



## INTERIM SHORT REPORT

BLACKROCK BALANCED GROWTH PORTFOLIO  
FUND

**BLACKROCK®**

For the period from 1 April 2013  
to 31 August 2013

# BlackRock Balanced Growth Portfolio Fund

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 Interim Short Report for the BlackRock Balanced Growth Portfolio Fund covers the period from 1 April 2013 to 31 August 2013. For further information, please refer to the most recent Prospectus.

## Summary of Performance over the Period

It gives us no pleasure to report that the BlackRock Balanced Growth Portfolio Fund declined by 1.1%\* over the period from 1 April 2013 to 31 August 2013, underperforming its composite benchmark, which was up by 1.2%.

This was due to both the Fund's equity and bond exposure.

## Fund Managers' Commentary

Most asset classes rose in April despite some evidence of a slowdown in economic momentum. However, markets endured a sharp reversal in fortunes during late May and June amid concerns over the potential consequences of a reduction in US spending in support of its economy as well as further evidence of weakness in the Chinese economy.

Despite delivering a positive total return, the Fund's equity holdings underperformed relative to the equity portion of its composite benchmark. Bond holdings also hurt performance, as did its exposure to an index of gold mining companies.

Some of the negative contributions to returns were partially offset by a relatively positive contribution from the Fund's overweight exposure to equities and underweight exposure to bonds. Positive contributions to returns also came from tactical equity allocations, such as those to the Nikkei Index and European banks.

At the beginning of the reporting period and as market uncertainty picked up, Fund activity focused around taking profits and reducing the portfolio risk. Over the period, we tried to protect the Fund's performance by using equity index futures. We also took the opportunity to generate positive returns and income through a tactical position in Japanese equity options. Within bonds, we moved the Fund into what we believed were more attractive areas, switching capital from German to Italian government bonds.

Looking forward, our base case scenario is for continued US economic growth buoyed by an improving private sector. We expect European economic growth to remain depressed but, we are beginning to see signs of improvement. We view growth in emerging markets as more challenged. In bonds, we believe that the majority of yield increases have already taken place for the year and we continue to find attractive opportunities in the government bonds of peripheral European countries.

## September 2013

\* 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.

|                |   |
|----------------|---|
| A Income       | The interim distribution payable on 31 October 2013 is 1.8467p net per income unit.       |
| A Accumulation | The interim accumulation payable on 31 October 2013 is 3.4865p net per accumulation unit. |
| D Income       | The interim distribution payable on 31 October 2013 is 1.8485p net per income unit.       |
| D Accumulation | The interim accumulation payable on 31 October 2013 is 3.4868p 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 |
| 2013*         | 143.3                 | 122.8              | 270.4                 | 228.6              | 136.5                 | 122.9              | 257.5                 | 228.0              |
| 2012          | 133.1                 | 111.8              | 240.0                 | 203.4              | 123.3                 | 117.2              | 227.9                 | 216.7              |
| 2011          | 140.0                 | 106.4              | 241.9                 | 189.1              | N/A                   | N/A                | N/A                   | N/A                |
| 2010          | 137.9                 | 110.8              | 236.9                 | 187.6              | N/A                   | N/A                | N/A                   | N/A                |
| 2009          | 125.5                 | 84.22              | 208.8                 | 135.2              | N/A                   | N/A                | N/A                   | N/A                |
| 2008          | 147.3                 | 85.22              | 230.7                 | 136.8              | N/A                   | N/A                | N/A                   | N/A                |

\* To 31 August. # D Income and D Accumulation classes commenced October 2012.

## 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 |
|---------------|---------------------------|---------------------------------|----------------------------|----------------------------------|
| 2013*         | 4.6196                    | 8.5993                          | 4.5014                     | 8.5428                           |
| 2012          | 4.8015                    | 8.6113                          | N/A                        | N/A                              |
| 2011          | 4.0171                    | 6.9572                          | N/A                        | N/A                              |
| 2010          | 4.1060                    | 6.8832                          | N/A                        | N/A                              |
| 2009          | 3.6002                    | 5.8359                          | N/A                        | N/A                              |
| 2008          | 3.3686                    | 5.2913                          | N/A                        | N/A                              |

\* To 31 October. # D Income and D Accumulation classes commenced October 2012.

## Unit Price Summary

|                      | Unit Price as at 31 August 2013 | Unit Price as at 31 March 2013 |
|----------------------|---------------------------------|--------------------------------|
| A Income Units       | 125.8p                          | 129.3p                         |
| A Accumulation Units | 241.0p                          | 244.2p                         |
| D Income Units       | 126.0p                          | 129.1p                         |
| D Accumulation Units | 241.4p                          | 243.8p                         |

# Fund Information

## Summary of Investment Objective and Policy

The BlackRock Balanced Growth Portfolio Fund (the “Fund”) aims to achieve capital growth, with the opportunity for additional income generation depending on market conditions. Investment may be made in a global portfolio of equities and fixed income securities, as well as collective investment schemes, cash in Sterling or other currencies (in the form of deposits and/or forward contracts) and money-market instruments. Investment may be made in any and all economic sectors, although under normal market conditions there will be an emphasis on the UK. The Fund will invest in derivatives and indirectly in alternative asset classes such as commodities or property.

## Risk Profile

The Fund invests in a number of different asset classes as described in the objective. As a result, it will be exposed to movements in global stock markets, changes in interest rates, currency fluctuations and credit worthiness of debt issuers.

## Fund Facts

|                         |  |
|-------------------------|--|
| Fund Managers           | Andy Warwick & Philip Brides   |
| Establishment Date      | 15 January 1982  |
| Benchmark               | 55% FTSE All-Share Index, 25% FTSE World ex-UK Index and 20% Bank of America Merrill Lynch 1-15 Year Sterling Broad Market Index |
| Assets Under Management | £218,782,310   |
| Income Allocation Dates | 31 October & 30 April  |
| Accounting Dates        | 31 August & last day of February   |

## Ongoing Charges

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

| Unit Class     | 1.4.2013 to 31.8.2013† | 1.4.2012 to 31.3.2013 |
|----------------|------------------------|-----------------------|
| A Income       | 1.74%                  | 1.73%                 |
| A Accumulation | 1.74%                  | 1.73%                 |
| D Income       | 0.99%                  | 0.98%#                |
| D Accumulation | 0.99%                  | 0.98%#                |

† Ongoing charges figures are based on annualised expenses for the period ended 31 August 2013. # D Income and D Accumulation classes commenced October 2012. Ongoing charges figures are based on annualised expenses for the period ended 31 March 2013.

## Risk and Reward Profile

|                | Lower risk<br>Typically lower rewards |   |   |   |   |   |   | Higher risk<br>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](http://www.blackrock.com).

# Portfolio Information

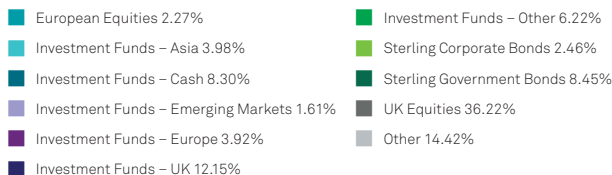
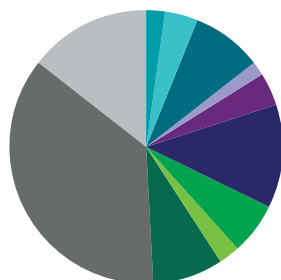
## Five Largest Investments at 31 August 2013

|   | % of Fund Value |
|---|-----------------|
| BlackRock UK Special Situations Fund                    | 10.14           |
| Institutional Cash Series plc – Sterling Liquidity Fund | 8.30            |
| BlackRock Continental European Fund                     | 3.92            |
| HSBC  | 3.14            |
| British American Tobacco                                | 2.37            |

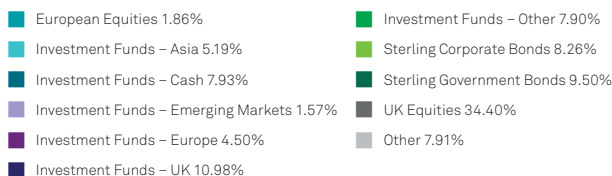
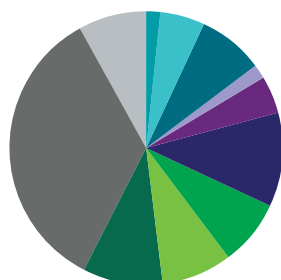
## Five Largest Investments at 31 March 2013

|   | % of Fund Value |
|---|-----------------|
| BlackRock UK Special Situations Fund                    | 9.25            |
| Institutional Cash Series plc – Sterling Liquidity Fund | 7.93            |
| BlackRock Continental European Fund                     | 4.50            |
| Claris IV 0% Senior European Medium Term Notes 7/2/2017 | 4.34            |
| HSBC  | 2.45            |

## Geographical Spread of Investments – 31 August 2013



## 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](http://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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