

BlackRock



Interim report and unaudited financial statements

BlackRock UK Fund

For the six months ended 31 August 2025

NM1025U-4949985-1/21

Contents

General Information	2
About the Fund	3
Fund Managers	3
Significant Events	3
Subsequent Events	3
Risk and Reward Profile	4
Investment Manager's Report	5
Portfolio Statement	11
Statement of Total Return	13
Statement of Change in Net Assets Attributable to Unitholders	13
Balance Sheet	14
Notes to Financial Statements	15
Supplementary Information	16

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*
A Hoctor-Duncan* (Appointed 1 October 2025)
D Edgar
T S Hale
A M Lawrence (Resigned 30 April 2025)
A Lewis*
S Sabin
M Seymour
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 UK Fund (the "Fund") is a UK UCITS scheme under the COLL Sourcebook. The Fund was established on 11 November 1993. On 1 May 2003 the Fund changed its name to Merrill Lynch UK Fund. The Fund changed its investment objective on 1 October 2006. The Fund adopted its present name with effect from 28 April 2008. The Fund's FCA product reference number is 164644.

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 2024 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 2025.

Task Force on Climate-Related Financial Disclosures – TCFD Product Report

The Manager has produced a supplemental TCFD Product Report in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and FCA requirements for TCFD reporting. These disclosures describe how the Manager incorporates climate-related risks and opportunities into governance, strategy, risk management, metrics and targets. The latest report is available at <https://www.blackrock.com/uk/literature/public-disclosure/tcfid-product-level-disclosure-report-bcf.pdf>.

Fund Managers

As at 31 August 2025, the Fund Managers were Adam Avigdori and David Goldman.

Significant Events

Changes in the Directors of the Manager

A M Lawrence resigned as a Director, effective 30 April 2025.

Subsequent Events

Changes in the Directors of the Manager

A Hoctor-Duncan was appointed as a Director, effective 1 October 2025.

There have been no other significant events subsequent to the period end, which, in the opinion of the Manager, may have had an impact on the Financial Statements for the period ended 31 August 2025.

Investment Manager's Report

for the six months ended 31 August 2025

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 the shares of larger companies incorporated or listed in the UK.

Comparator benchmark	Investment management approach
FTSE All-Share TR 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 2025.

	Fund return %	Comparator benchmark %
Class D Accumulation Units	(0.01)	7.05

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 is used.
- 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 3.69% (in GBP terms) during the six months ended 31 August 2025. Equities made gains amid declining inflation (the rate of increase in the prices of goods and services) and easing monetary policy from the world's largest central banks. However, investor sentiment was increasingly affected by geopolitical tensions, including the conflicts in Europe and the Middle East, and the introduction of protectionist trade policies in the US that raised the prospect of disruption to the global economy.

Although economic growth in the US was strong in 2024, figures for the first quarter of 2025 indicated a downturn caused by a surge in imports ahead of the expected introduction of the US administration's trade tariffs. However, figures for the second quarter of 2025 showed a return to growth. In Japan, gross domestic product ("GDP") contracted slightly at the start of 2025. The UK economy, meanwhile, expanded by 0.7% in the first quarter of 2025 and 0.3% in the second quarter of 2025. Eurozone's GDP accelerated in early 2025 but grew by just 0.1% between April and June 2025.

Investment Manager's Report continued

Most emerging markets continued to grow, although geopolitical conflicts and high interest rates presented economic challenges. The Chinese GDP grew more quickly than expected in the first half of 2025, following the introduction of government stimulus measures in the last quarter of 2024. Meanwhile, India's GDP rose strongly over the first half of 2025.

Having reduced interest rates on three occasions in 2024, the US Federal Reserve (the Fed) paused its interest rate cutting programme in the first half of 2025 due to concerns about inflation and uncertainty around the potential impact of US trade tariffs. However, both the Bank of England (BoE) and the European Central Bank (ECB) continued to reduce interest rates. Conversely, the Bank of Japan ("BoJ") increased borrowing costs further at the start of 2025 in response to rising domestic inflation.

The performance of global equity markets was positive overall but somewhat volatile over the period. There were sharp declines in the US markets, particularly in spring 2025, due to concerns that tariffs introduced by the US administration could lead to higher inflation and lower growth. However, the administration's decision to postpone the implementation of the highest tariffs and initiate trade negotiations helped to calm investors' nerves. Attacks by Israel and the US on Iran's nuclear infrastructure led to some further market turbulence in June 2025.

Share prices in China continued to rise in the wake of new stimulus measures, and the Japanese market rose as exporters shrugged off the impact of the US tariffs. Performance among European stocks was relatively strong as markets benefited from a rotation out of US shares in early 2025. Investors also welcomed the news that European governments planned significantly to increase infrastructure and defence spending.

Globally, bonds and equities that factor in companies' environmental, social and governance ("ESG") characteristics faced regulatory concerns and shifting investor sentiment. ESG funds experienced record outflows over the first quarter of 2025, but there were net positive inflows in the second quarter of 2025. In both the US and Europe, regulators proposed new rules to ensure that investment companies were able to substantiate claims related to sustainability.

US government bond yields (which move inversely to bond prices) remained elevated due to the potential inflationary impact of the Trump administration's economic policies but ended the first half of 2025 slightly lower.

Yields on UK gilts rose in early 2025 due to concerns about higher levels of government borrowing. Meanwhile, European government bond yields also rose sharply during spring 2025 after the German government announced its plans to increase borrowing to fund defence and infrastructure spending. In Japan, yields on government securities rose over the six month period, reflecting expectations of further interest rate hikes by the BoJ. The performance of Global corporate credit markets was broadly positive, as continued resilience in the global economy alleviated credit concerns.

In commodities markets, Brent crude oil prices initially declined due to global production increases and fears that tariffs in the US could lead to a slowdown in global growth. However, the attacks on Iran by Israel and the US in June 2025 caused prices to spike briefly. Gold prices rose to record highs because of geopolitical concerns which led to increased demand for safe haven assets and signs that American trade policy could lead to prolonged turbulence in equity and bond markets. Copper prices were particularly volatile; prices rose as traders attempted to stockpile the metal ahead of the expected introduction of tariffs but then declined sharply in late July 2025 after reports indicated copper would be exempt from US import levies.

Investment Manager's Report continued

In foreign exchange markets, the US dollar's performance relative to other major global currencies was negative as it 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 2025, the Fund's return was (0.01%) and the active return was (7.06%), very regrettably underperforming its comparator benchmark which returned 7.05% (active return is the difference between the Fund's return and the comparator benchmark return).

Global equities began the reporting period on a cautious note, weighed down by concerns over U.S. economic growth, tariff uncertainty, and rising bond yields (which move inversely to bond prices). Major indices across the U.S., UK, and Europe declined in March. Volatility (market ups and downs) spiked in April following the 'Liberation Day' tariff announcements, though strong technology sector earnings helped markets recover in May, lifting the S&P 500 Index up by +6.3% and the FTSE All-Share Index up by +4.1%.

The rally extended into June, led by U.S. technology stocks, despite headwinds from surging oil prices and escalating geopolitical tensions between the U.S. and Iran. July and August maintained momentum, supported by trade optimism and continued strength in the U.S. technology sector. However, UK equities lagged, weighed down by inflationary pressures and persistent political uncertainty.

Over the six-month period to 31 August 2025, the policies of various central banks diverged. The Federal Reserve maintained rates, while the Bank of England cut rates in May before holding at 4.25% in June. UK long-term borrowing costs rose sharply in July and August amid renewed concerns over the fiscal deficit. Whilst U.S. small and mid-cap companies have outperformed in recent months on a renewed outlook for rate cuts, their UK counterparts have been hit over fears for UK domestic earnings. In July, political tensions surrounding welfare reforms triggered a government reversal, raising concerns about the available fiscal headroom. Chancellor Rachel Reeves signalled that tax increases may be introduced in the upcoming autumn budget to address the growing fiscal deficit.

The Fund underperformed its comparator benchmark over the financial period, primarily driven by stock selection within the Industrials sector. Underweight positioning in the Aerospace and Defence sector, most notably Rolls-Royce, negatively impacted performance given the strength of the company's returns.

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
British American Tobacco [#]	0.38%	WH Smith [#]	(0.77%)
Standard Chartered [#]	0.33%	Rolls-Royce [^]	(0.68%)
Diageo [^]	0.25%	RELX [#]	(0.64%)
Sigmaroc [#]	0.24%	London Stock Exchange Group [#]	(0.58%)
Haleon [^]	0.21%	Pearson [#]	(0.58%)

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

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

Investment Manager's Report continued

WH Smith was the top stock-specific detractor during the period, due to the company's shares falling sharply after it announced that profits in its North American division had been overstated. This unexpected development came as a major setback for investors. Given the disappointing update and the loss of confidence it created, the Investment Manager decided to sell the Fund's holding in WH Smith, based on the belief that this news undermines the investment case.

Rolls-Royce was another top detractor, reflecting the Fund's underweight position in a strongly performing stock. The company benefited from a strong rebound in global air travel, with flying hours now above pre-pandemic levels, boosting servicing revenues. It has also gained from higher defense spending and continues to deliver on its operational turnaround under new leadership. Despite this, the Investment Manager remains cautious due to the narrow order book in its civil aerospace division and the sensitivity of post-sale revenue streams to minor changes in long-term assumptions.

RELX was the third largest detractor from performance over the period amidst ongoing pressure from National Institutes of Health funding and U.S. Federal Government cuts implemented by the Department of Government Efficiency, alongside sector concerns in artificial intelligence ("AI"). This was despite strong performance and accelerating growth in Legal and Scientific, Technical, and Medical ("STM") publishing. The Investment Manager does not believe there is significant read across, and views RELX as a clear beneficiary of AI, as it is experiencing more efficient and faster product development, and the organic growth of Legal & STM is already accelerating.

British American Tobacco contributed positively during the period. Execution continues to improve over the past 18 months, with signs that recent innovation has begun to impact the revenue base more materially, particularly in non-combustibles. The journey away from traditional combustibles had a number of false starts but recent evidence has been encouraging, and this led to very strong performance of the share price year to date.

The Fund's portfolio benefitted from its holding in Standard Chartered which continued its strong performance into 2025. Stronger than expected results and cash distributions continued to drive earnings growth and total return.

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 2025 and 28 February 2025:

Top overweight positions			
31 August 2025		28 February 2025	
Sector	Active Weighting	Sector	Active Weighting
Industrials	7.45%	Consumer Discretionary	7.31%
Technology	4.43%	Industrials	6.21%
Consumer Discretionary	3.33%	Technology	4.87%

Investment Manager's Report continued

Top underweight positions			
31 August 2025		28 February 2025	
Sector	Active Weighting	Sector	Active Weighting
Consumer Staples	(4.80%)	Consumer Staples	(8.59%)
Utilities	(3.83%)	Financials	(5.94%)
Energy	(3.11%)	Utilities	(3.64%)

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.

A top active holding in the Fund's portfolio, RELX, was re-categorised from Consumer Discretionary to Technology during the period; this is reflected in the change in sector allocation.

Outlook

Global markets continue to be shaped by a complex mix of geopolitical uncertainty, evolving monetary policy, and resilient demand. The first half of the year was marked by volatility, initially triggered by tariff threats, followed by a recovery as proposed tariff levels were moderated. Tariffs remain a drag on sentiment, compounded by delayed expectations for US interest rate cuts and heightened political unpredictability, which has contributed to fluctuations across both equity and bond markets.

In Europe, optimism has been supported by interest rate cuts and fiscal expansion in Germany – particularly in defence and infrastructure. However, the broader regional outlook points to stabilisation rather than robust growth. China faces persistent challenges, including weak domestic demand and deflationary pressures, further exacerbated by tariff-related uncertainty. Meanwhile, the UK contends with its own headwinds, yet stock market valuations remain notably low compared to global peers. With attractive dividend yields, ongoing buybacks, and inbound M&A interest, the UK market offers compelling investment opportunities.

The Investment Manager continues to focus the portfolio on cash generative businesses with durable competitive advantages, believing these companies are best positioned to deliver long-term returns. While economic and market volatility is expected to persist, it is also likely to create opportunities – particularly in identifying businesses that are strengthening their long-term prospects or present attractive turnaround potential.

Net Asset Value

At 31 August 2025	Units in Issue	Net Asset Value £000's	Net Asset Value per Unit p
A Income	2,181,399	10,198	467.5
A Accumulation	22,914,472	163,296	712.6
X Accumulation	2,269,322	3,037	133.8
D Income	5,151,757	24,321	472.1
D Accumulation	14,347,920	114,843	800.4
S Income	4,437,739	6,689	150.7
S Accumulation	15,122,702	28,322	187.3

Distributions Payable for the period to 31 August 2025

Unit Class	Distribution payable on 31.10.2025 Pence per Unit
A Income	5.3624
A Accumulation	8.0458
X Accumulation	2.5659
D Income	7.2019
D Accumulation	12.0237
S Income	2.3602
S Accumulation	2.8862

Operating Charges

Unit Class	1.3.2025 to 31.8.2025	1.3.2024 to 28.2.2025
A Income	1.67%	1.66%
A Accumulation	1.67%	1.66%
X Accumulation	0.02%	0.02%
D Income	0.92%	0.91%
D Accumulation	0.92%	0.91%
S Income	0.84%	0.83%
S Accumulation	0.84%	0.83%

Operating charges are annualised and exclude portfolio trade-related costs, except costs paid to the custodian/depository and entry/exit charges paid to an underlying collective investment scheme (if any).

Portfolio Statement (unaudited)

at 31 August 2025

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
EQUITIES – 99.46%; 28.2.2025 99.03%			
BERMUDA – 2.27%; 28.2.2025 0.00%			
Insurance – 2.27%; 28.2.2025 0.00%			
609,500	Hiscox, Ltd.	7,954	2.27
DENMARK – 0.00%; 28.2.2025 1.24%			
Pharmaceuticals – 0.00%; 28.2.2025 1.24%			
IRELAND – 3.77%; 28.2.2025 3.73%			
Commercial Services – 3.77%; 28.2.2025 3.73%			
344,794	Experian PLC	13,209	3.77
JERSEY – 1.99%; 28.2.2025 0.30%			
Investment Companies – 1.99%; 28.2.2025 0.30%			
2,092,834	Rosebank Industries PLC	6,969	1.99
LITHUANIA – 1.64%; 28.2.2025 1.57%			
Internet – 1.64%; 28.2.2025 1.57%			
1,743,618	Baltic Classifieds Group PLC	5,754	1.64
UNITED KINGDOM – 87.24%; 28.2.2025 86.84%			
Aerospace & Defence – 6.01%; 28.2.2025 1.38%			
420,473	BAE Systems PLC	7,390	2.11
1,117,656	Melrose Industries PLC ^o	6,572	1.87
665,000	Rolls-Royce Holdings PLC	7,112	2.03
		21,074	6.01
Agriculture – 5.07%; 28.2.2025 0.00%			
424,600	British American Tobacco PLC	17,765	5.07
Banks – 11.81%; 28.2.2025 11.05%			
1,038,600	HSBC Holdings PLC	9,832	2.80
21,589,825	Lloyds Banking Group PLC	17,164	4.89
1,043,724	Standard Chartered PLC	14,461	4.12
		41,457	11.81
Beverages – 0.90%; 28.2.2025 0.79%			
390,016	Fevertree Drinks PLC	3,163	0.90
Building Materials – 0.00%; 28.2.2025 0.81%			
Chemicals – 1.80%; 28.2.2025 0.00%			
1,189,481	Tate & Lyle PLC ^o	6,322	1.80
Commercial Services – 6.83%; 28.2.2025 6.99%			
654,553	RELX PLC	22,549	6.43
387,223	Rentokil Initial PLC ^o	1,413	0.40
		23,962	6.83

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Cosmetics & Personal Care – 2.42%; 28.2.2025 2.43%			
182,427	Unilever PLC	8,487	2.42
Distribution & Wholesale – 0.00%; 28.2.2025 2.96%			
Diversified Financial Services – 3.79%; 28.2.2025 5.29%			
145,047	London Stock Exchange Group PLC	13,298	3.79
Electronics – 1.52%; 28.2.2025 1.35%			
289,127	Oxford Instruments PLC	5,326	1.52
Engineering & Construction – 0.00%; 28.2.2025 0.00%			
437,932	Vitec Global, Ltd. Ord Gbp ¹	–	0.00
Food Producers – 0.00%; 28.2.2025 1.95%			
Food Services – 3.57%; 28.2.2025 4.39%			
498,886	Compass Group PLC	12,527	3.57
Home Builders – 1.35%; 28.2.2025 0.87%			
204,030	Bellway PLC	4,750	1.35
Home Furnishings – 2.13%; 28.2.2025 1.17%			
890,214	Howden Joinery Group PLC	7,451	2.13
Leisure Time – 0.00%; 28.2.2025 0.00%			
746,167	Patisserie Hld, Ltd. ¹	–	0.00
Machinery Construction & Mining – 4.14%; 28.2.2025 2.80%			
588,741	Weir Group	14,507	4.14
Machinery Diversified – 2.55%; 28.2.2025 3.73%			
2,597,994	Rotork PLC	8,937	2.55
Media – 0.00%; 28.2.2025 3.73%			
Mining – 3.73%; 28.2.2025 6.13%			
260,694	Anglo American PLC	5,931	1.69
153,961	Rio Tinto PLC	7,146	2.04
		13,077	3.73
Oil & Gas Producers – 6.11%; 28.2.2025 7.40%			
1,126,638	BP PLC	4,868	1.39
608,176	Shell PLC	16,567	4.72
		21,435	6.11
Pharmaceuticals – 8.89%; 28.2.2025 6.57%			
264,471	AstraZeneca PLC	31,181	8.89
Private Equity – 6.59%; 28.2.2025 5.27%			
312,116	3i Group PLC	12,544	3.58
483,374	ICG PLC	10,538	3.01
		23,082	6.59
Real Estate Investment Trusts – 4.20%; 28.2.2025 4.64%			
2,771,598	Great Portland Estates PLC ^o	8,453	2.41

Portfolio Statement (unaudited) continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
1,001,978	Segro PLC ⁰	6,282	1.79
		14,735	4.20
Retail – 3.83%; 28.2.2025 3.66%			
112,452	Next PLC	13,438	3.83
Telecommunications – 0.00%; 28.2.2025 1.48%			
UNITED STATES OF AMERICA – 2.55%; 28.2.2025 5.35%			
Diversified Financial Services – 2.55%; 28.2.2025 2.44%			
20,317	Mastercard, Inc.	8,954	2.55
Healthcare Products – 0.00%; 28.2.2025 1.54%			
Internet – 0.00%; 28.2.2025 1.37%			
COLLECTIVE INVESTMENT SCHEMES – 0.57%; 28.2.2025 0.13%			
Short-term Money Market Funds – 0.57%; 28.2.2025 0.13%			
19,835	BlackRock ICS Sterling Liquid Environmentally Aware Fund - Agency Income Class [†]	1,983	0.57
Portfolio of investments		350,797	100.03
Net other liabilities		(91)	(0.03)
Total net assets		350,706	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.

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 2025

	31.8.2025	31.8.2024
£000's	£000's	£000's
Income		
Net capital (losses)/gains	(4,934)	37,005
Revenue	7,299	8,843
Expenses	(2,359)	(3,012)
Net revenue before taxation	4,940	5,831
Taxation	(14)	(16)
Net revenue after taxation	4,926	5,815
Total return before distributions	(8)	42,820
Distributions	(4,926)	(5,816)
Change in net assets attributable to unitholders from investment activities	(4,934)	37,004

Statement of Change in Net Assets Attributable to Unitholders

(unaudited) for the six months ended 31 August 2025

	31.8.2025	31.8.2024
£000's	£000's	£000's
Opening net assets attributable to unitholders	432,712	442,880
Amounts receivable on issue of units	3,192	5,297
Amounts payable on cancellation of units	(84,328)	(32,635)
	(81,136)	(27,338)
Change in net assets attributable to unitholders from investment activities	(4,934)	37,004
Retained distribution on accumulation units	4,064	4,956
Unclaimed distributions over 6 years old*	–	13
Closing net assets attributable to unitholders	350,706	457,515

* In accordance with the FCA rules (COLL 6.8.4), any distributions remaining unclaimed after a period of six years are recognised as a part of the capital of the Fund.

The above statement shows the comparative closing net assets at 31 August 2024 whereas the current accounting period commenced 1 March 2025.

Balance Sheet (unaudited)

at 31 August 2025

	31.8.2025	28.2.2025
	£000's	£000's
Assets:		
Fixed assets		
– Investment assets	350,797	429,085
Current assets		
– Debtors	1,661	2,048
– Cash and bank balances	399	9,526
Total assets	352,857	440,659
Liabilities:		
Creditors		
– Distributions payable	(592)	(141)
– Other creditors	(1,559)	(7,806)
Total liabilities	(2,151)	(7,947)
Net assets attributable to unitholders	350,706	432,712

G D Bamping (Director)

M T Zemek (Director)

BlackRock Fund Managers Limited

30 October 2025

Notes to Financial Statements (unaudited)

for the six months ended 31 August 2025

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 2025 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, the Prospectus, as amended from time to time, and the ESMA Guidelines (as adopted by the FCA), employ techniques and instruments relating to transferable securities. These include repurchases/reverse repurchase transactions ("repo transactions") and securities lending, provided that such techniques and instruments are used for efficient portfolio management purposes.

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 2025 and the income earned for the period ended 31 August 2025. 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
2.60	2.58	4

If there is securities lending revenue generated, the securities lending agent will receive a fee of 37.5% of such securities lending revenue and will pay any third party operational and administrative costs associated with, and incurred in respect of, such activity, out of its fee.

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 2025.

Counterparty	Counterparty's country of establishment	Securities Lending	
		Amount on loan £000's	Collateral received £000's
Barclays Capital Securities Limited	UK	1,053	1,116
BNP Paribas	France	5,062	5,350
HSBC Bank	UK	1,784	1,965
Morgan Stanley International	UK	1,168	1,237
Total		9,067	9,668

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

Supplementary Information continued

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, as at 31 August 2025.

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				
CHF	–	–	329	–
DKK	–	–	74	–
EUR	–	–	2,256	–
GBP	–	–	994	–
HKD	–	–	649	–
JPY	–	–	675	–
NOK	–	–	9	–
SEK	–	–	110	–
SGD	–	–	2	–
USD	–	–	4,570	–
Total	–	–	9,668	–

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 2025.

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	–	3	54	366	1,846	–	2,269
Equities							
Recognised equity index	–	–	–	–	–	6,841	6,841
ETFs							
Non-UCITS	–	–	–	–	–	558	558
Total	–	3	54	366	1,846	7,399	9,668

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.

Supplementary Information continued

As at 31 August 2025, 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).

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 2025.

Issuer	Value £000's	% of the Fund's NAV
United States Treasury	1,403	0.40
iShares Core S&P 500 ETF	558	0.16
Societe Generale SA	532	0.15
HSBC Holdings PLC	488	0.14
Fiserv Inc	480	0.14
Progressive Corp/The	479	0.14
Spain Government Bond	342	0.10
Zurich Insurance Group AG	289	0.08
Global Payments Inc	282	0.08
Allianz SE	271	0.08
Other issuers	4,544	1.28
Total	9,668	2.75

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