


BlackRock



**Interim report and
unaudited financial
statements**

BlackRock European Dynamic Fund

For the six months ended 31 August 2022

NM1022U-2565597-1/21

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General Information

Manager & Registrar

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

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

Directors of the Manager

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

Trustee & Custodian

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

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

Investment Manager

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

Authorised and regulated by the FCA.

Stock Lending Agent

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

Authorised and regulated by the FCA

Auditor

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

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

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

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

* Non-executive Director.

About the Fund

BlackRock European Dynamic Fund (the "Fund") is a UCITS scheme under the COLL Sourcebook. The Fund was established on 14 August 2000 as Merrill Lynch European Dynamic Fund. The Fund changed its investment objective on 1 October 2006. The Fund adopted its present name with effect from 28 April 2008. The Fund's FCA product reference number is 191288.

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 Manager

As at 31 August 2022, the Fund Manager of the Fund is Giles Rothbarth.

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 return on your investment (generated through an increase in the value of the assets held by the Fund) (gross of fees) over the long term (5 or more consecutive years beginning at the point of investment), by investing in companies incorporated or listed in Europe excluding the UK.

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

Performance Summary

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

	Fund return %	Comparator benchmark %
Class D Accumulation Units	(9.06)	(4.69)

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 performance return was (9.06%) and the active return was (4.37%), very regrettably underperforming its comparator benchmark which returned (4.69%) (active return is the difference between the Fund's return and the comparator benchmark).

Investment Report continued

European markets experienced significant volatility, 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 underperformed the market over this period. Whilst the Manager's expectations of earnings have broadly been proven correct in what companies have reported thus far, valuation has been a more important component in driving the total return of shares over the period. Many companies in the portfolio witnessed valuations declining owing to uncertainty on the interest rate and growth environment we likely face in Europe.

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

Largest Contributors		Largest Detractors	
Stock	Effect on Fund return	Stock	Effect on Fund return
Novo Nordisk [#]	0.94%	BE Semiconductor Industries [#]	(0.89%)
Linde [#]	0.49%	Sanofi [#]	(0.71%)
TotalEnergies [#]	0.42%	Sika [#]	(0.52%)
Sartorius Stedim [#]	0.28%	Pandora [#]	(0.51%)
Bank of Ireland [#]	0.20%	Kingspan [#]	(0.50%)

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

The largest detractor to performance was a holding in Be Semiconductor, as concerns grew over the semiconductor industry cycle. Whilst we likely witness a slowdown, after two years of very strong growth, the Manager continues to see longer-term opportunity as the company diversifies its portfolio and captures market share.

Sanofi shares also detracted on concerns over litigation related to an over-the-counter drug – Zantac – which the company acquired and sold for a short period. The drug is accused of deteriorating into a carcinogenic substance over time, despite little scientific evidence backing the claim. The nature of this, the Manager believes, will have less significant effect on Sanofi than the shares are currently pricing in.

The top performer was Novo Nordisk, which continues to expand its obesity drug business through new launches and trials.

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

Top overweight positions			
31 August 2022		28 February 2022	
Stock	Active Weighting	Stock	Active Weighting
Lonza	5.9%	Lonza	5.4%
Novo Nordisk	5.4%	Sika	4.7%
Linde	4.4%	DSV	4.5%

Top underweight positions			
31 August 2022		28 February 2022	
Stock	Active Weighting	Stock	Active Weighting
Roche	(3.6%)	Roche	(3.4%)
Novartis	(2.5%)	Nestle	(3.3%)
SAP	(1.4%)	Novartis	(2.2%)

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

Given the more tentative outlook for the region, the Manager has taken action to add more balance to the portfolio over the period, adding exposure to companies that have less sensitivity to the economic cycle, whilst cutting some of the consumer discretionary and industrial exposure. Valuation anomaly led opportunities have also opened in sectors such as European banks, where the Manager has added to the portfolio, now holding a neutral weight in this sector versus the benchmark.

Net Asset Value

At 31 August 2022	Units in Issue	Net Asset Value £000's	Net Asset Value per Unit p
A Income	743,850	5,379	723.1
A Accumulation	12,482,379	95,583	765.7
D Income	9,532,997	70,308	737.5
D Accumulation	31,186,397	259,915	833.4
FA Income	3,367,587	7,239	215.0
FA Income Hedged	1,000	2	180.6
FA Accumulation	91,279,592	199,568	218.6
FA Accumulation Hedged	1,000	2	183.4
FD Income	729,021,953	1,604,401	220.1
FD Income Hedged	7,098,214	12,112	170.6
FD Accumulation	607,909,798	1,420,609	233.7
FD Accumulation Hedged	19,103,361	34,352	179.8
FX Accumulation	34,673,701	72,756	209.8
FX Accumulation Hedged	1,000	2	196.8

Distributions Payable for the period to 31 August 2022

Any income available will be distributed annually on 30 April.

Operating Charges

Unit Class	1.3.2022 to 31.8.2022	1.3.2021 to 28.2.2022
A Income	1.67%	1.66%
A Accumulation	1.67%	1.67%
D Income	0.92%	0.91%
D Accumulation	0.92%	0.91%
FA Income	1.67%	1.66%
FA Income Hedged	1.67%	1.66%
FA Accumulation	1.67%	1.66%
FA Accumulation Hedged	1.66%	1.65%
FD Income	0.92%	0.91%
FD Income Hedged	0.92%	0.91%
FD Accumulation	0.92%	0.91%
FD Accumulation Hedged	0.92%	0.91%
FX Accumulation	0.02%	0.02%
FX Accumulation Hedged	0.02%	0.00%

Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depositary and entry/exit charges paid to an underlying collective investment scheme (if any).

Portfolio Statement (unaudited)

at 31 August 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
EQUITIES – 98.51%; 28.2.2022 98.96%			
Belgium – 0.65%; 28.2.2022 0.52%			
1,446,823	Azelis	24,586	0.65
Denmark – 13.22%; 28.2.2022 13.57%			
1,154,289	DSV	145,542	3.85
3,276,990	Novo Nordisk	301,516	7.97
1,031,729	Pandora	53,120	1.40
		500,178	13.22
Finland – 0.00%; 28.2.2022 0.07%			
France – 27.34%; 28.2.2022 20.60%			
700,989	Dassault Systemes	23,460	0.62
62,795	Hermes International	70,024	1.85
142,460	L'Oreal ^o	42,163	1.11
417,970	LVMH Moet Hennessy Louis Vuitton	234,947	6.21
1,549,830	Sanofi	108,994	2.88
291,835	Sartorius Stedim Biotech ^o	92,740	2.45
5,168,501	Societe Generale	98,153	2.60
610,045	Teleperformance	151,830	4.01
4,884,660	TotalEnergies ^o	212,256	5.61
		1,034,567	27.34
Germany – 5.42%; 28.2.2022 6.37%			
9,530,492	Commerzbank ^o	53,286	1.41
712,783	CTS Eventim ^o	32,945	0.87
72,930	Hypoport ^o	12,174	0.32
284,461	MTU Aero Engines ^o	43,207	1.14
26,222	Rational ^o	12,266	0.32
143,605	Sartorius ^o	51,471	1.36
		205,349	5.42
Ireland – 2.94%; 28.2.2022 3.13%			
12,937,030	Bank of Ireland	68,353	1.81
866,990	Kingspan	42,634	1.13
		110,987	2.94
Italy – 3.86%; 28.2.2022 3.33%			
392,119	Ferrari ^o	65,269	1.73
4,212,284	FinecoBank Banca Fineco	39,427	1.04
4,941,749	UniCredit	41,211	1.09
		145,907	3.86

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Netherlands – 14.58%; 28.2.2022 16.28%			
63,976	Adyen ^o	86,642	2.29
370,208	ASM International	88,735	2.35
462,149	ASML	199,153	5.27
1,426,647	BE Semiconductor Industries ^o	60,510	1.60
421,768	IMCD	50,656	1.34
1,664,802	Qiagen ^o	65,348	1.73
		551,044	14.58
Spain – 2.74%; 28.2.2022 1.84%			
24,866,402	CaixaBank ^o	63,127	1.67
3,680,345	Repsol	40,582	1.07
		103,709	2.74
Sweden – 3.74%; 28.2.2022 6.55%			
2,999,538	Atlas Copco ^o	26,724	0.71
3,374,291	Epiroc ^o	45,083	1.19
919,002	EQT ^o	17,882	0.47
5,764,474	Hexagon	51,956	1.37
		141,645	3.74
Switzerland – 18.20%; 28.2.2022 21.46%			
380,565	Bachem ^o	22,898	0.61
530,725	Lonza	245,678	6.50
1,991,964	Nestle ^o	200,377	5.30
392,250	Sika ^o	77,075	2.04
2,717,506	STMicroelectronics ^o	83,043	2.20
621,464	Straumann ^o	58,655	1.55
		687,726	18.20
United Kingdom – 5.82%; 28.2.2022 5.24%			
3,746,988	Allfunds	25,752	0.68
603,100	Ashtead	25,698	0.68
691,656	Linde ^o	168,636	4.46
		220,086	5.82
COLLECTIVE INVESTMENT SCHEMES – 1.94; 28.2.2022 1.30%			
Short-term Money Market Funds – 1.94%; 28.2.2022 1.30%			
735,311	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class [†]	73,492	1.94

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES – 0.00%; 28.2.2022 0.00%				
Forward Currency Contracts – 0.00%; 28.2.2022 (0.01%)				
DKK 20,870,943	Danish krone vs UK sterling	2,413	28	0.00
€123,382,336	Euro vs UK sterling	106,066	1,757	0.04
SEK 8,502,842	Swedish krona vs UK sterling [^]	684	–	0.00
CHF 2,450,446	Swiss franc vs UK sterling	2,156	4	0.00
£14,457,510	UK sterling vs Danish krone	14,649	(190)	0.00
£113,427,641	UK sterling vs Euro	115,107	(1,675)	(0.04)
£4,120,137	UK sterling vs Swedish krona	4,116	3	0.00
£16,768,622	UK sterling vs Swiss franc	16,897	(129)	0.00
		262,088	(202)	0.00
Futures – 0.00%; 28.2.2022 0.01%				
Portfolio of investments			3,799,074	100.45
Net other liabilities			(16,846)	(0.45)
Total net assets			3,782,228	100.00

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

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

The counterparties the forward currency contracts are Bank of New York Mellon International, BNP Paribas Arbitrage SNC and HSBC Bank Plc.

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

[†] Managed by a related party.

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

Statement of Total Return (unaudited)

for the six months ended 31 August 2022

		31.8.2022		31.8.2021
	£000's	£000's	£000's	£000's
Income				
Net capital (losses)/gains		(352,110)		1,258,870
Revenue	61,564		38,181	
Expenses	(21,846)		(28,432)	
Interest payable and similar charges	(57)		(61)	
Net revenue before taxation	39,661		9,688	
Taxation	(5,489)		(4,931)	
Net revenue after taxation		34,172		4,757
Change in net assets attributable to unitholders from investment activities		(317,938)		1,263,627

Statement of Change in Net Assets Attributable to Unitholders

(unaudited) for the six months ended 31 August 2022

		31.8.2022		31.8.2021
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		5,290,960		5,214,268
Amounts receivable on issue of units	503,146		942,072	
Amounts payable on cancellation of units	(1,693,940)		(763,087)	
		(1,190,794)		178,985
Change in net assets attributable to unitholders from investment activities		(317,938)		1,263,627
Closing net assets attributable to unitholders		3,782,228		6,656,880

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 £000's	28.2.2022 £000's
Assets:		
Fixed assets		
– Investment assets	3,801,068	5,305,222
Current assets		
– Debtors	13,283	23,574
– Cash and bank balances	8,660	14,893
Total assets	3,823,011	5,343,689
Liabilities:		
Investment liabilities	(1,994)	(358)
Creditors		
– Other creditors	(38,789)	(52,371)
Total liabilities	(40,783)	(52,729)
Net assets attributable to unitholders	3,782,228	5,290,960

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

28 October 2022

Notes to Financial Statements (unaudited)

for the six months ended 31 August 2022

Accounting Policies

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

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

Supplementary Information

Efficient Portfolio Management Techniques

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

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

Securities Lending

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

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

Securities on loan		
% of lendable assets	% of NAV	Income earned £000's
15.27	13.66	144

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

Supplementary Information continued

The following table details the value of securities on loan (individually identified in the Fund's portfolio statement) and associated collateral received, analysed by counterparty as at 31 August 2022.

Counterparty	Counterparty's country of establishment	Securities Lending	
		Amount on loan	Collateral received
		£000's	£000's
Barclays Capital Securities Limited	UK	74,903	88,947
BNP Paribas Arbitrage SNC	France	162,676	178,234
Citigroup Global Markets Limited	UK	7,351	7,864
Credit Suisse International	UK	33,353	35,371
Goldman Sachs International	UK	115,905	124,297
HSBC Bank Plc	UK	14,047	15,329
J.P. Morgan Securities Plc	UK	4,530	4,998
Merrill Lynch International	UK	61,486	68,044
Morgan Stanley & Co. International Plc	UK	7,091	7,470
Société Générale SA	France	4,201	4,683
UBS AG	Switzerland	31,240	34,390
Total		516,783	569,627

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

Supplementary Information continued

Collateral

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

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

Currency	Cash collateral received	Cash collateral posted	Non-cash collateral received	Non-cash collateral posted
	£000's	£000's	£000's	£000's
Securities lending transactions				
AUD	–	–	2,557	–
CAD	1,658	–	7,112	–
CHF	–	–	2,846	–
CNY	–	–	77,712	–
DKK	–	–	246	–
EUR	–	–	129,472	–
GBP	–	–	26,904	–
HKD	–	–	22,800	–
JPY	–	–	53,637	–
NOK	–	–	321	–
SEK	–	–	1,247	–
SGD	–	–	1,407	–
USD	–	–	241,708	–
Total	1,658	–	567,969	–

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

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

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

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

Supplementary Information continued

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

Collateral type and quality	Maturity Tenor					Open transactions	Total
	1 - 7 days	8 - 30 days	31 - 90 days	91 - 365 days	More than 365 days		
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Collateral received - securities lending							
Fixed income							
Investment grade	6,646	33	1,360	7,031	158,504	–	173,574
Equities							
Recognised equity index	–	–	–	–	–	388,069	388,069
ETFs							
UCITS	–	–	–	–	–	4,348	4,348
Non-UCITS	–	–	–	–	–	1,477	1,477
Total	6,646	33	1,360	7,031	158,504	393,894	567,468

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

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

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

Supplementary Information continued

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

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

Issuer	Value £000's	% of the Fund's NAV
BNP Paribas Arbitrage SNC	178,234	4.71
Goldman Sachs International	124,297	3.29
Barclays Capital Securities Limited	87,289	2.31
Merrill Lynch International	68,044	1.80
Credit Suisse International	35,371	0.93
UBS AG	34,390	0.91
HSBC Bank Plc	15,329	0.41
Citigroup Global Markets Limited	7,864	0.21
Morgan Stanley & Co. International Plc	7,470	0.20
J.P. Morgan Securities Plc	4,998	0.13
Other issuers	4,683	0.12
Total	567,969	15.02

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