



Annual report

BlackRock Global Multi Asset Income Fund

For the year ended 28 February 2018

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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* C L Carter (appointed 7 September 2017) W I Cullen* (appointed 14 December 2017) R A Damm
N C D Hall* (resigned 31 May 2017) R A R Hayes A M Lawrence E E Tracey (resigned 28 February 2018) M T Zemek*

* Non-executive Director.

Trustee

BNY Mellon Trust & Depositary (UK) Limited
The Bank of New York Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA

Authorised and regulated by the FCA.

Investment Manager

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue, London EC2N 2DL

Authorised and regulated by the FCA.

Investment Advisers

BlackRock Investment Management, LLC
1 University Square Drive, Princeton NJ 08540, United States

Regulated by the Securities and Exchange Commission.

BlackRock Financial Management, Inc
55 East 52nd Street, New York, NY 10055, United States

Regulated by the Securities and Exchange Commission.

BlackRock (Singapore) Limited
#18-01 20 Anson Road, Singapore, 079912

Regulated by the Monetary Authority of Singapore.

Securities 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

Custodian

The Bank of New York Mellon (International) Limited
One Canada Square, London E14 5AL

Authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority.

BlackRock's proxy voting agent is ISS (Institutional Shareholder Services).

This Report relates to the packaged products of and is issued by:

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For your protection, telephone calls are usually recorded.

About the Fund

BlackRock Global Multi Asset Income Fund (the "Fund") is a UCITS scheme under the COLL Sourcebook. The Fund was established on 2 August 1994. The Fund was previously known as Mercury Income Portfolio Fund. On 30 September 2000 the Fund changed its name to Merrill Lynch Income Portfolio Fund. The Fund changed its name to BlackRock Income Portfolio Fund on 28 April 2008 and adopted its present name with effect from 12 January 2015. The Fund changed its investment objective and policy on 1 October 2006 and 12 January 2015. The Fund's FCA product reference number is 170220.

Investment Objective & Policy

The aim of the Fund is to provide an above average income without sacrificing the benefits of long-term capital growth by following a flexible asset allocation policy. Investment may be made in a global portfolio of equities and fixed income securities, as well as permitted money market instruments, permitted deposits, cash and near cash and units in collective investment schemes.

In order to achieve the investment objective and policy the Fund will invest in a variety of investment strategies and instruments. For this purpose, it intends to take full advantage of the ability to invest in derivatives. It may also hold indirect exposure to alternative asset classes such as commodities or property through eligible index derivatives, eligible collective investment schemes or structured securities. In normal market conditions, the intention is for the Fund to invest a larger proportion of its assets in income generating assets than in non-income generating assets.

Fund Managers

As at 28 February 2018, the Fund Managers of the Fund are Michael Fredericks, Justin Christofel and Alex Shingler.

Significant Events

Potential Implication of Brexit

In a referendum held on 23 June 2016, the electorate of the United Kingdom ("UK") resolved to leave the European Union ("EU"). The result has led to political instability and economic uncertainty, volatility in the financial markets of the UK and more broadly across the EU.

The longer term process to implement the political, economic and legal framework between the UK and the EU is likely to lead to continuing uncertainty and periods of exacerbated volatility in both the UK and in wider European markets. In particular, the decision made in the British referendum may lead to a call for similar referendums in other European jurisdictions which may also cause increased economic volatility in wider European and global markets. The potential currency volatility resulting from this uncertainty may mean that the returns of the Fund and its investments are adversely affected by market movements. This may also make it more difficult, or more expensive, for the Fund to execute prudent currency hedging policies.


Significant Events continued

This mid to long term uncertainty may have an adverse effect on the economy generally and on the ability of the Fund and its investments to execute its strategies and to receive attractive returns, and may also result in increased costs to the Fund.

Changes in the Directors of the Manager

On 18 May 2017, N C D Hall resigned as a Director effective 31 May 2017. C L Carter was appointed as a Director effective 7 September 2017. W I Cullen was appointed as a Director effective 14 December 2017. E E Tracey resigned as a Director effective 28 February 2018.

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
D Income	1	2	3	4	5	6	7
D Accumulation	1	2	3	4	5	6	7
S Income	1	2	3	4	5	6	7
S Accumulation	1	2	3	4	5	6	7

- The risk indicator was calculated incorporating historical or simulated historical data and may not be a reliable indication of the future risk profile of the Fund.
- The risk category shown is not guaranteed and may change over time.
- The lowest category does not mean risk free.
- The use of derivatives will impact the value of the Fund and may expose the Fund to a higher degree of risk. Derivatives are highly sensitive to changes in the value of the asset on which they are based and can increase the size of losses and gains, resulting in greater fluctuations in the value of the Fund. The impact to the Fund can be greater where derivatives are used in an extensive or complex way.
- The change in SRRI from 4 to 3 for the BlackRock Global Multi Asset Income Fund was due to a decrease in market volatility.

For more information on this, please see the Fund's Key Investor Information Documents ("KIIDs"), which are available at **www.blackrock.com**.

Performance Table

	For the year to 28.2.2018	For the three years to 28.2.2018	For the five years to 28.2.2018
TOTAL RETURN (with net income reinvested)			
Class D Accumulation Units			
BlackRock Global Multi Asset Income Fund	+4.1%	+12.2%	+26.4%

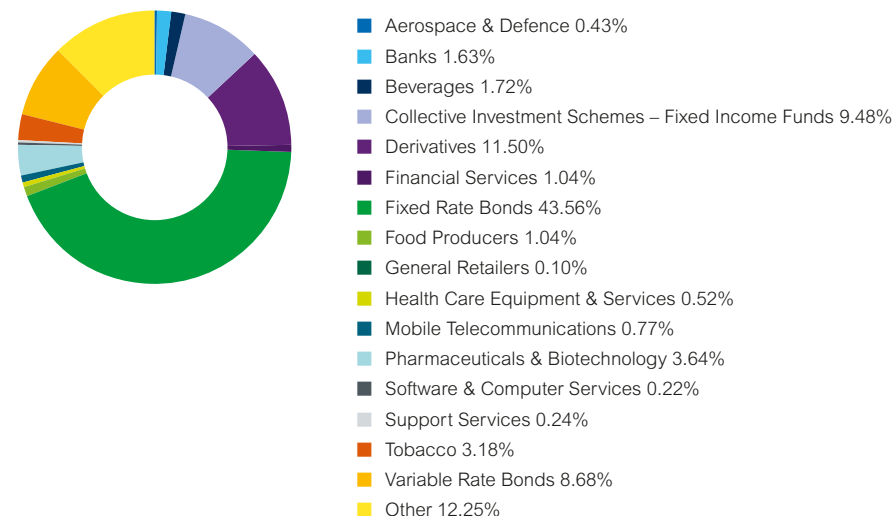
All Fund figures quoted are based on bid-to-bid dealing prices (the price at which units are sold) and are calculated net of fees. Performance returns are cumulative.
All returns are in Sterling.
The Fund's performance is not measured in reference to a benchmark index.

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. Changes in exchange rates may cause the value of an investment to fluctuate. Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product.

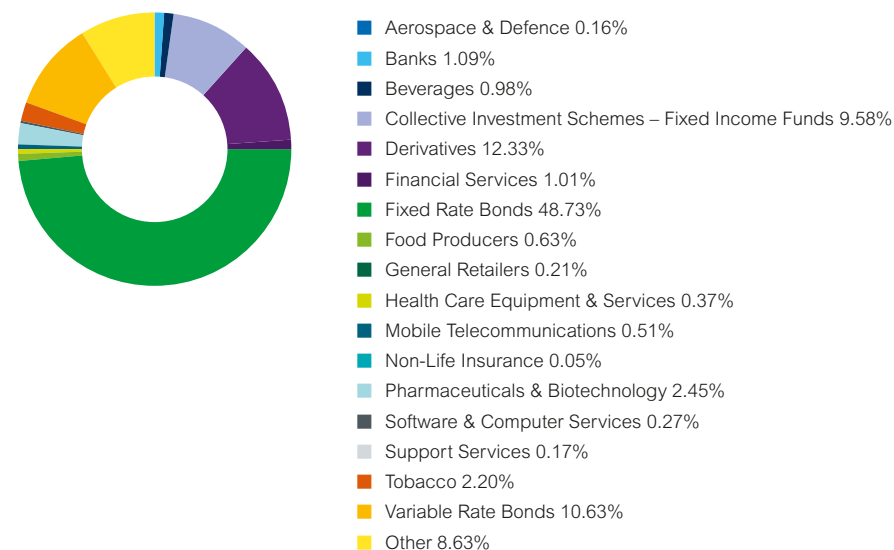
Classification of Investments

The following charts provide an analysis of the portfolio weightings as at 28 February 2018 and 28 February 2017 by their respective equity sector allocations and asset types.

28 February 2018



28 February 2017



Investment Report

Summary of Performance over the Year

The Fund returned 4.1%* over the year to 28 February 2018. Over the six-month period to 28 February 2018, the Fund returned 0.8%*.

The primary objective of the Fund is to generate an attractive level of income. This outcome continues to be achieved in a low-yield environment. The Fund's income distributions over the year averaged over 4%, annualised.

Fund Manager's Commentary

Global share markets performed well, although they lagged emerging markets. US share markets benefited from strength in the US economy and optimism about President Trump's tax plans. Japanese equities also rose, with the Nikkei index exceeding 23,000 points, a 26-year high. In France, investors welcomed news that Emmanuel Macron had defeated far-right candidate Marine Le Pen in the presidential election. UK markets lagged their European peers, largely because of lingering Brexit concerns. In the US, corporate-bond markets were supported by speculation that President Trump would make good on his campaign promise by cutting corporate taxes. Despite three interest-rate rises, US credit spreads (the difference in yield between government and corporate bonds with similar maturities) tightened. Meanwhile, the benchmark 10-year Treasury yield moved from 2.45% at the start of March 2017 to 2.64% by the end of February 2018. In Europe, sovereign yields drifted higher. After the end of the review period, political tension increased between Russia and western nations. Concerns also arose about a possible trade war between the US and China.

The Fund's exposure to global stocks was a key contributor to its overall return, as the world's share markets moved higher for much of the period. However, most of the total returns were generated from exposure to US shares. Against this backdrop, our market-hedging positions (making offsetting investments against investments that we believed could go down, to protect the Fund) detracted from the Fund's returns.

A substantial portion of the Fund's income was earned from high-yield bonds, shares and non-traditional areas of the fixed-income market.

Fund Activity

We retained a prudent amount of stock-market exposure over the period, in light of possible increases in overall market risk. Towards the end of the period, share markets fell in value and interest rates increased. This reinforced our view that there are likely to be more ups and downs in markets during 2018. Therefore, we prefer to hold more conservative positions in stocks and bonds.

Outlook

In 2017, global growth exceeded analysts' expectations, whereas inflation and interest rates fell short of what had been predicted. Looking ahead, we believe that some of these dynamics have the potential to reverse course and spur more market volatility in 2018. We continue to stress the importance of taking a risk-managed, selective approach as markets find a new footing.

March 2018

* Performance figures quoted are based on bid-to-bid dealing prices (the price at which units are sold). Performance is calculated net of fees and is reported for the Fund's class D Accumulation Units.

Performance Record

Comparative Table

	A Income Units			A Accumulation Units		
	For the year to 28.2.2018	For the year to 28.2.2017	For the year to 29.2.2016	For the year to 28.2.2018	For the year to 28.2.2017	For the year to 29.2.2016
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	170.4	158.7	176.3	448.8	399.5	423.4
Return before operating charges	8.56	23.93	(4.88)	22.59	61.19	(12.02)
Operating charges	(2.82)	(2.75)	(2.91)	(7.58)	(7.09)	(7.10)
Return after operating charges	5.74	21.18	(7.79)	15.01	54.10	(19.12)
Distributions	(8.61)	(9.44)	(9.81)	(23.10)	(24.21) [#]	(23.91)*
Retained distributions on accumulation units	N/A	N/A	N/A	23.10	19.36 [#]	19.13*
Closing net asset value per unit	167.5	170.4	158.7	463.8	448.8	399.5
After direct transaction costs of	(0.04)	(0.07)	(0.07)	(0.10)	(0.19)	(0.17)
Performance						
Return after charges ¹	3.37%	13.35%	(4.42)%	3.35%	13.54%	(4.52)%
Other information						
Closing net asset value (£000's)	13,590	15,235	17,397	15,823	14,827	17,032
Closing number of units	8,112,096	8,938,931	10,959,822	3,411,473	3,304,046	4,263,749
Operating charges ²	1.64%	1.65%	1.72%	1.64%	1.66%	1.72%
Direct transaction costs ³	0.02%	0.04%	0.05%	0.02%	0.04%	0.05%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	183.8	180.8	187.6	501.2	473.5	450.0
Lowest bid unit price	167.5	158.8	156.4	446.2	399.6	388.0

¹ The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on bid-to-bid dealing prices (the price at which units are sold).

² 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).

³ Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity and debt instruments. See note 14 for further details.

[#] With effect from 1 March 2017, the Fund moved to a gross pricing basis. All interest distributions paid after 6 April 2017 were made gross, i.e., without the deduction of income tax.

* Difference relates to 20% income tax withheld on distributions in accordance with HMRC.

Comparative Table

	D Income Units			D Accumulation Units		
	For the year to 28.2.2018	For the year to 28.2.2017	For the year to 29.2.2016	For the year to 28.2.2018	For the year to 28.2.2017	For the year to 29.2.2016
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	175.9	162.6	179.1	461.6	407.8	429.0
Return before operating charges	8.79	24.51	(4.82)	23.31	62.68	(12.27)
Operating charges	(1.59)	(1.54)	(1.67)	(4.25)	(3.94)	(4.07)
Return after operating charges	7.20	22.97	(6.49)	19.06	58.74	(16.34)
Distributions	(8.92)	(9.71)	(10.01)	(23.85)	(24.80) [#]	(24.30)*
Retained distributions on accumulation units	N/A	N/A	N/A	23.85	19.84 [#]	19.44*
Closing net asset value per unit	174.2	175.9	162.6	480.7	461.6	407.8
After direct transaction costs of	(0.04)	(0.08)	(0.07)	(0.10)	(0.20)	(0.18)
Performance						
Return after charges ¹	4.09%	14.13%	(3.62)%	4.13%	14.40%	(3.81)%
Other information						
Closing net asset value (£000's)	23,430	22,652	17,114	6,209	6,320	5,886
Closing number of units	13,451,810	12,880,218	10,528,642	1,291,772	1,369,212	1,443,460
Operating charges ²	0.89%	0.90%	0.97%	0.89%	0.90%	0.97%
Direct transaction costs ³	0.02%	0.04%	0.05%	0.02%	0.04%	0.05%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	181.9	177.6	181.7	494.4	463.8	434.7
Lowest bid unit price	174.2	162.7	160.1	459.1	408.0	396.0

¹ The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on bid-to-bid dealing prices (the price at which units are sold).

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Comparative Table

	S Income Units			S Accumulation Units		
	For the year to 28.2.2018	For the year to 28.2.2017	For the year to 29.2.2016	For the year to 28.2.2018	For the year to 28.2.2017	For the year to 29.2.2016
	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit						
Opening net asset value per unit	101.9	94.11	103.6	115.8	102.2	107.4
Return before operating charges	5.12	14.23	(2.85)	5.81	15.70	(3.09)
Operating charges	(0.84)	(0.81)	(0.85)	(0.97)	(0.90)	(0.89)
Return after operating charges	4.28	13.42	(3.70)	4.84	14.80	(3.98)
Distributions	(5.17)	(5.62)	(5.79)	(5.98)	(6.22) [#]	(6.09)*
Retained distributions on accumulation units	N/A	N/A	N/A	5.98	4.97 [#]	4.87*
Closing net asset value per unit	101.0	101.9	94.11	120.6	115.8	102.2
After direct transaction costs of	(0.02)	(0.04)	(0.04)	(0.03)	(0.05)	(0.04)
Performance						
Return after charges ¹	4.20%	14.26%	(3.57)%	4.18%	14.48%	(3.71)%
Other information						
Closing net asset value (£000's)	5,230	5,129	3,976	3,897	4,037	3,401
Closing number of units	5,177,620	5,032,992	4,224,475	3,230,032	3,487,251	3,327,660
Operating charges ²	0.81%	0.82%	0.85%	0.81%	0.82%	0.85%
Direct transaction costs ³	0.02%	0.04%	0.05%	0.02%	0.04%	0.05%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	110.7	108.1	110.4	130.3	122.1	114.3
Lowest bid unit price	101.0	94.18	92.71	115.1	102.2	99.23

¹ The return after charges figures are based on the net asset value reported for financial statements purposes and are not the same as the performance returns figures quoted in the Performance Table and the Investment Report which are based on bid-to-bid dealing prices (the price at which units are sold).

² 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).

³ Direct transaction costs are annualised and principally comprise commissions and taxes, attributable to the Fund's purchase and sale of equity and debt instruments. See note 14 for further details.

[#] With effect from 1 March 2017, the Fund moved to a gross pricing basis. All interest distributions paid after 6 April 2017 were made gross, i.e., without the deduction of income tax.

* Difference relates to 20% income tax withheld on distributions in accordance with HMRC.

Distribution Tables

for the year ended 28 February 2018

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 February 2018

Group 2 – Units purchased 1 February 2018 to 28 February 2018

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross Revenue	1.8622	0.5064	5.0720	1.0820	1.9337	0.5812	5.2513	0.7223	1.1213	0.2596	1.3175	0.3666
Equalisation†	–	1.3558	–	3.9900	–	1.3525	–	4.5290	–	0.8617	–	0.9509
Distribution paid 31.3.2018	1.8622	1.8622	5.0720	5.0720	1.9337	1.9337	5.2513	5.2513	1.1213	1.1213	1.3175	1.3175
Distribution paid 31.3.2017	0.8208	0.8208	2.1461	2.1461	0.8464	0.8464	2.2057	2.2057	0.4904	0.4904	0.5532	0.5532

Eleventh Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 January 2018

Group 2 – Units purchased 1 January 2018 to 31 January 2018

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross Revenue	0.6000	0.0000	1.6279	0.0000	0.6226	0.0000	1.6839	0.0000	0.3610	0.0000	0.4226	0.0000
Equalisation†	–	0.6000	–	1.6279	–	0.6226	–	1.6839	–	0.3610	–	0.4226
Distribution paid 28.2.2018	0.6000	0.6000	1.6279	1.6279	0.6226	0.6226	1.6839	1.6839	0.3610	0.3610	0.4226	0.4226
Distribution paid 28.2.2017	0.6000	0.6000	1.5625	1.5625	0.6183	0.6183	1.6051	1.6051	0.3582	0.3582	0.4025	0.4025

Tenth Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 December 2017

Group 2 – Units purchased 1 December 2017 to 31 December 2017

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross Revenue	0.6000	0.0000	1.6238	0.0000	0.6223	0.0000	1.6789	0.0000	0.3608	0.0000	0.4213	0.0000
Equalisation†	–	0.6000	–	1.6238	–	0.6223	–	1.6789	–	0.3608	–	0.4213
Distribution paid 31.1.2018	0.6000	0.6000	1.6238	1.6238	0.6223	0.6223	1.6789	1.6789	0.3608	0.3608	0.4213	0.4213
Distribution paid 31.1.2017	0.6000	0.6000	1.5574	1.5574	0.6179	0.6179	1.5989	1.5989	0.3580	0.3580	0.4009	0.4009

Ninth Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 November 2017

Group 2 – Units purchased 1 November 2017 to 30 November 2017

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross Revenue	0.6500	0.0000	1.7520	0.0000	0.6737	0.0000	1.8102	0.0000	0.3906	0.0000	0.4542	0.0000
Equalisation†	–	0.6500	–	1.7520	–	0.6737	–	1.8102	–	0.3906	–	0.4542
Distribution paid 31.12.2017	0.6500	0.6500	1.7520	1.7520	0.6737	0.6737	1.8102	1.8102	0.3906	0.3906	0.4542	0.4542
Distribution paid 31.12.2016	0.6500	0.6500	1.6791	1.6791	0.6689	0.6689	1.7228	1.7228	0.3875	0.3875	0.4319	0.4319

Eighth Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 October 2017

Group 2 – Units purchased 1 October 2017 to 31 October 2017

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross Revenue	0.6000	0.0000	1.6115	0.0000	0.6215	0.0000	1.6641	0.0000	0.3603	0.0000	0.4175	0.0000
Equalisation†	–	0.6000	–	1.6115	–	0.6215	–	1.6641	–	0.3603	–	0.4175
Distribution paid 30.11.2017	0.6000	0.6000	1.6115	1.6115	0.6215	0.6215	1.6641	1.6641	0.3603	0.3603	0.4175	0.4175
Distribution paid 30.11.2016	0.6000	0.6000	1.5449	1.5449	0.6171	0.6171	1.5846	1.5846	0.3574	0.3574	0.3972	0.3972

Seventh Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 September 2017

Group 2 – Units purchased 1 September 2017 to 30 September 2017

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross Revenue	0.6000	0.0000	1.6071	0.0000	0.6212	0.0000	1.6588	0.0000	0.3601	0.0000	0.4161	0.0000
Equalisation†	–	0.6000	–	1.6071	–	0.6212	–	1.6588	–	0.3601	–	0.4161
Distribution paid 31.10.2017	0.6000	0.6000	1.6071	1.6071	0.6212	0.6212	1.6588	1.6588	0.3601	0.3601	0.4161	0.4161
Distribution paid 31.10.2016	0.6000	0.6000	1.5403	1.5403	0.6167	0.6167	1.5784	1.5784	0.3572	0.3572	0.3957	0.3957

Sixth Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 August 2017

Group 2 – Units purchased 1 August 2017 to 31 August 2017

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross Revenue	0.6500	0.0000	1.7359	0.0000	0.6726	0.0000	1.7909	0.0000	0.3899	0.0000	0.4492	0.0000
Equalisation†	–	0.6500	–	1.7359	–	0.6726	–	1.7909	–	0.3899	–	0.4492
Distribution paid 30.9.2017	0.6500	0.6500	1.7359	1.7359	0.6726	0.6726	1.7909	1.7909	0.3899	0.3899	0.4492	0.4492
Distribution paid 30.9.2016	0.6500	0.6500	1.6622	1.6622	0.6677	0.6677	1.7021	1.7021	0.3867	0.3867	0.4267	0.4267

Fifth Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 July 2017

Group 2 – Units purchased 1 July 2017 to 31 July 2017

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross Revenue	0.6000	0.0000	1.5973	0.0000	0.6205	0.0000	1.6471	0.0000	0.3596	0.0000	0.4131	0.0000
Equalisation†	–	0.6000	–	1.5973	–	0.6205	–	1.6471	–	0.3596	–	0.4131
Distribution paid 31.8.2017	0.6000	0.6000	1.5973	1.5973	0.6205	0.6205	1.6471	1.6471	0.3596	0.3596	0.4131	0.4131
Distribution paid 31.8.2016	0.6000	0.6000	1.5289	1.5289	0.6160	0.6160	1.5648	1.5648	0.3567	0.3567	0.3922	0.3922

Distribution Tables continued

Fourth Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 June 2017

Group 2 – Units purchased 1 June 2017 to 30 June 2017

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross Revenue	0.6000	0.0000	1.5933	0.0000	0.6202	0.0000	1.6419	0.0000	0.3595	0.0000	0.4119	0.0000
Equalisation†	–	0.6000	–	1.5933	–	0.6202	–	1.6419	–	0.3595	–	0.4119
Distribution paid 31.7.2017	0.6000	0.6000	1.5933	1.5933	0.6202	0.6202	1.6419	1.6419	0.3595	0.3595	0.4119	0.4119
Distribution paid 31.7.2016	0.6000	0.6000	1.5241	1.5241	0.6156	0.6156	1.5590	1.5590	0.3565	0.3565	0.3908	0.3908

Third Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 May 2017

Group 2 – Units purchased 1 May 2017 to 31 May 2017

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross Revenue	0.6500	0.1360	0.0000	0.0000	0.6715	0.0000	1.7719	0.2649	0.3892	0.0000	0.4444	0.0000
Equalisation†	–	0.5140	–	1.7205	–	0.6715	–	1.5070	–	0.3892	–	0.4444
Distribution paid 30.6.2017	0.6500	0.6500	1.7205	1.7205	0.6715	0.6715	1.7719	1.7719	0.3892	0.3892	0.4444	0.4444
Distribution paid 30.6.2016	1.5050	1.5050	3.7888	3.7888	1.5427	1.5427	3.8717	3.8717	0.8933	0.8933	0.9703	0.9703

Second Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 April 2017

Group 2 – Units purchased 1 April 2017 to 30 April 2017

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross Revenue	0.6000	0.0000	1.5823	0.1395	0.6195	0.0000	1.6286	0.1236	0.3590	0.0000	0.4084	0.0319
Equalisation†	–	0.6000	–	1.4428	–	0.6195	–	1.5050	–	0.3590	–	0.3765
Distribution paid 31.5.2017	0.6000	0.6000	1.5823	1.5823	0.6195	0.6195	1.6286	1.6286	0.3590	0.3590	0.4084	0.4084
Distribution paid 31.5.2016	0.3300	0.3300	0.8299	0.8299	0.3381	0.3381	0.8477	0.8477	0.1958	0.1958	0.2125	0.2125

First Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2017

Group 2 – Units purchased 1 March 2017 to 31 March 2017

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		S Income Units		S Accumulation Units	
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2
Gross Revenue	0.6000	0.2441	1.5789	0.3984	0.6192	0.1166	1.6244	0.0000	0.3588	0.1312	0.4074	0.1141
Equalisation†	–	0.3559	–	1.1805	–	0.5026	–	1.6244	–	0.2276	–	0.2933
Distribution paid 30.4.2017	0.6000	0.6000	1.5789	1.5789	0.6192	0.6192	1.6244	1.6244	0.3588	0.3588	0.4074	0.4074
Distribution paid 30.4.2016[^]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

[^] The Fund changed to a monthly distributing fund effective 30.4.2016, therefore the equivalent first distribution period of the prior year was 1 April 2016 to 30 April 2016, paying on 31.5.2016.

[†] Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Report on Remuneration

The below disclosures are made in respect of the remuneration policies of the BlackRock group ("BlackRock"), as they apply to BlackRock Fund Managers Limited (the "Manager"). The disclosures are made in accordance with the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS"), as amended, including in particular by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, (the "UCITS Directive"), the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority ("ESMA"), the Financial Conduct Authority Handbook SYSC 19E: The UCITS Remuneration Code (the "UCITS Remuneration Code"), and COLL 4.5.7 R(7).

BlackRock's UCITS Remuneration Policy (the "UCITS Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of alternative investment funds in accordance with the UCITS Directive, and will ensure compliance with the requirements of Article 14b of the UCITS Directive and the UCITS Remuneration Code.

The Manager has adopted the UCITS Remuneration Policy, a summary of which is set out below.

Remuneration Governance

BlackRock's remuneration governance in EMEA operates as a tiered structure which includes: (a) the Management Development and Compensation Committee ("MDCC") (which is the global, independent remuneration committee for BlackRock, Inc. and all of its subsidiaries, including the Manager); and (b) the Manager's board of directors (the "Manager's Board"). The MDCC is responsible for the determination of BlackRock's remuneration policies.

(a) MDCC

The MDCC's purposes include:

- providing oversight of:
 - BlackRock's executive compensation programmes;
 - BlackRock's employee benefit plans; and
 - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed as administrator;
- reviewing and discussing the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approving the MDCC's report for inclusion in the proxy statement;
- reviewing, assessing and making reports and recommendations to the BlackRock, Inc. board of directors (the "BlackRock, Inc. Board") as appropriate on BlackRock's talent development and succession planning, with the emphasis on performance and succession at the highest management levels; and
- in accordance with applicable UK and European regulations and guidance, to act as the Remuneration Committee for BlackRock's EMEA regulated entities.

The MDCC directly retains an independent compensation consultant, Semler Brossy Consulting Group LLC, which has no relationship with BlackRock, Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which requires each meet a "non-employee director" standard.

The MDCC held 10 meetings during 2017. The MDCC charter is available on BlackRock, Inc.'s website (www.blackrock.com).

Through its regular reviews, the MDCC continues to be satisfied with the principles of BlackRock's compensation policy and approach.

(b) The Manager's Board

The Manager's Board has the task of supervising and providing oversight of the UCITS Remuneration Policy as it applies to the Manager and its Identified Staff.

The Manager's Board (through independent review by the relevant control functions) remains satisfied with the implementation of the UCITS Remuneration Policy as it applies to the Manager and its Identified Staff.

Decision-making process

Remuneration decisions for employees are made once annually in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for remuneration decision-making is tied to financial performance, significant discretion is used to determine individual variable remuneration based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual remuneration amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award. The variable remuneration awarded to any individual(s) for a particular performance year may also be zero.

Annual incentive awards are paid from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of preincentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the "accrual rate"). The accrual rate of the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Enterprise Risk and Regulatory Compliance departments report to the MDCC on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Enterprise Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee ("GEC"), the global management committee, or has a reporting obligation to the board of directors of BlackRock Group Limited, the parent company of all of BlackRock's EMEA regulated entities, including the Manager.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the MDCC.

Link between pay and performance

There is a clear and well-defined pay-for-performance philosophy and compensation programmes which are designed to meet the following key objectives as detailed below:

- appropriately balance BlackRock's financial results between shareholders and employees;
- attract, retain and motivate employees capable of making significant contributions to the long-term success of the business;
- align the interests of senior employees with those of shareholders by awarding BlackRock Inc.'s stock as a significant part of both annual and long-term incentive awards;
- control fixed costs by ensuring that compensation expense varies with profitability;
- link a significant portion of an employee's total compensation to the financial and operational performance of the business as well as its common stock performance;
- discourage excessive risk-taking; and
- ensure that client interests are not negatively impacted by remuneration awarded on a short-term, mid-term and/or long-term basis.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Line managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but do not pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually; relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Remuneration practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

BlackRock operates a total compensation model for remuneration which includes a base salary, which is contractual, and a discretionary bonus scheme.

BlackRock operates an annual discretionary bonus scheme. Although all employees are eligible to be considered for a discretionary bonus, there is no contractual obligation to make any award to an employee under its discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading "Link between pay and performance") may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in BlackRock, Inc. stock and subject to additional vesting/clawback conditions. Stock awards are subject to further performance adjustment through variation in BlackRock, Inc.'s share price over the vesting period. As total annual compensation increases, a greater portion is deferred into stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests in three equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards from the "Partner Plan" and "Targeted Equity Award Plan" are made to select senior leaders to provide greater linkage with future business results. The long-term incentive awards have been established individually to provide meaningful incentive for continued performance over a multi-year period recognising the scope of the individual's role, business expertise and leadership skills.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the "BlackRock Performance Incentive Plan" ("BPIP"). Awards made from the BPIP have a three-year performance period based on a measurement of As Adjusted Operating Margin¹ and Organic Revenue Growth². Determination of pay-out will be made based on the firm's achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where the firm's financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have "skin in the game" through significant personal investments.

Identified Staff

The UCITS Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff, being categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- organisational changes;
- new business initiatives;
- changes in significant influence function lists;
- changes in role responsibilities; and
- revised regulatory direction.

Quantitative Remuneration Disclosure

The Manager is required under UCITS to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of the Fund.

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Fund is included in the aggregate figures disclosed.

Members of staff and senior management of the Manager typically provide both UCITS and non-UCITS related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. Therefore, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager's UCITS-related business according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's UCITS-related business in respect of the Manager's financial year ending 31 December 2017 is USD 22.6m. This figure is comprised of fixed remuneration of USD 2.0m and variable remuneration of USD 20.6m. There were a total of 61 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager, which has been attributed to the Manager's UCITS-related business in respect of the Manager's financial year ending 31 December 2017, to its senior management was USD 0.5m, and to other members of its staff whose actions have a material impact on the risk profile of the Fund was USD 22.1m.

¹ As Adjusted Operating Margin: As reported in BlackRock's external filings, reflects adjusted Operating Income divided by Total Revenue net of distribution and servicing expenses and amortisation of deferred sales commissions.

² Organic Revenue Growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

Portfolio Statement

at 28 February 2018

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
EQUITIES – 21.36%; 28.2.2017 14.60%		
UNITED KINGDOM – 3.22%; 28.2.2017 2.24%		
Banks – 0.18%; 28.2.2017 0.13%		
1 HSBC [~]	–	0.00
181,603 Lloyds Banking	125	0.18
	125	0.18
Beverages – 0.34%; 28.2.2017 0.18%		
9,473 Diageo	234	0.34
Food Producers – 0.54%; 28.2.2017 0.26%		
9,878 Unilever	370	0.54
Pharmaceuticals & Biotechnology – 0.78%; 28.2.2017 0.63%		
5,581 AstraZeneca	268	0.39
20,391 GlaxoSmithKline	267	0.39
	535	0.78
Tobacco – 1.38%; 28.2.2017 1.04%		
11,680 British American Tobacco	509	0.75
16,518 Imperial Brands	432	0.63
	941	1.38
AUSTRALIA – 1.05%; 28.2.2017 0.37%		
General Industrials – 0.53%; 28.2.2017 0.00%		
46,398 Amcor	364	0.53
Health Care Equipment & Services – 0.52%; 28.2.2017 0.37%		
10,448 Ansell	155	0.23
14,191 Sonic Healthcare [®]	196	0.29
	351	0.52
BELGIUM – 0.49%; 28.2.2017 0.17%		
Beverages – 0.21%; 28.2.2017 0.14%		
1,899 Anheuser-Busch InBev	145	0.21
Industrial Transportation – 0.28%; 28.2.2017 0.03%		
7,923 Bpost	194	0.28
CANADA – 1.27%; 28.2.2017 0.66%		
Fixed Line Telecommunications – 0.66%; 28.2.2017 0.36%		
16,889 TELUS	447	0.66
Mobile Telecommunications – 0.61%; 28.2.2017 0.30%		
12,556 Rogers Communications class 'B' shares	417	0.61
DENMARK – 0.22%; 28.2.2017 0.12%		
Financial Services – 0.22%; 28.2.2017 0.12%		
3,925 Novo Nordisk class 'B' shares	148	0.22

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
FINLAND – 0.40%; 28.2.2017 0.22%		
Industrial Engineering – 0.40%; 28.2.2017 0.22%		
7,176 KONE class 'B' shares	271	0.40
FRANCE – 0.60%; 28.2.2017 0.34%		
Pharmaceuticals & Biotechnology – 0.60%; 28.2.2017 0.34%		
7,193 Sanofi	412	0.60
GERMANY – 0.49%; 28.2.2017 0.35%		
Industrial Transportation – 0.49%; 28.2.2017 0.35%		
10,156 Deutsche Post [®]	334	0.49
CHINA – 0.25%; 28.2.2017 0.06%		
Personal Goods – 0.25%; 28.2.2017 0.06%		
47,000 Anta Sports Products	168	0.25
HONG KONG – 0.10%; 28.2.2017 0.11%		
Travel & Leisure – 0.10%; 28.2.2017 0.11%		
16,800 Sands China	68	0.10
INDIA – 0.21%; 28.2.2017 0.00%		
Automobiles & Parts – 0.21%; 28.2.2017 0.00%		
3,600 Hero Moto	143	0.21
JAPAN – 0.43%; 28.2.2017 0.17%		
Tobacco – 0.43%; 28.2.2017 0.17%		
14,200 Japan Tobacco	292	0.43
NETHERLANDS – 0.26%; 28.2.2017 0.17%		
Beverages – 0.26%; 28.2.2017 0.17%		
2,331 Heineken	175	0.26
SINGAPORE – 0.20%; 28.2.2017 0.14%		
Banks – 0.20%; 28.2.2017 0.14%		
8,800 DBS	138	0.20
SWEDEN – 0.31%; 28.2.2017 0.17%		
Financials – 0.31%; 28.2.2017 0.17%		
21,428 Svenska Handelsbanken series 'A' shares	213	0.31
SWITZERLAND – 1.87%; 28.2.2017 1.34%		
Chemicals – 0.32%; 28.2.2017 0.26%		
134 Givaudan	221	0.32
Food Producers – 0.50%; 28.2.2017 0.37%		
5,935 Nestlé	342	0.50

Portfolio Statement continued

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
Pharmaceuticals & Biotechnology – 0.81%; 28.2.2017 0.54%		
6,838 Novartis	415	0.61
813 Roche Holding	138	0.20
	553	0.81
Support Services – 0.24%; 28.2.2017 0.17%		
89 SGS (registered)	163	0.24
TAIWAN – 0.55%; 28.2.2017 0.43%		
Mobile Telecommunications – 0.16%; 28.2.2017 0.16%		
58,000 Far EastOne Telecommunications	106	0.16
Technology Hardware & Equipment – 0.39%; 28.2.2017 0.27%		
44,000 Taiwan Semiconductor Manufacturing	264	0.39
UNITED STATES – 9.44%; 28.2.2017 7.54%		
Aerospace & Defence – 0.43%; 28.2.2017 0.16%		
2,996 United Technologies	290	0.43
Automobiles & Parts – 0.53%; 28.2.2017 0.25%		
5,405 Genuine Parts	361	0.53
Banks – 1.25%; 28.2.2017 0.82%		
4,499 Citizens Financial	142	0.21
3,000 KeyCorp 6.125% preference shares	60	0.09
1,688 M&T Bank	234	0.34
5,355 US Bancorp ^o	213	0.31
4,746 Wells Fargo	203	0.30
	852	1.25
Beverages – 0.91%; 28.2.2017 0.49%		
10,288 Coca-Cola	324	0.48
3,670 PepsiCo	294	0.43
	618	0.91
Electricity – 0.14%; 28.2.2017 0.17%		
5,083 Entergy Texas preference shares	94	0.14
Financial Services – 0.82%; 28.2.2017 0.89%		
25,000 Morgan Stanley 5.85% preference shares	478	0.70
1,000 SLM 2.94556% preference shares	50	0.07
400 Stanley Black & Decker 5.375% preference shares	34	0.05
	562	0.82
Fixed Line Telecommunications – 0.00%; 28.2.2017 0.20%		
Forestry & Paper – 0.39%; 28.2.2017 0.26%		
6,111 International Paper ^o	266	0.39

Holding or Nominal Value Investment	Market Value £000's	% of Total Net Assets
General Industrials – 0.27%; 28.2.2017 0.24%		
1,075 3M	187	0.27
General Retailers – 0.10%; 28.2.2017 0.21%		
3,669 H&R Block	69	0.10
Household Goods & Home Construction – 0.39%; 28.2.2017 0.00%		
4,516 Procter & Gamble	263	0.39
Industrial Transportation – 0.19%; 28.2.2017 0.14%		
1,695 United Parcel Service class 'B' shares	129	0.19
Leisure Goods – 0.00%; 28.2.2017 0.28%		
Mobile Telecommunications – 0.00%; 28.2.2017 0.05%		
Non-Life Insurance – 0.00%; 28.2.2017 0.05%		
Pharmaceuticals & Biotechnology – 1.45%; 28.2.2017 0.94%		
4,292 AbbVie	367	0.54
5,373 Johnson & Johnson	511	0.75
4,230 Pfizer	112	0.16
	990	1.45
Real Estate Investment Trusts – 0.26%; 28.2.2017 0.59%		
9,310 Public Storage class "Z" preference shares	177	0.26
Software & Computer Services – 0.22%; 28.2.2017 0.27%		
2,237 Microsoft	152	0.22
Technology Hardware & Equipment – 0.72%; 28.2.2017 0.37%		
15,030 Cisco Systems ^o	489	0.72
Tobacco – 1.37%; 28.2.2017 0.99%		
11,335 Altria	524	0.77
5,418 Philip Morris International	407	0.60
	931	1.37
Travel & Leisure – 0.00%; 28.2.2017 0.17%		
BONDS – 52.24%; 28.2.2017 59.36%		
UK STERLING – 0.95%; 28.2.2017 0.95%		
UK Sterling Denominated Fixed Rate Corporate Bonds – 0.95%; 28.2.2017 0.79%		
£100,000 CUK Finance 4.25% Bonds 28/8/2022	101	0.15
£100,000 Jerrold Finco 6.25% European Medium Term Notes 15/9/2021	102	0.15
£100,000 KIRS Midco 3 8.375% European Medium Term Notes 15/7/2023	102	0.15
£50,000 Telecom Italia 5.875% European Medium Term Notes 19/5/2023	57	0.08
£68,995 Unique Pub Finance 5.659% Bonds 30/6/2027	77	0.11
£100,000 Virgin Media Secured Finance 6.25% Guaranteed Senior Notes 28/3/2029	107	0.16
£100,000 Vougeot Bidco 7.875% Bonds 15/7/2020	101	0.15
	647	0.95

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
UK Sterling Denominated Variable Rate Corporate Bonds – 0.00%; 28.2.2017 0.16%			
EURO – 5.75%; 28.2.2017 6.03%			
Euro Denominated Fixed Rate Corporate Bonds – 5.20%; 28.2.2017 5.26%			
€100,000	ArcelorMittal 3.125% European Medium Term Notes 14/1/2022	96	0.14
€100,000	Ardagh Packaging Finance 6.75% Bonds 15/5/2024	96	0.14
€100,000	Assicurazioni Generali 5.5% European Medium Term Notes 27/10/2047	103	0.15
€100,000	ATF Netherlands 3.75% Perpetual Bonds	93	0.14
€100,000	Bankia 3.375% Bonds 15/3/2027	94	0.14
€100,000	Belden 4.125% Bonds 15/10/2026	93	0.14
€100,000	Cellnex Telecom 2.375% European Medium Term Notes 16/1/2024	90	0.13
€100,000	Colfax 3.25% Bonds 15/5/2025	89	0.13
€100,000	Credit Agricole 6.5% Perpetual Bonds	100	0.15
€100,000	EC Finance 2.375% Bonds 15/11/2022	89	0.13
€100,000	Equinix 2.875% Bonds 1/10/2025	87	0.13
€100,000	Horizon s I SAS 7.25% Bonds 1/8/2023	93	0.14
€100,000	Ineos Finance 4% Bonds 1/5/2023	90	0.13
€100,000	International Game Technology 4.75% Bonds 15/2/2023	98	0.14
€100,000	Intrum Justitia AB 2.75% Bonds 15/7/2022	87	0.13
€100,000	Iron Mountain 3% Bonds 15/1/2025	88	0.13
€100,000	LGE HoldCo 7.125% Notes 15/5/2024	95	0.14
€100,000	LHC Three 4.125% Bonds 15/8/2024	89	0.13
€100,000	Loxam 3.5% Bonds 3/5/2023	91	0.13
€175,000	Matterhorn Telecom 3.875% Bonds 1/5/2022	157	0.23
€100,000	Mercury Bondco 8.25% Bonds 30/5/2021	92	0.13
€100,000	National Bank of Greece 2.75% European Medium Term Notes 19/10/2020	90	0.13
€200,000	Novo Banco 0% European Medium Term Notes 21/1/2019	49	0.07
€100,000	Numericable SFR 5.375% Senior Notes 15/5/2022	90	0.13
€100,000	Platin 1426 5.375% Bonds 15/6/2023	88	0.13
€100,000	PSPC Escrow 6% Senior Bonds 1/2/2023	92	0.13
€100,000	PVH 3.125% Bonds 15/12/2027	88	0.13
€100,000	Quintiles IMS 3.25% Bonds 15/3/2025	89	0.13
€200,000	Rabobank Nederland 6.625% Perpetual Bonds	203	0.30
€100,000	Senvion 3.875% Bonds 25/10/2022	82	0.12
€100,000	Silgan s 3.25% Bonds 15/3/2025	90	0.13
€100,000	Softbank 4.75% Guaranteed Senior Notes 30/7/2025	93	0.14
€100,000	Solvay Finance 5.118% Perpetual Bonds	99	0.15
€100,000	Telecom Italia 1.125% Bonds 26/3/2022	87	0.13
€100,000	UniCredit 6.95% European Medium Term Notes 31/10/2022	108	0.16
€100,000	UPCB Finance IV 4% Bonds 15/1/2027	92	0.13
€100,000	WFS Global SAS 9.5% Bonds 15/7/2022	94	0.14
		3,544	5.20

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
Euro Denominated Variable Rate Corporate Bonds – 0.55%; 28.2.2017 0.77%			
€100,000	Banco Santander 6.25% Variable Rate Convertible Perpetual Bonds	92	0.13
€106,000	Bank of Ireland 4.25% Subordinated Floating Rate European Medium Term Notes 11/6/2024	98	0.14
€100,000	Gas Natural Fenosa Finance 4.125% Perpetual Variable Rate Bonds	95	0.14
€100,000	Telefonica Europe 4.2% Variable Rate Subordinated Perpetual Bonds	93	0.14
		378	0.55
US DOLLAR – 45.54%; 28.2.2017 52.38%			
US Dollar Denominated Fixed Rate Corporate Bonds – 37.41%; 28.2.2017 42.68%			
\$20,000	1 Automotive 5% Bonds 1/6/2022	15	0.02
\$21,000	Acadia Healthcare 5.125% Bonds 1/7/2022	15	0.02
\$58,000	Acadia Healthcare 5.625% Bonds 15/2/2023	43	0.06
\$15,000	Acadia Healthcare 6.5% Bonds 1/3/2024	11	0.02
\$110,000	ADT 3.5% Bonds 15/7/2022	76	0.11
\$164,000	ADT 4.125% Senior Notes 15/6/2023	116	0.17
\$4,000	ADT 4.875% Bonds 15/7/2032	3	0.00
\$20,000	ADT 6.25% Bonds 15/10/2021	15	0.02
\$5,000	Advanced Micro Devices 7% Bonds 1/7/2024	4	0.01
\$10,000	Advanced Micro Devices 7.5% Bonds 15/8/2022	8	0.01
\$26,000	AES 4.875% Bonds 15/5/2023	19	0.03
\$50,000	AES 5.5% Bonds 15/3/2024	37	0.05
\$9,000	AES 5.5% Bonds 15/4/2025	7	0.01
\$12,000	AES 6% Bonds 15/5/2026	9	0.01
\$7,000	AES 8% Bonds 1/6/2020	6	0.01
\$32,000	AES Corp/VA 5.125% Bonds 1/9/2027	23	0.03
\$35,000	Aircastle 5.125% Bonds 15/3/2021	26	0.04
\$45,000	Aircastle 5.5% Bonds 15/2/2022	34	0.05
\$25,000	Aircastle 6.25% Bonds 1/12/2019	19	0.03
\$70,000	Aircastle 7.625% Bonds 15/4/2020	54	0.08
\$108,000	Alcoa 5.125% Bonds 1/10/2024	81	0.12
\$100,000	Alcoa 5.87% Senior Bonds 23/2/2022	77	0.11
\$30,000	Alcoa 5.9% Bonds 1/2/2027	23	0.03
\$35,000	Ally Financial 4.125% Bonds 30/3/2020	26	0.04
\$65,000	Ally Financial 5.125% Bonds 30/9/2024	49	0.07
\$142,000	Ally Financial 8% Guaranteed Bonds 1/11/2031	127	0.19
\$200,000	Altice US Finance I 5.375% Bonds 15/7/2023	147	0.22
\$112,000	AMC Networks 4.75% Bonds 1/8/2025	78	0.11
\$110,000	AMC Networks 5% Bonds 1/4/2024	79	0.12
\$19,000	American Airlines 4.625% Bonds 1/3/2020	14	0.02
\$16,000	American Builders & Contractors Supply 5.75% Bonds 15/12/2023	12	0.02
\$24,000	American Tire Distributors 10.25% Bonds 1/3/2022	18	0.03

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$181,000	Amsurg 5.625% Bonds 15/7/2022	133	0.20
\$19,000	Andeavor Logistics LP / Tesoro Logistics Finance 5.25% Bonds 15/1/2025	14	0.02
\$375,000	Andeavor Logistics LP 6.875% Perpetual Bonds	276	0.40
\$5,000	Anixter 5.625% Bonds 1/5/2019	4	0.01
\$8,000	Antero Resources 5.125% Bonds 1/12/2022	6	0.01
\$25,000	Antero Resources 5.625% Bonds 1/6/2023	18	0.03
\$41,000	APX 6.375% Bonds 1/12/2019	30	0.04
\$25,000	APX 7.875% Bonds 1/12/2022	19	0.03
\$25,000	APX 8.75% Bonds 1/12/2020	18	0.03
\$114,000	Aramark Services 5.125% Bonds 15/1/2024	84	0.12
\$10,000	Arconic 5.95% Bonds 1/2/2037	8	0.01
\$15,000	Arconic 6.75% Bonds 15/1/2028	12	0.02
\$48,000	Asbury Automotive 6% Bonds 15/12/2024	36	0.05
\$76,000	Avis Budget Finance 5.125% Bonds 1/6/2022	55	0.08
\$36,000	B&G Foods 5.25% Bonds 1/4/2025	25	0.04
\$39,000	Ball 4% Bonds 15/11/2023	28	0.04
\$161,000	Ball 5% Bonds 15/3/2022	121	0.18
\$181,697	Banc of America Funding 2007-7 Trust 6.055138% Bonds 25/9/2037	104	0.15
\$600,000	Banco Bilbao Vizcaya Argentaria 6.125% Perpetual Bonds	437	0.64
\$396,000	Bank of America 6.25% Perpetual Bonds	307	0.45
\$600,000	Bank of New York Mellon 4.625% Perpetual Bonds	433	0.64
\$400,000	Barclays 7.875% Perpetual Bonds	312	0.46
\$59,000	Beacon Roofing Supply 6.375% Bonds 1/10/2023	45	0.07
\$36,000	Berry Plastics 5.5% Bonds 15/5/2022	27	0.04
\$62,000	Blue Cube Spinco 9.75% Bonds 15/10/2023	52	0.08
\$44,000	Blue Cube Spinco 10% Bonds 15/10/2025	38	0.06
\$15,000	Bombardier 7.5% Bonds 15/3/2025	11	0.02
\$75,000	Buckeye Partners LP 6.375% Bonds 22/1/2078	54	0.08
\$148,000	Cablevision Systems 8% Bonds 15/4/2020	114	0.17
\$19,000	California Resources 8% Bonds 15/12/2022	11	0.02
\$55,000	Calpine 5.5% Bonds 1/2/2024	37	0.05
\$4,000	Calumet Specialty Products Partners LP / Calumet Finance 6.5% Bonds 15/4/2021	3	0.00
\$16,000	Calumet Specialty Products Partners LP / Calumet Finance 7.625% Bonds 15/1/2022	11	0.02
\$9,000	Carrizo Oil & Gas 6.25% Bonds 15/4/2023	6	0.01
\$13,000	Carrizo Oil & Gas 8.25% Bonds 15/7/2025	10	0.01
\$219,000	CCO 5.25% Bonds 30/9/2022	161	0.24
\$37,000	CCO 5.875% Bonds 1/5/2027	27	0.04
\$125,000	CCO Capital 5.125% Bonds 15/2/2023	91	0.13
\$23,000	CCO Capital 5.75% Bonds 15/2/2026	17	0.03
\$87,000	CDW Finance 5% Bonds 1/9/2023	64	0.09
\$29,000	CDW Finance 5% Bonds 1/9/2025	21	0.03

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$271,000	CDW Finance 5.5% Bonds 1/12/2024	204	0.30
\$46,000	Centene 4.75% Bonds 15/5/2022	34	0.05
\$18,000	Centene 6.125% Bonds 15/2/2024	14	0.02
\$15,000	CenturyLink 5.625% Bonds 1/4/2025	10	0.01
\$20,000	CenturyLink 5.8% Bonds 15/3/2022	14	0.02
\$137,000	CenturyLink 6.45% Senior Notes 15/6/2021	101	0.15
\$9,000	CenturyLink 6.75% Bonds 1/12/2023	6	0.01
\$24,000	CenturyLink 7.65% Bonds 15/3/2042	15	0.02
\$5,000	CF Industries 4.95% Bonds 1/6/2043	3	0.00
\$25,000	CF Industries 5.15% Bonds 15/3/2034	18	0.03
\$38,000	CF Industries 7.125% Bonds 1/5/2020	29	0.04
\$52,000	Chemours 5.375% Bonds 15/5/2027	38	0.06
\$27,000	Chemours 6.625% Bonds 15/5/2023	21	0.03
\$29,000	Chemours 7% Bonds 15/5/2025	23	0.03
\$65,000	Cheniere Corpus Christi s 5.125% Bonds 30/6/2027	48	0.07
\$145,000	Cheniere Corpus Christi s 5.875% Bonds 31/3/2025	110	0.16
\$20,000	Chesapeake Energy 4.875% Bonds 15/4/2022	14	0.02
\$15,000	Chesapeake Energy 5.75% Bonds 15/3/2023	10	0.01
\$172,000	CIT 3.875% Bonds 19/2/2019	125	0.18
\$75,000	CIT 5% Bonds 15/8/2022	56	0.08
\$24,000	CIT 5% Bonds 1/8/2023	18	0.03
\$60,000	Citigroup 5.9% Perpetual Bonds	45	0.07
\$16,000	Citrix Systems 0.5% Bonds 15/4/2019	15	0.02
\$48,000	Clear Channel International 8.75% Bonds 15/12/2020	36	0.05
\$179,000	Clear Channel Worldwide 6.5% Bonds 15/11/2022	133	0.20
\$291,000	Clear Channel Worldwide 6.5% Bonds 15/11/2022	215	0.32
\$50,000	Clear Channel Worldwide Holdings 7.625% Bonds 15/3/2020	36	0.05
\$30,000	CommScope 5.5% Bonds 15/6/2024	22	0.03
\$2,000	CommScope Technologies Finance 6% Bonds 15/6/2025	1	0.00
\$82,000	Communications Sales & Leasing 8.25% Bonds 15/10/2023	56	0.08
\$34,000	Community Health Systems 5.125% Bonds 1/8/2021	23	0.03
\$52,000	Community Health Systems 8% Senior Notes 15/11/2019	36	0.05
\$431,000	CONSOL Energy 5.875% Bonds 15/4/2022	313	0.46
\$5,000	CONSOL Energy 8% Bonds 1/4/2023	4	0.01
\$42,000	Continental Resources 3.8% Bonds 1/6/2024	29	0.04
\$30,000	Continental Resources 4.9% Bonds 1/6/2044	21	0.03
\$40,000	CoreCivic 4.75% Bonds 15/10/2027	28	0.04
\$228,227	Countrywide Alternative Loan Trust 2005-72 Collateralised Mortgage Backed Obligations 25/1/2036	135	0.20
\$27,000	CPG Merger 8% Bonds 1/10/2021	20	0.03
\$758,000	Credit Suisse 6.25% Bonds 29/12/2049	577	0.85
\$62,000	Crimson Merger 6.625% Bonds 15/5/2022	44	0.06
\$324,000	CSC 5.25% Bonds 1/6/2024	226	0.33
\$200,000	Danske Bank 6.125% Perpetual Bonds	152	0.22
\$29,000	DaVita HealthCare Partners 5.125% Bonds 15/7/2024	21	0.03

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$50,000	Denbury Resources 4.625% Bonds 15/7/2023	27	0.04
\$28,000	Denbury Resources 5.5% Bonds 1/5/2022	16	0.02
\$8,000	Diamond Offshore Drilling 7.875% Bonds 15/8/2025	6	0.01
\$344,000	Digicel 6% Bonds 15/4/2021	233	0.34
\$200,000	Discover Financial Services 5.5% Perpetual Bonds	145	0.21
\$9,000	DISH DBS 5% Bonds 15/3/2023	6	0.01
\$82,000	DISH DBS 5.875% Bonds 15/11/2024	55	0.08
\$254,000	DISH DBS 5.875% Senior Notes 15/7/2022	179	0.26
\$37,000	DISH DBS 7.75% Bonds 1/7/2026	26	0.04
\$104,000	DJO Finance 8.125% Bonds 15/6/2021	73	0.11
\$3,000	Dollar Tree 5.25% Bonds 1/3/2020	2	0.00
\$2,000	DPL 7.25% Bonds 15/10/2021	2	0.00
\$15,000	Dynegy 5.875% Bonds 1/6/2023	11	0.02
\$63,000	Dynegy 7.375% Bonds 1/11/2022	48	0.07
\$33,000	Dynegy 7.625% Bonds 1/11/2024	26	0.04
\$5,000	Eclipse Resources 8.875% Bonds 15/7/2023	4	0.01
\$18,000	Eldorado Resorts 6% Bonds 1/4/2025	13	0.02
\$250,000	Emera 6.75% Bonds 15/6/2076	200	0.29
\$275,000	Enbridge 6% Bonds 15/1/2077	202	0.30
\$29,000	Endo Finance 5.875% Bonds 15/1/2023	16	0.02
\$40,000	Endo Finance 7.75% Bonds 15/1/2022	24	0.04
\$71,000	Energy Transfer Equity 5.5% Bonds 1/6/2027	53	0.08
\$40,000	Energy Transfer Equity 5.875% Bonds 15/1/2024	30	0.04
\$20,000	Energy Transfer Equity 7.5% Bonds 15/10/2020	16	0.02
\$17,000	Energy Transfer Equity LP 4.25% Bonds 15/3/2023	12	0.02
\$75,000	EnLink Midstream Partners LP 6% Perpetual Bonds	52	0.08
\$5,000	Ensco 5.2% Bonds 15/3/2025	3	0.00
\$37,000	Ensco 7.75% Bonds 1/2/2026	26	0.04
\$37,000	Ensemble Merger 9% Bonds 30/9/2023	28	0.04
\$2,000	EP Energy / Everest Acquisition Finance 9.375% Bonds 1/5/2020	1	0.00
\$19,000	EP Energy / Everest Acquisition Finance 9.375% Bonds 1/5/2024	10	0.01
\$46,000	Equinix 5.375% Bonds 1/1/2022	34	0.05
\$25,000	Equinix 5.375% Bonds 1/4/2023	19	0.03
\$161,000	Equinix 5.875% Bonds 15/1/2026	121	0.18
\$9,000	ESH Hospitality 5.25% Bonds 1/5/2025	6	0.01
\$12,000	Fidelity National Financial 4.25% Bonds 15/8/2018	27	0.04
\$17,000	First Data 5.375% Bonds 15/8/2023	13	0.02
\$244,000	First Data 5.75% Bonds 15/1/2024	180	0.26
\$218,000	First Data 7% Bonds 1/12/2023	165	0.24
\$8,000	First Quantum Minerals 7% Bonds 15/2/2021	6	0.01
\$22,000	First Quantum Minerals 7.25% Guaranteed Senior Bonds 15/5/2022	16	0.02
\$285,000	Freeport-McMoRan 2.375% Bonds 15/3/2018	206	0.30
\$18,000	Freeport-McMoRan 4% Bonds 14/11/2021	13	0.02
\$18,000	Freeport-McMoRan 5.4% Bonds 14/11/2034	13	0.02
\$190,000	Freeport-McMoRan Copper & Gold 3.1% Guaranteed Bonds 15/3/2020	135	0.20

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$165,000	Freeport-McMoRan Copper & Gold 3.55% Senior Bonds 1/3/2022	116	0.17
\$162,000	Freeport-McMoRan Copper & Gold 3.875% Guaranteed Bonds 15/3/2023	113	0.17
\$139,000	Freeport-McMoRan Copper & Gold 5.45% Guaranteed Bonds 15/3/2043	97	0.14
\$18,000	Fresenius US Finance II 4.5% Bonds 15/1/2023	13	0.02
\$224,000	Frontier Communications 6.875% Bonds 15/1/2025	95	0.14
\$5,000	Frontier Communications 7.125% Bonds 15/3/2019	4	0.01
\$2,000	Frontier Communications 11% Bonds 15/9/2025	1	0.00
\$26,000	General Electric 5% Perpetual Bonds	19	0.03
\$300,000	General Motors Financial 5.75% Perpetual Bonds	219	0.32
\$14,000	Genesis Energy LP / Genesis Energy Finance 6.25% Bonds 15/5/2026	10	0.01
\$15,000	Genesis Energy LP / Genesis Energy Finance 6.5% Bonds 1/10/2025	11	0.02
\$42,000	GEO 5.125% Bonds 1/4/2023	30	0.04
\$70,000	GEO 5.875% Bonds 15/10/2024	51	0.07
\$2,000	GEO Inc 6% Bonds 15/4/2026	1	0.00
\$14,000	GLP Capital 5.375% Bonds 1/11/2023	11	0.02
\$4,000	GLP Capital 5.375% Bonds 15/4/2026	3	0.00
\$350,000	Goldman Sachs Inc 5% Perpetual Bonds	247	0.36
\$65,000	Goldman Sachs 5.3% Perpetual Bonds	48	0.07
\$7,000	Goodyear Tire & Rubber 5% Bonds 31/5/2026	5	0.01
\$53,000	Gulfport Energy 6% Bonds 15/10/2024	38	0.06
\$15,000	Gulfport Energy 6.375% Bonds 15/5/2025	11	0.02
\$40,000	Gulfport Energy 6.625% Bonds 1/5/2023	30	0.04
\$15,000	HCA 4.5% Bonds 15/2/2027	11	0.02
\$10,000	HCA 4.75% Bonds 1/5/2023	7	0.01
\$105,000	HCA 5% Bonds 15/3/2024	77	0.11
\$154,000	HCA 5.25% Bonds 15/6/2026	114	0.17
\$18,000	HCA 5.25% Senior Notes 15/4/2025	13	0.02
\$94,000	HCA 5.5% Bonds 15/6/2047	67	0.10
\$45,000	HCA 5.875% Bonds 15/3/2022	35	0.05
\$202,000	HCA 5.875% Bonds 1/5/2023	154	0.23
\$81,000	HCA 6.5% Bonds 15/2/2020	61	0.09
\$20,000	HCA 7.5% Guaranteed Bonds 15/2/2022	16	0.02
\$73,000	Healthsouth 5.75% Bonds 1/11/2024	53	0.08
\$24,000	Hexion 6.625% Bonds 15/4/2020	16	0.02
\$8,000	Hilton Worldwide Finance 4.625% Bonds 1/4/2025	6	0.01
\$210,000	HSBC 6% Perpetual Bonds	155	0.23
\$410,000	HSBC 6.875% Perpetual Bonds	316	0.46
\$50,000	Hughes Satellite Systems 5.25% Bonds 1/8/2026	35	0.05
\$30,000	Hughes Satellite Systems 7.625% Bonds 15/6/2021	23	0.03
\$84,000	Huntsman International 4.875% Bonds 15/11/2020	62	0.09
\$35,000	Huntsman International 5.125% Bonds 15/11/2022	26	0.04

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$91,000	Icahn Enterprises 6% Bonds 1/8/2020	67	0.10
\$67,000	Icahn Enterprises 6.25% 1/2/2022	49	0.07
\$58,000	Icahn Enterprises LP / Icahn Enterprises Finance 6.75% Bonds 1/2/2024	43	0.06
\$35,000	Illumina 0.5% Bonds 15/6/2021	30	0.04
\$334,000	Infor 6.5% Bonds 15/5/2022	247	0.36
\$28,000	Infor Software 7.125% Bonds 1/5/2021	21	0.03
\$84,000	Intelsat Jackson 5.5% Bonds 1/8/2023	51	0.07
\$75,000	Intelsat Jackson 7.25% Guaranteed Bonds 15/10/2020	50	0.07
\$12,000	International Lease Finance 4.625% Bonds 15/4/2021	9	0.01
\$295,000	International Lease Finance 8.25% Bonds 15/12/2020	240	0.35
\$120,000	Iron Mountain 6% Bonds 15/8/2023	90	0.13
\$3,000	iStar 4.625% Bonds 15/9/2020	2	0.00
\$15,000	iStar 5.25% Bonds 15/9/2022	11	0.02
\$29,000	iStar 6% Bonds 1/4/2022	21	0.03
\$29,000	Italics Merger 7.125% Bonds 15/7/2023	21	0.03
\$100,000	Jaguar II Pharmaceutical Product Development 6.375% Bonds 1/8/2023	73	0.11
\$13,000	JBS USA 5.75% Bonds 15/6/2025	9	0.01
\$8,000	JC Penney 6.375% Bonds 15/10/2036	4	0.01
\$4,000	JC Penney 7.4% Bonds 1/4/2037	2	0.00
\$5,000	JC Penney 8.125% Bonds 1/10/2019	4	0.01
\$109,000	JPMorgan Chase 5.15% Perpetual Bonds	79	0.12
\$15,000	KB Home 4.75% Bonds 15/5/2019	11	0.02
\$25,000	Kinross Gold 6.875% Bonds 1/9/2041	21	0.03
\$31,000	L Brands 6.625% Bonds 1/4/2021	24	0.04
\$8,000	L Brands 6.75% Bonds 1/7/2036	6	0.01
\$57,000	L Brands 6.875% Bonds 1/11/2035	41	0.06
\$35,000	Lennar 4.125% Bonds 15/1/2022	25	0.04
\$48,000	Lennar 4.5% Bonds 15/11/2019	35	0.05
\$7,000	Lennar 4.75% Bonds 1/4/2021	5	0.01
\$30,000	Lennar 4.75% Bonds 15/11/2022	22	0.03
\$25,000	Lennar 4.75% Bonds 30/5/2025	18	0.03
\$66,000	Lennar 5.25% Bonds 1/6/2026	49	0.07
\$4,000	Lennar 5.375% Bonds 1/10/2022	3	0.00
\$49,000	Lennar 6.25% Bonds 15/12/2021	38	0.06
\$67,000	Lennar 8.375% Bonds 15/1/2021	54	0.08
\$48,000	Level 3 Financing 5.125% Bonds 1/5/2023	34	0.05
\$134,000	Level 3 Financing 5.25% Bonds 15/3/2026	93	0.14
\$163,000	Level 3 Financing 5.375% Bonds 15/8/2022	119	0.17
\$79,000	Level 3 Financing 5.375% Bonds 15/1/2024	57	0.08
\$35,000	Level 3 Financing 5.375% Bonds 1/5/2025	25	0.04
\$142,000	Level 3 Financing 5.625% Bonds 1/2/2023	104	0.15
\$150,000	M&T Bank 5.125% Perpetual Bonds	111	0.16
\$22,000	Mallinckrodt International Finance 4.875% Bonds 15/4/2020	15	0.02

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$21,000	Masonite International 5.625% Bonds 15/3/2023	16	0.02
\$68,000	Matador Resources 6.875% Bonds 15/4/2023	51	0.07
\$5,000	Mattel 5.45% Bonds 1/11/2041	3	0.00
\$9,000	Mattel 6.2% Bonds 1/10/2040	6	0.01
\$20,000	MDC 6% Bonds 15/1/2043	14	0.02
\$35,000	Mediacom Broadband 5.5% Bonds 15/4/2021	25	0.04
\$10,000	MEDNAX 5.25% Bonds 1/12/2023	7	0.01
\$66,000	MEG Energy 7% Bonds 31/3/2024	41	0.06
\$34,000	Mercer International 6.5% Bonds 1/2/2024	26	0.04
\$10,000	Mercer International 7.75% Bonds 1/12/2022	8	0.01
\$15,000	Meritage Homes 5.125% Bonds 6/6/2027	11	0.02
\$21,000	Meritage Homes 6% Bonds 1/6/2025	16	0.02
\$25,000	Meritage Homes 7.15% Bonds 15/4/2020	19	0.03
\$135,757	Merrill Lynch Mortgage Investors Trust Series 2006-A3 4.455479% Mortgage Backed Bonds 25/5/2036	94	0.14
\$206,000	MGM Growth Properties 5.625% Bonds 1/5/2024	154	0.23
\$206,000	MGM Growth Properties Operating Partnership LP / MGP Finance Co-Issuer 4.5% Bonds 1/9/2026	142	0.21
\$31,000	MGM Resorts International 5.25% Bonds 31/3/2020	23	0.03
\$167,000	MGM Resorts International 6.625% Senior Notes 15/12/2021	130	0.19
\$63,000	MGM Resorts International 6.75% Bonds 1/10/2020	49	0.07
\$90,000	MGM Resorts International 7.75% Bonds 15/3/2022	73	0.11
\$55,000	Microchip Technology 1.625% Bonds 15/2/2025	68	0.10
\$21,000	Micron Technology 3% Bonds 15/11/2043	26	0.04
\$2,000	Micron Technology 5.5% Bonds 1/2/2025	1	0.00
\$65,000	Mobile Mini 5.875% Bonds 1/7/2024	49	0.07
\$175,000	Momentive Performance Materials 3.88% Bonds 24/10/2021	132	0.19
\$30,000	Moog 5.25% Guaranteed Bonds 1/12/2022	22	0.03
\$30,000	Murphy Oil 3.7% Senior Notes 1/12/2022	21	0.03
\$2,000	Murphy Oil 5.75% Bonds 15/8/2025	1	0.00
\$6,000	Murphy Oil 6.125% Bonds 1/12/2042	4	0.01
\$7,000	Nabors Industries 4.625% Guaranteed Notes 15/9/2021	5	0.01
\$117,000	NAI Entertainment 5% Bonds 1/8/2018	85	0.12
\$105,000	Nationwide Financial Services 6.75% Subordinated Bonds 15/5/2087	83	0.12
\$20,000	Navient 5% Bonds 26/10/2020	15	0.02
\$125,000	Navient 5.5% Bonds 25/1/2023	90	0.13
\$13,000	Navient 5.875% Bonds 25/10/2024	9	0.01
\$7,000	Navient 6.125% Medium Term Notes 25/3/2024	5	0.01
\$17,000	Navient 6.5% Bonds 15/6/2022	13	0.02
\$17,000	Navient 6.625% Bonds 26/7/2021	13	0.02
\$20,000	Navient 6.75% Bonds 25/6/2025	15	0.02
\$12,000	Navient 7.25% Bonds 25/9/2023	9	0.01
\$35,000	Neiman Marcus 8% Bonds 15/10/2021	15	0.02
\$35,000	Netflix 5.375% Bonds 1/2/2021	26	0.04

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$94,000	Netflix 5.5% Bonds 15/2/2022	70	0.10
\$19,000	Netflix 5.75% Bonds 1/3/2024	14	0.02
\$35,000	Newfield Exploration 5.625% Bonds 1/7/2024	27	0.04
\$45,000	NGL Energy Partners 5.125% Bonds 15/7/2019	33	0.05
\$58,000	NGL Energy Partners 6.875% Bonds 15/10/2021	42	0.06
\$20,000	NGPL Pipe 7.768% Bonds 15/12/2037	18	0.03
\$35,000	Nielsen Finance 5% Bonds 15/4/2022	26	0.04
\$33,000	Noble International 6.95% Bonds 1/4/2025	21	0.03
\$32,000	Noble International 7.75% Bonds 15/1/2024	21	0.03
\$11,000	Nokia 3.375% Bonds 12/6/2022	8	0.01
\$27,000	Nokia 4.375% Bonds 12/6/2027	19	0.03
\$12,000	Nokia 5.375% Guaranteed Senior Bonds 15/5/2019	9	0.01
\$79,000	Nokia 6.625% Bonds 15/5/2039	62	0.09
\$34,000	NRG Energy 6.25% Bonds 15/7/2022	25	0.04
\$36,000	NRG Energy 6.25% Guaranteed Bonds 1/5/2024	27	0.04
\$90,000	NRG Energy 6.625% Bonds 15/1/2027	67	0.10
\$10,000	NRG Yield Operating 5.375% Bonds 15/8/2024	7	0.01
\$40,000	Nuance Communications 5.375% Bonds 15/8/2020	29	0.04
\$50,000	Nuance Communications 6% Bonds 1/7/2024	38	0.06
\$76,000	Oasis Petroleum 2.625% Bonds 15/9/2023	58	0.09
\$8,000	Oasis Petroleum 6.5% Bonds 1/11/2021	6	0.01
\$162,000	Oasis Petroleum 6.875% Bonds 15/3/2022	120	0.18
\$16,000	Oasis Petroleum 6.875% Bonds 15/1/2023	12	0.02
\$19,000	Oceaneering International 6% Bonds 1/2/2028	13	0.02
\$35,000	Olin 5% Bonds 1/2/2030	25	0.04
\$61,000	ON Semiconductor 1% Bonds 1/12/2020	63	0.09
\$40,000	Outfront Media Capital 5.875% Bonds 15/3/2025	29	0.04
\$36,000	Parker Drilling 7.5% Bonds 1/8/2020	24	0.04
\$25,000	Penske Automotive 3.75% Bonds 15/8/2020	18	0.03
\$11,000	Penske Automotive 5.5% Bonds 15/5/2026	8	0.01
\$45,000	Petrobras Global Finance 6.85% Bonds 5/6/2115	31	0.05
\$106,000	Petrobras Global Finance BV 5.299% Bonds 27/1/2025	75	0.11
\$233,000	Petrobras Global Finance BV 5.999% Bonds 27/1/2028	167	0.25
\$35,000	Pioneer Energy Services 6.125% Bonds 15/3/2022	23	0.03
\$300,000	Plains All American Pipeline LP 6.125% Perpetual Bonds	213	0.31
\$74,000	Platform Specialty Products 6.5% Bonds 1/2/2022	55	0.08
\$26,000	Ply Gem Industries 6.5% Bonds 1/2/2022	19	0.03
\$227,000	Popular 7% Bonds 1/7/2019	168	0.25
\$34,000	Precision Drilling 5.25% Bonds 15/11/2024	23	0.03
\$4,000	Precision Drilling 6.5% Bonds 15/12/2021	3	0.00
\$19,000	Project Homestake Merger 8.875% Bonds 1/3/2023	13	0.02
\$20,000	PTC 6% Bonds 15/5/2024	15	0.02
\$76,000	Pulte 5.5% Bonds 1/3/2026	56	0.08
\$15,000	Pulte 6% Bonds 15/2/2035	11	0.02
\$38,000	Pulte 6.375% Bonds 15/5/2033	29	0.04

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$14,000	QEP Resources 5.375% Bonds 1/10/2022	10	0.01
\$20,000	Qwest 6.75% Bonds 1/12/2021	15	0.02
\$27,000	Radian 4.5% Bonds 1/10/2024	19	0.03
\$6,000	Radian 7% Bonds 15/3/2021	5	0.01
\$10,000	Radio One 7.375% Bonds 15/4/2022	7	0.01
\$73,000	Range Resources 5% Bonds 15/3/2023	51	0.07
\$65,000	Realogy 4.5% Bonds 15/4/2019	47	0.07
\$61,000	Realogy 5.25% Senior Notes 1/12/2021	45	0.07
\$52,000	Resolute Energy 8.5% Bonds 1/5/2020	38	0.06
\$298,485	Reynolds 5.75% Bonds 15/10/2020	219	0.32
\$50,000	RHP Hotel Properties 5% Bonds 15/4/2021	36	0.05
\$21,000	Rockies 6.85% Bonds 15/7/2018	15	0.02
\$10,000	Rockies Express Pipeline 5.625% Bonds 15/4/2020	8	0.01
\$20,000	Rockies Express Pipeline 6% Bonds 15/1/2019	15	0.02
\$51,000	Rowan 7.375% Bonds 15/6/2025	37	0.05
\$10,000	Rowan Companies 4.875% Guaranteed Bonds 1/6/2022	7	0.01
\$11,000	Rowan Cos 4.75% Bonds 15/1/2024	7	0.01
\$200,000	Royal Bank of Scotland 8% Perpetual Bonds	162	0.24
\$600,000	Royal Bank of Scotland 8.625% Perpetual Bonds	479	0.70
\$15,000	RSP Permian 5.25% Bonds 15/1/2025	11	0.02
\$39,000	RSP Permian 6.625% Bonds 1/10/2022	29	0.04
\$15,000	Sabre GLBL 5.25% Bonds 15/11/2023	11	0.02
\$37,000	Sanchez Energy 6.125% Bonds 15/1/2023	20	0.03
\$64,000	Sanchez Energy 7.75% Bonds 15/6/2021	45	0.07
\$35,000	Sanmina 4.375% Bonds 1/6/2019	26	0.04
\$258,000	Scientific Games International 10% Bonds 1/12/2022	203	0.30
\$3,000	Sealed Air 6.875% Bonds 15/7/2033	2	0.00
\$10,000	Service 5.375% Bonds 15/1/2022	7	0.01
\$96,000	Service International 5.375% Notes 15/5/2024	71	0.10
\$21,000	Service International/US 4.625% Bonds 15/12/2027	15	0.02
\$10,000	SESI 7.125% Notes 15/12/2021	7	0.01
\$5,000	Sirius XM Radio 4.625% Bonds 15/5/2023	4	0.01
\$1,000	Sirius XM Radio 5.375% Bonds 15/4/2025	1	0.00
\$10,000	SLM 5.625% Senior Bonds 1/8/2033	6	0.01
\$63,000	SM Energy 5% Bonds 15/1/2024	43	0.06
\$6,000	SM Energy 5.625% Bonds 1/6/2025	4	0.01
\$106,000	SM Energy 6.125% Bonds 15/11/2022	77	0.11
\$2,000	SM Energy 6.5% Bonds 1/1/2023	1	0.00
\$15,000	SM Energy 6.75% Bonds 15/9/2026	11	0.02
\$244,000	Société Générale 7.875% Bonds 29/12/2049	196	0.29
\$275,000	Société Générale 8% Perpetual Bonds	229	0.34
\$75,000	Southern Co 5.5% Bonds 15/3/2057	56	0.08
\$8,000	Southwestern Energy 4.95% Bonds 23/1/2025	6	0.01
\$41,000	Southwestern Energy 7.5% Bonds 1/4/2026	30	0.04
\$29,000	Southwestern Energy 7.75% Bonds 1/10/2027	21	0.03

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$21,000	Spectrum Brands 6.125% Bonds 15/12/2024	16	0.02
\$62,000	Spectrum Brands 6.625% Bonds 15/11/2022	46	0.07
\$17,000	Spirit AeroSystems 5.25% Bonds 15/3/2022	13	0.02
\$16,000	Springleaf Finance 5.625% Bonds 15/3/2023	11	0.02
\$5,000	Springleaf Finance 6.125% Bonds 15/5/2022	4	0.01
\$353,000	Sprint 7.125% Bonds 15/6/2024	254	0.37
\$98,000	Sprint 7.625% Bonds 15/2/2025	71	0.10
\$43,000	Sprint 7.625% Bonds 1/3/2026	31	0.05
\$156,000	Sprint 7.875% Senior Notes 15/9/2023	117	0.17
\$90,000	Sprint Capital 8.75% Guaranteed Bonds 15/3/2032	71	0.10
\$9,000	Sprint Communications 7% Bonds 15/8/2020	7	0.01
\$59,000	Sprint Nextel 9% Guaranteed Notes 15/11/2018	44	0.06
\$228,000	SS&C Technologies 5.875% Bonds 15/7/2023	173	0.25
\$43,000	Standard Industries 6% Bonds 15/10/2025	33	0.05
\$60,000	Starwood Property 5% Bonds 15/12/2021	44	0.06
\$35,000	Steel Dynamics 5.125% Bonds 1/10/2021	26	0.04
\$255,000	Steel Dynamics 5.25% Bonds 15/4/2023	188	0.28
\$5,000	Steel Dynamics 5.5% Bonds 1/10/2024	4	0.01
\$9,000	Sterigenics-Nordion s 6.5% Bonds 15/5/2023	7	0.01
\$305,000	SunTrust Banks 5.05% Perpetual Bonds	220	0.32
\$150,000	SunTrust Banks 5.125% Perpetual Bonds	104	0.15
\$20,000	Talen Energy Supply 6.5% Bonds 1/6/2025	11	0.02
\$35,000	Targa Resources Partners LP / Targa Resources Partners Finance 4.25% Bonds 15/11/2023	25	0.04
\$159,000	Teck Resources 3.75% Bonds 1/2/2023	112	0.16
\$55,000	Teck Resources 5.2% Guaranteed Bonds 1/3/2042	38	0.06
\$12,000	Teck Resources 5.4% Guaranteed Bonds 1/2/2043	9	0.01
\$84,000	Telecom Italia Capital 6% Guaranteed Bonds 30/9/2034	64	0.09
\$85,000	Telecom Italia Capital 6.375% Bonds 15/11/2033	67	0.10
\$50,000	Telecom Italia Capital 7.2% Bonds 18/7/2036	42	0.06
\$17,000	Teleflex 4.625% Bonds 15/11/2027	12	0.02
\$7,000	Teleflex 4.875% Bonds 1/6/2026	5	0.01
\$35,000	Teleflex 5.25% Bonds 15/6/2024	26	0.04
\$163,000	Tempur Sealy International 5.5% Bonds 15/6/2026	115	0.17
\$19,000	Tenet Healthcare 4.75% Bonds 1/6/2020	14	0.02
\$186,000	Tenet Healthcare 6% Bonds 1/10/2020	140	0.21
\$110,000	Tenet Healthcare 6.75% Bonds 15/6/2023	79	0.12
\$4,000	Tenet Healthcare 7.5% Bonds 1/1/2022	3	0.00
\$106,000	Tenet Healthcare 8.125% Bonds 1/4/2022	81	0.12
\$35,000	Teva Pharmaceutical Finance Netherlands III BV 1.7% Bonds 19/7/2019	25	0.04
\$24,000	T-Mobile USA 4% Bonds 15/4/2022	17	0.03
\$46,000	T-Mobile USA 4.5% Bonds 1/2/2026	33	0.05
\$66,000	T-Mobile USA 4.75% Bonds 1/2/2028	46	0.07
\$47,000	T-Mobile USA 6% Bonds 1/3/2023	35	0.05

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$67,000	T-Mobile USA 6% Bonds 15/4/2024	50	0.07
\$6,000	T-Mobile USA 6.375% Bonds 1/3/2025	5	0.01
\$44,000	T-Mobile USA 6.5% Bonds 15/1/2026	34	0.05
\$34,000	T-Mobile USA 6.625% Bonds 1/4/2023	25	0.04
\$5,000	T-Mobile USA 6.836% Bonds 28/4/2023	4	0.01
\$14,000	Toll Brothers Finance 4.35% Bonds 15/2/2028	10	0.01
\$3,000	Townsquare Media 6.5% Bonds 1/4/2023	2	0.00
\$75,000	Transcanada Trust 5.3% Bonds 15/3/2077	55	0.08
\$462,000	Transcanada Trust 5.875% Bonds 15/8/2076	359	0.53
\$326,000	TransDigm 6% Bonds 15/7/2022	241	0.35
\$34,000	TransDigm 6.375% Bonds 15/6/2026	25	0.04
\$8,000	TransDigm 6.5% Bonds 15/5/2025	6	0.01
\$55,000	Transocean 3.8% Bonds 15/10/2022	39	0.06
\$59,000	Transocean 6.8% Guaranteed Senior Bonds 15/3/2038	34	0.05
\$15,000	TRI Pointe 4.875% Bonds 1/7/2021	11	0.02
\$18,000	TRI Pointe 5.25% Bonds 1/6/2027	13	0.02
\$30,000	TRI Pointe Homes 4.375% Bonds 15/6/2019	22	0.03
\$12,000	TRI Pointe Homes 5.25% Bonds 1/6/2027	9	0.01
\$25,000	TRI Pointe Homes 5.875% Bonds 15/6/2024	19	0.03
\$6,000	Tribune Media 5.875% Bonds 15/7/2022	4	0.01
\$34,000	United Rentals North America 4.625% Bonds 15/7/2023	25	0.04
\$61,000	United Rentals North America 4.625% Bonds 15/10/2025	43	0.06
\$36,000	United Rentals North America 5.5% Bonds 15/7/2025	27	0.04
\$65,000	United Rentals North America 5.5% Bonds 15/5/2027	48	0.07
\$11,000	United Rentals North America 5.75% Bonds 15/11/2024	8	0.01
\$96,000	United Rentals North America 5.875% Bonds 15/9/2026	73	0.11
\$37,000	United States Steel 6.875% Bonds 15/8/2025	28	0.04
\$51,000	Univision Communications 5.125% Bonds 15/5/2023	35	0.05
\$16,000	Univision Communications 5.125% Bonds 15/2/2025	11	0.02
\$10,000	Valeant Pharmaceuticals International 5.375% Bonds 15/3/2020	7	0.01
\$24,000	Valeant Pharmaceuticals International 5.5% Bonds 1/3/2023	15	0.02
\$145,000	Valeant Pharmaceuticals International 5.625% Bonds 1/12/2021	99	0.15
\$3,000	Valeant Pharmaceuticals International 5.875% Bonds 15/5/2023	2	0.00
\$21,000	Valeant Pharmaceuticals International 7.5% Bonds 15/7/2021	15	0.02
\$75,000	Viacom 5.875% Bonds 28/2/2057	55	0.08
\$75,000	Viacom 6.25% Bonds 28/2/2057	56	0.08
\$25,220	VICI Properties 1 / VICI FC 8% Bonds 15/10/2023	20	0.03
\$118,076	Wachovia Bank Commercial Mortgage Trust Series 2006-C28 5.632% Mortgage Backed Bonds 15/10/2048	86	0.13
\$20,000	Weatherford International 5.95% Bonds 15/4/2042	10	0.01
\$9,000	Weatherford International 6.5% Guaranteed Bonds 1/8/2036	5	0.01
\$10,000	Weatherford International 7% Bonds 15/3/2038	6	0.01
\$63,000	Weatherford International 7.75% Bonds 15/6/2021	45	0.07
\$30,000	Weatherford International 8.25% Bonds 15/6/2023	21	0.03
\$30,000	Weatherford International 9.875% Bonds 15/2/2024	22	0.03

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
\$11,000	WellCare Health Plans 5.25% Bonds 1/4/2025	8	0.01
\$95,000	Western Digital 4.75% Bonds 15/2/2026	69	0.10
\$170,000	Westpac Banking Corp/New Zealand 5% Perpetual Bonds	118	0.17
\$12,000	Williams 4.55% Bonds 24/6/2024	9	0.01
\$106,000	Williams 5.75% Bonds 24/6/2044	81	0.12
\$44,000	WPX Energy 5.25% Bonds 15/9/2024	32	0.05
\$133,000	WPX Energy 6% Bonds 15/1/2022	100	0.15
\$7,000	WPX Energy 7.5% Bonds 1/8/2020	5	0.01
\$54,000	WPX Energy 8.25% Bonds 1/8/2023	44	0.06
\$7,000	WR Grace 5.125% Bonds 1/10/2021	5	0.01
\$12,000	Wyndham Worldwide 4.15% Bonds 1/4/2024	9	0.01
\$53,000	XPO Logistics 6.5% Bonds 15/6/2022	40	0.06
\$60,000	YPF 8.5% Bonds 28/7/2025	48	0.07
\$32,000	Yum! Brands 3.875% Senior Notes 1/11/2023	22	0.03
\$162,000	Zayo Capital 6% Bonds 1/4/2023	122	0.18
\$213,000	Zayo Capital 6.375% Bonds 15/5/2025	161	0.24
		25,496	37.41

US Dollar Denominated Variable Rate Corporate Bonds – 8.13%; 28.2.2017 9.70%

\$217,520	Alternative Loan Trust 2006-OA14 2.93108% Floating Rate Notes 25/11/2046	136	0.20
\$350,271	Alternative Loan Trust 2007 0.34825% Floating Rate Bonds 25/5/2047	246	0.36
\$526,111	Alternative Loan Trust 2007-AL1 1.8707% Floating Rate Mortgage Backed Bonds 25/6/2037	288	0.42
\$197,479	Alternative Loan Trust 2007-OH3 1.9107% Floating Rate Notes 25/9/2047	127	0.19
\$15,000	Bank of America 5.64929% Perpetual Subordinated Floating Rate Notes	11	0.02
\$449,144	Bear Stearns Asset Backed Securities I Trust 0.5758% Floating Rate Asset Backed Bonds 25/3/2037	311	0.46
\$451,283	Bear Stearns Asset Backed Securities I Trust 2007-HE3 1.7607% FRN 25/4/2037	336	0.49
\$544,321	Carrington Mortgage Loan Trust Series 2006-FRE1 1.7707% Floating Rate Asset Backed Bonds 25/7/2036	378	0.55
\$202,000	Citigroup 5.95% Perpetual Bonds	151	0.22
\$208,036	Countrywide Alternative Loan Trust 2006-OA6 0.37825% Floating Rate Notes 25/7/2046	142	0.21
\$200,000	Credit Suisse 6.25% Perpetual Subordinated Floating Rate Notes	152	0.22
\$328,375	Deutsche Alt-A Securities Mortgage Loan Trust 0.29825% Floating Rate Notes 25/8/2047	224	0.33
\$600,000	Deutsche Bank 4.296% Subordinated Floating Rate Notes 24/5/2028	420	0.62
\$225,000	Enbridge 6.25% Floating Rate Notes 1/3/2078	164	0.24
\$100,000	Farmers Exchange Capital II 6.151% Subordinated Floating Rate Notes 1/11/2053	80	0.12

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
\$125,000	Goldman Sachs 5.375% Perpetual Floating Rate Notes		93	0.14
\$150,000	ILFC E-Capital Trust I 4.37% Floating Rate Bonds 21/12/2065		106	0.16
\$100,000	ILFC E-Capital Trust II 4.62% Floating Rate Bonds 21/12/2065		71	0.10
\$194,000	Integrays 4.13% Floating Rate Bonds 1/12/2066		137	0.20
\$78,000	JP Morgan Chase 6.125% Perpetual Subordinated Floating Rate Notes		60	0.09
\$619,000	JPMorgan Chase & 2.83875% Floating Rate Bonds 15/5/2047		396	0.58
\$98,000	Liberty Mutual 7% Subordinated Floating Rate Bonds 7/3/2067		69	0.10
\$125,000	Morgan Stanley 5.45% Perpetual Subordinated Floating Rate Notes		92	0.13
\$645,000	State Street 1.96344% Floating Rate Bonds 15/6/2037		426	0.62
\$407,990	Structured Asset Mortgage Investments II Trust 2005-AR3 2.1607% 25/8/2035		283	0.42
\$65,000	Viacom 6.25% Bonds 28/2/2057		47	0.07
\$249,000	Wells Fargo 5.9% Perpetual Subordinated Floating Rate Notes		188	0.28
\$585,000	XL 6.5% Perpetual Subordinated Floating Rate Notes		403	0.59
			5,537	8.13

COLLECTIVE INVESTMENT SCHEMES – 9.48%; 28.2.2017 9.58%

Fixed Income Funds – 9.48%; 28.2.2017 9.58%

266,873	BlackRock Global Funds – Asian Tiger Bond Fund*	2,038	2.99
42,694	iShares \$ Corporate Bond UCITS ETF*	3,473	5.09
13,225	iShares \$ Short Duration Corporate Bond UCITS ETF*	952	1.40
		6,463	9.48

DERIVATIVES – 11.50%; 28.2.2017 12.33%

Credit Default Swaps – (0.06)%; 28.2.2017 (0.42)%

(70,000)	Barclays Bank (iTraxx) 5% 20/12/2022	62	7	0.01
(10,000)	Barclays Bank (Jaguar Land Rover) 5% 20/12/2022	10	1	0.00
(10,000)	Citibank (Telecom Italia) 1% 20/12/2022^	9	–	0.00
2,220,000	Credit Suisse International (Markit CDX North American High Yield) 5% 20/12/2022	1,736	(127)	(0.19)
(10,000)	Morgan Stanley International (Jaguar Land Rover) 5% 20/12/2022	9	1	0.00
(1,378,000)	Morgan Stanley International (Markit CDX North American High Yield) 5% 20/12/2022	1,000	79	0.12
		2,826	(39)	(0.06)

Equity Linked Notes – 13.66%; 28.2.2017 13.06%

2,283	BNP Paribas 7.27% 4/4/2018	50	74	0.11
2,983	BNP Paribas 11% 13/4/2018	118	164	0.24
354	BNP Paribas 11.35% 3/4/2018	28	36	0.05
3,035	BNP Paribas 11.39% 15/3/2018	152	154	0.23
5,306	BNP Paribas 11.91% 13/4/2018	109	165	0.24

Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
1,309	BNP Paribas 13.26% 15/3/2018	150	153	0.22
4,077	BNP Paribas 14.48% 12/3/2018	61	98	0.14
6,013	BNP Paribas 15.11% 15/3/2018	151	161	0.24
1,904	BNP Paribas 17.5% 4/4/2018	39	77	0.11
4,127	BNP Paribas 26.81% 26/3/2018	130	157	0.23
694	Canadian Imperial Bank of Commerce 9.88% 19/3/2018	124	125	0.18
989	Canadian Imperial Bank of Commerce 11.65% 13/4/2018	138	165	0.24
1,992	Canadian Imperial Bank of Commerce 12.53% 13/4/2018	111	166	0.24
3,770	Canadian Imperial Bank of Commerce 23.45% 27/4/2018	58	90	0.13
944	Citigroup 10.78% 9/3/2018	2	132	0.19
5,869	Citigroup 10.99% 5/3/2018	135	137	0.20
1,759	Citigroup 13.32% 14/3/2018	83	90	0.13
2,225	Citigroup 13.41% 27/4/2018	93	165	0.24
286	Citigroup 13.52% 14/3/2018	81	90	0.13
3,284	Citigroup 13.53% 5/3/2018	87	88	0.13
1,757	Citigroup 14.46% 5/3/2018	85	94	0.14
2,564	Citigroup 14.52% 16/3/2018	78	81	0.12
911	Citigroup 15.54% 16/3/2018	150	157	0.23
494	Citigroup 16.25% 23/4/2018	70	87	0.13
1,141	Citigroup 16.36% 15/3/2018	84	88	0.13
574	Credit Suisse 8% 7/3/2018	67	92	0.14
731	Credit Suisse 9% 7/3/2018	84	85	0.13
722	Credit Suisse 9.6% 7/3/2018	85	85	0.13
800	Credit Suisse 12.55% 20/4/2018	29	36	0.05
1,806	Credit Suisse 13% 4/4/2018	62	71	0.10
4,375	Credit Suisse 13.8% 7/3/2018	115	116	0.17
123	Credit Suisse 14.1% 4/4/2018	33	35	0.05
442	Credit Suisse 14.2% 6/4/2018	23	36	0.05
1,104	Deutsche Bank 9.76% 16/3/2018	123	129	0.19
771	Deutsche Bank 14.07% 16/3/2018	83	86	0.13
2,192	Deutsche Bank 17% 16/3/2018	80	88	0.13
949	Goldman Sachs 7.85% 12/3/2018	64	65	0.10
949	Goldman Sachs 7.85% 13/3/2018	63	65	0.10
1,443	Goldman Sachs 11.14% 27/3/2018	66	71	0.10
619	Goldman Sachs 12.61% 30/4/2018	116	158	0.23
2,267	Goldman Sachs 13.3% 14/3/2018	78	90	0.13
7,163	Goldman Sachs 13.9% 13/4/2018	97	166	0.24
4,659	Goldman Sachs 13.93% 30/4/2018	71	89	0.13
140	Goldman Sachs 14.41% 6/4/2018	22	37	0.05
2,666	Goldman Sachs 15.14% 14/3/2018	83	85	0.12
1,412	Goldman Sachs 16.05% 14/3/2018	83	89	0.13

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
1,440	Goldman Sachs 20.35% 6/3/2018	39	41	0.06
1,440	Goldman Sachs 20.44% 5/3/2018	39	41	0.06
644	HSBC Bank 7.69% 3/4/2018	22	37	0.05
3,699	HSBC Bank 8.64% 8/3/2018	102	135	0.20
963	HSBC Bank 12.05% 6/3/2018	133	132	0.19
3,309	HSBC Bank 15.71% 8/3/2018	87	87	0.13
525	HSBC Bank 16.45% 8/3/2018	77	77	0.11
3,510	HSBC Bank 21.52% 15/3/2018	71	74	0.11
1,655	JP Morgan Chase 10.59% 16/3/2018	82	88	0.13
732	JP Morgan Chase 10.73% 5/3/2018	123	140	0.21
3,260	JP Morgan Chase 11.16% 5/3/2018	133	134	0.20
1,774	JP Morgan Chase 15.49% 16/3/2018	112	124	0.18
4,753	Merrill Lynch International 10.82% 23/4/2018	55	93	0.14
1,097	Merrill Lynch International 14.81% 23/4/2018	75	91	0.13
3,773	Merrill Lynch International 15.27% 23/4/2018	54	174	0.26
645	Morgan Stanley 13.8% 5/3/2018	78	79	0.12
3,305	Morgan Stanley 14.02% 5/3/2018	111	114	0.17
2,493	Nomura 14.832% 23/4/2018	103	168	0.25
6,181	Nomura 19.04% 23/4/2018	114	164	0.24
620	Royal Bank of Canada 8.2% 16/3/2018	13	94	0.14
212	Royal Bank of Canada 8.29% 23/4/2018	96	168	0.25
1,133	Royal Bank of Canada 8.95% 14/3/2018	124	126	0.19
1,356	Royal Bank of Canada 9.39% 6/4/2018	55	57	0.08
1,356	Royal Bank of Canada 9.41% 5/4/2018	55	57	0.08
835	Royal Bank of Canada 10% 6/4/2018	25	36	0.05
1,157	Royal Bank of Canada 10.02% 16/3/2018	62	92	0.14
6,514	Royal Bank of Canada 10.41% 14/3/2018	85	85	0.12
1,236	Royal Bank of Canada 10.83% 30/4/2018	135	162	0.24
356	Royal Bank of Canada 11.33% 16/3/2018	75	75	0.11
764	Royal Bank of Canada 12.81% 30/4/2018	78	90	0.13
613	Royal Bank of Canada 15.11% 6/4/2018	31	34	0.05
691	Royal Bank of Canada 17.54% 16/3/2018	84	90	0.13
320	Royal Bank of Canada 19.21% 16/3/2018	41	44	0.06
320	Royal Bank of Canada 19.37% 15/3/2018	41	44	0.06
2,495	Royal Bank of Canada 19.9% 6/3/2018	22	132	0.19
832	Société Générale 7.45% 12/3/2018	64	65	0.10
832	Société Générale 7.97% 9/3/2018	64	65	0.10
2,030	Société Générale 8.4% 7/3/2018	87	89	0.13
1,017	Société Générale 9.21% 20/3/2018	149	156	0.23
3,483	Société Générale 9.88% 12/3/2018	121	121	0.18
1,695	Société Générale 11.76% 27/4/2018	69	91	0.13
825	Société Générale 12.55% 3/5/2018	67	91	0.13
2,834	Société Générale 12.7% 30/4/2018	68	91	0.13
940	Société Générale 14.01% 7/3/2018	86	88	0.13
1,124	Société Générale 14.49% 12/3/2018	127	128	0.19

Portfolio Statement continued

Holding or Nominal Value	Investment	Underlying Exposure – Derivatives £000's	Market Value £000's	% of Total Net Assets
849	Société Générale 16.14% 23/4/2018	35	95	0.14
793	Société Générale 16.29% 13/4/2018	69	94	0.14
		7,532	9,321	13.66
Forward Currency Contracts – (2.18)%; 28.2.2017 (0.55)%				
€ 1,318,602	Euro vs UK sterling	1,164	(4)	(0.01)
¥10,259,357	Japanese yen vs UK sterling	69	1	0.00
CHF 337,860	Swiss franc vs UK sterling	259	1	0.00
£12,386,739	UK sterling vs Euro	12,427	(47)	(0.07)
£653,614	UK sterling vs Japanese yen	668	(15)	(0.02)
£2,817,890	UK sterling vs Swiss franc	2,831	(16)	(0.02)
£109,209,377	UK sterling vs US dollar	110,743	(1,431)	(2.10)
\$3,548,893	US dollar vs UK sterling	2,564	29	0.04
		130,725	(1,482)	(2.18)
Futures – 0.07%; 28.2.2017 0.17%				
24	Euro Stoxx 50 March 2018	731	(30)	(0.04)
(47)	S&P 500 E-Mini March 2018	5,023	82	0.12
(10)	US 10 Year Note (CBT) June 2018 [^]	723	-	0.00
16	US 10 Year Ultra June 2018	1,099	4	0.01
(24)	US 5 Year Note (CBT) June 2018	1,599	2	0.00
(12)	US Long Bond (CBT) June 2018	1,055	(6)	(0.01)
(4)	US Ultra Bond (CBT) June 2018	323	(4)	(0.01)
		10,553	48	0.07
Options – 0.01%; 28.2.2017 0.07%				
4	Euro Stoxx Banks Call Option 16/3/2018 142.5 [^]	3	-	0.00
9	S&P 500 Index Call Option 16/3/2018 2880	37	1	0.00
10	S&P 500 Index Call Option 20/4/2018 2925	93	3	0.01
		133	4	0.01
Portfolio of investments			64,481	94.58
Net other assets			3,698	5.42
Total net assets			68,179	100.00

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

^o All or a portion of this investment represents a security on loan, see note 2(b)(vi) for further details.

* Managed by a related party.

[^] Investments which are less than £500 are rounded to zero.

The counterparty for the forward currency contracts is Bank of New York Mellon.

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

Statement of Total Return

for the year ended 28 February 2018

	Notes	£000's	For the year to 28.2.2018 £000's	£000's	For the year to 28.2.2017 £000's
Income					
Net capital (losses)/gains	3		(121)		5,870
Revenue	4	3,626		4,018	
Expenses	5	(802)		(800)	
Interest payable and similar charges	6	(101)		(131)	
Net revenue before taxation		2,723		3,087	
Taxation	7	(77)		(72)	
Net revenue after taxation			2,646		3,015
Total return before distributions			2,525		8,885
Distributions	8		(3,448)		(3,840)
Change in net assets attributable to unitholders from investment activities			(923)		5,045

Statement of Change in Net Assets Attributable to Unitholders

for the year ended 28 February 2018

	£000's	For the year to 28.2.2018 £000's	£000's	For the year to 28.2.2017 £000's
Opening net assets attributable to unitholders		68,200		64,806
Amounts receivable on issue of units	8,289		8,641	
Amounts payable on cancellation of units	(8,681)		(11,477)	
		(392)		(2,836)
Change in net assets attributable to unitholders from investment activities		(923)		5,045
Retained distribution on accumulation units		1,282		1,176
Unclaimed distributions over 6 years old		12		9
Closing net assets attributable to unitholders		68,179		68,200

Balance Sheet

at 28 February 2018

	Notes	28.2.2018 £000's	28.2.2017 £000's
Assets:			
Fixed assets			
– Investment assets		66,161	66,195
Current assets			
– Debtors	9	61,977	63,391
– Cash and bank balances	10	3,608	2,826
– Cash collateral posted		–	250
Total assets		131,746	132,662
Liabilities:			
Investment liabilities		(1,680)	(811)
Creditors			
– Bank overdrafts		–	(320)
– Distributions payable		(469)	(385)
– Other creditors	11	(61,418)	(62,946)
Total liabilities		(63,567)	(64,462)
Net assets attributable to unitholders		68,179	68,200

G D Bamping (Director)
M T Zemek (Director)
BlackRock Fund Managers Limited
1 May 2018

Notes to Financial Statements

for the year ended 28 February 2018

1. Accounting and Distribution Policies

Accounting Policies

- (a) The financial statements have been prepared in accordance with 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.
- (b) Dividends on quoted ordinary shares and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when the right to receive payment is established.

Revenue from fixed interest securities is recognised on an effective interest rate basis.

Variable rate interest from equity linked notes is recognised on an accruals basis. The interest is payable to the Fund on maturity of the note, along with the original principal.

Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Fund.

All distributions from Collective Investment Schemes ("CIS") are recognised when the securities are quoted ex-dividend. All distributions from holdings in CIS are treated as revenue with the exception of the equalisation element, which is treated as capital.

Any reported revenue from an offshore fund with reporting status from HMRC, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available. The equalisation element is treated as capital.

All revenue is recognised as a gross amount that takes account of any withholding taxes but excludes any other taxes such as attributable tax credits.

Revenue from securities lending is accounted for net of associated costs and is recognised on an accruals basis.

Returns from bond futures are streamed into revenue and capital components.

Bank interest is recognised on an accruals basis.

The Fund receives Manager's charge rebates from BlackRock related investments in the normal course of business. These are recognised on an accruals basis and are treated as revenue, unless it is the policy of the underlying fund to charge its fees to capital, in which case these rebates will be recognised as capital.

- (c) Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.
- (d) The underlying circumstances behind both special dividends and share buy backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Any tax treatment will follow the accounting treatment of the principal amount.
- (e) Underwriting commission is wholly recognised as revenue when the issue takes place, except where the Fund is required to take up some or all of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of those shares.
- (f) All expenses, except those relating to the purchase and sale of investments are charged against revenue. All expenses are recognised on an accruals basis.

- (g) Provision for corporation tax is made at the current rate on the excess of taxable revenue over allowable expenses. Provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that it is considered more likely than not that there will be taxable profits in the future against which the asset can be offset.
- (h) The investments of the Fund have been valued at market values, defined as fair value, which is usually bid value at 12 noon on the last business day of the accounting period. In the case of an investment which is not quoted, listed or dealt in on a recognised market, or in respect of which a listed, traded or dealt price or quotation is not available at the time of valuation, the fair value of such investment shall be estimated with care and in good faith by a competent professional person, body, firm or corporation including the Manager's pricing committee and such fair value shall be determined on the basis of the probable realisation value of the investment. The Manager shall be entitled to adopt an alternative method of valuing any particular asset if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset or liability.

For over the counter derivatives (e.g. credit default swaps and equity linked notes), fair value is determined based on valuation pricing models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions. The fair value of exchange traded and over the counter derivatives represents the price that would be required to close out the contracts at the Balance Sheet date. Amounts due to and from an individual counterparty which falls under a legally enforceable master netting agreement are netted.

Investments in dual priced Collective Investment Schemes have been valued at market values, defined as fair value, which is usually 12 noon at the closing valuation point of the underlying fund on the last business day of the accounting period. Investments in single priced Collective Investment Schemes have been valued at market values, defined as fair value, which is usually the latest available price at the Fund's 12 noon valuation point on the last business day of the accounting period.

- (i) Any transactions in foreign currencies are translated into Sterling at the rates of exchange ruling on the date of any such transaction. Assets and liabilities in foreign currencies are translated into Sterling at the exchange rates ruling at 12 noon on the last business day of the accounting period. Revenue items in foreign currencies are translated into Sterling at the exchange rate when the revenue is received.
 - (j) Where appropriate, certain permitted financial instruments such as derivatives are used for both efficient portfolio management and for the purpose of achieving the investment objective of the Fund. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in 'Revenue' in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in 'Net capital (losses)/gains' in the Statement of Total Return.
- Revenue received in the form of premiums on written options are recognised as revenue on a straight line basis over the period of the contract, with the balance recognised as capital. If the contract is sold or closed out, the unamortised portion of the premium remains in capital.
- (k) Cash and bank balances consist of deposits held on call with banks and cash held with clearing brokers and counterparties.
 - (l) Cash collateral provided by the Fund is identified on the Balance Sheet as pledged cash collateral and is not included as a component of cash and cash equivalents.

For collateral other than cash provided by the Fund, the party to whom the collateral is provided has the right by contract to sell or repledge the collateral but has an obligation to return equivalent securities to the Fund on maturity or sale of the contract. The Fund classifies these assets on its Balance Sheet separately from other assets and identifies the asset as pledged investments. Such assets are valued consistently with the accounting policies listed above.

Cash collateral provided to the Fund by counterparties is identified in the Balance Sheet as cash collateral payable. The Fund may reinvest this cash collateral and the assets purchased are included in investment assets or cash equivalents on the Balance Sheet.

For collateral received from counterparties other than cash, a disclosure of the collateral provided is made in the notes to the financial statements.

Distribution Policies

- (m) The ordinary element of stock dividends is treated as revenue and forms part of the distribution.
- (n) Special dividends and share buy backs recognised as revenue form part of the distribution.
- (o) Returns from bond futures recognised as revenue from long positions form part of the distribution. Amounts recognised as revenue from short positions reduce the amounts available for distribution.
- (p) All of the net revenue available for distribution at the final accounting period end will be distributed to unitholders with the balance attributable to accumulation unitholders retained within the Fund. In order to conduct a controlled dividend flow to unitholders, interim distributions may be made at the Manager's discretion, up to a maximum of the distributable revenue available for the period. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.
- (q) Some or all the expenses are reimbursed by capital for distribution purposes. The amount reimbursed may vary between accounting periods.

2. Financial Instruments and Risks

The Fund's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and investors should refer to the Prospectus for a more detailed discussion of the risks inherent in investing in the Fund.

Risk management framework

The Manager has delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager is also responsible for ensuring that the Fund is managed within the terms of its investment guidelines and limits set out in the Prospectus. The Manager reserves to itself the investment performance, product risk monitoring and oversight and the responsibility for the monitoring and oversight of regulatory and operational risk for the Fund.

The Manager has appointed a risk manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the BlackRock Risk and Quantitative Analysis Group ("RQA Group") which is a centralised group which performs an independent risk management function. The RQA Group independently identifies, measures and monitors investment risk. The RQA Group tracks the actual risk management practices being deployed across the different funds. By breaking down the components of the process, the RQA Group has the ability to determine if the appropriate risk management processes are in place for the Fund. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

The principal risk exposure of the Fund is set out as follows:

a) Market risk

Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Fund may suffer through holding market positions in the face of market movements. The Fund is exposed to market risk by virtue of its investments in equities, warrants, rights, corporate bonds, government bonds, credit default swaps, equity linked notes, futures contracts and forward currency contracts.

A key metric the RQA Group uses to measure market risk is Value-at-Risk ("VaR") which encompasses price, currency and interest rate risk. VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis.

The VaR calculations are based on an adjusted historical simulation model with a confidence level of 99%, a holding period of one day and a historical observation period of not less than one year (250 days). A VaR number is defined at a specified probability and a specified time horizon. A 99% one day VaR means that the expectation is that 99% of the time over a one day period the Fund will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk.

It is noted that the use of the VaR methodology has limitations, namely that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR amounts. These limitations and the nature of the VaR measure mean that the Fund can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts will not occur more frequently.

The one day VaR as at 28 February 2018 and 28 February 2017 based on a 99% confidence level was 0.61% and 0.43% respectively.

i) Market risk arising from foreign currency risk

Exposure to foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund may invest in securities which may be denominated in currencies other than its reporting currency.

The Fund may also invest in forward currency contracts and thus gain further exposure to foreign currency risk.

The tables below outline the Fund's exposure to foreign currency risk as at the Balance Sheet date.

28 February 2018

Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
Australian dollar	721	–	721	1.05
Canadian dollar	837	–	837	1.23
Danish krone	154	–	154	0.23
Euro	12,474	(11,270)	1,204	1.77
Hong Kong dollar	237	–	237	0.35
Indian rupee	143	–	143	0.21
Japanese yen	649	(599)	50	0.07
Singapore dollar	138	–	138	0.20
Swedish krona	215	–	215	0.32
Swiss franc	2,600	(2,575)	25	0.04
Taiwan dollar	370	–	370	0.54
US dollar	109,251	(108,077)	1,174	1.72
Total exposure to foreign currencies	127,789	(122,521)	5,268	7.73

28 February 2017

Foreign currency exposure	Gross Foreign Currency Exposure £000's	Forward Currency Contracts £000's	Net Foreign Currency Exposure £000's	% of Net Assets
Australian dollar	405	–	405	0.59
Canadian dollar	452	–	452	0.66
Danish krone	83	–	83	0.12
Euro	10,992	(10,389)	603	0.88
Hong Kong dollar	120	–	120	0.18
Japanese yen	407	(348)	59	0.09
Singapore dollar	95	–	95	0.14
Swedish krona	114	–	114	0.17
Swiss franc	1,844	(1,827)	17	0.03
Taiwan dollar	289	–	289	0.42
US dollar	113,253	(112,486)	767	1.12
Total exposure to foreign currencies	128,054	(125,050)	3,004	4.40

Management of foreign currency risk

Foreign currency exposures are managed within parameters utilising forward currency contracts. The details of the contracts in place at the year end are disclosed in the portfolio statement.

ii) Market risk arising from other price risk
Exposure to other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Fund is exposed to other price risk arising from its investments. The exposure of the Fund to other price risk is the market value of the investments held as shown in the portfolio statement of the Fund.

Management of other price risk

The Investment Manager manages the Fund's other price risk on a daily basis in accordance with the Fund's investment objective.

By diversifying the portfolio, where this is appropriate and consistent with the Fund's objectives, the risk that a price change of a particular investment will have a material impact on the Net Asset Value ("NAV") of the Fund is minimised. The investment concentrations within the portfolio are disclosed in the portfolio statement by investment type.

The other price risk inherent in holdings in CIS is monitored by the Investment Manager by understanding the investment objectives of the underlying funds as well as their internal control policies and regular risk and performance reporting.

iii) Market risk arising from interest rate risk
Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund is exposed to interest rate risk on its cash and bank balances held at The Bank of New York Mellon (International) Limited, amounts held at futures clearing houses and brokers, cash equivalent holdings and its investments in fixed and floating rate interest bearing securities where the value of these securities may fluctuate as a result of a change in interest rates. Cash held on deposit at The Bank of New York Mellon (International) Limited receives/incurs interest at the prevailing daily rate which may be negative depending on the currency in which the cash is held.

The Fund also has indirect exposure to interest rate risk through its investments into CIS, whereby the value of the underlying fund may fluctuate as a result of a change in interest rates and through its investment in futures contracts, whereby the value of an underlying asset may fluctuate as a result of a change in interest rates through its investments in interest-bearing securities.

The interest rate risk profile of the Fund's investments as at 28 February 2018 was as follows:

Floating Rate Investments £000's	Fixed Rate Investments £000's	Non-interest Bearing Investments £000's	Total £000's
5,915	29,687	28,879	64,481

The interest rate risk profile of the Fund's investments as at 28 February 2017 was as follows:

Floating Rate Investments £000's	Fixed Rate Investments £000's	Non-interest Bearing Investments £000's	Total £000's
7,250	33,238	24,896	65,384

Management of interest rate risk

Interest rate risk exposure is managed by constantly monitoring the position for deviations outside a pre-determined tolerance level and, when necessary, rebalancing back to the original desired parameters.

b) Counterparty credit risk

Exposure to counterparty credit risk

Counterparty credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Fund is exposed to counterparty credit risk from the parties with which it trades and will bear the risk of settlement default.

Management of counterparty credit risk

Counterparty credit risk is monitored and managed by BlackRock's RQA Counterparty & Concentration Risk Team. The team is headed by BlackRock's Chief Counterparty Credit Officer who reports directly to the Global Head of RQA. Credit authority resides with the Chief Counterparty Credit Officer and selected team members to whom specific credit authority has been delegated. As such, counterparty approvals may be granted by the Chief Counterparty Credit Officer or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Counterparty Credit Officer as deemed appropriate.

BlackRock's RQA Counterparty & Concentration Risk Team completes a formal review of each new counterparty, monitors and reviews all approved counterparties on an ongoing basis and maintains an active oversight of counterparty exposures.

The Manager maintains a list of approved counterparties. This list is regularly monitored and revised for changes based on the counterparty's creditworthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

i) Exchange Traded Financial Derivative Instruments

The Fund's holdings in futures contracts expose the Fund to counterparty credit risk.

Management of counterparty credit risk related to futures contracts

The exposure is limited by trading the contracts through a clearing house. The Fund's exposure to counterparty credit risk on contracts in which it currently has a gain position is reduced by such gains received in cash from the counterparty under the daily mark-to market mechanism on exchange traded futures contracts (variation margin). The Fund's exposure to credit risk on contracts in which it currently has a loss position is equal to the amount of margin posted to the counterparty which has not been transferred to the exchange under the daily mark-to-market mechanism. The counterparty for futures contracts is Barclays Bank Plc.

Margin is paid or received on futures to cover any exposure by the counterparty or the Fund to each other. Margin receivable from the Fund's clearing brokers and various counterparties is included in "Cash and bank balances" on the Balance Sheet. Margin payable to the Fund's clearing brokers and various counterparties is included in "Amounts held at futures clearing houses and brokers" on the Balance Sheet.

Counterparty exposure has not been disclosed for exchange traded derivatives as the exchange requirements in respect of collateral mean that, in the opinion of the Manager, the counterparty risk is mitigated.

ii) Over-the-Counter ("OTC") Financial Derivative Instruments ("FDIs")

The Fund's holdings in OTC FDIs expose the Fund to counterparty credit risk.

Counterparty credit risk arises from the failure of the counterparty to perform according to the terms of the contract. The Fund's exposure to counterparty credit risk is limited to the contracts in which it currently has a gain position reduced by the cash collateral received from the counterparty or to counterparties which have received collateral from the Fund.

All OTC FDIs are entered into by the Fund under an International Swaps and Derivatives Associations, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement. An ISDA Master Agreement is a bilateral agreement between the Fund and a counterparty that governs OTC FDIs (including total return swaps) entered into by the parties. The parties' exposures under the ISDA Master Agreement are netted and collateralised together, therefore any collateral disclosures provided are in respect of all OTC FDIs entered into by the Fund under the ISDA Master Agreement, not just total return swaps. All collateral received/posted by the Fund under the ISDA Master Agreement is transferred bilaterally under a title transfer arrangement.

Cash held as security by the counterparty to derivative contracts is subject to the credit risk of the counterparty.

The carrying value of financial assets together with cash best represents the Fund's gross maximum exposure to counterparty credit risk at the reporting date, before including the effect of ISDA Master Agreements and close-out netting, which would reduce the overall counterparty credit risk exposure.

The Fund's maximum exposure to counterparty credit risk from holding forward currency contracts will be equal to the notional amount of the currency and any net unrealised gains or losses as disclosed in the portfolio statement.

Management of counterparty credit risk related to OTC FDIs

Forward currency contracts do not require variation margin and thus the counterparty credit risk is monitored through the BlackRock RQA Counterparty & Concentration Risk Team which monitors the creditworthiness of the counterparty. The counterparties for forward currency contracts are disclosed in the portfolio statement.

The lowest credit rating of any one counterparty as at 28 February 2018 was A (28 February 2017: BBB) (Standard & Poor's rating).

The following tables detail the number of counterparties the Fund is exposed to by OTC FDIs type and the maximum exposure (which is calculated on a net basis) to any one counterparty.

28 February 2018

Counterparty	Credit Default Swaps £000's	Forwards £000's	Total Exposure £000's
Bank of New York Mellon	–	(1,482)	(1,482)
Barclays Bank Plc	8	–	8
Credit Suisse International	(127)	–	(127)
Morgan Stanley & Co. International Plc	80	–	80

28 February 2017

Counterparty	Credit Default Swaps £000's	Forwards £000's	Total Exposure £000's
Bank of New York Mellon	–	(359)	(359)
Barclays Bank Plc	(293)	–	(293)
Deutsche Bank AG	–	(10)	(10)
Goldman Sachs International	1	–	1
State Street Bank	–	(7)	(7)

iii) Trustee and Custodian

The Fund's Trustee is BNY Mellon Trust & Depositary (UK) Limited (the "Trustee"). The Trustee has delegated the function of custodian of the property of the Fund to The Bank of New York Mellon (International) Limited (the "Custodian").

Substantially all of the investments other than FDIs of the Fund are held by the Custodian at year end. Investments are segregated from the assets of the Custodian, with ownership rights remaining with the Fund. Bankruptcy or insolvency of the Custodian may cause the Fund's rights with respect to its investments held by the Custodian to be delayed or limited. The maximum exposure to this risk is the total amount of equity and bond investments disclosed in the portfolio statement.

The Fund will be exposed to the credit risk of the Custodian, or any depositary used by the Trustee regarding cash balances held in accounts with same. In the event of insolvency or bankruptcy of the Custodian or any depositary used by the Trustee, the Fund will be treated as a general creditor of the Trustee.

Management of counterparty credit risk related to the Trustee and Custodian

To mitigate the Fund's credit risk with respect to the Trustee, the Investment Manager of the Fund employs specific procedures to ensure that the Trustee employed is a reputable institution and that the associated credit risk is acceptable to the Fund. The Fund only transacts with counterparties that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies.

The long term credit rating of the parent company of the Trustee and Custodian, The Bank of New York Mellon Corporation, as at 28 February 2018 was A (28 February 2017: A) (Standard & Poor's rating).

iv) Counterparties

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Counterparty credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used.

Management of counterparty credit risk related to Counterparties

The Manager monitors the credit rating and financial position of the brokers used to further mitigate this risk.

v) Debt securities

Issuer credit risk is the default risk of one of the issuers of any securities held by the Fund.

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/ or have a higher credit risk have a greater possibility of default than more highly rated securities. The Fund invests into sovereign and corporate debt which exposes the Fund to the risk that the issuer of the bond may default in interest or principal payments.

Management of counterparty credit risk related to debt securities

To manage this risk the Investment Manager invests in a wide range of securities, subject to the investment objective of the Fund and monitors the credit rating of the investments as disclosed in the portfolio statement. The ratings of the debt securities are continually monitored by the BlackRock Portfolio Management Group.

The following tables detail the credit rating profile of the debt securities held by the Fund as a percentage of the NAV as at the Balance Sheet date:

28 February 2018

Investment grade %	Non-investment grade %	Not rated %	Total %
9.02	43.07	0.15	52.24

28 February 2017

Investment grade %	Non-investment grade %	Not rated %	Total %
9.41	48.73	0.67	58.81

vi) Securities lending

The Fund engages in security lending activities which expose the Fund to counterparty credit risk. The maximum exposure to the Fund is equal to the value of the securities loaned.

Securities lending transactions entered into by the Fund are subject to a written legal agreement between the Fund and the Securities Lending Agent, BlackRock Advisors (UK) Limited, a related party to the Fund, and separately between the Securities 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 BNY Mellon Trust & Depositary (UK) Limited ("the Trustee") on behalf of the Fund. Collateral received is segregated from the assets belonging to the Fund's Trustee or the Lending Agent.

The following table details the value of securities on loan (individually identified in the portfolio statement) and associated collateral received, analysed by borrowing counterparty as at the Balance Sheet date.

Counterparty	Counterparty's country of establishment	28 February 2018		28 February 2017	
		Securities on loan £000's	Collateral received £000's	Securities on loan £000's	Collateral received £000's
Barclays Bank Plc	UK	18	19	–	–
Credit Suisse AG	Switzerland	–	–	29	30
Credit Suisse International	UK	257	270	–	–
Credit Suisse Securities (Europe) Limited	UK	530	558	35	37
Goldman Sachs International	UK	–	–	1,391	1,548
Merrill Lynch International	UK	81	86	–	–
Nomura International Plc	UK	–	–	79	88
Société Générale SA	France	76	81	–	–
Total		962	1,014	1,534	1,703

At 28 February 2018, collateral received from these borrowing counterparties comprised of 24.73% in debt securities and 75.27% equity securities (28 February 2017: 0.80% in debt securities and 99.20% in equity securities).

Collateral accepted is non-cash in the form of sovereign debt rated AA or better from approved governments only, supranational debt obligations rated AAA or better, equity securities and exchange traded funds listed on a recognised exchange.

Management of counterparty credit risk related to securities lending

To mitigate this risk, the Fund receives either cash or securities as collateral equal to a certain percentage in excess of the fair value of the securities loaned. The Investment Manager monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. As at 28 February 2018 and 28 February 2017, all non-cash collateral received consists of securities admitted to or dealt on a recognised exchange.

The Fund also benefits from a borrower default indemnity provided by BlackRock Inc. The indemnity allows for full replacement of securities lent. BlackRock Inc. bears the cost of indemnification against borrower default.

vii) 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.

Management of counterparty credit risk related to collateral

The Fund uses collateral received from a counterparty to reduce the credit risk associated with any trading activity the Fund has engaged in.

Cash collateral posted by the Fund is separately identified on the Balance Sheet as cash collateral posted and is not included as a component of cash and cash equivalents. Cash collateral received by the Fund is reflected on the Balance Sheet as cash collateral payable.

As at 28 February 2018 collateral received by the Fund in respect of OTC FDIs was £Nil.

Collateral posted by the Fund in respect of OTC FDIs was £Nil.

As at 28 February 2017, collateral posted by the Fund in respect of OTC FDIs was £250,000 in the form of Cash. Collateral received by the Fund in respect of OTC FDIs was £Nil.

c) Liquidity risk

Exposure to liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulties in meeting its obligations associated with financial liabilities.

Liquidity risk to the Fund arises from the redemption requests of unitholders and the liquidity of the underlying investments the Fund is invested in. The Fund's unitholders may redeem their units on the close of any daily dealing deadline for cash equal to a proportionate share of the Fund's NAV. The Fund is therefore potentially exposed to the liquidity risk of meeting the unitholders' redemptions and may need to sell assets at prevailing market prices to meet liquidity demands.

The Fund invests primarily in companies based in the UK, Europe and US, which are typically considered to be territories operating with high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

All non-derivative financial liabilities including distributions payable held by the Fund as at 28 February 2018 and 28 February 2017, based on contractual maturities, fall due within one to three months, with the exception of corporation tax payable and deferred taxation which fall due within nine to twelve months.

Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands.

At times of excessive redemptions the Manager may decide to defer redemptions at any valuation point to the next valuation point where the requested aggregate redemptions exceed 10 per cent of the Fund's NAV. This will therefore allow the Manager to protect the interests of continuing unitholders by allowing the Manager to match the sale of scheme property to the level of redemptions. This should reduce the impact of dilution on the Fund. All unitholders who have sought to redeem units at any valuation point at which redemptions are deferred will be treated consistently and any redemption requests received in the meantime will not be processed until the redemption requests that have been deferred to the subsequent valuation points have been processed.

The Fund's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The portfolio managers review daily forward looking cash reports which project cash obligations. These reports allow them to manage the Fund's cash obligations.

d) Valuation of financial instruments

The Fund classifies financial instruments measured at fair value using a fair value hierarchy. The fair value hierarchy has the following categories:

Level 1 – Quoted prices for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Fund does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments such as OTC derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity determined inputs.

Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation techniques used include inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager. The Investment Manager considers observable inputs to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below is an analysis of the Fund's investment assets and investment liabilities measured at fair value at the Balance Sheet date.

	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
28 February 2018				
Investment assets	19,081	47,080	–	66,161
Investment liabilities	(40)	(1,640)	–	(1,680)
28 February 2017				
Investment assets	15,318	50,877	–	66,195
Investment liabilities	(1)	(810)	–	(811)

Securities with a value less than £500 are not disclosed in the table above. These securities are identified on the portfolio statement.

e) Global exposure

The Manager is required by the COLL Sourcebook to employ a risk management process in respect of the Fund which enables it to accurately monitor and manage the global exposure from FDIs.

The Manager uses the Relative VaR methodology to measure the Fund's global exposure.

For Relative VaR, the VaR of the Fund's portfolio will not exceed twice the VaR of the reference portfolio. Utilisation refers to the level of risk taken in this context.

The tables below detail the highest, lowest and average utilisation of the VaR limit, expressed as a percentage of the respective relative VaR regulatory limit.

28 February 2018

Reference Portfolio	Highest utilisation of the VaR limit	Lowest utilisation of the VaR limit	Average utilisation of the VaR limit
50% MSCI World Index / 50% Barclays Global Aggregate Bond Index Hedged to Sterling	44.16%	27.47%	35.51%

28 February 2017

Reference Portfolio	Highest utilisation of the VaR limit	Lowest utilisation of the VaR limit	Average utilisation of the VaR limit
50% MSCI World Index / 50% Barclays Global Aggregate Bond Index Hedged to Sterling	44.89%	26.76%	34.88%

The exposures to FDIs at year end are marked on the portfolio statement.

f) Leverage

The use of derivatives may expose the Fund to a higher degree of risk. In particular, derivative contracts can be highly volatile and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase a fund's volatility.

The leverage is calculated on a gross exposure basis, by taking the sum of the notional values of the derivatives used by the Fund, without netting, and is expressed as a percentage of the NAV.

The average level of leverage employed by the Fund during the year was 153.30% (28 February 2017: 130.00%).

3. Net Capital (Losses)/Gains

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
The net capital (losses)/gains comprise:		
(Losses)/gains on non-derivative securities	(5,089)	12,056
Gains/(losses) on derivative securities	4,784	(5,308)
Currency gains/(losses)	212	(839)
Custodian transaction costs	(28)	(39)
Net capital (losses)/gains	(121)	5,870

4. Revenue

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
Interest from overseas fixed interest securities	2,759	3,024
Interest from UK bank deposits	14	6
Interest from UK fixed interest securities	177	147
Manager's charge rebates	10	9
Overseas dividends	545	686
Returns from bond futures	22	23
Securities lending revenue	4	6
UK dividends	82	96
US REIT dividends	13	21
Total revenue	3,626	4,018

5. Expenses

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge	735	737
– Registrar's fees	35	34
	770	771
Other expenses:		
– Audit fee	9	9
– Legal and other professional fees	4	8
– Safe custody fees	5	4
– Trustee's fees	14	8
	32	29
Total expenses	802	800

6. Interest Payable and Similar Charges

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
Interest on bank overdrafts	4	6
Interest paid on margin deposits	1	2
Returns from short position derivatives	96	123
Total interest payable and similar charges	101	131

7. Taxation
(a) Analysis of tax charge

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
Corporation tax	–	25
Corporation tax prior year adjustment	–	(3)
Overseas tax	77	50
Total tax charge [see note 7(b)]	77	72

(b) Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust. The differences are explained below:

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
Net revenue before taxation	2,723	3,087
Corporation tax at 20% (28 February 2017: 20%)	545	617
Effects of:		
Capitalised revenue subject to tax	–	25
Expenses not deductible for tax purposes	1	–
Overseas tax	77	50
Overseas tax expensed	(5)	(3)
Prior year adjustment	–	(3)
Revenue not subject to tax	(81)	(113)
Tax deductible interest distributions	(460)	(501)
Total tax charge [see note 7(a)]	77	72

8. Distributions

	For the year to 28.2.2018 £000's	For the year to 28.2.2017 £000's
First distribution	240	166
Second distribution	239	751
Third distribution	258	315
Fourth distribution	237	310
Fifth distribution	237	334
Sixth distribution	257	308
Seventh distribution	238	305
Eighth distribution	242	331
Ninth distribution	263	301
Tenth distribution	243	301
Eleventh distribution	241	—*
Final distribution	753	409
	3,448	3,831
Add: Amounts deducted on cancellation of units	49	47
Less: Amounts received on issue of units	(49)	(38)
Distributions	3,448	3,840
The distributable amount has been calculated as follows:		
Net revenue after taxation	2,646	3,015
Add: Expenses reimbursed by capital	802	800
Add: Tax relief on capitalised expenses	—	25
Distributions	3,448	3,840

Details of the interim and final distributions per unit are set out in the tables on pages 11 to 14.

* The frequency of distributions changed from quarterly to monthly effective 30 April 2016, resulting in one fewer distribution for the year to 28 February 2017.

9. Debtors

	28.2.2018 £000's	28.2.2017 £000's
Accrued Manager's charge rebates	1	2
Accrued revenue	569	640
Amounts receivable for issue of units	111	135
Currency sales awaiting settlement	61,268	62,380
Overseas tax recoverable	18	33
Sales awaiting settlement	10	201
Total debtors	61,977	63,391

10. Cash and Bank Balances

	28.2.2018 £000's	28.2.2017 £000's
Amounts held at futures clearing houses and brokers	266	385
Cash and bank balances	3,342	2,441
Total cash and bank balances	3,608	2,826

11. Other Creditors

	28.2.2018 £000's	28.2.2017 £000's
Accrued Audit fee	9	9
Accrued Manager's charge	120	118
Accrued Registrar's fee	8	8
Accrued Safe custody fees	1	1
Accrued Trustee's fee	2	1
Amounts payable for cancellation of units	79	122
Corporation tax payable	—	25
Currency purchases awaiting settlement	60,994	62,205
Custodian transaction costs	11	9
Purchases awaiting settlement	194	448
Total other creditors	61,418	62,946

12. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2017: Nil).

13. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The following entities were related parties of the Fund during the year ended 28 February 2018:

Manager/Registrar:	BlackRock Fund Managers Limited
Investment Manager:	BlackRock Investment Management (UK) Limited
Investment Advisers:	BlackRock Investment Management, LLC, BlackRock Financial Management, Inc and BlackRock (Singapore) Limited
Securities lending agent:	BlackRock Advisors (UK) Limited

The ultimate holding company of the Manager, Registrar, Investment Manager, Investment Advisers and securities lending agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA. PNC Financial Services Group Inc. ("PNC") is a substantial shareholder in BlackRock Inc. PNC did not provide any services to the Fund during the years ended 28 February 2018 and 28 February 2017.

The Manager acts as either principal or agent for the Trustee in respect of all transactions of units of the Fund. The aggregate monies received through issue and paid through cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and note 8. Any amounts due to or from the Manager at the year end are disclosed in notes 9 and 11. Management fees and registration fees paid to the Manager are shown in note 5. The balances due at the year end in respect of these fees are shown in note 11. Securities lending revenue earned by the Fund is disclosed in note 4.

The Fund may invest in other CIS, which may or may not be operated and/or managed by an affiliate of the Manager. As an investor in such other CIS, in addition to the fees, costs and expenses payable by a unitholder in the Funds, each unitholder may also indirectly bear a portion of the fees, costs and expenses of the underlying CIS, including management, investment management and administration and other expenses. However, in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, the Fund will invest, where possible, in classes of the underlying funds which are not subject to any management charges. Alternatively, where this is not possible, the Manager will rebate management charges to the Fund. The Fund will not be subject to any preliminary/initial sales fee in respect of investments made in any other investment fund whose manager is an affiliate of the Manager, although it may be subject to duties and charges in respect of subscriptions and redemptions in such investment funds.

The Fund's investments in other BlackRock related party entities are individually identified in the portfolio statement.

As at 28 February 2018 and 28 February 2017, none of the unitholders:

- (i) are funds managed by the BlackRock Group or are affiliates of BlackRock Inc. or
- (ii) are investors, other than those included in (i) above, who held 51% or more of the voting units in issue in the Fund and are as a result, considered to be related parties to the Fund.

14. Portfolio Transaction Costs

For the year ended 28 February 2018

Purchases (excluding derivatives)	Transaction Value £000's	Direct Transaction Costs			
		Commissions £000's	%	Taxes £000's	%
Equity instruments	7,352	2	0.03	7	0.10
Debt instruments	71,151	–	–	–	–
Collective investment schemes	1,253	1	0.08	–	–
Total purchases	79,756	3		7	
Total purchases including transaction costs	79,766				

Sales (excluding derivatives)	Transaction Value £000's	Direct Transaction Costs			
		Commissions £000's	%	Taxes £000's	%
Equity instruments	2,308	1	0.04	–	–
Debt instruments	71,740	–	–	–	–
Collective investment schemes	549	–	–	–	–
Total sales	74,597	1		–	
Total sales net of transaction costs	74,596				

Derivative transaction costs	4	–
Total transaction costs	8	7
Total transaction costs as a % of average net assets	0.01%	0.01%

14. Portfolio Transaction Costs continued

For the year ended 28 February 2017

Purchases (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	6,552	3	0.04	7	0.11
Debt instruments	67,906	–	–	–	–
Collective investment schemes	3,391	2	0.07	–	–
Total purchases	77,849	5		7	
Total purchases including transaction costs	77,861				

Sales (excluding derivatives)	Direct Transaction Costs				
	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
Equity instruments	16,096	7	0.04	1	0.01
Debt instruments	68,045	–	–	–	–
Collective investment schemes	5,009	2	0.03	–	–
Total sales	89,150	9		1	
Total sales net of transaction costs	89,140				

Derivative transaction costs	8	–
Total transaction costs	22	8
Total transaction costs as a % of average net assets	0.03%	0.01%

The above analysis covers direct transaction costs incurred by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (such as commissions and taxes) are attributable to the Fund's purchase and sale of equity instruments. Additionally, for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be incurred on purchase and sale transactions.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs incurred in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

14. Portfolio Transaction Costs continued

During the year the Fund utilised FDIs including credit default swaps, equity linked notes and futures covering different underlying asset classes. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments and therefore purchase and sale amounts for derivative transactions are not quantified in the analysis above.

At the Balance Sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.41% (28 February 2017: 0.50%).

15. Units in Issue

The movement in units in issue for the year ended 28 February 2018 is as follows:

	A Income Units	A Accumulation Units	D Income Units	D Accumulation Units	S Income Units	S Accumulation Units
Balance at the beginning of the year	8,938,931	3,304,046	12,880,218	1,369,212	5,032,992	3,487,251
Issued during the year	258,731	410,337	2,066,573	249,466	861,445	170,083
Cancelled during the year	(923,184)	(284,942)	(1,651,751)	(344,326)	(716,817)	(427,302)
Converted during the year	(162,382)	(17,968)	156,770	17,420	–	–
Balance at the end of the year	8,112,096	3,411,473	13,451,810	1,291,772	5,177,620	3,230,032

Revenue is allocated each day pro rata to the capital value of assets attributable to each class and taxation is computed by reference to the net revenue after expenses attributable to each class. The distribution per unit class is given in the distribution table. All unit classes have the same rights on winding up.

16. Post Balance Sheet Events

There have been no significant events subsequent to the year end, which, in the opinion of the Manager, may have had an impact on the financial statements for the year ended 28 February 2018.

Statement of Manager's Responsibilities

The Manager is required by the rules of the COLL Sourcebook to prepare the financial statements for each financial year. These financial statements must be prepared in accordance with generally accepted accounting standards in the United Kingdom to give a true and fair view of the state of affairs of the Fund at the year end and of the net revenue and net losses for the year.

The financial statements should comply with the disclosure requirements of the Statement of Recommended Practice (the "SORP") for Authorised Funds issued by the Investment Management Association (subsequently The Investment Association) and must comply with any relevant provisions of the Trust Deed.

The Manager is responsible for keeping such accounting records as are necessary to enable it to ensure that the financial statements comply with the COLL Sourcebook, the SORP and the Trust Deed.

Statement of the Trustee's Responsibilities in Respect of the Fund and Report of the Trustee to the Unitholders of the Fund for the Year Ended 28 February 2018

The Depositary in its capacity as Trustee of the Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Trustee is responsible for the safekeeping of all the custodial assets and maintaining a record of all other assets of the Fund in accordance with the Regulations.

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits
- the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Regulations and the Scheme documents of the Fund in relation to the investment and borrowing powers applicable to the Fund.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Fund, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Fund, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the Regulations and the Scheme documents of the Fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Fund in accordance with the Regulations and the Scheme documents of the Fund.

BNY Mellon Trust & Depositary
(UK) Limited

London
1 May 2018

Independent Auditor's Report to the Unitholders of BlackRock Global Multi Asset Income Fund

Opinion

We have audited the financial statements of BlackRock Global Multi Asset Income Fund ("the Fund") for the year ended 28 February 2018 which comprise the Statement of Total Return and Statement of Changes in Net Assets Attributable to Unitholders together with the Balance Sheet, the accounting policies of the Fund, the related notes and the Distribution Tables. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 28 February 2018 and of the net revenue and the net capital losses on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting standard applicable in the UK and Republic of Ireland'.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the unitholders of the fund, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the unitholders of the fund those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund and the unitholders of the fund as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The manager is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Trust Deed;
- the information given in the manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

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 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 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 Prospectus, as amended from time to time, and the ESMA Guidelines, such as repurchase / reverse repurchase transactions ("repo transactions") and securities lending.

Securities Lending

The total value of securities on loan as a proportion of the Fund's NAV and total lendable assets, as at the Balance Sheet date, is 1.41% and 5.64% respectively.

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 total income earned from securities lending transactions is split between the Fund and the Securities Lending Agent. The Fund receives 62.5% while the Securities Lending Agent receives 37.5% of such income, with all operational costs borne out of the Securities Lending Agent's share. Income earned during the year by the Fund from securities lending transactions is disclosed in the notes to the financial statements.

The value of securities on loan and associated collateral analysed by counterparty, as at 28 February 2018, is disclosed in the notes to the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the manager

As explained more fully in the manager's responsibilities statement set out on page 69, the manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the manager is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the manager either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Ernst & Young LLP
Statutory Auditor

Edinburgh
1 May 2018

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 cash and underlying non-cash collateral received by way of title transfer collateral arrangement by the Fund, in respect of securities lending transactions, as at 28 February 2018.

Currency	Non-cash collateral received
	£000's
CAD	21
CHF	22
CNY	31
EUR	327
GBP	134
HKD	17
JPY	117
NOK	1
SEK	19
SGD	8
USD	317
Total	1,014

The following table provides an analysis of the type, quality and maturity tenor of non-cash collateral received by the Fund by way of title transfer collateral arrangement in respect of securities lending transactions, as at 28 February 2018.

Collateral type and quality	Maturity Tenor				Total
	31 - 90 days	91 - 365 days	More than 365 days	Open transactions	
	£000's	£000's	£000's	£000's	£000's
Collateral received					
Fixed Income					
Investment grade	2	13	236	–	251
Equities					
Recognised equity index	–	–	–	763	763
Total	2	13	236	763	1,014

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 28 February 2018, all non-cash collateral received by the Fund in respect of securities lending transactions is held by the Fund's Trustee (or through its delegates), with the exception of the amounts disclosed in the following table which are held through a securities settlement system.

Custodian	Non-cash collateral received
	Securities lending
	£000's
Euroclear Bank SA/NV	18

The following table lists the ten largest issuers by value of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions as at 28 February 2018.

Issuer	Value	% of the Fund's NAV
	£000's	
US Treasury	97	0.14
Kingdom of Belgium	66	0.10
Barclays Plc	27	0.04
Enel	27	0.04
AXA SA	27	0.04
Telefonica SA	27	0.04
BAE Systems Plc	27	0.04
National Grid Plc	27	0.04
Snam	27	0.04
British American Tobacco	27	0.04
Other issuers	635	0.93
Total	1,014	1.49

No securities collateral received from a single issuer, in relation to efficient portfolio management, has exceeded 20% of the Fund's NAV at the year end date.

The Fund has not been fully collateralised in securities issued or guaranteed by an EU member state at the year end date.

About us

BlackRock is a premier provider of asset management, risk management, and advisory services to institutional, intermediary, and individual clients worldwide. As of 31 March 2018, the firm manages £4.50 trillion across asset classes in separate accounts, mutual funds, other pooled investment vehicles, and the industry-leading iShares® exchange-traded funds.

Through BlackRock Solutions®, the firm offers risk management and advisory services that combine capital markets expertise with proprietary-developed analytics, systems, and technology. Through BlackRock Solutions, the Firm provides risk management and enterprise investment services for over 200 clients.

BlackRock serves clients in North and South America, Europe, Asia, Australia, Africa, and the Middle East. Headquartered in New York, the firm maintains offices in over 30 countries around the world.

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