	29.2.2020 £000's	28.2.2019 £000's
Assets:			
Fixed assets			
– Investment assets		238,524	151,794
Current assets			
– Debtors	9	1,440	781
– Cash and bank balances		34	30
Total assets		239,998	152,605
Liabilities:			
Investment liabilities		(3,056)	–
Creditors			
– Other creditors	10	(1,446)	(760)
Total liabilities		(4,502)	(760)
Net assets attributable to unitholders		235,496	151,845

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

20 May 2020

BlackRock Consensus 35 Fund

Notes to Financial Statements

for the year ended 29 February 2020

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 30.

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	11,827	354
Losses on derivative securities	(2,845)	(52)
Currency gains	956	581
Custodian transaction costs	(5)	(2)
Net capital gains	9,933	881

Net gains (excluding transaction costs) listed above of £9,938,000 comprise net realised gains of £2,863,000 and net unrealised gains of £7,075,000 (28 February 2019: £883,000 comprising net realised gains of £137,000 and net unrealised gains of £746,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Equity distributions on CIS holdings	1,159	781
Interest distributions on CIS holdings	2,165	1,502
Manager's charge rebates	349	240
Overseas dividends	157	81
Total revenue	3,830	2,604

BlackRock Consensus 35 Fund

Notes to Financial Statements continued

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	1
– Manager's charge	485	322
	486	323
Other expenses:		
– Audit fee	8	7
– Trustee's fees	14	10
	22	17
Total expenses	508	340

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

6. Interest Payable and Similar Charges

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interest on bank overdrafts	1	–
Total interest payable and similar charges	1	–

7. Taxation

(a) Analysis of tax charge/(credit)

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Irrecoverable overseas tax	–	(1)
Total tax charge/(credit) [see note 7(b)]	–	(1)

BlackRock Consensus 35 Fund

Notes to Financial Statements continued

7. Taxation continued

(b) Factors affecting the tax charge/(credit)

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

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Net revenue before taxation	3,321	2,264
Corporation tax at 20% (28 February 2019: 20%)	664	453
Effects of:		
Irrecoverable overseas tax	–	(1)
Revenue not subject to tax	(232)	(156)
Tax deductible interest distributions	(432)	(297)
Total tax charge/(credit) [see note 7(a)]	–	(1)

8. Distributions

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interim distribution	1,613	1,036
Final distribution	2,369	1,500
	3,982	2,536
Add: Amounts deducted on cancellation of units	396	380
Less: Amounts received on issue of units	(1,057)	(651)
Distributions	3,321	2,265

Details of the interim and final distributions per unit are set out in the tables on page 33.

9. Debtors

	29.2.2020 £000's	28.2.2019 £000's
Accrued Manager's charge rebates	110	69
Amounts receivable for issue of units	1,111	698
Income tax recoverable	22	14
Sales awaiting settlement	197	–
Total debtors	1,440	781

BlackRock Consensus 35 Fund

Notes to Financial Statements continued

10. Other Creditors

	29.2.2020	28.2.2019
	£000's	£000's
Accrued Annual service charge [^]	–	2
Accrued Audit fee	7	7
Accrued Manager's charge	128	88
Accrued Trustee's fee	3	3
Amounts payable for cancellation of units	564	183
Custodian transaction costs	1	–
Purchases awaiting settlement	743	477
Total other creditors	1,446	760

[^] '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.

11. Contingent Assets and Liabilities

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

12. Related Parties

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

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

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (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,

BlackRock Consensus 35 Fund

Notes to Financial Statements continued

12. Related Parties continued

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.

13. Portfolio Transaction Costs

For the year ended 29 February 2020

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	87,841	–	–	–	–
Total purchases	87,841	–		–	
Total purchases including transaction costs	87,841				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	15,544	–	–	–	–
Total sales	15,544	–		–	
Total sales net of transaction costs	15,544				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

BlackRock Consensus 35 Fund

Notes to Financial Statements continued

13. Portfolio Transaction Costs continued

For the year ended 28 February 2019

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	55,250	–	–	–	–
Total purchases	55,250	–		–	
Total purchases including transaction costs	55,250				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	19,720	–	–	–	–
Total sales	19,720	–		–	
Total sales net of transaction costs	19,720				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

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.

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 incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.28% (28 February 2019: 0.27%).

BlackRock Consensus 35 Fund

Notes to Financial Statements continued

14. Units in Issue

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

	A Accumulation Units	D Accumulation Units
Balance at the beginning of the year	11,851,647	98,331,179
Issued during the year	8,836,056	66,749,691
Cancelled during the year	(1,164,967)	(26,599,107)
Balance at the end of the year	19,522,736	138,481,763

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

15. 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 -2.41%. Performance returns for the other unit classes in issue can be obtained upon request.

BlackRock Consensus 60 Fund

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds (2), a non-UCITS retail scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 25 May 2012 and was established on 13 July 2012. The Fund's FCA product reference number is 643961.

BlackRock Consensus 60 Fund

Performance Record

Comparative Table

	A Accumulation 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	142.1	139.8	138.4	145.2	142.4	140.5
Return before operating charges	9.39	3.18	2.31	9.46	3.11	2.23
Operating charges	(0.95)	(0.89)	(0.89)	(0.36)	(0.33)	(0.33)
Return after operating charges	8.44	2.29	1.42	9.10	2.78	1.90
Distributions	(2.64)	(2.44)	(2.16)	(3.19)	(2.95)	(2.65)
Retained distributions on accumulation units	2.64	2.44	2.16	3.19	2.95	2.65
Closing net asset value per unit						
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges ¹	5.94%	1.64%	1.03%	6.27%	1.95%	1.35%
Other information						
Closing net asset value (£000's)	34,010	18,618	14,965	209,803	158,219	131,781
Closing number of units	22,592,870	13,102,665	10,703,052	135,972,689	108,983,513	92,543,971
Operating charges ²	0.63%	0.63%	0.63%	0.23%	0.23%	0.23%
Direct transaction costs ³	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest offer unit price	166.1	154.1	152.5	162.1	149.7	147.9
Lowest bid unit price	142.5	136.4	137.5	145.6	139.0	139.7

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 collective investment schemes. See note 13 for further details.

BlackRock Consensus 60 Fund

Distribution Tables

for the year ended 29 February 2020

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2019

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

	A Accumulation Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.6435	0.0000	1.9344	0.0000
Equalisation [†]	–	1.6435	–	1.9344
Distribution paid 30.4.2020	1.6435	1.6435	1.9344	1.9344
Distribution paid 30.4.2019	1.5961	1.5961	1.8560	1.8560

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2019

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

	A Accumulation Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	0.9955	0.0000	1.2602	0.0000
Equalisation [†]	–	0.9955	–	1.2602
Distribution paid 31.10.2019	0.9955	0.9955	1.2602	1.2602
Distribution paid 31.10.2018	0.8441	0.8441	1.0936	1.0936

[†] 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.

BlackRock Consensus 60 Fund

Portfolio Statement

at 29 February 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 100.90%; 28.2.2019 99.38%			
Equity Funds – 42.09%; 28.2.2019 44.27%			
7,498,941	iShares Continental European Equity Index Fund UK	18,702	7.67
567,331	iShares Emerging Markets Equity Index Fund UK	929	0.38
501,809	iShares Global Property Equity Index Fund UK	1,134	0.47
2,029,499	iShares Japan Equity Index Fund UK	4,410	1.81
4,020,693	iShares North American Equity Index Fund UK	16,212	6.65
1,086,256	iShares Pacific ex Japan Equity Index Fund UK	3,530	1.45
26,687,093	iShares UK Equity Index Fund UK	57,698	23.66
		102,615	42.09

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Fixed Income Funds – 52.66%; 28.2.2019 48.46%			
56,137	BlackRock Global Index Funds - iShare Emerging Markets Government Bond Index LU	6,247	2.56
15,572,025	iShares Corporate Bond Index Fund UK	26,659	10.93
3,574,885	iShares Index Linked Gilt Index Fund UK	6,435	2.64
27,298,489	iShares Overseas Corporate Bond Index Fund UK	46,216	18.95
16,391,929	iShares Overseas Government Bond Index Fund UK	23,424	9.61
10,292,940	iShares UK Gilts All Stocks Index Fund UK	19,423	7.97
		128,404	52.66
Short-term Money Market Funds – 6.15%; 28.2.2019 6.65%			
14,585,163	BlackRock Cash Fund	14,993	6.15

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – (0.86%); 28.2.2019 0.35%			
Forward Currency Contracts – (0.86%); 28.2.2019 0.35%			
£1,850,289	UK sterling vs Canadian dollar	(16)	0.00
£35,121,080	UK sterling vs Euro	(384)	(0.16)
£9,124,152	UK sterling vs Japanese yen	(162)	(0.07)
£96,547,400	UK sterling vs US dollar	(1,532)	(0.63)
		(2,094)	(0.86)
Portfolio of investments		243,918	100.04
Net other liabilities		(105)	(0.04)
Total net assets		243,813	100.00

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

The counterparties for the forward currency contracts are Bank of America Merrill Lynch, Goldman Sachs International, Standard Chartered Bank and Toronto-Dominion Bank.

All underlying funds are managed by a related party.

BlackRock Consensus 60 Fund

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/(losses)	3		6,791		(225)
Revenue	4	5,200		3,797	
Expenses	5	(575)		(406)	
Interest payable and similar charges	6	(1)		–	
Net revenue before taxation		4,624		3,391	
Taxation	7	(380)		(289)	
Net revenue after taxation			4,244		3,102
Total return before distributions			11,035		2,877
Distributions	8		(4,244)		(3,102)
Change in net assets attributable to unitholders from investment activities			6,791		(225)

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			176,837	146,746
Amounts receivable on issue of units	106,340		56,251	
Amounts payable on cancellation of units	(50,954)		(29,333)	
			55,386	26,918
Change in net assets attributable to unitholders from investment activities			6,791	(225)
Retained distribution on accumulation units			4,799	3,398
Closing net assets attributable to unitholders			243,813	176,837

BlackRock Consensus 60 Fund

Balance Sheet

at 29 February 2020

	Notes	29.2.2020 £000's	28.2.2019 £000's
Assets:			
Fixed assets			
– Investment assets		246,012	176,352
Current assets			
– Debtors	9	2,054	1,445
– Cash and bank balances		55	36
Total assets		248,121	177,833
Liabilities:			
Investment liabilities		(2,094)	–
Creditors			
– Other creditors	10	(2,214)	(996)
Total liabilities		(4,308)	(996)
Net assets attributable to unitholders		243,813	176,837

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

20 May 2020

BlackRock Consensus 60 Fund

Notes to Financial Statements

for the year ended 29 February 2020

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 30.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	8,896	(505)
Losses on derivative securities	(2,818)	(240)
Currency gains	717	521
Custodian transaction costs	(4)	(1)
Net capital gains/(losses)	6,791	(225)

Net gains (excluding transaction costs) listed above of £6,795,000 comprise net realised gains of £2,204,000 and net unrealised gains of £4,591,000 (28 February 2019: £(224,000) comprising net realised gains of £233,000 and net unrealised losses of £(457,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Equity distributions on CIS holdings	2,725	1,945
Interest distributions on CIS holdings	1,873	1,454
Manager's charge rebates	399	287
Overseas dividends	203	111
Total revenue	5,200	3,797

BlackRock Consensus 60 Fund

Notes to Financial Statements continued

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	1
– Manager's charge	550	386
	551	387
Other expenses:		
– Audit fee	8	7
– FCA fee	1	–
– Trustee's fees	15	12
	24	19
Total expenses	575	406

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

6. Interest Payable and Similar Charges

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interest on bank overdrafts	1	–
Total interest payable and similar charges	1	–

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
Corporation tax	380	289
Total tax charge [see note 7(b)]	380	289

BlackRock Consensus 60 Fund

Notes to Financial Statements continued

7. Taxation continued

(b) Factors affecting the tax charge

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

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Net revenue before taxation	4,624	3,391
Corporation tax at 20% (28 February 2019: 20%)	925	678
Effects of:		
Revenue not subject to tax	(545)	(389)
Total tax charge [see note 7(a)]	380	289

8. Distributions

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interim distribution	1,798	1,167
Final distribution	3,001	2,231
	4,799	3,398
Add: Amounts deducted on cancellation of units	568	301
Less: Amounts received on issue of units	(1,123)	(597)
Distributions	4,244	3,102

Details of the interim and final distributions per unit are set out in the tables on page 46.

9. Debtors

	29.2.2020 £000's	28.2.2019 £000's
Accrued Manager's charge rebates	119	79
Amounts receivable for issue of units	1,930	1,366
Income tax recoverable	5	–
Total debtors	2,054	1,445

BlackRock Consensus 60 Fund

Notes to Financial Statements continued

10. Other Creditors

	29.2.2020	28.2.2019
	£000's	£000's
Accrued Annual service charge [^]	–	2
Accrued Audit fee	7	7
Accrued Manager's charge	139	101
Accrued Trustee's fee	3	3
Amounts payable for cancellation of units	496	304
Corporation tax payable	113	110
Purchases awaiting settlement	1,456	469
Total other creditors	2,214	996

[^] 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.

11. Contingent Assets and Liabilities

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

12. Related Parties

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

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

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (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,

BlackRock Consensus 60 Fund

Notes to Financial Statements continued

12. Related Parties continued

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.

13. Portfolio Transaction Costs

For the year ended 29 February 2020

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	72,204	–	–	–	–
Total purchases	72,204	–		–	
Total purchases including transaction costs	72,204				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	15,628	–	–	–	–
Total sales	15,628	–		–	
Total sales net of transaction costs	15,628				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

BlackRock Consensus 60 Fund

Notes to Financial Statements continued

13. Portfolio Transaction Costs continued

For the year ended 28 February 2019

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	36,592	–	–	–	–
Total purchases	36,592	–		–	
Total purchases including transaction costs	36,592				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	10,894	–	–	–	–
Total sales	10,894	–		–	
Total sales net of transaction costs	10,894				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any 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.

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 incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.28% (28 February 2019: 0.27%).

BlackRock Consensus 60 Fund

Notes to Financial Statements continued

14. Units in Issue

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

	A Accumulation Units	D Accumulation Units
Balance at the beginning of the year	13,102,665	108,983,513
Issued during the year	11,946,441	57,737,247
Cancelled during the year	(2,456,236)	(30,748,071)
Balance at the end of the year	22,592,870	135,972,689

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

15. 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 -4.42%. Performance returns for the other unit classes in issue can be obtained upon request.

BlackRock Consensus 70 Fund

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds (2), a non-UCITS retail scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 25 May 2012 and was established on 13 July 2012. The Fund's FCA product reference number is 643962.

BlackRock Consensus 70 Fund

Performance Record

Comparative Table

	A Accumulation 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	149.0	146.9	143.9	152.3	149.7	146.2
Return before operating charges	9.37	3.05	3.91	9.45	2.96	3.80
Operating charges	(1.00)	(0.94)	(0.93)	(0.37)	(0.35)	(0.35)
Return after operating charges	8.37	2.11	2.98	9.08	2.61	3.45
Distributions	(2.87)	(2.66)	(2.28)	(3.47)	(3.20)	(2.80)
Retained distributions on accumulation units	2.87	2.66	2.28	3.47	3.20	2.80
Closing net asset value per unit						
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges ¹	5.62%	1.44%	2.07%	5.96%	1.74%	2.36%
Other information						
Closing net asset value (£000's)	6,902	4,164	3,401	165,105	119,414	107,465
Closing number of units	4,385,809	2,794,804	2,315,226	102,308,370	78,401,262	71,808,958
Operating charges ²	0.63%	0.63%	0.63%	0.23%	0.23%	0.23%
Direct transaction costs ³	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest offer unit price	175.5	162.8	160.5	171.4	158.2	155.6
Lowest bid unit price	149.4	142.6	142.9	152.7	145.4	145.2

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 collective investment schemes. See note 13 for further details.

BlackRock Consensus 70 Fund

Distribution Tables

for the year ended 29 February 2020

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2019

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

	A Accumulation Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.8053	0.0000	2.1201	0.0000
Equalisation [†]	–	1.8053	–	2.1201
Distribution paid 30.4.2020	1.8053	1.8053	2.1201	2.1201
Distribution paid 30.4.2019	1.7828	1.7828	2.0586	2.0586

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2019

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

	A Accumulation Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.0686	0.0000	1.3487	0.0000
Equalisation [†]	–	1.0686	–	1.3487
Distribution paid 31.10.2019	1.0686	1.0686	1.3487	1.3487
Distribution paid 31.10.2018	0.8744	0.8744	1.1369	1.1369

[†] 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.

BlackRock Consensus 70 Fund

Portfolio Statement

at 29 February 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 100.73%; 28.2.2019 99.78%			
Equity Funds – 51.50%; 28.2.2019 54.71%			
6,726,487	iShares Continental European Equity Index Fund UK	16,776	9.75
591,478	iShares Emerging Markets Equity Index Fund UK	969	0.56
421,934	iShares Global Property Equity Index Fund UK	953	0.56
2,396,348	iShares Japan Equity Index Fund UK	5,207	3.03
4,714,537	iShares North American Equity Index Fund UK	19,009	11.05
1,039,264	iShares Pacific ex Japan Equity Index Fund UK	3,378	1.96
19,559,268	iShares UK Equity Index Fund UK	42,287	24.59
		88,579	51.50

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Fixed Income Funds – 43.32%; 28.2.2019 38.46%			
31,248	BlackRock Global Index Funds - iShare Emerging Markets Government Bond Index LU	3,477	2.02
8,862,421	iShares Corporate Bond Index Fund UK	15,173	8.82
2,289,827	iShares Index Linked Gilt Index Fund UK	4,122	2.40
15,571,449	iShares Overseas Corporate Bond Index Fund UK	26,362	15.33
10,012,730	iShares Overseas Government Bond Index Fund UK	14,308	8.32
5,865,942	iShares UK Gilts All Stocks Index Fund UK	11,069	6.43
		74,511	43.32
Short-term Money Market Funds – 5.91%; 28.2.2019 6.61%			
9,891,346	BlackRock Cash Fund	10,168	5.91

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – (0.70%); 28.2.2019 0.29%			
Forward Currency Contracts – (0.70%); 28.2.2019 0.29%			
£1,116,010	UK sterling vs Canadian dollar	(10)	0.00
£20,225,226	UK sterling vs Euro	(220)	(0.13)
£6,130,173	UK sterling vs Japanese yen	(109)	(0.06)
£54,788,289	UK sterling vs US dollar	(868)	(0.51)
		(1,207)	(0.70)
Portfolio of investments		172,051	100.03
Net other liabilities		(44)	(0.03)
Total net assets		172,007	100.00

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

The counterparties for the forward currency contracts are BNP Paribas Arbitrage SNC and Goldman Sachs International.

All underlying funds are managed by a related party.

BlackRock Consensus 70 Fund

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/(losses)	3		3,825		(474)
Revenue	4	3,674		2,878	
Expenses	5	(351)		(269)	
Interest payable and similar charges	6	(2)		–	
Net revenue before taxation		3,321		2,609	
Taxation	7	(220)		(180)	
Net revenue after taxation			3,101		2,429
Total return before distributions			6,926		1,955
Distributions	8		(3,101)		(2,429)
Change in net assets attributable to unitholders from investment activities			3,825		(474)

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			123,578	110,866
Amounts receivable on issue of units	78,697		29,565	
Amounts payable on cancellation of units	(37,643)		(18,919)	
			41,054	10,646
Change in net assets attributable to unitholders from investment activities			3,825	(474)
Retained distribution on accumulation units			3,550	2,540
Closing net assets attributable to unitholders			172,007	123,578

BlackRock Consensus 70 Fund

Balance Sheet

at 29 February 2020

	Notes	29.2.2020 £000's	28.2.2019 £000's
Assets:			
Fixed assets			
– Investment assets		173,258	123,668
Current assets			
– Debtors	9	1,034	446
– Cash and bank balances		47	25
Total assets		174,339	124,139
Liabilities:			
Investment liabilities		(1,207)	–
Creditors			
– Other creditors	10	(1,125)	(561)
Total liabilities		(2,332)	(561)
Net assets attributable to unitholders		172,007	123,578

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

20 May 2020

BlackRock Consensus 70 Fund

Notes to Financial Statements

for the year ended 29 February 2020

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 30.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	5,230	(610)
Losses on derivative securities	(1,815)	(161)
Currency gains	414	298
Custodian transaction costs	(4)	(1)
Net capital gains/(losses)	3,825	(474)

Net gains (excluding transaction costs) listed above of £3,829,000 comprise net realised gains of £2,378,000 and net unrealised gains of £1,451,000 (28 February 2019: £(473,000) comprising net realised gains of £256,000 and net unrealised losses of £(729,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Equity distributions on CIS holdings	2,220	1,707
Interest distributions on CIS holdings	1,052	872
Interest from UK bank deposits	1	–
Manager's charge rebates	281	214
Overseas dividends	120	85
Total revenue	3,674	2,878

BlackRock Consensus 70 Fund

Notes to Financial Statements continued

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	1
– Manager's charge	330	252
	<hr/> 331	<hr/> 253
Other expenses:		
– Audit fee	8	7
– FCA fee	1	–
– Trustee's fees	11	9
	<hr/> 20	<hr/> 16
Total expenses	<hr/> 351	<hr/> 269

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

6. Interest Payable and Similar Charges

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interest on bank overdrafts	2	–
Total interest payable and similar charges	<hr/> 2	<hr/> –

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
Corporation tax	220	180
Total tax charge [see note 7(b)]	<hr/> 220	<hr/> 180

BlackRock Consensus 70 Fund

Notes to Financial Statements continued

7. Taxation continued

(b) Factors affecting the tax charge

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

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Net revenue before taxation	3,321	2,609
Corporation tax at 20% (28 February 2019: 20%)	664	522
Effects of:		
Revenue not subject to tax	(444)	(342)
Total tax charge [see note 7(a)]	220	180

8. Distributions

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interim distribution	1,302	876
Final distribution	2,248	1,664
	3,550	2,540
Add: Amounts deducted on cancellation of units	418	202
Less: Amounts received on issue of units	(867)	(313)
Distributions	3,101	2,429

Details of the interim and final distributions per unit are set out in the tables on page 59.

9. Debtors

	29.2.2020 £000's	28.2.2019 £000's
Accrued Manager's charge rebates	85	56
Amounts receivable for issue of units	946	390
Income tax recoverable	3	-
Total debtors	1,034	446

BlackRock Consensus 70 Fund

Notes to Financial Statements continued

10. Other Creditors

	29.2.2020	28.2.2019
	£000's	£000's
Accrued Annual service charge [^]	–	2
Accrued Audit fee	7	7
Accrued Manager's charge	87	63
Accrued Trustee's fee	2	2
Amounts payable for cancellation of units	265	350
Corporation tax payable	67	71
Purchases awaiting settlement	697	66
Total other creditors	1,125	561

[^] 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.

11. Contingent Assets and Liabilities

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

12. Related Parties

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

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

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (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,

BlackRock Consensus 70 Fund

Notes to Financial Statements continued

12. Related Parties continued

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.

13. Portfolio Transaction Costs

For the year ended 29 February 2020

	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Purchases (excluding derivatives)					
Collective investment schemes	60,588	–	–	–	–
Total purchases	60,588	–		–	
Total purchases including transaction costs	60,588				
	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Sales (excluding derivatives)					
Collective investment schemes	19,262	–	–	–	–
Total sales	19,262	–		–	
Total sales net of transaction costs	19,262				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

BlackRock Consensus 70 Fund

Notes to Financial Statements continued

13. Portfolio Transaction Costs continued

For the year ended 28 February 2019

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	18,489	–	–	–	–
Total purchases	18,489	–		–	
Total purchases including transaction costs	18,489				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	8,210	–	–	–	–
Total sales	8,210	–		–	
Total sales net of transaction costs	8,210				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any 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.

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 incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.28% (28 February 2019: 0.27%).

BlackRock Consensus 70 Fund

Notes to Financial Statements continued

14. Units in Issue

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

	A Accumulation Units	D Accumulation Units
Balance at the beginning of the year	2,794,804	78,401,262
Issued during the year	2,237,608	46,611,106
Cancelled during the year	(646,603)	(22,703,998)
Balance at the end of the year	4,385,809	102,308,370

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

15. 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 -4.36%. Performance returns for the other unit classes in issue can be obtained upon request.

BlackRock Consensus 85 Fund

About the Fund

The Fund was formerly established as a sub-fund of BlackRock Qualified Investors Schemes, a qualified investor scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 21 June 2005 and was established on 21 June 2005. The Fund was previously known as BlackRock Consensus Fund. It adopted its present name with effect from 13 July 2012. The Fund became a sub-fund of the BlackRock Non-UCITS Retail Funds (2) on 13 July 2012. It is a non-UCITS retail scheme established under the COLL Sourcebook. The Fund's FCA product reference number is 643957.

BlackRock Consensus 85 Fund

Performance Record

Comparative Table

	I Accumulation 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	216.7	213.7	204.9	212.2	209.9	201.9
Return before operating charges	12.57	3.48	9.23	12.46	3.57	9.25
Operating charges	(0.51)	(0.48)	(0.47)	(1.41)	(1.32)	(1.30)
Return after operating charges	12.06	3.00	8.76	11.05	2.25	7.95
Distributions	(5.36)	(5.21)	(4.59)	(4.51)	(4.43)	(3.85)
Retained distributions on accumulation units	5.36	5.21	4.59	4.15	4.43	3.85
Closing net asset value per unit						
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges ¹	5.57%	1.40%	4.28%	5.21%	1.07%	3.94%
Other information						
Closing net asset value (£000's)	816,789	618,988	426,397	359,186	334,609	324,029
Closing number of units	357,044,884	285,646,554	199,564,026	160,891,702	157,721,934	154,407,609
Operating charges ²	0.22%	0.22%	0.22%	0.62%	0.62%	0.62%
Direct transaction costs ³	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest offer unit price	247.2	227.9	222.8	253.4	234.7	229.8
Lowest bid unit price	217.1	205.6	203.0	212.5	201.4	200.0

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 collective investment schemes. See note 13 for further details.

BlackRock Consensus 85 Fund

Performance Record continued

Comparative Table continued

	X Accumulation 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	130.8	128.7	123.3	216.7	213.6	204.9
Return before operating charges	7.50	2.10	5.46	12.53	3.54	9.20
Operating charges	(0.03)	(0.03)	(0.03)	(0.51)	(0.48)	(0.47)
Return after operating charges	7.47	2.07	5.43	12.02	3.06	8.73
Distributions	(3.46)	(3.35)	(2.97)	(5.36)	(5.21)	(4.59)
Retained distributions on accumulation units	3.46	3.35	2.97	5.36	5.21	4.59
Closing net asset value per unit						
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges ¹	5.71%	1.61%	4.40%	5.55%	1.43%	4.26%
Other information						
Closing net asset value (£000's)	190,799	180,390	178,797	223,568	103,085	88,300
Closing number of units	137,986,863	137,944,142	138,889,710	97,747,953	47,579,581	41,334,042
Operating charges ²	0.02%	0.02%	0.02%	0.22%	0.22%	0.22%
Direct transaction costs ³	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest offer unit price	149.4	137.4	134.2	247.2	227.9	222.7
Lowest bid unit price	131.0	124.0	122.2	217.0	205.6	203.0

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/depository 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 collective investment schemes. See note 13 for further details.

BlackRock Consensus 85 Fund

Performance Record continued

Comparative Table continued

	XM Accumulation Units		
	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
Change in net assets per unit			
Opening net asset value per unit	130.7	128.7	123.2
Return before operating charges	7.58	2.07	5.50
Operating charges	(0.04)	(0.03)	(0.03)
Return after operating charges	7.54	2.04	5.47
Distributions	(3.45)	(3.35)	(2.97)
Retained distributions on accumulation units	3.45	3.35	2.97
Closing net asset value per unit	138.2	130.7	128.7
After direct transaction costs of	0.00	0.00	0.00
Performance			
Return after charges ¹	5.77%	1.59%	4.44%
Other information			
Closing net asset value (£000's)	584,086	532,069	7,886,572
Closing number of units	422,529,257	406,962,660	6,129,275,142
Operating charges ²	0.03%	0.02%	0.02%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices			
	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	149.4	137.4	134.2
Lowest bid unit price	131.0	124.0	122.1

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/depository 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 collective investment schemes. See note 13 for further details.

BlackRock Consensus 85 Fund

Distribution Tables

for the year ended 29 February 2020

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2019

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

	I Accumulation Units		A Accumulation Units		X Accumulation Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	3.4193	0.0000	2.9697	0.0000	2.1797	0.0427	3.4171	0.0000
Equalisation [†]	–	3.4193	–	2.9697	–	2.1370	–	3.4171
Distribution paid 30.4.2020	3.4193	3.4193	2.9697	2.9697	2.1797	2.1797	3.4171	3.4171
Distribution paid 30.4.2019	3.5372	3.5372	3.1320	3.1320	2.2360	2.2360	3.5361	3.5361

	XM Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	2.1711	0.0399
Equalisation [†]	–	2.1312
Distribution paid 30.4.2020	2.1711	2.1711
Distribution paid 30.4.2019	2.2355	2.2355

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2019

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

	I Accumulation Units		A Accumulation Units		X Accumulation Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.9431	0.0000	1.5427	0.0000	1.2835	0.0181	1.9429	0.0000
Equalisation [†]	–	1.9431	–	1.5427	–	1.2654	–	1.9429
Distribution paid 31.10.2019	1.9431	1.9431	1.5427	1.5427	1.2835	1.2835	1.9429	1.9429
Distribution paid 31.10.2018	1.6762	1.6762	1.3001	1.3001	1.1162	1.1162	1.6755	1.6755

	XM Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	1.2832	0.0129
Equalisation [†]	–	1.2703
Distribution paid 31.10.2019	1.2832	1.2832
Distribution paid 31.10.2018	1.1156	1.1156

[†] 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.

BlackRock Consensus 85 Fund

Portfolio Statement

at 29 February 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets	Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 100.48%; 28.2.2019 99.89%				28,453,797 iShares US Equity Index Fund UK			
Equity Funds – 66.58%; 28.2.2019 69.82%				Fixed Income Funds – 27.63%; 28.2.2019 23.75%			
63,834,616	iShares 100 UK Equity Index Fund UK	100,987	4.64	191,979	BlackRock Global Index Funds - iShare Emerging Markets Government Bond Index LU	21,362	0.98
113,082,270	iShares Continental European Equity Index Fund UK	282,027	12.97	66,100,446	iShares Corporate Bond Index Fund UK	113,164	5.20
17,445,802	iShares Emerging Markets Equity Index Fund UK	28,576	1.31	23,979,892	iShares Index Linked Gilt Index Fund UK	43,164	1.99
6,411,345	iShares Global Property Equity Index Fund UK	14,483	0.67	123,158,875	iShares Overseas Corporate Bond Index Fund UK	208,508	9.59
47,912,346	iShares Japan Equity Index Fund UK	104,114	4.79	91,213,709	iShares Overseas Government Bond Index Fund UK	130,344	5.99
8,537,595	iShares Mid Cap UK Equity Index Fund UK	18,160	0.84	44,687,867	iShares UK Gilts All Stocks Index Fund UK	84,326	3.88
77,817,989	iShares North American Equity Index Fund UK	313,762	14.43	600,868 27.63			
19,272,381	iShares Pacific ex Japan Equity Index Fund UK	62,635	2.88	Short-term Money Market Funds – 6.27%; 28.2.2019 6.32%			
202,044,355	iShares UK Equity Index Fund UK	436,820	20.09	132,683,280	BlackRock Cash Fund	136,398	6.27

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
DERIVATIVES – (0.45%); 28.2.2019 0.17%			
Forward Currency Contracts – (0.45%); 28.2.2019 0.17%			
£10,308,505	UK sterling vs Canadian dollar	(90)	0.00
£166,787,891	UK sterling vs Euro	(1,814)	(0.08)
£56,842,556	UK sterling vs Japanese yen	(1,013)	(0.05)
£429,468,271	UK sterling vs US dollar	(6,921)	(0.32)
		(9,838)	(0.45)

Portfolio of investments	2,175,036	100.03
Net other liabilities	(608)	(0.03)
Total net assets	2,174,428	100.00

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

The counterparty for the forward currency contracts is Goldman Sachs International.

All underlying funds are managed by a related party.

BlackRock Consensus 85 Fund

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/(losses)	3		43,234		(309,656)
Revenue	4	51,841		108,723	
Expenses	5	(4,162)		(3,425)	
Interest payable and similar charges	6	(3)		(3)	
Net revenue before taxation		47,676		105,295	
Taxation	7	(1,955)		(5,669)	
Net revenue after taxation			45,721		99,626
Total return before distributions			88,955		(210,030)
Distributions	8		(45,722)		(99,626)
Change in net assets attributable to unitholders from investment activities			43,233		(309,656)

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			1,769,141	8,904,095
Amounts receivable on issue of units	493,817		344,607	
Amounts payable on cancellation of units	(181,290)		(7,211,807)	
			312,527	(6,867,200)
Change in net assets attributable to unitholders from investment activities		43,233		(309,656)
Retained distribution on accumulation units		49,527		41,902
Closing net assets attributable to unitholders		2,174,428		1,769,141

BlackRock Consensus 85 Fund

Balance Sheet

at 29 February 2020

	Notes	29.2.2020 £000's	28.2.2019 £000's
Assets:			
Fixed assets			
– Investment assets		2,184,874	1,770,238
Current assets			
– Debtors	9	6,880	3,654
– Cash and bank balances		482	647
Total assets		2,192,236	1,774,539
Liabilities:			
Investment liabilities		(9,838)	–
Creditors			
– Other creditors	10	(7,970)	(5,398)
Total liabilities		(17,808)	(5,398)
Net assets attributable to unitholders		2,174,428	1,769,141

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

20 May 2020

BlackRock Consensus 85 Fund

Notes to Financial Statements

for the year ended 29 February 2020

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 30.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	54,064	(310,172)
Losses on derivative securities	(14,370)	(2,084)
Currency gains	3,544	2,602
Custodian transaction costs	(4)	(2)
Net capital gains/(losses)	43,234	(309,656)

Net gains (excluding transaction costs) listed above of £43,238,000 comprise net realised gains of £11,032,000 and net unrealised gains of £32,206,000 (28 February 2019: £(309,654,000) comprising net realised gains of £1,603,218,000 and net unrealised losses of £(1,912,872,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Equity distributions on CIS holdings	37,902	76,952
Interest distributions on CIS holdings	9,280	23,642
Interest from UK bank deposits	1	1
Manager's charge rebates	3,459	4,130
Overseas dividends	1,199	3,998
Total revenue	51,841	108,723

BlackRock Consensus 85 Fund

Notes to Financial Statements continued

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	1
– Manager's charge	3,978	3,264
	<hr/> 3,979	<hr/> 3,265
Other expenses:		
– Audit fee	8	7
– FCA fee	1	–
– Trustee's fees	131	153
– Unitholder servicing activity fees	43	–
	<hr/> 183	<hr/> 160
Total expenses	4,162	3,425

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	3	3
Total interest payable and similar charges	3	3

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
Corporation tax	1,955	5,669
Total tax charge [see note 7(b)]	1,955	5,669

BlackRock Consensus 85 Fund

Notes to Financial Statements continued

7. Taxation continued

(b) Factors affecting the tax charge

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

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Net revenue before taxation	47,676	105,295
Corporation tax at 20% (28 February 2019: 20%)	9,535	21,059
Effects of:		
Revenue not subject to tax	(7,580)	(15,390)
Total tax charge [see note 7(a)]	1,955	5,669

8. Distributions

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interim distribution	17,019	12,994
Final distribution	32,508	28,908
	49,527	41,902
Add: Amounts deducted on cancellation of units	2,129	61,545
Less: Amounts received on issue of units	(5,934)	(3,821)
Distributions	45,722	99,626

The distributable amount has been calculated as follows:

Net revenue after taxation	45,721	99,626
Add: Equalisation on conversions	1	–
Distributions	45,722	99,626

Details of the interim and final distributions per unit are set out in the tables on page 74.

BlackRock Consensus 85 Fund

Notes to Financial Statements continued

9. Debtors

	29.2.2020	28.2.2019
	£000's	£000's
Accrued Manager's charge rebates	1,069	789
Amounts receivable for issue of units	5,760	2,458
Currency sales awaiting settlement	2	–
Income tax recoverable	49	–
Sales awaiting settlement	–	407
Total debtors	6,880	3,654

10. Other Creditors

	29.2.2020	28.2.2019
	£000's	£000's
Accrued Annual service charge [^]	–	3
Accrued Audit fee	7	7
Accrued Manager's charge	1,085	826
Accrued Trustee's fee	21	30
Accrued Unitholder servicing activity fees	43	–
Amounts payable for cancellation of units	5,312	2,182
Corporation tax payable	644	2,350
Custodian transaction costs	1	–
Purchases awaiting settlement	857	–
Total other creditors	7,970	5,398

[^] 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.

11. Contingent Assets and Liabilities

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

12. Related Parties

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

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

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

BlackRock Consensus 85 Fund

Notes to Financial Statements continued

12. Related Parties continued

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.

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

BlackRock Consensus 85 Fund

Notes to Financial Statements continued

13. Portfolio Transaction Costs

For the year ended 29 February 2020

	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Purchases (excluding derivatives)					
Collective investment schemes	357,559	–	–	–	–
Total purchases	357,559	–	–	–	–
Total purchases including transaction costs	357,559				

	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Sales (excluding derivatives)					
Collective investment schemes	42,323	–	–	–	–
Total sales	42,323	–	–	–	–
Total sales net of transaction costs	42,323				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

For the year ended 28 February 2019

	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Purchases (excluding derivatives)					
Collective investment schemes	210,628	–	–	–	–
Total purchases	210,628	–	–	–	–
Total purchases including transaction costs	210,628				

	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Sales (excluding derivatives)					
Collective investment schemes	7,142,319	–	–	–	–
Total sales	7,142,319	–	–	–	–
Total sales net of transaction costs	7,142,319				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

BlackRock Consensus 85 Fund

Notes to Financial Statements continued

13. Portfolio Transaction Costs continued

The above analysis covers any 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.

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 incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.27% (28 February 2019: 0.26%).

14. Units in Issue

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

	I Accumulation Units	A Accumulation Units	X Accumulation Units	D Accumulation Units
Balance at the beginning of the year	285,646,554	157,721,934	137,944,142	47,579,581
Issued during the year	99,393,754	16,336,277	14,939,726	65,207,580
Cancelled during the year	(29,000,377)	(12,143,062)	(14,897,005)	(15,035,812)
Converted during the year	1,004,953	(1,023,447)	–	(3,396)
Balance at the end of the year	357,044,884	160,891,702	137,986,863	97,747,953

	XI Accumulation Units
Balance at the beginning of the year	406,962,660
Issued during the year	38,611,490
Cancelled during the year	(23,044,893)
Converted during the year	–
Balance at the end of the year	422,529,257

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.

BlackRock Consensus 85 Fund

Notes to Financial Statements continued

15. 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 -4.36%. Performance returns for the other unit classes in issue can be obtained upon request.

BlackRock Consensus 100 Fund

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds (2), a non-UCITS retail scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 25 May 2012 and was established on 13 July 2012. The Fund's FCA product reference number is 643963.

BlackRock Consensus 100 Fund

Performance Record

Comparative Table

	I Accumulation 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	161.0	158.2	147.2	201.2	198.5	185.4
Return before operating charges	11.73	3.15	11.38	14.67	3.93	14.33
Operating charges	(0.41)	(0.37)	(0.36)	(1.39)	(1.27)	(1.22)
Return after operating charges	11.32	2.78	11.02	13.28	2.66	13.11
Distributions	(3.71)	(3.22)	(2.93)	(3.75)	(3.23)	(2.91)
Retained distributions on accumulation units	3.71	3.22	2.93	3.75	3.23	2.91
Closing net asset value per unit	172.3	161.0	158.2	214.5	201.2	198.5
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges ¹	7.03%	1.76%	7.49%	6.60%	1.34%	7.07%
Other information						
Closing net asset value (£000's)	8,151	5,974	4,115	8,596	6,910	7,000
Closing number of units	4,730,088	3,711,076	2,600,554	4,008,044	3,435,199	3,526,570
Operating charges ²	0.23%	0.23%	0.23%	0.63%	0.63%	0.63%
Direct transaction costs ³	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest offer unit price	202.7	181.1	172.9	252.4	226.7	217.0
Lowest bid unit price	160.9	149.3	144.4	201.1	186.8	181.8

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/depository 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 collective investment schemes. See note 12 for further details.

BlackRock Consensus 100 Fund

Performance Record continued

Comparative Table continued

	D Accumulation Units		
	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
Change in net assets per unit			
Opening net asset value per unit	206.6	203.0	188.9
Return before operating charges	15.05	4.07	14.59
Operating charges	(0.52)	(0.50)	(0.46)
Return after operating charges	14.53	3.57	14.13
Distributions	(4.77)	(4.14)	(3.76)
Retained distributions on accumulation units	4.77	4.14	3.76
Closing net asset value per unit	221.1	206.6	203.0
After direct transaction costs of	0.00	0.00	0.00
Performance			
Return after charges ¹	7.03%	1.76%	7.48%
Other information			
Closing net asset value (£000's)	78,895	65,186	59,181
Closing number of units	35,677,323	31,556,175	29,148,218
Operating charges ²	0.23%	0.24%	0.23%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices			
	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	247.8	221.3	211.3
Lowest bid unit price	206.5	191.6	185.3

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

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

³ Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of collective investment schemes. See note 12 for further details.

BlackRock Consensus 100 Fund

Distribution Tables

for the year ended 29 February 2020

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2019

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

	I Accumulation Units		A Accumulation Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	2.4448	0.0000	2.6052	0.0000	3.1482	0.0000
Equalisation [†]	–	2.4448	–	2.6052	–	3.1482
Distribution paid 30.4.2020	2.4448	2.4448	2.6052	2.6052	3.1482	3.1482
Distribution paid 30.4.2019	2.2055	2.2055	2.3629	2.3629	2.8292	2.8292

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2019

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

	I Accumulation Units		A Accumulation Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.2606	0.0000	1.1433	0.0000	1.6176	0.0000
Equalisation [†]	–	1.2606	–	1.1433	–	1.6176
Distribution paid 31.10.2019	1.2606	1.2606	1.1433	1.1433	1.6176	1.6176
Distribution paid 31.10.2018	1.0194	1.0194	0.8701	0.8701	1.3069	1.3069

[†] 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.

BlackRock Consensus 100 Fund

Portfolio Statement

at 29 February 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 99.97%; 28.2.2019 99.82%			
Equity Funds – 97.89%; 28.2.2019 97.54%			
8,212,759	iShares Continental European Equity Index Fund UK	20,483	21.42
1,141,862	iShares Emerging Markets Equity Index Fund UK	1,870	1.95
2,963,836	iShares Japan Equity Index Fund UK	6,440	6.73
7,754,503	iShares North American Equity Index Fund UK	31,266	32.69
1,764,818	iShares Pacific ex Japan Equity Index Fund UK	5,736	6.00

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
6,528,647	iShares UK Equity Index Fund UK	14,115	14.76
4,535,483	iShares US Equity Index Fund UK	13,715	14.34
		93,625	97.89
Short-term Money Market Funds – 2.08%; 28.2.2019 2.28%			
1,935,293	BlackRock Cash Fund	1,990	2.08
Portfolio of investments		95,615	99.97
Net other assets		27	0.03
Total net assets		95,642	100.00

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

All underlying funds are managed by a related party.

BlackRock Consensus 100 Fund

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/(losses)	3		3,069		(346)
Revenue	4	2,064		1,649	
Expenses	5	(233)		(193)	
Net revenue before taxation		1,831		1,456	
Taxation	6	–		–	
Net revenue after taxation			1,831		1,456
Total return before distributions			4,900		1,110
Distributions	7		(1,831)		(1,456)
Change in net assets attributable to unitholders from investment activities			3,069		(346)

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			78,070	70,296
Amounts receivable on issue of units	25,724			20,413
Amounts payable on cancellation of units	(13,194)			(13,812)
			12,530	6,601
Change in net assets attributable to unitholders from investment activities			3,069	(346)
Retained distribution on accumulation units			1,973	1,519
Closing net assets attributable to unitholders			95,642	78,070

BlackRock Consensus 100 Fund

Balance Sheet

at 29 February 2020

	Notes	29.2.2020 £000's	28.2.2019 £000's
Assets:			
Fixed assets			
– Investment assets		95,615	77,932
Current assets			
– Debtors	8	1,213	464
– Cash and bank balances		163	16
Total assets		96,991	78,412
Liabilities:			
Creditors			
– Other creditors	9	(1,349)	(342)
Total liabilities		(1,349)	(342)
Net assets attributable to unitholders		95,642	78,070

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

20 May 2020

BlackRock Consensus 100 Fund

Notes to Financial Statements

for the year ended 29 February 2020

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 30.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	3,070	(345)
Custodian transaction costs	(1)	(1)
Net capital gains/(losses)	3,069	(346)

Net gains (excluding transaction costs) listed above of £3,070,000 comprise net realised gains of £727,000 and net unrealised gains of £2,343,000 (28 February 2019: £(345,000) comprising net realised gains of £1,364,000 and net unrealised losses of £(1,709,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Equity distributions on CIS holdings	1,883	1,497
Interest distributions on CIS holdings	21	15
Manager's charge rebates	160	137
Total revenue	2,064	1,649

BlackRock Consensus 100 Fund

Notes to Financial Statements continued

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
– Manager's charge	217	179
	217	180
Other expenses:		
– Audit fee	8	7
– FCA fee	1	–
– Legal and other professional fees	1	–
– Trustee's fees	6	6
	16	13
Total expenses	233	193

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

6. Taxation

(a) Analysis of tax charge

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Corporation tax	–	–
Total tax charge [see note 6(b)]	–	–

BlackRock Consensus 100 Fund

Notes to Financial Statements continued

6. Taxation continued

(b) Factors affecting the tax charge

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

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Net revenue before taxation	1,831	1,456
Corporation tax at 20% (28 February 2019: 20%)	366	291
Effects of:		
Movement in unrecognised excess management expenses	10	8
Revenue not subject to tax	(376)	(299)
Total tax charge [see note 6(a)]	–	–

At 29 February 2020, the Fund had surplus management expenses of £263,000 (28 February 2019: £211,000). 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 £52,000 has not been recognised (28 February 2019: £42,000).

7. Distributions

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interim distribution	629	463
Final distribution	1,344	1,056
	1,973	1,519
Add: Amounts deducted on cancellation of units	143	147
Less: Amounts received on issue of units	(285)	(210)
Distributions	1,831	1,456

Details of the interim and final distributions per unit are set out in the tables on page 89.

8. Debtors

	29.2.2020 £000's	28.2.2019 £000's
Accrued Manager's charge rebates	47	36
Amounts receivable for issue of units	410	348
Income tax recoverable	2	1
Sales awaiting settlement	754	79
Total debtors	1,213	464

BlackRock Consensus 100 Fund

Notes to Financial Statements continued

9. Other Creditors

	29.2.2020	28.2.2019
	£000's	£000's
Accrued Annual service charge [^]	–	2
Accrued Audit fee	7	7
Accrued Manager's charge	54	45
Accrued Trustee's fee	1	1
Amounts payable for cancellation of units	940	119
Purchases awaiting settlement	347	168
Total other creditors	1,349	342

[^] '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.

10. Contingent Assets and Liabilities

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

11. Related Parties

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

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

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (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 7.

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

BlackRock Consensus 100 Fund

Notes to Financial Statements continued

11. Related Parties continued

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.

12. Portfolio Transaction Costs

For the year ended 29 February 2020

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	17,305	–	–	–	–
Total purchases	17,305	–		–	
Total purchases including transaction costs	17,305				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	4,595	–	–	–	–
Total sales	4,595	–		–	
Total sales net of transaction costs	4,595				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

BlackRock Consensus 100 Fund

Notes to Financial Statements continued

12. Portfolio Transaction Costs continued

For the year ended 28 February 2019

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	14,210	–	–	–	–
Total purchases	14,210	–		–	
Total purchases including transaction costs	14,210				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	7,708	–	–	–	–
Total sales	7,708	–		–	
Total sales net of transaction costs	7,708				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any 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.

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 incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.22% (28 February 2019: 0.20%).

BlackRock Consensus 100 Fund

Notes to Financial Statements continued

13. Units in Issue

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

	I Accumulation Units	A Accumulation Units	D Accumulation Units
Balance at the beginning of the year	3,711,076	3,435,199	31,556,175
Issued during the year	1,634,615	1,206,896	8,907,245
Cancelled during the year	(631,950)	(471,041)	(4,931,607)
Converted during the year	16,347	(163,010)	145,510
Balance at the end of the year	4,730,088	4,008,044	35,677,323

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

14. 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 -2.43%. Performance returns for the other unit classes in issue can be obtained upon request.

BlackRock Global Equity Fund

About the Fund

The Fund was formerly established as a sub-fund of BlackRock Qualified Investors Schemes, a qualified investor scheme under the COLL Sourcebook. The Fund was established on 21 June 2005 and was authorised by the FCA on 21 June 2005. The Fund was previously known as Merrill Lynch Global Equity Fund. It adopted its present name with effect from 28 April 2008. The Fund became a sub-fund of the BlackRock Non-UCITS Retail Funds (2) on 13 July 2012. It is a non-UCITS retail scheme established under the COLL Sourcebook. The Fund's FCA product reference number is 643958.

BlackRock Global Equity Fund

Performance Record

Comparative Table

	I Accumulation 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	261.1	255.4	241.0	260.7	255.0	240.6
Return before operating charges	10.44	6.28	14.89	10.40	6.26	14.88
Operating charges	(0.63)	(0.58)	(0.53)	(0.62)	(0.58)	(0.53)
Return after operating charges	9.81	5.70	14.36	9.78	5.68	14.35
Distributions	(8.21)	(6.88)	(6.21)	(8.19)	(6.87)	(6.20)
Retained distributions on accumulation units	8.21	6.88	6.21	8.19	6.87	6.20
Closing net asset value per unit						
After direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges ¹	3.76%	2.23%	5.96%	3.75%	2.23%	5.96%
Other information						
Closing net asset value (£000's)	455,121	468,326	502,095	1,066	649	332
Closing number of units	167,997,166	179,366,895	196,620,965	393,947	248,997	130,363
Operating charges ²	0.22%	0.22%	0.21%	0.22%	0.22%	0.21%
Direct transaction costs ³	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest offer unit price	306.5	279.8	268.2	306.0	279.3	267.8
Lowest bid unit price	261.5	241.7	236.9	261.1	241.3	236.5

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 collective investment schemes. See note 13 for further details.

BlackRock Global Equity Fund

Distribution Tables

for the year ended 29 February 2020

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2019

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

	I Accumulation Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	5.1565	0.0000	5.1487	0.0000
Equalisation [†]	–	5.1565	–	5.1487
Distribution paid 30.4.2020	5.1565	5.1565	5.1487	5.1487
Distribution paid 30.4.2019	4.4787	4.4787	4.4717	4.4717

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2019

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

	I Accumulation Units		D Accumulation Units	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	3.0504	0.0000	3.0460	0.0000
Equalisation [†]	–	3.0504	–	3.0460
Distribution paid 31.10.2019	3.0504	3.0504	3.0460	3.0460
Distribution paid 31.10.2018	2.4039	2.4039	2.4015	2.4015

[†] 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.

BlackRock Global Equity Fund

Portfolio Statement

at 29 February 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT			
SCHEMES – 99.97%; 28.2.2019 99.98%			
Equity Funds – 99.97%; 28.2.2019 99.98%			
67,247,209	iShares 100 UK Equity Index Fund UK	106,385	23.32
14,999,978	iShares Continental European Equity Index Fund UK	37,410	8.20
9,446,490	iShares Japan Equity Index Fund UK	20,527	4.50
8,842,822	iShares Mid Cap UK Equity Index Fund UK	18,809	4.12
29,345,652	iShares North American Equity Index Fund UK	118,322	25.94

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
5,987,835	iShares Pacific ex Japan Equity Index Fund UK	19,460	4.27
45,016,176	iShares UK Equity Index Fund UK	97,325	21.33
12,502,104	iShares US Equity Index Fund UK	37,806	8.29
		456,044	99.97
Portfolio of investments		456,044	99.97
Net other assets		143	0.03
Total net assets		456,187	100.00

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

All underlying funds are managed by a related party.

BlackRock Global Equity Fund

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/(losses)	3		4,200		(1,279)
Revenue	4	15,250		14,287	
Expenses	5	(1,015)		(1,039)	
Interest payable and similar charges	6	(1)		–	
Net revenue before taxation		14,234		13,248	
Taxation	7	–		–	
Net revenue after taxation			14,234		13,248
Total return before distributions			18,434		11,969
Distributions	8		(14,234)		(13,248)
Change in net assets attributable to unitholders from investment activities			4,200		(1,279)

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			468,975	502,427
Amounts receivable on issue of units	24,110		20,828	
Amounts payable on cancellation of units	(54,956)		(65,615)	
			(30,846)	(44,787)
Change in net assets attributable to unitholders from investment activities		4,200		(1,279)
Retained distribution on accumulation units		13,858		12,614
Closing net assets attributable to unitholders			456,187	468,975

BlackRock Global Equity Fund

Balance Sheet

at 29 February 2020

	Notes	29.2.2020 £000's	28.2.2019 £000's
Assets:			
Fixed assets			
– Investment assets		456,044	468,876
Current assets			
– Debtors	9	442	1,790
– Cash and bank balances		73	–
Total assets		456,559	470,666
Liabilities:			
Creditors			
– Bank overdrafts		–	(152)
– Other creditors	10	(372)	(1,539)
Total liabilities		(372)	(1,691)
Net assets attributable to unitholders		456,187	468,975

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

20 May 2020

BlackRock Global Equity Fund

Notes to Financial Statements

for the year ended 29 February 2020

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 30.

3. Net Capital Gains/(Losses)

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	4,201	(1,278)
Custodian transaction costs	(1)	(1)
Net capital gains/(losses)	4,200	(1,279)

Net gains (excluding transaction costs) listed above of £4,201,000 comprise net realised gains of £17,182,000 and net unrealised losses of £(12,981,000) (28 February 2019: £(1,278,000) comprising net realised gains of £24,957,000 and net unrealised losses of £(26,235,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Equity distributions on CIS holdings	14,507	13,506
Interest distributions on CIS holdings	4	–
Manager's charge rebates	739	781
Total revenue	15,250	14,287

BlackRock Global Equity Fund

Notes to Financial Statements continued

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 [^]	(15)	–
– Manager's charge	976	996
	961	996
Other expenses:		
– Audit fee	8	7
– Legal and other professional fees	14	–
– Trustee's fees	32	36
	54	43
Total expenses	1,015	1,039

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

6. Interest Payable and Similar Charges

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interest on bank overdrafts	1	–
Total interest payable and similar charges	1	–

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
Corporation tax	–	–
Total tax charge [see note 7(b)]	–	–

BlackRock Global Equity Fund

Notes to Financial Statements continued

7. Taxation continued

(b) Factors affecting the tax charge

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

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Net revenue before taxation	14,234	13,248
Corporation tax at 20% (28 February 2019: 20%)	2,847	2,650
Effects of:		
Movement in unrecognised excess management expenses	54	51
Revenue not subject to tax	(2,901)	(2,701)
Total tax charge [see note 7(a)]	–	–

At 29 February 2020, the Fund had surplus management expenses of £1,600,000 (28 February 2019: £1,327,000). 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 £319,000 (28 February 2019: £265,000) has not been recognised.

8. Distributions

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interim distribution	5,175	4,570
Final distribution	8,683	8,044
	13,858	12,614
Add: Amounts deducted on cancellation of units	772	933
Less: Amounts received on issue of units	(396)	(299)
Distributions	14,234	13,248

Details of the interim and final distributions per unit are set out in the tables on page 102.

9. Debtors

	29.2.2020 £000's	28.2.2019 £000's
Accrued Manager's charge rebates	210	188
Amounts receivable for issue of units	231	79
Income tax recoverable	1	–
Sales awaiting settlement	–	1,523
Total debtors	442	1,790

BlackRock Global Equity Fund

Notes to Financial Statements continued

10. Other Creditors

	29.2.2020	28.2.2019
	£000's	£000's
Accrued Annual service charge [^]	–	16
Accrued Audit fee	7	7
Accrued FCA fee	–	1
Accrued Manager's charge	228	229
Accrued Trustee's fee	5	8
Amounts payable for cancellation of units	132	1,278
Total other creditors	372	1,539

[^] 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.

11. Contingent Assets and Liabilities

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

12. Related Parties

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

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

Manager/Registrar: BlackRock Fund Managers Limited
Investment Manager: BlackRock Investment Management (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,

BlackRock Global Equity Fund

Notes to Financial Statements continued

12. Related Parties continued

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, the following investor(s):

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

As at 29 February 2020:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	96%

As at 28 February 2019:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	97%

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

BlackRock Global Equity Fund

Notes to Financial Statements continued

13. Portfolio Transaction Costs

For the year ended 29 February 2020

	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Purchases (excluding derivatives)					
Collective investment schemes	19,295	–	–	–	–
Total purchases	19,295	–	–	–	–
Total purchases including transaction costs	19,295				

	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Sales (excluding derivatives)					
Collective investment schemes	50,836	–	–	–	–
Total sales	50,836	–	–	–	–
Total sales net of transaction costs	50,836				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

For the year ended 28 February 2019

	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Purchases (excluding derivatives)					
Collective investment schemes	27,630	–	–	–	–
Total purchases	27,630	–	–	–	–
Total purchases including transaction costs	27,630				

	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Sales (excluding derivatives)					
Collective investment schemes	73,607	–	–	–	–
Total sales	73,607	–	–	–	–
Total sales net of transaction costs	73,607				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

BlackRock Global Equity Fund

Notes to Financial Statements continued

13. Portfolio Transaction Costs continued

The above analysis covers any 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.

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 incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.33% (28 February 2019: 0.32%).

14. Units in Issue

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

	I Accumulation Units	D Accumulation Units
Balance at the beginning of the year	179,366,895	248,997
Issued during the year	8,409,829	176,111
Cancelled during the year	(19,779,558)	(31,161)
Balance at the end of the year	167,997,166	393,947

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

15. 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 -6.19%. Performance returns for the other unit classes in issue can be obtained upon request.

BlackRock Institutional UK Focus Fund

About the Fund

The Fund is a sub-fund of BlackRock Non-UCITS Retail Funds (2), a non-UCITS retail scheme under the COLL Sourcebook. The Fund was authorised by the FCA on 15 August 2016 and was established on 30 November 2016. The Fund's FCA product reference number is 766124.

BlackRock Institutional UK Focus Fund

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	107.9	106.5	105.9	115.4	110.3	106.7
Return before operating charges	9.76	4.79	3.69	10.38	5.06	3.65
Operating charges	(0.04)	(0.02)	(0.01)	(0.03)	(0.01)	(0.01)
Return after operating charges	9.72	4.77	3.68	10.35	5.05	3.64
Distributions	(3.60)	(3.41)	(3.13)	(3.85)	(3.53)	(3.15)
Retained distributions on accumulation units	N/A	N/A	N/A	3.85	3.53	3.15
Closing net asset value per unit						
After direct transaction costs of	114.0	107.9	106.5	125.8	115.4	110.3
	(0.09)	(0.09)	(0.08)	(0.10)	(0.09)	(0.08)
Performance						
Return after charges ¹	9.01%	4.48%	3.47%	8.97%	4.58%	3.41%
Other information						
Closing net asset value (£000's)	4,648	4,397	27,014	31,216	87,111	109,250
Closing number of units	4,076,234	4,076,234	25,377,369	24,824,116	75,516,065	99,015,697
Operating charges ²	0.03%	0.02%	0.01%	0.02%	0.01%	0.01%
Direct transaction costs ³	0.08%	0.08%	0.07%	0.08%	0.08%	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	134.5	119.6	115.0	143.8	124.0	115.8
Lowest bid unit price	108.8	101.4	105.6	116.3	105.1	106.3

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

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

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

BlackRock Institutional UK Focus Fund

Distribution Tables

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	
	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	3.6009	3.6009	3.8491	3.8491
Equalisation [†]	–	0.0000	–	0.0000
Distribution paid 30.4.2020	3.6009	3.6009	3.8491	3.8491
Distribution paid 30.4.2019	3.4127	3.4127	3.5259	3.5259

[†] 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.

BlackRock Institutional UK Focus Fund

Portfolio Statement

at 29 February 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
EQUITIES – 95.50%; 28.2.2019 98.64%			
NETHERLANDS – 2.73%; 28.2.2019 4.29%			
Oil & Gas Producers – 2.73%; 28.2.2019 4.29%			
58,800	Royal Dutch Shell	978	2.73
SWITZERLAND – 0.00%; 28.2.2019 8.27%			
Distribution & Wholesale – 0.00%; 28.2.2019 8.27%			
UNITED KINGDOM – 92.77%; 28.2.2019 86.08%			
Agriculture – 5.00%; 28.2.2019 5.35%			
58,500	British American Tobacco	1,792	5.00
Airlines – 3.35%; 28.2.2019 3.64%			
109,000	easyJet	1,200	3.35
Banks – 4.25%; 28.2.2019 8.18%			
270,800	Standard Chartered	1,524	4.25
Chemicals – 2.87%; 28.2.2019 3.47%			
41,000	Johnson Matthey	1,029	2.87
Commercial Services – 9.77%; 28.2.2019 9.70%			
187,800	RELX	3,506	9.77
Computers – 1.50%; 28.2.2019 0.00%			
352,632	Serco	538	1.50
Distribution & Wholesale – 8.61%; 28.2.2019 0.00%			
45,800	Ferguson	3,087	8.61
Diversified Financial Services – 8.80%; 28.2.2019 9.56%			
50,000	Hargreaves Lansdown	764	2.13
31,600	London Stock Exchange	2,393	6.67
		3,157	8.80
Food Producers – 1.87%; 28.2.2019 1.85%			
132,100	SSP ⁰	670	1.87
Food Services – 7.52%; 28.2.2019 8.93%			
158,000	Compass	2,699	7.52
Healthcare Products – 4.27%; 28.2.2019 0.00%			
88,000	Smith & Nephew	1,530	4.27
Household Products – 4.83%; 28.2.2019 5.56%			
30,300	Reckitt Benckiser	1,733	4.83

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Internet – 3.54%; 28.2.2019 3.87%			
175,100	Auto Trader ⁰	909	2.53
78,000	Trainline	362	1.01
		1,271	3.54
Investment Companies – 2.71%; 28.2.2019 2.98%			
465,000	Melrose Industries	974	2.71
Mining – 5.61%; 28.2.2019 7.15%			
55,800	Rio Tinto	2,012	5.61
Oil & Gas Producers – 0.91%; 28.2.2019 1.44%			
233,446	Cairn Energy ⁰	325	0.91
Pharmaceuticals – 8.28%; 28.2.2019 5.83%			
43,700	AstraZeneca	2,969	8.28
Real Estate Investment & Services – 0.94%; 28.2.2019 1.67%			
169,600	Capital & Counties Properties	336	0.94
Retail – 8.14%; 28.2.2019 6.90%			
48,000	Next	2,919	8.14
COLLECTIVE INVESTMENT SCHEMES – 4.67%; 28.2.2019 0.00%			
Short-term Money Market Funds – 4.67%; 28.2.2019 0.00%			
16,764	Institutional Cash Series plc - Institutional Sterling Liquidity Environmentally Aware Fund - Agency Income Class [†]	1,676	4.67
Portfolio of investments		35,925	100.17
CASH EQUIVALENTS			
Short-term Money Market Funds – 0.00%; 28.2.2019 0.83%			
Net other liabilities		(61)	(0.17)
Total net assets		35,864	100.00

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

⁰ 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.

BlackRock Institutional UK Focus Fund

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		9,109		2,305
Revenue	4	2,386		3,425	
Expenses	5	(17)		(17)	
Net revenue before taxation		2,369		3,408	
Taxation	6	–		(1)	
Net revenue after taxation			2,369		3,407
Total return before distributions			11,478		5,712
Distributions	7		(2,369)		(3,407)
Change in net assets attributable to unitholders from investment activities			9,109		2,305

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			91,508	136,264
Amounts receivable on issue of units	–		1,092	
Amounts payable on cancellation of units	(65,709)		(50,816)	
		(65,709)		(49,724)
Change in net assets attributable to unitholders from investment activities			9,109	2,305
Retained distribution on accumulation units			956	2,663
Closing net assets attributable to unitholders			35,864	91,508

BlackRock Institutional UK Focus Fund

Balance Sheet

at 29 February 2020

	Notes	29.2.2020 £000's	28.2.2019 £000's
Assets:			
Fixed assets			
– Investment assets		35,925	90,267
Current assets			
– Debtors	8	139	454
– Cash and bank balances		102	186
– Cash equivalents	9	–	757
Total assets		36,166	91,664
Liabilities:			
Creditors			
– Distributions payable		(146)	(139)
– Other creditors	10	(156)	(17)
Total liabilities		(302)	(156)
Net assets attributable to unitholders		35,864	91,508

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

20 May 2020

BlackRock Institutional UK Focus Fund

Notes to Financial Statements

for the year ended 29 February 2020

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 30.

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	9,106	2,304
Currency gains/(losses)	3	(2)
Custodian transaction costs	–	3
Net capital gains	9,109	2,305

Net gains listed above of £9,109,000 comprise net realised gains of £9,297,000 and net unrealised losses of £(188,000) (28 February 2019: £2,302,000 comprising net realised gains of £5,829,000 and net unrealised losses of £(3,527,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

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	1	1
Overseas dividends	125	280
Revenue from short-term money market funds	11	9
Securities lending revenue	3	11
UK dividends	2,246	3,124
Total revenue	2,386	3,425

5. Expenses

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
– Audit fee	9	6
– Safe custody fees	–	(5)
– Trustee's fees	8	16
Total expenses	17	17

BlackRock Institutional UK Focus Fund

Notes to Financial Statements continued

6. Taxation

(a) Analysis of tax charge

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Corporation tax	–	1
Total tax charge [see note 6(b)]	–	1

(b) Factors affecting the tax charge

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

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Net revenue before taxation	2,369	3,408
Corporation tax at 20% (28 February 2019: 20%)	474	682
Effects of:		
Movement in unrecognised excess management expenses	–	(1)
Prior year adjustment	–	1
Revenue not subject to tax	(474)	(681)
Total tax charge [see note 6(a)]	–	1

At 29 February 2020, the Fund had surplus management expenses of £53,000 (28 February 2019: £51,000). 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 £10,000 (28 February 2019: £10,000) has not been recognised.

7. Distributions

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Final distribution	1,102	2,802
	1,102	2,802
Add: Amounts deducted on cancellation of units	1,267	610
Less: Amounts received on issue of units	–	(5)
Distributions	2,369	3,407

Details of the final distributions per unit are set out in the tables on page 115.

BlackRock Institutional UK Focus Fund

Notes to Financial Statements continued

8. Debtors

	29.2.2020 £000's	28.2.2019 £000's
Accrued revenue	139	454
Total debtors	139	454

9. Cash Equivalents

	29.2.2020 £000's	28.2.2019 £000's
Investment in short-term money market funds	–	757
Total cash equivalents	–	757

10. Other Creditors

	29.2.2020 £000's	28.2.2019 £000's
Accrued Audit fee	7	4
Accrued Safe custody fees	10	11
Accrued Trustee's fee	1	2
Purchases awaiting settlement	138	–
Total other creditors	156	17

11. Contingent Assets and Liabilities

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

12. Related Parties

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

The following entities were related parties of the Fund during the 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.

BlackRock Institutional UK Focus Fund

Notes to Financial Statements continued

12. Related Parties continued

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 7.

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, the following investor(s):

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

As at 29 February 2020:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	67%

As at 28 February 2019:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	Nil	Nil

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

BlackRock Institutional UK Focus Fund

Notes to Financial Statements continued

13. Portfolio Transaction Costs

For the year ended 29 February 2020

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	7,450	3	0.04	33	0.44
Total purchases	7,450	3		33	
Total purchases including transaction costs	7,486				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	72,351	19	0.03	–	–
Total sales	72,351	19		–	
Total sales net of transaction costs	72,332				
Total transaction costs		22		33	
Total transaction costs as a % of average net assets		0.03%		0.05%	

For the 28 February 2019

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	12,703	5	0.04	62	0.49
Total purchases	12,703	5		62	
Total purchases including transaction costs	12,770				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	58,731	17	0.03	–	–
Total sales	58,731	17		–	
Total sales net of transaction costs	58,714				
Total transaction costs		22		62	
Total transaction costs as a % of average net assets		0.02%		0.06%	

BlackRock Institutional UK Focus Fund

Notes to Financial Statements continued

13. Portfolio Transaction Costs continued

The above analysis covers any 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.

Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

Dealing spread costs incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.06% (28 February 2019: 0.05%).

14. 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
Balance at the beginning of the year	4,076,234	75,516,065
Cancelled during the year	–	(50,691,949)
Balance at the end of the year	4,076,234	24,824,116

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

15. 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

BlackRock Institutional UK Focus Fund

Notes to Financial Statements continued

15. Post Balance Sheet Events continued

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 A Accumulation, the primary unit class, was -10.90%. Performance returns for the other unit classes in issue can be obtained upon request.

BlackRock Overseas Equity Fund

About the Fund

The Fund was formerly established as a sub-fund of BlackRock Qualified Investors Schemes, a qualified investor scheme under the COLL Sourcebook. The Fund was established and authorised by the FCA on 21 June 2005. The Fund was previously known as Merrill Lynch Overseas Equity Fund. It adopted its present name with effect from 28 April 2008. The Fund became a sub-fund of the BlackRock Non-UCITS Retail Funds (2) on 13 July 2012. It is a non-UCITS retail scheme established under the COLL Sourcebook. The Fund's FCA product reference number is 643959.

BlackRock Overseas Equity Fund

Performance Record

Comparative Table

	I Accumulation Units		
	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
Change in net assets per unit			
Opening net asset value per unit	308.9	299.1	278.5
Return before operating charges	29.71	10.50	21.21
Operating charges	(0.76)	(0.68)	(0.64)
Return after operating charges	28.95	9.82	20.57
Distributions	(5.70)	(4.84)	(4.22)
Retained distributions on accumulation units	5.70	4.84	4.22
Closing net asset value per unit	337.9	308.9	299.1
After direct transaction costs of	0.00	0.00	0.00
Performance			
Return after charges ¹	9.37%	3.28%	7.39%
Other information			
Closing net asset value (£000's)	2,044,766	1,508,078	1,149,877
Closing number of units	605,229,883	488,172,885	384,488,592
Operating charges ²	0.22%	0.22%	0.22%
Direct transaction costs ³	0.00%	0.00%	0.00%
Prices			
Highest offer unit price	379.5	331.4	309.9
Lowest bid unit price	308.8	279.8	270.6

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 collective investment schemes. See note 13 for further details.

BlackRock Overseas Equity Fund

Distribution Tables

for the year ended 29 February 2020

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2019

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

	I Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	3.5861	0.0000
Equalisation [†]	–	3.5861
Distribution paid 30.4.2020	3.5861	3.5861
Distribution paid 30.4.2019	3.1939	3.1939

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2019

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

	I Accumulation Units	
	Group 1	Group 2
Net revenue (dividend)	2.1114	0.0000
Equalisation [†]	–	2.1114
Distribution paid 31.10.2019	2.1114	2.1114
Distribution paid 31.10.2018	1.6485	1.6485

[†] 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.

BlackRock Overseas Equity Fund

Portfolio Statement

at 29 February 2020

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
COLLECTIVE INVESTMENT SCHEMES – 99.99%; 28.2.2019 99.91%			
Equity Funds – 99.99%; 28.2.2019 99.91%			
131,433,939	iShares Continental European Equity Index Fund UK	327,796	16.03
84,771,208	iShares Japan Equity Index Fund UK	184,208	9.01
168,897,923	iShares North American Equity Index Fund UK	680,996	33.30
52,996,235	iShares Pacific ex Japan Equity Index Fund UK	172,238	8.42

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
224,659,451	iShares US Equity Index Fund UK	679,370	33.23
		2,044,608	99.99
Portfolio of investments		2,044,608	99.99
Net other assets		158	0.01
Total net assets		2,044,766	100.00

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

All underlying funds are managed by a related party.

BlackRock Overseas Equity Fund

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		105,983		24,003
Revenue	4	33,336		22,768	
Expenses	5	(3,911)		(2,760)	
Interest payable and similar charges	6	(2)		(5)	
Net revenue before taxation		29,423		20,003	
Taxation	7	–		–	
Net revenue after taxation			29,423		20,003
Total return before distributions			135,406		44,006
Distributions	8		(29,423)		(20,003)
Change in net assets attributable to unitholders from investment activities			105,983		24,003

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			1,508,078	1,149,877
Amounts receivable on issue of units	560,109		413,245	
Amounts payable on cancellation of units	(162,531)		(101,747)	
			397,578	311,498
Change in net assets attributable to unitholders from investment activities		105,983		24,003
Retained distribution on accumulation units		33,127		22,700
Closing net assets attributable to unitholders		2,044,766		1,508,078

BlackRock Overseas Equity Fund

Balance Sheet

at 29 February 2020

	Notes	29.2.2020 £000's	28.2.2019 £000's
Assets:			
Fixed assets			
– Investment assets		2,044,608	1,506,782
Current assets			
– Debtors	9	13,184	3,875
– Cash and bank balances		324	2,138
Total assets		2,058,116	1,512,795
Liabilities:			
Creditors			
– Other creditors	10	(13,350)	(4,717)
Total liabilities		(13,350)	(4,717)
Net assets attributable to unitholders		2,044,766	1,508,078

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

20 May 2020

BlackRock Overseas Equity Fund

Notes to Financial Statements

for the year ended 29 February 2020

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 17 to 18.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 19 to 30.

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	105,984	24,005
Custodian transaction costs	(1)	(2)
Net capital gains	105,983	24,003

Net gains (excluding transaction costs) listed above of £105,984,000 comprise net realised gains of £24,602,000 and net unrealised gains of £81,382,000 (28 February 2019: £24,005,000 comprising net realised gains of £12,440,000 and net unrealised gains of £11,565,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Equity distributions on CIS holdings	30,516	20,679
Interest from UK bank deposits	1	1
Manager's charge rebates	2,819	2,088
Total revenue	33,336	22,768

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:		
– Manager's charge	3,778	2,658
	3,778	2,658
Other expenses:		
– Audit fee	8	7
– Trustee's fees	125	95
	133	102
Total expenses	3,911	2,760

BlackRock Overseas Equity Fund

Notes to Financial Statements continued

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	2	5
Total interest payable and similar charges	2	5

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
Corporation tax	-	-
Total tax charge [see note 7(b)]	-	-

(b) Factors affecting the tax charge

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

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Net revenue before taxation	29,423	20,003
Corporation tax at 20% (28 February 2019: 20%)	5,885	4,001
Effects of:		
Movement in unrecognised excess management expenses	218	186
Revenue not subject to tax	(6,103)	(4,187)
Total tax charge [see note 7(a)]	-	-

At 29 February 2020 the Fund had surplus management expenses of £2,441,000 (28 February 2019: £1,349,000). 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 £488,000 (28 February 2019: £270,000) has not been recognised.

BlackRock Overseas Equity Fund

Notes to Financial Statements continued

8. Distributions

	For the year to 29.2.2020 £000's	For the year to 28.2.2019 £000's
Interim distribution	11,423	7,108
Final distribution	21,704	15,592
	33,127	22,700
Add: Amounts deducted on cancellation of units	1,382	889
Less: Amounts received on issue of units	(5,086)	(3,586)
Distributions	29,423	20,003

Details of the interim and final distributions per unit are set out in the tables on page 128.

9. Debtors

	29.2.2020 £000's	28.2.2019 £000's
Accrued Manager's charge rebates	847	578
Amounts receivable for issue of units	12,337	3,297
Total debtors	13,184	3,875

10. Other Creditors

	29.2.2020 £000's	28.2.2019 £000's
Accrued Audit fee	7	7
Accrued FCA fee	–	1
Accrued Manager's charge	970	706
Accrued Trustee's fee	20	25
Purchases awaiting settlement	12,353	3,978
Total other creditors	13,350	4,717

11. Contingent Assets and Liabilities

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

12. Related Parties

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

BlackRock Overseas Equity Fund

Notes to Financial Statements continued

12. 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

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, the following investor(s):

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

As at 29 February 2020:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	99%

BlackRock Overseas Equity Fund

Notes to Financial Statements continued

12. Related Parties continued

As at 28 February 2019:

Total % of units held by Affiliated Funds	Number of investors holding 51% or more of the voting units in issue who are not Affiliated Funds	Total % of units held by unitholders holding 51% or more of the voting units in issue who are not Affiliated Funds
Nil	1	99%

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

13. Portfolio Transaction Costs

For the year ended 29 February 2020

	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Purchases (excluding derivatives)					
Collective investment schemes	558,096	–	–	–	–
Total purchases	558,096	–	–	–	–
Total purchases including transaction costs	558,096				
	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Sales (excluding derivatives)					
Collective investment schemes	156,769	–	–	–	–
Total sales	156,769	–	–	–	–
Total sales net of transaction costs	156,769				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

BlackRock Overseas Equity Fund

Notes to Financial Statements continued

13. Portfolio Transaction Costs continued

For the year ended 28 February 2019

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	415,593	–	–	–	–
Total purchases	415,593	–		–	
Total purchases including transaction costs	415,593				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Collective investment schemes	103,016	–	–	–	–
Total sales	103,016	–		–	
Total sales net of transaction costs	103,016				
Total transaction costs		–		–	
Total transaction costs as a % of average net assets		0.00%		0.00%	

The above analysis covers any 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.

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 incurred by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.15% (28 February 2019: 0.13%).

BlackRock Overseas Equity Fund

Notes to Financial Statements continued

14. Units in Issue

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

	I Accumulation Units
Balance at the beginning of the year	488,172,885
Issued during the year	164,116,732
Cancelled during the year	(47,059,734)
Balance at the end of the year	605,229,883

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

15. 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 I Accumulation, the primary unit class, was 0.57%. Performance returns for the other unit classes in issue can be obtained upon request.

Statement of Manager's and Trustee's Responsibilities

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

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

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

The Trustee in its capacity as Trustee of BlackRock Non-UCITS Retail Funds (2) must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and, from 22 July 2014 the Investment Funds 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 Trust and its investors.

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

The Trustee must ensure that:

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

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

Report of the Trustee

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

Report of the Trustee continued

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

The Bank of New York Mellon
(International) Limited

London
20 May 2020

Independent Auditor's Report to the Unitholders of BlackRock Non-UCITS Retail Funds (2)

We have audited the financial statements of BlackRock Non-UCITS Retail Funds (2) ("the Trust") for the year ended 29 February 2020 which comprise the Statement of Total Return and Statement of Changes in Net Assets Attributable to Unitholders together with the Balance Sheet for each of the Funds, the accounting policies of the Trust, the related notes for each Fund and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust comprising each of its Funds as at 29 February 2020 and of the net revenue/(expenses) and the net capital gains/(losses) on the scheme property of the Trust comprising each of its Funds 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 of the financial statements and the Post Balance Sheet Events note of each fund, which describe the market impact the Funds are facing as a result of COVID-19 as well as an estimate of any financial effects on the Funds themselves. Our opinion is not modified in respect of this matter.

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.

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 139, the manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

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

Securities Lending

The following table details the value of securities on loan as a proportion of the BlackRock Institutional UK Focus Fund's total lendable assets and NAV as at 29 February 2020. 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.

Fund	Securities on loan	
	% of lendable assets	% of NAV
BlackRock Institutional UK Focus Fund	4.67	4.35

Only the BlackRock BlackRock Institutional UK Focus Fund had securities on loan and related collateral outstanding as at 29 February 2020.

The total income earned from securities lending transactions is split between the 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 Fund's 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 callable or terminable on a daily basis.

Collateral

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

Supplementary Information continued

The following table provides an analysis by currency of the cash and underlying non-cash collateral received by way of title transfer collateral arrangement by the Funds, in respect of securities lending transactions, as at 29 February 2020.

Currency	Cash collateral received	Cash collateral posted	Non-cash collateral received	Non-cash collateral posted
BlackRock Institutional UK Focus Fund	£000's	£000's	£000's	£000's
Securities lending transactions				
CAD	–	–	15	–
CHF	–	–	15	–
DKK	–	–	42	–
EUR	–	–	730	–
GBP	–	–	256	–
JPY	–	–	35	–
NOK	–	–	30	–
SGD	–	–	31	–
THB	–	–	1	–
USD	–	–	493	–
Total	–	–	1,648	–

The Fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default.

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 by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions, as at 29 February 2020.

Fund	Maturity Tenor					Open transactions	Total
	1 - 7 days	8 - 30 days	31 - 90 days	91 - 365 days	More than 365 days		
BlackRock Institutional UK Focus Fund	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Collateral received - securities lending							
Fixed income							
Investment grade	–	–	–	–	958	–	958
Equities							
Recognised equity index	–	–	–	–	–	690	690
Total	–	–	–	–	958	690	1,648

Supplementary Information continued

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) of non-cash collateral received by the Fund by way of the title transfer collateral arrangement across securities lending transactions and OTC FDIs as at 29 February 2020.

Fund	Value	% of The Fund's NAV
BlackRock Institutional UK Focus Fund	£000's	
Barclays Capital Securities Limited	855	2.39
Citigroup Global Markets Limited	606	1.69
The Bank of Nova Scotia	187	0.52
Total	1,648	4.60

About us

BlackRock is a premier provider of asset management, risk management, and advisory services to institutional, intermediary, and individual clients worldwide. As of 31 March 2020, the firm manages £4.99 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

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

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

Want to know more?

blackrockinternational.com | +44 (0)20 7743 3300

© 2020 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS, ISHARES, SO WHAT DO I DO WITH MY MONEY, INVESTING FOR A NEW WORLD, and BUILT FOR THESE TIMES are registered and unregistered trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

BLACKROCK®

Go paperless. . . 
It's Easy, Economical and Green! .
Go to www.icsdelivery.com