


BlackRock®



Interim report and unaudited financial statements

BlackRock UK Fund

For the six months ended 31 August 2022

NM1122U-2566755-1/19

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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 UK Fund (the "Fund") is a UCITS scheme under the COLL Sourcebook. The Fund was established on 11 November 1993. On 1 May 2003 the Fund changed its name to Merrill Lynch UK 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 164644.

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 Nicholas Little.

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 the shares of larger companies incorporated or listed in the UK.

Comparator benchmark	Investment management approach
FTSE All-Share 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	(8.09)	(1.32)

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 (8.09%) and the active return was (6.77%), very regrettably underperforming its comparator benchmark which returned (1.32%) (active return is the difference between the Fund's return and the comparator benchmark).

Investment Report continued

Equity investors faced a difficult period as markets fell in response to recession fears, supply side inflation shocks, war in Europe and concerns around monetary policy. The UK market provided some relative respite, helped by its bias towards the Natural Resources sectors. COVID-19 continued to have an impact as China enforced strict local shutdowns, compounding the global inventory problems. Central bankers raised rates as inflation surged which caused recession fears. The UK saw notable sterling weakness during the period with economic weakness compounded by political uncertainty.

As concerns around economic growth grew, market performance was led by larger US dollar earners, with the FTSE 100's returns ahead of those from small and medium sized companies.

The strongest sectors have been the energy related sectors and those deemed most defensive as investors continued to grapple with the fear of an economic slowdown. Against this backdrop, many of the largest detractors have been holdings in UK mid-caps which have been aggressively sold, the Manager feels largely regardless of their end exposure as companies.

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
London Stock Exchange [#]	0.44%	Watches of Switzerland [#]	(1.06%)
Anglo American [^]	0.37%	BP [^]	(0.77%)
Nasdaq [#]	0.32%	Gamma Communications [#]	(0.62%)
Prudential Financial [^]	0.25%	Grafton [#]	(0.53%)
Ferguson [^]	0.18%	Learning Technologies [#]	(0.52%)

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

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

Watches of Switzerland has been the largest detractor during the period, which the Manager would attribute to ongoing concerns around the outlook for the consumer. Whilst the outlook for the consumer has deteriorated, the Manager does not see the "cost of living" crisis as a particularly acute problem for high end luxury watches where demand continues to far exceed supply. The company has actually reported strong results and expects to continue growing its network and profits for many years, therefore the Manager does not see a market average multiple as sensible or enduring.

Having performed poorly in 2021 in response to increasing cost guidance related to its Refinitiv integration, shares in London Stock Exchange rose after the company provided a clear update that showed costs are under control and revenue growth is accelerating.

Investment Report continued

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	
Sector	Active Weighting	Sector	Active Weighting
Technology	9.32%	Technology	11.97%
Consumer Discretionary	8.48%	Industrials	7.97%
Industrials	7.04%	Consumer Discretionary	4.74%

Top underweight positions			
31 August 2022		28 February 2022	
Sector	Active Weighting	Sector	Active Weighting
Consumer Staples	(9.38%)	Consumer Staples	(12.46%)
Financials	(8.19%)	Financials	(9.27%)
Energy	(3.92%)	Energy	(3.51%)

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

Acknowledging the heightened levels of uncertainty and recognising that strong numbers aren't translating into instant share price recovery in this market back drop the Manager has been taking steps to control the near-term risk in the Fund by adding to some more defensive names such as AstraZeneca and Unilever; and increasing exposure to Energy through Shell and Banks through HSBC. The Manager does, however, still believe many of the Fund's core holdings are already pricing in very bearish scenarios and the Manager continues to believe the shares offer significant value for the Fund.

Net Asset Value

At 31 August 2022	Units in Issue	Net Asset Value £000's	Net Asset Value per Unit p
A Income	4,055,334	16,381	403.9
A Accumulation	46,647,583	277,298	594.5
X Accumulation	3,489,688	3,711	106.3
D Income	7,416,623	30,237	407.7
D Accumulation	19,627,732	128,122	652.8
S Income	6,848,963	8,914	130.2
S Accumulation	27,457,879	41,837	152.4

Distributions Payable for the period to 31 August 2022

Unit Class	Distribution payable on 31.10.2022 Pence per Unit
A Income	3.9869
A Accumulation	5.8116
X Accumulation	1.9364
D Income	5.6401
D Accumulation	8.9039
S Income	1.8556
S Accumulation	2.1412

Operating Charges

Unit Class	1.3.2022 to 31.8.2022	1.3.2021 to 28.2.2022
A Income	1.66%	1.66%
A Accumulation	1.66%	1.66%
X Accumulation	0.02%	0.02%
D Income	0.91%	0.91%
D Accumulation	0.91%	0.91%
S Income	0.83%	0.83%
S Accumulation	0.83%	0.83%

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 – 100.11%; 28.2.2022 99.05%			
AUSTRALIA – 1.00%; 28.2.2022 2.07%			
Mining – 1.00%; 28.2.2022 2.07%	213,885 BHP	5,076	1.00
IRELAND – 4.79%; 28.2.2022 4.97%			
Commercial Services – 3.57%; 28.2.2022 3.12%	686,637 Experian	18,079	3.57
Retail – 1.22%; 28.2.2022 1.85%	858,946 Grafton	6,190	1.22
UNITED KINGDOM – 79.89%; 28.2.2022 77.90%			
Agriculture – 1.30%; 28.2.2022 0.00%	191,879 British American Tobacco	6,591	1.30
Apparel – 0.00%; 28.2.2022 0.34%			
Banks – 3.34%; 28.2.2022 3.23%	3,202,847 HSBC	16,924	3.34
Beverages – 1.38%; 28.2.2022 1.18%	830,149 Chapel Down 179,084 Diageo	199 6,766	0.04 1.34
		6,965	1.38
Biotechnology – 0.00%; 28.2.2022 0.50%			
Building Materials – 0.65%; 28.2.2022 0.94%	6,672,681 SigmaRoc	3,283	0.65
Chemicals – 2.32%; 28.2.2022 2.48%	174,046 Croda International	11,752	2.32
Commercial Services – 8.59%; 28.2.2022 7.84%	353,103 Ashtead 991,261 RELX 1,128,554 Rentokil Initial	15,046 22,521 5,943	2.97 4.45 1.17
		43,510	8.59
Cosmetics & Personal Care – 2.30%; 28.2.2022 1.20%	297,145 Unilever	11,627	2.30
Distribution & Wholesale – 3.04%; 28.2.2022 0.00%	1,403,338 RS	15,381	3.04
Diversified Financial Services – 5.01%; 28.2.2022 4.95%	94,712 Hargreaves Lansdown ^o 728,993 IntegraFin 279,421 London Stock Exchange	777 1,938 22,711	0.15 0.38 4.48
		25,426	5.01
Electronics – 0.68%; 28.2.2022 4.40%	93,650 Renishaw	3,459	0.68

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Engineering & Construction – 0.00%; 28.2.2022 0.00%			
	437,932 Vitec Global ¹	–	0.00
Food Services – 4.60%; 28.2.2022 0.00%			
	1,256,097 Compass	23,288	4.60
Healthcare Products – 0.00%; 28.2.2022 1.84%			
Home Furnishings – 0.69%; 28.2.2022 1.89%			
	610,100 Howden Joinery	3,519	0.69
Household Products – 1.76%; 28.2.2022 0.45%			
	135,513 Reckitt Benckiser	8,928	1.76
Internet – 8.13%; 28.2.2022 7.59%			
	1,326,480 Auction Technology	10,983	2.17
	7,632,904 Baltic Classifieds	11,434	2.26
	171,916 Future ^o	2,675	0.53
	2,645,545 Rightmove	16,074	3.17
		41,166	8.13
Leisure Time – 0.00%; 28.2.2022 0.00%			
	746,167 Patisserie ¹	–	0.00
Machinery Diversified – 2.55%; 28.2.2022 2.09%			
	120,924 Spirax-Sarco Engineering	12,933	2.55
Mining – 4.79%; 28.2.2022 6.41%			
	506,172 Rio Tinto	24,256	4.79
Oil & Gas Producers – 7.60%; 28.2.2022 6.20%			
	1,695,723 Shell	38,493	7.60
Pharmaceuticals – 8.40%; 28.2.2022 6.59%			
	270,546 AstraZeneca	28,829	5.69
	394,431 Dechra Pharmaceuticals	13,742	2.71
		42,571	8.40
Private Equity – 1.20%; 28.2.2022 1.59%			
	446,245 Intermediate Capital	6,085	1.20
Retail – 7.25%; 28.2.2022 8.15%			
	324,611 Next	18,866	3.73
	2,192,035 Pets at Home	7,050	1.39
	1,372,976 Watches of Switzerland	10,764	2.13
		36,680	7.25
Software – 0.75%; 28.2.2022 3.62%			
	90,377 Aveva ^o	2,516	0.50
	1,109,472 Learning Technologies	1,283	0.25
		3,799	0.75
Telecommunications – 2.70%; 28.2.2022 3.59%			
	2,465,922 BT	3,700	0.73

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
920,002	Gamma Communications	9,954	1.97
		13,654	2.70
Toys, Games & Hobbies – 0.86%; 28.2.2022 0.83%			
61,115	Games Workshop	4,354	0.86
UNITED STATES OF AMERICA – 14.43%; 28.2.2022 14.11%			
Advertising – 0.36%; 28.2.2022 0.52%			
33,696	Trade Desk	1,823	0.36
Commercial Services – 1.45%; 28.2.2022 2.06%			
56,039	Chegg ^Ø	920	0.18
20,979	S&P Global	6,421	1.27
		7,341	1.45
Computers – 2.14%; 28.2.2022 2.66%			
79,225	Apple	10,838	2.14
Diversified Financial Services – 4.74%; 28.2.2022 3.14%			
22,150	Mastercard	6,251	1.23
197,679	Nasdaq	10,134	2.00
129,483	Tradeweb Markets	7,649	1.51
		24,034	4.74
Healthcare Products – 1.17%; 28.2.2022 1.46%			
75,960	Edwards Lifesciences	5,911	1.17

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Miscellaneous Manufacturing – 0.85%; 28.2.2022 0.91%			
42,446	Axon Enterprise ^Ø	4,301	0.85
Software – 3.72%; 28.2.2022 3.36%			
13,843	Intuit	5,163	1.02
52,128	Microsoft	11,800	2.33
6,505	MongoDB	1,849	0.37
		18,812	3.72
COLLECTIVE INVESTMENT SCHEMES – 0.67%; 28.2.2022 1.29%			
Short-term Money Market Funds – 0.67%; 28.2.2022 1.29%			
34,149	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class [†]	3,413	0.67
Portfolio of investments		510,462	100.78
Net other liabilities		(3,963)	(0.78)
Total net assets		506,499	100.00

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

¹ Security fair valued by Manager at zero.

^Ø 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 2022

	31.8.2022	31.8.2021
£000's	£000's	£000's
Income		
Net capital (losses)/gains	(44,245)	83,849
Revenue	9,574	10,213
Expenses	(3,570)	(4,022)
Net revenue before taxation	6,004	6,191
Taxation	(31)	(24)
Net revenue after taxation	5,973	6,167
Total return before distributions	(38,272)	90,016
Distributions	(5,973)	(6,167)
Change in net assets attributable to unitholders from investment activities	(44,245)	83,849

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
Opening net assets attributable to unitholders	566,002	563,153
Amounts receivable on issue of units	24,699	42,165
Amounts payable on cancellation of units	(45,071)	(41,904)
	(20,372)	261
Change in net assets attributable to unitholders from investment activities	(44,245)	83,849
Retained distribution on accumulation units	5,114	5,356
Closing net assets attributable to unitholders	506,499	652,619

The above statement shows the comparative closing net assets at 31 August 2021 whereas the current accounting period commenced 1 March 2022.

Balance Sheet (unaudited)

at 31 August 2022

	31.8.2022	28.2.2022
	£000's	£000's
Assets:		
Fixed assets		
– Investment assets	510,462	567,903
Current assets		
– Debtors	3,160	1,770
– Cash and bank balances	–	828
Total assets	513,622	570,501
Liabilities:		
Creditors		
– Bank overdrafts	(1,851)	–
– Distributions payable	(707)	(195)
– Other creditors	(4,565)	(4,304)
Total liabilities	(7,123)	(4,499)
Net assets attributable to unitholders	506,499	566,002

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, the Prospectus, as amended from time to time, and the ESMA Guidelines (as adopted by the FCA), employ techniques and instruments relating to transferable securities. These include repurchases/reverse repurchase transactions ("repo transactions") and securities lending, provided that such techniques and instruments are used for efficient portfolio management purposes.

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
1.53	1.44	7

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.

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 £000's	Collateral received £000's
Barclays Capital Securities Limited	UK	364	433
Goldman Sachs International	UK	2,291	2,457
Morgan Stanley & Co. International Plc	UK	2,549	2,685
Société Générale SA	France	1,123	1,252
UBS AG	Switzerland	977	1,075
Total		7,304	7,902

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, as at 31 August 2022.

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				
AUD	–	–	12	–
CAD	8	–	133	–
CHF	–	–	61	–
CNY	–	–	268	–
DKK	–	–	3	–
EUR	–	–	2,860	–
GBP	–	–	525	–
HKD	–	–	39	–
JPY	–	–	707	–
NOK	–	–	2	–
SEK	–	–	6	–
SGD	–	–	5	–
USD	–	–	3,273	–
Total	8	–	7,894	–

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	–	1	488	3	3,523	–	4,015
Equities							
Recognised equity index	–	–	–	–	–	3,843	3,843
ETFs							
UCITS	–	–	–	–	–	7	7
Non-UCITS	–	–	–	–	–	29	29
Total	–	1	488	3	3,523	3,879	7,894

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.

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
Morgan Stanley & Co. International Plc	2,685	0.53
Goldman Sachs International	2,457	0.49
Société Générale SA	1,252	0.25
UBS AG	1,075	0.21
Barclays Capital Securities Limited	425	0.08
Total	7,894	1.56

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