


BlackRock®



Interim report and unaudited financial statements

BlackRock Continental European Income
Fund

For the six months ended 31 August 2022

NM1022U-2565421-1/22

Contents

General Information	2
About the Fund	3
Fund Managers	3
Significant Events	3
Risk and Reward Profile	4
Investment Report	5
Portfolio Statement	11
Statement of Total Return	13
Statement of Change in Net Assets Attributable to Unitholders	13
Balance Sheet	14
Notes to Financial Statements	15
Supplementary Information	16

General Information

Manager & Registrar

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

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

Directors of the Manager

G D Bamping*
S Corrigan
W I Cullen*
D Edgar
B Harrison (Resigned 19 August 2022)
A M Lawrence
H N Mepham
M T Zemek*

Trustee & Custodian

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

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

Investment Manager

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

Authorised and regulated by the FCA.

Stock Lending Agent

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

Authorised and regulated by the FCA

Auditor

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

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

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

BlackRock Fund Managers Limited
12 Throgmorton Avenue, London EC2N 2DL
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For your protection, telephone calls are usually recorded.

* Non-executive Director.

About the Fund

BlackRock Continental European Income Fund (the “Fund”) is a UCITS scheme under the COLL Sourcebook. The Fund was established on 6 May 2011. The Fund’s FCA product reference number is 542061.

Assessment of value

The FCA requires UK fund managers to complete an annual assessment of whether their UK authorised funds provide value for investors. Our assessment considers fund-and unit class-level performance, costs and charges, and service quality, concluding with an evaluation of whether investors receive value. BlackRock has fulfilled its obligations for the reporting requirement, including assessing relevant charges, and published the annual assessment of value statements on the BlackRock website on 29 October 2021 in a composite report for all funds managed by BlackRock Fund Managers Limited subject to these requirements. The next annual assessment is due for publication by the end of October 2022.

Fund Managers

As at 31 August 2022, the Fund Managers of the Fund are Brian Hall and Andreas Zoellinger.

Significant Events

Changes in the Directors of the Manager

B Harrison resigned as a Director effective 19 August 2022.

COVID-19

The infectious respiratory illness caused by a novel coronavirus known as COVID-19 has had a profound impact on all aspects of society over the last two 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 entire global economy and this impact may be greater where vaccination rates are lower, such as in certain emerging markets. While 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 the Fund.

Russian Invasion of Ukraine

Certain financial markets have fallen during the financial period 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 Manager continues to monitor investment performance in line with the Fund’s investment objectives, and the operations of the Fund and the publication of net asset values are continuing.

Investment Report

for the six months ended 31 August 2022

Investment Objective

The aim of the Fund is to provide an above average income return (gross of fees) from its equity investments (i.e. shares), compared to the income produced by European equity markets (excluding the UK) as represented by FTSE World Europe Ex UK Index (i.e. a level of income which exceeds that produced by the constituents of the index), without sacrificing capital growth (i.e. the value of the assets held by the Fund) over the long term (5 or more consecutive years beginning at the point of investment).

Comparator benchmark	Investment management approach
FTSE World Europe ex UK Index	Active

Performance Summary

The following table compares the Fund's realised performance against the performance of the relevant comparator benchmark during the financial period ended 31 August 2022.

	Fund return %	Comparator benchmark %
Class D Accumulation Units	(1.99)	(4.45)

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

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

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

Global Economic Overview

Global equities, as represented by the MSCI All Country World Index ("ACWI"), returned (11.21%) (in US dollar terms). However, as the pound sterling declined sharply against other influential currencies, the ACWI returned 2.38% (in GBP terms) for the six months ended 31 August 2022. Amid a slowing economic recovery, both bonds and equities were pressured (in U.S. dollar terms) by persistently high inflation (rate of increase in the prices of goods and services) and moves towards monetary policy tightening from the world's largest central banks. The Russian invasion of Ukraine drove further uncertainty and disruption in financial markets. Sanctions imposed on Russia negatively impacted businesses with ties to the region and contributed to significant volatility (market ups and downs) in some commodity prices.

Investment Report continued

The US economy faltered in the first half of 2022, contracting amid slowing growth in consumer spending and a sharp decline in business confidence. Japanese growth was modest, as supply shortages and disruptions from the Russian invasion of Ukraine weighed on production. The UK economy slowed, contracting in the three months ended June 2022 amid weakness in services output. The Eurozone posted modest growth, helped in part by an increase in household spending and a rebound in tourism.

Economic growth was generally slow among emerging market nations as the global economy cooled. In China, the economy slowed substantially in the second quarter of 2022 following a series of strict lockdowns aimed at containing an increase in COVID-19 cases. India's economy slowed but continued to grow in the first quarter, helped by a pickup in service sector activity.

As inflation continued to rise globally, the world's largest central banks implemented different measures aimed at monetary tightening. The US Federal Reserve ("the Fed") raised interest rates four times in an effort to control inflation, including back to back 75 basis points increases in June and July 2022. The Fed also ended its bond-buying programmes and began reducing some of its accumulated bond holdings in June 2022.

The Bank of England raised interest rates four times, as inflation reached a forty-year high. Inflation also accelerated in the Eurozone and the European Central Bank ("ECB") raised interest rates in July 2022, its first rate hike since 2011. Furthermore, the ECB also signalled that it would take action to prevent significant divergence between bond yields (which move inversely to prices) of Eurozone states as interest rates rise.

Global equity performance was significantly negative in most parts of the world (in US dollar terms). Rising inflation amid supply chain constraints and tighter monetary policy from many central banks negatively impacted equities. US, European, and Asia-Pacific equities all retreated during the six month period.

Global bond prices also declined (in US dollar terms), as heightened inflation put pressure on returns. US treasuries fell amid concerns that the Fed would continue to raise interest rates due to high inflation. Long-term US Treasury yields fell below short-term yields, a signal that markets were increasingly concerned about slowing economic growth. Similarly, UK, European, and Japanese government bonds declined (in US dollar terms) for the six month period. Corporate bonds fell globally as investors became concerned about the impact of rising interest rates on companies' financing costs.

Equities in emerging markets posted a substantial decline (in US dollar terms), as the US dollar strengthened and interest rates rose. Central banks in several emerging markets, such as India, Brazil, and Mexico raised interest rates multiple times in response to heightened inflation concerns. Emerging market bond prices declined sharply, particularly following Russia's invasion of Ukraine.

The commodities markets were volatile, with energy prices rising sharply (in US dollar terms), following Russia's invasion of Ukraine before moderating late in the period on growth concerns. The price of Brent crude oil rose sharply following Russia's invasion of Ukraine, but retreated as markets stabilised, ending the six-month period nearly flat. Natural gas prices gained significantly, particularly in Europe, amid supply disruptions from Russia. Gold prices declined, as higher interest rates made non-interest-bearing investments relatively less attractive despite rising inflation, while industrial metals also generally declined.

On the foreign currencies, the US dollar rose against most other global currencies, particularly as the Fed began tightening monetary policy in 2022. The Japanese yen declined notably against the US dollar, as the Bank of Japan's relatively accommodative stance meant that interest rates rose faster in the US than in Japan. The euro, pound sterling, and Chinese yuan also weakened relative to the US dollar as investors saw the US dollar being more insulated from the geopolitical turmoil.

Fund Performance Review and Activity

Over the six month period to 31 August 2022, the Fund's performance return was (1.99%) and the active return was 2.46%, outperforming its comparator benchmark which returned (4.45%) (active return is the difference between the Fund's return and the comparator benchmark).

European markets experienced extreme volatility, with sharp market declines in the face of persistent inflation, increasing expectations for further central bank rate hikes, pressure on energy and food commodity supply from Russia invading Ukraine, and ongoing supply chain disruptions from China's zero COVID-19 policy. In this context, defensive sectors such as telecommunications, consumer staples and healthcare as well as the energy sector delivered positive returns in a falling market.

The Fund benefitted from its defensive profile and focus on investing in high quality, resilient businesses. Additionally, accurate stock selection added to returns. The most recent quarter two earnings season proved reassuring and was overall better than many market participants had expected. The Manager's underweight to highly cyclical, growth and higher multiple stocks was also positive for performance.

During the six month period 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
EDP - Energias de Portugal [#]	0.79%	Cie de Saint-Gobain [#]	(0.35%)
Tryg [#]	0.74%	Novartis [^]	(0.33%)
Zurich Insurance [#]	0.62%	Royal Unibrew [#]	(0.27%)
Novo Nordisk [#]	0.43%	MTU Aero Engines [#]	(0.26%)
Tele2 [#]	0.41%	LEG Immobilien [#]	(0.24%)

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

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

Utility name EDP, healthcare holding Novo Nordisk and telecoms stock Tele2 benefitted from a risk-off environment, favouring defensive assets over cyclical stocks. Shares in Tryg and Zurich within the insurance space performed well on the back of rising interest rates which is seen as a tailwind for the sector. In contrast, an underweight to defensive name Novartis hurt performance, as did exposure to the construction sector via St Gobain and the consumer and travel space via Royal Unibrew and MTU. A position in real estate company LEG also lost ground given its large exposure to Germany as well as rising interest rates.

The following table details the significant active positions, where the Fund was overweight (held more exposure than the comparator benchmark) and underweight (held less exposure than the comparator benchmark), at 31 August 2022 and 28 February 2022:

Top overweight positions			
31 August 2022		28 February 2022	
Stock	Active Weighting	Stock	Active Weighting
Tryg	3.93%	Tele2	4.00%
EDP - Energias de Portugal	3.75%	EDP - Energias De Portugal	3.91%
Zurich Insurance	3.31%	Tryg	3.30%

Investment Report continued

Top underweight positions			
31 August 2022		28 February 2022	
Stock	Active Weighting	Stock	Active Weighting
SAP	(1.45%)	Novartis	(2.24%)
Siemens	(1.17%)	SAP	(1.56%)
Allianz	(1.05%)	Nestle	(1.34%)

Where the Fund is underweight 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.

Net Asset Value

At 31 August 2022	Units in Issue	Net Asset Value £000's	Net Asset Value per Unit p
A Income	20,214,268	30,652	151.6
A Accumulation	6,540,730	15,593	238.4
X Income	22,006,691	23,475	106.7
X Accumulation	709,019	1,242	175.2
D Income	625,305,727	1,031,106	164.9
D Accumulation	124,031,380	322,231	259.8
A Income Hedged	606,766	668	110.1
A Accumulation Hedged	1,000	2	147.0
D Income Hedged	10,352,343	12,031	116.2
D Accumulation Hedged	5,755,749	8,504	147.8

Distributions Payable for the period to 31 August 2022

Unit Class	Distribution payable on 31.10.2022 Pence per Unit
A Income	0.3760
A Accumulation	0.5899
X Income	0.2628
X Accumulation	0.4303
D Income	0.4084
D Accumulation	0.6418
A Income Hedged	0.2773
A Accumulation Hedged	0.3650
D Income Hedged	0.2922
D Accumulation Hedged	0.3705

continued

Operating Charges

Unit Class	1.3.2022 to 31.8.2022	1.3.2021 to 28.2.2022
A Income	1.67%	1.67%
A Accumulation	1.67%	1.67%
X Income	0.02%	0.02%
X Accumulation	0.03%	0.03%
D Income	0.92%	0.92%
D Accumulation	0.91%	0.91%
A Income Hedged	1.67%	1.67%
A Accumulation Hedged	1.67%	1.70%
D Income Hedged	0.92%	0.91%
D Accumulation Hedged	0.92%	0.91%

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).

Portfolio Statement (unaudited)

at 31 August 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
EQUITIES – 97.68%; 28.2.2022 99.27%			
Belgium – 2.40%; 28.2.2022 0.39%			
390,799	Azelis	6,641	0.46
691,297	KBC	28,044	1.94
		34,685	2.40
Denmark – 14.47%; 28.2.2022 11.53%			
285,509	Carlsberg	31,920	2.21
243,318	DSV	30,680	2.12
671,582	Novo Nordisk	61,792	4.27
408,711	Royal Unibrew ^o	26,392	1.83
3,006,813	Tryg	58,353	4.04
		209,137	14.47
Finland – 5.88%; 28.2.2022 4.57%			
601,150	Kone	20,927	1.45
3,990,304	Nordea Bank	31,892	2.21
834,249	Sampo	32,130	2.22
		84,949	5.88
France – 23.74%; 28.2.2022 25.08%			
3,421,368	ALD	32,450	2.24
1,046,032	BNP Paribas	41,981	2.90
687,958	Cie de Saint-Gobain	24,096	1.67
1,192,308	Euroap ^o	15,795	1.09
129,098	L'Oreal ^o	38,208	2.64
47,587	LVMH Moet Hennessy Louis Vuitton ^o	26,749	1.85
666,799	Sanofi	46,894	3.24
50,943	Sartorius Stedim Biotech	16,189	1.12
100,832	Teleperformance	25,095	1.74
321,279	Thales ^o	33,080	2.29
985,820	TotalEnergies	42,837	2.96
		343,374	23.74
Germany – 5.34%; 28.2.2022 11.41%			
210,907	MTU Aero Engines ^o	32,035	2.22
852,997	RWE	28,880	2.00
45,102	Sartorius ^o	16,165	1.12
		77,080	5.34

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Italy – 1.10%; 28.2.2022 3.10%			
1,842,223	Davide Campari-Milano ^o	15,835	1.10
Netherlands – 2.14%; 28.2.2022 3.17%			
71,943	ASML	31,002	2.14
Norway – 3.20%; 28.2.2022 3.15%			
2,638,636	Gjensidige Forsikring	46,295	3.20
Portugal – 4.02%; 28.2.2022 4.10%			
14,084,649	EDP - Energias de Portugal	58,129	4.02
Spain – 2.51%; 28.2.2022 0.00%			
1,961,590	Industria de Diseno Textil	36,232	2.51
Sweden – 7.26%; 28.2.2022 10.75%			
705,259	Alfa Laval	16,242	1.12
303,485	Epiroc	4,055	0.28
1,433,859	Epiroc	17,318	1.20
4,761,338	Tele2 ^o	44,523	3.08
1,670,534	Volvo ^o	22,803	1.58
		104,941	7.26
Switzerland – 20.38%; 28.2.2022 17.24%			
106,823	Lonza	49,450	3.42
604,398	Nestle	60,798	4.21
632,744	Novartis	43,824	3.03
202,702	Roche	56,291	3.89
114,023	Sika ^o	22,405	1.55
163,141	Zurich Insurance	61,863	4.28
		294,631	20.38
United Kingdom – 5.24%; 28.2.2022 4.78%			
115,375	Linde ^o	28,130	1.95
2,094,098	RELX	47,578	3.29
		75,708	5.24
COLLECTIVE INVESTMENT SCHEMES – 1.89; 28.2.2022 0.17%			
Short-term Money Market Funds – 1.89%; 28.2.2022 0.17%			
273,301	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class ¹	27,315	1.89

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES – (0.02%); 28.2.2022 0.00%				
Forward Currency Contracts – (0.02%); 28.2.2022 0.00%				
DKK 3,997,738	Danish krone vs UK sterling		465	4
€1,422,898	Euro vs UK sterling		1,220	16
NOK 909,036	Norwegian krone vs UK sterling [^]		79	–

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
SEK 3,933,344	Swedish krona vs UK sterling [^]	320	–	0.00
CHF 465,260	Swiss franc vs UK sterling	409	3	0.00
£6,757,085	UK sterling vs Danish krone	6,840	(80)	0.00
£21,858,632	UK sterling vs Euro	22,118	(254)	(0.02)
£1,497,667	UK sterling vs Norwegian krone	1,505	(10)	0.00
£4,439,574	UK sterling vs Swedish krona	4,433	4	0.00
£9,321,347	UK sterling vs Swiss franc	9,385	(64)	0.00
		46,774	(381)	(0.02)
Portfolio of investments			1,438,932	99.55
Net other assets			6,572	0.45
Total net assets			1,445,504	100.00

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

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

The counterparty the forward currency contracts is Bank of New York Mellon International.

⁰ All or a portion of this investment represents a security on loan.

[†] Managed by a related party.

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

Statement of Total Return (unaudited)

for the six months ended 31 August 2022

		31.8.2022		31.8.2021
	£000's	£000's	£000's	£000's
Income				
Net capital (losses)/gains		(51,792)		218,990
Revenue	52,434		49,800	
Expenses	(6,996)		(8,131)	
Interest payable and similar charges	(9)		(13)	
Net revenue before taxation	45,429		41,656	
Taxation	(4,387)		(6,942)	
Net revenue after taxation		41,042		34,714
Total return before distributions		(10,750)		253,704
Distributions		(47,988)		(42,845)
Change in net assets attributable to unitholders from investment activities		(58,738)		210,859

Statement of Change in Net Assets Attributable to Unitholders

(unaudited) for the six months ended 31 August 2022

		31.8.2022		31.8.2021
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		1,530,022		1,619,011
Amounts receivable on issue of units	229,713		203,567	
Amounts payable on cancellation of units	(265,645)		(307,223)	
		(35,932)		(103,656)
Change in net assets attributable to unitholders from investment activities		(58,738)		210,859
Retained distribution on accumulation units		10,152		9,202
Closing net assets attributable to unitholders		1,445,504		1,735,416

The above statement shows the comparative closing net assets at 31 August 2021 whereas the current accounting period commenced 1 March 2022.

Balance Sheet (unaudited)

at 31 August 2022

	31.8.2022	28.2.2022
	£000's	£000's
Assets:		
Fixed assets		
– Investment assets	1,439,340	1,521,516
Current assets		
– Debtors	17,035	16,708
– Cash and bank balances	3,915	3,109
Total assets	1,460,290	1,541,333
Liabilities:		
Investment liabilities	(408)	(98)
Creditors		
– Distributions payable	(2,720)	(2,571)
– Other creditors	(11,658)	(8,642)
Total liabilities	(14,786)	(11,311)
Net assets attributable to unitholders	1,445,504	1,530,022

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

28 October 2022

Notes to Financial Statements (unaudited)

for the six months ended 31 August 2022

Accounting Policies

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

The accounting policies applied are consistent with those of the financial statements for the year ended 28 February 2022 and are described in those annual financial statements.

Supplementary Information

Efficient Portfolio Management Techniques

The Manager may, on behalf of the Fund and subject to the conditions and within the limits laid down by the FCA and the Prospectus, employ techniques and instruments relating to transferable securities, including investments in Over-the-Counter Financial Derivative Instruments (OTC FDIs) provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against exchange risk or for direct investment purposes, where applicable.

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

Securities Lending

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

The following table details the value of securities on loan as a proportion of the Fund's total lendable assets and Net Asset Value (NAV) as at 31 August 2022 and the income earned for the period ended 31 August 2022. Total lendable assets represents the aggregate value of assets forming part of the Fund's securities lending programme. This excludes any assets held by the Fund that are not considered lendable due to any market, regulatory, investment or other restriction.

Securities on loan		
% of lendable assets	% of NAV	Income earned £000's
6.95	6.50	67

The total income earned from securities lending transactions is split between the relevant Fund and the Stock Lending Agent. The Fund receives 62.5% while the Stock Lending Agent receives 37.5% of such income, with all operational costs borne out of the Stock Lending Agent's share.

Supplementary Information 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 counterparty as at 31 August 2022.

Counterparty	Counterparty's country of establishment	Securities Lending	
		Amount on loan £000's	Collateral received £000's
Barclays Capital Securities Limited	UK	15,770	18,727
BNP Paribas Arbitrage SNC	France	30,352	33,255
Citigroup Global Markets Limited	UK	2,083	2,228
Goldman Sachs International	UK	2,059	2,208
HSBC Bank Plc	UK	4,262	4,651
J.P. Morgan Securities Plc	UK	9,244	10,198
The Bank of Nova Scotia	Canada	513	573
UBS AG	Switzerland	29,650	32,640
Total		93,933	104,480

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

Supplementary Information continued

Collateral

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

The following table provides an analysis by currency of the underlying cash and non-cash collateral received/posted by way of title transfer collateral arrangement by the Fund, in respect of securities lending transactions and OTC FDIs, as at 31 August 2022.

Currency	Cash collateral received	Cash collateral posted	Non-cash collateral received	Non-cash collateral posted
	£000's	£000's	£000's	£000's
Securities lending transactions				
AUD	–	–	538	–
CAD	349	–	1,241	–
CHF	–	–	1,924	–
CNY	–	–	17,104	–
DKK	–	–	94	–
EUR	–	–	9,216	–
GBP	–	–	3,365	–
HKD	–	–	5,304	–
JPY	–	–	13,558	–
NOK	–	–	68	–
SEK	–	–	263	–
SGD	–	–	231	–
USD	–	–	51,225	–
Total	349	–	104,131	–

As at 31 August 2022, all cash collateral received in respect of OTC derivative transactions by the Fund was re-invested in money market funds managed by the Manager or its affiliates, as disclosed in the Fund's portfolio statement.

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

The returns earned by the Fund from the reinvestment of cash collateral in money market funds during the period ended 31 August 2022 is summarised below. These returns represent the accumulative total return of the representative money market fund for the period ended 31 August 2022. These returns do not take into account any interest payable to the counterparty under the relevant collateral arrangements.

Money market fund	Total return %
Institutional Cash Series plc	
BlackRock ICS Sterling Liquid Environmentally Aware Fund – Agency Income class	1.70

Supplementary Information continued

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received/posted by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions, as at 31 August 2022.

Collateral type and quality	Maturity Tenor					Open transactions	Total
	1 - 7 days	8 - 30 days	31 - 90 days	91 - 365 days	More than 365 days		
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Collateral received - securities lending							
Fixed income							
Investment grade	–	31	–	107	8,134	–	8,272
Equities							
Recognised equity index	–	–	–	–	–	95,522	95,522
ETFs							
UCITS	–	–	–	–	–	311	311
Non-UCITS	–	–	–	–	–	26	26
Total	–	31	–	107	8,134	95,859	104,131

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

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

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

Supplementary Information continued

As at 31 August 2022, all non-cash collateral received by the Fund in respect of securities lending transactions is held by the Fund's Trustee (or through its delegates).

The following table lists the top ten issuers (or all the issuers if less than ten) by value of non-cash collateral received by the Fund by way of the title transfer collateral arrangement across securities lending transactions as at 31 August 2022.

Issuer	Value £000's	% of the Fund's NAV
BNP Paribas Arbitrage SNC	33,255	2.30
UBS AG	32,640	2.26
Barclays Capital Securities Limited	18,378	1.27
J.P. Morgan Securities Plc	10,198	0.71
HSBC Bank Plc	4,651	0.32
Citigroup Global Markets Limited	2,228	0.15
Goldman Sachs International	2,208	0.15
The Bank of Nova Scotia	573	0.04
Total	104,131	7.20

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