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Interim report and unaudited financial statements

BlackRock Corporate Bond Fund

For the six months ended 31 August 2024

NM1024U-3987599-1/22

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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.

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
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For your protection, telephone calls are usually recorded.

* Non-executive Director.

About the Fund

BlackRock Corporate Bond Fund (the “Fund”) is a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 29 June 1995. The Fund was previously known as Mercury High Income Bond Fund, then, with effect from 30 September 2000, Merrill Lynch High Income Bond Fund. On 28 April 2008 the Fund changed its name to BlackRock High Income Bond Fund. The Fund changed its investment objective and policy and adopted its present name with effect from close of business on 17 September 2010. The Fund’s FCA product reference number is 172177.

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 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 Manager

As at 31 August 2024, the Fund Manager was Ben Edwards.


Significant Events

Changes in the Directors of the Manager

T S Hale was appointed as a Director effective 16 April 2024.

H N Mephram resigned as a Director effective 30 June 2024.

Risk and Reward Profile

	Lower risk Typically lower rewards				Higher risk Typically higher rewards		
Unit Class							
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
S Income	1	2	3	4	5	6	7
S 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.
- The use of derivatives will impact the value of the Fund and may expose the Fund to a higher degree of risk. Derivatives are highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains, resulting in greater fluctuations in the value of the Fund. The impact to the Fund can be greater where derivatives are used in an extensive or complex way.

For more information on this, please see the Fund's Key Investor Information Documents ("KIIDs"), which are available at 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 and/or income received from those assets) (gross of fees) by investing in corporate bonds and other interest-bearing securities.

Comparator benchmark	Investment management approach
ICE Bank of America Merrill Lynch Sterling Corporate & Collateralised 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	3.70	3.58

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 3.70% and the active return was 0.12%, outperforming its comparator benchmark which returned 3.58% (active return is the difference between the Fund's return and the comparator benchmark return).

Government bond yields (which move inversely to prices) rose during the initial months of the year following higher than expected economic growth and inflation. However, during recent months both indicators have shown signs of a more sustained weakness. With central banks leaning towards a more data-driven approach, the trend of declining inflation alongside slower economic growth resulted in developed market central banks beginning to reduce their policy rates. The European Central Bank ("ECB") was the first major central bank to cut rates, lowering their policy rate by 0.25% in June 2024, followed by the Bank of England ("BoE") which also reduced their policy rate by 0.25% in August 2024. The Federal Reserve signaled likely interest rate cuts by the end of 2024.

Corporate bonds spreads (the difference in yields between government and corporate bonds with similar maturities) remained relatively stable over the period, with the most significant volatility arising from the surprise in the French election results in June 2024, which led to a 'flight to safety' amongst investors, where they favoured government bonds over corporate bonds, leading to a drop in corporate bond prices (with spreads widening). After the French election results proved more muted than some expected, corporate bond spreads returned to pre-election levels. However, the volatility created opportunities for trading in both the corporate and government bonds.

The decrease in yields (which move inversely to prices) has contributed to returns as represented by the duration strategy below.

Investment Manager's Report continued

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	
Strategy	Effect on Fund return	Strategy	Effect on Fund return
Duration [#]	0.51%	Credit [^]	(0.23%)
Curve	0.33%		-

[#] Overweight position - holds more exposure than the comparator benchmark.

[^] Underweight position - holds less exposure than the comparator benchmark.

A key contributor to returns has been the Fund's continued overweight exposure to government bonds (attributed as Duration above). As interest rates have fallen, the strategy has benefitted from the decrease in yields (which move inversely to prices). The main detractor from returns was the Fund's underweight exposure to corporate bonds due to expectations that the full effects of a higher interest rate environment would be felt by both consumers and firms, leading to a potential recession. In such circumstances, the expectation is that corporate bond spreads would increase, and bond prices decrease. The Fund therefore held an underweight exposure to protect from this, which detracted from returns as credit spreads decreased (as represented by Credit above). While this expectation has not yet fully materialised, recent economic data suggests potential recessionary indicators.

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
Governments	8.45%	Governments	6.86%
		Financials	2.34%

Top underweight positions			
31 August 2024		29 February 2024	
Sector	Active Weighting	Sector	Active Weighting
Collateralised	(7.69%)	Collateralised	(7.19%)
Financials	(6.07%)		-

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.

As mentioned above, the Fund has moved positions in expectation of potential recessionary indicators in developed market economies, and therefore, has increased the overweight positions in government bonds in order to take best advantage of this change. In line with this, the Fund has also moved to be underweight in corporate bonds, such as financials, which would be expected to underperform (compared to government bonds) in recessionary environment.

Net Asset Value

At 31 August 2024	Units in Issue	Net Asset Value £000's	Net Asset Value per Unit p
A Income	1,858,870	1,781	95.81
A Accumulation	8,513,895	28,978	340.4
X Accumulation	62,830,632	86,155	137.1
D Income	99,295,853	101,817	102.5
D Accumulation	48,371,106	175,736	363.3
S Income	310,376,548	306,534	98.76
S Accumulation	296,776,010	403,177	135.9

Distributions Payable for the period to 31 August 2024

Unit Class	Distribution payable on 31.10.2024 Pence per Unit
A Income	1.0468
A Accumulation	3.6745
X Accumulation	1.4780
D Income	1.1194
D Accumulation	3.9193
S Income	1.0781
S Accumulation	1.4654

Operating Charges

Unit Class	1.3.2024 to 31.8.2024	1.3.2023 to 29.2.2024
A Income	1.06%	1.06%
A Accumulation	1.06%	1.06%
X Accumulation	0.02%	0.02%
D Income	0.56%	0.56%
D Accumulation	0.56%	0.56%
S Income	0.51%	0.51%
S Accumulation	0.51%	0.51%

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 £000's	% of Total Net Assets
BONDS – 94.67%; 29.2.2024 97.05%			
UK STERLING – 75.09%; 29.2.2024 79.48%			
UK Sterling Denominated Corporate Bonds – 66.61%; 29.2.2024 67.22%			
£7,000,000	Aegon 6.125% 15/12/2031	7,468	0.68
£8,000,000	Anglian Water Osprey Financing 2% 31/7/2028 ^o	6,236	0.56
£5,000,000	Anglian Water Services Financing 5.875% 20/6/2031 ^o	5,057	0.46
£3,710,000	Anglian Water Services Financing 6% 20/6/2039	3,779	0.34
£8,150,000	Annington Funding 2.308% 6/10/2032	6,387	0.58
£1,983,334	Arqiva Financing 4.882% 31/12/2032 ^o	1,938	0.18
£25,600,000	AT&T 5.5% 15/3/2027 ^o	25,892	2.34
£7,000,000	AT&T 7% 30/4/2040	7,993	0.72
£17,650,000	Aviva 4.375% 12/9/2049 ^o	16,487	1.49
£8,165,000	Aviva 6.875% 27/11/2053	8,532	0.77
£22,500,000	Banco Santander 4.75% 30/8/2028	22,416	2.03
£8,900,000	Banco Santander 5.375% 17/1/2031 ^o	9,048	0.82
£14,015,000	Bank of America 1.667% 2/6/2029	12,467	1.13
£6,145,000	Bank of America 3.584% 27/4/2031	5,752	0.52
£15,585,000	Barclays 7.09% 6/11/2029	16,628	1.51
£8,900,000	BNP Paribas 2.875% 24/2/2029 ^o	8,146	0.74
£4,000,000	BNP Paribas 5.75% 13/6/2032	4,120	0.37
£13,700,000	BPCE 5.25% 16/4/2029	13,507	1.22
£10,000,000	BUPA Finance 5% 8/12/2026	9,915	0.90
£9,300,000	Cadent Finance 2.125% 22/9/2028	8,382	0.76
£13,495,000	Caterpillar Financial Services 5.72% 17/8/2026	13,750	1.25
£3,650,000	Centrica 6.5% 21/5/2055	3,718	0.34
£15,500,000	Comcast 5.5% 23/11/2029	16,167	1.46
£22,000,000	Cooperatieve Rabobank 4.625% 23/5/2029	21,422	1.94
£8,590,000	Danske Bank 4.625% 13/4/2027	8,579	0.78

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£13,870,000	DNB Bank 2.625% 10/6/2026 ^o	13,593	1.23
£7,235,000	DS Smith 2.875% 26/7/2029	6,568	0.59
£20,000,000	E.ON International Finance 6.25% 3/6/2030	21,296	1.93
£8,500,000	East Japan Railway 5.562% 4/9/2054	8,510	0.77
£5,423,000	Electricite de France 5.875% 18/7/2031	5,593	0.51
£24,400,000	Electricite de France 5.875% Perpetual 22/1/2029	23,485	2.13
£7,300,000	Engie 7% 30/10/2028	7,894	0.71
£5,000,000	Glencore Finance Europe 3.125% 26/3/2026	4,871	0.44
£11,310,000	Goldman Sachs 3.625% 29/10/2029	10,753	0.97
£5,000,000	Goldman Sachs 7.25% 10/4/2028	5,387	0.49
£1,911,780	Great Rolling Stock 6.875% 27/7/2035	2,048	0.19
£18,300,000	Heathrow Funding 2.625% 16/3/2028	16,713	1.51
£10,750,000	Heathrow Funding 6% 5/3/2032	10,816	0.98
£17,800,000	HSBC 6.8% 14/9/2031	19,248	1.74
£6,500,000	HSBC 8.201% 16/11/2034	7,135	0.65
£4,700,000	Legal & General 3.75% 26/11/2049	4,262	0.39
£20,000,000	Legal & General 5.125% 14/11/2048	19,647	1.78
£23,790,000	Metropolitan Life Global Funding I 5% 10/1/2030	24,103	2.18
£6,710,000	Metropolitan Life Global Funding I 5% 10/1/2030	6,798	0.62
£574,940	Mitchells & Butlers Finance 5.574% 15/12/2030	576	0.05
£9,474,825	Mitchells & Butlers Finance 6.013% 15/12/2028	9,260	0.84
£11,207,000	National Grid Electricity Distribution 3.5% 16/10/2026	10,867	0.98
£5,200,000	Nationwide Building Society 6.125% 21/8/2028	5,428	0.49
£4,000,000	NatWest 7.416% 6/6/2033	4,196	0.38
£10,350,000	NatWest Markets 6.375% 8/11/2027	10,805	0.98
£7,380,000	New York Life Global Funding 4.95% 7/12/2029	7,518	0.68
£16,770,000	NGG Finance 5.625% 18/6/2073	16,728	1.52
£5,000,000	Northern Powergrid Yorkshire 5.125% 4/5/2035	4,997	0.45
£8,000,000	Northumbrian Water Finance 4.5% 14/2/2031	7,421	0.67

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£8,960,000	Quadgas Finance 3.375% 17/9/2029 ⁰	8,022	0.73
£7,600,000	Santander UK 2.421% 17/1/2029	6,963	0.63
£6,215,000	Severn Trent Utilities Finance 4.625% 30/11/2034 ⁰	5,804	0.53
£6,795,000	Southern Gas Networks 1.25% 2/12/2031 ⁰	5,241	0.47
£18,500,000	Southern Water Services Finance 2.375% 28/5/2028	14,734	1.33
£9,505,000	SW Finance I 7% 16/4/2040	8,082	0.73
£2,700,000	SW Finance I 7.375% 12/12/2041	2,357	0.21
£6,200,000	Swedbank 7.272% 15/11/2032 ⁰	6,460	0.59
£26,144,102	Tesco Property Finance 1 7.6227% 13/7/2039	29,695	2.69
£7,800,000	Thames Water Utilities Finance 7.75% 30/4/2044	6,304	0.57
£32,553,000	Time Warner Cable 5.75% 2/6/2031	31,426	2.85
£8,300,000	United Utilities Water Finance 2.625% 12/2/2031	7,178	0.65
£17,250,000	Wells Fargo 3.473% 26/4/2028 ⁰	16,559	1.50
£16,150,000	Yorkshire Water Finance 5.25% 28/4/2030 ⁰	15,484	1.40
£7,195,000	Yorkshire Water Finance 6.454% 28/5/2027 ⁰	7,122	0.65
£3,850,000	Zurich Finance Ireland Designated Activity 5.125% 23/11/2052	3,720	0.34
		735,453	66.61

UK Sterling Denominated Government Bonds – 8.48%; 29.2.2024 12.26%

£19,930,000	United Kingdom Gilt 1.125% 22/10/2073	7,487	0.68
£20,430,000	United Kingdom Gilt 1.75% 22/1/2049	12,239	1.11
£13,366,660	United Kingdom Gilt 4% 22/10/2031	13,442	1.22
£21,445,000	United Kingdom Gilt 4.25% 7/9/2039	21,380	1.94
£37,542,000	United Kingdom Gilt 4.5% 7/9/2034 ⁰	39,039	3.53
		93,587	8.48

EURO – 19.58%; 29.2.2024 17.57%

Euro Denominated Corporate Bonds – 19.58%; 29.2.2024 17.57%

€6,912,000	Argentum Netherlands for Zurich Insurance 2.75% 19/2/2049	5,574	0.51
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Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
€13,000,000	AXA 3.25% 28/5/2049	10,675	0.97
€6,420,000	AXA 4.25% 10/3/2043	5,400	0.49
€10,000,000	BAT International Finance 4.125% 12/4/2032	8,429	0.76
€11,000,000	BAT Netherlands Finance 5.375% 16/2/2031	9,950	0.90
€21,400,000	Bayer 1.125% 6/1/2030 ⁰	15,868	1.44
€15,300,000	BUPA Finance 5% 12/10/2030	13,656	1.24
€4,500,000	Electricite de France 4.75% 17/6/2044	3,903	0.35
€6,580,000	Eni 3.875% 15/1/2034	5,597	0.51
€8,000,000	Glencore Capital Finance 4.154% 29/4/2031	6,857	0.62
€15,300,000	Iberdrola Finanzas 4.875% Perpetual 25/4/2028	13,224	1.20
€21,500,000	Imperial Brands Finance Netherlands 5.25% 15/2/2031	19,264	1.74
€9,100,000	ING Groep 3.5% 3/9/2030	7,645	0.69
€12,370,000	Motability Operations 4.25% 17/6/2035	10,725	0.97
€3,805,000	MSD Netherlands Capital 3.75% 30/5/2054	3,103	0.28
€7,500,000	National Grid Electricity Distribution East Midlands 3.949% 20/9/2032	6,411	0.58
€6,525,000	National Grid North America 4.061% 3/9/2036	5,458	0.49
€7,720,000	Sham 3.875% 19/2/2034	6,534	0.59
€24,400,000	TotalEnergies 2% Perpetual 17/1/2027	19,532	1.77
€28,420,000	UBS 7.75% 1/3/2029 ⁰	27,197	2.46
€13,200,000	Wells Fargo 3.9% 22/7/2032 ⁰	11,228	1.02
€1,100,000	WinStar Communications 12.75% 15/4/2010 ¹	–	0.00
		216,230	19.58

EQUITIES – 0.00%; 29.2.2024 0.00%

UK STERLING – 0.00%; 29.2.2024 0.00%

UK Sterling Denominated Equities – 0.00%; 29.2.2024 0.00%

£27,280	47210 Red Pref Gb 0% ¹	–	0.00
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COLLECTIVE INVESTMENT SCHEMES – 4.05%; 29.2.2024 0.10%

Short-term Money Market Funds – 4.05%; 29.2.2024 0.10%			
403,170	BlackRock ICS Sterling Liquid Environmentally Aware Fund†	44,676	4.05

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES – (1.31%); 29.2.2024 (1.06%)				
Credit Default Swaps – (0.86%); 29.2.2024 (1.10%)				
4,500,000	Barclays (Next) 1% 20/6/2025	3,825	(35)	(0.01)
4,500,000	Goldman Sachs (Next) 1% 20/6/2025	3,824	(34)	0.00
115,000,000	XGS (iTraxx) 5% 20/6/2029	106,225	(9,387)	(0.85)
		113,874	(9,456)	(0.86)
Forward Currency Contracts – 0.02%; 29.2.2024 (0.04%)				
£428,906,125	UK Sterling vs Euro	428,763	145	0.01
£6,188,200	UK Sterling vs US Dollar	6,018	169	0.02
US\$1,268,226	US Dollar vs Euro	1,921	9	0.00
US\$6,920,000	US Dollar vs UK Sterling	5,265	(163)	(0.01)
		441,967	160	0.02
Futures – (0.42%); 29.2.2024 0.08%				
(1,310)	Euro-Bobl September 2024	129,825	(1,532)	(0.14)
(614)	Euro-Bund September 2024	69,247	(1,235)	(0.11)
122	Euro-Buxl September 2024	13,822	465	0.04
3,096	Long Gilt December 2024	305,575	(1,712)	(0.16)
2,248	US 5 Year Note (CBT) December 2024	187,124	(595)	(0.05)
		705,593	(4,609)	(0.42)
Interest Rate Swaps – (0.05%); 29.2.2024 0.00%				
19,300,000	Goldman Sachs (Euro) 2.5% vs Variable 29/5/2054	16,737	(515)	(0.05)
Portfolio of investments			1,075,526	97.41
Net other assets			28,652	2.59
Total net assets			1,104,178	100.00

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

Underlying exposure has been calculated according to the guidelines issued by the European Securities and Markets Authority ("ESMA") (as adopted by the FCA) and represents the market value of an equivalent position in the assets underlying each financial derivative instrument.

The counterparties for the forward currency contracts are Bank of America Merrill Lynch, Barclays Bank Plc, BNP Paribas Arbitrage SNC, Citigroup Global Markets Limited, Deutsche Bank AG, J.P. Morgan Securities Plc, Morgan Stanley & Co. International Plc, Royal Bank of Scotland Plc, Société Générale SA, Standard Chartered Bank, Toronto-Dominion Bank and UBS AG.

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

⁰ All or a portion of this investment represents a security on loan.

[†] Managed by a related party.

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
Income		
Net capital gains/(losses)	26,000	(23,646)
Revenue	28,303	22,765
Expenses	(2,787)	(2,592)
Interest payable and similar charges	(2,983)	(726)
Net revenue before taxation	22,533	19,447
Taxation	–	–
Net revenue after taxation	22,533	19,447
Total return before distributions	48,533	(4,199)
Distributions	(25,320)	(22,039)
Change in net assets attributable to unitholders from investment activities	23,213	(26,238)

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
Opening net assets attributable to unitholders	1,094,035	897,815
Amounts receivable on issue of units	124,436	313,160
Amounts payable on cancellation of units	(153,251)	(149,086)
	(28,815)	164,074
Change in net assets attributable to unitholders from investment activities	23,213	(26,238)
Retained distribution on accumulation units	15,736	13,261
Unclaimed distributions over 6 years old	9	–
Closing net assets attributable to unitholders	1,104,178	1,048,912

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 £000's	29.2.2024 £000's
Assets:		
Fixed assets		
– Investment assets	1,090,734	1,065,992
Current assets		
– Debtors	21,822	27,745
– Cash and bank balances	17,361	13,463
– Cash collateral posted	22,649	25,904
Total assets	1,152,566	1,133,104
Liabilities:		
Investment liabilities	(15,208)	(14,694)
Creditors		
– Amounts due to futures clearing houses and brokers	–	(3,128)
– Distributions payable	(4,477)	(4,559)
– Other creditors	(28,703)	(16,688)
Total liabilities	(48,388)	(39,069)
Net assets attributable to unitholders	1,104,178	1,094,035

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 and the Prospectus, employ techniques and instruments relating to transferable securities, including investments in Over-the-Counter Financial Derivative Instruments (OTC FDIs) provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against exchange risk or for direct investment purposes, where applicable.

In addition to the investments in OTC FDIs, the Fund may employ other techniques and instruments relating to transferable securities and money market instruments, subject to the conditions set out in the Fund's Prospectus, as amended from time to time, and the relevant ESMA Guidelines (as adopted by the FCA), such as repurchase/reverse repurchase transactions ("repo transactions") and securities lending.

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
10.63	9.55	148

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.

Supplementary Information continued

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
Barclays Bank Plc	UK	34,489	37,103
Barclays Capital Securities Limited	UK	39,963	44,047
BNP Paribas	France	6,160	6,408
Citigroup Global Markets Limited	UK	7,049	7,504
Deutsche Bank AG (Euroclear)	Germany	894	930
Goldman Sachs International	UK	6,768	7,045
J.P. Morgan Securities Plc	UK	2,310	2,556
Morgan Stanley International	UK	420	438
RBC Europe Limited (Euroclear)	UK	3,590	3,734
UBS	Switzerland	3,755	3,911
Total		105,398	113,676

All securities on loan have an open maturity tenor as they are callable or terminable on a daily basis.

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 and OTC FDIs, as at 31 August 2024.

Currency	Cash collateral received £000's	Cash collateral posted £000's	Non-cash collateral received £000's	Non-cash collateral posted £000's
Securities lending transactions				
CAD	–	–	48	–
CHF	–	–	315	–
CNY	–	–	21,426	–
EUR	–	–	40,799	–
GBP	–	–	26,446	–
HKD	–	–	3,569	–
SGD	–	–	201	–
USD	–	–	20,872	–
Total	–	–	113,676	–
OTC FDIs				
GBP	–	22,649	–	–
	–	22,649	–	–
Total	–	22,649	113,676	–

All cash posted as collateral has an open maturity tenor as it's not subject to a contractual maturity date.

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
Collateral received - securities lending							
Fixed income							
Investment grade	–	–	1,532	364	65,557	–	67,453
Equities							
Recognised equity index	–	–	–	–	–	45,198	45,198
ETFs							
UCITS	–	–	–	–	–	1,025	1,025
Total	–	–	1,532	364	65,557	46,223	113,676

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.

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), with the exception of the amounts disclosed in the following table which are held through a securities settlement system.

Custodian	Non-cash collateral received	
	Securities lending	OTC FDIs
	£000's	£000's
Euroclear Bank SA/NAV	59,590	–

Supplementary Information continued

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 £000's	% of the Fund's NAV
United Kingdom Of Great Britain And Northern Ireland (Government)	26,188	2.37
France, Republic Of (Government)	15,536	1.41
Germany, Federal Republic Of (Government)	12,871	1.17
Spain, Kingdom Of (Government)	5,447	0.49
Industrial And Commercial Bank Of	3,982	0.36
Bank Of China Ltd H	3,981	0.36
Micron Technology Inc	3,140	0.29
China Petroleum And Chemical Corp	2,397	0.22
Bilibili Inc	1,884	0.17
United States Treasury	1,826	0.17
Other issuers	36,424	3.29
Total	113,676	10.30

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.

Through BlackRock Solutions®, the firm offers risk management and advisory services that combine capital markets expertise with proprietary-developed analytics, systems, and technology.

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