



ANNUAL SHORT REPORT
BLACKROCK UK INCOME FUND

BLACKROCK®

For the period from 1 February 2013
to 28 February 2014

BlackRock UK Income 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 UK Income Fund rose by 13.5%* over the period from 1 February 2013 to 28 February 2014, underperforming its benchmark, the FTSE All-Share Index, which was up by 15.9%. Over the six months to 28 February 2014, the Fund was up by 11.2%*, outperforming the benchmark, which rose by 8.8%. The Fund increased the annual distribution for the 28th successive year, resulting in a yield of 3.6% compared with the FTSE All-Share Index yield of 3.3%**.

Fund Managers' Commentary

Relative performance was disappointing over the year due to poor performance in the first six months of the period, when Tate & Lyle, Tullow Oil and Ladbroke's were detrimental to performance. Tullow Oil's most recent exploration campaign met with disappointment, while weakness in sucralose pricing impacted profitability at Tate & Lyle. Ladbroke's reported lower-than-expected profits from its online business.

We have made important changes to the Fund and have strengthened its investment team by hiring Mark Wharrier as co-manager alongside Adam Avigdor. We have also refined the Fund's process to provide greater structure and to enhance our opportunity set. The Fund is now constructed around three broad areas of the market: high dividend-paying and high free cash flow companies; growth companies; and turnarounds. The split between these areas is about 70%, 20% and 10% respectively. Our focus remains on capturing both income growth and the best stock opportunities.

Since making these changes, the Fund's performance has improved. Over the last six months under review, Carphone Warehouse, Hargreaves Lansdown and Shire performed well operationally and rose strongly. In terms of performance, Tate & Lyle and mining group BHP Billiton proved disadvantageous for the Fund.

Activity over the period included taking new positions in Unilever, Reed Elsevier, Hargreaves Lansdown and Ryanair, while sales included UBM, British Sky Broadcasting, Tullow Oil, Antofagasta and BHP Billiton.

Equity valuations have been lifted by strong liquidity levels and the perception that risks to performance have eased. Although equity markets have performed well, we believe that equity valuations remain attractive. The Fund is primarily invested in companies with strong free cashflow and which pay a growing dividend yield. However, it also has exposure to companies with sustainable growth franchises and turnaround situations.

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.

**Yield based on the total distribution for class A Accumulation Units over the preceding 12 months of 43.2037p and a unit mid-price of 1195p on 28 February 2014. Yields for other unit classes may be different.

Distributions Payable

A Income	The final distribution payable on 30 April 2014 is 2.5934p net per income unit (31 March 2013: 6.4153p net per income unit).
A Accumulation	The final accumulation distribution payable on 30 April 2014 is 8.1749p net per accumulation unit (31 March 2013: 18.8967p net per accumulation unit).
D Income	The final distribution payable on 30 April 2014 is 3.2286p net per income unit (31 March 2013: 6.7118p net per income unit).
D Accumulation	The final accumulation distribution payable on 30 April 2014 is 10.1819p net per accumulation unit (31 March 2013: 19.4179p 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*	403.6	359.5	1,257	1,121	394.5	368.7	1,211	1,133
2013	391.9	333.0	1,222	1,013	382.6	340.2	1,175	1,019
2012	363.1	305.9	1,076	893.5	352.3	310.4	1,027	891.4
2011	383.7	294.7	1,068	831.7	367.1	297.5	1,009	825.0
2010	376.7	293.8	1,031	793.1	360.3	293.2	N/A	N/A
2009	335.8	207.3	884.5	532.0	N/A	N/A	N/A	N/A

* To 28 February. # D Income class commenced April 2010. † D Accumulation class 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*	5.0934	15.8877	5.9169	18.3519
2013	15.4153	46.2077	16.1154	47.5073
2012	13.6628	39.3027	14.1767	37.2382
2011	13.0424	36.0543	12.9906	5.2782
2010	12.5000	33.3400	4.4740	N/A
2009	12.2445	31.2992	N/A	N/A

* To 30 April. # D Income class commenced April 2010. † D Accumulation class commenced June 2011.

Unit Price Summary

	Unit Price as at 28 February 2014	Unit Price as at 31 January 2013
A Income Units	380.4p	346.9p
A Accumulation Units	1,194p	1,048p
D Income Units	389.8p	353.3p
D Accumulation Units	1,208p	1,048p

Fund Information

Summary of Investment Objective and Policy

The BlackRock UK Income Fund (the “Fund”) aims to offer investors an above-average and growing income without sacrificing the benefits of long-term capital growth. The Fund invests primarily in the shares of companies incorporated or listed in the UK. The Fund may also invest in collective investment schemes.

Risk Profile

The Fund is exposed to movements in UK stock markets which may cause the value of the Fund to fall or rise.

Fund Facts

Fund Managers*	Adam Avigdori & Mark Wharrier
Establishment Date	15 February 1984
Benchmark	FTSE All-Share Index
Assets Under Management	£414,374,145
Income Allocation Dates	31 January, 30 April, 31 July & 31 October
Accounting Dates	Last day of February & 31 August

* The former co-manager, Nick McLeod-Clarke relinquished his fund management responsibilities for the BlackRock UK Income Fund in March 2013.

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 Income	1.67%	1.67%
A Accumulation	1.67%	1.67%
D Income	0.92%	0.92%
D Accumulation	0.92%	0.92%

† Ongoing charges figures are based on annualised expenses for the period ended 28 February 2014.

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

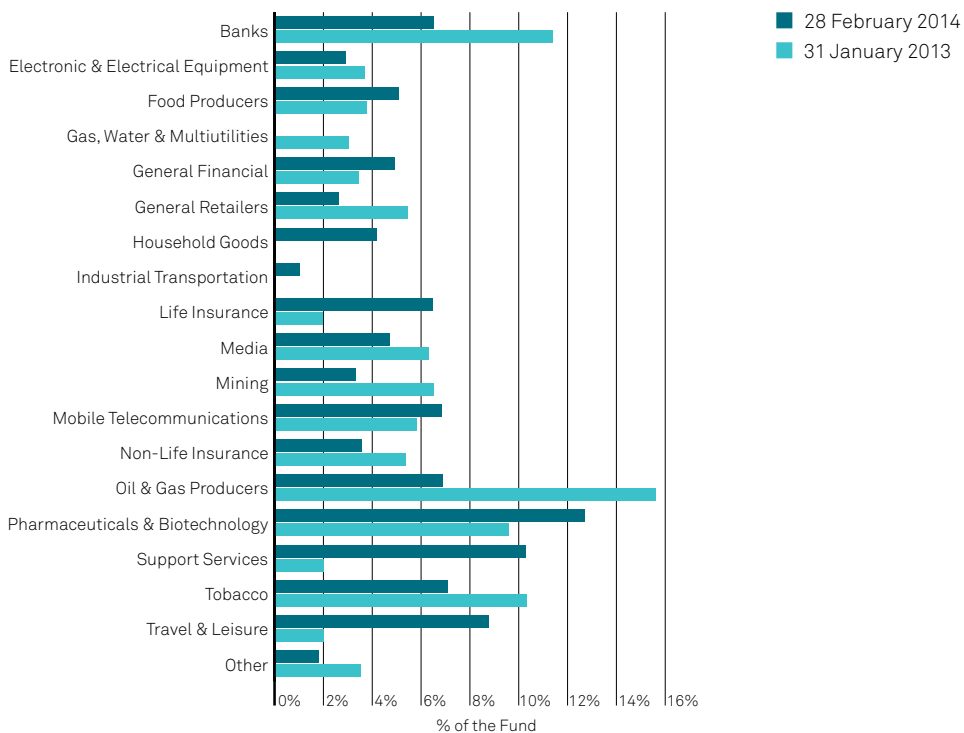
Five Largest Investments at 28 February 2014

	% of Fund Value
Royal Dutch Shell class 'B' shares	6.89
British American Tobacco	5.42
GlaxoSmithKline	5.25
Vodafone	4.42
Legal & General	4.35

Five Largest Investments at 31 January 2013

	% of Fund Value
HSBC	9.37
Royal Dutch Shell class 'B' shares	7.64
Vodafone	5.84
Imperial Tobacco	5.22
British American Tobacco	5.11

Classification of Investments



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

blackrock.co.uk

BLACKROCK®