

BlackRock



Interim report and unaudited financial statements

BlackRock Global Income Fund

For the six months ended 31 August 2024

NM1024U-3987281-1/16

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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
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For your protection, telephone calls are usually recorded.

* Non-executive Director.

About the Fund

BlackRock Global Income Fund (the "Fund") is a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 6 May 2011. The Fund's FCA product reference number is 542066.

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 Managers

As at 31 August 2024, the Fund Managers were Molly Greenen and Olivia Treharne.

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 an income return on your investment (gross of fees) that is above average when compared to the income produced by global equity markets (as represented by the MSCI All Countries World Index) (i.e. a level of income which exceeds that produced by the constituents of the index), without sacrificing capital growth (i.e. the value of the assets held by the Fund) over the long term (5 or more consecutive years beginning at the point of investment).

Target benchmark	Investment management approach
MSCI All Countries World Index	Active

Performance Summary

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

	Fund return %	Target benchmark %
Class D Accumulation Units	6.28	6.40

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 target 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 6.28% and the active return was (0.12%), underperforming its target benchmark which returned 6.40% (active return is the difference between the Fund's return and the target benchmark return).

Global equity markets were driven by the impact of artificial intelligence ("AI"), with the technology companies showing resilience. Key influences included the potential Federal Reserve (the "Fed") rate cuts, the European Central Bank's ("ECB") cautious approach to potential interest rate cuts, and the Bank of England's ("BoE") maintaining rates. The period ended with market volatility due to recession fears, but solid earnings reports provided relief. In the US, AI innovation led market gains, with the S&P 500 and NASDAQ reaching all-time highs, driven by companies like NVIDIA. Despite initial inflationary pressures causing fluctuations, hopes of a soft landing returned as the Fed maintained a stance in favour of lower interest rates. European markets experienced mixed economic shifts. The ECB's high interest rates and the BoE's steady rates reflected recession concerns. However, easing inflation and economic momentum in the UK led to the first rate cut in August 2024. In Asia, China showed gradual recovery with positive economic indicators, though real estate uncertainties remained. Japan saw AI-driven gains, with the Nikkei 225 hitting record highs. However, yen volatility and the Bank of Japan policy adjustments added to short-term market fluctuations.

Security selection in consumer staples, industrials, and communication services were the main detractors during the period. Security selection in health care and energy and being underweight in consumer discretionary were the main contributors during the period.

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 target benchmark:

Largest Contributors		Largest Detractors	
Stock	Effect on Fund return	Stock	Effect on Fund return
AstraZeneca [#]	0.66%	NVIDIA [^]	(1.10%)
Taiwan Semiconductor [#]	0.52%	LVMH [#]	(0.63%)
Citizens Financial Group [#]	0.51%	Walmart de Mexico [#]	(0.45%)
Philip Morris International [#]	0.49%	Alphabet [^]	(0.44%)
Texas Instruments [#]	0.44%	Diageo [#]	(0.43%)

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

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

During the financial period, the Fund's performance was most negatively impacted by the lack of exposure to NVIDIA, and an overweight to LVMH and Walmart de Mexico. Conversely, being overweight to AstraZeneca, Taiwan Semiconductor and Citizens Financial Group contributed the most to the Fund's performance.

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

Top overweight positions			
31 August 2024		29 February 2024	
Stock	Active Weighting	Stock	Active Weighting
Texas Instrument	2.91%	RELX	2.68%
Accenture	2.75%	Union Pacific Corp	2.48%
AstraZeneca	2.73%	Allegion	2.37%

Top underweight positions			
31 August 2024		29 February 2024	
Stock	Active Weighting	Stock	Active Weighting
NVIDIA	(3.84%)	NVIDIA	(2.79%)
Amazon	(2.18%)	Amazon	(2.34%)
Apple	(1.23%)	Alphabet	(1.17%)

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.

Net Asset Value

At 31 August 2024	Units in Issue	Net Asset Value £000's	Net Asset Value per Unit p
A Income	2,433,253	5,038	207.1
A Accumulation	357,053	1,069	299.5
D Income	24,030,876	54,876	228.4
D Accumulation	6,423,167	21,259	331.0

Distributions Payable for the period to 31 August 2024

Unit Class	Distribution payable on 31.10.2024 Pence per Unit
A Income	1.0000
A Accumulation	1.4348
D Income	1.1017
D Accumulation	1.5774

Operating Charges

Unit Class	1.3.2024 to 31.8.2024	1.3.2023 to 29.2.2024
A Income	1.67%	1.68%
A Accumulation	1.67%	1.69%
D Income	0.93%	0.93%
D Accumulation	0.93%	0.93%

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
ASIA AND PACIFIC – 4.14%; 29.2.2024 5.80%			
EQUITIES – 4.14%; 29.2.2024 5.80%			
Hong Kong – 0.00%; 29.2.2024 0.94%			
Indonesia – 1.08%; 29.2.2024 1.05%			
3,497,000	Bank Rakyat Indonesia Persero	887	1.08
Singapore – 0.00%; 29.2.2024 0.98%			
Taiwan – 3.06%; 29.2.2024 2.83%			
112,000	Taiwan Semiconductor Manufacturing	2,515	3.06
EUROPE – 35.69%; 29.2.2024 35.35%			
EQUITIES – 35.69%; 29.2.2024 35.35%			
Denmark – 2.90%; 29.2.2024 2.93%			
22,462	Novo Nordisk	2,384	2.90
France – 8.25%; 29.2.2024 9.06%			
10,610	Air Liquide	1,507	1.83
4,394	L'Oreal	1,468	1.79
3,574	LVMH Moët Hennessy Louis Vuitton	2,030	2.47
20,841	Sanofi	1,776	2.16
		6,781	8.25
Ireland – 5.09%; 29.2.2024 4.93%			
9,645	Accenture	2,508	3.05
15,891	Allegion	1,678	2.04
		4,186	5.09
Netherlands – 1.52%; 29.2.2024 1.98%			
402,670	Koninklijke KPN	1,252	1.52
Spain – 1.58%; 29.2.2024 0.00%			
160,453	Banco Bilbao Vizcaya Argentaria	1,296	1.58
Switzerland – 4.03%; 29.2.2024 4.33%			
24,951	Nestle	2,037	2.48
2,899	Zurich Insurance	1,278	1.55
		3,315	4.03
United Kingdom – 12.32%; 29.2.2024 12.12%			
19,215	AstraZeneca	2,550	3.10
90,172	BAE Systems	1,229	1.49

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
56,509	Diageo	1,397	1.70
59,085	RELX	2,091	2.54
54,269	Shell	1,467	1.78
874,149	Taylor Wimpey	1,407	1.71
		10,141	12.32
NORTH AMERICA – 60.07%; 29.2.2024 57.72%			
EQUITIES – 60.07%; 29.2.2024 57.72%			
Canada – 1.89%; 29.2.2024 1.94%			
126,451	TELLUS	1,551	1.89
Mexico – 0.00%; 29.2.2024 1.80%			
United States of America – 58.18%; 29.2.2024 53.98%			
13,506	AbbVie	2,017	2.45
11,787	Alphabet	1,465	1.78
9,713	AMETEK	1,264	1.54
14,866	Apple	2,589	3.15
9,717	Applied Materials	1,457	1.77
6,377	Assurant	952	1.16
62,647	Baker Hughes	1,676	2.04
19,995	Charles Schwab	990	1.20
51,628	Citizens Financial	1,690	2.05
23,661	CMS Energy	1,221	1.48
5,826	Home Depot	1,633	1.99
5,504	Hubbell	1,677	2.04
13,379	Intercontinental Exchange	1,644	2.00
9,607	M&T Bank	1,259	1.53
2,150	Mastercard	790	0.96
4,111	Meta Platforms	1,630	1.98
12,516	Microsoft	3,970	4.83
36,590	Mondelez International	1,998	2.43
3,591	Moody's	1,332	1.62
11,225	Oracle	1,207	1.47
24,387	Otis Worldwide	1,756	2.14
17,691	Philip Morris International	1,659	2.02
5,105	Republic Services	809	0.98
6,381	Salesforce	1,228	1.49
16,071	Texas Instruments	2,619	3.18
8,553	Union Pacific	1,666	2.03
14,831	United Parcel Service	1,450	1.76
4,541	UnitedHealth	2,038	2.48
35,482	Williams	1,236	1.50
6,655	Zoetis	929	1.13
		47,851	58.18

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
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COLLECTIVE INVESTMENT

SCHEMES – 0.39%; 29.2.2024 1.47%

Short-term Money Market Funds – 0.39%; 29.2.2024 1.47%

3,176 BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class†	318	0.39
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Portfolio of investments	82,477	100.29
Net other liabilities	(235)	(0.29)
Total net assets	82,242	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.

† 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
Income		
Net capital gains/(losses)	4,656	(1,235)
Revenue	1,252	1,886
Expenses	(415)	(491)
Net revenue before taxation	837	1,395
Taxation	(154)	(176)
Net revenue after taxation	683	1,219
Total return before distributions	5,339	(16)
Distributions	(831)	(1,084)
Change in net assets attributable to unitholders from investment activities	4,508	(1,100)

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
Opening net assets attributable to unitholders	109,328	101,192
Amounts receivable on issue of units	5,900	7,566
Amounts payable on cancellation of units	(37,709)	(5,793)
	(31,809)	1,773
Change in net assets attributable to unitholders from investment activities	4,508	(1,100)
Retained distribution on accumulation units	215	513
Closing net assets attributable to unitholders	82,242	102,378

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	82,477	109,699
Current assets		
– Debtors	239	348
– Cash and bank balances	103	212
Total assets	82,819	110,259
Liabilities:		
Creditors		
– Distributions payable	(289)	(535)
– Other creditors	(288)	(396)
Total liabilities	(577)	(931)
Net assets attributable to unitholders	82,242	109,328

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.

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.

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

BlackRock serves clients in North and South America, Europe, Asia, Australia, Africa, and the Middle East. Headquartered in New York, the firm maintains offices in over 38 countries around the world.

Want to know more?

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