



ANNUAL SHORT REPORT

BLACKROCK CORPORATE BOND FUND

BLACKROCK®

For the period from 1 March 2013
to 28 February 2014

BlackRock Corporate Bond Fund

Changes in accounting and income allocation dates

As communicated in a letter to investors dated 28 May 2013, the Manager has changed the annual and interim accounting dates of all BlackRock Fund Managers Limited retail authorised unit trust schemes in order to consolidate the publication of annual and interim reports. The changes in accounting dates have had no impact on the Fund. This annual short report covers the period from 1 March 2013 to 28 February 2014. The period from 1 March 2013 to 31 August 2013 was commented on in the interim report to 31 August 2013.

Summary of Performance over the Period

The BlackRock Corporate Bond Fund rose by 3.8%* over the period from 1 March 2013 to 28 February 2014, outperforming its benchmark, the Bank of America Merrill Lynch Sterling Corporate Bond Index, which was up by 3.1%. Over the six months to 28 February 2014, the Fund was up by 4.2%* outperforming the benchmark, which rose by 3.3%.

Fund Managers' Commentary

The second half of 2013 was dominated by geopolitical risks and a renewed focus on global monetary policy. Yields on 10 year Treasuries steadily increased from 1.6% in May 2013 to almost 3% by the end of August (bond prices fell). Central banks moved to reassure investors and optimism recovered. However, in early 2014, this positive mood reversed amid further volatility in emerging markets, disappointing US economic data, persistent concerns over low growth in Europe, Chinese currency volatility and the situation around Ukraine.

For the first time since November 2009, UK inflation moved below the Bank of England's (BoE's) 2% target. Given the unemployment rate is forecast to reach its 7% threshold in the first quarter of 2014 (which is much earlier than was originally anticipated), the BoE maintains its upbeat outlook for the UK economy.

Corporate bonds performed strongly during the reporting period, outpacing UK gilts, with the securitised, financials and industrials sectors performing particularly well. The Fund's relatively low exposure to interest rate risk helped to protect against rising gilt yields.

Over the last six months, the Fund's core holdings in UK banks and insurers such as Lloyds, Aviva, Scottish Widows and Bupa have performed well as UK growth has improved. Non-core US-denominated issues, including Verizon Wireless, Phillip Morris, EDF, France Telecom, Time Warner and Cox were also positive. We continue to take advantage of the relative strength in UK corporate bonds, and we will pursue relative value opportunities in US corporate bonds for diversification and additional performance.

Divergence of global central bank policy will be a key theme going forward. Poor timing or a lack of coordination of exit strategies from the central bank spending programmes around the globe would likely cause further market volatility.

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. Performance is calculated net of fees and reported for the Fund's class A Accumulation Units.

Distributions Payable

A Income	The final distribution payable on 30 April 2014 is 0.8992p net per income unit (30 April 2013: 0.8824p net per income unit).
A Accumulation	The final accumulation distribution payable on 30 April 2014 is 2.2959p net per accumulation unit (30 April 2013: 2.1784p net per accumulation unit).
D Income	The final distribution payable on 30 April 2014 is 0.9119p net per income unit (30 April 2013: 0.8916p net per income unit).
D Accumulation	The final accumulation distribution payable on 30 April 2014 is 2.3230p net per accumulation unit (30 April 2013: 2.1938p net per accumulation unit).

Performance Record

Capital (Unit Prices)

Calendar Year	A Income Units		A Accumulation Units		D Income Units#		D Accumulation Units#	
	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*	107.8	100.9	275.2	257.8	106.0	102.4	269.9	260.8
2013	110.8	98.82	276.0	249.2	108.6	100.1	269.6	251.4
2012	108.2	92.03	265.9	218.3	105.6	92.22	259.3	218.4
2011	100.8	90.24	232.6	208.6	97.26	90.12	225.2	212.3
2010	101.7	88.21	227.0	189.7	N/A	N/A	N/A	N/A
2009	92.87	67.33	198.9	138.0	N/A	N/A	N/A	N/A

* To 28 February. # D Income and D Accumulation classes commenced June 2011.

Income (Net Distributions/Net Accumulations)

Calendar Year	A Income Units Per Unit p	A Accumulation Units Per Unit p	D Income Units# Per Unit p	D Accumulation Units# Per Unit p
2014*	1.7172	4.3679	1.7407	4.4190
2013	3.5170	8.7184	3.5521	8.7835
2012	4.1916	9.9898	4.1997	10.0399
2011	3.3737	7.7229	0.9972	2.3043
2010	5.1272	11.2512	N/A	N/A
2009	4.7197	9.8004	N/A	N/A

* To 30 April. # D Income and D Accumulation classes commenced June 2011.

Unit Price Summary

	Unit Price as at 28 February 2014	Unit Price as at 28 February 2013
A Income Units	102.5p	102.2p
A Accumulation Units	264.0p	254.6p
D Income Units	104.0p	103.2p
D Accumulation Units	267.3p	256.5p

Fund Information

Summary of Investment Objective and Policy

The aim of the BlackRock Corporate Bond Fund (the “Fund”) is to maximise total return by investing principally in corporate bonds and other interest bearing securities. Exposure to non-Sterling denominated assets will typically be hedged back to Sterling. Separately, the Fund may also invest in preference shares, convertibles, other transferable securities and collective investment schemes.

Risk Profile

The Fund is exposed to movements in global stock markets, currency fluctuations, changes in interest rates and credit worthiness of the underlying security issuers, which may all cause the value of the Fund to fall or rise. There is also exposure to liquidity risk which may limit the ability to buy and sell securities.

Fund Facts

Fund Managers	Simon Blundell & Ben Edwards
Establishment Date	29 June 1995
Benchmark	Bank of America Merrill Lynch Sterling Corporate Bond Index
Assets Under Management	£281,498,179
Income Allocation Dates	31 January, 30 April, 31 July & 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	1.3.2013 to 28.2.2014	1.3.2012 to 28.2.2013
A Income	1.08%	1.09%
A Accumulation	1.08%	1.09%
D Income	0.58%	0.59%
D Accumulation	0.58%	0.59%

Risk and Reward Profile

	Lower risk Typically lower rewards							Higher risk Typically higher rewards
								
A Income	1	2	3	4	5	6	7	
A 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 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.

Portfolio Information

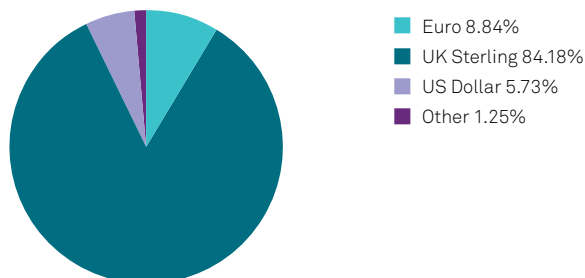
Five Largest Investments at 28 February 2014

	% of Fund Value
Co-Operative Bank 4.75% Guaranteed Bonds 11/11/2021	2.72
Verizon Communications 6.55% Senior Notes 15/9/2043	2.60
LBG Capital No.1 7.5884% Bonds 12/5/2020	2.57
Allianz Finance 5.75% Guaranteed Floating Rate European Medium Term Bonds 8/7/2041	2.06
Goldman Sachs 4.25% Senior European Medium Term Notes 29/1/2026	1.76

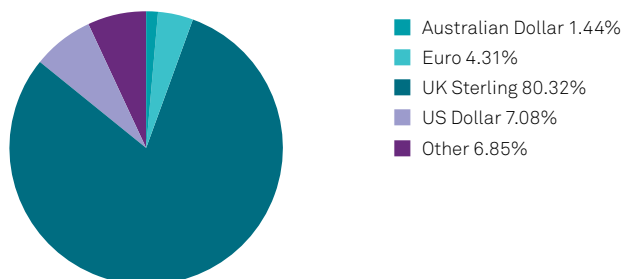
Five Largest Investments at 28 February 2013

	% of Fund Value
Institutional Cash Series plc – Sterling Liquidity Fund	7.92
KfW 1.75% Notes 22/1/2016	1.99
Treasury 4.75% Bonds 7/12/2038	1.90
DirectTV Holdings 4.375% Guaranteed Medium Term Notes 14/9/2029	1.88
Lloyds TSB Bank 7.625% Guaranteed Subordinated European Medium Term Notes 22/4/2025	1.87

Geographical Spread of Investments – 28 February 2014



Geographical Spread of Investments – 28 February 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. 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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