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Interim report and unaudited financial statements

BlackRock UK Absolute Alpha Fund

For the six months ended 31 August 2023

NM1023U-3202849-1/19

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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*
S Corrigan (Resigned 2 May 2023)
W I Cullen*
D Edgar
K Henry (Appointed 3 March 2023)
A M Lawrence
H N Mephram
S Sabin (Appointed 18 August 2023)
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
Telephone: 020 7743 3000
Dealing and Investor Services: 0800 44 55 22
www.blackrock.co.uk

For your protection, telephone calls are usually recorded.

* Non-executive Director.

About the Fund

BlackRock UK Absolute Alpha Fund (the "Fund") is a UCITS scheme under the COLL Sourcebook. The Fund was established on 25 April 2005 and was authorised by the FCA on 29 April 2005. The Fund's FCA product reference number is 429038.

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 31 October 2022 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 2023.

Fund Managers

As at 31 August 2023, the fund managers were Oliver Dixon, Nigel Ridge and Richard Wingfield.

Significant Events


Changes in the Directors of the Manager

K Henry was appointed as a Director effective 3 March 2023.

S Corrigan resigned as a Director effective 2 May 2023.

S Sabin was appointed as a Director effective 18 August 2023.

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
P Accumulation	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 2023

Investment Objective

The aim of the Fund is to provide a positive absolute return on your investment (i.e. an increase in the overall value of the Fund) (gross of fees) over any 12 month period regardless of market conditions.

Comparator benchmark	Investment management approach
3 Month SONIA compounded in arrears plus 11.9 basis point spread	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 2023.

	Fund return %	Comparator benchmark %
Class D Accumulation Units	3.30	2.37

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 (“ACWI”), returned 5.37% (in GBP terms) during the six months ended 31 August 2023. Equities recovered from pessimism induced by high inflation (the rate of increase in the prices of goods and services) and rising interest rates, although inflation has begun to slow down in many parts of the world. Indicators of continued resilience, such as robust consumer spending and tight labour markets, tempered investors’ concerns about slowing global economic growth.

Investment Manager's Report continued

The US economy grew strongly in the first six months of 2023 as both consumer and government spending rose, and consumers showed signs of growth in continued spending in July and August 2023. While several prominent regional banks failed during the period, prompt government action limited the impact on the wider economy. The US jobs market continued to show strength, and unemployment remained at historically low levels. In Japan, the economy accelerated during the first six months of 2023, and the government lifted strict border controls although exports declined near the end of the period under review. The UK economy was nearly flat in the first six months of 2023 before contracting in July 2023 amid weakness in exports as global trade cooled. Modest growth resumed in the Eurozone in the first six months of 2023, but high interest rates continued to weigh on the region's economy and retail sales fell in July 2023. UBS's takeover of the failed Credit Suisse at the behest of regulators stabilised markets.

Most emerging market economies continued to expand, although fluctuating commodity prices and the higher interest rate environment presented significant economic challenges. The Chinese economy grew at a slow pace relative to the country's historical rate while falling consumer prices raised concerns about deflation (general decline of the price level of goods and services).

The world's largest central banks continued to implement measures aimed at monetary policy tightening, although the pace of tightening slowed in some regions. The US Federal Reserve ("the Fed") raised interest rates three times, pausing once before resuming with another increase at its July 2023 meeting. However, this represented a significantly slower pace of interest rate increases compared to the sharp tightening seen during the second half of 2022 from the Fed. The Fed also continued to reduce some of the accumulated bond holdings on its balance sheet.

The Bank of England ("BoE") raised interest rates four times, as inflation remained high despite showing some signs of easing. The European Central Bank ("ECB") also increased interest rates at each of its four meetings in an effort to control rising prices in the Eurozone. Furthermore, the ECB began to reduce the size of its balance sheet in March 2023 by allowing some of its outstanding bonds to mature without reinvestment.

Global equity performance was positive overall, as inflationary pressure eased and the global economy continued to grow despite slowdown in some regions. US stocks surged as the Fed tightening slowed and innovations in the technology sector drove significant gains. European stocks performed well as tourism rebounded strongly, supporting consumer spending. Meanwhile, Asian stocks gained as Japan's economy picked up and investor interest in semiconductor companies surged. Equities in emerging markets also gained, helped by the slowing pace of interest rate increases.

Global bond prices (which move inversely to yields) rose slightly overall, as moderating inflation led investors to anticipate an end to the current monetary policy tightening cycle. US treasury prices rose fractionally, sustained by the changing economic environment, as well as the failure of several US banks and subsequent government intervention. UK gilt prices declined slightly, as large borrowing requirements and persistent inflation raised concerns among investors. European government bonds gained slightly, while Japanese government bond prices were volatile, driven by periodic substantial purchases from The Bank of Japan to keep yields within its yield cap. Global corporate bond prices advanced as continued resilience in the global economy drove investor optimism and both high-yield and investment-grade bonds gained.

In the commodities markets, Brent crude oil prices rose moderately as several large oil producing and exporting countries cut production levels. European natural gas prices remained steady, having retreated significantly from the highs following Russia's invasion of Ukraine. Gold prices rose amid the slowing pace of Fed interest rate increases and elevated inflation.

Investment Manager's Report continued

In the foreign exchange markets, the US dollar performance was mixed against other global currencies. The euro and sterling appreciated relative to the US dollar, while the Japanese yen and Chinese yuan declined. Continued interest rate increases from the ECB and BoE, even as the Fed slowed its pace of interest rate hikes, drove the increase in the relative value of the euro and sterling.

Fund Performance Review and Activity

Over the six month period to 31 August 2023, the Fund's performance return was 3.30%, outperforming its comparator benchmark which returned 2.37%.

The Fund is managed on an absolute return basis and not relative to any benchmark. The return of the comparator benchmark is given for reference purposes only.

Equity investors faced a difficult period as markets fell in response to recessionary fears, supply side inflation shocks, the Russian invasion of Ukraine and concerns around monetary policy. Recessionary fears were caused by central banks raising interest rates as inflation surged.

Fund performance during the period was driven by alpha (excess returns over the comparator benchmark) in the short positions (where we believe the stock price may go down). At a sector level, exposure within Basic Materials, Industrials and Financials contributed positively to returns, while Consumer Staples and Energy detracted from returns.

During the six month period the following were the largest contributors to and detractors from the Fund's absolute return:

Largest Contributors		Largest Detractors	
Stock	Effect on Fund return	Stock	Effect on Fund return
3i	0.98%	Industrials ¹	(0.67%)
Rentokil Initial	0.63%	British American Tobacco	(0.43%)
RELX	0.34%	Prudential	(0.42%)
Melrose Industrials	0.29%	Real Estate ¹	(0.27%)
Consumer Discretionary ¹	0.27%	Consumer Discretionary ¹	(0.25%)

¹ Where short positions (where we believe a stock will go down) are noted as contributors or detractors from returns, they are anonymised and described by their sector only.

3i was the top contributor during the period where its Continental European discount retailer company, Action, has continued to exceed expectations sustaining strong share price performance. RELX also contributed to performance where its data and analytics businesses have allowed the company to accelerate revenue growth. The company continues to demonstrate good organic growth highlighted in its half yearly results where the company has proven its credentials as a beneficiary of post-pandemic outsourcing.

On the detractors, the short position in an aerospace defense company (within the Industrials sector) raised its profit guidance as the company continues to benefit from increased defense spending as a result of the war in Ukraine and an increase in flying hours over longer haul flights. Our long position in British American Tobacco detracted from performance after trading in its core combustibles business disappointed in the US and there was an unexpected departure of the CEO.

Investment Manager’s Report continued

The following table details the significant portfolio weightings at 31 August 2023 and 28 February 2023:

31 August 2023		28 February 2023	
Sector	Gross Exposure	Sector	Gross Exposure
Industrials	26.33%	Consumer Discretionary	27.61%
Consumer Discretionary	25.66%	Industrials	23.92%
Financials	18.63%	Consumer Staples	20.04%
Consumer Staples	18.57%	Financials	14.78%
Health Care	8.12%	Energy	7.23%

The Investment Manager continues to manage the market exposure of the Fund dynamically in response to market developments and the opportunities that are emerging.

Net Asset Value

At 31 August 2023	Units in Issue	Net Asset Value £000's	Net Asset Value per Unit p
A Income	20,059	35	175.3
A Accumulation	137,658	253	183.6
P Accumulation	25,643,753	40,537	158.1
D Accumulation	34,532,423	59,421	172.1
S Income	410,910	512	124.5
S Accumulation	18,573,880	23,388	125.9

Distributions Payable for the period to 31 August 2023

The Fund recorded a net revenue shortfall for the period to 31 August 2023. Accordingly no distribution was payable.

Operating Charges

Unit Class	1.3.2023 to 31.8.2023	1.3.2022 to 28.2.2023
A Income	1.92%	1.92%
A Accumulation	1.92%	1.92%
P Accumulation	1.67%	1.67%
D Accumulation	0.92%	0.92%
S Income	0.79%	0.85%
S Accumulation	0.77%	0.84%

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 2023

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
EQUITIES – 1.41%; 28.2.2023 1.74%			
BERMUDA – 0.89%; 28.2.2023 0.85%			
Insurance – 0.89%; 28.2.2023 0.85%			
110,084	Hiscox	1,102	0.89
GUERNSEY – 0.06%; 28.2.2023 0.07%			
Private Equity – 0.06%; 28.2.2023 0.07%			
1,191,363	Better Capital ¹	77	0.06
UNITED KINGDOM – 0.46%; 28.2.2023 0.82%			
Airlines – 0.00%; 28.2.2023 0.27%			
Home Builders – 0.18%; 28.2.2023 0.21%			
194,663	Taylor Wimpey	224	0.18
Internet – 0.28%; 28.2.2023 0.34%			
34,477	Auto Trader	210	0.17
78,791	Moonpig	131	0.11
		341	0.28
BONDS – 59.34%; 28.2.2023 63.67%			
UK Sterling Denominated ECP Bonds – 59.34%; 28.2.2023 63.67%			
£7,000,000	Agence Centrale Organismes Sec 0% 21/9/2023	6,978	5.62
£4,000,000	Albion Capital Corpo 0% 21/9/2023	3,987	3.21
£3,000,000	Allianz 0% 26/10/2023	2,975	2.40
£5,000,000	Antalis 0% 5/9/2023	4,995	4.02
£5,000,000	Managed And Enhanced Tap 0% 21/9/2023	4,984	4.02
£3,000,000	Matchpoint Finance Public 0% 22/9/2023	2,990	2.41
£3,000,000	Matchpoint Finance Public 0% 25/9/2023	2,989	2.41
£1,000,000	Mont Blanc Capital 0% 18/9/2023	997	0.80
£7,000,000	Omers Finance Trust 0% 13/9/2023	6,987	5.63
£6,000,000	Paccar Financial Europe 0% 25/9/2023	5,977	4.82

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
£3,000,000	Psp Capital 0% 14/9/2023	2,994	2.41
£3,000,000	Satellite 0% 24/10/2023	2,975	2.40
£6,000,000	Sheffield Receivables 0% 6/11/2023	5,939	4.78
£6,000,000	Sumitomo Mitsui Banking 0% 15/9/2023	5,986	4.82
£6,000,000	Sunderland Receivables 0% 6/11/2023	5,939	4.78
£3,000,000	Toyota Finance Australia 0% 12/9/2023	2,994	2.41
£3,000,000	Toyota Motor Finance 0% 23/10/2023	2,976	2.40
		73,662	59.34
Certificate of deposits – 28.73%; 28.2.2023 31.40%			
£5,000,000	Credit Agricole 0% Certificate of Deposit 3/10/2023	4,976	4.01
£4,000,000	Dbs Bank 0% Certificate of Deposit 30/1/2024	3,903	3.14
£6,000,000	Euroclear Bank NV 0% Certificate of Deposit 9/11/2023	5,937	4.78
£5,000,000	Ing Bank NV 0% Certificate of Deposit 6/11/2023	4,949	3.99
£6,000,000	Mizuho Bank 5% Certificate of Deposit 5/9/2023	5,999	4.83
£1,000,000	National Australia Bank 5.05% Certificate of Deposit 5/1/2024	998	0.81
£1,000,000	National Australia Bank 5.05% Certificate of Deposit 8/1/2024	998	0.80
£2,000,000	Nordea Bank 0% Certificate of Deposit 5/6/2024	1,912	1.54
£6,000,000	Sumitomo Mitsui Trst Bank 5.6% Certificate of Deposit 16/10/2023	6,000	4.83
		35,672	28.73
COLLECTIVE INVESTMENT SCHEMES – 9.77%; 28.2.2023 9.85%			
Short-term Money Market Funds – 9.77%; 28.2.2023 9.85%			
121,356	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class [†]	12,133	9.77

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Exposure – Underlying Derivatives £000's	Market Value £000's	% of Total Net Assets
DERIVATIVES – (0.41%); 28.2.2023 (1.00%)				
UK Sterling – (0.66%); 28.2.2023 0.48%				
CFDs Short – (0.09%); 28.2.2023 (0.28%)				
Aerospace & Defence – (0.09%); 28.2.2023 (0.53%)				
(59,127)	BAE Systems	597	10	0.01
(909,600)	Rolls-Royce	2,018	(127)	(0.10)
		2,615	(117)	(0.09)
Airlines – 0.01%; 28.2.2023 0.06%				
(372,945)	International Consolidated Airlines	613	16	0.01
Beverages – 0.00%; 28.2.2023 (0.20%)				
(47,364)	Britvic	418	(14)	(0.01)
(65,545)	Coca-Cola HBC	1,511	(30)	(0.02)
(67,882)	Diageo	2,214	36	0.03
		4,143	(8)	0.00
Chemicals – 0.04%; 28.2.2023 0.05%				
(11,113)	Croda International	613	(10)	(0.01)
(59,128)	Johnson Matthey	963	56	0.05
		1,576	46	0.04
Commercial Services – 0.06%; 28.2.2023 0.14%				
(89,569)	Experian	2,494	72	0.06
Cosmetics & Personal Care – 0.00%; 28.2.2023 0.03%				
(631,319)	Haleon	2,048	(9)	(0.01)
(27,471)	Unilever	1,116	7	0.01
		3,164	(2)	0.00
Distribution & Wholesale – (0.10%); 28.2.2023 0.04%				
(72,129)	Bunzl	2,061	(123)	(0.10)
Diversified Financial Services – 0.03%; 28.2.2023 (0.02%)				
(116,530)	abrdn	194	31	0.02
(697,119)	Ninety One	1,193	(38)	(0.03)
(277,431)	Schroders	1,159	47	0.04
		2,546	40	0.03
Food Producers – (0.05%); 28.2.2023 (0.04%)				
(34,872)	Greggs	854	(8)	(0.01)
(1,366,443)	J Sainsbury	3,717	(45)	(0.04)
		4,571	(53)	(0.05)
Healthcare Products – (0.01%); 28.2.2023 0.04%				
(280,963)	ConvaTec	655	(16)	(0.01)
Home Builders – 0.01%; 28.2.2023 0.00%				
(212,458)	Barratt Developments	962	8	0.01
(74,966)	Vistry	582	4	0.00
		1,544	12	0.01

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Exposure – Underlying Derivatives £000's	Market Value £000's	% of Total Net Assets
Leisure Time – 0.00%; 28.2.2023 0.23%				
Miscellaneous Manufacturing – 0.02%; 28.2.2023 0.02%				
(11,338)	Diploma	356	11	0.01
(66,846)	Smiths	1,103	7	0.01
		1,459	18	0.02
Oil & Gas Producers – 0.01%; 28.2.2023 0.01%				
(32,705)	DCC	1,419	13	0.01
Packaging & Containers – 0.00%; 28.2.2023 0.04%				
Pharmaceuticals – 0.00%; 28.2.2023 0.00%				
(9,967)	GSK	140	(4)	0.00
Retail – (0.02%); 28.2.2023 (0.09%)				
(327,149)	B&M European Value Retail	1,882	(22)	(0.02)
(732,104)	Kingfisher	1,707	29	0.02
(205,230)	Pets at Home	778	(19)	(0.02)
		4,367	(12)	(0.02)
Telecommunications – 0.00%; 28.2.2023 (0.06%)				
CFDs Long – (0.57%); 28.2.2023 0.76%				
Advertising – (0.01%); 28.2.2023 0.00%				
34,829	WPP	265	(11)	(0.01)
Agriculture – 0.08%; 28.2.2023 0.08%				
117,987	British American Tobacco	3,103	101	0.08
Banks – (0.31%); 28.2.2023 0.27%				
698,905	HSBC	4,112	(324)	(0.26)
5,363,928	Lloyds Banking	2,289	(1)	0.00
124,869	NatWest	291	–	0.00
272,841	Standard Chartered	1,965	(59)	(0.05)
		8,657	(384)	(0.31)
Commercial Services – 0.00%; 28.2.2023 0.19%				
1,635,365	Hays	1,750	7	0.01
296,939	RELX	7,679	24	0.02
668,667	Rentokil Initial	4,032	(35)	(0.03)
		13,461	(4)	0.00
Computers – (0.04%); 28.2.2023 0.08%				
2,816,243	Serco	4,334	(51)	(0.04)
Diversified Financial Services – (0.01%); 28.2.2023 0.00%				
24,378	London Stock Exchange	2,000	(15)	(0.01)
Electronics – (0.06%); 28.2.2023 0.14%				
89,531	Spectris	2,979	(69)	(0.06)
Food Producers – 0.02%; 28.2.2023 0.07%				
642,800	SSP	1,514	(15)	(0.01)
433,430	Tate & Lyle	3,084	(102)	(0.08)

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Exposure – Underlying Derivatives £000's	Market Value £000's	% of Total Net Assets
962,883	Tesco	2,567	141	0.11
		7,165	24	0.02
Food Services – 0.04%; 28.2.2023 0.14%				
372,013	Compass	7,500	55	0.04
Home Builders – 0.00%; 28.2.2023 0.00%				
3,062	Taylor Wimpey	4	–	0.00
Household Products – 0.01%; 28.2.2023 0.02%				
49,941	Reckitt Benckiser	2,847	17	0.01
Insurance – (0.08%); 28.2.2023 0.00%				
211,965	Phoenix	1,098	(41)	(0.03)
208,965	Prudential	2,049	(63)	(0.05)
		3,147	(104)	(0.08)
Internet – (0.06%); 28.2.2023 (0.09%)				
636,315	Auto Trader	3,879	(76)	(0.06)
Investment Companies – (0.03%); 28.2.2023 0.00%				
501,995	Melrose Industries	2,604	(41)	(0.03)
Lodging – (0.01%); 28.2.2023 (0.04%)				
55,722	Whitbread	1,916	(18)	(0.01)
Media – (0.04%); 28.2.2023 0.04%				
591,621	Pearson	4,987	(53)	(0.04)
Metal & Hardware – (0.07%); 28.2.2023 0.02%				
172,284	Bodycote	1,138	(82)	(0.07)
Mining – (0.13%); 28.2.2023 (0.43%)				
54,224	Anglo American	1,143	(26)	(0.02)
542,233	Glencore	2,271	(140)	(0.11)
		3,414	(166)	(0.13)
Oil & Gas Producers – 0.12%; 28.2.2023 0.26%				
160,706	BP	787	16	0.01
289,488	Shell	7,006	139	0.11
		7,793	155	0.12
Pharmaceuticals – (0.15%); 28.2.2023 0.07%				
68,603	AstraZeneca	7,383	(181)	(0.15)
Private Equity – 0.18%; 28.2.2023 (0.05%)				
299,281	3i	5,947	223	0.18
Real Estate Investment & Services – (0.02%); 28.2.2023 (0.01%)				
379,114	Grainger	900	(25)	(0.02)
Retail – 0.00%; 28.2.2023 0.00%				
Euro – 0.11%; 28.2.2023 0.12%				
CFDs Short – 0.09%; 28.2.2023 0.07%				
Chemicals – 0.05%; 28.2.2023 0.08%				
(42,589)	Umicore	888	65	0.05

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Exposure – Underlying Derivatives £000's	Market Value £000's	% of Total Net Assets
Food Producers – 0.04%; 28.2.2023 (0.05%)				
(24,735)	Danone	1,144	12	0.01
(9,947)	Kerry	726	39	0.03
		1,870	51	0.04
Transportation – 0.00%; 28.2.2023 0.04%				
(39,994)	DHL	1,491	(6)	0.00
CFDs Long – 0.02%; 28.2.2023 0.05%				
Aerospace & Defence – 0.02%; 28.2.2023 0.05%				
21,585	Safran	2,753	27	0.02
Swedish Krona – 0.00%; 28.2.2023 0.02%				
CFDs Short – 0.00%; 28.2.2023 0.02%				
Retail – 0.00%; 28.2.2023 0.02%				
(55,551)	H & M Hennes & Mauritz	668	(2)	0.00
US Dollar – (0.10%); 28.2.2023 0.05%				
CFDs Short – (0.10%); 28.2.2023 0.05%				
Distribution & Wholesale – (0.03%); 28.2.2023 (0.03%)				
(3,721)	WW Grainger	2,128	(35)	(0.03)
Food Producers – 0.00%; 28.2.2023 0.00%				
Leisure Time – 0.00%; 28.2.2023 0.03%				
Lodging – 0.00%; 28.2.2023 0.02%				
(4,860)	Marriott International	787	4	0.00
Real Estate Investment Trusts – (0.07%); 28.2.2023 0.03%				
(44,803)	Iron Mountain	2,238	(91)	(0.07)
Futures – 0.24%; 28.2.2023 (1.67%)				
(494)	FTSE 100 Index September 2023	37,001	305	0.24
Portfolio of investments		122,706	98.84	
Net other assets		1,440	1.16	
Total net assets		124,146	100.00	

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

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 CFDs shown in the portfolio statement starting on page 11 are expressed at both their mark-to-market and original notional which when added together represent the current notional value of the CFDs. The current notional value of a CFD represents the reference amount used to calculate payments between the counterparties to the CFD. The full notional value represents the economic interest in the security underlying the CFD, but does not change hands in full between the counterparties.

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

[†] Managed by a related party.

Statement of Total Return (unaudited)

for the six months ended 31 August 2023

	£000's	31.8.2023 £000's	£000's	31.8.2022 £000's
Income				
Net capital gains		4,855		6,867
Revenue	3,420		1,306	
Expenses	(1,166)		(2,045)	
Interest payable and similar charges	(2,597)		(228)	
Net expense before taxation	(343)		(967)	
Taxation	–		–	
Net expense after taxation		(343)		(967)
Change in net assets attributable to unitholders from investment activities		4,512		5,900

Statement of Change in Net Assets Attributable to Unitholders

(unaudited) for the six months ended 31 August 2023

	£000's	31.8.2023 £000's	£000's	31.8.2022 £000's
Opening net assets attributable to unitholders		139,249		109,105
Amounts receivable on issue of units	47,349		54,736	
Amounts payable on cancellation of units	(66,964)		(16,041)	
		(19,615)		38,695
Change in net assets attributable to unitholders from investment activities		4,512		5,900
Closing net assets attributable to unitholders		124,146		153,700

The above statement shows the comparative closing net assets at 31 August 2022 whereas the current accounting period commenced 1 March 2023.

Balance Sheet (unaudited)

at 31 August 2023

	31.8.2023 £000's	28.2.2023 £000's
Assets:		
Fixed assets		
– Investment assets	124,733	152,148
Current assets		
– Debtors	1,699	896
– Cash and bank balances	3,545	9,154
Total assets	129,977	162,198
Liabilities:		
Investment liabilities	(2,027)	(5,013)
Creditors		
– Amounts due to futures clearing houses and brokers	(335)	(590)
– Other creditors	(3,469)	(17,346)
Total liabilities	(5,831)	(22,949)
Net assets attributable to unitholders	124,146	139,249

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

26 October 2023

Notes to Financial Statements (unaudited)

for the six months ended 31 August 2023

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 28 February 2023 and are described in those annual financial statements.

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