



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

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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*
S Corrigan
W I Cullen*
D Edgar
B Harrison (Appointed 29 April 2021)
A M Lawrence
H N Mepham
M T Zemek*

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
Atria One, 144 Morrison Street, Edinburgh EH3 8EX

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

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

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

For your protection, telephone calls are usually recorded.

* Non-executive Director.

About the Trust

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 28 February 2022 and 28 February 2021 there were no cross sub-fund holdings within the Trust.

The Alternative Investment Fund Managers Regulations 2013

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 the term "AIFMD" means, the UK Alternative Investment Fund Managers Regulations 2013, together with any other implementing measure which operated to transpose AIFMD into UK law before 31 January 2020, and the UK versions of Commission Delegated Regulation (EU) No 231/2013 and any other delegated regulations in respect of the AIFMD, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018.

Assessment of value

The FCA requires UK fund managers to complete an annual assessment of whether their UK authorised funds provide value for investors. BlackRock's assessment considers fund and unit class-level performance, costs and charges, and service quality, concluding with an evaluation of whether investors receive value. BlackRock has fulfilled its obligations for the reporting requirement, including assessing relevant charges, and published the annual assessment of value statements on the BlackRock website on 29 October 2021 in a composite report for all funds managed by BlackRock Fund Managers Limited subject to these requirements.

Fund Managers

As at 28 February 2022, the Fund Manager of the Funds, with the exception of the BlackRock Institutional UK Focus Fund, is Stephen Walker. As at 28 February 2022, the Fund Manager of the BlackRock Institutional UK Focus Fund is Luke Chappell.

Significant Events

Changes in the Directors of the Manager

B Harrison was appointed as a Director effective 29 April 2021.

Outbreak of COVID-19

The infectious respiratory illness caused by a novel coronavirus known as COVID-19 has given rise to an extended global pandemic. The impact of this significant event on the Funds' financial risk exposure is disclosed in Note 2.

Significant Events continued

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

Fund Closure

As set out in the letter to unitholders dated 6 April 2022, the BlackRock Institutional UK Focus Fund will commence wind-up on or soon after 7 June 2022. The size of the Fund was circa £6.7 million as of 31 March 2022, and the Investment Manager does not expect to raise subscriptions in the near future. At this size, the Investment Manager considered the Fund to be no longer commercially viable and, as a result and in accordance with the rules of the UK Financial Conduct Authority, the Investment Manager has decided to close it. As at 7 June 2022, all units in the Fund will be cancelled. Consequently, the financial statements for this Fund are not prepared on a going concern basis for the year ended 28 February 2022, but on a break-up basis.

Russian invasion of Ukraine

Certain financial markets have fallen towards the end of the financial year due primarily to geo-political tensions arising from Russia's invasion of Ukraine and the impact of the subsequent range of sanctions, regulations and other measures which impaired normal trading in Russian securities. The Board and the Manager continue to monitor investment performance in line with the Funds' investment objectives.

Credit Facility

The Funds entered into a credit facility with JPMorgan whereby JPMorgan, together with other syndicated lenders, made a portion of a USD 475 million credit facility available to the Funds. The portion of the USD 475 million credit facility will be allocated to the Funds based on the credit facility agreement dated 23 April 2021. This credit facility may be utilised by the Funds for temporary funding purposes, including, without limitation, the funding of investor redemptions. Any interest and commitment fees in relation to drawdowns from such credit facility are paid out of the assets of the Funds.

The credit facility was not used during the period.

Investment Report

for the year ended 28 February 2022

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 Funds' realised performance against the performance during the financial year ended 28 February 2022.

The returns disclosed, based on bid-to-bid dealing prices (the price at which units are sold) and calculated net of fees, are the performance returns for the primary unit class for each Fund which has been selected as a representative unit class. The primary unit class represents the class of unit which is the highest charging unit class, free of any commissions or rebates, and is freely available. Performance returns for any other unit class can be made available on request.

| | Fund return % | Target/comparator benchmark return % |
|---|---------------------|---|
| BlackRock Consensus 35 Fund – Class D Accumulation Units | 1.19 | (0.03) |
| BlackRock Consensus 60 Fund – Class D Accumulation Units | 3.98 | 2.35 |
| BlackRock Consensus 70 Fund – Class D Accumulation Units | 5.32 | 3.04 |
| BlackRock Consensus 85 Fund – Class D Accumulation Units | 7.40 | 4.06 |
| BlackRock Consensus 100 Fund – Class D Accumulation Units | 11.28 | 6.73 |
| BlackRock Global Equity Fund – Class D Accumulation Units | 13.19 | 14.78 |
| BlackRock Institutional UK Focus Fund – Class A Accumulation Units | 7.52 | 16.03 |
| BlackRock Overseas Equity Fund – Class I Accumulation Units | 12.11 | 14.28 |

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

Global Economic Overview

Global equities, as represented by the MSCI All Country World Index (“ACWI”), posted a return of 12.34% (in British pound sterling terms) for the twelve months ended 28 February 2022. A continued recovery in consumer spending and the implementation of COVID-19 vaccination programmes led to solid economic growth during the twelve-month period. However, the surge in spending on goods and imbalances between supply and demand drove significant global inflation (rate of increase in the prices of goods and services), and the spread of highly contagious variants of COVID-19, led to setbacks in the recovery. Late in the reporting period, Russia’s invasion of Ukraine drove further uncertainty in financial markets. Sanctions imposed on Russia negatively impacted businesses with ties to the region and prompted concerns about further rises in commodity prices, including energy, where Russia is one of the world’s notable exporters.

The US economy, powered by a surge in consumer spending and increased international trade, grew at a fast pace in 2021, posting its highest annual growth rate since 1984. However, Japanese growth was slow, as a semiconductor shortage hindered production in its electronics and automobile industries. The UK economy contracted early in 2021 before returning to growth for the remainder of 2021, amid an increase in COVID-19 vaccinations. The Eurozone briefly entered a mild recession in early 2021 but grew modestly throughout the period.

Emerging market economies were volatile, as higher commodity prices, continued COVID-19 outbreaks and differing central bank policies led to significant variation in growth. The Chinese economy slowed amid regulatory shifts, concerns about the heavily indebted property sector and restrictions on industrial power usage. India’s economy contracted sharply in the second quarter of 2021, before rebounding strongly in the third quarter, as easing lockdown restrictions led to higher consumer spending. Both Mexico and Brazil’s economies grew only modestly during 2021.

As the global economy improved, the world's largest central banks began to implement various measures aimed at monetary policy tightening, in the face of rising inflation. The US Federal Reserve ("the Fed") kept interest rates near zero and maintained bond buying programmes to stabilise US Treasury and government agency debt markets. However, the Fed began reducing asset purchases in late 2021, and indicated that a series of interest rate increases were likely in 2022.

The Bank of England raised interest rates twice, as inflation reached a thirty-year high. Inflation pressure also affected the Eurozone, and while the European Central Bank ("ECB") maintained record low interest rates, it also shifted its tone by acknowledging the persistence of high inflation.

Global equity performance was mixed during the reporting period, with significant variation by size and region. The implementation of COVID-19 vaccination programmes early in the period provided a strong boost to equities. However, continued inflation pressure, amid supply chain constraints and tighter monetary policy from many central banks pressured equities in the second half of the reporting period. Equities in the US generally posted higher returns than equities in Europe, where economic growth was slower. Rising interest rates and increased uncertainty meant that the equities of larger companies generally performed better than those of smaller, growth-oriented companies. Globally, bonds and equities that factor in companies' environmental, social, and governance ("ESG") characteristics continued to attract strong investor interest. Bond issuance for ESG-related projects grew to a record in 2021 amid rising investor demand and inflows into ESG equity funds also increased, particularly in US and Asian markets.

Global corporate bond returns were negative overall, as yields (which move inversely to prices) rose. As inflation concerns increased, investors' expectations for future interest rate increases, which reduce the value of existing bonds, ramped up. Corporate bond prices fell globally as yield spreads (the difference in yield between government and corporate bonds with similar maturities) widened and investors reassessed credit conditions amid heightened uncertainty.

Yields on the 10-year US Treasury, a benchmark lending rate for the global bond market, rose significantly during the reporting period amid higher inflation and investors' expectations for future Fed interest rate increases. Yields also rose on most other government bonds, particularly UK gilts and government bonds from Europe, while Japanese government bond yields rose more slowly.

Equities in emerging markets posted a substantial decline as the US dollar strengthened and interest rates rose. Central banks in several emerging markets, such as Brazil and Mexico, raised interest rates in response to heightened inflation. In China, an abrupt regulatory shift, targeting companies in the technology, education, and gaming industries, further impacted equities negatively. Late in the reporting period, Russian equities declined significantly and the Moscow Exchange halted trading in the wake of Russia's invasion of Ukraine. Emerging market bond prices declined sharply, partly as a result of Russia's invasion of Ukraine near the end of the reporting period.

In the commodities market, supply and demand shifts induced by the COVID-19 pandemic and subsequent recovery led to a notable rise in many commodity prices. Energy commodities, which had fallen sharply in value at the beginning of the COVID-19 pandemic, rebounded due to higher demand amid a rise in industrial output, and Brent crude oil, natural gas and coal prices all rose. Sanctions on Russia further exacerbated concerns surrounding supply constraints in oil and gas commodity markets late in the reporting period. The prices of other commodities associated with Russia and Ukraine, including wheat and nickel, also rose notably. Gold prices rose as investors sought a store of value amid high inflation and geopolitical instability.

On the foreign exchanges, the US dollar rose against most other global currencies, as investors anticipated monetary tightening by the Fed early in 2022. The relatively accommodative stances of the Bank of Japan and the ECB meant that the Japanese yen and the euro both declined notably compared to the US dollar, while the British pound sterling declined less. The Chinese yuan was one of the few currencies that gained against the US dollar, supported by increasing exports and capital inflows.

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 28 February 2022 the Funds' returns were 1.19%, 3.98%, 5.32%, 7.40% and 11.28% for the five funds respectively.

Each Fund uses the Lipper ABI pensions sector averages for general asset allocation. Given that each Fund is effectively a passively managed strategy, there were no decisions actively taken to deviate from the given asset allocation.

During the first quarter of 2021, strong equity market performance was offset by negative fixed income returns. Global equities gained as COVID-19 infections declined and the rapid vaccination rollout continued. Economic momentum in the US was solid led by the service sector which had previously faced challenges due to lockdown restrictions. However slow vaccination rollout in large economies of Europe increased the risk of a delay in economic recovery.

During the second quarter and third quarters of 2021, strong equity market performance was driven by the reopening of economies as COVID-19 vaccine rollouts continued to proceed at a healthy pace, especially in developed economies. Although emerging economies continued to lag on the vaccination front, cases remained very low in China and peaked in India. During the second quarter of 2021, investors showed concern about inflation and withdrawal of policy support, especially in the US. The Federal Open Markets Committee ("FOMC") meeting in June communicated a hawkish (in favour of higher interest rates) shift in tone and indicated that interest rates would rise earlier than expected. This provided insight into the Federal Reserve's tolerance to an inflation overshoot, removing the markets' assurance of infinite policy support. The Delta variant of COVID-19 continued to spread and daily cases rose globally during these quarters. Successful vaccination programmes in the UK and the rest of Europe resulted in hospitalisations not increasing as fast as seen during the previous waves. Meanwhile hospitalisations rose more sharply in the US, likely due to lower rates of vaccination. September proved to be a more volatile month for developed markets owing to rising government bond yields on monetary policy normalisation speculation. US equities were a key detractor as concerns about a peak in the rate of economic growth, supply disruptions and rising inflation led the asset class to finish the month down -4.7%. Despite its initial dovish stance, the Fed became increasingly hawkish towards the end of the third quarter, sending Treasury yields and the dollar higher. Market concerns rose in response to myriad disruptions to global supply chains for raw materials, manufactured goods and other resources. China was a drag on performance initially as the government tightened regulations in the tech and private education sectors, introducing further uncertainty. Despite some markets such as India continuing to perform well, emerging market equities underperformed amid a sell-off in China and returned -2.8% overall towards the end of the third quarter.

Towards the end of 2021, developed equity markets posted positive returns on the back of strong corporate earnings reports and robust economic data. However, the emergence of the new COVID-19 variant (Omicron) in November dampened markets performance and put pressure on central banks as they faced rising inflation rates on the back of supply chain disruptions. In December, markets rebounded as the new variant was reported to be less severe than expected despite higher transmissibility. In the U.S., preliminary data indicated the COVID-19 vaccine was effective against the new variant, and as the Fed shared more clarity on next year's policy path (indicating that a series of interest rate increases were likely in 2022), the market recovered and finished the last quarter of 2021 with strong positive return. The falling unemployment rate and the \$550bn bipartisan infrastructure bill signed by President Biden supported the positive market sentiment over the quarter. In Europe, the market recovered in December after the concerns regarding the new variant were lessened. The European Central Bank committed to end the emergency bond buying programme in March but promised to keep borrowing costs low over 2022 and to keep the door open for restarting emergency support in the event of turbulence. On the other hand, the Bank of England raised the interest rate in December from 0.10% to 0.25% signalling that the inflation risk outweighed the disruptions risk of the Omicron variant. Emerging markets equities declined over the quarter due to exacerbating inflationary pressures and supply chain disruptions. The results were mixed among emerging markets as each country was at a different stage of its economic recovery with differing constraints, economic conditions, and inflation rates. China maintained a zero-tolerance approach for new COVID-19 cases and reimposed lockdown restrictions. The strong economic data and the pickup in E-commerce and technology sectors that were negatively impacted by regulatory actions earlier in the year, supported the market performance, but were not enough to offset the market decline in November.

BlackRock Global Equity Fund

Over the financial year to 28 February 2022, the Fund's return was 13.19%, underperforming its target benchmark, which returned 14.78%.

The tracking difference is a result of the difference in valuation point of the Fund and the pricing point of the target benchmark. 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 28 February 2022, the Fund's performance return was 7.52% and the active return was (8.51%), regrettably underperforming its comparator benchmark which returned 16.03% (active return is the difference between the Fund's return and the comparator benchmark return).

2021 presented a number of challenges for investors. Strong COVID-19 vaccination programmes in the developed economies and strong earnings results provided support for equities. However, markets remained sensitive to inflation indicators and policy makers became more hawkish (in favour of higher interest rates) as the year progressed, implying that inflation was not as temporary in nature as expected at the start of the year. This theme continued into the first few months of 2022, with markets experiencing a sharp move away from growth oriented shares into value and cyclical oriented shares. Global markets were further impacted by the news of Russia's invasion of Ukraine and the Western response.

The Fund underperformed its benchmark due in part to our overweight positioning in the consumer services sector and underweight positioning to oil & gas, along with security selection in basic materials and financials.

Investment Report continued

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

| Largest Contributors | | Largest Detractors | |
|--------------------------|-----------------------|------------------------------------|-----------------------|
| Stock | Effect on Fund return | Stock | Effect on Fund return |
| Ferguson [#] | 1.76% | Johnson Matthey [#] | (2.66%) |
| RELX [#] | 1.43% | Next [#] | (2.06%) |
| AstraZeneca [#] | 0.79% | London Stock Exchange [#] | (2.02%) |
| Unilever [^] | 0.57% | Shell [^] | (1.34%) |
| Prudential [^] | 0.53% | Hargreaves Lansdown [#] | (0.85%) |

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

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

Johnson Matthey was the top detractor during the period. The company share price fell after announcing withdrawal from its battery materials project. After excellent performance in the year 2020, shares in London Stock Exchange fell as revenue growth in London Clearing House and FTSE Russell was weaker than expected and the company reported expectations of an increase in costs. Profit warnings from online competitors late in the period served to alarm investors in the retail sector causing Next to fall and detract from performance despite the company releasing a strong trading statement and further upgrades to full year expectations.

Ferguson performed well as the US administration unveiled a boost to infrastructure spending. Results demonstrated the success of the investments made over the past decade with the group delivering strong organic growth in the face of supply shortages and also managing to protect margins by passing through raw material price rises. RELX also performed well as its trading statement late in the period confirmed our thesis that it is sustaining a higher rate of revenue growth than in the past, led by its Risk division.

The following table details the significant active positions, where the Fund was overweight (held more exposure than the benchmark) and underweight (held less exposure than the benchmark), at 28 February 2022 and 28 February 2021:

| Top overweight positions | | | |
|--------------------------|------------------|------------------|------------------|
| 28 February 2022 | | 28 February 2021 | |
| Sector | Active Weighting | Sector | Active Weighting |
| Next | 7.89% | Next | 8.70% |
| RELX | 7.67% | Ferguson | 7.10% |
| Ferguson | 7.65% | RELX | 6.54% |

| Top underweight positions | | | |
|---------------------------|------------------|-------------------|------------------|
| 28 February 2022 | | 28 February 2021 | |
| Sector | Active Weighting | Sector | Active Weighting |
| Shell | (6.28)% | Royal Dutch Shell | (5.06)% |
| HSBC | (4.34)% | Unilever | (4.34)% |
| Unilever | (3.94)% | HSBC | (3.97)% |

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

Investment Report continued

BlackRock Overseas Equity Fund

Over the financial year to 28 February 2022, the Fund's return was 12.11%, underperforming its target benchmark, which returned 14.28%.

The tracking difference is a result of the difference in valuation point of the Fund and the pricing point of the target benchmark. 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 provisions in the UK implementing 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 and to UK entities within the BlackRock group authorised as a manager of a UK alternative investment fund in accordance with the AIFMD as implemented, retained and onshored in the UK.

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 (b) the Manager's board of directors (the "Manager's Board"). These bodies are responsible for the determination of BlackRock's remuneration policies.

(a) MDCC

The MDCC's purposes include:

- providing oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans; and
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed as administrator;
- reviewing and discussing the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approving the MDCC's report for inclusion in the proxy statement;
- reviewing, assessing and making reports and recommendations to the BlackRock, Inc. Board of Directors (the "BlackRock, Inc. Board") as appropriate on BlackRock's talent development and succession planning, with the emphasis on performance and succession at the highest management levels; and
- supporting the boards of the Company's EMEA regulated entities in meeting their remuneration-related obligations by overseeing the design and implementation of EMEA remuneration policy in accordance with applicable regulations.

The MDCC directly retains its own 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.

Report on Remuneration continued

The MDCC held 9 meetings during 2021. The MDCC charter is available on BlackRock, Inc.'s website (www.blackrock.com).

(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 AJM and investment performance) as well as information regarding market conditions and competitive compensation levels.

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

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

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

Individuals are not involved in setting their own remuneration.

Control functions

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

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

Link between pay and performance

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

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

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

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

Report on Remuneration continued

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

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

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

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

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

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

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

Report on Remuneration continued

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.

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.

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

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 2021 is GBP 79.7 million. This figure is comprised of fixed remuneration of GBP 1.6 million and variable remuneration of GBP 78.1 million. There were a total of 67 beneficiaries of the remuneration described above.

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 2021, 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 79.6 million.

1. Accounting and Distribution Policies*

for the year ended 28 February 2022

Accounting Policies

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

As set out in the letter to unitholders dated 6 April 2022, the BlackRock Institutional UK Focus Fund will commence wind-up on or soon after 7 June 2022. The size of the Fund was circa £6.7 million as of 31 March 2022, and the Investment Manager does not expect to raise subscriptions in the near future. At this size, the Investment Manager considered the Fund to be no longer commercially viable and, as a result and in accordance with the rules of the UK Financial Conduct Authority, the Investment Manager has decided to close it. As at 7 June 2022, all units in the Fund will be cancelled. Consequently, these financial statements are not prepared on a going concern basis for the year ended 28 February 2022, but on a break-up basis. Under this basis, all assets are recorded at their estimated realisable amount and all liabilities at their estimated settlement amount. The liquidation costs are borne by the Manager.

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

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

All 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.

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

1. Accounting and Distribution Policies continued

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

Investments in dual priced Collective Investment Schemes have been valued at bid 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

1. Accounting and Distribution Policies continued

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.

2. 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.

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.

2. 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 28 February 2022 and 28 February 2021 based on a 99% confidence level is outlined in the table below:

| Fund | 28 February 2022 % | 28 February 2021 % |
|---------------------------------------|-------------------------------------|-------------------------------------|
| BlackRock Consensus 35 Fund | 0.65 | 0.84 |
| BlackRock Consensus 60 Fund | 1.00 | 1.52 |
| BlackRock Consensus 70 Fund | 1.14 | 1.74 |
| BlackRock Consensus 85 Fund | 1.39 | 2.11 |
| BlackRock Consensus 100 Fund | 1.91 | 2.97 |
| BlackRock Global Equity Fund | 2.00 | 3.28 |
| BlackRock Institutional UK Focus Fund | 2.42 | 4.33 |
| BlackRock Overseas Equity Fund | 2.10 | 3.23 |

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 and market prices of their investments.

2. Financial Instruments and Risks continued

The coronavirus outbreak has had a profound impact on all aspects of society in recent years. While there is a growing consensus in developed economies that the worst of the impact is now over, there is an expectation that travel restrictions, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, cancellations, supply chain disruptions, and lower consumer demand will create ongoing challenges. While widescale vaccination programmes are now in place in many countries and are having a positive effect, the impact of COVID-19 continues to adversely affect the economies of many nations across the globe and this impact may be greater where vaccination rates are lower, such as in certain emerging markets. Although it is difficult to make timing predictions, it is expected that the economic effects of COVID-19 will continue to be felt for a period after the virus itself has moved from being pandemic to endemic in nature, and this in turn may continue to impact investments held by each Fund.

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 and through their investments in futures contracts, whereby the value of an underlying asset may fluctuate as a result of a change in interest rates through their investments in interest-bearing securities.

2. Financial Instruments and Risks continued

Management of interest rate risk

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

b) Counterparty credit risk

Exposure to counterparty credit risk

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

The 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.

2. Financial Instruments and Risks continued

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 28 February 2022 is A- (28 February 2021: BBB+) (Standard & Poor's rating).

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.

28 February 2022

| Counterparty | Forwards | Total Exposure |
|------------------------------------|----------|----------------|
| BlackRock Consensus 35 Fund | £000's | £000's |
| Bank of America Merrill Lynch | (29) | (29) |
| Deutsche Bank AG | (1) | (1) |
| Goldman Sachs International | (54) | (54) |
| Toronto-Dominion Bank | 17 | 17 |

| Counterparty | Forwards | Total Exposure |
|------------------------------------|----------|----------------|
| BlackRock Consensus 60 Fund | £000's | £000's |
| Bank of America Merrill Lynch | (25) | (25) |
| Deutsche Bank AG | (2) | (2) |
| Goldman Sachs International | (44) | (44) |

| Counterparty | Forwards | Total Exposure |
|--|----------|----------------|
| BlackRock Consensus 70 Fund | £000's | £000's |
| Deutsche Bank AG | (1) | (1) |
| Goldman Sachs International | (29) | (29) |
| Morgan Stanley & Co. International Plc | (16) | (16) |

| Counterparty | Forwards | Total Exposure |
|--|----------|----------------|
| BlackRock Consensus 85 Fund | £000's | £000's |
| Deutsche Bank AG | (14) | (14) |
| Goldman Sachs International | (201) | (201) |
| Morgan Stanley & Co. International Plc | (109) | (109) |

2. Financial Instruments and Risks continued

28 February 2021

| Counterparty | Forwards | Total Exposure |
|------------------------------------|---------------|----------------|
| BlackRock Consensus 35 Fund | £000's | £000's |
| Bank of America Merrill Lynch | 831 | 831 |
| Goldman Sachs International | 1,249 | 1,249 |
| J.P. Morgan Securities Plc | (12) | (12) |
| Société Générale SA | 20 | 20 |

| Counterparty | Forwards | Total Exposure |
|------------------------------------|---------------|----------------|
| BlackRock Consensus 60 Fund | £000's | £000's |
| Bank of America Merrill Lynch | 545 | 545 |
| Goldman Sachs International | 818 | 818 |

| Counterparty | Forwards | Total Exposure |
|------------------------------------|---------------|----------------|
| BlackRock Consensus 70 Fund | £000's | £000's |
| Barclays Bank Plc | 12 | 12 |
| Goldman Sachs International | 815 | 815 |

| Counterparty | Forwards | Total Exposure |
|------------------------------------|---------------|----------------|
| BlackRock Consensus 85 Fund | £000's | £000's |
| Goldman Sachs International | 6,520 | 6,520 |

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.

2. Financial Instruments and Risks continued

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 28 February 2022 was A (28 February 2021: AA-) (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.

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 BNY Mellon Trust & Depositary (UK) Limited ("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.

2. 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 | 28 February 2022 | | 28 February 2021 | |
|--|---|--------------------|---------------------|--------------------|---------------------|
| | | Securities on loan | Collateral received | Securities on loan | Collateral received |
| BlackRock Institutional UK Focus Fund | | £000's | £000's | £000's | £000's |
| Citigroup Global Markets Limited | UK | – | – | 153 | 171 |
| Total | | – | – | 153 | 171 |

At 28 February 2022 there were no securities on loan or related collateral outstanding (28 February 2021: 29.82% in debt securities and 70.18% 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 28 February 2022 and 28 February 2021, 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 28 February 2022 and 28 February 2021, 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.

2. Financial Instruments and Risks continued

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.

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.

2. Financial Instruments and Risks continued

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

The 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 |
|------------------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| 28 February 2022 | | | | |
| Investment assets | – | 264,498 | – | 264,498 |
| Investment liabilities | – | (100) | – | (100) |
| 28 February 2021 | | | | |
| Investment assets | – | 273,896 | – | 273,896 |
| Investment liabilities | – | – | – | – |
| BlackRock Consensus 60 Fund | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
| 28 February 2022 | | | | |
| Investment assets | – | 290,473 | – | 290,473 |
| Investment liabilities | – | (81) | – | (81) |
| 28 February 2021 | | | | |
| Investment assets | – | 266,728 | – | 266,728 |
| Investment liabilities | – | – | – | – |
| BlackRock Consensus 70 Fund | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
| 28 February 2022 | | | | |
| Investment assets | – | 231,677 | – | 231,677 |
| Investment liabilities | – | (51) | – | (51) |
| 28 February 2021 | | | | |
| Investment assets | – | 201,790 | – | 201,790 |
| Investment liabilities | – | – | – | – |
| BlackRock Consensus 85 Fund | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
| 28 February 2022 | | | | |
| Investment assets | – | 2,930,987 | – | 2,930,987 |
| Investment liabilities | – | (373) | – | (373) |
| 28 February 2021 | | | | |
| Investment assets | – | 2,662,248 | – | 2,662,248 |
| Investment liabilities | – | – | – | – |

2. Financial Instruments and Risks continued

| BlackRock Consensus 100 Fund | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
|--|---------------------------|---------------------------|---------------------------|-------------------------|
| 28 February 2022 | | | | |
| Investment assets | – | 182,414 | – | 182,414 |
| Investment liabilities | – | – | – | – |
| 28 February 2021 | | | | |
| Investment assets | – | 131,047 | – | 131,047 |
| Investment liabilities | – | – | – | – |
| BlackRock Global Equity Fund | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
| 28 February 2022 | | | | |
| Investment assets | – | 499,118 | – | 499,118 |
| Investment liabilities | – | – | – | – |
| 28 February 2021 | | | | |
| Investment assets | – | 476,505 | – | 476,505 |
| Investment liabilities | – | – | – | – |
| BlackRock Institutional UK Focus Fund | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
| 28 February 2022 | | | | |
| Investment assets | 7,652 | 69 | – | 7,721 |
| Investment liabilities | – | – | – | – |
| 28 February 2021 | | | | |
| Investment assets | 32,440 | 514 | – | 32,954 |
| Investment liabilities | – | – | – | – |
| BlackRock Overseas Equity Fund | Level 1 £000's | Level 2 £000's | Level 3 £000's | Total £000's |
| 28 February 2022 | | | | |
| Investment assets | – | 246,057 | – | 246,057 |
| Investment liabilities | – | – | – | – |
| 28 February 2021 | | | | |
| Investment assets | – | 2,233,522 | – | 2,233,522 |
| 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.

2. Financial Instruments and Risks continued

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 28.2.2022 | Leverage as at 28.2.2021 | Maximum limit | Leverage as at 28.2.2022 | Leverage as at 28.2.2021 |
| BlackRock Consensus 35 Fund | 4.1:1 | 2.2:1 | 2.2:1 | 2.1:1 | 1.4:1 | 1.4:1 |
| BlackRock Consensus 60 Fund | 3.5:1 | 1.8:1 | 1.8:1 | 1.9:1 | 1.3:1 | 1.2:1 |
| BlackRock Consensus 70 Fund | 3.3:1 | 1.7:1 | 1.6:1 | 1.8:1 | 1.2:1 | 1.2:1 |
| BlackRock Consensus 85 Fund | 2.9:1 | 1.4:1 | 1.4:1 | 1.7:1 | 1.1:1 | 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 established on 13 July 2012 and was authorised by the FCA on 25 May 2012. The Fund's FCA product reference number is 643960.

BlackRock Consensus 35 Fund

Comparative Table

| | A Accumulation Units | | | D Accumulation Units | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 |
| | 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 | 147.5 | 145.6 | 135.1 | 152.1 | 149.5 | 138.2 |
| Return before operating charges | 2.21 | 2.83 | 11.39 | 2.25 | 2.94 | 11.67 |
| Operating charges | (0.95) | (0.91) | (0.90) | (0.35) | (0.33) | (0.34) |
| Return after operating charges | 1.26 | 1.92 | 10.49 | 1.90 | 2.61 | 11.33 |
| Distributions | (1.56) | (1.76) | (2.11) | (2.24) | (2.42) | (2.75) |
| Retained distributions on accumulation units | 1.56 | 1.76 | 2.11 | 2.24 | 2.42 | 2.75 |
| 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 | 0.85% | 1.32% | 7.76% | 1.25% | 1.75% | 8.20% |
| Other information | | | | | | |
| Closing net asset value (£000's) | 31,616 | 33,134 | 28,424 | 231,938 | 240,738 | 207,072 |
| Closing number of units | 21,253,837 | 22,461,085 | 19,522,736 | 150,604,385 | 158,265,078 | 138,481,763 |
| Operating charges ² | 0.62% | 0.62% | 0.63% | 0.22% | 0.22% | 0.23% |
| Direct transaction costs ³ | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | | | |
| Highest offer unit price | 166.0 | 160.5 | 156.1 | 163.5 | 157.5 | 152.7 |
| Lowest bid unit price | 148.0 | 130.5 | 135.3 | 152.6 | 134.1 | 138.4 |

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

² Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/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 35 Fund

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

| | A Accumulation Units | | D Accumulation Units | |
|------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Group 1 | Group 2 | Group 1 | Group 2 |
| Gross revenue | 0.9944 | 0.0000 | 1.3438 | 0.0455 |
| Equalisation† | – | 0.9944 | – | 1.2983 |
| Distribution paid 30.4.2022 | 0.9944 | 0.9944 | 1.3438 | 1.3438 |
| Distribution paid 30.4.2021 | 0.9557 | 0.9557 | 1.2888 | 1.2888 |

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

| | A Accumulation Units | | D Accumulation Units | |
|-------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Group 1 | Group 2 | Group 1 | Group 2 |
| Gross revenue | 0.5662 | 0.0000 | 0.8996 | 0.0000 |
| Equalisation† | – | 0.5662 | – | 0.8996 |
| Distribution paid 31.10.2021 | 0.5662 | 0.5662 | 0.8996 | 0.8996 |
| Distribution paid 31.10.2020 | 0.8092 | 0.8092 | 1.1289 | 1.1289 |

† 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 28 February 2022

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|--|---|------------------------|-----------------------|
| COLLECTIVE INVESTMENT SCHEMES – 100.35%; 28.2.2021 99.24% | | | |
| Equity Funds – 27.00%; 28.2.2021 23.62% | | | |
| 3,769,968 | iShares Continental European Equity Index Fund UK | 11,438 | 4.34 |
| 120,622 | iShares Emerging Markets Equity Index Fund UK | 227 | 0.09 |
| 659,815 | iShares Global Property Equity Index Fund UK | 1,629 | 0.62 |
| 1,507,474 | iShares Japan Equity Index Fund UK | 3,817 | 1.45 |
| 3,670,855 | iShares North American Equity Index Fund UK | 21,070 | 7.99 |
| 318,165 | iShares Pacific ex Japan Equity Index Fund UK | 1,364 | 0.52 |
| 12,304,796 | iShares UK Equity Index Fund UK | 31,612 | 11.99 |
| | | 71,157 | 27.00 |

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|------------------------|-----------------------|
| Fixed Income Funds – 64.46%; 28.2.2021 67.00% | | | |
| 73,318 | BlackRock Global Index Funds - iShare Emerging Markets Government Bond Index LU | 7,459 | 2.83 |
| 13,669,954 | iShares Corporate Bond Index Fund UK | 22,587 | 8.57 |
| 4,072,093 | iShares Index Linked Gilt Index Fund UK | 7,703 | 2.93 |
| 35,446,338 | iShares Overseas Corporate Bond Index Fund UK | 56,352 | 21.38 |
| 32,077,199 | iShares Overseas Government Bond Index Fund UK | 41,854 | 15.88 |
| 19,469,806 | iShares UK Gilts All Stocks Index Fund UK | 33,922 | 12.87 |
| | | 169,877 | 64.46 |
| Short-term Money Market Funds – 8.89%; 28.2.2021 8.62% | | | |
| 22,726,728 | BlackRock Cash Fund | 23,431 | 8.89 |

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|--|--------------------------------|------------------------|-----------------------|
| DERIVATIVES – (0.03%); 28.2.2021 0.77% | | | |
| Forward Currency Contracts – (0.03%); 28.2.2021 0.77% | | | |
| £1,946,174 | UK sterling vs Canadian dollar | 2 | 0.00 |
| £25,738,888 | UK sterling vs Euro | 1 | 0.00 |
| £8,947,106 | UK sterling vs Japanese yen | 14 | 0.00 |
| £70,052,453 | UK sterling vs US dollar | (100) | (0.04) |
| US\$3,938,245 | US dollar vs UK sterling | 16 | 0.01 |
| | | (67) | (0.03) |
| Portfolio of investments | | 264,398 | 100.32 |
| Net other liabilities | | (844) | (0.32) |
| Total net assets | | 263,554 | 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 28 February 2022

| | Notes | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|--|-------|--------|--|--------|--|
| Income | | | | | |
| Net capital losses | 3 | | (281) | | (82) |
| Revenue | 4 | 4,621 | | 4,339 | |
| Expenses | 5 | (733) | | (637) | |
| Interest payable and similar charges | 6 | – | | (1) | |
| Net revenue before taxation | | 3,888 | | 3,701 | |
| Taxation | 7 | – | | (5) | |
| Net revenue after taxation | | | 3,888 | | 3,696 |
| Total return before distributions | | | 3,607 | | 3,614 |
| Distributions | 8 | | (3,888) | | (3,696) |
| Change in net assets attributable to unitholders from investment activities | | | (281) | | (82) |

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

| | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|---|----------|--|----------------|--|
| Opening net assets attributable to unitholders | | | 273,872 | 235,496 |
| Amounts receivable on issue of units | 52,312 | | | 125,188 |
| Amounts payable on cancellation of units | (66,130) | | | (90,705) |
| | | | (13,818) | 34,483 |
| Change in net assets attributable to unitholders from investment activities | | | (281) | (82) |
| Retained distribution on accumulation units | | | 3,781 | 3,975 |
| Closing net assets attributable to unitholders | | | 263,554 | 273,872 |

BlackRock Consensus 35 Fund

Balance Sheet

at 28 February 2022

| | Notes | 28.2.2022 £000's | 28.2.2021 £000's |
|---|-------|---------------------|---------------------|
| Assets: | | | |
| Fixed assets | | | |
| – Investment assets | | 264,498 | 273,896 |
| Current assets | | | |
| – Debtors | 9 | 868 | 1,019 |
| – Cash and bank balances | | 53 | 125 |
| Total assets | | 265,419 | 275,040 |
| Liabilities: | | | |
| Investment liabilities | | (100) | – |
| Creditors | | | |
| – Other creditors | 10 | (1,765) | (1,168) |
| Total liabilities | | (1,865) | (1,168) |
| Net assets attributable to unitholders | | 263,554 | 273,872 |

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

16 May 2022

BlackRock Consensus 35 Fund

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 20.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 21 to 32.

3. Net Capital Losses

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| The net capital losses comprise: | | |
| Gains/(losses) on non-derivative securities | 1,357 | (6,096) |
| (Losses)/gains on derivative securities | (11) | 7,232 |
| Currency losses | (1,624) | (1,214) |
| Custodian transaction costs | (3) | (4) |
| Net capital losses | (281) | (82) |

Net losses (excluding transaction costs) listed above of £(277,000) comprise net realised gains of £2,869,000 and net unrealised losses of £(3,146,000) (28 February 2021: £(78,000) comprising net realised gains of £4,793,000 and net unrealised losses of £(4,871,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Equity distributions on CIS holdings | 1,431 | 1,113 |
| Interest distributions on CIS holdings | 2,420 | 2,546 |
| Manager's charge rebates | 495 | 417 |
| Overseas dividends | 275 | 263 |
| Total revenue | 4,621 | 4,339 |

BlackRock Consensus 35 Fund

Notes to Financial Statements continued

5. Expenses

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Payable to the Manager or associates of the Manager: | | |
| – Annual service charge | 3 | – |
| – Manager's charge | 703 | 612 |
| | <hr/> 706 | <hr/> 612 |
| Other expenses: | | |
| – Audit fee | 8 | 8 |
| – Legal and other professional fees | 1 | – |
| – Trustee's fees | 18 | 17 |
| | <hr/> 27 | <hr/> 25 |
| Total expenses | <hr/> 733 | <hr/> 637 |

6. Interest Payable and Similar Charges

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Interest on bank overdrafts | – | 1 |
| Total interest payable and similar charges | <hr/> – | <hr/> 1 |

7. Taxation

(a) Analysis of tax charge

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Income tax | – | 5 |
| Total tax charge [see note 7(b)] | <hr/> – | <hr/> 5 |

BlackRock Consensus 35 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 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Net revenue before taxation | 3,888 | 3,701 |
| Corporation tax at 20% (28 February 2021: 20%) | 778 | 740 |
| Effects of: | | |
| Irrecoverable overseas tax | – | 5 |
| Revenue not subject to tax | (286) | (223) |
| Tax deductible interest distributions | (492) | (517) |
| Total tax charge [see note 7(a)] | – | 5 |

8. Distributions

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Interim distribution | 1,546 | 1,721 |
| Final distribution | 2,235 | 2,254 |
| | 3,781 | 3,975 |
| Add: Amounts deducted on cancellation of units | 462 | 751 |
| Less: Amounts received on issue of units | (355) | (1,030) |
| Distributions | 3,888 | 3,696 |

Details of the interim and final distributions per unit are set out in the tables on page 35.

9. Debtors

| | 28.2.2022 £000's | 28.2.2021 £000's |
|---------------------------------------|---------------------|---------------------|
| Accrued Manager's charge rebates | 201 | 154 |
| Amounts receivable for issue of units | 420 | 764 |
| Income tax recoverable | 8 | 11 |
| Sales awaiting settlement | 239 | 90 |
| Total debtors | 868 | 1,019 |

BlackRock Consensus 35 Fund

Notes to Financial Statements continued

10. Other Creditors

| | 28.2.2022 | 28.2.2021 |
|---|--------------|--------------|
| | £000's | £000's |
| Accrued Audit fee | 8 | 8 |
| Accrued Manager's charge | 289 | 221 |
| Accrued Trustee's fee | 9 | 6 |
| Amounts payable for cancellation of units | 1,457 | 656 |
| Currency purchases awaiting settlement | – | 1 |
| Custodian transaction costs | 2 | 1 |
| Purchases awaiting settlement | – | 275 |
| Total other creditors | 1,765 | 1,168 |

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £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 28 February 2022:

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

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

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.

BlackRock Consensus 35 Fund

Notes to Financial Statements continued

12. Related Parties continued

As at 28 February 2022 and 28 February 2021, 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 28 February 2022

| | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Purchases (excluding derivatives) | | | | | |
| Collective investment schemes | 23,514 | – | – | – | – |
| Total purchases | 23,514 | – | | – | |
| Total purchases including transaction costs | 23,514 | | | | |

| | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Sales (excluding derivatives) | | | | | |
| Collective investment schemes | 36,313 | – | – | – | – |
| Total sales | 36,313 | – | | – | |
| Total sales net of transaction costs | 36,313 | | | | |
| Total transaction costs | | – | | – | |
| Total transaction costs as a % of average net assets | | 0.00% | | 0.00% | |

Notes to Financial Statements continued

13. Portfolio Transaction Costs continued

For the year ended 28 February 2021

| Purchases (excluding derivatives) | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 96,042 | – | – | – | – |
| Total purchases | 96,042 | – | | – | |
| Total purchases including transaction costs | 96,042 | | | | |

| Sales (excluding derivatives) | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 60,602 | – | – | – | – |
| Total sales | 60,602 | – | | – | |
| Total sales net of transaction costs | 60,602 | | | | |
| Derivative transaction costs | | – | | – | |
| 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 0.24% (28 February 2021: 0.25%).

BlackRock Consensus 35 Fund

Notes to Financial Statements continued

14. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

| | A Accumulation Units | D Accumulation Units |
|---------------------------------------|---------------------------------|---------------------------------|
| Balance at the beginning of the year | 22,461,085 | 158,265,078 |
| Issued during the year | 3,043,271 | 30,444,445 |
| Cancelled during the year | (4,250,519) | (38,105,138) |
| Balance at the end of the year | 21,253,837 | 150,604,385 |

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 28 February 2022.

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 established on 13 July 2012 and was authorised by the FCA on 25 May 2012. The Fund's FCA product reference number is 643961.

BlackRock Consensus 60 Fund

Comparative Table

| | A Accumulation Units | | | D Accumulation Units | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 |
| | 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 | 156.2 | 150.5 | 142.1 | 160.7 | 154.3 | 145.2 |
| Return before operating charges | 7.21 | 6.67 | 9.39 | 7.19 | 6.69 | 9.46 |
| Operating charges | (1.03) | (0.94) | (0.95) | (0.38) | (0.34) | (0.36) |
| Return after operating charges | 6.18 | 5.73 | 8.44 | 6.81 | 6.35 | 9.10 |
| Distributions | (2.10) | (2.23) | (2.64) | (2.71) | (2.79) | (3.19) |
| Retained distributions on accumulation units | 2.10 | 2.23 | 2.64 | 2.71 | 2.79 | 3.19 |
| 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 | 3.96% | 3.81% | 5.94% | 4.24% | 4.12% | 6.27% |
| Other information | | | | | | |
| Closing net asset value (£000's) | 44,053 | 40,883 | 34,010 | 246,160 | 225,677 | 209,803 |
| Closing number of units | 27,129,481 | 26,167,966 | 22,592,870 | 146,955,727 | 140,478,971 | 135,972,689 |
| Operating charges ² | 0.62% | 0.62% | 0.63% | 0.22% | 0.22% | 0.23% |
| Direct transaction costs ³ | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Prices | | | | | | |
| Highest offer unit price | 181.0 | 170.3 | 166.1 | 177.7 | 166.7 | 162.1 |
| Lowest bid unit price | 157.0 | 129.8 | 142.5 | 161.4 | 133.1 | 145.6 |

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/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 60 Fund

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

| | A Accumulation Units | | D Accumulation Units | |
|------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Group 1 | Group 2 | Group 1 | Group 2 |
| Net revenue (dividend) | 1.3941 | 0.0000 | 1.7107 | 0.0296 |
| Equalisation† | – | 1.3941 | – | 1.6811 |
| Distribution paid 30.4.2022 | 1.3941 | 1.3941 | 1.7107 | 1.7107 |
| Distribution paid 30.4.2021 | 1.2738 | 1.2738 | 1.5619 | 1.5619 |

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

| | A Accumulation Units | | D Accumulation Units | |
|-------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Group 1 | Group 2 | Group 1 | Group 2 |
| Net revenue (dividend) | 0.7083 | 0.0000 | 0.9995 | 0.0000 |
| Equalisation† | – | 0.7083 | – | 0.9995 |
| Distribution paid 31.10.2021 | 0.7083 | 0.7083 | 0.9995 | 0.9995 |
| Distribution paid 31.10.2020 | 0.9609 | 0.9609 | 1.2277 | 1.2277 |

† 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 28 February 2022

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|--|---|------------------------|-----------------------|
| COLLECTIVE INVESTMENT SCHEMES – 100.09%; 28.2.2021 99.55% | | | |
| Equity Funds – 48.33%; 28.2.2021 45.57% | | | |
| 8,044,181 | iShares Continental European Equity Index Fund UK | 24,406 | 8.41 |
| 341,571 | iShares Emerging Markets Equity Index Fund UK | 642 | 0.22 |
| 325,782 | iShares Global Property Equity Index Fund UK | 804 | 0.28 |
| 2,051,332 | iShares Japan Equity Index Fund UK | 5,195 | 1.79 |
| 6,153,072 | iShares North American Equity Index Fund UK | 35,318 | 12.17 |
| 1,169,798 | iShares Pacific ex Japan Equity Index Fund UK | 5,015 | 1.73 |
| 26,809,625 | iShares UK Equity Index Fund UK | 68,876 | 23.73 |
| | | 140,256 | 48.33 |

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|------------------------|-----------------------|
| Fixed Income Funds – 45.07%; 28.2.2021 47.88% | | | |
| 67,421 | BlackRock Global Index Funds - iShare Emerging Markets Government Bond Index LU | 6,859 | 2.37 |
| 15,002,468 | iShares Corporate Bond Index Fund UK | 24,789 | 8.54 |
| 3,249,378 | iShares Index Linked Gilt Index Fund UK | 6,146 | 2.12 |
| 31,566,629 | iShares Overseas Corporate Bond Index Fund UK | 50,184 | 17.29 |
| 19,465,502 | iShares Overseas Government Bond Index Fund UK | 25,399 | 8.75 |
| 9,992,712 | iShares UK Gilts All Stocks Index Fund UK | 17,410 | 6.00 |
| | | 130,787 | 45.07 |
| Short-term Money Market Funds – 6.69%; 28.2.2021 6.10% | | | |
| 18,836,209 | BlackRock Cash Fund | 19,420 | 6.69 |

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|--|----------------------------------|------------------------|-----------------------|
| DERIVATIVES – (0.03%); 28.2.2021 0.51% | | | |
| Forward Currency Contracts – (0.03%); 28.2.2021 0.51% | | | |
| £938,379 | UK sterling vs Canadian dollar | 1 | 0.00 |
| £18,777,710 | UK sterling vs Euro [^] | – | 0.00 |
| £5,622,239 | UK sterling vs Japanese yen | 9 | 0.00 |
| £55,774,461 | UK sterling vs US dollar | (79) | (0.03) |
| US\$2,261,188 | US dollar vs UK sterling | (2) | 0.00 |
| | | (71) | (0.03) |
| Portfolio of investments | | 290,392 | 100.06 |
| Net other liabilities | | (179) | (0.06) |
| Total net assets | | 290,213 | 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 and Goldman Sachs International.

All underlying funds are managed by a related party.

[^] Investments which are less than £500 are rounded to zero.

BlackRock Consensus 60 Fund

Statement of Total Return

for the year ended 28 February 2022

| | Notes | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|--|-------|--------|--|--------|--|
| Income | | | | | |
| Net capital gains | 3 | | 6,534 | | 5,388 |
| Revenue | 4 | 5,645 | | 5,507 | |
| Expenses | 5 | (794) | | (683) | |
| Interest payable and similar charges | 6 | – | | (1) | |
| Net revenue before taxation | | 4,851 | | 4,823 | |
| Taxation | 7 | (376) | | (429) | |
| Net revenue after taxation | | | 4,475 | | 4,394 |
| Total return before distributions | | | 11,009 | | 9,782 |
| Distributions | 8 | | (4,475) | | (4,394) |
| Change in net assets attributable to unitholders from investment activities | | | 6,534 | | 5,388 |

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

| | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|---|----------|--|----------------|--|
| Opening net assets attributable to unitholders | | | 266,560 | 243,813 |
| Amounts receivable on issue of units | 69,777 | | 71,459 | |
| Amounts payable on cancellation of units | (57,208) | | (58,594) | |
| | | | 12,569 | 12,865 |
| Change in net assets attributable to unitholders from investment activities | | | 6,534 | 5,388 |
| Retained distribution on accumulation units | | | 4,550 | 4,494 |
| Closing net assets attributable to unitholders | | | 290,213 | 266,560 |

BlackRock Consensus 60 Fund

Balance Sheet

at 28 February 2022

| | Notes | 28.2.2022 £000's | 28.2.2021 £000's |
|---|-------|---------------------|---------------------|
| Assets: | | | |
| Fixed assets | | | |
| – Investment assets | | 290,473 | 266,728 |
| Current assets | | | |
| – Debtors | 9 | 1,459 | 1,189 |
| – Cash and bank balances | | 59 | 65 |
| Total assets | | 291,991 | 267,982 |
| Liabilities: | | | |
| Investment liabilities | | (81) | – |
| Creditors | | | |
| – Other creditors | 10 | (1,697) | (1,422) |
| Total liabilities | | (1,778) | (1,422) |
| Net assets attributable to unitholders | | 290,213 | 266,560 |

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

16 May 2022

BlackRock Consensus 60 Fund

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 20.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 21 to 32.

3. Net Capital Gains

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| The net capital gains comprise: | | |
| Gains on non-derivative securities | 7,954 | 1,467 |
| (Losses)/gains on derivative securities | (216) | 4,770 |
| Currency losses | (1,201) | (846) |
| Custodian transaction costs | (3) | (3) |
| Net capital gains | 6,534 | 5,388 |

Net gains (excluding transaction costs) listed above of £6,537,000 comprise net realised gains of £2,024,000 and net unrealised gains of £4,513,000 (28 February 2021: £5,391,000 comprising net realised gains of £2,281,000 and net unrealised gains of £3,110,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Equity distributions on CIS holdings | 2,970 | 2,677 |
| Interest distributions on CIS holdings | 1,891 | 2,104 |
| Manager's charge rebates | 527 | 447 |
| Overseas dividends | 257 | 279 |
| Total revenue | 5,645 | 5,507 |

BlackRock Consensus 60 Fund

Notes to Financial Statements continued

5. Expenses

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Payable to the Manager or associates of the Manager: | | |
| – Annual service charge | 3 | – |
| – Manager's charge | 764 | 656 |
| | 767 | 656 |
| Other expenses: | | |
| – Audit fee | 8 | 8 |
| – Legal and other professional fees | – | 1 |
| – Trustee's fees | 19 | 18 |
| | 27 | 27 |
| Total expenses | 794 | 683 |

6. Interest Payable and Similar Charges

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £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 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Corporation tax | 376 | 429 |
| Total tax charge [see note 7(b)] | 376 | 429 |

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 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Net revenue before taxation | 4,851 | 4,823 |
| Corporation tax at 20% (28 February 2021: 20%) | 970 | 965 |
| Effects of: | | |
| Revenue not subject to tax | (594) | (536) |
| Total tax charge [see note 7(a)] | 376 | 429 |

8. Distributions

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Interim distribution | 1,658 | 1,966 |
| Final distribution | 2,892 | 2,528 |
| | 4,550 | 4,494 |
| Add: Amounts deducted on cancellation of units | 440 | 547 |
| Less: Amounts received on issue of units | (515) | (647) |
| Distributions | 4,475 | 4,394 |

Details of the interim and final distributions per unit are set out in the tables on page 48.

9. Debtors

| | 28.2.2022 £000's | 28.2.2021 £000's |
|---------------------------------------|---------------------|---------------------|
| Accrued Manager's charge rebates | 225 | 159 |
| Amounts receivable for issue of units | 753 | 1,027 |
| Income tax recoverable | – | 3 |
| Sales awaiting settlement | 481 | – |
| Total debtors | 1,459 | 1,189 |

BlackRock Consensus 60 Fund

Notes to Financial Statements continued

10. Other Creditors

| | 28.2.2022 | 28.2.2021 |
|---|--------------|--------------|
| | £000's | £000's |
| Accrued Audit fee | 8 | 8 |
| Accrued Manager's charge | 326 | 231 |
| Accrued Trustee's fee | 9 | 6 |
| Amounts payable for cancellation of units | 1,255 | 482 |
| Corporation tax payable | 99 | 139 |
| Currency purchases awaiting settlement | – | 1 |
| Purchases awaiting settlement | – | 555 |
| Total other creditors | 1,697 | 1,422 |

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £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 28 February 2022:

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

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

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.

BlackRock Consensus 60 Fund

Notes to Financial Statements continued

12. Related Parties continued

As at 28 February 2022 and 28 February 2021, 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 28 February 2022

| | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Purchases (excluding derivatives) | | | | | |
| Collective investment schemes | 30,826 | – | – | – | – |
| Total purchases | 30,826 | – | | – | |
| Total purchases including transaction costs | 30,826 | | | | |

| | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Sales (excluding derivatives) | | | | | |
| Collective investment schemes | 21,952 | – | – | – | – |
| Total sales | 21,952 | – | | – | |
| Total sales net of transaction costs | 21,952 | | | | |
| 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 2021

| Purchases (excluding derivatives) | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 42,815 | – | – | – | – |
| Total purchases | 42,815 | – | | – | |
| Total purchases including transaction costs | 42,815 | | | | |

| Sales (excluding derivatives) | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 29,985 | – | – | – | – |
| Total sales | 29,985 | – | | – | |
| Total sales net of transaction costs | 29,985 | | | | |
| Derivative transaction costs | | – | | – | |
| 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 0.29% (28 February 2021: 0.33%).

BlackRock Consensus 60 Fund

Notes to Financial Statements continued

14. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

| | A Accumulation Units | D Accumulation Units |
|---------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 26,167,966 | 140,478,971 |
| Issued during the year | 4,912,937 | 36,555,430 |
| Cancelled during the year | (3,945,994) | (30,083,952) |
| Converted during the year | (5,428) | 5,278 |
| Balance at the end of the year | 27,129,481 | 146,955,727 |

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 28 February 2022.

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 established on 13 July 2012 and was authorised by the FCA on 25 May 2012. The Fund's FCA product reference number is 643962.

BlackRock Consensus 70 Fund

Comparative Table

| | A Accumulation Units | | | D Accumulation Units | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 |
| | 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 | 166.2 | 157.4 | 149.0 | 171.0 | 161.4 | 152.3 |
| Return before operating charges | 10.02 | 9.81 | 9.37 | 10.14 | 9.96 | 9.45 |
| Operating charges | (1.10) | (1.01) | (1.00) | (0.40) | (0.38) | (0.37) |
| Return after operating charges | 8.92 | 8.80 | 8.37 | 9.74 | 9.58 | 9.08 |
| Distributions | (2.28) | (2.32) | (2.87) | (2.93) | (2.90) | (3.47) |
| Retained distributions on accumulation units | 2.28 | 2.32 | 2.87 | 2.93 | 2.90 | 3.47 |
| 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 | 5.37% | 5.59% | 5.62% | 5.70% | 5.94% | 5.96% |
| Other information | | | | | | |
| Closing net asset value (£000's) | 12,260 | 11,305 | 6,902 | 219,172 | 190,406 | 165,105 |
| Closing number of units | 7,000,601 | 6,802,097 | 4,385,809 | 121,265,234 | 111,360,115 | 102,308,370 |
| Operating charges ² | 0.62% | 0.63% | 0.63% | 0.22% | 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 | 195.7 | 181.3 | 175.5 | 192.2 | 177.6 | 171.4 |
| Lowest bid unit price | 167.2 | 134.7 | 149.4 | 172.0 | 138.2 | 152.7 |

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/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 70 Fund

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

| | A Accumulation Units | | D Accumulation Units | |
|------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Group 1 | Group 2 | Group 1 | Group 2 |
| Net revenue (dividend) | 1.5303 | 0.0000 | 1.8740 | 0.0098 |
| Equalisation [†] | – | 1.5303 | – | 1.8642 |
| Distribution paid 30.4.2022 | 1.5303 | 1.5303 | 1.8740 | 1.8740 |
| Distribution paid 30.4.2021 | 1.3253 | 1.3253 | 1.6296 | 1.6296 |

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

| | A Accumulation Units | | D Accumulation Units | |
|-------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Group 1 | Group 2 | Group 1 | Group 2 |
| Net revenue (dividend) | 0.7457 | 0.0000 | 1.0587 | 0.0000 |
| Equalisation [†] | – | 0.7457 | – | 1.0587 |
| Distribution paid 31.10.2021 | 0.7457 | 0.7457 | 1.0587 | 1.0587 |
| Distribution paid 31.10.2020 | 0.9898 | 0.9898 | 1.2689 | 1.2689 |

[†] 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 28 February 2022

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|--|---|---------------------------|--------------------------------|
| COLLECTIVE INVESTMENT | | | |
| SCHEMES – 100.10%; 28.2.2021 99.63% | | | |
| Equity Funds – 57.93%; 28.2.2021 55.23% | | | |
| 8,123,284 | iShares Continental European Equity Index Fund UK | 24,646 | 10.65 |
| 638,160 | iShares Emerging Markets Equity Index Fund UK | 1,200 | 0.52 |
| 301,892 | iShares Global Property Equity Index Fund UK | 745 | 0.32 |
| 2,776,018 | iShares Japan Equity Index Fund UK | 7,029 | 3.04 |
| 6,729,465 | iShares North American Equity Index Fund UK | 38,627 | 16.69 |
| 1,163,332 | iShares Pacific ex Japan Equity Index Fund UK | 4,988 | 2.15 |
| 22,127,523 | iShares UK Equity Index Fund UK | 56,847 | 24.56 |
| | | 134,082 | 57.93 |

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|---------------------------|--------------------------------|
| Fixed Income Funds – 35.55%; 28.2.2021 38.33% | | | |
| 41,560 | BlackRock Global Index Funds - iShare Emerging Markets Government Bond Index LU | 4,228 | 1.83 |
| 9,370,540 | iShares Corporate Bond Index Fund UK | 15,483 | 6.69 |
| 2,175,482 | iShares Index Linked Gilt Index Fund UK | 4,115 | 1.78 |
| 19,480,587 | iShares Overseas Corporate Bond Index Fund UK | 30,970 | 13.38 |
| 12,619,307 | iShares Overseas Government Bond Index Fund UK | 16,466 | 7.12 |
| 6,315,447 | iShares UK Gilts All Stocks Index Fund UK | 11,004 | 4.75 |
| | | 82,266 | 35.55 |
| Short-term Money Market Funds – 6.62%; 28.2.2021 6.07% | | | |
| 14,863,795 | BlackRock Cash Fund | 15,324 | 6.62 |

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|--|---|---------------------------|--------------------------------|
| DERIVATIVES – (0.02%); 28.2.2021 0.41% | | | |
| Forward Currency Contracts – (0.02%); 28.2.2021 0.41% | | | |
| £565,978 | UK sterling vs Canadian dollar [^] | – | 0.00 |
| £11,012,929 | UK sterling vs Euro [^] | – | 0.00 |
| £2,780,129 | UK sterling vs Japanese yen | 5 | 0.00 |
| £35,178,793 | UK sterling vs US dollar | (50) | (0.02) |
| US\$1,892,974 | US dollar vs UK sterling | (1) | 0.00 |
| | | (46) | (0.02) |
| Portfolio of investments | | 231,626 | 100.08 |
| Net other liabilities | | (194) | (0.08) |
| Total net assets | | 231,432 | 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 Deutsche Bank AG, Goldman Sachs International and Morgan Stanley & Co. International Plc.

All underlying funds are managed by a related party.

[^] Investments which are less than £500 are rounded to zero.

BlackRock Consensus 70 Fund

Statement of Total Return

for the year ended 28 February 2022

| | Notes | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|--|-------|--------|--|--------|--|
| Income | | | | | |
| Net capital gains | 3 | | 7,620 | | 7,868 |
| Revenue | 4 | 4,314 | | 3,933 | |
| Expenses | 5 | (531) | | (431) | |
| Interest payable and similar charges | 6 | – | | (1) | |
| Net revenue before taxation | | 3,783 | | 3,501 | |
| Taxation | 7 | (234) | | (254) | |
| Net revenue after taxation | | | 3,549 | | 3,247 |
| Total return before distributions | | | 11,169 | | 11,115 |
| Distributions | 8 | | (3,549) | | (3,247) |
| Change in net assets attributable to unitholders from investment activities | | | 7,620 | | 7,868 |

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

| | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|---|----------|--|----------|--|
| Opening net assets attributable to unitholders | | 201,711 | | 172,007 |
| Amounts receivable on issue of units | 57,849 | | 63,494 | |
| Amounts payable on cancellation of units | (39,430) | | (45,052) | |
| | | 18,419 | | 18,442 |
| Change in net assets attributable to unitholders from investment activities | | 7,620 | | 7,868 |
| Retained distribution on accumulation units | | 3,682 | | 3,394 |
| Closing net assets attributable to unitholders | | 231,432 | | 201,711 |

BlackRock Consensus 70 Fund

Balance Sheet

at 28 February 2022

| | Notes | 28.2.2022 £000's | 28.2.2021 £000's |
|---|-------|---------------------|---------------------|
| Assets: | | | |
| Fixed assets | | | |
| – Investment assets | | 231,677 | 201,790 |
| Current assets | | | |
| – Debtors | 9 | 876 | 1,109 |
| – Cash and bank balances | | 47 | 42 |
| Total assets | | 232,600 | 202,941 |
| Liabilities: | | | |
| Investment liabilities | | (51) | – |
| Creditors | | | |
| – Other creditors | 10 | (1,117) | (1,230) |
| Total liabilities | | (1,168) | (1,230) |
| Net assets attributable to unitholders | | 231,432 | 201,711 |

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

16 May 2022

BlackRock Consensus 70 Fund

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 20.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 21 to 32.

3. Net Capital Gains

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| The net capital gains comprise: | | |
| Gains on non-derivative securities | 8,484 | 5,461 |
| (Losses)/gains on derivative securities | (117) | 2,861 |
| Currency losses | (744) | (452) |
| Custodian transaction costs | (3) | (2) |
| Net capital gains | 7,620 | 7,868 |

Net gains (excluding transaction costs) listed above of £7,623,000 comprise net realised gains of £1,879,000 and net unrealised gains of £5,744,000 (28 February 2021: £7,870,000 comprising net realised gains of £2,089,000 and net unrealised gains of £5,781,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Equity distributions on CIS holdings | 2,612 | 2,232 |
| Interest distributions on CIS holdings | 1,139 | 1,222 |
| Manager's charge rebates | 414 | 335 |
| Overseas dividends | 149 | 144 |
| Total revenue | 4,314 | 3,933 |

BlackRock Consensus 70 Fund

Notes to Financial Statements continued

5. Expenses

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Payable to the Manager or associates of the Manager: | | |
| – Annual service charge | 2 | – |
| – Manager's charge | 505 | 410 |
| | 507 | 410 |
| Other expenses: | | |
| – Audit fee | 8 | 8 |
| – Legal and other professional fees | 1 | – |
| – Trustee's fees | 15 | 13 |
| | 24 | 21 |
| Total expenses | 531 | 431 |

6. Interest Payable and Similar Charges

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £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 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Corporation tax | 234 | 254 |
| Total tax charge [see note 7(b)] | 234 | 254 |

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 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Net revenue before taxation | 3,783 | 3,501 |
| Corporation tax at 20% (28 February 2021: 20%) | 756 | 700 |
| Effects of: | | |
| Revenue not subject to tax | (522) | (446) |
| Total tax charge [see note 7(a)] | 234 | 254 |

8. Distributions

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Interim distribution | 1,302 | 1,489 |
| Final distribution | 2,380 | 1,905 |
| | 3,682 | 3,394 |
| Add: Amounts deducted on cancellation of units | 313 | 427 |
| Less: Amounts received on issue of units | (446) | (574) |
| Distributions | 3,549 | 3,247 |

Details of the interim and final distributions per unit are set out in the tables on page 61.

9. Debtors

| | 28.2.2022 £000's | 28.2.2021 £000's |
|---------------------------------------|---------------------|---------------------|
| Accrued Manager's charge rebates | 177 | 121 |
| Amounts receivable for issue of units | 699 | 400 |
| Income tax recoverable | – | 3 |
| Sales awaiting settlement | – | 585 |
| Total debtors | 876 | 1,109 |

BlackRock Consensus 70 Fund

Notes to Financial Statements continued

10. Other Creditors

| | 28.2.2022 | 28.2.2021 |
|---|--------------|--------------|
| | £000's | £000's |
| Accrued Audit fee | 7 | 7 |
| Accrued Manager's charge | 217 | 146 |
| Accrued Trustee's fee | 7 | 5 |
| Amounts payable for cancellation of units | 739 | 892 |
| Corporation tax payable | 64 | 85 |
| Currency purchases awaiting settlement | – | 1 |
| Purchases awaiting settlement | 83 | 94 |
| Total other creditors | 1,117 | 1,230 |

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £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 28 February 2022:

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

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

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.

BlackRock Consensus 70 Fund

Notes to Financial Statements continued

12. Related Parties continued

As at 28 February 2022 and 28 February 2021, 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 28 February 2022

| | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Purchases (excluding derivatives) | | | | | |
| Collective investment schemes | 29,178 | – | – | – | – |
| Total purchases | 29,178 | – | | – | |
| Total purchases including transaction costs | 29,178 | | | | |

| | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Sales (excluding derivatives) | | | | | |
| Collective investment schemes | 13,914 | – | – | – | – |
| Total sales | 13,914 | – | | – | |
| Total sales net of transaction costs | 13,914 | | | | |
| 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 2021

| Purchases (excluding derivatives) | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 42,475 | – | – | – | – |
| Total purchases | 42,475 | – | | – | |
| Total purchases including transaction costs | 42,475 | | | | |

| Sales (excluding derivatives) | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 23,824 | – | – | – | – |
| Total sales | 23,824 | – | | – | |
| Total sales net of transaction costs | 23,824 | | | | |
| Derivative transaction costs | | – | | – | |
| 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 2021: 0.32%).

BlackRock Consensus 70 Fund

Notes to Financial Statements continued

14. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

| | A Accumulation Units | D Accumulation Units |
|---------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 6,802,097 | 111,360,115 |
| Issued during the year | 1,050,351 | 30,803,006 |
| Cancelled during the year | (851,847) | (20,897,887) |
| Balance at the end of the year | 7,000,601 | 121,265,234 |

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 28 February 2022.

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 established on 21 June 2005 and was authorised by the FCA 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 under the COLL Sourcebook. The Fund's FCA product reference number is 643957.

BlackRock Consensus 85 Fund

Comparative Table

| | I Accumulation Units | | | A Accumulation Units | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 |
| | 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 | 248.1 | 228.8 | 216.7 | 241.3 | 223.3 | 212.2 |
| Return before operating charges | 20.30 | 19.77 | 12.57 | 20.01 | 19.42 | 12.46 |
| Operating charges | (0.60) | (0.52) | (0.51) | (1.63) | (1.42) | (1.41) |
| Return after operating charges | 19.70 | 19.25 | 12.06 | 18.38 | 18.00 | 11.05 |
| Distributions | (4.50) | (4.35) | (5.36) | (3.53) | (3.51) | (4.51) |
| Retained distributions on accumulation units | 4.50 | 4.35 | 5.36 | 3.53 | 3.51 | 4.15 |
| 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 | 7.94% | 8.41% | 5.57% | 7.62% | 8.06% | 5.21% |
| Other information | | | | | | |
| Closing net asset value (£000's) | 1,313,907 | 1,032,361 | 816,789 | 425,283 | 395,393 | 359,186 |
| Closing number of units | 490,626,031 | 416,187,437 | 357,044,884 | 163,774,271 | 163,861,930 | 160,891,702 |
| 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 | 285.7 | 258.1 | 247.2 | 291.0 | 263.7 | 253.4 |
| Lowest bid unit price | 250.1 | 193.5 | 217.1 | 243.2 | 188.8 | 212.5 |

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/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

Comparative Table continued

| | X Accumulation Units | | | D Accumulation Units | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 |
| | 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 | 150.2 | 138.3 | 130.8 | 248.0 | 228.7 | 216.7 |
| Return before operating charges | 12.22 | 11.90 | 7.50 | 20.35 | 19.82 | 12.53 |
| Operating charges | (0.03) | (0.03) | (0.03) | (0.60) | (0.52) | (0.51) |
| Return after operating charges | 12.19 | 11.87 | 7.47 | 19.75 | 19.30 | 12.02 |
| Distributions | (2.99) | (2.86) | (3.46) | (4.49) | (4.35) | (5.36) |
| Retained distributions on accumulation units | 2.99 | 2.86 | 3.46 | 4.49 | 4.35 | 5.36 |
| 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 | 8.12% | 8.58% | 5.71% | 7.96% | 8.44% | 5.55% |
| Other information | | | | | | |
| Closing net asset value (£000's) | 145,287 | 214,405 | 190,799 | 391,316 | 379,607 | 223,568 |
| Closing number of units | 89,466,810 | 142,771,071 | 137,986,863 | 146,149,928 | 153,064,766 | 97,747,953 |
| 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 | 173.2 | 156.2 | 149.4 | 285.6 | 258.1 | 247.2 |
| Lowest bid unit price | 151.4 | 117.0 | 131.0 | 250.0 | 193.5 | 217.0 |

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

Comparative Table continued

| | XM Accumulation Units | | |
|--|------------------------------|------------------------------|------------------------------|
| | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 |
| | Pence per unit | Pence per unit | Pence per unit |
| Change in net assets per unit | | | |
| Opening net asset value per unit | 150.1 | 138.2 | 130.7 |
| Return before operating charges | 12.25 | 11.96 | 7.58 |
| Operating charges | (0.08) | (0.07) | (0.04) |
| Return after operating charges | 12.17 | 11.89 | 7.54 |
| Distributions | (2.95) | (2.82) | (3.45) |
| Retained distributions on accumulation units | 2.95 | 2.82 | 3.45 |
| Closing net asset value per unit | 162.3 | 150.1 | 138.2 |
| After direct transaction costs of | 0.00 | 0.00 | 0.00 |
| Performance | | | |
| Return after charges ¹ | 8.11% | 8.60% | 5.77% |
| Other information | | | |
| Closing net asset value (£000's) | 655,016 | 640,470 | 584,086 |
| Closing number of units | 403,670,159 | 426,716,892 | 422,529,257 |
| Operating charges ² | 0.05% | 0.05% | 0.03% |
| Direct transaction costs ³ | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest offer unit price | 173.0 | 156.2 | 149.4 |
| Lowest bid unit price | 151.3 | 117.0 | 131.0 |

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

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

| | 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) | 2.9170 | 0.0000 | 2.4055 | 0.0000 | 1.9009 | 0.0740 | 2.9160 | 0.0000 |
| Equalisation [†] | – | 2.9170 | – | 2.4055 | – | 1.8269 | – | 2.9160 |
| Distribution paid 30.4.2022 | 2.9170 | 2.9170 | 2.4055 | 2.4055 | 1.9009 | 1.9009 | 2.9160 | 2.9160 |
| Distribution paid 30.4.2021 | 2.4570 | 2.4570 | 2.0161 | 2.0161 | 1.6042 | 1.6042 | 2.4570 | 2.4570 |

| | XM Accumulation Units | |
|------------------------------------|-----------------------|---------------|
| | Group 1 | Group 2 |
| Net revenue (dividend) | 1.8799 | 0.0361 |
| Equalisation [†] | – | 1.8438 |
| Distribution paid 30.4.2022 | 1.8799 | 1.8799 |
| Distribution paid 30.4.2021 | 1.5850 | 1.5850 |

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

| | 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) | 1.5782 | 0.0000 | 1.1196 | 0.0000 | 1.0849 | 0.0485 | 1.5769 | 0.0000 |
| Equalisation [†] | – | 1.5782 | – | 1.1196 | – | 1.0364 | – | 1.5769 |
| Distribution paid 31.10.2021 | 1.5782 | 1.5782 | 1.1196 | 1.1196 | 1.0849 | 1.0849 | 1.5769 | 1.5769 |
| Distribution paid 31.10.2020 | 1.8957 | 1.8957 | 1.4972 | 1.4972 | 1.2553 | 1.2553 | 1.8957 | 1.8957 |

| | XM Accumulation Units | |
|-------------------------------------|-----------------------|---------------|
| | Group 1 | Group 2 |
| Net revenue (dividend) | 1.0651 | 0.0362 |
| Equalisation [†] | – | 1.0289 |
| Distribution paid 31.10.2021 | 1.0651 | 1.0651 |
| Distribution paid 31.10.2020 | 1.2360 | 1.2360 |

[†] 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 28 February 2022

| 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 – 100.00%; 28.2.2021 99.76% | | | | 28,453,797 iShares US Equity Index Fund UK 122,954 4.19 | | | |
| Equity Funds – 72.27%; 28.2.2021 70.92% | | | | 2,118,116 72.27 | | | |
| 63,818,972 | iShares 100 UK Equity Index Fund UK | 120,800 | 4.12 | Fixed Income Funds – 21.21%; 28.2.2021 22.94% | | | |
| 138,720,443 | iShares Continental European Equity Index Fund UK | 420,871 | 14.36 | 258,578 | BlackRock Global Index Funds - iShare Emerging Markets Government Bond Index LU | 26,307 | 0.90 |
| 12,246,694 | iShares Emerging Markets Equity Index Fund UK | 23,033 | 0.79 | 72,489,507 | iShares Corporate Bond Index Fund UK | 119,774 | 4.09 |
| 4,669,984 | iShares Global Property Equity Index Fund UK | 11,527 | 0.39 | 23,016,795 | iShares Index Linked Gilt Index Fund UK | 43,538 | 1.48 |
| 52,016,817 | iShares Japan Equity Index Fund UK | 131,719 | 4.49 | 130,857,161 | iShares Overseas Corporate Bond Index Fund UK | 208,035 | 7.10 |
| 8,537,595 | iShares Mid Cap UK Equity Index Fund UK | 20,228 | 0.69 | 105,902,679 | iShares Overseas Government Bond Index Fund UK | 138,183 | 4.71 |
| 94,233,025 | iShares North American Equity Index Fund UK | 540,895 | 18.46 | 49,244,900 | iShares UK Gilts All Stocks Index Fund UK | 85,799 | 2.93 |
| 19,729,229 | iShares Pacific ex Japan Equity Index Fund UK | 84,586 | 2.89 | 621,636 21.21 | | | |
| 249,702,673 | iShares UK Equity Index Fund UK | 641,503 | 21.89 | Short-term Money Market Funds – 6.52%; 28.2.2021 5.90% | | | |
| | | | | 185,442,792 | BlackRock Cash Fund | 191,186 | 6.52 |
| DERIVATIVES – (0.01%); 28.2.2021 0.24% | | | | | | | |
| Forward Currency Contracts – (0.01%); 28.2.2021 0.24% | | | | | | | |
| £5,227,900 UK sterling vs Canadian dollar | | | | 6 | 0.00 | | |
| £81,921,697 UK sterling vs Euro | | | | 3 | 0.00 | | |
| £25,778,989 UK sterling vs Japanese yen | | | | 40 | 0.00 | | |
| £253,298,016 UK sterling vs US dollar | | | | (359) | (0.01) | | |
| US\$19,896,332 US dollar vs UK sterling | | | | (14) | 0.00 | | |
| | | | | (324) | (0.01) | | |
| Portfolio of investments | | | | 2,930,614 99.99 | | | |
| Net other assets | | | | 195 | 0.01 | | |
| Total net assets | | | | 2,930,809 100.00 | | | |

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 Deutsche Bank AG, Goldman Sachs International and Morgan Stanley & Co. International Plc.

All underlying funds are managed by a related party.

BlackRock Consensus 85 Fund

Statement of Total Return

for the year ended 28 February 2022

| | Notes | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|--|-------|---------|--|---------|--|
| Income | | | | | |
| Net capital gains | 3 | | 165,030 | | 159,032 |
| Revenue | 4 | 57,038 | | 50,016 | |
| Expenses | 5 | (6,235) | | (5,021) | |
| Interest payable and similar charges | 6 | (3) | | (3) | |
| Net revenue before taxation | | 50,800 | | 44,992 | |
| Taxation | 7 | (1,758) | | (1,967) | |
| Net revenue after taxation | | | 49,042 | | 43,025 |
| Total return before distributions | | | 214,072 | | 202,057 |
| Distributions | 8 | | (49,043) | | (43,025) |
| Change in net assets attributable to unitholders from investment activities | | | 165,029 | | 159,032 |

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

| | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|---|-----------|--|-----------|--|
| Opening net assets attributable to unitholders | | 2,662,236 | | 2,174,428 |
| Amounts receivable on issue of units | 471,199 | | 506,742 | |
| Amounts payable on cancellation of units | (416,852) | | (223,680) | |
| | | 54,347 | | 283,062 |
| Change in net assets attributable to unitholders from investment activities | | 165,029 | | 159,032 |
| Retained distribution on accumulation units | | 49,197 | | 45,714 |
| Closing net assets attributable to unitholders | | 2,930,809 | | 2,662,236 |

BlackRock Consensus 85 Fund

Balance Sheet

at 28 February 2022

| | Notes | 28.2.2022 £000's | 28.2.2021 £000's |
|---|-------|---------------------|---------------------|
| Assets: | | | |
| Fixed assets | | | |
| – Investment assets | | 2,930,987 | 2,662,248 |
| Current assets | | | |
| – Debtors | 9 | 6,693 | 6,449 |
| – Cash and bank balances | | 591 | 541 |
| Total assets | | 2,938,271 | 2,669,238 |
| Liabilities: | | | |
| Investment liabilities | | (373) | – |
| Creditors | | | |
| – Other creditors | 10 | (7,089) | (7,002) |
| Total liabilities | | (7,462) | (7,002) |
| Net assets attributable to unitholders | | 2,930,809 | 2,662,236 |

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

16 May 2022

BlackRock Consensus 85 Fund

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 20.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 21 to 32.

3. Net Capital Gains

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| The net capital gains comprise: | | |
| Gains on non-derivative securities | 171,026 | 140,398 |
| (Losses)/gains on derivative securities | (425) | 22,543 |
| Currency losses | (5,568) | (3,905) |
| Custodian transaction costs | (3) | (3) |
| Net capital gains | 165,030 | 159,033 |

Net gains (excluding transaction costs) listed above of £165,033,000 comprise net realised gains of £56,066,000 and net unrealised gains of £108,967,000 (28 February 2021: £159,036,000 comprising net realised gains of £8,274,000 and net unrealised gains of £150,762,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Equity distributions on CIS holdings | 42,011 | 35,158 |
| Interest distributions on CIS holdings | 9,046 | 9,852 |
| Interest from certificates of deposit | 4 | – |
| Manager's charge rebates | 5,102 | 3,984 |
| Overseas dividends | 875 | 1,022 |
| Total revenue | 57,038 | 50,016 |

BlackRock Consensus 85 Fund

Notes to Financial Statements continued

5. Expenses

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Payable to the Manager or associates of the Manager: | | |
| – Annual service charge | 3 | – |
| – Manager's charge | 5,878 | 4,667 |
| | 5,881 | 4,667 |
| Other expenses: | | |
| – Audit fee | 8 | 8 |
| – Legal and other professional fees | 6 | 5 |
| – Unitholder servicing activity fees | 200 | 200 |
| – Trustee's fees | 140 | 141 |
| | 354 | 354 |
| Total expenses | 6,235 | 5,021 |

6. Interest Payable and Similar Charges

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £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 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Corporation tax | 1,758 | 1,967 |
| Total tax charge [see note 7(b)] | 1,758 | 1,967 |

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 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Net revenue before taxation | 50,800 | 44,992 |
| Corporation tax at 20% (28 February 2021: 20%) | 10,160 | 8,998 |
| Effects of: | | |
| Revenue not subject to tax | (8,402) | (7,031) |
| Total tax charge [see note 7(a)] | 1,758 | 1,967 |

8. Distributions

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Interim distribution | 17,395 | 19,369 |
| Final distribution | 31,802 | 26,344 |
| | 49,197 | 45,713 |
| Add: Amounts deducted on cancellation of units | 3,693 | 2,176 |
| Less: Amounts received on issue of units | (3,847) | (4,864) |
| Distributions | 49,043 | 43,025 |

The distributable amount has been calculated as follows:

| | | |
|----------------------------------|---------------|---------------|
| Net revenue after taxation | 49,042 | 43,025 |
| Add: Equalisation on conversions | 1 | – |
| Distributions | 49,043 | 43,025 |

Details of the interim and final distributions per unit are set out in the tables on page 76.

9. Debtors

| | 28.2.2022 £000's | 28.2.2021 £000's |
|---------------------------------------|---------------------|---------------------|
| Accrued Manager's charge rebates | 2,152 | 1,498 |
| Amounts receivable for issue of units | 4,355 | 4,757 |
| Corporation tax recoverable | 186 | 194 |
| Total debtors | 6,693 | 6,449 |

BlackRock Consensus 85 Fund

Notes to Financial Statements continued

10. Other Creditors

| | 28.2.2022 £000's | 28.2.2021 £000's |
|---|---------------------|---------------------|
| Accrued Audit fee | 8 | 7 |
| Accrued Manager's charge | 2,530 | 1,694 |
| Accrued Safe custody fees | – | 243 |
| Accrued Trustee's fee | 64 | 48 |
| Accrued Unitholder servicing activity fee | 84 | – |
| Amounts payable for cancellation of units | 3,488 | 3,766 |
| Currency purchases awaiting settlement | – | 5 |
| Custodian transaction costs | – | 1 |
| Purchases awaiting settlement | 915 | 1,238 |
| Total other creditors | 7,089 | 7,002 |

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £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 28 February 2022:

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

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

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 85 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 28 February 2022 and 28 February 2021, 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 28 February 2022

| Purchases (excluding derivatives) | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 196,940 | – | – | – | – |
| Total purchases | 196,940 | – | | – | |
| Total purchases including transaction costs | 196,940 | | | | |

| Sales (excluding derivatives) | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 178,679 | – | – | – | – |
| Total sales | 178,679 | – | | – | |
| Total sales net of transaction costs | 178,679 | | | | |
| 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

For the year ended 28 February 2021

| Purchases (excluding derivatives) | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 333,909 | – | – | – | – |
| Total purchases | 333,909 | – | | – | |
| Total purchases including transaction costs | 333,909 | | | | |

| Sales (excluding derivatives) | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 49,485 | – | – | – | – |
| Total sales | 49,485 | – | | – | |
| Total sales net of transaction costs | 49,485 | | | | |
| Derivative transaction costs | | – | | – | |
| 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 0.26% (28 February 2021: 0.31%).

BlackRock Consensus 85 Fund

Notes to Financial Statements continued

14. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

| | I Accumulation Units | A Accumulation Units | X Accumulation Units | D Accumulation Units |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 416,187,437 | 163,861,930 | 142,771,071 | 153,064,766 |
| Issued during the year | 107,172,361 | 12,834,789 | 15,759,104 | 34,216,129 |
| Cancelled during the year | (32,947,230) | (11,962,882) | (69,063,365) | (41,850,093) |
| Converted during the year | 213,463 | (959,566) | – | 719,126 |
| Balance at the end of the year | 490,626,031 | 163,774,271 | 89,466,810 | 146,149,928 |

| | XM Accumulation Units |
|---------------------------------------|-----------------------------|
| Balance at the beginning of the year | 426,716,892 |
| Issued during the year | 20,520,542 |
| Cancelled during the year | (43,567,275) |
| Converted during the year | – |
| Balance at the end of the year | 403,670,159 |

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 28 February 2022.

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 established on 13 July 2012 and was authorised by the FCA on 25 May 2012. The Fund's FCA product reference number is 643963.

BlackRock Consensus 100 Fund

Comparative Table

| | I Accumulation Units | | | A Accumulation Units | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 |
| | 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 | 201.3 | 172.3 | 161.0 | 249.6 | 214.5 | 201.2 |
| Return before operating charges | 25.01 | 29.44 | 11.73 | 30.99 | 36.52 | 14.67 |
| Operating charges | (0.50) | (0.43) | (0.41) | (1.78) | (1.45) | (1.39) |
| Return after operating charges | 24.51 | 29.01 | 11.32 | 29.21 | 35.07 | 13.28 |
| Distributions | (3.19) | (3.15) | (3.71) | (2.81) | (3.00) | (3.75) |
| Retained distributions on accumulation units | 3.19 | 3.15 | 3.71 | 2.81 | 3.00 | 3.75 |
| 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 | 12.18% | 16.84% | 7.03% | 11.70% | 16.35% | 6.60% |
| Other information | | | | | | |
| Closing net asset value (£000's) | 18,105 | 11,074 | 8,151 | 10,254 | 8,732 | 8,596 |
| Closing number of units | 8,017,967 | 5,501,069 | 4,730,088 | 3,677,678 | 3,498,768 | 4,008,044 |
| Operating charges ² | 0.22% | 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 | 258.8 | 221.6 | 202.7 | 319.8 | 274.8 | 252.4 |
| Lowest bid unit price | 202.7 | 141.2 | 160.9 | 251.3 | 175.7 | 201.1 |

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 12 for further details.

BlackRock Consensus 100 Fund

Comparative Table continued

| | D Accumulation Units | | |
|--|------------------------------|------------------------------|------------------------------|
| | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 |
| | Pence per unit | Pence per unit | Pence per unit |
| Change in net assets per unit | | | |
| Opening net asset value per unit | 258.3 | 221.1 | 206.6 |
| Return before operating charges | 32.15 | 37.79 | 15.05 |
| Operating charges | (0.67) | (0.55) | (0.52) |
| Return after operating charges | 31.48 | 37.24 | 14.53 |
| Distributions | (4.09) | (4.05) | (4.77) |
| Retained distributions on accumulation units | 4.09 | 4.05 | 4.77 |
| Closing net asset value per unit | 289.8 | 258.3 | 221.1 |
| After direct transaction costs of | 0.00 | 0.00 | 0.00 |
| Performance | | | |
| Return after charges ¹ | 12.19% | 16.84% | 7.03% |
| Other information | | | |
| Closing net asset value (£000's) | 154,401 | 111,235 | 78,895 |
| Closing number of units | 53,282,085 | 43,057,277 | 35,677,323 |
| Operating charges ² | 0.23% | 0.23% | 0.23% |
| Direct transaction costs ³ | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest offer unit price | 316.2 | 270.9 | 247.8 |
| Lowest bid unit price | 260.2 | 181.2 | 206.5 |

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 12 for further details.

BlackRock Consensus 100 Fund

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

| | I Accumulation Units | | A Accumulation Units | | D Accumulation Units | |
|------------------------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| | Group 1 | Group 2 | Group 1 | Group 2 | Group 1 | Group 2 |
| Net revenue (dividend) | 2.0395 | 0.0000 | 1.9431 | 0.0000 | 2.6163 | 0.0000 |
| Equalisation [†] | – | 2.0395 | – | 1.9431 | – | 2.6163 |
| Distribution paid 30.4.2022 | 2.0395 | 2.0395 | 1.9431 | 1.9431 | 2.6163 | 2.6163 |
| Distribution paid 30.4.2021 | 1.8470 | 1.8470 | 1.8087 | 1.8087 | 2.3703 | 2.3703 |

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

| | I Accumulation Units | | A Accumulation Units | | D Accumulation Units | |
|-------------------------------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| | Group 1 | Group 2 | Group 1 | Group 2 | Group 1 | Group 2 |
| Net revenue (dividend) | 1.1496 | 0.0000 | 0.8668 | 0.0000 | 1.4739 | 0.0000 |
| Equalisation [†] | – | 1.1496 | – | 0.8668 | – | 1.4739 |
| Distribution paid 31.10.2021 | 1.1496 | 1.1496 | 0.8668 | 0.8668 | 1.4739 | 1.4739 |
| Distribution paid 31.10.2020 | 1.3073 | 1.3073 | 1.1945 | 1.1945 | 1.6777 | 1.6777 |

[†] 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 28 February 2022

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|--|---|---------------------------|--------------------------------|
| COLLECTIVE INVESTMENT | | | |
| SCHEMES – 99.81%; 28.2.2021 100.00% | | | |
| Equity Funds – 97.85%; 28.2.2021 98.25% | | | |
| 12,588,680 | iShares Continental European Equity Index Fund UK | 38,193 | 20.90 |
| 1,127,505 | iShares Emerging Markets Equity Index Fund UK | 2,121 | 1.16 |
| 4,111,717 | iShares Japan Equity Index Fund UK | 10,412 | 5.70 |
| 10,525,592 | iShares North American Equity Index Fund UK | 60,417 | 33.06 |
| 2,016,062 | iShares Pacific ex Japan Equity Index Fund UK | 8,643 | 4.73 |

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---------------------------------|---------------------------|--------------------------------|
| 10,123,823 | iShares UK Equity Index Fund UK | 26,009 | 14.23 |
| 7,643,767 | iShares US Equity Index Fund UK | 33,030 | 18.07 |
| | | 178,825 | 97.85 |
| Short-term Money Market Funds – 1.96%; 28.2.2021 1.75% | | | |
| 3,481,319 | BlackRock Cash Fund | 3,589 | 1.96 |
| Portfolio of investments | | 182,414 | 99.81 |
| Net other assets | | 346 | 0.19 |
| Total net assets | | 182,760 | 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 28 February 2022

| | Notes | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|--|-------|--------|--|--------|--|
| Income | | | | | |
| Net capital gains | 3 | | 13,692 | | 15,358 |
| Revenue | 4 | 2,618 | | 2,073 | |
| Expenses | 5 | (401) | | (272) | |
| Net revenue before taxation | | 2,217 | | 1,801 | |
| Taxation | 6 | – | | – | |
| Net revenue after taxation | | | 2,217 | | 1,801 |
| Total return before distributions | | | 15,909 | | 17,159 |
| Distributions | 7 | | (2,217) | | (1,802) |
| Change in net assets attributable to unitholders from investment activities | | | 13,692 | | 15,357 |

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

| | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|--|----------|--|----------------|--|
| Opening net assets attributable to unitholders | | | 131,041 | 95,642 |
| Amounts receivable on issue of units | 58,975 | | | 42,912 |
| Amounts payable on cancellation of units | (23,413) | | | (24,828) |
| | | | 35,562 | 18,084 |
| Change in net assets attributable to unitholders from investment activities | | | 13,692 | 15,357 |
| Retained distribution on accumulation units | | | 2,465 | 1,958 |
| Closing net assets attributable to unitholders | | | 182,760 | 131,041 |

BlackRock Consensus 100 Fund

Balance Sheet

at 28 February 2022

| | Notes | 28.2.2022 £000's | 28.2.2021 £000's |
|---|-------|---------------------|---------------------|
| Assets: | | | |
| Fixed assets | | | |
| – Investment assets | | 182,414 | 131,047 |
| Current assets | | | |
| – Debtors | 8 | 1,112 | 1,070 |
| – Cash and bank balances | | 37 | 28 |
| Total assets | | 183,563 | 132,145 |
| Liabilities: | | | |
| Creditors | | | |
| – Other creditors | 9 | (803) | (1,104) |
| Total liabilities | | (803) | (1,104) |
| Net assets attributable to unitholders | | 182,760 | 131,041 |

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

16 May 2022

BlackRock Consensus 100 Fund

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 20.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 21 to 32.

3. Net Capital Gains

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|------------------------------------|--|--|
| The net capital gains comprise: | | |
| Gains on non-derivative securities | 13,694 | 15,359 |
| Custodian transaction costs | (2) | (1) |
| Net capital gains | 13,692 | 15,358 |

Net gains (excluding transaction costs) listed above of £13,694,000 comprise net realised gains of £978,000 and net unrealised gains of £12,716,000 (28 February 2021: £15,359,000 comprising net realised gains of £1,328,000 and net unrealised gains of £14,031,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Equity distributions on CIS holdings | 2,329 | 1,874 |
| Interest distributions on CIS holdings | 3 | 13 |
| Manager's charge rebates | 286 | 186 |
| Total revenue | 2,618 | 2,073 |

BlackRock Consensus 100 Fund

Notes to Financial Statements continued

5. Expenses

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Payable to the Manager or associates of the Manager: | | |
| – Annual service charge | 3 | – |
| – Manager's charge | 379 | 257 |
| | 382 | 257 |
| Other expenses: | | |
| – Audit fee | 8 | 8 |
| – Trustee's fees | 11 | 7 |
| | 19 | 15 |
| Total expenses | 401 | 272 |

6. Taxation

(a) Analysis of tax charge

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Corporation tax | – | – |
| Total tax charge [see note 6(b)] | – | – |

(b) Factors affecting the tax (credit)/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 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Net revenue before taxation | 2,217 | 1,801 |
| Corporation tax at 20% (28 February 2021: 20%) | 443 | 360 |
| Effects of: | | |
| Movement in unrecognised excess management expenses | (44) | 15 |
| Prior year adjustment to tax losses | 67 | – |
| Revenue not subject to tax | (466) | (375) |
| Total tax credit [see note 6(a)] | – | – |

At 28 February 2022, the Fund had surplus management expenses of £115,000 (28 February 2021: £336,000). 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 £23,000 (28 February 2021: £67,000) has not been recognised.

BlackRock Consensus 100 Fund

Notes to Financial Statements continued

7. Distributions

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Interim distribution | 836 | 772 |
| Final distribution | 1,629 | 1,185 |
| | 2,465 | 1,957 |
| Add: Amounts deducted on cancellation of units | 164 | 224 |
| Less: Amounts received on issue of units | (412) | (379) |
| Distributions | 2,217 | 1,802 |

The distributable amount has been calculated as follows:

| | | |
|----------------------------------|--------------|--------------|
| Net revenue after taxation | 2,217 | 1,801 |
| Add: Equalisation on conversions | – | 1 |
| Distributions | 2,217 | 1,802 |

8. Debtors

| | 28.2.2022 £000's | 28.2.2021 £000's |
|---------------------------------------|---------------------|---------------------|
| Accrued Manager's charge rebates | 129 | 71 |
| Amounts receivable for issue of units | 674 | 998 |
| Income tax recoverable | – | 1 |
| Sales awaiting settlement | 309 | – |
| Total debtors | 1,112 | 1,070 |

9. Other Creditors

| | 28.2.2022 £000's | 28.2.2021 £000's |
|---|---------------------|---------------------|
| Accrued Annual service charge | 1 | – |
| Accrued Audit fee | 7 | 8 |
| Accrued Manager's charge | 171 | 95 |
| Accrued Trustee's fee | 5 | 3 |
| Amounts payable for cancellation of units | 619 | 84 |
| Purchases awaiting settlement | – | 914 |
| Total other creditors | 803 | 1,104 |

10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £Nil).

BlackRock Consensus 100 Fund

Notes to Financial Statements continued

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 28 February 2022:

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

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

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 28 February 2022 and 28 February 2021, 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.

BlackRock Consensus 100 Fund

Notes to Financial Statements continued

12. Portfolio Transaction Costs

For the year ended 28 February 2022

| | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Purchases (excluding derivatives) | | | | | |
| Collective investment schemes | 38,656 | – | – | – | – |
| Total purchases | 38,656 | – | | – | |
| Total purchases including transaction costs | 38,656 | | | | |

| | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Sales (excluding derivatives) | | | | | |
| Collective investment schemes | 4,609 | – | – | – | – |
| Total sales | 4,609 | – | | – | |
| Total sales net of transaction costs | 4,609 | | | | |
| 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 2021

| Purchases (excluding derivatives) | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 26,111 | – | – | – | – |
| Total purchases | 26,111 | – | | – | |
| Total purchases including transaction costs | 26,111 | | | | |

| Sales (excluding derivatives) | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 7,925 | – | – | – | – |
| Total sales | 7,925 | – | | – | |
| Total sales net of transaction costs | 7,925 | | | | |
| Derivative transaction costs | | – | | – | |
| 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 0.17% (28 February 2021: 0.23%).

BlackRock Consensus 100 Fund

Notes to Financial Statements continued

13. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

| | I Accumulation Units | A Accumulation Units | D Accumulation Units |
|---------------------------------------|-------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 5,501,068 | 3,498,769 | 43,057,277 |
| Issued during the year | 3,775,676 | 597,642 | 16,915,535 |
| Cancelled during the year | (1,189,912) | (416,868) | (6,746,199) |
| Converted during the year | (68,866) | (1,864) | 55,472 |
| Balance at the end of the year | 8,017,966 | 3,677,679 | 53,282,085 |

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 28 February 2022.

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 under the COLL Sourcebook. The Fund's FCA product reference number is 643958.

BlackRock Global Equity Fund

Comparative Table

| | I Accumulation Units | | | D Accumulation Units | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 |
| | 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 | 302.2 | 270.9 | 261.1 | 301.7 | 270.5 | 260.7 |
| Return before operating charges | 43.52 | 31.90 | 10.44 | 43.45 | 31.81 | 10.40 |
| Operating charges | (0.75) | (0.61) | (0.63) | (0.82) | (0.61) | (0.62) |
| Return after operating charges | 42.77 | 31.29 | 9.81 | 42.63 | 31.20 | 9.78 |
| Distributions | (7.11) | (6.47) | (8.21) | (7.02) | (6.46) | (8.19) |
| Retained distributions on accumulation units | 7.11 | 6.47 | 8.21 | 7.02 | 6.46 | 8.19 |
| 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 | 14.15% | 11.55% | 3.76% | 14.13% | 11.53% | 3.75% |
| Other information | | | | | | |
| Closing net asset value (£000's) | 497,791 | 475,380 | 455,121 | 1,501 | 1,122 | 1,066 |
| Closing number of units | 144,300,887 | 157,313,250 | 167,997,166 | 435,917 | 371,809 | 393,947 |
| Operating charges ² | 0.22% | 0.22% | 0.22% | 0.24% | 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 | 367.7 | 316.1 | 306.5 | 367.0 | 315.6 | 306.0 |
| Lowest bid unit price | 305.8 | 214.7 | 261.5 | 305.3 | 214.4 | 261.1 |

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 12 for further details.

BlackRock Global Equity Fund

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

| | I Accumulation Units | | D Accumulation Units | |
|------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Group 1 | Group 2 | Group 1 | Group 2 |
| Net revenue (dividend) | 4.7254 | 0.0000 | 4.7010 | 0.0000 |
| Equalisation [†] | – | 4.7254 | – | 4.7010 |
| Distribution paid 30.4.2022 | 4.7254 | 4.7254 | 4.7010 | 4.7010 |
| Distribution paid 30.4.2021 | 3.4321 | 3.4321 | 3.4259 | 3.4259 |

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

| | I Accumulation Units | | D Accumulation Units | |
|-------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Group 1 | Group 2 | Group 1 | Group 2 |
| Net revenue (dividend) | 2.3865 | 0.0000 | 2.3145 | 0.0000 |
| Equalisation [†] | – | 2.3865 | – | 2.3145 |
| Distribution paid 31.10.2021 | 2.3865 | 2.3865 | 2.3145 | 2.3145 |
| Distribution paid 31.10.2020 | 3.0414 | 3.0414 | 3.0366 | 3.0366 |

[†] 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 28 February 2022

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|--|---|---------------------------|--------------------------------|
| COLLECTIVE INVESTMENT SCHEMES – 99.97%; 28.2.2021 100.00% | | | |
| Equity Funds – 99.97%; 28.2.2021 100.00% | | | |
| 67,247,209 | iShares 100 UK Equity Index Fund UK | 127,290 | 25.49 |
| 11,551,353 | iShares Continental European Equity Index Fund UK | 35,046 | 7.02 |
| 7,218,258 | iShares Japan Equity Index Fund UK | 18,278 | 3.66 |
| 8,842,822 | iShares Mid Cap UK Equity Index Fund UK | 20,951 | 4.20 |
| 21,284,973 | iShares North American Equity Index Fund UK | 122,175 | 24.47 |

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---------------------------------|--|---------------------------|--------------------------------|
| 4,686,813 | iShares Pacific ex Japan Equity Index Fund UK | 20,094 | 4.03 |
| 39,415,209 | iShares UK Equity Index Fund UK | 101,260 | 20.28 |
| 12,502,104 | iShares US Equity Index Fund UK | 54,024 | 10.82 |
| | | 499,118 | 99.97 |
| Portfolio of investments | | 499,118 | 99.97 |
| Net other assets | | 174 | 0.03 |
| Total net assets | | 499,292 | 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 28 February 2022

| | Notes | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|--|-------|---------|--|--------|--|
| Income | | | | | |
| Net capital gains | 3 | | 56,083 | | 41,346 |
| Revenue | 4 | 11,989 | | 11,795 | |
| Expenses | 5 | (1,088) | | (979) | |
| Net revenue before taxation | | 10,901 | | 10,816 | |
| Taxation | 6 | – | | – | |
| Net revenue after taxation | | | 10,901 | | 10,816 |
| Total return before distributions | | | 66,984 | | 52,162 |
| Distributions | 7 | | (10,901) | | (10,816) |
| Change in net assets attributable to unitholders from investment activities | | | 56,083 | | 41,346 |

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

| | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|--|----------|--|----------------|--|
| Opening net assets attributable to unitholders | | | 476,502 | 456,187 |
| Amounts receivable on issue of units | 8,288 | | | 30,555 |
| Amounts payable on cancellation of units | (52,021) | | | (62,053) |
| | | | (43,733) | (31,498) |
| Change in net assets attributable to unitholders from investment activities | | | 56,083 | 41,346 |
| Retained distribution on accumulation units | | | 10,440 | 10,467 |
| Closing net assets attributable to unitholders | | | 499,292 | 476,502 |

BlackRock Global Equity Fund

Balance Sheet

at 28 February 2022

| | Notes | 28.2.2022 £000's | 28.2.2021 £000's |
|---|-------|---------------------|---------------------|
| Assets: | | | |
| Fixed assets | | | |
| – Investment assets | | 499,118 | 476,505 |
| Current assets | | | |
| – Debtors | 8 | 667 | 298 |
| – Cash and bank balances | | 149 | 96 |
| Total assets | | 499,934 | 476,899 |
| Liabilities: | | | |
| Creditors | | | |
| – Other creditors | 9 | (642) | (397) |
| Total liabilities | | (642) | (397) |
| Net assets attributable to unitholders | | 499,292 | 476,502 |

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

16 May 2022

BlackRock Global Equity Fund

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 20.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 21 to 32.

3. Net Capital Gains

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|------------------------------------|--|--|
| The net capital gains comprise: | | |
| Gains on non-derivative securities | 56,084 | 41,347 |
| Custodian transaction costs | (1) | (1) |
| Net capital gains | 56,083 | 41,346 |

Net gains listed above of £56,084 comprise net realised gains of £20,064,000 and net unrealised gains of £36,020 (28 February 2021: £41,347,000 comprise net realised gains of £24,354,000 and net unrealised gains of £16,993,000. Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--------------------------------------|--|--|
| Equity distributions on CIS holdings | 11,232 | 11,119 |
| Manager's charge rebates | 757 | 676 |
| Total revenue | 11,989 | 11,795 |

BlackRock Global Equity Fund

Notes to Financial Statements continued

5. Expenses

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Payable to the Manager or associates of the Manager: | | |
| – Annual service charge | 1 | – |
| – Manager's charge | 1,030 | 921 |
| | 1,031 | 921 |
| Other expenses: | | |
| – Audit fee | 8 | 8 |
| – Legal and other professional fees | 16 | 17 |
| – Trustee's fees | 33 | 33 |
| | 57 | 58 |
| Total expenses | 1,088 | 979 |

6. Taxation

(a) Analysis of tax (credit)/charge

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Corporation tax | – | – |
| Total tax credit [see note 6(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 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Net revenue before taxation | 10,901 | 10,816 |
| Corporation tax at 20% (28 February 2021: 20%) | 2,180 | 2,163 |
| Effects of: | | |
| Movement in unrecognised excess management expenses | 69 | 61 |
| Prior year adjustment to tax losses | (3) | – |
| Revenue not subject to tax | (2,246) | (2,224) |
| Total tax charge [see note 6(a)] | – | – |

At 28 February 2021, the Fund had surplus management expenses of £2,250,000 (28 February 2021: £1,904,000). 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 £450,000 (29 February 2021: £381,000) has not been recognised.

BlackRock Global Equity Fund

Notes to Financial Statements continued

7. Distributions

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Interim distribution | 3,601 | 5,055 |
| Final distribution | 6,839 | 5,412 |
| | 10,440 | 10,467 |
| Add: Amounts deducted on cancellation of units | 546 | 762 |
| Less: Amounts received on issue of units | (85) | (413) |
| Distributions | 10,901 | 10,816 |

Details of the interim and final distributions per unit are set out in the tables on page 103.

8. Debtors

| | 28.2.2022 £000's | 28.2.2021 £000's |
|---------------------------------------|---------------------|---------------------|
| Accrued Manager's charge rebates | 315 | 241 |
| Amounts receivable for issue of units | 351 | 56 |
| Income tax recoverable | 1 | 1 |
| Total debtors | 667 | 298 |

9. Other Creditors

| | 28.2.2022 £000's | 28.2.2021 £000's |
|---|---------------------|---------------------|
| Accrued Audit fee | 8 | 8 |
| Accrued Manager's charge | 433 | 320 |
| Accrued Trustee's fee | 16 | 11 |
| Amounts payable for cancellation of units | 185 | 58 |
| Total other creditors | 642 | 397 |

10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £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.

BlackRock Global Equity Fund

Notes to Financial Statements continued

11. Related Parties continued

The following entities were related parties of the Fund during the year ended 28 February 2022:

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

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

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 28 February 2022 and 28 February 2021, the following unitholders:

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

As at 28 February 2022:

| 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% |

BlackRock Global Equity Fund

Notes to Financial Statements continued

11. Related Parties continued

As at 28 February 2021:

| 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% |

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.

12. Portfolio Transaction Costs

For the year ended 28 February 2022

| | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|----------|-----------------|----------|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Purchases (excluding derivatives) | | | | | |
| Collective investment schemes | 10,109 | – | – | – | – |
| Total purchases | 10,109 | – | – | – | – |
| Total purchases including transaction costs | 10,109 | | | | |
| | | | | | |
| | Direct Transaction Costs | | | | |
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Sales (excluding derivatives) | | | | | |
| Collective investment schemes | 54,596 | – | – | – | – |
| Total sales | 54,596 | – | – | – | – |
| Total sales net of transaction costs | 54,596 | | | | |
| 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

12. Portfolio Transaction Costs continued

For the year ended 28 February 2021

| Purchases (excluding derivatives) | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 45,408 | – | – | – | – |
| Total purchases | 45,408 | – | | – | |
| Total purchases including transaction costs | 45,408 | | | | |

| Sales (excluding derivatives) | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 77,412 | – | – | – | – |
| Total sales | 77,412 | – | | – | |
| Total sales net of transaction costs | 77,412 | | | | |
| Derivative transaction costs | | – | | – | |
| 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 0.32% (28 February 2021: 0.35%).

BlackRock Global Equity Fund

Notes to Financial Statements continued

13. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

| | I Accumulation Units | D Accumulation Units |
|---------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 157,313,250 | 371,809 |
| Issued during the year | 2,350,934 | 106,061 |
| Cancelled during the year | (15,363,297) | (41,953) |
| Balance at the end of the year | 144,300,887 | 435,917 |

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 28 February 2022.

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 launched on 30 November 2016 and was authorised by the FCA on 15 August 2016. The Fund's FCA product reference number is 766124.

BlackRock Institutional UK Focus Fund

Comparative Table

| | A Accumulation Units | | |
|--|------------------------------|------------------------------|------------------------------|
| | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 |
| | Pence per unit | Pence per unit | Pence per unit |
| Change in net assets per unit | | | |
| Opening net asset value per unit | 132.8 | 125.8 | 115.4 |
| Return before operating charges | 11.24 | 7.06 | 10.38 |
| Operating charges | (0.01) | (0.04) | (0.03) |
| Return after operating charges | 11.23 | 7.02 | 10.35 |
| Distributions | (4.44) | (2.57) | (3.85) |
| Retained distributions on accumulation units | 4.44 | 2.57 | 3.85 |
| Closing net asset value per unit | | | |
| After direct transaction costs of | (0.23) | (0.12) | (0.10) |
| Performance | | | |
| Return after charges ¹ | 8.46% | 5.58% | 8.97% |
| Other information | | | |
| Closing net asset value (£000's) | 7,749 | 32,987 | 31,216 |
| Closing number of units | 5,379,831 | 24,836,760 | 24,824,116 |
| Operating charges ² | 0.01% | 0.03% | 0.02% |
| Direct transaction costs ³ | 0.16% | 0.10% | 0.08% |
| Prices | | | |
| | Pence per unit | Pence per unit | Pence per unit |
| Highest offer unit price | 149.9 | 139.3 | 143.8 |
| Lowest bid unit price | 132.4 | 92.52 | 116.3 |

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 12 for further details.

BlackRock Institutional UK Focus Fund

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 28 February 2022

| | A Accumulation Units | |
|------------------------------------|----------------------|---------------|
| | Group 1 | Group 2 |
| Net revenue (dividend) | 4.4408 | 1.2703 |
| Equalisation† | – | 3.1705 |
| Distribution paid 30.4.2022 | 4.4408 | 4.4408 |
| Distribution paid 30.4.2021 | 2.5724 | 2.5724 |

† 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 28 February 2022

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|--|------------------------------|------------------------|-----------------------|
| EQUITIES – 98.75%; 28.2.2021 98.34% | | | |
| UNITED KINGDOM – 98.75%; 28.2.2021 98.34% | | | |
| Agriculture – 4.17%; 28.2.2021 4.19% | | | |
| 9,900 | British American Tobacco | 323 | 4.17 |
| Airlines – 0.00%; 28.2.2021 1.34% | | | |
| Banks – 5.28%; 28.2.2021 4.76% | | | |
| 76,000 | Standard Chartered | 409 | 5.28 |
| Biotechnology – 0.50%; 28.2.2021 0.00% | | | |
| 8,355 | Oxford Nanopore Technologies | 39 | 0.50 |
| Chemicals – 2.84%; 28.2.2021 5.37% | | | |
| 12,234 | Johnson Matthey | 220 | 2.84 |
| Commercial Services – 11.78%; 28.2.2021 7.98% | | | |
| 32,300 | RELX | 735 | 9.48 |
| 35,400 | Rentokil Initial | 178 | 2.30 |
| | | 913 | 11.78 |
| Computers – 1.63%; 28.2.2021 1.71% | | | |
| 96,937 | Serco | 126 | 1.63 |
| Distribution & Wholesale – 8.70%; 28.2.2021 7.98% | | | |
| 5,960 | Ferguson | 674 | 8.70 |
| Diversified Financial Services – 4.64%; 28.2.2021 8.94% | | | |
| 11,588 | Hargreaves Lansdown | 129 | 1.66 |
| 3,543 | London Stock Exchange | 231 | 2.98 |
| | | 360 | 4.64 |
| Food Producers – 0.00%; 28.2.2021 1.51% | | | |
| Food Services – 8.48%; 28.2.2021 7.25% | | | |
| 38,500 | Compass | 657 | 8.48 |
| Healthcare Products – 4.03%; 28.2.2021 4.53% | | | |
| 23,600 | Smith & Nephew | 312 | 4.03 |
| Household Products – 6.85%; 28.2.2021 6.68% | | | |
| 8,400 | Reckitt Benckiser | 531 | 6.85 |

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|---|------------------------|-----------------------|
| Internet – 7.28%; 28.2.2021 3.36% | | | |
| 34,000 | Auto Trader | 226 | 2.92 |
| 50,600 | Rightmove | 338 | 4.36 |
| | | 564 | 7.28 |
| Investment Companies – 1.46%; 28.2.2021 1.30% | | | |
| 78,038 | Melrose Industries | 113 | 1.46 |
| Mining – 6.67%; 28.2.2021 8.69% | | | |
| 9,100 | Rio Tinto | 517 | 6.67 |
| Oil & Gas Producers – 1.06%; 28.2.2021 1.22% | | | |
| 37,500 | Capricorn Energy | 82 | 1.06 |
| Pharmaceuticals – 9.99%; 28.2.2021 8.08% | | | |
| 8,600 | AstraZeneca | 774 | 9.99 |
| Private Equity – 4.88%; 28.2.2021 3.33% | | | |
| 29,000 | 3i | 378 | 4.88 |
| Real Estate Investment Trusts – 0.33%; 28.2.2021 0.98% | | | |
| 16,000 | Capital & Counties Properties | 26 | 0.33 |
| Retail – 8.18%; 28.2.2021 9.14% | | | |
| 9,400 | Next | 634 | 8.18 |
| COLLECTIVE INVESTMENT SCHEMES – 0.89%; 28.2.2021 1.56% | | | |
| Short-term Money Market Funds – 0.89%; 28.2.2021 1.56% | | | |
| 691 | BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class [†] | 69 | 0.89 |
| Portfolio of investments | | 7,721 | 99.64 |
| Net other assets | | 28 | 0.36 |
| Total net assets | | 7,749 | 100.00 |

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

[†] Managed by a related party.

BlackRock Institutional UK Focus Fund

Statement of Total Return

for the year ended 28 February 2022

| | Notes | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|--|-------|--------|--|--------|--|
| Income | | | | | |
| Net capital gains | 3 | | 1,908 | | 741 |
| Revenue | 4 | 544 | | 678 | |
| Expenses | 5 | (2) | | (10) | |
| Net revenue before taxation | | 542 | | 668 | |
| Taxation | 6 | – | | – | |
| Net revenue after taxation | | | 542 | | 668 |
| Total return before distributions | | | 2,450 | | 1,409 |
| Distributions | 7 | | (542) | | (668) |
| Change in net assets attributable to unitholders from investment activities | | | 1,908 | | 741 |

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

| | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|--|----------|--|--------------|--|
| Opening net assets attributable to unitholders | | | 32,987 | 35,864 |
| Amounts receivable on issue of units | 13 | | 39 | |
| Amounts payable on cancellation of units | (27,398) | | (4,296) | |
| | | | (27,385) | (4,257) |
| Change in net assets attributable to unitholders from investment activities | | | 1,908 | 741 |
| Retained distribution on accumulation units | | | 239 | 639 |
| Closing net assets attributable to unitholders | | | 7,749 | 32,987 |

BlackRock Institutional UK Focus Fund

Balance Sheet

at 28 February 2022

| | Notes | 28.2.2022 £000's | 28.2.2021 £000's |
|---|-------|---------------------|---------------------|
| Assets: | | | |
| Fixed assets | | | |
| – Investment assets | | 7,721 | 32,954 |
| Current assets | | | |
| – Debtors | 8 | 18 | 57 |
| – Cash and bank balances | | 21 | 66 |
| Total assets | | 7,760 | 33,077 |
| Liabilities: | | | |
| Creditors | | | |
| – Other creditors | 9 | (11) | (90) |
| Total liabilities | | (11) | (90) |
| Net assets attributable to unitholders | | 7,749 | 32,987 |

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

16 May 2022

BlackRock Institutional UK Focus Fund

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 20.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 21 to 32.

3. Net Capital Gains

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|------------------------------------|--|--|
| The net capital gains comprise: | | |
| Gains on non-derivative securities | 1,907 | 747 |
| Currency gains/(losses) | 1 | (6) |
| Net capital gains | 1,908 | 741 |

Net gains listed above of £1,908,000 comprise net realised gains of £4,283,000 and net unrealised losses of £(2,375,000) (28 February 2021: £741,000 comprising net realised gains of £858,000 and net unrealised losses of £(117,000)). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Overseas dividends | 25 | 50 |
| Revenue from short-term money market funds | – | 1 |
| Securities lending revenue | – | 1 |
| UK dividends | 519 | 626 |
| Total revenue | 544 | 678 |

5. Expenses

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|-----------------------|--|--|
| – Audit fee | 8 | 7 |
| – Safe custody fees | (8) | – |
| – Trustee's fees | 2 | 3 |
| Total expenses | 2 | 10 |

BlackRock Institutional UK Focus Fund

Notes to Financial Statements continued

6. Taxation

(a) Analysis of tax charge

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Corporation tax | – | – |
| Total tax charge [see note 6(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 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Net revenue before taxation | 543 | 668 |
| Corporation tax at 20% (28 February 2021: 20%) | 109 | 133 |
| Effects of: | | |
| Movement in unrecognised excess management expenses | – | 2 |
| Revenue not subject to tax | (109) | (135) |
| Total tax charge [see note 6(a)] | – | – |

At 28 February 2022, the Fund had surplus management expenses of £Nil (28 February 2021: £61,000). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, a deferred tax asset of £Nil (28 February 2021: £12,000) has not been recognised.

7. Distributions

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Final distribution | 239 | 639 |
| | 239 | 639 |
| Add: Amounts deducted on cancellation of units | 303 | 29 |
| Distributions | 542 | 668 |

Details of the interim and final distributions per unit are set out in the tables on page 116.

8. Debtors

| | 28.2.2022 £000's | 28.2.2021 £000's |
|----------------------|---------------------|---------------------|
| Accrued revenue | 18 | 57 |
| Total debtors | 18 | 57 |

BlackRock Institutional UK Focus Fund

Notes to Financial Statements continued

9. Other Creditors

| | 28.2.2022 | 28.2.2021 |
|-------------------------------|-----------|-----------|
| | £000's | £000's |
| Accrued Audit fee | 7 | 7 |
| Accrued Safe custody fees | 3 | 11 |
| Accrued Trustee's fee | 1 | 1 |
| Purchases awaiting settlement | – | 71 |
| Total other creditors | 11 | 90 |

10. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £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 28 February 2022:

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

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

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

BlackRock Institutional UK Focus Fund

Notes to Financial Statements continued

11. Related Parties continued

As at 28 February 2022 and 28 February 2021, the following unitholders:

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

As at 28 February 2022:

| 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 | 100% |

As at 28 February 2021:

| 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 | 77% |

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

12. Portfolio Transaction Costs

For the year ended 28 February 2022

| | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|------|-----------------|------|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Purchases (excluding derivatives) | | | | | |
| Equity instruments | 2,243 | 1 | 0.04 | 11 | 0.49 |
| Total purchases | 2,243 | 1 | | 11 | |
| Total purchases including transaction costs | 2,255 | | | | |

| | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|------|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Sales (excluding derivatives) | | | | | |
| Equity instruments | 29,081 | 18 | 0.06 | – | – |
| Total sales | 29,081 | 18 | | – | |
| Total sales net of transaction costs | 29,063 | | | | |
| Total transaction costs | | 19 | | 11 | |
| Total transaction costs as a % of average net assets | | 0.10% | | 0.06% | |

BlackRock Institutional UK Focus Fund

Notes to Financial Statements continued

12. Portfolio Transaction Costs continued

For the 28 February 2021

| Purchases (excluding derivatives) | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|------|-----------------|------|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Equity instruments | 5,220 | 2 | 0.04 | 24 | 0.46 |
| Total purchases | 5,220 | 2 | | 24 | |
| Total purchases including transaction costs | 5,246 | | | | |

| Sales (excluding derivatives) | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|------|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Equity instruments | 7,723 | 3 | 0.04 | – | – |
| Total sales | 7,723 | 3 | | – | |
| Total sales net of transaction costs | 7,720 | | | | |
| Derivative transaction costs | | – | | – | |
| Total transaction costs | | 5 | | 24 | |
| Total transaction costs as a % of average net assets | | 0.02% | | 0.02% | |

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.

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 0.05% (28 February 2021: 0.04%).

BlackRock Institutional UK Focus Fund

Notes to Financial Statements continued

13. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

| | A Accumulation Units |
|---------------------------------------|---------------------------------|
| Balance at the beginning of the year | 24,836,760 |
| Issued during the year | 8,869 |
| Cancelled during the year | (19,465,798) |
| Balance at the end of the year | 5,379,831 |

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 28 February 2022.

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

Comparative Table

| | I Accumulation Units | | |
|--|---------------------------|---------------------------|---------------------------|
| | For the year to 28.2.2022 | For the year to 28.2.2021 | For the year to 29.2.2020 |
| | Pence per unit | Pence per unit | Pence per unit |
| Change in net assets per unit | | | |
| Opening net asset value per unit | 406.0 | 337.9 | 308.9 |
| Return before operating charges | 53.89 | 68.90 | 29.71 |
| Operating charges | (1.02) | (0.82) | (0.76) |
| Return after operating charges | 52.87 | 68.08 | 28.95 |
| Distributions | (4.36) | (5.38) | (5.70) |
| Retained distributions on accumulation units | 4.36 | 5.38 | 5.70 |
| Closing net asset value per unit | 458.9 | 406.0 | 337.9 |
| After direct transaction costs of | 0.00 | 0.00 | 0.00 |
| Performance | | | |
| Return after charges ¹ | 13.02% | 20.15% | 9.37% |
| Other information | | | |
| Closing net asset value (£000's) | 245,976 | 2,233,288 | 2,044,766 |
| Closing number of units | 53,604,918 | 550,097,310 | 605,229,883 |
| Operating charges ² | 0.22% | 0.22% | 0.22% |
| Direct transaction costs ³ | 0.00% | 0.00% | 0.00% |
| Prices | | | |
| Highest offer unit price | 507.4 | 426.7 | 379.5 |
| Lowest bid unit price | 457.1 | 282.4 | 308.8 |

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 13 for further details.

BlackRock Overseas Equity Fund

Distribution Tables

for the year ended 28 February 2022

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2021

Group 2 – Units purchased 1 September 2021 to 28 February 2022

| | I Accumulation Units | |
|------------------------------------|----------------------|---------------|
| | Group 1 | Group 2 |
| Net revenue (dividend) | 3.2221 | 0.0000 |
| Equalisation [†] | – | 3.2221 |
| Distribution paid 30.4.2022 | 3.2221 | 3.2221 |
| Distribution paid 30.4.2021 | 3.0758 | 3.0758 |

Interim Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2021

Group 2 – Units purchased 1 March 2021 to 31 August 2021

| | I Accumulation Units | |
|-------------------------------------|----------------------|---------------|
| | Group 1 | Group 2 |
| Net revenue (dividend) | 1.1406 | 0.0000 |
| Equalisation [†] | – | 1.1406 |
| Distribution paid 31.10.2021 | 1.1406 | 1.1406 |
| Distribution paid 31.10.2020 | 2.2998 | 2.2998 |

[†] 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 28 February 2022

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---|--|---------------------------|--------------------------------|
| COLLECTIVE INVESTMENT SCHEMES – 100.03%; 28.2.2021 100.01% | | | |
| Equity Funds – 100.03%; 28.2.2021 100.01% | | | |
| 29,519 | BlackRock Global Index Funds - iShares North America Equity Index Fund LU | 7,160 | 2.91 |
| 11,489,965 | iShares Continental European Equity Index Fund UK | 34,860 | 14.17 |
| 7,052,367 | iShares Japan Equity Index Fund UK | 17,858 | 7.26 |
| 14,551,107 | iShares North American Equity Index Fund UK | 83,523 | 33.95 |

| Holding or Nominal Value | Investment | Market Value £000's | % of Total Net Assets |
|---------------------------------|--|---------------------------|--------------------------------|
| 4,644,885 | iShares Pacific ex Japan Equity Index Fund UK | 19,914 | 8.10 |
| 19,147,929 | iShares US Equity Index Fund UK | 82,742 | 33.64 |
| | | 246,057 | 100.03 |
| Portfolio of investments | | 246,057 | 100.03 |
| Net other liabilities | | (81) | (0.03) |
| Total net assets | | 245,976 | 100.00 |

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

BlackRock Overseas Equity Fund

Statement of Total Return

for the year ended 28 February 2022

| | Notes | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|--|-------|--------|--|---------|--|
| Income | | | | | |
| Net capital gains | 3 | | 64,892 | | 406,579 |
| Revenue | 4 | 15,414 | | 38,151 | |
| Expenses | 5 | (691) | | (4,887) | |
| Interest payable and similar charges | 6 | – | | (2) | |
| Net revenue before taxation | | 14,723 | | 33,262 | |
| Taxation | 7 | – | | – | |
| Net revenue after taxation | | | 14,723 | | 33,262 |
| Total return before distributions | | | 79,615 | | 439,841 |
| Distributions | 8 | | (14,723) | | (33,262) |
| Change in net assets attributable to unitholders from investment activities | | | 64,892 | | 406,579 |

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2022

| | £000's | For the year to 28.2.2022 £000's | £000's | For the year to 28.2.2021 £000's |
|---|-------------|--|----------------|--|
| Opening net assets attributable to unitholders | | | 2,233,288 | 2,044,766 |
| Amounts receivable on issue of units | 26,283 | | 533,655 | |
| Amounts payable on cancellation of units | (2,080,809) | | (783,169) | |
| | | | (2,054,526) | (249,514) |
| Change in net assets attributable to unitholders from investment activities | | | 64,892 | 406,579 |
| Retained distribution on accumulation units | | | 2,322 | 31,457 |
| Closing net assets attributable to unitholders | | | 245,976 | 2,233,288 |

BlackRock Overseas Equity Fund

Balance Sheet

at 28 February 2022

| | Notes | 28.2.2022 £000's | 28.2.2021 £000's |
|---|-------|---------------------|---------------------|
| Assets: | | | |
| Fixed assets | | | |
| – Investment assets | | 246,057 | 2,233,522 |
| Current assets | | | |
| – Debtors | 9 | 200 | 1,458 |
| – Cash and bank balances | | 49 | 189 |
| Total assets | | 246,306 | 2,235,169 |
| Liabilities: | | | |
| Creditors | | | |
| – Other creditors | 10 | (330) | (1,881) |
| Total liabilities | | (330) | (1,881) |
| Net assets attributable to unitholders | | 245,976 | 2,232,288 |

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

16 May 2022

BlackRock Overseas Equity Fund

Notes to Financial Statements

for the year ended 28 February 2022

1. Accounting and Distribution Policies

The accounting and distribution policies are set out on pages 18 to 20.

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 21 to 32.

3. Net Capital Gains

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|------------------------------------|--|--|
| The net capital gains comprise: | | |
| Gains on non-derivative securities | 64,894 | 406,580 |
| Custodian transaction costs | (2) | (1) |
| Net capital gains | 64,892 | 406,579 |

Net gains (excluding transaction costs) listed above of £64,894,000 comprise net realised gains of £492,576,000 and net unrealised losses of £(427,682,000) (28 February 2021: £406,580,000 comprising net realised gains of £131,886,000 and net unrealised gains of £274,694,000). Certain realised gains and losses in the current year were unrealised in the prior year.

4. Revenue

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--------------------------------------|--|--|
| Equity distributions on CIS holdings | 14,939 | 34,771 |
| Manager's charge rebates | 475 | 3,380 |
| Total revenue | 15,414 | 38,151 |

5. Expenses

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Payable to the Manager or associates of the Manager: | | |
| – Manager's charge | 654 | 4,733 |
| | 654 | 4,733 |
| Other expenses: | | |
| – Audit fee | 8 | 8 |
| – Legal and other professional fees | 3 | 5 |
| – Trustee's fees | 26 | 141 |
| | 37 | 154 |
| Total expenses | 691 | 4,887 |

BlackRock Overseas Equity Fund

Notes to Financial Statements continued

6. Interest Payable and Similar Charges

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Interest on bank overdrafts | – | 2 |
| Total interest payable and similar charges | – | 2 |

7. Taxation

(a) Analysis of tax charge

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £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 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|---|--|--|
| Net revenue before taxation | 14,723 | 33,262 |
| Corporation tax at 20% (28 February 2021: 20%) | 2,945 | 6,652 |
| Effects of: | | |
| Movement in unrecognised excess management expenses | 43 | 302 |
| Revenue not subject to tax | (2,988) | (6,954) |
| Total tax charge [see note 7(a)] | – | – |

At 28 February 2022, the Fund had surplus management expenses of £4,166,000 (28 February 2021: £3,950,000). 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 £833,000 (28 February 2021: £790,000) has not been recognised.

BlackRock Overseas Equity Fund

Notes to Financial Statements continued

8. Distributions

| | For the year to 28.2.2022 £000's | For the year to 28.2.2021 £000's |
|--|--|--|
| Interim distribution | 595 | 14,537 |
| Final distribution | 1,727 | 16,920 |
| | 2,322 | 31,457 |
| Add: Amounts deducted on cancellation of units | 12,549 | 5,978 |
| Less: Amounts received on issue of units | (148) | (4,173) |
| Distributions | 14,723 | 33,262 |

Details of the interim and final distributions per unit are set out in the tables on page 129.

9. Debtors

| | 28.2.2022 £000's | 28.2.2021 £000's |
|---------------------------------------|---------------------|---------------------|
| Accrued Manager's charge rebates | 154 | 1,246 |
| Amounts receivable for issue of units | 46 | 212 |
| Total debtors | 200 | 1,458 |

10. Other Creditors

| | 28.2.2022 £000's | 28.2.2021 £000's |
|---|---------------------|---------------------|
| Accrued Audit fee | 7 | 8 |
| Accrued Manager's charge | 212 | 1,707 |
| Accrued Trustee's fee | 13 | 48 |
| Amounts payable for cancellation of units | 98 | 118 |
| Total other creditors | 330 | 1,881 |

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2021: £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 28 February 2022:

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

BlackRock Overseas Equity Fund

Notes to Financial Statements continued

12. Related Parties continued

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

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

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 28 February 2022 and 28 February 2021, the following unitholders:

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

As at 28 February 2022:

| 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 | 85% |

As at 28 February 2021:

| 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

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 28 February 2022

| | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Purchases (excluding derivatives) | | | | | |
| Collective investment schemes | 28,086 | – | – | – | – |
| Total purchases | 28,086 | – | | – | |
| Total purchases including transaction costs | 28,086 | | | | |

| | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Sales (excluding derivatives) | | | | | |
| Collective investment schemes | 2,095,435 | – | – | – | – |
| Total sales | 2,095,435 | – | | – | |
| Total sales net of transaction costs | 2,095,435 | | | | |
| 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 2021

| Purchases (excluding derivatives) | Direct Transaction Costs | | | | |
|--|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 515,548 | – | – | – | – |
| Total purchases | 515,548 | – | | – | |
| Total purchases including transaction costs | 515,548 | | | | |

| Sales (excluding derivatives) | Direct Transaction Costs | | | | |
|---|-----------------------------|-----------------------|---|-----------------|---|
| | Transaction Value £000's | Commissions £000's | % | Taxes £000's | % |
| Collective investment schemes | 767,985 | – | – | – | – |
| Total sales | 767,985 | – | | – | |
| Total sales net of transaction costs | 767,985 | | | | |
| Derivative transaction costs | | – | | – | |
| 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 0.09% (28 February 2021: 0.17%).

BlackRock Overseas Equity Fund

Notes to Financial Statements continued

14. Units in Issue

The movement in units in issue for the year ended 28 February 2022 is as follows:

| | I Accumulation Units |
|---------------------------------------|---------------------------------|
| Balance at the beginning of the year | 550,097,310 |
| Issued during the year | 5,705,583 |
| Cancelled during the year | (502,197,975) |
| Balance at the end of the year | 53,604,918 |

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

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the year ended 28 February 2022.

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. In preparing these financial statements the Manager is required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation. For the reasons stated in Note 1(a), the financial statements of BlackRock Institutional UK Focus Fund have not been prepared on a going concern basis.

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

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

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

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

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

Report of the Trustee

Having carried out such procedures as we considered 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 Manager:

- (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 revenue in accordance with the Sourcebook, FUND, the Trust Deed and Prospectus, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust.

The Bank of New York Mellon
(International) Limited

London
16 May 2022

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

Opinion

We have audited the financial statements of BlackRock Non-UCITS Retail Funds ("the Trust") for the year ended 28 February 2022, which comprise the Statement of Total Return, the Statement of Changes in Net Assets Attributable to Unitholders, the Balance Sheets, the related notes and the Distribution Tables for each of the Trust's Funds, the Financial Instruments and Risks Disclosures and the accounting policies of the Trust, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, FRS102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust comprising each of its Funds as at 28 February 2022 and of the net revenue 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.

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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of matter – BlackRock Institutional UK Focus Fund (the "Fund") Financial Statements prepared on break-up basis

We draw attention to note 1(a) of the financial statements which explains that the Manager intends to close the BlackRock Institutional UK Focus Fund and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements for this Fund only, have been prepared on a break-up basis as described in note 1(a). The financial statements for the Trust as a whole remain prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

The financial statements for the BlackRock Institutional UK Focus Fund have been prepared on break-up basis as disclosed in Note 1(a).

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's (except for BlackRock Institutional UK Focus Fund) ability to continue as a going concern for a period assessed by the Manager, which is at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

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

We have nothing to report in this regard.

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

In our opinion:

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Manager

As explained more fully in the Manager's responsibilities statement set out on page 140, 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

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

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



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

Tel: +44 131 777 2000
Fax: +44 131 777 2001
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Use of our report

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

Ernst & Young LLP
Statutory Auditor

Edinburgh
16 May 2022

About us

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