


# **BlackRock®**



## **Interim report and unaudited financial statements**

BlackRock European Absolute Alpha Fund

For the six months ended 31 August 2022

NM1022U-2565515-1/27

# Contents

|   |    |
|---|----|
| General Information   | 2  |
| About the Fund  | 3  |
| Fund Managers   | 3  |
| Significant Events  | 3  |
| Risk and Reward Profile                                       | 4  |
| Investment Report   | 5  |
| Portfolio Statement   | 10 |
| Statement of Total Return                                     | 18 |
| Statement of Change in Net Assets Attributable to Unitholders | 18 |
| Balance Sheet   | 19 |
| Notes to Financial Statements                                 | 20 |
| Supplementary Information                                     | 21 |

# 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 Mephram  
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  
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 Fund

BlackRock European Absolute Alpha Fund (the "Fund") is a UCITS scheme under the COLL Sourcebook. The Fund was established on 27 March 2009 and authorised by the FCA on 27 March 2009. The Fund's FCA product reference number is 496621.

### 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 Stefan Gries and Stephanie Bothwell.

## 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 a positive absolute return on your investment (i.e. an increase in the overall value of the Fund) (gross of fees) over any 12 month period regardless of market conditions.

| Comparator benchmark   | Investment management approach |
|--|--------------------------------|
| 3 Month SONIA compounded in arrears plus 11.9 basis point spread | 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<br>% | Comparator<br>benchmark<br>% |
|----------------------------|------------------|------------------------------|
| Class D Accumulation Units | 1.95             | 0.56                         |

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.

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.

# Investment Report continued

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 return was 1.95%, outperforming its comparator benchmark, which returned 0.56%.

# Investment Report continued

The Fund is managed on an absolute return basis and not relative to any benchmark. The return of the comparator benchmark is given for reference purposes only.

European markets experienced significant volatility (market ups and downs), with sharp market declines in the face of persistent inflation, increasing expectations for further central bank rate hikes, pressure on energy and food supply owing to the Russian invasion of Ukraine, and ongoing supply chain disruptions from China's zero COVID-19 policy. Market leadership came from sectors less sensitive to the economic cycle, as well as energy companies boosted by oil and power market dynamics.

The Fund's positive returns were driven primarily by the short portfolio (where the Manager believes a stock could go down), which captured deteriorating earnings profiles as well as collapsing valuations of shares. Over the period valuation, on the whole, has been a more important component in driving the total return of shares. Many companies in the portfolio witnessed valuations declining owing to uncertainty on the interest rate and growth environment the Manager will likely face in Europe.

During the six month period the following were the largest contributors to and detractors from the Fund's absolute return:

| Largest Contributors                |                       | Largest Detractors |                       |
|-------------------------------------|-----------------------|--------------------|-----------------------|
| Stock                               | Effect on Fund return | Stock              | Effect on Fund return |
| Novo Nordisk                        | 0.72%                 | Royal Unibrew      | (0.51%)               |
| Consumer Staples <sup>#</sup>       | 0.46%                 | Lonza              | (0.40%)               |
| Information Technology <sup>#</sup> | 0.46%                 | JD Sports Fashion  | (0.33%)               |
| Consumer Discretionary <sup>#</sup> | 0.32%                 | Sika               | (0.31%)               |
| Consumer Discretionary <sup>#</sup> | 0.32%                 | VAT                | (0.30%)               |

<sup>#</sup> Where short positions are noted as contributors or detractors, they are anonymised and described by their sector only.

The top performer during the six month period was Novo Nordisk, which continues to expand its obesity drug business through new launches and trials. The Fund also realised positive returns on a short position in consumer staples, where the share price has been negatively afflicted by a challenging regulatory and competitive environment.

The largest detractor was Royal Unibrew. The company has delivered resilient and growing margins for many years but has seen profitability coming under pressure as it faces higher energy costs and a slower pass through of price increases to the consumer.

The following table details the significant portfolio weightings at 31 August 2022 and 28 February 2022:

| 31 August 2022 |                | 28 February 2022 |                |
|----------------|----------------|------------------|----------------|
| Stock          | Gross Exposure | Stock            | Gross Exposure |
| Novo Nordisk   | 2.5%           | Novo Nordisk     | 3.4%           |
| DSV            | 2.5%           | Royal Unibrew    | 3.0%           |
| Lonza          | 2.4%           | Lonza            | 2.9%           |
| Royal Unibrew  | 2.2%           | DSV              | 2.3%           |
| AstraZeneca    | 2.0%           | Loreal           | 2.1%           |



## Investment Report continued

The level of market risk in the portfolio has been cut over the period, with the net exposure falling from 11.1% to 0.7%. The Fund's gross exposure has also fallen, sitting at 86.9% at the end of the period, reflecting the higher volatility expected across the market. With a challenging market backdrop, the short book has proved a fertile hunting ground for ideas and turnover in this area of the portfolio has been higher. Whilst the Manager believes there are a number of businesses which will face a more challenging earnings outlook, the Manager is mindful of valuation in the short portfolio, noting that some companies have found a level of support in the near-term.

## Net Asset Value

| At 31 August 2022 | Units in Issue | Net Asset Value<br>£000's | Net Asset Value<br>per Unit<br>p |
|-------------------|----------------|---------------------------|----------------------------------|
| P Accumulation    | 3,872,966      | 6,025                     | 155.6                            |
| X Accumulation    | 100            | –                         | 125.8                            |
| D Accumulation    | 298,895,529    | 507,563                   | 169.8                            |

## Distributions Payable for the period to 31 August 2022

The Fund recorded a net revenue shortfall for the period to 31 August 2022. Accordingly no distribution was payable.

## Operating Charges

| Unit Class     | 1.3.2022<br>to 31.8.2022 | 1.3.2021<br>to 28.2.2022 |
|----------------|--------------------------|--------------------------|
| P Accumulation | 1.67%                    | 1.67%                    |
| X Accumulation | 0.02%                    | N/A                      |
| D Accumulation | 0.91%                    | 0.92%                    |

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<br>£000's | % of Total Net Assets |
|---|--|------------------------|-----------------------|
| <b>EQUITIES – 26.59%; 28.2.2022 31.05%</b>              |  |                        |                       |
| <b>BELGIUM – 1.25%; 28.2.2022 0.53%</b>                 |  |                        |                       |
| Banks – 0.60%; 28.2.2022 0.00%                          | 75,732 KBC <sup>o</sup>                              | 3,072                  | 0.60                  |
| Distribution & Wholesale – 0.65%; 28.2.2022 0.53%       | 198,232 Azelis                                       | 3,369                  | 0.65                  |
| <b>DENMARK – 7.95%; 28.2.2022 9.70%</b>                 |  |                        |                       |
| Beverages – 2.19%; 28.2.2022 3.06%                      | 173,904 Royal Unibrew <sup>o</sup>                   | 11,230                 | 2.19                  |
| Insurance – 0.77%; 28.2.2022 0.91%                      | 204,268 Tryg   | 3,964                  | 0.77                  |
| Pharmaceuticals – 2.52%; 28.2.2022 3.44%                | 140,841 Novo Nordisk                                 | 12,959                 | 2.52                  |
| Transportation – 2.47%; 28.2.2022 2.29%                 | 100,465 DSV  | 12,667                 | 2.47                  |
| <b>FINLAND – 0.51%; 28.2.2022 0.04%</b>                 |  |                        |                       |
| Banks – 0.51%; 28.2.2022 0.00%                          | 326,464 Nordea Bank                                  | 2,609                  | 0.51                  |
| <b>OIL &amp; GAS PRODUCERS – 0.00%; 28.2.2022 0.04%</b> |  |                        |                       |
| <b>FRANCE – 0.94%; 28.2.2022 0.00%</b>                  |  |                        |                       |
| Aerospace & Defence – 0.94%; 28.2.2022 0.00%            | 56,528 Airbus <sup>o</sup>                           | 4,816                  | 0.94                  |
| <b>LUXEMBOURG – 0.98%; 28.2.2022 1.06%</b>              |  |                        |                       |
| Metal & Hardware – 0.98%; 28.2.2022 1.06%               | 436,200 Tenaris <sup>o</sup>                         | 5,053                  | 0.98                  |
| <b>NETHERLANDS – 3.53%; 28.2.2022 3.57%</b>             |  |                        |                       |
| Chemicals – 1.22%; 28.2.2022 0.00%                      | 56,240 Koninklijke DSM <sup>o</sup>                  | 6,264                  | 1.22                  |
| Distribution & Wholesale – 1.34%; 28.2.2022 1.73%       | 57,385 IMCD  | 6,892                  | 1.34                  |
| Semiconductors – 0.97%; 28.2.2022 1.84%                 | 11,519 ASML  | 4,964                  | 0.97                  |
| <b>SWITZERLAND – 6.21%; 28.2.2022 9.76%</b>             |  |                        |                       |
| Building Materials – 1.10%; 28.2.2022 1.51%             | 28,684 Sika <sup>o</sup>                             | 5,636                  | 1.10                  |
| <b>Computers – 0.00%; 28.2.2022 0.95%</b>               |  |                        |                       |
| Food Producers – 1.10%; 28.2.2022 0.74%                 | 621 Chocoladefabriken Lindt & Spruengli <sup>o</sup> | 5,651                  | 1.10                  |
| Healthcare Products – 0.70%; 28.2.2022 2.56%            | 38,078 Straumann <sup>o</sup>                        | 3,594                  | 0.70                  |

| Holding or Nominal Value  | Investment | Market Value<br>£000's | % of Total Net Assets |
|---|------------|------------------------|-----------------------|
| <b>Healthcare Services – 2.43%; 28.2.2022 2.96%</b>                 |            |                        |                       |
| 26,945 Lonza  |            | 12,473                 | 2.43                  |
| <b>Private Equity – 0.88%; 28.2.2022 1.04%</b>                      |            |                        |                       |
| 5,383 Partners <sup>o</sup>   |            | 4,511                  | 0.88                  |
| <b>UNITED KINGDOM – 5.22%; 28.2.2022 6.39%</b>                      |            |                        |                       |
| <b>Chemicals – 1.56%; 28.2.2022 1.82%</b>                           |            |                        |                       |
| 32,959 Linde <sup>o</sup>   |            | 8,036                  | 1.56                  |
| <b>Commercial Services – 1.73%; 28.2.2022 2.11%</b>                 |            |                        |                       |
| 390,432 RELX <sup>o</sup>   |            | 8,875                  | 1.73                  |
| <b>Lodging – 0.97%; 28.2.2022 1.52%</b>                             |            |                        |                       |
| 105,761 InterContinental Hotels                                     |            | 4,967                  | 0.97                  |
| <b>Pharmaceuticals – 0.96%; 28.2.2022 0.94%</b>                     |            |                        |                       |
| 141,775 Dechra Pharmaceuticals                                      |            | 4,940                  | 0.96                  |
| <b>BONDS – 41.05%; 28.2.2022 23.57%</b>                             |            |                        |                       |
| <b>UK Sterling Denominated ECP Bonds – 41.05%; 28.2.2022 23.57%</b> |            |                        |                       |
| £20,000,000 Albion Capital Corporation 0% 28/9/2022                 |            | 19,971                 | 3.89                  |
| £20,000,000 Barclays Bank 0% 7/9/2022                               |            | 19,992                 | 3.89                  |
| £15,000,000 BNG Bank 0% 23/9/2022                                   |            | 14,981                 | 2.92                  |
| £21,000,000 LMA 0% 31/8/2022  |            | 20,999                 | 4.09                  |
| £14,000,000 Managed and Enhanced Tap 0% 8/9/2022                    |            | 13,994                 | 2.72                  |
| £8,000,000 Managed and Enhanced Tap 0% 19/9/2022                    |            | 7,992                  | 1.55                  |
| £10,000,000 Matchpoint Finance Public 0% 1/9/2022                   |            | 9,999                  | 1.95                  |
| £10,000,000 Matchpoint Finance Public 0% 16/9/2022                  |            | 9,992                  | 1.94                  |
| £10,000,000 Matchpoint Finance Public 0% 19/9/2022                  |            | 9,990                  | 1.94                  |
| £6,000,000 Mont Blanc Capital 0% 16/9/2022                          |            | 5,995                  | 1.17                  |
| £21,000,000 Municipality Finance 0% 12/9/2022                       |            | 20,987                 | 4.09                  |
| £21,000,000 Nieuw Amsterdam Receivables 0% 12/9/2022                |            | 20,986                 | 4.09                  |
| £17,000,000 Sumitomo Mitsui Banking 0% 19/9/2022                    |            | 16,980                 | 3.31                  |
| £18,000,000 Toyota Motor Finance 0% 7/10/2022                       |            | 17,962                 | 3.50                  |
|   |            | <b>210,820</b>         | <b>41.05</b>          |
| <b>Certificate of deposits – 27.61%; 28.2.2022 40.22%</b>           |            |                        |                       |
| £5,000,000 ABN Amro Bank 0% Certificate of Deposit 8/9/2022         |            | 4,998                  | 0.97                  |
| £13,000,000 Bank of America 0% Certificate of Deposit 3/2/2023      |            | 12,837                 | 2.50                  |

# Portfolio Statement (unaudited) continued

| Holding or Nominal Value | Investment  | Market Value<br>£000's | % of Total Net Assets |
|--------------------------|---|------------------------|-----------------------|
| £13,000,000              | Belfius Bank 0% Certificate of Deposit 9/9/2022                   | 12,993                 | 2.53                  |
| £10,000,000              | Handlesbanken 1.5% Certificate of Deposit 12/9/2022               | 9,999                  | 1.95                  |
| £10,000,000              | Handlesbanken 1.75% Certificate of Deposit 11/10/2022             | 9,999                  | 1.95                  |
| £21,000,000              | Mizuho Bank 1.78% Certificate of Deposit 19/9/2022                | 21,000                 | 4.09                  |
| £21,000,000              | Nationwide Building Society 1.69% Certificate of Deposit 6/9/2022 | 21,000                 | 4.09                  |
| £10,000,000              | Norinchukin Bank 0% Certificate of Deposit 6/10/2022              | 9,981                  | 1.94                  |
| £10,000,000              | Norinchukin Bank 0% Certificate of Deposit 7/10/2022              | 9,980                  | 1.94                  |

| Holding or Nominal Value | Investment  | Market Value<br>£000's | % of Total Net Assets |
|--------------------------|---|------------------------|-----------------------|
| £15,000,000              | Overseas Chinese Banking 0% Certificate of Deposit 15/9/2022    | 14,988                 | 2.92                  |
| £14,000,000              | Sumitomo Mitsui Banking 2.19% Certificate of Deposit 10/11/2022 | 13,996                 | 2.73                  |
|                          |   | <b>141,771</b>         | <b>27.61</b>          |

## COLLECTIVE INVESTMENT SCHEMES – 9.60%; 28.2.2022 8.05%

| Short-term Money Market Funds – 9.60%; 28.2.2022 8.05% |  |               |             |
|--|--|---------------|-------------|
| 493,506  | BlackRock ICS Sterling Liquidity Environmentally Aware Fund - Agency Income Class <sup>†</sup> | <b>49,324</b> | <b>9.60</b> |

| Holding or Nominal Value                                       | Investment                  | Underlying Exposure – Derivatives<br>£000's | Market Value<br>£000's | % of Total Net Assets |             |
|--|-----------------------------|---|------------------------|-----------------------|-------------|
| <b>DERIVATIVES – 1.98%; 28.2.2022 2.33%</b>                    |                             |   |                        |                       |             |
| <b>UK Sterling – 0.39%; 28.2.2022 0.84%</b>                    |                             |   |                        |                       |             |
| <b>CFDs Short – 0.70%; 28.2.2022 0.82%</b>                     |                             |   |                        |                       |             |
| <b>Advertising – 0.03%; 28.2.2022 0.00%</b>                    |                             |   |                        |                       |             |
| (397,337)  | WPP                         |   | <b>2,936</b>           | <b>178</b>            | <b>0.03</b> |
| <b>Aerospace &amp; Defence – 0.02%; 28.2.2022 0.08%</b>        |                             |   |                        |                       |             |
| (2,437,918)  | Rolls-Royce                 |   | <b>1,875</b>           | <b>85</b>             | <b>0.02</b> |
| <b>Apparel – 0.00%; 28.2.2022 0.02%</b>                        |                             |   |                        |                       |             |
| <b>Automobile Manufacturers – 0.03%; 28.2.2022 0.05%</b>       |                             |   |                        |                       |             |
| (347,802)  | Aston Martin Lagonda Global |   | <b>1,495</b>           | <b>129</b>            | <b>0.03</b> |
| <b>Banks – 0.00%; 28.2.2022 0.05%</b>                          |                             |   |                        |                       |             |
| <b>Chemicals – 0.00%; 28.2.2022 0.00%</b>                      |                             |   |                        |                       |             |
| <b>Commercial Services – 0.02%; 28.2.2022 0.00%</b>            |                             |   |                        |                       |             |
| (995,267)  | Network International       |   | 2,409                  | (165)                 | (0.03)      |
| (527,260)  | Wise                        |   | 2,594                  | 232                   | 0.05        |
|  |                             |   | <b>5,003</b>           | <b>67</b>             | <b>0.02</b> |
| <b>Distribution &amp; Wholesale – 0.03%; 28.2.2022 0.00%</b>   |                             |   |                        |                       |             |
| (40,716)   | Ferguson                    |   | <b>4,096</b>           | <b>141</b>            | <b>0.03</b> |
| <b>Diversified Financial Services – 0.22%; 28.2.2022 0.25%</b> |                             |   |                        |                       |             |
| (2,575,247)  | abrdn                       |   | 3,771                  | 749                   | 0.15        |
| (1,469,646)  | Ashmore                     |   | 2,963                  | 9                     | 0.00        |
| (287,221)  | Hargreaves Lansdown         |   | 2,355                  | 372                   | 0.07        |
|  |                             |   | <b>9,089</b>           | <b>1,130</b>          | <b>0.22</b> |
| <b>Engineering &amp; Construction – 0.00%; 28.2.2022 0.06%</b> |                             |   |                        |                       |             |
| <b>Food Producers – 0.16%; 28.2.2022 0.05%</b>                 |                             |   |                        |                       |             |
| (2,063,326)  | J Sainsbury                 |   | 4,209                  | 303                   | 0.06        |

# Portfolio Statement (unaudited) continued

| Holding or<br>Nominal<br>Value                             | Investment               | Underlying<br>Exposure – Derivatives<br>£000's | Market<br>Value<br>£000's | % of<br>Total<br>Net<br>Assets |
|--|--------------------------|--|---------------------------|--------------------------------|
| (1,409,098)  | Marks & Spencer          | 1,708  | 77                        | 0.02                           |
| (412,052)  | Ocado                    | 3,023  | 415                       | 0.08                           |
|  |                          | <b>8,940</b>                                   | <b>795</b>                | <b>0.16</b>                    |
| <b>Food Services – 0.00%; 28.2.2022 0.05%</b>              |                          |  |                           |                                |
| <b>Gas – 0.06%; 28.2.2022 0.00%</b>                        |                          |  |                           |                                |
| (3,329,023)  | Centrica                 | 2,486  | 319                       | 0.06                           |
| <b>Insurance – 0.03%; 28.2.2022 0.00%</b>                  |                          |  |                           |                                |
| (1,379,743)  | Legal & General          | 3,488  | 152                       | 0.03                           |
| <b>Internet – 0.00%; 28.2.2022 0.07%</b>                   |                          |  |                           |                                |
| <b>Leisure Time – 0.08%; 28.2.2022 0.03%</b>               |                          |  |                           |                                |
| (335,943)  | Carnival                 | 2,475  | 184                       | 0.04                           |
| (1,095,114)  | TUI                      | 1,422  | 212                       | 0.04                           |
|  |                          | <b>3,897</b>                                   | <b>396</b>                | <b>0.08</b>                    |
| <b>Mining – 0.02%; 28.2.2022 0.00%</b>                     |                          |  |                           |                                |
| (121,193)  | Anglo American           | 3,361  | 98                        | 0.02                           |
| <b>Oil &amp; Gas Services – 0.00%; 28.2.2022 0.03%</b>     |                          |  |                           |                                |
| <b>Packaging &amp; Containers – 0.01%; 28.2.2022 0.00%</b> |                          |  |                           |                                |
| (1,278,653)  | DS Smith                 | 3,438  | 65                        | 0.01                           |
| <b>Retail – 0.01%; 28.2.2022 0.00%</b>                     |                          |  |                           |                                |
| (1,485,047)  | Kingfisher               | 3,462  | 65                        | 0.01                           |
| <b>Software – 0.00%; 28.2.2022 0.05%</b>                   |                          |  |                           |                                |
| <b>Transportation – (0.02%); 28.2.2022 0.03%</b>           |                          |  |                           |                                |
| (875,077)  | Royal Mail               | 2,405  | (118)                     | (0.02)                         |
| <b>CFDs Long – (0.31%); 28.2.2022 0.02%</b>                |                          |  |                           |                                |
| <b>Commercial Services – (0.02%); 28.2.2022 0.03%</b>      |                          |  |                           |                                |
| 63,875   | Ashtead                  | 2,722  | (107)                     | (0.02)                         |
| <b>Food Services – (0.09%); 28.2.2022 0.00%</b>            |                          |  |                           |                                |
| 490,159  | Compass                  | 9,088  | (441)                     | (0.09)                         |
| <b>Internet – (0.08%); 28.2.2022 0.08%</b>                 |                          |  |                           |                                |
| 852,834  | Rightmove                | 5,182  | (397)                     | (0.08)                         |
| <b>Machinery Diversified – (0.01%); 28.2.2022 0.02%</b>    |                          |  |                           |                                |
| 35,302   | Spirax-Sarco Engineering | 3,776  | (32)                      | (0.01)                         |
| <b>Pharmaceuticals – (0.06%); 28.2.2022 0.00%</b>          |                          |  |                           |                                |
| 95,158   | AstraZeneca              | 10,140   | (291)                     | (0.06)                         |
| <b>Retail – (0.05%); 28.2.2022 (0.11%)</b>                 |                          |  |                           |                                |
| 3,989,218  | JD Sports Fashion        | 4,522  | (233)                     | (0.05)                         |
| <b>Danish Krone – 0.16%; 28.2.2022 (0.14%)</b>             |                          |  |                           |                                |
| <b>CFDs Short – 0.16%; 28.2.2022 (0.14%)</b>               |                          |  |                           |                                |
| <b>Electricity – 0.03%; 28.2.2022 (0.17%)</b>              |                          |  |                           |                                |
| (29,755)   | Orsted                   | 2,525  | 133                       | 0.03                           |

# Portfolio Statement (unaudited) continued

| Holding or<br>Nominal<br>Value  | Investment               | Underlying<br>Exposure – Derivatives<br>£000's | Market<br>Value<br>£000's | % of<br>Total<br>Net<br>Assets |
|---|--------------------------|--|---------------------------|--------------------------------|
| <b>Healthcare Products – 0.13%; 28.2.2022 0.03%</b>                   |                          |  |                           |                                |
| (294,197)   | Ambu                     | 2,514  | 139                       | 0.03                           |
| (101,868)   | Demant                   | 2,685  | 527                       | 0.10                           |
|   |                          | <b>5,199</b>                                   | <b>666</b>                | <b>0.13</b>                    |
| <b>Home Furnishings – 0.00%; 28.2.2022 (0.01%)</b>                    |                          |  |                           |                                |
| <b>Machinery Diversified – 0.00%; 28.2.2022 0.00%</b>                 |                          |  |                           |                                |
| (127,367)   | FLSmith &                | 2,963  | (19)                      | 0.00                           |
| <b>Software – 0.00%; 28.2.2022 0.01%</b>                              |                          |  |                           |                                |
| <b>Euro – 1.04%; 28.2.2022 1.16%</b>                                  |                          |  |                           |                                |
| <b>CFDs Short – 1.46%; 28.2.2022 1.26%</b>                            |                          |  |                           |                                |
| <b>Advertising – 0.02%; 28.2.2022 0.00%</b>                           |                          |  |                           |                                |
| (81,478)  | Publicis Groupe          | 3,422  | 99                        | 0.02                           |
| <b>Aerospace &amp; Defence – 0.00%; 28.2.2022 (0.17%)</b>             |                          |  |                           |                                |
| <b>Apparel – 0.11%; 28.2.2022 0.05%</b>                               |                          |  |                           |                                |
| (26,093)  | adidas                   | 3,346  | 575                       | 0.11                           |
| <b>Automobile Manufacturers – 0.05%; 28.2.2022 0.18%</b>              |                          |  |                           |                                |
| (50,007)  | Bayerische Motoren Werke | 3,156  | (19)                      | 0.00                           |
| (68,635)  | Mercedes-Benz            | 3,336  | 235                       | 0.05                           |
|   |                          | <b>6,492</b>                                   | <b>216</b>                | <b>0.05</b>                    |
| <b>Automobile Parts &amp; Equipment – 0.00%; 28.2.2022 0.20%</b>      |                          |  |                           |                                |
| <b>Banks – 0.02%; 28.2.2022 0.16%</b>                                 |                          |  |                           |                                |
| (1,801,976)   | Banco Santander          | 3,743  | 123                       | 0.02                           |
| <b>Building Materials – 0.08%; 28.2.2022 0.12%</b>                    |                          |  |                           |                                |
| (84,734)  | HeidelbergCement         | 3,290  | 412                       | 0.08                           |
| <b>Chemicals – 0.05%; 28.2.2022 0.08%</b>                             |                          |  |                           |                                |
| (25,902)  | Arkema                   | 1,887  | 13                        | 0.00                           |
| (120,531)   | Evonik Industries        | 1,942  | 13                        | 0.00                           |
| (116,155)   | K+S                      | 2,286  | (87)                      | (0.02)                         |
| (101,233)   | Umicore                  | 2,801  | 364                       | 0.07                           |
|   |                          | <b>8,916</b>                                   | <b>303</b>                | <b>0.05</b>                    |
| <b>Commercial Services – 0.00%; 28.2.2022 (0.04%)</b>                 |                          |  |                           |                                |
| <b>Computers – 0.04%; 28.2.2022 0.00%</b>                             |                          |  |                           |                                |
| (53,227)  | QT                       | 2,318  | 249                       | 0.04                           |
| <b>Cosmetics &amp; Personal Care – 0.00%; 28.2.2022 0.00%</b>         |                          |  |                           |                                |
| <b>Diversified Financial Services – 0.00%; 28.2.2022 0.10%</b>        |                          |  |                           |                                |
| <b>Electrical Components &amp; Equipment – 0.00%; 28.2.2022 0.02%</b> |                          |  |                           |                                |
| <b>Electricity – 0.00%; 28.2.2022 (0.03%)</b>                         |                          |  |                           |                                |
| <b>Electronics – 0.01%; 28.2.2022 0.00%</b>                           |                          |  |                           |                                |
| (23,182)  | Varta                    | 1,416  | 43                        | 0.01                           |

# Portfolio Statement (unaudited) continued

| Holding or Nominal Value  | Investment                                  | Underlying Exposure – Derivatives £000's | Market Value £000's | % of Total Net Assets |
|---|---|--|---------------------|-----------------------|
| <b>Engineering &amp; Construction – 0.04%; 28.2.2022 (0.03%)</b>      |   |  |                     |                       |
| (154,156)   | ACS Actividades de Construccion y Servicios | 2,912                                    | 140                 | 0.03                  |
| (145,846)   | Bouygues                                    | 3,680                                    | 56                  | 0.01                  |
|   |   | <b>6,592</b>                             | <b>196</b>          | <b>0.04</b>           |
| <b>Food Producers – 0.23%; 28.2.2022 0.12%</b>                        |   |  |                     |                       |
| (202,443)   | Casino Guichard Perrachon                   | 2,236                                    | 143                 | 0.03                  |
| (138,928)   | Etablissements Franz Colruyt                | 3,332                                    | 10                  | 0.00                  |
| (113,253)   | HelloFresh                                  | 2,374                                    | 625                 | 0.12                  |
| (185,202)   | Kesko                                       | 3,329                                    | 406                 | 0.08                  |
|   |   | <b>11,271</b>                            | <b>1,184</b>        | <b>0.23</b>           |
| <b>Food Services – 0.00%; 28.2.2022 0.07%</b>                         |   |  |                     |                       |
| <b>Healthcare Products – 0.04%; 28.2.2022 0.00%</b>                   |   |  |                     |                       |
| (189,663)   | Koninklijke Philips                         | 2,706                                    | 230                 | 0.04                  |
| <b>Healthcare Services – 0.02%; 28.2.2022 0.01%</b>                   |   |  |                     |                       |
| (47,902)  | Fresenius Medical Care &                    | 1,403                                    | 108                 | 0.02                  |
| <b>Household Products – 0.00%; 28.2.2022 0.02%</b>                    |   |  |                     |                       |
| (62,628)  | Henkel &                                    | 3,495                                    | 9                   | 0.00                  |
| <b>Insurance – 0.00%; 28.2.2022 0.04%</b>                             |   |  |                     |                       |
| (3,031,210)   | Mapfre                                      | 4,255                                    | 21                  | 0.00                  |
| <b>Internet – 0.20%; 28.2.2022 0.05%</b>                              |   |  |                     |                       |
| (381,667)   | Auto1                                       | 3,430                                    | 351                 | 0.07                  |
| (76,958)  | Delivery Hero                               | 2,819                                    | 484                 | 0.09                  |
| (178,040)   | Just Eat Takeaway.com                       | 2,591                                    | 180                 | 0.04                  |
|   |   | <b>8,840</b>                             | <b>1,015</b>        | <b>0.20</b>           |
| <b>Iron &amp; Steel – (0.01%); 28.2.2022 (0.05%)</b>                  |   |  |                     |                       |
| (623,503)   | thyssenkrupp                                | 2,958                                    | (62)                | (0.01)                |
| <b>Machinery Construction &amp; Mining – 0.06%; 28.2.2022 (0.08%)</b> |   |  |                     |                       |
| (229,399)   | Siemens Energy                              | 2,932                                    | 320                 | 0.06                  |
| <b>Machinery Diversified – 0.02%; 28.2.2022 0.00%</b>                 |   |  |                     |                       |
| (343,047)   | Wartsila                                    | 2,442                                    | 107                 | 0.02                  |
| <b>Mining – 0.03%; 28.2.2022 0.00%</b>                                |   |  |                     |                       |
| (39,352)  | Aurubis                                     | 2,076                                    | 138                 | 0.03                  |
| <b>Miscellaneous Manufacturing – 0.11%; 28.2.2022 0.11%</b>           |   |  |                     |                       |
| (183,868)   | Alstom                                      | 3,234                                    | 557                 | 0.11                  |
| <b>Oil &amp; Gas Producers – 0.00%; 28.2.2022 0.00%</b>               |   |  |                     |                       |
| <b>Oil &amp; Gas Services – 0.00%; 28.2.2022 0.22%</b>                |   |  |                     |                       |
| <b>Packaging &amp; Containers – 0.00%; 28.2.2022 0.05%</b>            |   |  |                     |                       |
| <b>Real Estate Investment &amp; Services – 0.00%; 28.2.2022 0.00%</b> |   |  |                     |                       |
| <b>Real Estate Investment Trusts – 0.09%; 28.2.2022 (0.03%)</b>       |   |  |                     |                       |
| (85,393)  | Unibail-Rodamco-Westfield                   | 3,774                                    | 439                 | 0.09                  |
| <b>Retail – 0.04%; 28.2.2022 0.01%</b>                                |   |  |                     |                       |
| (62,363)  | HUGO BOSS                                   | 2,926                                    | 190                 | 0.04                  |

# Portfolio Statement (unaudited) continued

| Holding or<br>Nominal<br>Value  | Investment                       | Underlying<br>Exposure – Derivatives<br>£000's | Market<br>Value<br>£000's | % of<br>Total<br>Net<br>Assets |
|---|----------------------------------|--|---------------------------|--------------------------------|
| <b>Shipbuilding – 0.03%; 28.2.2022 0.00%</b>                            |                                  |  |                           |                                |
| (232,219)   | Azimut                           | 3,211  | 172                       | 0.03                           |
| <b>Software – 0.10%; 28.2.2022 0.03%</b>                                |                                  |  |                           |                                |
| (54,663)  | SAP                              | 4,016  | 356                       | 0.07                           |
| (283,240)   | TeamViewer                       | 2,469  | 142                       | 0.03                           |
|   |                                  | <b>6,485</b>                                   | <b>498</b>                | <b>0.10</b>                    |
| <b>Telecommunications – 0.08%; 28.2.2022 0.03%</b>                      |                                  |  |                           |                                |
| (173,519)   | Eutelsat Communications          | 1,322  | (3)                       | 0.00                           |
| (458,478)   | Orange                           | 3,977  | 102                       | 0.02                           |
| (306,544)   | Proximus                         | 3,375  | 140                       | 0.03                           |
| (1,043,167)   | Telefonica                       | 3,674  | 155                       | 0.03                           |
|   |                                  | <b>12,348</b>                                  | <b>394</b>                | <b>0.08</b>                    |
| <b>Transportation – 0.00%; 28.2.2022 0.02%</b>                          |                                  |  |                           |                                |
| (672,033)   | CTT-Correios de Portugal         | 1,862  | 6                         | 0.00                           |
| <b>CFDs Long – (0.42%); 28.2.2022 (0.10%)</b>                           |                                  |  |                           |                                |
| <b>Aerospace &amp; Defence – 0.00%; 28.2.2022 0.04%</b>                 |                                  |  |                           |                                |
| <b>Apparel – (0.08%); 28.2.2022 (0.18%)</b>                             |                                  |  |                           |                                |
| 14,321  | LVMH Moet Hennessy Louis Vuitton | 8,050  | (428)                     | (0.08)                         |
| <b>Beverages – (0.06%); 28.2.2022 (0.01%)</b>                           |                                  |  |                           |                                |
| 37,875  | Pernod Ricard                    | 6,039  | (317)                     | (0.06)                         |
| <b>Computers – (0.14%); 28.2.2022 0.04%</b>                             |                                  |  |                           |                                |
| 31,062  | Teleperformance                  | 7,731  | (704)                     | (0.14)                         |
| <b>Cosmetics &amp; Personal Care – (0.10%); 28.2.2022 (0.03%)</b>       |                                  |  |                           |                                |
| 31,134  | L'Oreal                          | 9,215  | (503)                     | (0.10)                         |
| <b>Electrical Components &amp; Equipment – (0.04%); 28.2.2022 0.02%</b> |                                  |  |                           |                                |
| 82,802  | Legrand                          | 5,220  | (218)                     | (0.04)                         |
| <b>Engineering &amp; Construction – 0.00%; 28.2.2022 0.02%</b>          |                                  |  |                           |                                |
| 45,049  | Alten                            | 4,803  | 16                        | 0.00                           |
| <b>Oil &amp; Gas Producers – 0.00%; 28.2.2022 0.00%</b>                 |                                  |  |                           |                                |
| 171,174   | TotalEnergies                    | 7,438  | (19)                      | 0.00                           |
| <b>Norwegian Krone – 0.14%; 28.2.2022 (0.05%)</b>                       |                                  |  |                           |                                |
| <b>CFDs Short – 0.14%; 28.2.2022 (0.05%)</b>                            |                                  |  |                           |                                |
| <b>Alternative Energy Sources – 0.03%; 28.2.2022 (0.05%)</b>            |                                  |  |                           |                                |
| (440,822)   | Scatec                           | 3,835  | 166                       | 0.03                           |
| <b>Computers – 0.11%; 28.2.2022 0.00%</b>                               |                                  |  |                           |                                |
| (1,317,240)   | AutoStore                        | 1,475  | 567                       | 0.11                           |
| <b>Swedish Krona – 0.43%; 28.2.2022 0.18%</b>                           |                                  |  |                           |                                |
| <b>CFDs Short – 0.48%; 28.2.2022 0.42%</b>                              |                                  |  |                           |                                |
| <b>Automobile Manufacturers – 0.04%; 28.2.2022 0.00%</b>                |                                  |  |                           |                                |
| (193,336)   | Volvo Car                        | 1,015  | 165                       | 0.03                           |



# Portfolio Statement (unaudited) continued

| Holding or<br>Nominal<br>Value  | Investment                       | Underlying<br>Exposure – Derivatives<br>£000's | Market<br>Value<br>£000's | % of<br>Total<br>Net<br>Assets |
|---|----------------------------------|--|---------------------------|--------------------------------|
| (123,992)   | Volvo Car                        | 651  | 30                        | 0.01                           |
|   |                                  | <b>1,666</b>                                   | <b>195</b>                | <b>0.04</b>                    |
| <b>Diversified Financial Services – 0.14%; 28.2.2022 0.00%</b>          |                                  |  |                           |                                |
| (172,763)   | Intrum                           | 2,666  | 365                       | 0.07                           |
| (1,400,344)   | Storskogen                       | 1,330  | 351                       | 0.07                           |
|   |                                  | <b>3,996</b>                                   | <b>716</b>                | <b>0.14</b>                    |
| <b>Entertainment – 0.06%; 28.2.2022 0.01%</b>                           |                                  |  |                           |                                |
| (31,645)  | Evolution                        | 2,193  | 325                       | 0.06                           |
| <b>Healthcare Products – 0.11%; 28.2.2022 0.10%</b>                     |                                  |  |                           |                                |
| (582,671)   | Elekta                           | 2,897  | 565                       | 0.11                           |
| <b>Home Furnishings – 0.00%; 28.2.2022 0.02%</b>                        |                                  |  |                           |                                |
| <b>Real Estate Investment &amp; Services – 0.00%; 28.2.2022 0.00%</b>   |                                  |  |                           |                                |
| (619,084)   | Samhallsbyggnadsbolaget i Norden | 856  | 19                        | 0.00                           |
| <b>Retail – 0.08%; 28.2.2022 0.11%</b>                                  |                                  |  |                           |                                |
| (254,416)   | H & M Hennes & Mauritz           | 2,276  | 434                       | 0.08                           |
| <b>Software – 0.05%; 28.2.2022 0.00%</b>                                |                                  |  |                           |                                |
| (704,582)   | Sinch                            | 1,153  | 242                       | 0.05                           |
| <b>Telecommunications – 0.00%; 28.2.2022 0.18%</b>                      |                                  |  |                           |                                |
| <b>CFDs Long – (0.05%); 28.2.2022 (0.24%)</b>                           |                                  |  |                           |                                |
| <b>Leisure Time – 0.00%; 28.2.2022 (0.06%)</b>                          |                                  |  |                           |                                |
| <b>Machinery Diversified – (0.05%); 28.2.2022 (0.10%)</b>               |                                  |  |                           |                                |
| 375,411   | Atlas Copco                      | 3,005  | (117)                     | (0.02)                         |
| 352,635   | Hexagon                          | 3,178  | (156)                     | (0.03)                         |
|   |                                  | <b>6,183</b>                                   | <b>(273)</b>              | <b>(0.05)</b>                  |
| <b>Software – 0.00%; 28.2.2022 (0.08%)</b>                              |                                  |  |                           |                                |
| <b>Swiss Franc – 0.19%; 28.2.2022 0.40%</b>                             |                                  |  |                           |                                |
| <b>CFDs Short – 0.19%; 28.2.2022 0.38%</b>                              |                                  |  |                           |                                |
| <b>Banks – 0.04%; 28.2.2022 0.07%</b>                                   |                                  |  |                           |                                |
| (801,240)   | Credit Suisse                    | 3,598  | 217                       | 0.04                           |
| <b>Chemicals – 0.00%; 28.2.2022 0.02%</b>                               |                                  |  |                           |                                |
| <b>Commercial Services – 0.00%; 28.2.2022 0.07%</b>                     |                                  |  |                           |                                |
| <b>Computers – 0.06%; 28.2.2022 0.00%</b>                               |                                  |  |                           |                                |
| (58,072)  | Logitech International           | 2,481  | 322                       | 0.06                           |
| <b>Electrical Components &amp; Equipment – 0.00%; 28.2.2022 (0.03%)</b> |                                  |  |                           |                                |
| (67,112)  | Landis+Gyr                       | 3,369  | 12                        | 0.00                           |
| <b>Insurance – (0.02%); 28.2.2022 0.00%</b>                             |                                  |  |                           |                                |
| (66,844)  | Swiss Re                         | 4,440  | (112)                     | (0.02)                         |

# Portfolio Statement (unaudited) continued

| Holding or<br>Nominal<br>Value  | Investment                              | Underlying<br>Exposure – Derivatives<br>£000's | Market<br>Value<br>£000's | % of<br>Total<br>Net<br>Assets |               |
|---|---|--|---------------------------|--------------------------------|---------------|
| <b>Leisure Time – 0.00%; 28.2.2022 0.06%</b>                            |   |  |                           |                                |               |
| <b>Real Estate Investment &amp; Services – 0.00%; 28.2.2022 (0.01%)</b> |   |  |                           |                                |               |
| <b>Retail – 0.10%; 28.2.2022 0.11%</b>                                  |   |  |                           |                                |               |
|   | (36,139) Zur Rose                       |  | <b>1,421</b>              | <b>505</b>                     | <b>0.10</b>   |
| <b>Semiconductors – 0.01%; 28.2.2022 0.10%</b>                          |   |  |                           |                                |               |
|   | (466,328) ams-OSRAM                     |  | <b>2,957</b>              | <b>43</b>                      | <b>0.01</b>   |
| <b>Telecommunications – 0.00%; 28.2.2022 (0.01%)</b>                    |   |  |                           |                                |               |
| <b>CFDs Long – 0.00%; 28.2.2022 0.02%</b>                               |   |  |                           |                                |               |
| <b>Machinery Diversified – 0.00%; 28.2.2022 0.02%</b>                   |   |  |                           |                                |               |
| <b>Forward Currency Contracts – (0.37%); 28.2.2022 (0.06%)</b>          |   |  |                           |                                |               |
|   | €16,818,160 Euro vs UK sterling         |  | 14,451                    | 272                            | 0.04          |
|   | £28,920,140 UK sterling vs Danish krone |  | 29,425                    | (505)                          | (0.10)        |
|   | £127,560,184 UK sterling vs Euro        |  | 129,186                   | (1,627)                        | (0.30)        |
|   | £30,944,976 UK sterling vs Swiss franc  |  | 30,991                    | (46)                           | (0.01)        |
|   |   |  | <b>204,053</b>            | <b>(1,906)</b>                 | <b>(0.37)</b> |
| <b>Portfolio of investments</b>   |   |  | <b>548,644</b>            | <b>106.83</b>                  |               |
| Net other liabilities   |   |  | (35,056)                  | (6.83)                         |               |
| <b>Total net assets</b>   |   |  | <b>513,588</b>            | <b>100.00</b>                  |               |

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 CFDs shown in the portfolio statement above are expressed at both their mark-to-market and original notional which when added together represent the current notional value of the CFDs. The current notional value of a CFD represents the reference amount used to calculate payments between the counterparties to the CFD. The full notional value represents the economic interest in the security underlying the CFD, but does not change hands in full between the counterparties.

The counterparties for the forward currency contracts are Bank of New York Mellon International, Barclays Bank Plc, Royal Bank of Canada and Standard Chartered Bank.

<sup>0</sup> All or a portion of this investment represents a security on loan.

<sup>†</sup> Managed by a related party.

## 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        |
| Income   |               |               |
| Net capital gains  | 18,702        | 45,854        |
| Revenue  | 2,979         | 1,997         |
| Expenses   | (4,732)       | (10,342)      |
| Interest payable and similar charges   | (5,654)       | (5,677)       |
| Net expense before taxation  | (7,407)       | (14,022)      |
| Taxation   | (258)         | (183)         |
| Net expense after taxation   | (7,665)       | (14,205)      |
| <b>Change in net assets attributable to unitholders from investment activities</b> | <b>11,037</b> | <b>31,649</b> |

## 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         |
| <b>Opening net assets attributable to unitholders</b>                       | <b>563,976</b> | <b>648,765</b> |
| Amounts receivable on issue of units  | 118,749        | 156,163        |
| Amounts payable on cancellation of units                                    | (180,174)      | (305,893)      |
|   | (61,425)       | (149,730)      |
| Change in net assets attributable to unitholders from investment activities | 11,037         | 31,649         |
| <b>Closing net assets attributable to unitholders</b>                       | <b>513,588</b> | <b>530,684</b> |

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          |
| <b>Assets:</b>  |                 |                 |
| Fixed assets  |                 |                 |
| – Investment assets                                   | 555,370         | 601,006         |
| Current assets  |                 |                 |
| – Debtors   | 1,988           | 6,354           |
| – Cash and bank balances                              | 485             | 3,556           |
| <b>Total assets</b>                                   | <b>557,843</b>  | <b>610,916</b>  |
| <b>Liabilities:</b>                                   |                 |                 |
| Investment liabilities                                | (6,726)         | (7,589)         |
| Creditors   |                 |                 |
| – Amounts held at futures clearing houses and brokers | –               | (11,835)        |
| – Bank overdrafts                                     | (15,268)        | –               |
| – Cash collateral payable                             | (5,823)         | –               |
| – Other creditors                                     | (16,438)        | (27,516)        |
| <b>Total liabilities</b>                              | <b>(44,255)</b> | <b>(46,940)</b> |
| <b>Net assets attributable to unitholders</b>         | <b>513,588</b>  | <b>563,976</b>  |

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 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 2022. The income/returns earned from securities lending and CFDs respectively are also shown 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. 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<br>£000's | % of NAV | Returns earned<br>£000's |  |
| 14.72                | 3.48     | (522)                   | 60.58    | (4,589)                  |  |

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 2022.

| Counterparty                           | Counterparty's<br>country of<br>establishment | Securities Lending |                        | CFDs                   |
|--|---|--------------------|------------------------|------------------------|
|  |   | Amount<br>on loan  | Collateral<br>received | Underlying<br>exposure |
|  |   | £000's             | £000's                 | £000's                 |
| Barclays Bank Plc                      | UK  | –                  | –                      | 24,409                 |
| BNP Paribas Arbitrage SNC              | France  | 2,896              | 3,173                  | 6,529                  |
| Citigroup Global Markets Limited       | UK  | 477                | 510                    | 57,497                 |
| Credit Suisse International            | UK  | 1,522              | 1,614                  | –                      |
| Deutsche Bank AG                       | Germany                                       | –                  | –                      | 17,533                 |
| Goldman Sachs International            | UK  | 2,762              | 2,962                  | –                      |
| HSBC Bank Plc                          | UK  | 2,460              | 2,685                  | 15,073                 |
| J.P. Morgan Securities Plc             | UK  | 4,208              | 4,642                  | 74,355                 |
| Merrill Lynch International            | UK  | 1,707              | 1,889                  | 115,737                |
| Morgan Stanley & Co. International Plc | UK  | 380                | 400                    | –                      |
| UBS AG                                 | Switzerland                                   | 1,483              | 1,632                  | –                      |
| <b>Total</b>                           |   | <b>17,895</b>      | <b>19,507</b>          | <b>311,133</b>         |

All securities on loan and CFDs 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 (including CFDs), 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                     |
| <b>Securities lending transactions</b> |                          |                        |                              |                            |
| CAD                                    | –                        | –                      | 159                          | –                          |
| CHF                                    | –                        | –                      | 85                           | –                          |
| CNY                                    | –                        | –                      | 3,125                        | –                          |
| DKK                                    | –                        | –                      | 3                            | –                          |
| EUR                                    | –                        | –                      | 3,252                        | –                          |
| GBP                                    | 5,823                    | –                      | 578                          | –                          |
| HKD                                    | –                        | –                      | 957                          | –                          |
| JPY                                    | –                        | –                      | 2,030                        | –                          |
| SGD                                    | –                        | –                      | 25                           | –                          |
| USD                                    | –                        | –                      | 9,293                        | –                          |
| <b>Total</b>                           | <b>5,823</b>             | <b>–</b>               | <b>19,507</b>                | <b>–</b>                   |

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.



## 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 and OTC FDIs (including CFDs), 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        |
| <b>Collateral received - securities lending</b> |                |             |              |               |                    |                   |               |
| <b>Fixed income</b>                             |                |             |              |               |                    |                   |               |
| Investment grade                                | 303            | 2           | –            | 193           | 4,814              | –                 | <b>5,312</b>  |
| <b>Equities</b>                                 |                |             |              |               |                    |                   |               |
| Recognised equity index                         | –              | –           | –            | –             | –                  | 14,029            | <b>14,029</b> |
| <b>ETFs</b>                                     |                |             |              |               |                    |                   |               |
| UCITS   | –              | –           | –            | –             | –                  | 131               | <b>131</b>    |
| Non-UCITS                                       | –              | –           | –            | –             | –                  | 35                | <b>35</b>     |
| <b>Total</b>                                    | <b>303</b>     | <b>2</b>    | <b>–</b>     | <b>193</b>    | <b>4,814</b>       | <b>14,195</b>     | <b>19,507</b> |

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 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 2022.

| <b>Issuer</b>                          | <b>Value<br/>£000's</b> | <b>% of the Fund's NAV</b> |
|--|-------------------------|----------------------------|
| J.P. Morgan Securities Plc             | 4,642                   | 0.90                       |
| BNP Paribas Arbitrage SNC              | 3,173                   | 0.62                       |
| Goldman Sachs International            | 2,962                   | 0.58                       |
| HSBC Bank Plc                          | 2,685                   | 0.52                       |
| Merrill Lynch International            | 1,889                   | 0.37                       |
| UBS AG                                 | 1,632                   | 0.32                       |
| Credit Suisse International            | 1,614                   | 0.31                       |
| Citigroup Global Markets Limited       | 510                     | 0.10                       |
| Morgan Stanley & Co. International Plc | 400                     | 0.08                       |
| <b>Total</b>                           | <b>19,507</b>           | <b>3.80</b>                |

# About us

BlackRock is a premier provider of asset management, risk management, and advisory services to institutional, intermediary, and individual clients worldwide. As of 30 September 2022, the firm manages £7.13 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

Through BlackRock Solutions®, the firm offers risk management and advisory services that combine capital markets expertise with proprietary-developed analytics, systems, and technology.

BlackRock serves clients in North and South America, Europe, Asia, Australia, Africa, and the Middle East. Headquartered in New York, the firm maintains offices in over 35 countries around the world.

## Want to know more?

[blackrockinternational.com](https://blackrockinternational.com) | +44 (0)20 7743 3300

© 2022 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS and iSHARES are trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

# BlackRock®

Go paperless. . .   
It's Easy, Economical and Green!  
Go to [www.blackrock.com/edelivery](https://www.blackrock.com/edelivery)