

BlackRock



Interim report and unaudited financial statements

BlackRock Emerging Markets Fund

For the six months ended 31 August 2024

NM1024U-3987148-1/21

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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*
W I Cullen*
D Edgar
T S Hale (Appointed 16 April 2024)
A M Lawrence
H N Mepham (Resigned 30 June 2024)
S Sabin
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.

Investment Adviser

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

Regulated by the Securities and Exchange Commission.

Stock Lending Agent

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

Authorised and regulated by the FCA

Auditor

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

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

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

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

For your protection, telephone calls are usually recorded.

* Non-executive Director.

About the Fund

BlackRock Emerging Markets Fund (the "Fund") is a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 4 August 1993. The Fund was previously known as Mercury Emerging Markets Fund. On 30 September 2000 the Fund changed its name to Merrill Lynch Emerging Markets Fund. The Fund changed its investment objective on 1 October 2006. The Fund adopted its present name with effect from 28 April 2008. The Fund's FCA product reference number is 162615.

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 30 October 2023 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 2024.

Task Force on Climate-Related Financial Disclosures

The Manager has produced a supplemental detailed Climate Report which can be found on BlackRock's website www.blackrock.com/uk/literature/public-disclosure/tcf-d-product-level-disclosure-report-bibf.pdf which is a response to, and is consistent with, all the recommendations and relevant recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD). These disclosures describe how the Manager incorporates climate-related risks and opportunities into governance, strategy, risk management, metrics and targets and how the Manager is responding to the expectations of our stakeholders.

Fund Managers

As at 31 August 2024, the Fund Managers were Gordon Fraser, Emily Fletcher and Kevin Jia.

Significant Events

Changes in the Directors of the Manager

T S Hale was appointed as a Director effective 16 April 2024.

H N Mepham resigned as a Director effective 30 June 2024.

Investment Manager's Report

for the six months ended 31 August 2024

Investment Objective

The aim of the Fund is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund) (gross of fees) over the long term (5 or more consecutive years beginning at the point of investment), by investing in companies incorporated or listed in emerging markets.

Comparator benchmark	Investment management approach
MSCI Emerging Markets Index	Active

Performance Summary

The following table compares the Fund's realised performance against the performance of the comparator benchmark during the financial period ended 31 August 2024.

	Fund return %	Comparator benchmark %
Class D Accumulation Units	1.13	5.55

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

- Fund returns shown, calculated net of fees, are the performance returns 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 the Statement of Recommended Practice for Authorised Funds ("SORP") requirements, including the accounting policy for the valuation point at 12 noon, 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, returned 6.40% (in GBP terms) during the six months ended 31 August 2024. Equities gained amid milder inflation (the rate of increase in the prices of goods and services) and investor expectations of a shift in monetary policy from the world's largest central banks. However, heightened geopolitical tensions, including the war in the Middle East and attacks on Red Sea shipping lanes, raised the prospect of disruption to the global economy.

Investment Manager's Report continued

Economic growth in the US slowed somewhat in the first quarter of 2024 but outperformed analysts' expectations in the second quarter. Demand from companies for workers remained high for most of the six-month period, but there were signs of weakness in the US jobs market in August 2024. In Japan, gross domestic product ("GDP") contracted in the first quarter of 2024, but recovered strongly in the second quarter due to rising private consumption. The UK economy rebounded from a mild recession with positive growth in the first and second quarters as services and production output accelerated. The Eurozone also returned to growth, helped by the strong performance of several of the bloc's smaller nations, including Ireland, Spain and Portugal. Eurozone inflation remained moderate, as consumer spending was tepid and consumer confidence remained below pre-pandemic levels.

Most emerging market economies continued to expand, although geopolitical tensions and higher interest rates presented significant economic challenges. China's GDP grew more slowly than expected despite significant government stimulus, and investors remained concerned about the country's real estate sector and weak retail sales. India's economy continued to post strong growth and industrial production grew on an annual basis throughout the period.

Central banks in the West started to loosen monetary policy, or prepared to do so. The US Federal Reserve ("the Fed") kept interest rates steady but suggested that an initial rate cut was likely in September 2024. The Fed continued to reduce some of the accumulated bond holdings on its balance sheet. Both the Bank of England ("BoE") and the European Central Bank ("ECB") cut interest rates later in the six month period. Furthermore, the ECB continued to reduce the size of its balance sheet by allowing some of its outstanding bonds to mature without reinvestment. In a notable shift, the Bank of Japan ("BoJ") raised interest rates in March 2024 – its first hike since 2007 – and then again in July.

Global equity performance was strong overall: declining inflation drove hopes that monetary policy would begin to loosen, although signs of slowing economic growth caused concern among investors in August. US stocks posted robust gains as the US economy performed better than most developed countries, with major technology stocks advancing on hopes that developments in artificial intelligence would drive growth. European stocks rose as declining inflation drove hopes for lower interest rates. Stocks in Asia also gained, despite continued concerns about China's economy and regulatory environment. Emerging markets stocks posted solid returns, helped by the prospect of monetary policy loosening in developed economies. Globally, bonds and equities that factor companies' environmental, social and governance ("ESG") characteristics faced regulatory concerns and shifting investor sentiment. ESG funds experienced positive inflows overall. Although European investment held up, there were outflows in the US following politicians' attempts to impose restrictions on investing in ESG-focused funds. In both the US and Europe, regulators proposed new rules to ensure investment companies were able to substantiate claims related to sustainability. The US Securities and Exchange Commission ("SEC") is expected to introduce regulations governing investment companies' climate disclosures by the end of 2024. Meanwhile, the European Securities and Markets Authority ("ESMA") published guidelines relating to the how investment companies use ESG-related terms. These are due to come into effect later in 2024. In the UK, the Financial Conduct Authority ("FCA") introduced a package of measures to improve the trust and transparency of sustainable investment products. The anti-greenwashing rule came into effect on 31 May 2024 and UK-based fund managers were able to start using the new investment labels from 31 July 2024.

Investment Manager's Report continued

Global government bond yields (which move inversely to prices) rose early in the six month period as inflation remained stubbornly above central bank targets. However, US Treasury yields fell sharply in August 2024 as expectations of an interest rate cut by the Fed increased. Yields on UK gilts and European government bonds followed a similar trajectory, although yields on French government bonds rose particularly sharply after the surprise announcement of national elections in June 2024. Japanese government bond yields rose following changes to the BoJ's yield curve control policy and increases in interest rates but fell back late in the six month period due to the strengthening Japanese yen. Global corporate bond performance was broadly positive; increasing bond yields attracted investors, and continued resilience in the global economy alleviated credit concerns, particularly for high-yield bonds.

In the commodities markets, Brent crude oil prices rose in April as continued instability in the Middle East caused concern among investors but fell back following global production increases and concerns about global growth. Gold prices increased significantly amid rising geopolitical tensions, the possibility of Fed interest rate reductions and rising demand from investors in Asia. Copper prices also rose due to supply constraints and demand from decarbonisation and electrification efforts.

In the foreign exchange markets, the US dollar was down relative to other major global currencies. The US dollar fell against sterling, the euro, the Japanese yen and the Chinese yuan.

Fund Performance Review and Activity

Over the six month period to 31 August 2024, the Fund's performance return was 1.13% and the active return was (4.42%), very regrettably underperforming its comparator benchmark which returned 5.55% (active return is the difference between the Fund's return and the comparator benchmark return).

The Fund had been positioned for a downward move in global rates that would ease conditions across emerging markets with overweights in high yielding countries such as Brazil and Indonesia. However, the strength of the US economy this year delayed rate cuts, resulting in slowing economic activity and weighing on Fund returns. The Fund was also underweight India, where the stock market continues to perform well. The Investment Manager observed extreme valuations as the Indian stock market was trading in the 100th percentile relative to historic valuations in July 2024.

The Fund underperformed its comparator benchmark during the period, mainly due to stock selection in India and its overweight to Brazil. Stock selection in India detracted 140 basis points, while the overweight to Brazil detracted 80 basis points. Brazil's currency fell dramatically in June 2024 which in turn caused the Fund's high yielding trade to underperform. The Fund's selection in India also detracted as the Investment Manager was cautious of extreme valuations, and not owning many of these stocks harmed relative 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
Hyundai Rotem	0.45%	Xinyi Solar	(0.64%)
Kaspi	0.39%	Sendas Distribuidora	(0.55%)
Taiwan Semiconductor	0.34%	Wizz Air	(0.50%)
Interglobe Aviation	0.33%	EPAM Systems	(0.45%)
JSW Energy	0.31%	CSPC Pharmaceutical	(0.42%)

Investment Manager's Report continued

Chinese solar manufacturer, Xinyi Solar detracted as the stock declined due to lower profits driven by a weakening Renminbi (RMB) and high finance costs, which impacted the solar glass business - a key growth area for the company. Meanwhile, overweight position to Hyundai Rotem, the South Korean manufacturer, was the top contributor to returns. The company reported strong earnings driven by increased exports of tanks, specifically to Poland and Romania.

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 2024 and 29 February 2024:

Top overweight positions			
31 August 2024		29 February 2024	
Country	Active Weighting	Country	Active Weighting
Brazil	4.10%	Brazil	4.10%
Mexico	3.10%	Indonesia	3.50%
Indonesia	3.10%	Hungary	2.30%

Top underweight positions			
31 August 2024		29 February 2024	
Country	Active Weighting	Country	Active Weighting
China	(5.10%)	China	(5.30%)
Saudi Arabia	(3.50%)	Saudi Arabia	(3.50%)
India	(3.00%)	India	(2.90%)

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

Net Asset Value

At 31 August 2024	Units in Issue	Net Asset Value £000's	Net Asset Value per Unit p
A Income	787,921	3,794	481.5
A Accumulation	13,502,930	73,233	542.4
X Accumulation	23,735,477	28,171	118.7
D Income	8,456,291	40,907	483.7
D Accumulation	33,394,442	200,049	599.1
S Income	166	–	73.80
S Accumulation	47,636,589	51,642	108.4

Distributions Payable for the period to 31 August 2024

Any income available will be distributed annually on 30 April.

Operating Charges

Unit Class	1.3.2024 to 31.8.2024	1.3.2023 to 29.2.2024
A Income	1.75%	1.71%
A Accumulation	1.75%	1.71%
X Accumulation	0.10%	0.07%
D Income	1.00%	0.97%
D Accumulation	1.00%	0.96%
S Income	0.92%	0.88%
S Accumulation	0.92%	0.88%

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 2024

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
AFRICA – 1.43%; 29.2.2024 0.95%			
EQUITIES – 1.43%; 29.2.2024 0.95%			
Egypt – 0.80%; 29.2.2024 0.00%			
2,348,023	Commercial International Bank - Egypt (CIB)	3,200	0.80
South Africa – 0.63%; 29.2.2024 0.95%			
236,203	Gold Fields	2,507	0.63
ASIA AND PACIFIC – 69.50%; 29.2.2024 71.13%			
EQUITIES – 69.50%; 29.2.2024 71.13%			
China – 16.23%; 29.2.2024 19.21%			
40,322	Alibaba ADR	2,556	0.64
23,949,000	China Construction Bank	12,872	3.24
438,300	China Construction Bank	354	0.09
4,238,000	China Oilfield Services	3,018	0.76
4,336,000	CSPC Pharmaceutical	2,039	0.51
789,500	ENN Energy	3,920	0.99
6,877,000	Industrial & Commercial Bank of China	3,005	0.76
416,585	KE ADR	4,694	1.18
459,700	Shenzhou International	2,886	0.73
538,500	Tencent	20,066	5.04
153,378	Tencent ADR	5,661	1.42
11,708,000	Xinyi Solar	3,472	0.87
		64,543	16.23
Hong Kong – 0.54%; 29.2.2024 1.22%			
2,094,100	Euro-Asia Agriculture ¹	–	0.00
2,479,000	Geely Automobile	2,130	0.54
		2,130	0.54
India – 16.81%; 29.2.2024 12.54%			
1,477,315	Aditya Birla Capital	2,945	0.74
616,654	Axis Bank	6,590	1.66
576,312	Cipla	8,651	2.17
123,154	Eicher Motors	5,537	1.39
3,244,886	GAIL India	6,965	1.75
535,553	IndusInd Bank	6,919	1.74
147,919	Infosys ADR	2,619	0.66
1,182,829	ITC	5,394	1.36
596,386	JSW Energy	3,854	0.97
138,050	Macrotech Developers	1,563	0.39

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
360,306	REC	2,028	0.51
304,650	Reliance Industries	8,355	2.10
136,119	Titagarh Rail System	1,756	0.44
35,975	UltraTech Cement	3,694	0.93
		66,870	16.81
Indonesia – 4.86%; 29.2.2024 5.50%			
21,701,500	Astra International	5,396	1.36
12,628,300	Bank Central Asia	6,357	1.60
29,887,800	Bank Rakyat Indonesia Persero	7,578	1.90
		19,331	4.86
Kazakhstan – 1.96%; 29.2.2024 1.89%			
78,355	Kaspi.KZ JSC ADR	7,805	1.96
Philippines – 1.39%; 29.2.2024 0.00%			
135,490	Ayala	1,111	0.28
3,381,300	Ayala Land	1,613	0.41
767,100	Bank of the Philippine Islands	1,296	0.33
708,420	BDO Unibank	1,467	0.37
		5,487	1.39
Saudi Arabia – 0.53%; 29.2.2024 0.89%			
204,265	Etihad Etisalat	2,092	0.53
South Korea – 8.76%; 29.2.2024 12.30%			
25,712	Hansol Chemical ²	2,109	0.53
165,636	Hyundai Rotem	5,085	1.28
255,237	Samsung Electronics	10,802	2.72
235,856	Samsung Electronics	8,060	2.02
88,812	SK Hynix	8,787	2.21
		34,843	8.76
Taiwan – 16.81%; 29.2.2024 14.97%			
494,000	Accton Technology	5,969	1.50
432,000	Advantech	3,586	0.90
427,000	Delta Electronics	4,057	1.02
67,000	eMemory Technology	4,191	1.05
316,000	MediaTek	9,282	2.33
1,774,000	Taiwan Semiconductor Manufacturing	39,832	10.01
		66,917	16.81
Thailand – 1.61%; 29.2.2024 2.61%			
539,100	Advanced Info Service	2,981	0.75
2,522,600	CP ALL	3,417	0.86
		6,398	1.61

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
EUROPE – 5.41%; 29.2.2024 4.16%			
EQUITIES – 5.41%; 29.2.2024 4.16%			
Cyprus – 0.00%; 29.2.2024 0.00%			
30,699	TCS GDR ¹	–	0.00
Germany – 0.15%; 29.2.2024 0.00%			
17,938	Puma	592	0.15
Hungary – 1.29%; 29.2.2024 1.44%			
130,282	OTP Bank	5,131	1.29
Ireland – 1.40%; 29.2.2024 0.94%			
76,333	PDD ADR	5,582	1.40
Netherlands – 0.00%; 29.2.2024 0.50%			
Poland – 1.45%; 29.2.2024 1.28%			
283,601	Allegro.eu	2,123	0.53
397,164	Powszechny Zaklad Ubezpieczen	3,649	0.92
		5,772	1.45
Russia – 0.00%; 29.2.2024 0.00%			
343,084	Gazprom ¹	–	0.00
345,764	LUKOIL ¹	–	0.00
61,881	Novatek ¹	–	0.00
607,976	Sberbank of Russia ¹	–	0.00
21,073,477	Surgutneftegas ¹	2	0.00
		2	0.00
Turkey – 1.12%; 29.2.2024 0.00%			
2,787,743	Akbank TAS	3,630	0.91
1,175,497	Yapi ve Kredi Bankasi	819	0.21
		4,449	1.12
MIDDLE EAST – 1.69%; 29.2.2024 2.28%			
EQUITIES – 1.69%; 29.2.2024 2.28%			
United Arab Emirates – 1.69%; 29.2.2024 2.28%			
3,835,952	Aldar Properties	5,745	1.44
558,461	Emaar Properties	976	0.25
		6,721	1.69
NORTH AMERICA – 8.53%; 29.2.2024 8.13%			
EQUITIES – 8.53%; 29.2.2024 8.13%			
Canada – 1.69%; 29.2.2024 0.00%			
83,552	Eldorado Gold	1,090	0.27

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
204,114	Eldorado Gold	2,678	0.67
32,198	Franco-Nevada	2,992	0.75
		6,760	1.69
Mexico – 5.16%; 29.2.2024 4.34%			
2,094,211	Fibra Uno Administracion	1,882	0.47
248,674	Grupo Aeroportuario del Pacifico	3,349	0.84
32,737	Grupo Aeroportuario del Pacifico ADR	4,421	1.11
1,044,550	Grupo Financiero Banorte	5,525	1.39
1,074,758	Kimberly-Clark de Mexico	1,340	0.34
1,660,693	Wal-Mart de Mexico	4,032	1.01
		20,549	5.16
United States of America – 1.68%; 29.2.2024 3.79%			
26,732	EPAM Systems	4,082	1.03
8,290	Project Photon ¹	2,584	0.65
		6,666	1.68
SOUTH AMERICA – 9.41%; 29.2.2024 9.79%			
EQUITIES – 9.41%; 29.2.2024 9.79%			
Brazil – 9.41%; 29.2.2024 9.79%			
3,058,042	B3 - Brasil Bolsa Balcao	5,206	1.31
1,584,274	Banco Bradesco	3,327	0.84
797,108	Banco Bradesco ADR	1,686	0.42
13,975,205	Hapvida Participacoes e Investimentos	7,961	2.00
2,764,482	Lojas Renner	6,318	1.59
646,110	Petroleo Brasileiro	3,418	0.86
236,817	Petroleo Brasileiro ADR	2,744	0.69
1,541,990	Sendas Distribuidora	1,979	0.50
340,229	XP	4,769	1.20
		37,408	9.41
COLLECTIVE INVESTMENT SCHEMES – 4.21%; 29.2.2024 1.92%			
Short-term Money Market Funds – 4.21%; 29.2.2024 1.92%			
219,836	BlackRock ICS US Dollar Liquid Environmentally Aware Fund Agency Income Class [†]	16,738	4.21

Statement of Total Return (unaudited)

for the six months ended 31 August 2024

		31.8.2024		31.8.2023
	£000's	£000's	£000's	£000's
Income				
Net capital gains/(losses)		3,262		(7,641)
Revenue	8,336		9,326	
Expenses	(2,375)		(2,847)	
Interest payable and similar charges	(411)		(508)	
Net revenue before taxation	5,550		5,971	
Taxation	(2,549)		(1,849)	
Net revenue after taxation		3,001		4,122
Total return before distributions		6,263		(3,519)
Change in net assets attributable to unitholders from investment activities		6,263		(3,519)

Statement of Change in Net Assets Attributable to Unitholders

(unaudited) for the six months ended 31 August 2024

		31.8.2024		31.8.2023
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		475,666		569,932
Amounts receivable on issue of units	37,805		133,274	
Amounts payable on cancellation of units	(121,938)		(148,430)	
		(84,133)		(15,156)
Change in net assets attributable to unitholders from investment activities		6,263		(3,519)
Closing net assets attributable to unitholders		397,796		551,257

The above statement shows the comparative closing net assets at 31 August 2023 whereas the current accounting period commenced 1 March 2024.

Balance Sheet (unaudited)

at 31 August 2024

	31.8.2024	29.2.2024
	£000's	£000's
Assets:		
Fixed assets		
– Investment assets	399,197	468,055
Current assets		
– Debtors	1,853	16,988
– Cash and bank balances	948	5,833
– Cash collateral posted	–	31
Total assets	401,998	490,907
Liabilities:		
Investment liabilities	(49)	(247)
Creditors		
– Cash collateral payable	(213)	(234)
– Distributions payable	–	(973)
– Other creditors	(3,940)	(13,787)
Total liabilities	(4,202)	(15,241)
Net assets attributable to unitholders	397,796	475,666

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

30 October 2024

Notes to Financial Statements (unaudited)

for the six months ended 31 August 2024

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 29 February 2024 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 and Contracts for Difference (CFDs)

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) and the value of CFDs as a proportion of the Fund's NAV, as at 31 August 2024. The income/returns earned from securities lending and CFDs respectively are also shown for the period ended 31 August 2024. Total lendable assets represents the aggregate value of assets forming part of the Fund's securities lending programme. This excludes any assets held by the Fund that are not considered lendable due to any market, regulatory, investment or other restriction. The value of CFDs is based on the underlying exposure value on a gross absolute basis.

Securities on loan			CFDs		
% of lendable assets	% of NAV	Income earned £000's	% of NAV	Returns earned £000's	
0.26	0.10	6	3.68	(260)	

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.

All returns and costs from CFDs will accrue to the Fund and are not subject to any returns or cost sharing arrangements with the Fund's Manager or any other third parties.

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 and the underlying exposure value on a gross absolute basis for CFDs, analysed by counterparty as at 31 August 2024.

Counterparty	Counterparty's country of establishment	Securities Lending		CFDs
		Amount on loan	Collateral received	Underlying exposure
		£000's	£000's	£000's
Goldman Sachs International	UK	-	-	5,210
HSBC Bank	UK	82	91	4,913
J.P. Morgan Securities Plc	UK	-	-	4,511
Merrill Lynch International	UK	322	340	-
Total		404	431	14,634

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

Collateral

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

The following table provides an analysis by currency of the underlying cash and non-cash collateral received/posted by way of title transfer collateral arrangement by the Fund, in respect of securities lending transactions and OTC FDIs (including CFDs), as at 31 August 2024.

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				
CNY	-	-	1	-
EUR	-	-	97	-
GBP	-	-	8	-
USD	-	-	325	-
Total	-	-	431	-
OTC FDIs				
GBP	213	-	-	-
Total	213	-	-	-
Total	213	-	431	-

As at 31 August 2024, 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. All cash received as collateral has an open maturity tenor as it's not subject to a contractual maturity date.

Supplementary Information continued

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions and OTC FDIs 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 2024 is summarised below. These returns represent the accumulative total return of the representative money market fund for the period ended 31 August 2024. 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 US Dollar Liquid Environmentally Aware Fund Agency Income Class	5.45

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 and OTC FDIs (including CFDs), as at 31 August 2024.

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	–	–	134	–	210	–	344
Equities							
Recognised equity index	–	–	–	–	–	68	68
ETFs							
Non-UCITS	–	–	–	–	–	19	19
Total	–	–	134	–	210	87	431

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 2024, all non-cash collateral received by the Fund in respect of securities lending transactions and OTC FDI (including CFDs) 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 and OTC FDIs as at 31 August 2024.

Issuer	Value £000's	% of the Fund's NAV
United States Treasury	246	0.06
Netherlands, Kingdom Of The (Government)	94	0.03
Amgen Inc	8	0.01
Apple Inc	8	0.00
Lam Research Corp	8	0.00
Ishares Biotechnology Etf	8	0.00
Cocacola	8	0.01
Spdr Dow Jones Industrial Average	6	0.00
Next Plc	5	0.00
United Kingdom Of Great Britain And Northern Ireland (Government)	5	0.00
Other issuers	35	0.00
Total	431	0.11

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