

BlackRock



Interim report and unaudited financial statements

BlackRock European Absolute Alpha Fund

For the six months ended 31 August 2024

NM1024U-3987196-1/26

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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.

Stock Lending Agent

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

Authorised and regulated by the FCA

Auditor

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

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

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

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

* Non-executive Director.

About the Fund

BlackRock European Absolute Alpha Fund (the "Fund") is a UK 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 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/tcfd-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 Stefan Gries and Stephanie Bothwell.

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 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 comparator benchmark during the financial period ended 31 August 2024.

	Fund return %	Comparator benchmark %
Class D Accumulation Units	(1.59)	2.70

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.

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.

Investment Manager's Report continued

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.

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.

Investment Manager's Report continued

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 (1.59%), very regrettably underperforming its comparator benchmark which returned 2.70%.

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

Uncertainty around economic growth rose during the period, reflected by change in market leadership. Whilst assets which were more sensitive to the economic cycle led market returns during the preceding year, the market witnessed a rotation into assets which were more defensive (less economically sensitive).

The Fund's long portfolio (where the Investment Manager is positive on share prices) contributed positively to returns. This was offset by the Fund's short portfolio (where the Investment Manager takes a negative view on share prices). Short positions in sectors such as communication services and consumer staples particularly detracted on Fund performance as the market rotated into these areas against expectations of economic growth slowdown. The Investment Manager continues to see weak trends for earnings in many of these companies, due to factors such as competitive and regulatory pressures, as well as changing consumer preferences.

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
AIB Group	0.58%	Consumer Discretionary*	(0.67%)
Novo Nordisk	0.57%	BE Semiconductor	(0.54%)
MTU	0.55%	Consumer Discretionary*	(0.46%)
London Stock Exchange	0.43%	Melrose Industries	(0.45%)
Unicredit	0.43%	LVMH	(0.39%)

* Where short positions are noted as contributors or detractors, they are anonymised and described by their sector only.

The top detractor was a short position in an auto exposed company. First quarter revenues for the company were reported 2% ahead of consensus and profits were upgraded within the full year guidance.

A long position in BE Semiconductor also detracted, primarily due to three issues within this sector of the market: concerns around restrictions of sales to China, Intel warning on future capital expenditure, and growing concerns for other buyers of these components as theories spun around overinvestment in Artificial Intelligence. The Investment Manager believes these concerns are likely exaggerated and continues to see opportunity for these companies as the technology roadmap is relatively unchanged: orders should increase from here to satisfy the growing demand for semiconductor components in logic and memory markets.

Investment Manager's Report continued

A long position in AIB Group aided returns, as earnings continued to beat expectations with continued capital return to shareholders.

The following table details the significant portfolio weightings at 31 August 2024 and 29 February 2024:

31 August 2024		29 February 2024	
Sector	Gross Exposure	Sector	Gross Exposure
Novo Nordisk	4.48%	Novo Nordisk	3.91%
Linde	3.50%	Linde	2.77%
RELX	3.20%	RELX	2.76%
London Stock Exchange	3.19%	MTU	2.32%
ASML	3.14%	ASML	2.28%

Portfolio positioning was mostly consistent over the period, with overarching views of the earnings environment little changed. At the margin in the long portfolio we added to companies less sensitive to economic growth, where we could see evidence of earnings improvement. Within the short portfolio we added exposure to industrials and materials, with evidence near-term earnings are coming under pressure.

Net Asset Value

At 31 August 2024	Units in Issue	Net Asset Value £000's	Net Asset Value per Unit p
P Accumulation	2,155,015	3,683	170.9
X Accumulation	4,157,417	5,973	143.7
D Accumulation	166,733,349	315,001	188.9

Distributions Payable for the period to 31 August 2024

Unit Class	Distribution payable on 31.10.2024 Pence per Unit
P Accumulation	1.3021
X Accumulation	2.5028
D Accumulation	2.1439

Operating Charges

Unit Class	1.3.2024 to 31.8.2024	1.3.2023 to 29.2.2024
P Accumulation	1.66%	1.63%
X Accumulation	0.02%	0.00%
D 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
EQUITIES – 49.46%; 29.2.2024 44.04%			
BELGIUM – 1.59%; 29.2.2024 2.00%			
Banks – 0.00%; 29.2.2024 1.18%			
Distribution & Wholesale – 0.00%; 29.2.2024 0.82%			
Pharmaceuticals – 1.59%; 29.2.2024 0.00%	37,380 UCB	5,154	1.59
DENMARK – 6.04%; 29.2.2024 5.08%			
Pharmaceuticals – 4.58%; 29.2.2024 4.04%	140,131 Novo Nordisk	14,870	4.58
Transportation – 1.46%; 29.2.2024 1.04%	34,768 DSV ^Ø	4,744	1.46
FINLAND – 0.23%; 29.2.2024 0.00%			
Machinery Diversified – 0.23%; 29.2.2024 0.00%	17,801 Kone	730	0.23
FRANCE – 1.80%; 29.2.2024 2.08%			
Building Materials – 1.80%; 29.2.2024 2.08%	87,707 Cie de Saint-Gobain	5,837	1.80
GERMANY – 4.56%; 29.2.2024 3.76%			
Aerospace & Defence – 3.03%; 29.2.2024 2.33%	43,353 MTU Aero Engines ^Ø	9,836	3.03
Cosmetics & Personal Care – 1.53%; 29.2.2024 1.43%	44,975 Beiersdorf	4,951	1.53
IRELAND – 0.00%; 29.2.2024 1.95%			
Building Materials – 0.00%; 29.2.2024 1.95%			
ITALY – 2.10%; 29.2.2024 1.82%			
Banks – 2.10%; 29.2.2024 1.82%	216,153 UniCredit	6,802	2.10
LUXEMBOURG – 1.13%; 29.2.2024 0.00%			
Private Equity – 1.13%; 29.2.2024 0.00%	228,818 CVC Capital Partners	3,683	1.13
NETHERLANDS – 11.01%; 29.2.2024 9.77%			
Distribution & Wholesale – 2.52%; 29.2.2024 1.89%	65,741 IMCD	8,178	2.52
Insurance – 1.91%; 29.2.2024 1.90%	166,827 ASR Nederland	6,214	1.91
Semiconductors – 6.58%; 29.2.2024 5.98%	11,446 ASM International	5,877	1.81

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
15,214	ASML	10,402	3.20
51,480	BE Semiconductor Industries	5,105	1.57
		21,384	6.58
SWEDEN – 1.65%; 29.2.2024 3.99%			
Automobile Manufacturers – 0.00%; 29.2.2024 2.07%			
Electronics – 1.65%; 29.2.2024 0.00%	218,459 Assa Abloy	5,371	1.65
Machinery Diversified – 0.00%; 29.2.2024 1.92%			
SWITZERLAND – 7.37%; 29.2.2024 5.68%			
Building Materials – 1.94%; 29.2.2024 0.00%	86,158 Holcim	6,314	1.94
Electronics – 1.18%; 29.2.2024 0.00%	87,808 ABB	3,829	1.18
Food Producers – 1.53%; 29.2.2024 0.00%	494 Chocoladefabriken Lindt & Spruengli ^Ø	4,962	1.53
Healthcare Products – 0.00%; 29.2.2024 2.02%	17,715 Lonza	8,827	2.72
Private Equity – 0.00%; 29.2.2024 2.14%			
UNITED KINGDOM – 6.51%; 29.2.2024 5.07%			
Commercial Services – 3.26%; 29.2.2024 2.95%	299,218 RELX	10,589	3.26
Diversified Financial Services – 3.25%; 29.2.2024 2.12%	103,065 London Stock Exchange	10,554	3.25
UNITED STATES OF AMERICA – 5.47%; 29.2.2024 2.84%			
Building Materials – 1.90%; 29.2.2024 0.00%	89,257 CRH	6,163	1.90
Chemicals – 3.57%; 29.2.2024 2.84%	31,865 Linde	11,587	3.57
BONDS – 29.06%; 29.2.2024 25.12%			
UK Sterling Denominated ECP			
Bonds – 29.06%; 29.2.2024 25.12%			
£8,000,000	Antalis 0% 19/9/2024	7,978	2.46
£8,000,000	Managed And Enhanced Tap Fund 0% 21/11/2024	7,910	2.44
£14,000,000	Matchpoint Finance Public 0% 22/11/2024	13,838	4.26
£8,000,000	Natwest Markets 0% 13/11/2024	7,919	2.44

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£10,000,000	Nieuw Amsterdam Receivables 0% 26/9/2024	9,963	3.07
£18,000,000	Omers Finance Trust 0% 6/9/2024	17,982	5.54
£1,000,000	Overseas Chinese Banking 0% 28/11/2024	987	0.30
£15,000,000	PSP Capital 0% 16/10/2024	14,905	4.59
£3,000,000	Satellite 0% 24/9/2024	2,990	0.92
£10,000,000	Toyota Motor Finance Netherlands 0% 25/11/2024	9,881	3.04
		94,353	29.06

Certificate of deposits – 15.90%; 29.2.2024 17.60%

£6,000,000	Bank of Nova Scotia 0% Certificate of Deposit 19/9/2024	5,984	1.85
£9,000,000	Commonwealth Bank of Australia 0% Certificate of Deposit 24/2/2025	8,791	2.71
£21,000,000	Mizuho Bank 0% Certificate of Deposit 21/10/2024	20,850	6.42

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£1,000,000	Nationwide Building Societ 4.95% Certificate of Deposit 4/9/2024	1,000	0.31
£1,000,000	Nordea Bank 0% Certificate of Deposit 6/2/2025	979	0.30
£14,000,000	Sumitomo Mitsui Trust Bank 5.27% Certificate of Deposit 17/10/2024	14,003	4.31
		51,607	15.90

COLLECTIVE INVESTMENT

SCHEMES – 7.73%; 29.2.2024 9.70%

Short-term Money Market Funds – 7.73%; 29.2.2024 9.70%

250,822	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class [†]	25,083	7.73
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Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
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DERIVATIVES – (0.96%); 29.2.2024 0.50%

UK Sterling – 0.00%; 29.2.2024 0.07%

CFDs Short – (0.03%); 29.2.2024 0.04%

Apparel – 0.03%; 29.2.2024 0.01%

(310,802)	Burberry	2,076	102	0.03
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Beverages – 0.01%; 29.2.2024 0.00%

(105,032)	Diageo	2,597	31	0.01
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Chemicals – (0.03%); 29.2.2024 0.05%

(46,240)	Croda International	1,899	(71)	(0.02)
(152,179)	Johnson Matthey	2,482	(33)	(0.01)
		4,381	(104)	(0.03)

Commercial Services – 0.00%; 29.2.2024 (0.02%)

Diversified Financial Services – 0.01%; 29.2.2024 0.04%

(1,891,941)	abrdn	2,834	25	0.01
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Electricity – 0.01%; 29.2.2024 0.00%

(180,281)	Drax	1,151	39	0.01
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Food Producers – (0.03%); 29.2.2024 0.02%

(903,830)	J Sainsbury	2,641	(99)	(0.03)
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Household Products – (0.01%); 29.2.2024 0.00%

(35,935)	Reckitt Benckiser	1,569	(28)	(0.01)
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Internet – 0.05%; 29.2.2024 (0.03%)

(555,985)	Ocado	1,896	200	0.06
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Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
(230,434)	Rightmove	1,280	(53)	(0.01)
		3,176	147	0.05
Leisure Time – 0.00%; 29.2.2024 (0.01%)				
Lodging – 0.00%; 29.2.2024 0.05%				
Pharmaceuticals – 0.00%; 29.2.2024 (0.01%)				
Retail – (0.01%); 29.2.2024 (0.02%)				
(95,444)	Associated British Foods	2,377	(10)	0.00
(431,005)	B&M European Value Retail	1,917	(25)	(0.01)
		4,294	(35)	(0.01)
Telecommunications – (0.03%); 29.2.2024 (0.04%)				
(1,188,506)	BT	1,652	(102)	(0.03)
(4,212,253)	Vodafone	3,134	3	0.00
		4,786	(99)	(0.03)
Water – (0.03%); 29.2.2024 0.00%				
(413,375)	Pennon	2,492	(35)	(0.01)
(78,125)	Severn Trent	2,008	(74)	(0.02)
		4,500	(109)	(0.03)
CFDs Long – 0.03%; 29.2.2024 0.03%				
Commercial Services – 0.03%; 29.2.2024 0.01%				
167,958	Experian	6,188	85	0.03
Retail – 0.00%; 29.2.2024 0.02%				
Danish Krone – 0.06%; 29.2.2024 0.03%				
CFDs Short – 0.06%; 29.2.2024 0.03%				
Alternative Energy Sources – 0.03%; 29.2.2024 0.00%				
(136,881)	Vestas Wind Systems	2,395	80	0.03
Commercial Services – (0.01%); 29.2.2024 0.01%				
(148,045)	ISS	2,088	(43)	(0.01)
Computers – 0.00%; 29.2.2024 0.00%				
Electricity – 0.00%; 29.2.2024 (0.01%)				
Transportation – 0.04%; 29.2.2024 0.03%				
(1,833)	AP Moller - Maersk	2,077	131	0.04
Euro – (1.06%); 29.2.2024 0.35%				
CFDs Short – (1.21%); 29.2.2024 0.20%				
Advertising – (0.03%); 29.2.2024 0.00%				
(27,232)	Publicis Groupe	2,280	(100)	(0.03)
Airlines – (0.04%); 29.2.2024 0.03%				
(478,413)	Deutsche Lufthansa	2,382	(128)	(0.04)
Automobile Manufacturers – (0.09%); 29.2.2024 (0.05%)				
(26,403)	Bayerische Motoren Werke	1,861	(10)	0.00
(33,080)	Dr Ing hc F Porsche	1,967	(91)	(0.03)

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
(47,146)	Mercedes-Benz	2,472	(26)	(0.01)
(157,789)	Stellantis	2,012	(119)	(0.04)
(28,220)	Volkswagen	2,284	(33)	(0.01)
		10,596	(279)	(0.09)
Automobile Parts & Equipment – (0.03%); 29.2.2024 0.08%				
(46,016)	Continental	2,366	(92)	(0.03)
Banks – 0.00%; 29.2.2024 (0.04%)				
Beverages – (0.02%); 29.2.2024 0.09%				
(36,643)	Anheuser-Busch InBev	1,706	(9)	0.00
(32,509)	Heineken	2,230	(50)	(0.02)
		3,936	(59)	(0.02)
Building Materials – (0.02%); 29.2.2024 0.00%				
(92,471)	Wienerberger	2,341	(75)	(0.02)
Chemicals – (0.15%); 29.2.2024 0.17%				
(40,045)	Akzo Nobel	1,946	(78)	(0.02)
(62,569)	BASF	2,420	(78)	(0.03)
(149,246)	Evonik Industries	2,507	(71)	(0.02)
(110,483)	LANXESS	2,365	(48)	(0.02)
(71,010)	Solvay	1,887	(38)	(0.01)
(37,066)	Syensqo	2,321	(159)	(0.05)
(205,984)	Umicore	1,978	(10)	0.00
		15,424	(482)	(0.15)
Commercial Services – (0.02%); 29.2.2024 0.00%				
(239,856)	Worldline	1,673	(67)	(0.02)
Computers – 0.04%; 29.2.2024 0.00%				
(24,760)	Teleperformance	2,061	125	0.04
Distribution & Wholesale – 0.00%; 29.2.2024 0.02%				
Diversified Financial Services – (0.01%); 29.2.2024 (0.03%)				
(54,568)	DWS	1,600	(32)	(0.01)
Electricity – (0.04%); 29.2.2024 0.03%				
(420,500)	EDP	1,344	(27)	(0.01)
(222,438)	Iberdrola	2,401	(98)	(0.03)
		3,745	(125)	(0.04)
Food Producers – (0.34%); 29.2.2024 0.01%				
(210,387)	Carrefour	2,583	(141)	(0.04)
(1,834)	Casino Guichard Perrachon	5	–	0.00
(59,663)	Colruyt N.V	2,334	(114)	(0.04)
(100,176)	Corbion	1,925	(140)	(0.04)
(38,054)	Danone	2,013	(77)	(0.02)
(261,043)	HelloFresh	1,630	(440)	(0.14)
(35,066)	Kerry	2,671	(53)	(0.02)
(151,980)	Kesko	2,339	(143)	(0.04)
		15,500	(1,108)	(0.34)

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
Food Services – 0.07%; 29.2.2024 0.00%				
(37,675)	Sodexo	2,553	235	0.07
Healthcare Products – (0.04%); 29.2.2024 0.00%				
(29,931)	Carl Zeiss Meditec	1,675	(98)	(0.03)
(88,320)	Koninklijke Philips	2,024	(20)	(0.01)
		3,699	(118)	(0.04)
Healthcare Services – (0.01%); 29.2.2024 0.05%				
(65,519)	Eurofins Scientific	2,848	3	0.00
(51,702)	Fresenius Medical Care	1,517	(27)	(0.01)
		4,365	(24)	(0.01)
Household Products – (0.02%); 29.2.2024 0.01%				
(36,058)	Henkel	2,511	(63)	(0.02)
Insurance – (0.06%); 29.2.2024 (0.06%)				
(113,887)	AXA	3,298	(124)	(0.04)
(1,586,238)	Mapfre	3,043	(80)	(0.02)
		6,341	(204)	(0.06)
Internet – (0.27%); 29.2.2024 (0.10%)				
(143,986)	Delivery Hero	3,425	(867)	(0.27)
Iron & Steel – (0.01%); 29.2.2024 (0.04%)				
(958,495)	thyssenkrupp	2,590	(40)	(0.01)
Miscellaneous Manufacturing – (0.02%); 29.2.2024 (0.05%)				
(92,072)	Alstom	1,432	(69)	(0.02)
Oil & Gas Producers – (0.03%); 29.2.2024 0.06%				
(90,083)	Neste	1,612	(101)	(0.03)
(49,739)	TotalEnergies	2,605	12	0.00
		4,217	(89)	(0.03)
Pharmaceuticals – (0.05%); 29.2.2024 (0.01%)				
(129,582)	Bayer	3,043	(168)	(0.05)
Retail – 0.01%; 29.2.2024 0.03%				
(40,402)	HUGO BOSS	1,285	29	0.01
Semiconductors – 0.05%; 29.2.2024 0.00%				
(100,689)	AIXTRON	1,469	150	0.05
Software – (0.04%); 29.2.2024 (0.01%)				
(27,573)	CD Projekt	994	(115)	(0.04)
Telecommunications – (0.04%); 29.2.2024 0.01%				
(715,088)	Eutelsat Communications SACA	2,591	68	0.02
(695,174)	Nokia	2,342	(161)	(0.05)
(948,307)	Telefonica	3,269	(26)	(0.01)
		8,202	(119)	(0.04)
CFDs Long – 0.15%; 29.2.2024 0.15%				
Apparel – (0.04%); 29.2.2024 0.06%				
3,407	Hermes International	6,224	(83)	(0.03)

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
9,931	LVMH Moet Hennessy Louis Vuitton	5,640	(38)	(0.01)
		11,864	(121)	(0.04)
	Banks – 0.10%; 29.2.2024 0.14%			
1,524,356	AIB	6,984	314	0.10
	Cosmetics & Personal Care – 0.02%; 29.2.2024 (0.04%)			
18,018	L'Oreal	6,018	66	0.02
	Electrical Components & Equipment – 0.03%; 29.2.2024 0.01%			
28,020	Schneider Electric	5,412	83	0.03
	Engineering & Construction – 0.02%; 29.2.2024 (0.02%)			
36,529	Alten	3,126	72	0.02
	Software – 0.02%; 29.2.2024 0.00%			
43,329	SAP	7,215	63	0.02
	Norwegian Krone – 0.00%; 29.2.2024 0.04%			
	CFDs Short – 0.00%; 29.2.2024 0.04%			
	Oil & Gas Producers – 0.00%; 29.2.2024 0.04%			
	Swedish Krona – (0.10%); 29.2.2024 0.12%			
	CFDs Short – (0.18%); 29.2.2024 0.04%			
	Automobile Manufacturers – (0.01%); 29.2.2024 0.00%			
(851,565)	Volvo Car	1,851	(48)	(0.01)
	Banks – (0.01%); 29.2.2024 (0.01%)			
(300,938)	Svenska Handelsbanken	2,361	(44)	(0.01)
	Building Materials – (0.02%); 29.2.2024 0.00%			
(480,601)	Nibe Industrier	1,813	(61)	(0.02)
	Commercial Services – (0.04%); 29.2.2024 (0.03%)			
(268,037)	Securitas	2,384	(119)	(0.04)
	Home Furnishings – (0.08%); 29.2.2024 0.01%			
(274,593)	Electrolux	2,017	(246)	(0.08)
	Iron & Steel – 0.03%; 29.2.2024 0.00%			
(684,773)	SSAB	2,484	105	0.03
	Leisure Time – 0.00%; 29.2.2024 0.02%			
	Retail – (0.01%); 29.2.2024 0.01%			
(172,464)	H & M Hennes & Mauritz	2,079	(35)	(0.01)
	Software – (0.02%); 29.2.2024 0.05%			
(1,227,425)	Embracer	2,193	(70)	(0.02)
	Telecommunications – (0.02%); 29.2.2024 (0.01%)			
(482,676)	Telefonaktiebolaget LM Ericsson	2,735	(64)	(0.02)
	CFDs Long – 0.08%; 29.2.2024 0.08%			
	Machinery Diversified – 0.08%; 29.2.2024 0.08%			
480,107	Atlas Copco	5,818	273	0.08

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
Swiss Franc – (0.01%); 29.2.2024 0.01%				
CFDs Short – (0.01%); 29.2.2024 0.01%				
Biotechnology – 0.00%; 29.2.2024 (0.02%)				
Chemicals – (0.01%); 29.2.2024 0.01%				
(4,056)	EMS-Chemie	2,586	(33)	(0.01)
Commercial Services – (0.01%); 29.2.2024 0.02%				
(84,372)	Adecco	2,182	(26)	(0.01)
Computers – 0.00%; 29.2.2024 0.00%				
(22,301)	Logitech International	1,536	16	0.00
Retail – 0.02%; 29.2.2024 0.00%				
(9,206)	Swatch	1,468	55	0.02
Transportation – (0.01%); 29.2.2024 0.00%				
(5,734)	Kuehne + Nagel International	1,352	(26)	(0.01)
US Dollar – (0.01%); 29.2.2024 (0.01%)				
CFDs Short – (0.01%); 29.2.2024 (0.01%)				
Automobile Manufacturers – (0.01%); 29.2.2024 (0.01%)				
(12,071)	Tesla	1,967	(32)	(0.01)
Forward Currency Contracts – 0.16%; 29.2.2024 (0.11%)				
€13,502,504	Euro vs UK Sterling	11,373	(160)	(0.04)
£16,501,390	UK Sterling vs Danish Krone	16,258	243	0.07
£181,363,093	UK Sterling vs Euro	180,982	380	0.11
£16,580,528	UK Sterling vs Swiss Franc	16,522	59	0.02
		225,135	522	0.16
Portfolio of investments			328,505	101.19
Net other liabilities			(3,848)	(1.19)
Total net assets			324,657	100.00

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

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 starting on page 12 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, Deutsche Bank AG, Morgan Stanley & Co. International Plc, Royal Bank of Scotland Plc and State Street Global Advisors Limited.

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

[†] Managed by a related party.

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 (losses)/gains		(8,889)		5,777
Revenue	10,685		10,865	
Expenses	(2,112)		(2,023)	
Interest payable and similar charges	(4,574)		(5,003)	
Net revenue before taxation	3,999		3,839	
Taxation	(303)		(200)	
Net revenue after taxation		3,696		3,639
Total return before distributions		(5,193)		9,416
Distributions		(3,696)		–
Change in net assets attributable to unitholders from investment activities		(8,889)		9,416

*Comparative figures have been restated. Please refer to notes to the financial statements for further details.

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		366,918		440,974
Amounts receivable on issue of units	40,721		62,371	
Amounts payable on cancellation of units	(77,800)		(111,243)	
		(37,079)		(48,872)
Change in net assets attributable to unitholders from investment activities		(8,889)		9,416
Retained distribution on accumulation units		3,707		–
Closing net assets attributable to unitholders		324,657		401,518

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	334,669	359,594
Current assets		
– Debtors	3,214	16,540
– Cash and bank balances	1,125	16,703
– Cash collateral posted	1,360	550
Total assets	340,368	393,387
Liabilities:		
Investment liabilities	(6,164)	(3,838)
Creditors		
– Cash collateral payable	–	(9,457)
– Other creditors	(9,547)	(13,174)
Total liabilities	(15,711)	(26,469)
Net assets attributable to unitholders	324,657	366,918

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.

Restatement to the Prior Period Financial Statements

For certain debt instrument types, amortisation had been accounted for incorrectly, which had resulted in revenue being understated and the related capital gains and losses mis-stated by an equal and opposite amount in the Statement of Total Return. There is no impact to taxation, distributions, the change in net assets attributable to unitholders from investment activities, the net asset value or the net asset value per unit in the current or prior periods.

The correction has been reflected within the prior period financial statements presented, by re-stating each of the financial statement lines in the Statement of Total Return.

Impact on Statement of Total Return

for the six months ended 31 August 2023

	31.8.2023 £000's	31.8.2023 (Restated) £000's	Impact £000's
Income			
Net capital gains		9,756	(3,979)
Revenue	6,886	10,865	3,979
Expenses	(2,023)	(2,023)	–
Interest payable and similar charges	(5,003)	(5,003)	–
Net (expense)/revenue before taxation	(140)	3,839	3,979
Taxation	(200)	(200)	–
Net (expense)/revenue after taxation	(340)	3,639	3,979
Total return before distributions	9,416	9,416	–
Distributions	–	–	–
Change in net assets attributable to unitholders from investment activities	9,416	9,416	–

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	
3.26	1.46	2	72.15	(1,407)	

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
Bank of America Merrill Lynch	UK	-	-	5,912
Barclays Bank Plc	UK	-	-	67,488
BNP Paribas	France	570	603	23,989
Citigroup Global Markets Limited	UK	-	-	35,544
HSBC Bank	UK	274	302	13,515
J.P. Morgan Securities Plc	UK	-	-	48,182
Merrill Lynch International	UK	-	-	39,598
Morgan Stanley International	UK	3,890	4,109	-
Total		4,734	5,014	234,228

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 2024.

Currency	Cash collateral received £000's	Cash collateral posted £000's	Non-cash collateral received £000's	Non-cash collateral posted £000's
Securities lending transactions				
CHF	–	–	120	–
CNY	–	–	3	–
EUR	–	–	3,500	–
GBP	–	–	912	–
NOK	–	–	31	–
USD	–	–	448	–
Total	–	–	5,014	–
OTC FDIs				
GBP	–	1,360	–	–
	–	1,360	–	–
Total	–	1,360	5,014	–

All cash posted as collateral has an open maturity tenor as it's not subject to a contractual maturity date.

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 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	–	–	–	–	4,100	–	4,100
Equities							
Recognised equity index	–	–	–	–	–	774	774
ETFs							
UCITS	–	–	–	–	–	16	16
Non-UCITS	–	–	–	–	–	124	124
Total	–	–	–	–	4,100	914	5,014

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 Kingdom Of Great Britain And Northern Ireland (Government)	758	0.23
France, Republic Of (Government)	743	0.23
Germany, Federal Republic Of (Government)	743	0.23
Netherlands, Kingdom Of The (Government)	743	0.23
Finland, Republic Of (Government)	707	0.22
Austria, Republic Of (Government)	405	0.13
Ishares Core Sp 500 Etf	63	0.02
Alibaba Group Holding Ltd	62	0.02
Tesco Plc	60	0.02
Tencent Holdings Ltd	60	0.02
Other issuers	670	0.19
Total	5,014	1.54

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 2024, the firm manages £8.73 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

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