

BlackRock®



Interim report and unaudited financial statements

BlackRock European Dynamic Fund

For the six months ended 31 August 2024

NM1024U-3987237-1/22

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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 Dynamic Fund (the “Fund”) is a UK 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 30 October 2023 in a composite report for all funds managed by BlackRock Fund Managers Limited subject to these requirements. The next annual assessment is due for publication by the end of October 2024.

Task Force on Climate-Related Financial Disclosures

The Manager has produced a supplemental detailed Climate Report which can be found on BlackRock’s website www.blackrock.com/uk/literature/public-disclosure/tcf-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 Manager

As at 31 August 2024, the Fund Manager was Giles Rothbarth.

Significant Events

Changes in the Directors of the Manager

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

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

Investment Manager's Report

for the six months ended 31 August 2024

Investment Objective

The aim of the Fund is to provide a return on your investment (generated through an increase in the value of the assets held by the Fund) (gross of fees) over the long term (5 or more consecutive years beginning at the point of investment), by investing in companies incorporated or listed in 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 comparator benchmark during the financial period ended 31 August 2024.

	Fund return %	Comparator benchmark %
Class D Accumulation Units	2.18	4.95

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

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

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

Global Economic Overview

Global equities, as represented by the MSCI All Country World Index, returned 6.40% (in GBP terms) during the six months ended 31 August 2024. Equities gained amid milder inflation (the rate of increase in the prices of goods and services) and investor expectations of a shift in monetary policy from the world's largest central banks. However, heightened geopolitical tensions, including the war in the Middle East and attacks on Red Sea shipping lanes, raised the prospect of disruption to the global economy.

Investment Manager's Report continued

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

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

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

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

Investment Manager's Report continued

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

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

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

Fund Performance Review and Activity

Over the six month period to 31 August 2024, the Fund's performance return was 2.18% and the active return was (2.77%), very regrettably underperforming its comparator benchmark which returned 4.95% (active return is the difference between the Fund's return and the comparator benchmark return).

Uncertainty around economic growth rose during the financial 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 fears surrounding economic growth, along with specific sectoral issues such as concerns on geopolitical tensions and consumer and corporate spending, particularly weighed on technology and luxury stocks within the European market, and therefore on the Fund.

The Fund has been positioned with a favourable tendency to assets with greater economic sensitivity, with the expectation that whilst economic growth may be slower at the margin, there will unlikely be a fall into a more damaging recession with underlying corporate and consumer positions remaining robust. The Fund positioning however, weighed on returns throughout the period. Higher allocations to areas such as luxury goods and semiconductor companies reduced relative returns.

Investment Manager's Report continued

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 [#]	0.54%	BE Semiconductor [#]	(1.12%)
MTU Aero Engines [#]	0.47%	STMicroelectronics [#]	(1.10%)
AIB Group [#]	0.45%	LVMH [#]	(0.85%)
Bank of Ireland [#]	0.43%	Roche [^]	(0.49%)
Unicredit [#]	0.39%	ASML [#]	(0.48%)

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

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

The largest detractors came within the semiconductor sector, where the issues were primarily three-fold: 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 (AI). The Investment Manager believes these concerns are likely exaggerated. The Investment Manager 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 sub-systems.

Novo Nordisk was the largest contributor to relative performance as the company's earnings continued to deliver robustly throughout the period.

The following table details the significant active positions, where the Fund was overweight (held more exposure than the comparator benchmark) and underweight (held less exposure than the comparator benchmark), at 31 August 2024 and 29 February 2024:

Top overweight positions			
31 August 2024		29 February 2024	
Stock	Active Weighting	Stock	Active Weighting
Linde	5.30%	Novo Nordisk	5.07%
Novo Nordisk	4.68%	Linde	4.94%
ASML	3.75%	BE Semiconductor	3.53%

Top underweight positions			
31 August 2024		29 February 2024	
Stock	Active Weighting	Stock	Active Weighting
Nestle	(3.07%)	Nestle	(2.52%)
Roche	(2.70%)	Novartis	(2.44%)
Novartis	(2.68%)	SAP	(2.38%)

Where the Fund is 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.

Investment Manager's Report continued

The structure of the portfolio was relatively unchanged over the period, as we saw little change with respect to the trajectory of company earnings overall. At the margin, the portfolio added to some less economically sensitive names to help balance risk as we move through what we believe to be an air pocket in growth before earnings reassert themselves.

Net Asset Value

At 31 August 2024	Units in Issue	Net Asset Value £000's	Net Asset Value per Unit p
A Income	287,502	2,808	976.8
A Accumulation	6,930,924	71,884	1,037
D Income	7,636,675	76,240	998.3
D Accumulation	23,912,185	274,008	1,146
FA Income	1,150,193	3,340	290.4
FA Income Hedged	1,000	3	254.2
FA Accumulation	51,305,432	151,924	296.1
FA Accumulation Hedged	1,000	3	258.7
FD Income	747,632,746	2,227,265	297.9
FD Income Hedged	5,386,913	12,974	240.8
FD Accumulation	509,896,155	1,638,319	321.3
FD Accumulation Hedged	14,830,783	38,192	257.5
FX Accumulation	44,518,518	130,742	293.7
FX Accumulation Hedged	1,000	3	286.9

Distributions Payable for the period to 31 August 2024

Any income available will be distributed annually on 30 April.

Operating Charges

Unit Class	1.3.2024 to 31.8.2024	1.3.2023 to 29.2.2024
A Income	1.66%	1.66%
A Accumulation	1.66%	1.66%
D Income	0.91%	0.91%
D Accumulation	0.91%	0.91%
FA Income	1.66%	1.66%
FA Income Hedged	1.66%	1.66%
FA Accumulation	1.66%	1.66%
FA Accumulation Hedged	1.66%	1.65%
FD Income	0.91%	0.91%
FD Income Hedged	0.91%	0.91%
FD Accumulation	0.91%	0.91%
FD Accumulation Hedged	0.91%	0.91%
FX Accumulation	0.02%	0.02%
FX Accumulation Hedged	0.02%	0.02%

Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depository 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 – 98.85%; 29.2.2024 95.80%			
Belgium – 2.23%; 29.2.2024 0.59%			
1,755,020	Azelis	27,833	0.60
546,067	UCB ^o	75,286	1.63
		103,119	2.23
Denmark – 14.00%; 29.2.2024 17.43%			
393,660	Chemometec ^o	16,660	0.36
727,424	Coloplast ^o	75,648	1.64
4,078,081	Novo Nordisk	432,752	9.35
917,910	Pandora	122,767	2.65
		647,827	14.00
Finland – 0.22%; 29.2.2024 0.00%			
253,295	Kone	10,391	0.22
France – 13.92%; 29.2.2024 21.16%			
2,200,709	Cie de Saint-Gobain ^o	146,461	3.17
80,733	Hermes International	147,480	3.19
286,149	LVMH Moët Hennessy Louis Vuitton	162,505	3.51
805,271	Schneider Electric	155,547	3.36
1,030,643	SPIE ^o	31,683	0.69
		643,676	13.92
Germany – 11.08%; 29.2.2024 9.97%			
6,432,313	Commerzbank	72,376	1.56
566,878	CTS Eventim	40,319	0.87
157,794	Hypoport ^o	35,536	0.77
746,399	MTU Aero Engines ^o	169,352	3.66
477,972	Nemetschek	37,739	0.82
39,058	Rational	30,000	0.65
550,822	SAP ^o	91,715	1.98
249,147	Siemens	35,815	0.77
		512,852	11.08
Ireland – 5.44%; 29.2.2024 4.39%			
24,880,085	AIB	113,991	2.46
11,011,879	Bank of Ireland	96,175	2.08
626,997	Kingspan	41,532	0.90
		251,698	5.44
Italy – 6.60%; 29.2.2024 6.05%			
413,306	Ferrari	155,597	3.36
4,771,150	UniCredit	150,144	3.24
		305,741	6.60

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Netherlands – 16.36%; 29.2.2024 13.93%			
61,535	Adyen	68,855	1.49
225,598	ASM International	115,825	2.50
515,377	ASML	352,367	7.61
1,220,483	BE Semiconductor Industries ^o	121,036	2.62
796,458	IMCD ^o	99,075	2.14
		757,158	16.36
Norway – 0.88%; 29.2.2024 0.00%			
503,500	Kongsberg Gruppen	40,473	0.88
Spain – 1.57%; 29.2.2024 1.36%			
15,765,475	CaixaBank ^o	72,497	1.57
Sweden – 5.04%; 29.2.2024 4.65%			
7,788,014	Atlas Copco	107,513	2.32
3,177,027	Epiroc	46,692	1.01
3,121,742	EQT ^o	79,326	1.71
		233,531	5.04
Switzerland – 13.32%; 29.2.2024 6.57%			
2,053,339	ABB	89,547	1.94
1,065,397	Cie Financiere Richemont	127,884	2.76
1,446,755	Holcim	106,025	2.29
248,488	Lonza	123,809	2.68
55,786	Partners	61,084	1.32
2,522,401	STMicroelectronics	60,896	1.32
417,218	Straumann	46,938	1.01
		616,183	13.32
United Kingdom – 2.89%; 29.2.2024 4.73%			
3,783,929	RELX	133,913	2.89
United States of America – 5.30%; 29.2.2024 4.97%			
674,792	Linde	245,374	5.30
COLLECTIVE INVESTMENT SCHEMES – 1.14%; 29.2.2024 4.33%			
Short-term Money Market Funds – 1.14%; 29.2.2024 4.33%			
529,913	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class [†]	52,993	1.14

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES – 0.02%; 29.2.2024 0.05%				
Contracts for differences ("CFDs") Long – 0.04%; 29.2.2024 0.02%				
226,403	UniCredit	7,125	607	0.01
6,413	ASM International	3,292	253	0.01
1,010,561	Bank of Ireland	8,826	824	0.02
		19,243	1,684	0.04
Forward Currency Contracts – (0.02%); 29.2.2024 0.01%				
DKK 5,303,346	Danish Krone vs UK Sterling	600	(7)	0.00
€ 57,663,636	Euro vs UK Sterling	48,594	(725)	(0.02)
NOK 341,506	Norwegian Krone vs UK Sterling	23	–	0.00
SEK 4,820,173	Swedish Krona vs UK Sterling	359	–	0.00
CHF 539,395	Swiss Franc vs UK Sterling	485	(7)	0.00
£ 14,766,758	UK Sterling vs Danish Krone	14,745	16	0.00
£ 64,349,292	UK Sterling vs Euro	64,265	89	0.00
£ 883,144	UK Sterling vs Norwegian Krone	881	(2)	0.00
£ 5,493,032	UK Sterling vs Swedish Krona	5,571	(79)	0.00
£ 12,736,479	UK Sterling vs Swiss Franc	12,803	(68)	0.00
£ 5,447,389	UK Sterling vs US Dollar	5,399	46	0.00
US\$195,545	US Dollar vs UK Sterling	148	(3)	0.00
		153,873	(740)	(0.02)
Futures – 0.00%; 29.2.2024 0.02%				
Portfolio of investments			4,628,370	100.01
Net other liabilities			(665)	(0.01)
Total net assets			4,627,705	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, Deutsche Bank AG and HSBC Bank Plc.

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 gains/(losses)		47,032		(20,359)
Revenue	66,382		71,109	
Expenses	(21,642)		(19,202)	
Interest payable and similar charges	(359)		(339)	
Net revenue before taxation	44,381		51,568	
Taxation	(5,140)		(5,413)	
Net revenue after taxation		39,241		46,155
Total return before distributions		86,273		25,796
Change in net assets attributable to unitholders from investment activities		86,273		25,796

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		4,545,457		4,178,960
Amounts receivable on issue of units	544,682		363,353	
Amounts payable on cancellation of units	(548,709)		(579,934)	
		(4,027)		(216,581)
Change in net assets attributable to unitholders from investment activities		86,273		25,796
Unclaimed distributions over 6 years old		2		–
Closing net assets attributable to unitholders		4,627,705		3,988,175

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 £000's	29.2.2024 £000's
Assets:		
Fixed assets		
– Investment assets	4,629,261	4,553,713
Current assets		
– Debtors	21,606	27,607
– Cash and bank balances	4,001	14,266
Total assets	4,654,868	4,595,586
Liabilities:		
Investment liabilities	(891)	(203)
Creditors		
– Amounts due to futures clearing houses and brokers	–	(951)
– Cash collateral payable	(1,330)	(540)
– Distributions payable	–	(20,524)
– Other creditors	(24,942)	(27,911)
Total liabilities	(27,163)	(50,129)
Net assets attributable to unitholders	4,627,705	4,545,457

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

30 October 2024

Notes to Financial Statements (unaudited)

for the six months ended 31 August 2024

Accounting Policies

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

The accounting policies applied are consistent with those of the financial statements for the year ended 29 February 2024 and are described in those annual financial statements.

Supplementary Information

Efficient Portfolio Management Techniques

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

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

Securities Lending and Contracts for Difference (CFDs)

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

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

Securities on loan			CFDs		
% of lendable assets	% of NAV	Income earned £000's	% of NAV	Returns earned £000's	
4.27	4.13	67	0.42	458	

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
Barclays Capital Securities Limited	UK	5,164	5,477	–
BNP Paribas	France	49,992	52,909	–
Goldman Sachs International	UK	1,573	1,679	–
HSBC Bank	UK	5,680	6,259	12,316
J.P. Morgan Securities Plc	UK	1,003	1,090	6,927
Merrill Lynch International	UK	2,623	2,767	–
Morgan Stanley International	UK	40,646	42,933	–
Société Générale SA	France	32,324	35,698	–
The Bank of Nova Scotia	Canada	41,468	45,087	–
UBS	Switzerland	10,580	11,945	–
Total		191,053	205,844	19,243

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

	Maturity Tenor					Total
	1 - 30 days	31 - 90 days	91 - 365 days	More than 365 days	Open transactions	
	£000's	£000's	£000's	£000's	£000's	
CFD	–	–	–	19,243	–	19,243

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	Cash collateral posted	Non-cash collateral received	Non-cash collateral posted
	£000's	£000's	£000's	£000's
Securities lending transactions				
AUD	–	–	26	–
CAD	–	–	6,485	–
CHF	–	–	11,022	–
CNY	–	–	64	–
EUR	–	–	60,503	–
GBP	–	–	33,077	–
HKD	–	–	80	–
JPY	–	–	11,700	–
NOK	–	–	2,666	–
SGD	–	–	218	–
USD	–	–	80,003	–
Total	–	–	205,844	–
OTC FDIs				
GBP	1,330	–	–	–
	1,330	–	–	–
Total	1,330	–	205,844	–

As at 31 August 2024, all cash collateral received in respect of OTC derivative transactions by the Fund was re-invested in money market funds managed by the Manager or its affiliates, as disclosed in the Fund's portfolio statement. All cash received as collateral has an open maturity tenor as it's not subject to a contractual maturity date.

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 returns earned by the Fund from the reinvestment of cash collateral in money market funds during the period ended 31 August 2024 is summarised below. These returns represent the accumulative total return of the representative money market fund for the period ended 31 August 2024. These returns do not take into account any interest payable to the counterparty under the relevant collateral arrangements.

Money market fund	Total return %
Institutional Cash Series plc	
BlackRock ICS Sterling Liquid Environmentally Aware Fund Agency Income Class	5.12

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	–	–	11,316	831	60,188	–	72,335
Equities							
Recognised equity index	–	–	–	–	–	126,245	126,245
ETFs							
UCITS	–	–	–	–	–	367	367
Non-UCITS	–	–	–	–	–	6,897	6,897
Total	–	–	11,316	831	60,188	133,509	205,844

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)	13,198	0.29
United States Treasury	12,766	0.28
Germany, Federal Republic Of (Government)	11,779	0.26
France, Republic Of (Government)	9,812	0.21
Netherlands, Kingdom Of The (Government)	9,023	0.20
Finland, Republic Of (Government)	7,391	0.16
Asml Holding Nv	6,025	0.13
Ishares Core Sp 500 Etf	5,517	0.12
Alcon Ag	5,400	0.12
Tencent Holdings Ltd	5,390	0.12
Other issuers	119,543	2.56
Total	205,844	4.45

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