



## ANNUAL SHORT REPORT

BLACKROCK OVERSEAS GOVERNMENT BOND  
TRACKER FUND

**BLACKROCK®**

For the period from 1 February 2013  
to 28 February 2014

# BlackRock Overseas Government Bond Tracker Fund

## Changes in accounting and income allocation dates

As communicated in a letter to investors dated 28 May 2013, the Manager has changed the Fund's annual and interim accounting dates to the last day of February and 31 August respectively in order to consolidate the publication of annual and interim reports. This annual short report covers the extended reporting period from 1 February 2013 to 28 February 2014. The period from 1 February 2013 to 31 August 2013 was commented on in the interim report to 31 August 2013. Additionally, the Fund's income allocation dates have changed. For further information, please refer to the most recent Prospectus.

## Summary of Performance over the Period

The BlackRock Overseas Government Bond Tracker Fund met its objective of closely tracking the JP Morgan Global Government Bond Index ex UK over the period from 1 February 2013 to 28 February 2014 with a decline of 6.7%\*, while its benchmark fell by 6.0%.

## Fund Manager's Commentary

The dominant themes over the period were the support that the major central banks across the globe continued to provide to their economies and improvements in the health of those economies. These themes proved more supportive of stock markets than they did bonds.

In the US, the Federal Reserve (Fed) pumped money into the domestic economy via its 'quantitative easing' programme but was able, after much speculation, to begin reducing its spending in December. In the UK, the Bank of England maintained its own programme of measures designed to help the economy and also introduced a policy called 'forward guidance' aimed at providing clarity on the future direction of interest rates. Elsewhere, the European Central Bank (ECB) was clear in its determination to provide financial support and protect the euro. Meanwhile in Japan, the authorities launched a major package of policies designed to boost growth.

Major government bond markets were weak for much of the period amid concerns over the possible effects of the Fed's move to reduce its programme of financial support. As economic news improved, there was a willingness among investors to put their money into higher-yielding fixed income assets, such as corporate bonds. Bonds issued by smaller European nations such as Spain, Italy and Greece outperformed their larger developed world peers, as the ECB continued to be supportive.

The Fund is structured to closely track the JP Morgan Global Government Bond Index ex UK, therefore its portfolio is positioned so that the risk characteristics are similar to those of the JP Morgan Global Government Bond Index ex UK.

## March 2014

\* Performance figures quoted are based on bid-to-bid dealing prices (the price at which units are sold) and are not the same as the net asset value reported in the financial statements which is at close of business. The relative performance of the Fund was impacted by the timing differential between the Fund's 12 noon valuation point and that of the index (market close) in addition to tax incurred by the Fund which is not included in the benchmark index. Performance is calculated net of fees and reported for the Fund's class L Accumulation Units.

## Distributions Payable

<b>A Accumulation</b>	The final accumulation distribution payable on 30 April 2014 is 0.4957p net per accumulation unit (31 March 2013: 0.5099p net per accumulation unit).
<b>L Accumulation</b>	The final accumulation distribution payable on 30 April 2014 is 0.6234p net per accumulation unit (31 March 2013: 0.6322p net per accumulation unit).
<b>X Accumulation</b>	The final accumulation distribution payable on 30 April 2014 is 0.6761p net per accumulation unit (31 March 2013: 0.6886p net per accumulation unit).
<b>D Accumulation</b>	The final accumulation distribution payable on 30 April 2014 is 0.6420p net per accumulation unit (31 March 2013: 0.6962p net per accumulation unit).

# Performance Record

## Capital (Unit Prices)

Calendar Year	A Accumulation Units		L Accumulation Units <sup>#</sup>		X Accumulation Units <sup>±</sup>		D Accumulation Units <sup>π</sup>	
	Highest Offer Price p	Lowest Bid Price p	Highest Offer Price p	Lowest Bid Price p	Highest Offer Price p	Lowest Bid Price p	Highest Offer Price p	Lowest Bid Price p
2014*	105.5	96.68	101.2	97.33	97.24	93.50	100.8	96.94
2013	115.3	96.66	110.5	97.32	105.9	93.49	110.0	96.92
2012	116.4	103.9	111.2	104.1	106.5	99.90	109.6	104.5
2011‡	116.8	96.99	111.4	97.00	N/A	N/A	N/A	N/A

\* To 28 February. ‡ Fund launched January 2011. # D Accumulation class was renamed as L Accumulation class during June 2012.

± X Accumulation class commenced April 2012. π D Accumulation class commenced June 2012.

## Income (Net Accumulations)

Calendar Year	A Accumulation Units Per Unit p	L Accumulation Units <sup>#</sup> Per Unit p	X Accumulation Units <sup>±</sup> Per Unit p	D Accumulation Units <sup>π</sup> Per Unit p
2014*	0.4957	0.6234	0.6761	0.6420
2013	1.0703	1.3409	1.4642	1.4190
2012	1.0638	1.3611	0.3400	0.1047
2011‡	0.6695	0.7388	N/A	N/A

\* To 30 April. ‡ Fund launched January 2011. # D Accumulation class was renamed as L Accumulation class during June 2012.

± X Accumulation class commenced April 2012. π D Accumulation class commenced June 2012.

## Unit Price Summary

	Unit Price as at 28 February 2014	Unit Price as at 31 January 2013
A Accumulation Units	98.08p	105.2p
L Accumulation Units	98.78p	105.8p
X Accumulation Units	94.92p	101.5p
D Accumulation Units	98.39p	105.3p

# Fund Information

## Summary of Investment Objective and Policy

The BlackRock Overseas Government Bond Tracker Fund (the “Fund”) seeks to achieve a total return for investors by tracking closely the performance of the JP Morgan Global Government Bond Index ex UK by investing in fixed income securities contained in the Index.

## Risk Profile

The Fund is exposed to movements in global stock markets, currency fluctuations and interest rate changes which may cause the value of the Fund to fall or rise.

## Fund Facts

Fund Manager	Francis Rayner
Establishment Date	28 January 2011
Benchmark	JP Morgan Global Government Bond Index ex UK
Assets Under Management	£145,198,571
Income Allocation Dates	30 April & 31 October
Accounting Dates	Last day of February & 31 August

## Ongoing Charges

The ongoing charges figures are based on expenses for the relevant period. These figures may vary from year to year.

Unit Class	1.2.2013 to 28.2.2014†	1.2.2012 to 31.1.2013
A Accumulation	0.52%	0.47%
L Accumulation	0.22%	0.22%
X Accumulation	0.02%	0.02%±*
D Accumulation	0.17%	0.17%π*

† Ongoing charges figures are based on annualised expenses for the period ended 28 February 2014. ± X Accumulation class commenced April 2012. π D Accumulation class commenced June 2012. \* Ongoing charges figures are based on annualised expenses for the period ended 31 January 2013.

## Risk and Reward Profile

	Lower risk Typically lower rewards							Higher risk Typically higher rewards	
	←							→	
A Accumulation	1	2	3	4	5	6	7		
L Accumulation	1	2	3	4	5	6	7		
X Accumulation	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 each unit class. 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).

# Portfolio Information

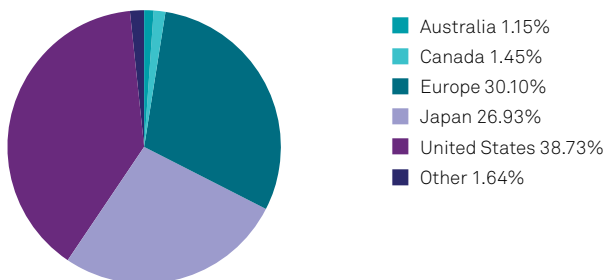
## Five Largest Investments at 28 February 2014

	% of Fund Value
US Treasury 2.375% Notes 30/6/2018	0.71
US Treasury 3.625% Notes 15/2/2020	0.68
US Treasury 1.25% Notes 30/9/2015	0.67
Japan (Government) 0.4% Bonds 20/6/2016	0.57
Japan (Government) 1.4% Bonds 20/9/2019	0.57

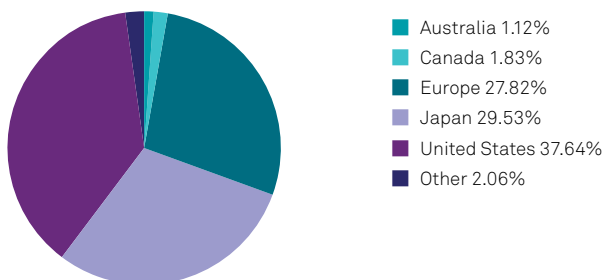
## Five Largest Investments at 31 January 2013

	% of Fund Value
Japan (Government) 0.5% Bonds 20/12/2014	0.61
US Treasury 3.125% Notes 15/5/2019	0.57
US Treasury 0.25% Notes 31/8/2014	0.56
US Treasury 2% Notes 15/11/2021	0.56
US Treasury 1.75% Notes 31/5/2016	0.55

## Geographical Spread of Investments – 28 February 2014



## Geographical Spread of Investments – 31 January 2013



All financial investments involve an element of risk. Therefore, the value of your investment and the income from it will vary and your initial investment amount cannot be guaranteed. Changes in exchange rates may cause the value of an investment to fluctuate. For up-to-date prices and performance, please visit our website **blackrock.co.uk**.

Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product.

### **Report and Accounts**

This report is to inform unitholders on the activities of the Fund during the reporting period, and the results of those activities at the end of the reporting period. For more information please contact the Manager. Copies of the Full Reports are available free of charge upon request from the BlackRock Investor Services Team on **0800 44 55 22**.

You can obtain further information on this Fund by contacting your Financial Adviser. Alternatively, for more details on this and other BlackRock® Funds, including up to date prices and performance, please contact BlackRock Investor Services on 0800 44 55 22 or visit [blackrock.co.uk](https://blackrock.co.uk). For your protection, telephone calls are usually recorded. This Report relates to the packaged products of, and is issued by, the Manager and Registrar: BlackRock Fund Managers Limited, 12 Throgmorton Avenue, London EC2N 2DL. Authorised and regulated by the Financial Conduct Authority. Registered in England No. 1102517. Trustee: BNY Mellon Trust & Depositary (UK) Limited, 160 Queen Victoria Street, London EC4V 4LA. Authorised and regulated by the Financial Conduct Authority. Auditor: Ernst & Young LLP, 1 More London Place, London SE1 2AF.

### **For more information**

0800 44 55 22

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