

# **BlackRock**



## **Interim report and unaudited financial statements**

BlackRock US Mid-Cap Value Fund

For the six months ended 31 August 2024

NM1024U-3987938-1/21

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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\*  
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.

## Investment Adviser

BlackRock Investment Management, LLC  
1 University Square Drive, Princeton NJ 08540, United States

Regulated by the Securities and Exchange Commission.

## 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  
Telephone: 020 7743 3000  
Dealing and Investor Services: 0800 44 55 22  
[www.blackrock.co.uk](http://www.blackrock.co.uk)

**For your protection, telephone calls are usually recorded.**

\* Non-executive Director.

## About the Fund

BlackRock US Mid-Cap Value Fund (the "Fund") is a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 29 September 1972. The Fund was first known as Rowan American Fund. It was renamed Mercury American Smaller Companies Fund and the investment objective changed on 5 May 1987. On 26 March 1992 the Fund's name was changed to Mercury American Opportunities Fund and the investment objective changed. With effect from 30 September 2000, the Fund was renamed Merrill Lynch American Opportunities Fund. It was renamed Merrill Lynch US Opportunities Fund and the investment objective changed on 1 October 2006. The Fund was renamed as the BlackRock US Opportunities Fund with effect from 28 April 2008. The Fund adopted its present name and the investment objective changed on 18 December 2023. The Fund's FCA product reference number is 108383.

### Assessment of value

The FCA requires UK fund managers to complete an annual assessment of whether their UK authorised funds provide value for investors. Our assessment considers fund and unit class level performance, costs and charges, and service quality, concluding with an evaluation of whether investors receive value. BlackRock has fulfilled its obligations for the reporting requirement, including assessing relevant charges, and published the annual assessment of value statements on the BlackRock website on 30 October 2023 in a composite report for all funds managed by BlackRock Fund Managers Limited subject to these requirements. The next annual assessment is due for publication by the end of October 2024.

### Task Force on Climate-Related Financial Disclosures

The Manager has produced a supplemental detailed Climate Report which can be found on BlackRock's website [www.blackrock.com/uk/literature/public-disclosure/tcfd-product-level-disclosure-report-bibf.pdf](http://www.blackrock.com/uk/literature/public-disclosure/tcfd-product-level-disclosure-report-bibf.pdf) which is a response to, and is consistent with, all the recommendations and relevant recommended disclosures of the Task Force on Climate-related Financial Disclosures (TCFD). These disclosures describe how the Manager incorporates climate-related risks and opportunities into governance, strategy, risk management, metrics and targets and how the Manager is responding to the expectations of our stakeholders.

## Fund Managers

As at 31 August 2024, the Fund Managers were Tony DeSpirito and David Zhao.

## 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.

## Risk and Reward Profile

| Unit Class     | Lower risk<br>Typically lower rewards<br>← |   |   |   |   | 6 | Higher risk<br>Typically higher rewards<br>→ |   |
|----------------|--|---|---|---|---|---|--|---|
| A Income       | 1  | 2 | 3 | 4 | 5 | 6 |  | 7 |
| A Accumulation | 1  | 2 | 3 | 4 | 5 | 6 |  | 7 |
| X Accumulation | 1  | 2 | 3 | 4 | 5 | 6 |  | 7 |
| D Income       | 1  | 2 | 3 | 4 | 5 | 6 |  | 7 |
| D Accumulation | 1  | 2 | 3 | 4 | 5 | 6 |  | 7 |

- The risk indicator was calculated incorporating historical or simulated historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed and may change over time.
- The lowest category does not mean risk free.

For more information on this, please see the Fund's Key Investor Information Documents ("KIIDs"), which are available at [www.blackrock.com](http://www.blackrock.com).

# 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 shares of medium sized companies incorporated or listed in the United States.

| Comparator benchmark        | Investment management approach |
|-----------------------------|--------------------------------|
| Russell Midcap® Value 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 | 5.07          | 5.35                   |

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 5.07% and the active return was (0.28%), underperforming its comparator benchmark which returned 5.35% (active return is the difference between the Fund's return and the comparator benchmark return).

The S&P 500 Index returned 11.59% (USD) over the period. U.S. stocks continued to rally higher despite anxiety as it related to recession risks, persistent inflation, and the uncertain forward path for monetary policy. The valuation multiple for large-cap U.S. equities expanded on strong corporate earnings results, prospects for a resilient job market to sustain consumer spending and economic growth, and generative artificial intelligence ("AI") enthusiasm. Central bank commentary also boosted investor sentiment, particularly in the third quarter of 2024, as the Federal Reserve (the "Fed") officials signaled likely interest rate cuts by the end of 2024.

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                  |                       |
|-------------------------------------|-----------------------|-------------------------------------|-----------------------|
| Sector                              | Effect on Fund return | Sector                              | Effect on Fund return |
| Industrials <sup>^</sup>            | 1.04%                 | Consumer Discretionary <sup>#</sup> | (0.83%)               |
| Materials <sup>^</sup>              | 0.96%                 | Health Care <sup>#</sup>            | (0.74%)               |
| Information Technology <sup>^</sup> | 0.79%                 | Real Estate <sup>^</sup>            | (0.61%)               |
| Communication Services <sup>#</sup> | 0.77%                 | Consumer Staples <sup>#</sup>       | (0.33%)               |
|                                     |                       | Financials <sup>^</sup>             | (0.24%)               |

<sup>^</sup> Underweight position - holds less exposure than the comparator benchmark.

<sup>#</sup> Overweight position - holds more exposure than the comparator benchmark.



# Investment Manager's Report continued

During the period, the largest detractor to relative performance came from stock selection in the consumer discretionary sector, especially due to an overweight allocation to textiles and apparel. On the other hand, the largest contributor to relative performance came from stock selection in the industrials sector, specifically in professional services. It is important to note that only four sectors contributed to the Fund's relative performance.

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       |                  |
| Sector                   | Active Weighting | Sector                 | Active Weighting |
| Health Care              | 4.60%            | Health Care            | 5.21%            |
| Communication Services   | 2.52%            | Consumer Staples       | 4.25%            |
| Consumer Staples         | 1.83%            | Consumer Discretionary | 3.26%            |

| Top underweight positions |                  |                  |                  |
|---------------------------|------------------|------------------|------------------|
| 31 August 2024            |                  | 29 February 2024 |                  |
| Sector                    | Active Weighting | Sector           | Active Weighting |
| Real Estate               | (7.73%)          | Real Estate      | (7.60%)          |
| Financials                | (2.85%)          | Industrials      | (5.01%)          |
| Consumer Discretionary    | (1.73%)          | Materials        | (1.82%)          |

Where the Fund is underweight to a sector, the return from such sector will have an opposite effect on the Fund's active return. This may result in a sector 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<br>£000's | Net Asset Value<br>per Unit<br>p |
|-------------------|----------------|---------------------------|----------------------------------|
| A Income          | 53,170         | 916                       | 1,723                            |
| A Accumulation    | 566,952        | 10,137                    | 1,788                            |
| X Accumulation    | 14,864,903     | 30,724                    | 206.7                            |
| D Income          | 551,265        | 9,950                     | 1,805                            |
| D Accumulation    | 3,582,212      | 70,873                    | 1,978                            |

## 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<br>to 31.8.2024 | 1.3.2023<br>to 29.2.2024 |
|----------------|--------------------------|--------------------------|
| A Income       | 1.64%                    | 1.64%                    |
| A Accumulation | 1.64%                    | 1.64%                    |
| X Accumulation | 0.04%                    | 0.04%                    |
| D Income       | 0.89%                    | 0.89%                    |
| D Accumulation | 0.89%                    | 0.89%                    |

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<br>£000's | % of Total Net Assets |
|---|--------------------|------------------------|-----------------------|
| <b>EQUITIES – 96.69%; 29.2.2024 96.26%</b>                          |                    |                        |                       |
| <b>AUSTRALIA – 0.00%; 29.2.2024 0.49%</b>                           |                    |                        |                       |
| <b>Oil &amp; Gas Producers – 0.00%; 29.2.2024 0.49%</b>             |                    |                        |                       |
| <b>CANADA – 3.54%; 29.2.2024 2.74%</b>                              |                    |                        |                       |
| <b>Apparel – 0.34%; 29.2.2024 0.36%</b>                             |                    |                        |                       |
| 11,971  | Gildan Activewear  | 416                    | 0.34                  |
| <b>Coal – 0.49%; 29.2.2024 0.00%</b>                                |                    |                        |                       |
| 16,720  | Teck Resources     | 604                    | 0.49                  |
| <b>Mining – 0.51%; 29.2.2024 0.48%</b>                              |                    |                        |                       |
| 41,102  | Barrick Gold       | 631                    | 0.51                  |
| <b>Oil &amp; Gas Producers – 1.50%; 29.2.2024 1.61%</b>             |                    |                        |                       |
| 59,547  | Suncor Energy      | 1,837                  | 1.50                  |
| <b>Private Equity – 0.70%; 29.2.2024 0.29%</b>                      |                    |                        |                       |
| 16,335  | Onex               | 864                    | 0.70                  |
| <b>DENMARK – 0.24%; 29.2.2024 0.25%</b>                             |                    |                        |                       |
| <b>Transportation – 0.24%; 29.2.2024 0.25%</b>                      |                    |                        |                       |
| 260   | AP Moller - Maersk | 295                    | 0.24                  |
| <b>FRANCE – 0.39%; 29.2.2024 0.50%</b>                              |                    |                        |                       |
| <b>Beverages – 0.39%; 29.2.2024 0.50%</b>                           |                    |                        |                       |
| 4,409   | Pernod Ricard      | 478                    | 0.39                  |
| <b>GERMANY – 1.49%; 29.2.2024 2.01%</b>                             |                    |                        |                       |
| <b>Aerospace &amp; Defence – 0.00%; 29.2.2024 0.49%</b>             |                    |                        |                       |
| <b>Household Products – 0.71%; 29.2.2024 0.78%</b>                  |                    |                        |                       |
| 12,472  | Henkel             | 869                    | 0.71                  |
| <b>Pharmaceuticals – 0.78%; 29.2.2024 0.74%</b>                     |                    |                        |                       |
| 40,765  | Bayer              | 957                    | 0.78                  |
| <b>HONG KONG – 0.73%; 29.2.2024 0.80%</b>                           |                    |                        |                       |
| <b>Insurance – 0.73%; 29.2.2024 0.80%</b>                           |                    |                        |                       |
| 137,417   | Prudential         | 896                    | 0.73                  |
| <b>IRELAND – 3.02%; 29.2.2024 1.79%</b>                             |                    |                        |                       |
| <b>Automobile Parts &amp; Equipment – 1.22%; 29.2.2024 0.71%</b>    |                    |                        |                       |
| 27,516  | Aptiv              | 1,497                  | 1.22                  |
| <b>Electronics – 1.08%; 29.2.2024 1.08%</b>                         |                    |                        |                       |
| 12,475  | Allegion           | 1,318                  | 1.08                  |
| <b>Healthcare Services – 0.72%; 29.2.2024 0.00%</b>                 |                    |                        |                       |
| 3,617   | ICON               | 885                    | 0.72                  |
| <b>JAPAN – 0.45%; 29.2.2024 1.66%</b>                               |                    |                        |                       |
| <b>Home Furnishings – 0.00%; 29.2.2024 0.61%</b>                    |                    |                        |                       |
| <b>Machinery Construction &amp; Mining – 0.45%; 29.2.2024 1.05%</b> |                    |                        |                       |
| 26,200  | Komatsu            | 554                    | 0.45                  |

| Holding or Nominal Value   | Investment                                | Market Value<br>£000's | % of Total Net Assets |
|--|---|------------------------|-----------------------|
| <b>NETHERLANDS – 0.98%; 29.2.2024 1.05%</b>                      |   |                        |                       |
| <b>Healthcare Products – 0.98%; 29.2.2024 1.05%</b>              |   |                        |                       |
| 29,063   | Koninklijke Philips                       | 667                    | 0.54                  |
| 23,654   | Koninklijke Philips                       | 542                    | 0.44                  |
|  |   | <b>1,209</b>           | <b>0.98</b>           |
| <b>NORWAY – 0.50%; 29.2.2024 0.00%</b>                           |   |                        |                       |
| <b>Mining – 0.50%; 29.2.2024 0.00%</b>                           |   |                        |                       |
| 142,966  | Norsk Hydro                               | 610                    | 0.50                  |
| <b>SPAIN – 0.46%; 29.2.2024 0.00%</b>                            |   |                        |                       |
| <b>Cosmetics &amp; Personal Care – 0.46%; 29.2.2024 0.00%</b>    |   |                        |                       |
| 26,460   | Puig Brands                               | 564                    | 0.46                  |
| <b>SWITZERLAND – 1.01%; 29.2.2024 1.00%</b>                      |   |                        |                       |
| <b>Retail – 1.01%; 29.2.2024 1.00%</b>                           |   |                        |                       |
| 7,733  | Swatch <sup>0</sup>                       | 1,233                  | 1.01                  |
| <b>UNITED KINGDOM – 5.30%; 29.2.2024 4.64%</b>                   |   |                        |                       |
| <b>Advertising – 0.97%; 29.2.2024 0.21%</b>                      |   |                        |                       |
| 163,643  | WPP <sup>0</sup>                          | 1,185                  | 0.97                  |
| <b>Agriculture – 1.72%; 29.2.2024 1.48%</b>                      |   |                        |                       |
| 73,756   | British American Tobacco ADR <sup>0</sup> | 2,107                  | 1.72                  |
| <b>Insurance – 0.98%; 29.2.2024 1.00%</b>                        |   |                        |                       |
| 5,406  | Willis Towers Watson                      | 1,202                  | 0.98                  |
| <b>Machinery Diversified – 0.57%; 29.2.2024 0.72%</b>            |   |                        |                       |
| 89,207   | CNH Industrial                            | 703                    | 0.57                  |
| <b>Oil &amp; Gas Producers – 0.59%; 29.2.2024 0.66%</b>          |   |                        |                       |
| 27,899   | BP ADR                                    | 721                    | 0.59                  |
| <b>Telecommunications – 0.47%; 29.2.2024 0.57%</b>               |   |                        |                       |
| 772,153  | Vodafone                                  | 574                    | 0.47                  |
| <b>UNITED STATES OF AMERICA – 78.58%; 29.2.2024 79.33%</b>       |   |                        |                       |
| <b>Advertising – 0.00%; 29.2.2024 0.06%</b>                      |   |                        |                       |
| <b>Aerospace &amp; Defence – 2.10%; 29.2.2024 2.23%</b>          |   |                        |                       |
| 14,277   | L3Harris Technologies                     | 2,569                  | 2.10                  |
| <b>Apparel – 0.72%; 29.2.2024 2.34%</b>                          |   |                        |                       |
| 28,188   | Tapestry                                  | 879                    | 0.72                  |
| <b>Automobile Manufacturers – 1.64%; 29.2.2024 2.28%</b>         |   |                        |                       |
| 53,079   | General Motors                            | 2,009                  | 1.64                  |
| <b>Automobile Parts &amp; Equipment – 0.00%; 29.2.2024 1.49%</b> |   |                        |                       |
| <b>Banks – 3.97%; 29.2.2024 4.32%</b>                            |   |                        |                       |
| 7,580  | Citigroup                                 | 361                    | 0.29                  |
| 4,290  | Citigroup                                 | 204                    | 0.17                  |
| 32,191   | Citizens Financial                        | 1,054                  | 0.86                  |

# Portfolio Statement (unaudited) continued

| Holding or Nominal Value  | Investment                         | Market Value<br>£000's | % of Total Net Assets |
|---|------------------------------------|------------------------|-----------------------|
| 2,103   | First Citizens BancShares          | 3,249                  | 2.65                  |
|   |                                    | <b>4,868</b>           | <b>3.97</b>           |
| <b>Beverages – 0.85%; 29.2.2024 0.92%</b>                             |                                    |                        |                       |
| 37,325  | Keurig Dr Pepper                   | 1,039                  | 0.85                  |
| <b>Building Materials – 1.17%; 29.2.2024 1.03%</b>                    |                                    |                        |                       |
| 25,783  | Johnson Controls International     | 1,429                  | 1.17                  |
| <b>Chemicals – 1.34%; 29.2.2024 1.94%</b>                             |                                    |                        |                       |
| 3,082   | Air Products and Chemicals         | 654                    | 0.53                  |
| 12,559  | International Flavors & Fragrances | 994                    | 0.81                  |
|   |                                    | <b>1,648</b>           | <b>1.34</b>           |
| <b>Commercial Services – 1.34%; 29.2.2024 1.26%</b>                   |                                    |                        |                       |
| 179,431   | Dun & Bradstreet <sup>o</sup>      | 1,637                  | 1.34                  |
| <b>Computers – 7.20%; 29.2.2024 8.11%</b>                             |                                    |                        |                       |
| 36,379  | Cognizant Technology Solutions     | 2,152                  | 1.76                  |
| 23,915  | Genpact <sup>o</sup>               | 714                    | 0.58                  |
| 83,369  | HP                                 | 2,295                  | 1.87                  |
| 10,557  | Leidos                             | 1,273                  | 1.04                  |
| 47,865  | Western Digital                    | 2,387                  | 1.95                  |
|   |                                    | <b>8,821</b>           | <b>7.20</b>           |
| <b>Diversified Financial Services – 1.01%; 29.2.2024 1.80%</b>        |                                    |                        |                       |
| 6,283   | Discover Financial Services        | 663                    | 0.54                  |
| 10,673  | Voya Financial                     | 575                    | 0.47                  |
|   |                                    | <b>1,238</b>           | <b>1.01</b>           |
| <b>Electrical Components &amp; Equipment – 0.35%; 29.2.2024 0.52%</b> |                                    |                        |                       |
| 2,199   | Acuity Brands <sup>o</sup>         | 426                    | 0.35                  |
| <b>Electricity – 7.51%; 29.2.2024 6.51%</b>                           |                                    |                        |                       |
| 15,606  | American Electric Power            | 1,191                  | 0.97                  |
| 28,193  | Dominion Energy <sup>o</sup>       | 1,199                  | 0.98                  |
| 14,450  | Edison International               | 956                    | 0.78                  |
| 14,740  | Entergy                            | 1,353                  | 1.10                  |
| 39,386  | Exelon                             | 1,141                  | 0.93                  |
| 96,074  | PG&E                               | 1,439                  | 1.17                  |
| 4,520   | Public Service Enterprise          | 278                    | 0.23                  |
| 26,493  | Sempra <sup>o</sup>                | 1,656                  | 1.35                  |
|   |                                    | <b>9,213</b>           | <b>7.51</b>           |
| <b>Electronics – 4.93%; 29.2.2024 2.53%</b>                           |                                    |                        |                       |
| 35,148  | Avnet <sup>o</sup>                 | 1,475                  | 1.20                  |
| 35,832  | Flex                               | 886                    | 0.72                  |
| 17,288  | Fortive                            | 979                    | 0.80                  |
| 3,824   | Jabil                              | 318                    | 0.26                  |
| 8,400   | Keysight Technologies              | 985                    | 0.80                  |

| Holding or Nominal Value                                 | Investment                                | Market Value<br>£000's | % of Total Net Assets |
|--|---|------------------------|-----------------------|
| 48,059   | Sensata Technologies <sup>o</sup>         | 1,410                  | 1.15                  |
|  |   | <b>6,053</b>           | <b>4.93</b>           |
| <b>Food Producers – 2.39%; 29.2.2024 2.07%</b>           |   |                        |                       |
| 86,364   | Kraft Heinz                               | 2,328                  | 1.90                  |
| 12,783   | Lamb Weston <sup>o</sup>                  | 602                    | 0.49                  |
|  |   | <b>2,930</b>           | <b>2.39</b>           |
| <b>Hand &amp; Machine Tools – 0.53%; 29.2.2024 0.00%</b> |   |                        |                       |
| 8,349  | Stanley Black & Decker <sup>o</sup>       | 650                    | 0.53                  |
| <b>Healthcare Products – 3.47%; 29.2.2024 3.40%</b>      |   |                        |                       |
| 38,511   | Avantor <sup>o</sup>                      | 757                    | 0.62                  |
| 100,306  | Baxter International <sup>o</sup>         | 2,895                  | 2.36                  |
| 2,492  | Repligen <sup>o</sup>                     | 286                    | 0.23                  |
| 1,353  | West Pharmaceutical Services <sup>o</sup> | 323                    | 0.26                  |
|  |   | <b>4,261</b>           | <b>3.47</b>           |
| <b>Healthcare Services – 3.20%; 29.2.2024 3.53%</b>      |   |                        |                       |
| 1,709  | Charles River Laboratories International  | 257                    | 0.21                  |
| 45,779   | Fortrea <sup>o</sup>                      | 803                    | 0.65                  |
| 17,540   | Fulgent Genetics <sup>o</sup>             | 301                    | 0.25                  |
| 2,351  | Humana                                    | 634                    | 0.52                  |
| 10,988   | Labcorp                                   | 1,922                  | 1.57                  |
|  |   | <b>3,917</b>           | <b>3.20</b>           |
| <b>Housewares – 0.00%; 29.2.2024 0.38%</b>               |   |                        |                       |
| <b>Insurance – 3.59%; 29.2.2024 4.04%</b>                |   |                        |                       |
| 26,478   | American International                    | 1,552                  | 1.27                  |
| 3,931  | Assurant <sup>o</sup>                     | 587                    | 0.48                  |
| 35,070   | Fidelity National Financial               | 1,573                  | 1.28                  |
| 6,394  | First American Financial                  | 310                    | 0.25                  |
| 4,777  | Globe Life                                | 382                    | 0.31                  |
|  |   | <b>4,404</b>           | <b>3.59</b>           |
| <b>Internet – 1.29%; 29.2.2024 0.00%</b>                 |   |                        |                       |
| 69,171   | Lyft                                      | 614                    | 0.50                  |
| 7,784  | Reddit                                    | 355                    | 0.29                  |
| 23,037   | Yelp                                      | 612                    | 0.50                  |
|  |   | <b>1,581</b>           | <b>1.29</b>           |
| <b>Investment Companies – 1.19%; 29.2.2024 1.39%</b>     |   |                        |                       |
| 95,673   | Cannae <sup>o</sup>                       | 1,456                  | 1.19                  |
| <b>Iron &amp; Steel – 1.20%; 29.2.2024 0.00%</b>         |   |                        |                       |
| 51,259   | United States Steel                       | 1,476                  | 1.20                  |
| <b>Lodging – 0.52%; 29.2.2024 0.52%</b>                  |   |                        |                       |
| 21,387   | Las Vegas Sands                           | 634                    | 0.52                  |

# Portfolio Statement (unaudited) continued

| Holding or Nominal Value  | Investment                          | Market Value<br>£000's | % of Total Net Assets |
|---|-------------------------------------|------------------------|-----------------------|
| <b>Machinery Diversified – 1.48%; 29.2.2024 1.34%</b>           |                                     |                        |                       |
| 14,060  | Westinghouse Air Brake Technologies | 1,814                  | 1.48                  |
| <b>Media – 1.40%; 29.2.2024 1.40%</b>                           |                                     |                        |                       |
| 35,532  | Fox                                 | 1,118                  | 0.91                  |
| 100,210   | Warner Bros Discovery <sup>0</sup>  | 598                    | 0.49                  |
|   |                                     | <b>1,716</b>           | <b>1.40</b>           |
| <b>Mining – 0.00%; 29.2.2024 0.43%</b>                          |                                     |                        |                       |
| <b>Office &amp; Business Equipment – 0.00%; 29.2.2024 1.19%</b> |                                     |                        |                       |
| <b>Oil &amp; Gas Producers – 2.17%; 29.2.2024 1.46%</b>         |                                     |                        |                       |
| 11,949  | Hess                                | 1,255                  | 1.02                  |
| 381,117   | Kosmos Energy <sup>0</sup>          | 1,412                  | 1.15                  |
|   |                                     | <b>2,667</b>           | <b>2.17</b>           |
| <b>Packaging &amp; Containers – 2.71%; 29.2.2024 2.77%</b>      |                                     |                        |                       |
| 17,164  | Crown                               | 1,180                  | 0.96                  |
| 80,798  | Sealed Air                          | 2,147                  | 1.75                  |
|   |                                     | <b>3,327</b>           | <b>2.71</b>           |
| <b>Pharmaceuticals – 4.53%; 29.2.2024 2.97%</b>                 |                                     |                        |                       |
| 40,340  | Cardinal Health                     | 3,460                  | 2.82                  |
| 48,128  | CVS Health                          | 2,095                  | 1.71                  |
|   |                                     | <b>5,555</b>           | <b>4.53</b>           |
| <b>Pipelines – 0.99%; 29.2.2024 1.17%</b>                       |                                     |                        |                       |
| 4,304   | Cheniere Energy                     | 606                    | 0.49                  |
| 37,199  | Kinder Morgan                       | 610                    | 0.50                  |
|   |                                     | <b>1,216</b>           | <b>0.99</b>           |
| <b>Private Equity – 0.05%; 29.2.2024 0.76%</b>                  |                                     |                        |                       |
| 1,958   | Carlyle                             | 60                     | 0.05                  |
| <b>Real Estate Investment Trusts – 2.44%; 29.2.2024 2.34%</b>   |                                     |                        |                       |
| 18,649  | Crown Castle                        | 1,589                  | 1.30                  |
| 8,815   | Mid-America Apartment Communities   | 1,090                  | 0.89                  |
| 10,051  | STAG Industrial                     | 310                    | 0.25                  |
|   |                                     | <b>2,989</b>           | <b>2.44</b>           |

| Holding or Nominal Value                                  | Investment                             | Market Value<br>£000's | % of Total Net Assets |
|---|--|------------------------|-----------------------|
| <b>Retail – 1.40%; 29.2.2024 3.38%</b>                    |  |                        |                       |
| 6,330   | Advance Auto Parts <sup>0</sup>        | 218                    | 0.18                  |
| 7,274   | Dollar General <sup>0</sup>            | 459                    | 0.37                  |
| 16,293  | Dollar Tree                            | 1,047                  | 0.85                  |
|   |  | <b>1,724</b>           | <b>1.40</b>           |
| <b>Semiconductors – 0.54%; 29.2.2024 0.00%</b>            |  |                        |                       |
| 11,142  | ON Semiconductor <sup>0</sup>          | 660                    | 0.54                  |
| <b>Shipbuilding – 0.00%; 29.2.2024 0.33%</b>              |  |                        |                       |
| <b>Software – 6.13%; 29.2.2024 4.64%</b>                  |  |                        |                       |
| 15,668  | Electronic Arts                        | 1,809                  | 1.48                  |
| 36,860  | Fidelity National Information Services | 2,311                  | 1.89                  |
| 52,554  | SS&C Technologies <sup>0</sup>         | 3,002                  | 2.45                  |
| 2,302   | Veeva Systems                          | 379                    | 0.31                  |
|   |  | <b>7,501</b>           | <b>6.13</b>           |
| <b>Telecommunications – 1.20%; 29.2.2024 0.55%</b>        |  |                        |                       |
| 16,266  | Ciena <sup>0</sup>                     | 713                    | 0.58                  |
| 42,617  | Telephone and Data Systems             | 765                    | 0.62                  |
|   |  | <b>1,478</b>           | <b>1.20</b>           |
| <b>Textiles – 0.00%; 29.2.2024 0.00%</b>                  |  |                        |                       |
| 33,800  | Coated Sales Com Usd <sup>1</sup>      | –                      | 0.00                  |
| <b>Toys, Games &amp; Hobbies – 2.03%; 29.2.2024 1.93%</b> |  |                        |                       |
| 30,961  | Hasbro                                 | 1,605                  | 1.31                  |
| 60,828  | Mattel <sup>0</sup>                    | 878                    | 0.72                  |
|   |  | <b>2,483</b>           | <b>2.03</b>           |
| <b>Portfolio of investments</b>                           |  | <b>118,537</b>         | <b>96.69</b>          |
| Net other assets  |  | 4,063                  | 3.31                  |
| <b>Total net assets</b>                                   |  | <b>122,600</b>         | <b>100.00</b>         |

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

<sup>1</sup> These securities were valued in consultation with the Manager. These securities were fair valued or suspended at financial period end.

<sup>0</sup> All or a portion of this investment represents a security on loan.

## 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)   |        | 6,071        |        | (6,767)        |
| Revenue  | 1,670  |              | 1,845  |                |
| Expenses   | (469)  |              | (533)  |                |
| Net revenue before taxation  | 1,201  |              | 1,312  |                |
| Taxation   | (179)  |              | (210)  |                |
| Net revenue after taxation   |        | 1,022        |        | 1,102          |
| Total return before distributions  |        | 7,093        |        | (5,665)        |
| <b>Change in net assets attributable to unitholders from investment activities</b> |        | <b>7,093</b> |        | <b>(5,665)</b> |

## 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         |
| <b>Opening net assets attributable to unitholders</b>                       |          | 124,505        |          | 149,261        |
| Amounts receivable on issue of units  | 12,057   |                | 17,001   |                |
| Amounts payable on cancellation of units                                    | (21,055) |                | (34,325) |                |
|   |          | (8,998)        |          | (17,324)       |
| Change in net assets attributable to unitholders from investment activities |          | 7,093          |          | (5,665)        |
| <b>Closing net assets attributable to unitholders</b>                       |          | <b>122,600</b> |          | <b>126,272</b> |

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         |
| <b>Assets:</b>                                |                |                |
| Fixed assets                                  |                |                |
| – Investment assets                           | 118,537        | 119,854        |
| Current assets                                |                |                |
| – Debtors                                     | 396            | 725            |
| – Cash and bank balances                      | 4,217          | 5,615          |
| <b>Total assets</b>                           | <b>123,150</b> | <b>126,194</b> |
| <b>Liabilities:</b>                           |                |                |
| Creditors                                     |                |                |
| – Distributions payable                       | –              | (132)          |
| – Other creditors                             | (550)          | (1,557)        |
| <b>Total liabilities</b>                      | <b>(550)</b>   | <b>(1,689)</b> |
| <b>Net assets attributable to unitholders</b> | <b>122,600</b> | <b>124,505</b> |

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, 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 2024 and the income earned 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.

| Securities on loan   |          |                      |
|----------------------|----------|----------------------|
| % of lendable assets | % of NAV | Income earned £000's |
| 18.79                | 18.01    | 9                    |

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 2024.

| Counterparty                 | Counterparty's country of establishment | Securities Lending |                     |
|------------------------------|---|--------------------|---------------------|
|                              |   | Amount on loan     | Collateral received |
|                              |   | £000's             | £000's              |
| BNP Paribas                  | France                                  | 13,822             | 14,569              |
| HSBC Bank                    | UK                                      | 1,115              | 1,228               |
| J.P. Morgan Securities Plc   | UK                                      | 2,047              | 2,224               |
| Morgan Stanley International | UK                                      | 634                | 669                 |
| UBS                          | Switzerland                             | 4,467              | 5,044               |
| <b>Total</b>                 |   | <b>22,085</b>      | <b>23,734</b>       |

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 2024.

| Currency                               | Cash<br>collateral<br>received<br>£000's | Cash<br>collateral<br>posted<br>£000's | Non-cash<br>collateral<br>received<br>£000's | Non-cash<br>collateral<br>posted<br>£000's |
|--|--|--|--|--|
| <b>Securities lending transactions</b> |  |  |  |  |
| AUD                                    | –  | –                                      | 11   | –  |
| CAD                                    | –  | –                                      | 413  | –  |
| CHF                                    | –  | –                                      | 358  | –  |
| CNY                                    | –  | –                                      | 13   | –  |
| EUR                                    | –  | –                                      | 1,222  | –  |
| GBP                                    | –  | –                                      | 259  | –  |
| HKD                                    | –  | –                                      | 34   | –  |
| JPY                                    | –  | –                                      | 5,064  | –  |
| SGD                                    | –  | –                                      | 92   | –  |
| USD                                    | –  | –                                      | 16,268                                       | –  |
| <b>Total</b>                           | <b>–</b>                                 | <b>–</b>                               | <b>23,734</b>                                | <b>–</b>                                   |

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

## Supplementary Information continued

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received/posted by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions, 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        |
| <b>Collateral received - securities lending</b> |                |             |              |               |                    |                   |               |
| <b>Fixed income</b>                             |                |             |              |               |                    |                   |               |
| Investment grade                                | –              | –           | 251          | 413           | 1,152              | –                 | <b>1,816</b>  |
| <b>Equities</b>                                 |                |             |              |               |                    |                   |               |
| Recognised equity index                         | –              | –           | –            | –             | –                  | 20,148            | <b>20,148</b> |
| <b>ETFs</b>                                     |                |             |              |               |                    |                   |               |
| UCITS   | –              | –           | –            | –             | –                  | 2                 | <b>2</b>      |
| Non-UCITS                                       | –              | –           | –            | –             | –                  | 1,768             | <b>1,768</b>  |
| <b>Total</b>                                    | <b>–</b>       | <b>–</b>    | <b>251</b>   | <b>413</b>    | <b>1,152</b>       | <b>21,918</b>     | <b>23,734</b> |

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 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 2024.

| Issuer                  | Value<br>£000's | % of the Fund's NAV |
|-------------------------|-----------------|---------------------|
| Ishares Core Sp 500 Etf | 1,519           | 1.24                |
| Ross Stores Inc         | 1,450           | 1.18                |
| Sherwin Williams        | 1,450           | 1.18                |
| Cencora Inc             | 1,175           | 0.96                |
| Teradyne Inc            | 861             | 0.70                |
| Dexcom Inc              | 799             | 0.65                |
| Edison International    | 781             | 0.64                |
| Centene Corp            | 767             | 0.63                |
| Marathon Oil Corp       | 722             | 0.59                |
| Trimble Inc             | 573             | 0.47                |
| Other issuers           | 13,637          | 11.12               |
| <b>Total</b>            | <b>23,734</b>   | <b>19.36</b>        |

# About us

BlackRock is a premier provider of asset management, risk management, and advisory services to institutional, intermediary, and individual clients worldwide. As of 30 September 2024, the firm manages £8.73 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

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