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# **Interim report and unaudited financial statements**

BlackRock Asia Fund

For the six months ended 31 August 2022

NM1022U-2565195-1/19

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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  
W I Cullen\*  
D Edgar  
B Harrison (Resigned 19 August 2022)  
A M Lawrence  
H N Mephram  
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.

## Investment Adviser

BlackRock Asset Management North Asia Limited  
16/F Champion Tower, 3 Garden Road, Central, Hong Kong

Regulated by the Securities and Futures Commission.

## 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  
blackrock.co.uk

**For your protection, telephone calls are usually recorded.**

\* Non-executive Director.

## About the Fund

BlackRock Asia Fund (the "Fund") is a UCITS scheme under the COLL Sourcebook. The Fund was authorised on 17 June 2013 and was established on 28 June 2013. The Fund's FCA product reference number is 599967.

### 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 29 October 2021 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 2022.

## Fund Managers

As at 31 August 2022, the Fund Managers of the Fund are Stephen Andrews and Nicholas Chui.

## Significant Events

### Changes in the Directors of the Manager

B Harrison resigned as a Director effective 19 August 2022.


### COVID-19

The infectious respiratory illness caused by a novel coronavirus known as COVID-19 has had a profound impact on all aspects of society over the last two years. While there is a growing consensus in developed economies that the worst of the impact is now over, there is an expectation that travel restrictions, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, cancellations, supply chain disruptions, and lower consumer demand will create ongoing challenges. While widescale vaccination programmes are now in place in many countries and are having a positive effect, the impact of COVID-19 continues to adversely affect the economies of many nations across the entire global economy and this impact may be greater where vaccination rates are lower, such as in certain emerging markets. While it is difficult to make timing predictions, it is expected that the economic effects of COVID-19 will continue to be felt for a period after the virus itself has moved from being pandemic to endemic in nature and this in turn may continue to impact investments held by the Fund.

### Russian Invasion of Ukraine

Certain financial markets have fallen during the financial period due primarily to geo-political tensions arising from Russia's invasion of Ukraine and the impact of the subsequent range of sanctions, regulations and other measures which impaired normal trading in Russian securities. The Manager continues to monitor investment performance in line with the Fund's investment objectives, and the operations of the Fund and the publication of net asset values are continuing.

## Risk and Reward Profile

	Lower risk Typically lower rewards					Higher risk Typically higher rewards	
Unit Class							
A 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
Z Income	1	2	3	4	5	6	7
Z 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](http://www.blackrock.com).

# Investment Report

for the six months ended 31 August 2022

## 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) (gross of fees) over the long term (5 or more consecutive years beginning at the point of investment) by investing in equities (i.e. shares) of companies based in Asia, excluding Japan.

Comparator benchmark	Investment management approach
MSCI All Country Asia ex Japan Index	Active

## Performance Summary

The following table compares the Fund's realised performance against the performance of the relevant comparator benchmark during the financial period ended 31 August 2022.

	Fund return %	Comparator benchmark %
Class D Accumulation Units	(0.29)	0.78

Further information on the performance measures and calculation methodologies used is detailed below:

- Fund return disclosed, calculated net of fees, is the performance return 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 SORP requirements, including the accounting policy for the valuation point at 12 noon, where the end of the accounting period end on the balance sheet date is a business day which apply to the financial statements, 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 (11.21%) (in US dollar terms). However, as the pound sterling declined sharply against other influential currencies, the ACWI returned 2.38% (in GBP terms) for the six months ended 31 August 2022. Amid a slowing economic recovery, both bonds and equities were pressured (in U.S. dollar terms) by persistently high inflation (rate of increase in the prices of goods and services) and moves towards monetary policy tightening from the world's largest central banks. The Russian invasion of Ukraine drove further uncertainty and disruption in financial markets. Sanctions imposed on Russia negatively impacted businesses with ties to the region and contributed to significant volatility (market ups and downs) in some commodity prices.

The US economy faltered in the first half of 2022, contracting amid slowing growth in consumer spending and a sharp decline in business confidence. Japanese growth was modest, as supply shortages and disruptions from the Russian invasion of Ukraine weighed on production. The UK economy slowed, contracting in the three months ended June 2022 amid weakness in services output. The Eurozone posted modest growth, helped in part by an increase in household spending and a rebound in tourism.

# Investment Report continued

Economic growth was generally slow among emerging market nations as the global economy cooled. In China, the economy slowed substantially in the second quarter of 2022 following a series of strict lockdowns aimed at containing an increase in COVID-19 cases. India's economy slowed but continued to grow in the first quarter, helped by a pickup in service sector activity.

As inflation continued to rise globally, the world's largest central banks implemented different measures aimed at monetary tightening. The US Federal Reserve ("the Fed") raised interest rates four times in an effort to control inflation, including back to back 75 basis points increases in June and July 2022. The Fed also ended its bond-buying programmes and began reducing some of its accumulated bond holdings in June 2022.

The Bank of England raised interest rates four times, as inflation reached a forty-year high. Inflation also accelerated in the Eurozone and the European Central Bank ("ECB") raised interest rates in July 2022, its first rate hike since 2011. Furthermore, the ECB also signalled that it would take action to prevent significant divergence between bond yields (which move inversely to prices) of Eurozone states as interest rates rise.

Global equity performance was significantly negative in most parts of the world (in US dollar terms). Rising inflation amid supply chain constraints and tighter monetary policy from many central banks negatively impacted equities. US, European, and Asia-Pacific equities all retreated during the six month period.

Global bond prices also declined (in US dollar terms), as heightened inflation put pressure on returns. US treasuries fell amid concerns that the Fed would continue to raise interest rates due to high inflation. Long-term US Treasury yields fell below short-term yields, a signal that markets were increasingly concerned about slowing economic growth. Similarly, UK, European, and Japanese government bonds declined (in US dollar terms) for the six month period. Corporate bonds fell globally as investors became concerned about the impact of rising interest rates on companies' financing costs.

Equities in emerging markets posted a substantial decline (in US dollar terms), as the US dollar strengthened and interest rates rose. Central banks in several emerging markets, such as India, Brazil, and Mexico raised interest rates multiple times in response to heightened inflation concerns. Emerging market bond prices declined sharply, particularly following Russia's invasion of Ukraine.

The commodities markets were volatile, with energy prices rising sharply (in US dollar terms), following Russia's invasion of Ukraine before moderating late in the period on growth concerns. The price of Brent crude oil rose sharply following Russia's invasion of Ukraine, but retreated as markets stabilised, ending the six-month period nearly flat. Natural gas prices gained significantly, particularly in Europe, amid supply disruptions from Russia. Gold prices declined, as higher interest rates made non-interest-bearing investments relatively less attractive despite rising inflation, while industrial metals also generally declined.

On the foreign currencies, the US dollar rose against most other global currencies, particularly as the Fed began tightening monetary policy in 2022. The Japanese yen declined notably against the US dollar, as the Bank of Japan's relatively accommodative stance meant that interest rates rose faster in the US than in Japan. The euro, pound sterling, and Chinese yuan also weakened relative to the US dollar as investors saw the US dollar being more insulated from the geopolitical turmoil.

## Fund Performance Review and Activity

Over the six month period to 31 August 2022, the Fund's performance return was (0.29)% and the active return was (1.07)%, regrettably underperforming its comparator benchmark which returned 0.78% (active return is the difference between the Fund's return and the comparator benchmark return).

# Investment Report continued

Asia ex Japan markets lagged developed and emerging markets through the first quarter of 2022, primarily reflecting the challenging environment in the Chinese economy. The key macro focus has been on the harmful impacts of zero COVID-19 policy in addition to property market weakness. 2022 has seen continued fears over rising inflation, supply chain disruptions, and more recently geopolitical turmoil dominating risk sentiment.

The Fund has underperformed its benchmark over the last six months. The overweight to China and the underweight to India proved costly from a country allocation standpoint. On the other hand, stock picks in Singapore, especially Financials, contributed well. At a sector level, underweight to Consumer Discretionary and stock picks in Consumer Staples detracted. Stock picks in Financials were a positive contributor regionally.

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	
Stock	Effect on Fund return	Stock	Effect on Fund return
Mahindra & Mahindra Financial Services <sup>#</sup>	0.66%	China Mengniu Dairy <sup>#</sup>	(0.49%)
Bank Mandiri Persero <sup>#</sup>	0.40%	JD.com <sup>#</sup>	(0.42%)
Ming Yang Smart Energy <sup>#</sup>	0.38%	Hua Hong Semi <sup>^</sup>	(0.37%)
SEA <sup>#</sup>	0.38%	Samsung Electronics <sup>#</sup>	(0.36%)
OCBC <sup>#</sup>	0.34%	Prudential <sup>#</sup>	(0.32%)

<sup>#</sup> Overweight position - holds more exposure than the benchmark.

<sup>^</sup> Underweight position - holds less exposure than the benchmark.

Mahindra & Mahindra Financial Services, an Indian non-banking finance company, was the top contributor as India emerged from lockdown and demand for rural loans increased. On the other hand, China Mengniu Dairy detracted as consumption patterns were challenged amid ongoing China lockdowns.

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 2022 and 28 February 2022:

Top overweight positions			
31 August 2022		28 February 2022	
Country	Active Weighting	Country	Active Weighting
Multi-country (Pan-Asia) <sup>^</sup>	2.8%	China	7.1%
Korea	2.5%	Multi-country (Pan-Asia) <sup>^</sup>	3.9%
China	1.8%	Indonesia	2.1%

<sup>^</sup> Multi-country refers to stocks which have exposure to multiple Asian countries and therefore cannot be bucketed into a single country.

Top underweight positions			
31 August 2022		28 February 2022	
Country	Active Weighting	Country	Active Weighting
India	(5.9%)	India	(6.8%)
Taiwan	(2.9%)	Taiwan	(5.8%)
Philippines	(0.8%)	Malaysia	(1.7%)



Where the Fund is underweight a country, the return from such country will have an opposite effect on the Fund's return relative to the benchmark. This may result in a country being listed as an underweight position but not listed on the Fund's Portfolio Statement.

The Fund remains overweight in Indonesia which the Manager sees as benefitting in a post COVID-19 environment and from rising commodity prices. The Fund is also marginally overweight Thailand and Malaysia as the Fund is more constructive of ASEAN markets being well positioned as reopening plays. The Fund is most underweight to India and Taiwan. At the sector level, financials and real estate are the Manager's most significant overweights, while consumer discretionary and healthcare are the Manager's biggest underweights.

## Net Asset Value

At 31 August 2022	Units in Issue	Net Asset Value £000's	Net Asset Value per Unit p
A Accumulation	474,205	933	196.8
D Accumulation	17,436,919	36,751	210.8
S Income	100	–	93.27
S Accumulation	100	–	94.42
Z Income	3,877,551	6,012	155.1
Z Accumulation	3,332,247	5,568	167.1

## Distributions Payable for the period to 31 August 2022

Unit Class	Distribution payable on 31.10.2022 Pence per Unit
A Accumulation	1.2733
D Accumulation	2.1327
S Income	1.1500
S Accumulation	1.1500
Z Income	1.7354
Z Accumulation	1.8517

## Operating Charges

Unit Class	1.3.2022 to 31.8.2022	1.3.2021 to 28.2.2022
A Accumulation	1.73%	1.73%
D Accumulation	0.98%	0.98%
S Income	0.90%	0.90%
S Accumulation	0.90%	0.90%
Z Income	0.78%	0.78%
Z Accumulation	0.78%	0.78%

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 2022

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
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## EQUITIES – 102.55%; 28.2.2022 96.12%

### China – 33.03%; 28.2.2022 37.57%

223,848	Alibaba	2,315	4.70
175,500	Anhui Conch Cement	577	1.17
66,550	Baidu	1,032	2.09
3,371,000	Bank of China	1,017	2.06
226,000	China Oilfield Services	202	0.41
283,000	China Yangtze Power	846	1.72
453,000	CMOC <sup>o</sup>	174	0.35
582,527	CMOC	358	0.73
69,500	ENN Energy	871	1.77
141,800	Han's Laser Technology Industry	527	1.07
53,441	KE	820	1.66
134,364	LONGi Green Energy Technology	858	1.74
31,500	Meituan	656	1.33
96,700	NetEase	1,503	3.05
14,300	Shenzhen Mindray Bio-Medical Electronics	532	1.08
44,500	Tencent	1,597	3.24
12,500	WuXi AppTec <sup>o</sup>	122	0.25
56,600	WuXi AppTec	633	1.29
21,313	Yum China	896	1.82
324,800	Zijin Mining	356	0.72
392,000	Zijin Mining	384	0.78

**16,276 33.03**

### Hong Kong – 13.24%; 28.2.2022 13.45%

98,200	AIA	818	1.66
298,000	BOC Hong Kong	884	1.79
316,000	China Mengniu Dairy	1,236	2.51
245,777	China Resources Land	868	1.76
232,000	CK Hutchison	1,290	2.62
718,000	Guangdong Investment	567	1.15
129,233	Link REIT	862	1.75

**6,525 13.24**

### India – 10.52%; 28.2.2022 7.62%

125,709	Axis Bank	1,023	2.08
242,358	Bandhan Bank	731	1.48
34,925	Godrej Properties	534	1.08
42,137	HDFC Bank	677	1.37
431,633	Mahindra & Mahindra Financial Services	961	1.95
27,902	Reliance Industries	797	1.62
165,759	Zee Entertainment Enterprises	462	0.94

**5,185 10.52**

### Indonesia – 3.03%; 28.2.2022 4.01%

1,840,100	Bank Central Asia	875	1.78
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Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
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1,204,600	Bank Mandiri Persero	618	1.25
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**1,493 3.03**

### Malaysia – 2.53%; 28.2.2022 0.00%

292,900	Malayan Banking	505	1.03
819,800	Public Bank	741	1.50

**1,246 2.53**

### Singapore – 4.13%; 28.2.2022 1.99%

160,300	Oversea-Chinese Banking	1,190	2.42
523,200	Singapore Telecommunications	844	1.71

**2,034 4.13**

### South Korea – 15.70%; 28.2.2022 13.94%

10,899	Kakao	515	1.05
24,604	KT	588	1.19
19,869	Samsung Electronics	697	1.42
68,488	Samsung Electronics	2,627	5.33
2,329	Samsung SDI <sup>o</sup>	895	1.82
35,139	Shinhan Financial	826	1.68
6,322	SK	948	1.92
5,202	SK Innovation	635	1.29

**7,731 15.70**

### Taiwan – 14.29%; 28.2.2022 12.71%

104,000	Accton Technology	832	1.69
90,868	Hiwin Technologies	533	1.08
22,200	momo.com	458	0.93
332,000	Taiwan Semiconductor Manufacturing	4,733	9.61
52,000	Yageo	483	0.98

**7,039 14.29**

### Thailand – 3.06%; 28.2.2022 2.73%

470,600	CP ALL	681	1.38
939,400	PTT	826	1.68

**1,507 3.06**

### United Kingdom – 1.71%; 28.2.2022 0.96%

51,244	Prudential	463	0.94
63,754	Standard Chartered	377	0.77

**840 1.71**

### United States of America – 1.31%; 28.2.2022 1.14%

20,260	Air Lease	644	1.31
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## COLLECTIVE INVESTMENT

### SCHEMES – 2.97; 28.2.2022 2.89%

#### Short-term Money Market Funds – 2.97%; 28.2.2022 2.89%

14,643	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class <sup>†</sup>	1,463	2.97
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# Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Exposure – Derivatives Value £000's	Underlying Market Value £000's	% of Total Net Assets	
DERIVATIVES – (0.06%); 28.2.2022 (0.18%)					
Contracts for differences ("CFDs") Long – (0.06%); 28.2.2022 (0.18%)					
61,424	Standard Chartered		364	(9)	(0.02)
22,031	Prudential		199	(22)	(0.04)
			563	(31)	(0.06)
Portfolio of investments			51,952	105.46	
Net other liabilities			(2,688)	(5.46)	
Total net assets			49,264	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.

<sup>0</sup> All or a portion of this investment represents a security on loan.

<sup>†</sup> Managed by a related party.

## Statement of Total Return (unaudited)

for the six months ended 31 August 2022

	£000's	31.8.2022 £000's	£000's	31.8.2021 £000's
Income				
Net capital losses		(2,275)		(4,078)
Revenue	1,164		1,319	
Expenses	(348)		(562)	
Interest payable and similar charges	(8)		(8)	
Net revenue before taxation	808		749	
Taxation	(91)		(89)	
Net revenue after taxation		717		660
Total return before distributions		(1,558)		(3,418)
Distributions		(765)		(660)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(2,323)</b>		<b>(4,078)</b>

## Statement of Change in Net Assets Attributable to Unitholders

(unaudited) for the six months ended 31 August 2022

	£000's	31.8.2022 £000's	£000's	31.8.2021 £000's
<b>Opening net assets attributable to unitholders</b>		95,097		141,068
Amounts receivable on issue of units	4,344		14,777	
Amounts payable on cancellation of units	(48,294)		(33,488)	
		(43,950)		(18,711)
Change in net assets attributable to unitholders from investment activities		(2,323)		(4,078)
Retained distribution on accumulation units		440		474
<b>Closing net assets attributable to unitholders</b>		<b>49,264</b>		<b>118,753</b>

The above statement shows the comparative closing net assets at 31 August 2021 whereas the current accounting period commenced 1 March 2022.

# Balance Sheet (unaudited)

at 31 August 2022

	31.8.2022 £000's	28.2.2022 £000's
<b>Assets:</b>		
Fixed assets		
– Investment assets	51,983	94,157
Current assets		
– Debtors	393	1,202
– Cash and bank balances	1,617	955
<b>Total assets</b>	<b>53,993</b>	<b>96,314</b>
<b>Liabilities:</b>		
Investment liabilities	(31)	(168)
Creditors		
– Distributions payable	(67)	(21)
– Other creditors	(4,631)	(1,028)
<b>Total liabilities</b>	<b>(4,729)</b>	<b>(1,217)</b>
<b>Net assets attributable to unitholders</b>	<b>49,264</b>	<b>95,097</b>

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

28 October 2022

# Notes to Financial Statements (unaudited)

for the six months ended 31 August 2022

## 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 2022 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 and Contracts for Difference (CFDs)

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) and the value of CFDs as a proportion of the Fund's NAV, as at 31 August 2022. The income/returns earned from securities lending and CFDs respectively are also shown for the period ended 31 August 2022. 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. The value of CFDs is based on the underlying exposure value on a gross absolute basis.

Securities on loan			CFDs	
% of lendable assets	% of NAV	Income earned £000's	% of NAV	Returns earned £000's
3.69	2.24	–	1.14	3

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.

All returns and costs from CFDs will accrue to the Fund and are not subject to any returns or cost sharing arrangements with the Fund's Manager or any other third parties.



## 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 and the underlying exposure value on a gross absolute basis for CFDs, analysed by counterparty as at 31 August 2022.

Counterparty	Counterparty's country of establishment	Securities Lending		CFDs
		Amount on loan £000's	Collateral received £000's	Underlying exposure £000's
J.P. Morgan Securities Plc	UK	935	1,031	563
UBS AG	Switzerland	167	184	–
<b>Total</b>		<b>1,102</b>	<b>1,215</b>	<b>563</b>

All securities on loan and CFDs 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 (including CFDs), as at 31 August 2022.

Currency	Cash collateral received £000's	Cash collateral posted £000's	Non-cash collateral received £000's	Non-cash collateral posted £000's
<b>Securities lending transactions</b>				
CAD	–	–	3	–
CHF	–	–	10	–
CNY	–	–	238	–
EUR	–	–	7	–
GBP	–	–	3	–
HKD	–	–	80	–
JPY	–	–	231	–
SGD	–	–	2	–
USD	–	–	641	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,215</b>	<b>–</b>

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions and OTC FDIs 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 and OTC FDI (including CFDs), as at 31 August 2022.

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
<b>Collateral received - securities lending</b>							
<b>Fixed income</b>							
Investment grade	–	–	–	1	2	–	<b>3</b>
<b>Equities</b>							
Recognised equity index	–	–	–	–	–	1,212	<b>1,212</b>
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>2</b>	<b>1,212</b>	<b>1,215</b>

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 received as collateral are presented as open transactions as they are not subject to a contractual maturity date.

As at 31 August 2022, all non-cash collateral received by the Fund in respect of securities lending transactions and OTC FDI (including CFDs) is held by the Fund's Trustee (or through its delegates).

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 and OTC FDI as at 31 August 2022.

Issuer	Value £000's	% of the Fund's NAV
J.P.Morgan Securities Plc	1,031	2.09
UBS AG	184	0.38
<b>Total</b>	<b>1,215</b>	<b>2.47</b>

# 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 2022, the firm manages £7.13 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

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