

Annual report

BlackRock Gold and General Fund

For the year ended 28 February 2019

Contents

General Information	2
About the Fund	3
Investment Objective & Policy	3
Fund Managers	3
Significant Events	3
Risk and Reward Profile	4
Performance Table	5
Classification of Investments	6
Investment Report	7
Performance Record	9
Distribution Table	13
Report on Remuneration	14
Portfolio Statement	20
Statement of Total Return	23
Statement of Change in Net Assets Attributable to Unitholders	23
Balance Sheet	24
Notes to Financial Statements	25
Statement of Manager's Responsibilities	43
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 2019	44
Independent Auditor's Report	45
Supplementary Information	48

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 M B Cook (appointed 2 May 2018) W I Cullen*
R A Damm (resigned 31 December 2018) R A R Hayes A M Lawrence
L E Watkins (appointed 16 May 2018, resigned 1 March 2019) M T Zemek*

* Non-executive Director.

Trustee* & 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.

* On 18 June 2018 the Trustee changed from BNY Mellon Trust & Depositary (UK) Limited to The Bank of New York Mellon (International) Limited.

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

Authorised and regulated by the FCA.

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

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

This Report relates to the packaged products of and is issued by:
BlackRock Fund Managers Limited
12 Throgmorton Avenue, London EC2N 2DL
Telephone: 020 7743 3000
Dealing and Investor Services: 0800 44 55 22
blackrock.co.uk

For your protection, telephone calls are usually recorded.

About the Fund

BlackRock Gold and General Fund (the "Fund") is a UCITS scheme under the COLL Sourcebook. The Fund was established on 16 March 1988. The Fund was previously known as James Capel Gold and General Fund. On 17 December 1991 the Manager took over management of the Fund and its name was changed to Mercury Gold and General Fund. On 30 September 2000 the Fund changed its name to Merrill Lynch Gold and General Fund. The Fund adopted its present name with effect from 28 April 2008. The Fund's FCA product reference number is 113856.

Investment Objective & Policy

The Fund seeks to achieve long-term capital growth primarily through an actively managed portfolio of gold mining, commodity and precious-metal related shares. The Fund may also invest in other transferable securities and units in collective investment schemes. Derivatives may be used for investment purposes and for the purposes of efficient portfolio management.

Fund Managers

As at 28 February 2019, the Fund Managers of the Fund are Evy Hambro and Tom Holl.

Significant Events

Changes in the Directors of the Manager

M B Cook was appointed as a Director effective 2 May 2018. L E Watkins was appointed as a Director effective 16 May 2018, and resigned as a Director effective 1 March 2019. R A Damm resigned as a Director effective 31 December 2018.

Changes to the Trustee

On 18 June 2018 the Trustee changed from BNY Mellon Trust & Depositary (UK) Limited to The Bank of New York Mellon (International) Limited.

Risk and Reward Profile

Unit Class	Lower risk Typically lower rewards ←						Higher risk Typically higher rewards →
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**
DI Income	1	2	3	4	5	6	**7**
DI Accumulation	1	2	3	4	5	6	**7**
X Income	1	2	3	4	5	6	**7**
X 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.

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 28.2.2019	For the three years to 28.2.2019	For the five years to 28.2.2019
CAPITAL RETURN			
Class D Accumulation Units			
BlackRock Gold and General Fund	**+4.6%**	+15.4%	+11.9%
FTSE Gold Mines Index†#	**+6.2%**	+17.1%	+12.8%

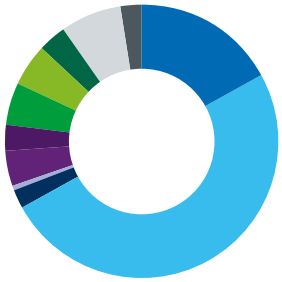
All Fund figures quoted are based on bid-to-bid dealing prices (the price at which units are sold) and are calculated net of fees. Performance returns are cumulative.
All returns are in Sterling.
Benchmark return is on a capital return basis.
† Figures from Datastream.

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

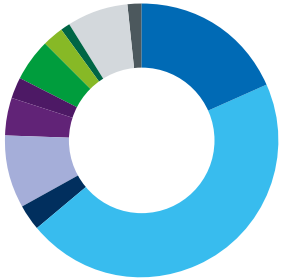
The following charts provide an analysis of the equity portfolio weightings as at 28 February 2019 and 28 February 2018 by their respective geographical locations.

28 February 2019



- Australia 17.02%
- Canada 49.99%
- Egypt 2.32%
- Jersey 0.53%
- Mexico 4.23%
- Monaco 3.02%
- Russia 5.09%
- South Africa 4.92%
- United Kingdom 3.36%
- United States 7.22%
- Other 2.30%

28 February 2018



- Australia 18.37%
- Canada 45.61%
- Egypt 3.20%
- Jersey 8.62%
- Mexico 4.38%
- Monaco 2.51%
- Russia 4.81%
- South Africa 2.54%
- United Kingdom 1.16%
- United States 7.26%
- Other 1.54%

Investment Report

Summary of Performance over the Year

The Fund returned 4.6%* over the year to 28 February 2019, very regrettably underperforming its performance measure, the FTSE Gold Mines Index, which returned 6.2%. Over the six-month period to 28 February 2019, the Fund returned 15.1%*, very regrettably underperforming its performance measure, which returned 18.8%.

Market Review

Gold prices ended the review period marginally lower. Trade tensions between China and the US contributed to bouts of 'risk off' behaviour (moving to lower risk investments) and fuelled demand for 'safe havens', including gold. However, this was offset by expectations of higher US interest rates, which bolstered the US dollar. The market felt the effects of a stronger US dollar (there tends to be an inverse relationship between gold and the US dollar), which contributed to gold prices slipping below $1,200 per troy ounce in August 2018. However, from the fourth quarter of 2018 onwards, gold prices rose again, as 'safe haven' buying provided support to the precious metal during a time of equity market volatility.

Elsewhere, the World Gold Council reported that central banks' purchases of gold hit US$27 billion in 2018, their highest level in almost 50 years. This was driven by emerging market central banks, as they boosted gold reserves in order to reduce overreliance on the US dollar as a currency reserve and as a hedge against geopolitical and economic uncertainty. Furthermore, in terms of company news, Barrick Gold and Randgold Resources merged during the period, creating the world's largest gold company.

Fund Performance and Activity

Within the Fund, not holding a position in Kirkland Lake was the largest detractor, as the company outperformed on its exploration success.

Holding a higher weighting than the performance measure in Mexico exposed stock Fresnillo also appeared among the largest detractors. Fresnillo's share price came under pressure, due to fears that Mexico's new government, led by President Andrés Manuel López Obrador, could trigger changes in mining fiscal terms.

On the positive side, our position, not on the performance measure, held in Nevsun Resources appeared among the top performers. Nevsun Resources accepted a takeover bid from Zijin Mining during the year, as Zijin offered the company a superior deal to the multiple takeover attempts from Lundin Mining in previous months.

Outlook

We see a compelling case for owning gold today as a source of diversification. It has been encouraging, in our view, to see gold respond positively to recent equity market weakness, despite US dollar strength, and reaffirm its status as a 'safe haven' asset. The strength of economic growth is less certain, geopolitical risk is elevated and, despite the recent falls, broader equity market valuations are still high. Should we see further equity market weakness, a deterioration in economic growth, worsening trade tensions and/or the US Federal Reserve raising rates slower than currently expected, then we would expect gold to perform well. While this is not guaranteed, we believe the risk of such events occurring has significantly increased since this time last year, and hence the need for diversification.

* 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 reported for the Fund's class D Accumulation Units.

Outlook continued

This year, we expect investment demand (futures positioning and exchange traded fund holdings) to be the primary driver of the gold price. In the longer term, we expect increasing Asian physical demand and mine production plateauing, as a result of cutbacks in company spending, to support the gold price.

Given margins today, we expect gold equities to increase by an even greater percentage than the gold price over the next 12 to 18 months.

March 2019

Performance Record

Comparative Table

	A Income Units			A Accumulation Units		
	For the year to 28.2.2019	For the year to 28.2.2018	For the year to 28.2.2017	For the year to 28.2.2019	For the year to 28.2.2018	For the year to 28.2.2017
	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	773.5	974.5	710.2	815.1	1,027	748.3
Return before operating charges	44.52	(183.55)	282.7	46.98	(193.59)	297.9
Operating charges	(14.70)	(17.50)	(18.38)	(15.57)	(18.34)	(19.36)
Return after operating charges	29.82	(201.05)	264.3	31.41	(211.93)	278.5
Distributions	(1.34)	0.00	0.00	(1.37)	0.00	0.00
Retained distributions on accumulation units	N/A	N/A	N/A	1.37	0.00	0.00
Closing net asset value per unit	802.0	773.5	974.5	846.5	815.1	1,027
After direct transaction costs of	(0.84)	(0.67)	(0.93)	(0.88)	(0.71)	(0.98)
Performance						
Return after charges[1]	3.86%	(20.63)%	37.21%	3.85%	(20.64)%	37.22%
Other information						
Closing net asset value (£000's)	33,421	42,039	93,902	264,095	342,339	434,614
Closing number of units	4,167,323	5,435,246	9,636,412	31,198,103	42,001,036	42,326,609
Operating charges[2]	1.92%	1.93%	1.92%	1.93%	1.92%	1.92%
Direct transaction costs[3]	0.11%	0.07%	0.09%	0.11%	0.07%	0.09%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	902.5	1,104	1,292	951.0	1,163	1,361
Lowest bid unit price	662.6	772.5	691.2	698.2	814.1	728.4

[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/trustee 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 instruments. See note 13 for further details.

Comparative Table

	D Income Units			D Accumulation Units		
	For the year to 28.2.2019	For the year to 28.2.2018	For the year to 28.2.2017	For the year to 28.2.2019	For the year to 28.2.2018	For the year to 28.2.2017
	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	813.3	1,017	735.5	866.8	1,084	783.9
Return before operating charges	47.20	(192.53)	293.0	50.27	(205.40)	312.1
Operating charges	(9.45)	(11.11)	(11.54)	(10.07)	(11.84)	(12.30)
Return after operating charges	37.75	(203.64)	281.5	40.20	(217.24)	299.8
Distributions	(7.49)	(0.10)	0.00	(7.95)	(0.10)	0.00
Retained distributions on accumulation units	N/A	N/A	N/A	7.95	0.10	0.00
Closing net asset value per unit	843.6	813.3	1,017	907.0	866.8	1,084
After direct transaction costs of	(0.88)	(0.70)	(0.97)	(0.94)	(0.75)	(1.03)
Performance						
Return after charges[1]	4.64%	(20.02)%	38.27%	4.64%	(20.04)%	38.25%
Other information						
Closing net asset value (£000's)	203,905	176,039	212,964	288,564	316,464	406,827
Closing number of units	24,171,943	21,646,021	20,941,395	31,815,429	36,511,367	37,540,046
Operating charges[2]	1.17%	1.17%	1.16%	1.17%	1.17%	1.16%
Direct transaction costs[3]	0.11%	0.07%	0.09%	0.11%	0.07%	0.09%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	910.4	1,098	1,279	970.3	1,170	1,362
Lowest bid unit price	699.5	812.4	716.0	745.5	865.7	763.0

[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/trustee 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 instruments. See note 13 for further details.

Performance Record continued

Comparative Table

	DI Income Units			DI Accumulation Units		
	For the year to 28.2.2019	For the year to 28.2.2018	For the year to 28.2.2017	For the year to 28.2.2019	For the year to 28.2.2018	For the year to 28.2.2017
	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	854.9	1,070	771.6	877.7	1,094	789.5
Return before operating charges	49.83	(203.19)	307.4	51.15	(207.06)	314.4
Operating charges	(7.65)	(9.00)	(9.41)	(7.86)	(9.21)	(9.52)
Return after operating charges	42.18	(212.19)	298.0	43.29	(216.27)	304.9
Distributions	(10.20)	(2.88)	0.00	(10.47)	(2.93)	0.00
Retained distributions on accumulation units	N/A	N/A	N/A	10.47	2.93	0.00
Closing net asset value per unit	886.9	854.9	1,070	921.0	877.7	1,094
After direct transaction costs of	(0.93)	(0.74)	(1.02)	(0.95)	(0.76)	(1.04)
Performance						
Return after charges[1]	4.93%	(19.83)%	38.61%	4.93%	(19.77)%	38.62%
Other information						
Closing net asset value (£000's)	7,315	7,316	8,934	51,502	43,176	51,773
Closing number of units	824,766	855,799	835,293	5,591,996	4,919,041	4,730,751
Operating charges[2]	0.90%	0.90%	0.90%	0.90%	0.90%	0.89%
Direct transaction costs[3]	0.11%	0.07%	0.09%	0.11%	0.07%	0.09%
Prices	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	959.6	1,155	1,343	985.2	1,182	1,374
Lowest bid unit price	736.4	854.9	751.1	756.0	876.6	768.4

[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/trustee 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 instruments. See note 13 for further details.

Comparative Table

	X Income Units		X Accumulation Units
	For the year to 28.2.2019	For the period from 12.9.2017^ to 28.2.2018	For the period from 24.5.2018^ to 28.2.2019
	Pence per unit	Pence per unit	Pence per unit
Change in net assets per unit			
Opening net asset value per unit	81.43	100.0	100.0
Return before operating charges	4.71	(18.35)	1.32
Operating charges	(0.02)	0.00	(0.01)
Return after operating charges	4.69	(18.35)	1.31
Distributions	(1.62)	(0.22)	(1.28)
Retained distributions on accumulation units	N/A	N/A	1.28
Closing net asset value per unit	84.50	81.43	101.3
After direct transaction costs of	(0.09)	(0.03)	(0.10)
Performance			
Return after charges[1]	5.76%	(18.35)%	1.31%
Other information			
Closing net asset value (£000's)	19,694	21,268	7,822
Closing number of units	23,305,603	26,118,503	7,720,714
Operating charges[2]	0.02%	0.01%	0.01%
Direct transaction costs[3]	0.11%	0.07%	0.11%
Prices	Pence per unit	Pence per unit	Pence per unit
Highest offer unit price	92.13	100.6	108.4
Lowest bid unit price	70.45	81.55	82.86

^ The date of commencement of operations.
[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/trustee 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 instruments. See note 13 for further details.

Distribution Table

for the year ended 28 February 2019

Final Distribution in Pence per Unit

Group 1 – Units purchased prior to 1 March 2018

Group 2 – Units purchased 1 March 2018 to 28 February 2019

	A Income Units		A Accumulation Units		D Income Units		D Accumulation Units		DI Income Units		DI Accumulation Units		X Income Units		X 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	Group 1	Group 2	Group 1	Group 2
Net revenue (dividend)	1.3404	0.0860	1.3656	0.3018	7.4902	4.1073	7.9514	3.3875	10.2007	3.9642	10.4717	3.7242	1.6224	0.5618	1.2792	0.4194
Equalisation†	–	1.2544	–	1.0638	–	3.3829	–	4.5639	–	6.2365	–	6.7475	–	1.0606	–	0.8598
Distribution paid 30.4.2019	**1.3404**	**1.3404**	**1.3656**	**1.3656**	**7.4902**	**7.4902**	**7.9514**	**7.9514**	**10.2007**	**10.2007**	**10.4717**	**10.4717**	**1.6224**	**1.6224**	**1.2792**	**1.2792**
Distribution paid 30.4.2018	**0.0000**	**0.0000**	**0.0000**	**0.0000**	**0.1025**	**0.1025**	**0.1030**	**0.1030**	**2.8755**	**2.8755**	**2.9338**	**2.9338**	**0.2248**	**0.2248**	**N/A**	**N/A**

* X Accumulation class launched 24 May 2018.

† 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 "Directive"), the "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" issued by the European Securities and Markets Authority, 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 Directive, and will ensure compliance with the requirements of Article 14b of the 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"). These bodies are 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 its own independent compensation consultant, Semler Brossy Consulting Group LLC, who 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 2018. 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. 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 don't 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 into 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 Margin[1] and Organic Revenue Growth[2]. 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.

[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).

Report on Remuneration continued

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, including individuals who, although not directly employed by the Manager, are assigned by their employer to carry out services directly for the Manager.

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 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 2018 is GBP 20.5 million. This figure is comprised of fixed remuneration of GBP 1.5 million and variable remuneration of GBP 19.0 million. There were a total of 59 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 2018, to its senior management was GBP 0.6 million, and to other members of its staff whose actions have a material impact on the risk profile of the Manager's UCITS-related business was GBP 19.9 million.

Portfolio Statement

at 28 February 2019

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
EQUITIES – 99.58%; 28.2.2018 99.56%			
Australia – 17.02%; 28.2.2018 18.37%			
11,700,000	Apollo Minerals	754	0.08
16,852,052	Beadell	692	0.08
7,034,604	Gold Road Resources	3,493	0.40
5,354,312	Newcrest Mining	69,877	7.97
7,404,626	Northern Star Resources	36,770	4.20
10,496,065	OceanaGold[Ø]	25,299	2.89
33,909,556	Oklo Resources	4,369	0.50
4,113,582	Saracen Mineral	5,720	0.65
3,398,019	Westgold Resources	2,180	0.25
1,187,534	Westgold Resources Warrants 30/6/2019[Ø]	4	0.00
		149,158	**17.02**
Belgium – 1.14%; 28.2.2018 0.66%			
307,712	Umicore[Ø]	**9,964**	**1.14**
British Virgin Islands – 0.00%; 28.2.2018 0.00%			
75,000	Gobi Coal and Energy*	**–**	**0.00**
Canada – 49.99%; 28.2.2018 45.61%			
2,301,371	Agnico Eagle Mines	73,084	8.34
1,476,771	Alacer Gold	2,851	0.33
6,687,531	Alamos Gold	24,255	2.77
5,443,588	Atlantic Gold	6,778	0.77
15,717,859	B2Gold	37,975	4.33
8,007,776	Barrick Gold	75,244	8.59
4,289,331	Belo Sun Mining	796	0.09
3,551,994	Centerra Gold	13,877	1.58
570,503	Detour Gold	4,366	0.50
569,650	Eldorado Gold	1,809	0.21
5,550,000	Equinox Gold	3,709	0.42
178,195	ERO Copper	1,659	0.19
988,212	First Quantum Minerals	8,681	0.99
706,460	Franco Nevada	39,689	4.53
3,315,265	Gold Standard Ventures	2,859	0.33
2,381,789	Goldcorp	18,937	2.16
5,286,897	Great Basin Gold*	–	0.00
7,683,168	Kinross Gold	19,397	2.21
2,145,311	MAG Silver	15,770	1.80
1,470,187	Mountain Province Diamonds	1,108	0.13
60,704	Osisko Gold Royalties	510	0.06
3,408,039	Osisko Mining	6,871	0.78
2,147,650	Pretium Resources[Ø]	12,856	1.47
244,825	Teck Resources	4,207	0.48

Portfolio Statement continued

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
2,548,324	TMAC Resources	8,340	0.95
1,536,490	Torex Gold Resources	13,778	1.57
2,346,839	Wheaton Precious Metals	38,618	4.41
		438,024	**49.99**
Egypt – 2.32%; 28.2.2018 3.20%			
22,240,501	Centamin	**20,328**	**2.32**
Jersey – 0.53%; 28.2.2018 8.62%			
1,522,661	Glencore	**4,630**	**0.53**
Mexico – 4.23%; 28.2.2018 4.38%			
3,890,562	Fresnillo[ø]	33,902	3.87
308,831	Industrias Penoles	3,125	0.36
		37,027	**4.23**
Monaco – 3.02%; 28.2.2018 2.51%			
2,222,363	Endeavour Mining[ø]	**26,466**	**3.02**
Peru – 0.74%; 28.2.2018 0.60%			
387,287	Cia de Minas Buenaventura	4,765	0.54
142,428	Minas Buenaventura ADR	1,777	0.20
		6,542	**0.74**
Russia – 5.09%; 28.2.2018 4.81%			
740,249	Polyus PJSC GDR	22,648	2.58
4,575,500	Vysochayshiy**	22,011	2.51
		44,659	**5.09**
South Africa – 4.92%; 28.2.2018 2.54%			
1,652,968	Anglogold Ashanti ADR	18,029	2.06
4,532,366	Gold Fields ADR	14,139	1.61
3,496,035	Impala Platinum	10,992	1.25
		43,160	**4.92**
United Kingdom – 3.36%; 28.2.2018 1.16%			
2,949,199	Acacia Mining[ø]	6,491	0.74
275,037	Anglo American	5,500	0.63
888,706	BHP	15,590	1.78
8,260,827	Petra Diamonds	1,821	0.21
		29,402	**3.36**
United States – 7.22%; 28.2.2018 7.10%			
272,440	Banro[^]	–	0.00
2,474,247	Newmont Mining	63,256	7.22
		63,256	**7.22**

Holding or Nominal Value	Investment	Market Value £000's	% of Total Net Assets
BONDS – 0.00%; 28.2.2018 0.16%			
Canadian Dollar Denominated Fixed Rate Corporate Bonds – 0.00%; 28.2.2018 0.00%			
CA$2,299,257	Great Basin Gold Convertibles 8% 30/11/2014*	–	**0.00**
US Dollar Denominated Fixed Rate Corporate Bonds – 0.00%; 28.2.2018 0.16%			
Portfolio of investments		**872,616**	**99.58**
CASH EQUIVALENTS			
Short-term Money Market Funds – 1.02%; 28.2.2018 0.76%			
8,938,048	Institutional Cash Series plc – Institutional Sterling Liquidity Fund***	**8,938**	**1.02**
Net other liabilities		(5,236)	(0.60)
Total net assets		**876,318**	**100.00**

Unless otherwise stated, all securities are either listed on a recognised exchange or traded on an eligible securities market.
* Suspended investment fair valued at zero.
** Unquoted and valued in consultation with the Manager.
*** Managed by a related party.
[ø] All or a portion of this investment represents a security on loan, see note 2(b)(iv) for further details.
[^] Investments which are less than £500 are rounded to zero.

Statement of Total Return
for the year ended 28 February 2019

	Notes	£000's	For the year to 28.2.2019 £000's	£000's	For the year to 28.2.2018 £000's
Income					
Net capital gains/(losses)	3		30,705		(243,072)
Revenue	4	19,557		14,385	
Expenses	5	(12,339)		(16,621)	
Net revenue/(expense) before taxation		7,218		(2,236)	
Taxation	6	(1,160)		(895)	
Net revenue/(expense) after taxation			6,058		(3,131)
Total return before distributions			36,763		(246,203)
Distributions	7		(6,064)		(293)
Change in net assets attributable to unitholders from investment activities			**30,699**		**(246,496)**

Statement of Change in Net Assets Attributable to Unitholders
for the year ended 28 February 2019

	£000's	For the year to 28.2.2019 £000's	£000's	For the year to 28.2.2018 £000's
Opening net assets attributable to unitholders		948,641		1,209,014
Amounts receivable on issue of units	250,630		334,642	
Amounts payable on cancellation of units	(357,294)		(348,701)	
		(106,664)		(14,059)
Change in net assets attributable to unitholders from investment activities		30,699		(246,496)
Retained distribution on accumulation units		3,640		182
Unclaimed distributions		2		–
Closing net assets attributable to unitholders		**876,318**		**948,641**

Balance Sheet
at 28 February 2019

	Notes	28.2.2019 £000's	28.2.2018 £000's
Assets:			
Fixed assets			
– Investment assets		872,616	945,925
Current assets			
– Debtors	8	2,553	4,137
– Cash and bank balances		1,774	483
– Cash equivalents	9	8,938	7,232
Total assets		**885,881**	**957,777**
Liabilities:			
Creditors			
– Distributions payable		(2,329)	(105)
– Other creditors	10	(7,234)	(9,031)
Total liabilities		**(9,563)**	**(9,136)**
Net assets attributable to unitholders		**876,318**	**948,641**

G D Bamping (Director)
R A R Hayes (Director)
BlackRock Fund Managers Limited
2 May 2019

Notes to Financial Statements

for the year ended 28 February 2019

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 and amended in June 2017.

(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.

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.

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.

Bank interest is recognised on an accruals basis.

(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.

Unquoted investments are valued at fair value, which is determined by the Investment Manager, with reference to the valuation guidelines issued by the International Private Equity and Venture Capital Valuation Guidelines Board.

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 efficient portfolio management. 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 gains/(losses)' in the Statement of Total Return.

(k) Cash and bank balances consist of deposits held on call with banks and cash held with clearing brokers and counterparties. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Distribution Policies

(l) The ordinary element of stock dividends is treated as revenue but does not form part of the distribution.

(m) Special dividends and share buy backs recognised as revenue form part of the distribution.

(n) 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. Should expenses and taxation together exceed revenue, there will be no distribution and the shortfall will be met from capital.

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 and corporate bonds.

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 2019 and 28 February 2018 based on a 99% confidence level was 3.13% and 2.76% 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 tables below outline the Fund's exposure to foreign currency risk as at the Balance Sheet date.

28 February 2019

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	124,068	–	124,068	14.16
Canadian dollar	410,497	–	410,497	46.84
Euro	10,047	–	10,047	1.15
Mexican peso	3,125	–	3,125	0.36
Peruvian nuevo sol	4,765	–	4,765	0.54
South African rand	10,992	–	10,992	1.25
US dollar	221,428	–	221,428	25.27
Total exposure to foreign currencies	**784,922**	**–**	**784,922**	**89.57**

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	147,702	–	147,702	15.57
Canadian dollar	466,851	–	466,851	49.21
Euro	6,312	–	6,312	0.67
Mexican peso	6,642	–	6,642	0.70
Peruvian nuevo sol	5,644	–	5,644	0.59
US dollar	214,427	–	214,427	22.61
Total exposure to foreign currencies	**847,578**	**–**	**847,578**	**89.35**

Management of foreign currency risk

Foreign currency exposures are managed within parameters utilising forward currency contracts. There were no open forward currency contracts at the year end (28 February 2018: Nil).

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.

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, 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 interest rate risk profile of the Fund's investments as at 28 February 2019 was as follows:

Floating Rate Investments £000's	Fixed Rate Investments £000's	Non-interest Bearing Investments £000's	Total £000's
–	–	872,616	872,616

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
–	1,490	944,435	945,925

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) Trustee and Custodian

The Fund's Trustee and Custodian is The Bank of New York Mellon (International) Limited (the "Trustee" and "Custodian").

All of the investments 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 2019 was A (28 February 2018: A) (Standard & Poor's rating).

ii) 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.

iii) 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 debt which exposes the Fund to the risk that the issuer of the bonds may default on 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 ratings 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 2019

Investment grade %	Non-investment grade %	Not rated %	Total %
–	–	–	–

28 February 2018

Investment grade %	Non-investment grade %	Not rated %	Total %
0.16	–	–	0.16

iv) 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 The Bank of New York Mellon (International) Limited 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 2019		28 February 2018	
		Securities on loan £000's	Collateral received £000's	Securities on loan £000's	Collateral received £000's
Barclays Capital Securities Limited	UK	1,622	1,716	–	–
Credit Suisse AG Dublin Branch	Ireland	502	532	–	–
Credit Suisse Securities (Europe) Limited	UK	29,051	31,528	329	351
Deutsche Bank AG	Germany	8,189	9,231	1,931	2,100
Goldman Sachs International	UK	9,159	12,000	–	–
HSBC Bank Plc	UK	1,895	1,998	–	–
J.P. Morgan Securities Plc	UK	6,870	7,615	–	–
Macquarie Bank Limited	Australia	242	306	–	–
Merrill Lynch International	UK	11,121	11,971	–	–
Morgan Stanley & Co. International Plc	UK	6,018	6,615	4,618	5,005
The Bank of Nova Scotia	Canada	4,242	4,682	–	–
UBS AG	Switzerland	2,188	2,418	1,535	1,709
Total		**81,099**	**90,612**	**8,413**	**9,165**

At 28 February 2019, collateral received from these borrowing counterparties comprised of 37.31% in debt securities and 62.69% equity securities (28 February 2018: 53.45% in debt securities and 46.55% 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 and equities 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 2019 and 28 February 2018, 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.

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.

All financial liabilities including distributions payable held by the Fund as at 28 February 2019 and 28 February 2018, based on contractual maturities, fall due within one to three 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 – Unadjusted 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 other than quoted prices in level 1

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 over-the-counter ("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 2019				
Investment assets	850,605	–	22,011*	**872,616**
Investment liabilities	–	–	–	**–**
28 February 2018				
Investment assets	923,618	1,490	20,817	**945,925**
Investment liabilities	–	–	–	**–**

* Includes suspended or unquoted securities fair valued at zero or valued in accordance with the Manager. 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 Financial Derivative Instruments ("FDIs").

The Manager uses a methodology known as the Commitment Approach in order to measure the global exposure of the Fund. The Commitment Approach is a methodology that aggregates the underlying market or notional values of FDIs to determine the degree of global exposure of the Fund to FDIs.

In accordance with the COLL Sourcebook, global exposure for a fund utilising the Commitment Approach must not exceed 100% of the Fund's NAV. The calculation of global exposure represents only one element of the Fund's risk management process and in that respect the Manager will continue to report VaR as a market risk measure to the Board of Directors.

The Fund did not hold any FDIs at 28 February 2019 and 28 February 2018.

3. Net Capital Gains/(Losses)

	For the year to 28.2.2019 £000's	For the year to 28.2.2018 £000's
The net capital gains/(losses) comprise:		
Gains/(losses) on non-derivative securities	30,742	(243,412)
(Losses)/gains on derivative securities	(144)	147
Currency gains	125	216
Custodian transaction costs	(18)	(23)
Net capital gains/(losses)	**30,705**	**(243,072)**

4. Revenue

	For the year to 28.2.2019 £000's	For the year to 28.2.2018 £000's
Interest from overseas fixed interest securities	–	151
Interest from UK bank deposits	7	2
Interest from UK fixed interest securities	–	32
Overseas dividends	18,173	13,128
Revenue from short-term money market funds	34	17
Securities lending revenue	57	54
UK dividends	1,286	1,001
Total revenue	**19,557**	**14,385**

5. Expenses

	For the year to 28.2.2019 £000's	For the year to 28.2.2018 £000's
Payable to the Manager or associates of the Manager:		
– Manager's charge	10,951	14,777
– Registrar's fees	1,216	1,607
	12,167	16,384
Other expenses:		
– Audit fee	7	7
– Safe custody fees	66	102
– Trustee's fees	111	143
– VAT recoverable	(12)	(15)
	172	237
Total expenses	**12,339**	**16,621**

6. Taxation

(a) Analysis of tax charge

	For the year to 28.2.2019 £000's	For the year to 28.2.2018 £000's
Overseas tax	1,160	895
Total tax charge [see note 6(b)]	**1,160**	**895**

6. Taxation continued

(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 28.2.2019 £000's	For the year to 28.2.2018 £000's
Net revenue before taxation	7,218	(2,236)
Corporation tax at 20% (28 February 2018: 20%)	1,444	(447)
Effects of:		
Movement in excess management expenses	1,452	2,884
Overseas tax	1,160	895
Prior year adjustment	–	(57)
Relief on overseas tax expensed	(114)	(2,330)
Revenue not subject to tax	(2,782)	(50)
Total tax charge [see note 6(a)]	**1,160**	**895**

At 28 February 2019, the Fund had surplus management expenses of £304,664,000 (28 February 2018: £297,405,000). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, a deferred tax asset of £60,933,000 (28 February 2018: £59,481,000) has not been recognised.

7. Distributions

	For the year to 28.2.2019 £000's	For the year to 28.2.2018 £000's
Final distribution	5,969	287
	5,969	287
Add: Amounts deducted on cancellation of units	1,086	476
Less: Amounts received on issue of units	(991)	(470)
Distributions	**6,064**	**293**
The distributable amount has been calculated as follows:		
Net revenue/(expense) after taxation	6,058	(3,131)
Add: Equalisation on conversions	6	82
Add: Shortfall transfer to capital	–	3,342
Distributions	**6,064**	**293**

Details of the final distribution per unit are set out in the table on page 13.

8. Debtors

	28.2.2019 £000's	28.2.2018 £000's
Accrued revenue	307	71
Amounts receivable for issue of units	1,761	3,330
Overseas tax recoverable	200	105
Sales awaiting settlement	285	625
VAT recoverable	–	6
Total debtors	**2,553**	**4,137**

9. Cash Equivalents

	28.2.2019 £000's	28.2.2018 £000's
Investment in short-term money market funds	8,938	7,232
Total cash equivalents	**8,938**	**7,232**

10. Other Creditors

	28.2.2019 £000's	28.2.2018 £000's
Accrued Audit fee	7	6
Accrued Directors insurance	24	24
Accrued FCA fee	1	1
Accrued Manager's charge	2,573	2,140
Accrued Registrar's fee	278	482
Accrued Safe custody fees	24	38
Accrued Trustee's fee	26	22
Amounts payable for cancellation of units	2,818	1,504
Custodian transaction costs	6	9
Overseas capital gains tax provision	1,246	521
Purchases awaiting settlement	231	4,284
Total other creditors	**7,234**	**9,031**

11. Contingent Assets and Liabilities

There were no contingent assets or liabilities at the Balance Sheet date (28 February 2018: Nil).

12. 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 2019:

Manager/Registrar:	BlackRock Fund Managers Limited
Investment Manager:	BlackRock Investment Management (UK) Limited
Securities lending agent:	BlackRock Advisors (UK) Limited

The ultimate holding company of the Manager, Registrar, Investment Manager and securities lending agent is BlackRock Inc. ("BlackRock"), a company incorporated in Delaware, USA. PNC Financial Services Group Inc. 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 2019 and 28 February 2018.

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 7. Any amounts due to or from the Manager at the year end are disclosed in notes 8 and 10. 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 10. Securities lending revenue earned by the Fund is disclosed in note 4.

For holdings in Institutional Cash Series plc ("ICS"), there will be no initial charges or redemption charges payable on investments in the Fund, however, duties and charges may apply. ICS will be subject to fees and expenses which may include fixed management fees, performance fees, administration fees and custodial fees.

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 Fund, 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.

As at 28 February 2019 and 28 February 2018, 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.

13. Portfolio Transaction Costs

For the year ended 28 February 2019

		Direct Transaction Costs			
Purchases (excluding derivatives)	**Transaction Value £000's**	**Commissions £000's**	**%**	**Taxes £000's**	**%**
Equity instruments	242,981	260	0.11	200	0.08
Total purchases	**242,981**	**260**		**200**	
Total purchases including transaction costs	**243,441**				

		Direct Transaction Costs			
Sales (excluding derivatives)	**Transaction Value £000's**	**Commissions £000's**	**%**	**Taxes £000's**	**%**
Equity instruments	347,852	499	0.14	2	0.00
Debt instruments	1,917	–	–	–	–
Total sales	**349,769**	**499**		**2**	
Total sales net of transaction costs	**349,268**				
Total transaction costs		**759**		**202**	
Total transaction costs as a % of average net assets		**0.09%**		**0.02%**	

13. Portfolio Transaction Costs continued

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	266,799	374	0.14	10	0.00
Debt instruments	1,902	–	–	–	–
Collective investment schemes	17,496	6	0.00	–	–
Total purchases	**286,197**	**380**		**10**	
Total purchases including transaction costs	**286,587**				

Sales (excluding derivatives)	Transaction Value £000's	Direct Transaction Costs: Commissions £000's	%	Taxes £000's	%
Equity instruments	305,314	434	0.14	15	0.01
Debt instruments	2,046	–	–	–	–
Collective investment schemes	17,412	–	–	–	–
Total sales	**324,772**	**434**		**15**	
Total sales net of transaction costs	**324,323**				
Total transaction costs		**814**		**25**	
Total transaction costs as a % of average net assets		**0.07%**		**0.00%**	

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 transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Fund's daily liquidity position are excluded from the analysis.

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.

13. Portfolio Transaction Costs continued

Dealing spread costs suffered by the fund vary considerably for the different asset / instrument types depending on a number of factors including transaction value and market sentiment.

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 0.47% (28 February 2018: 0.46%).

14. Units in Issue

The movement in units in issue for the year ended 28 February 2019 is as follows:

	A Income Units	A Accumulation Units	D Income Units	D Accumulation Units
Balance at the beginning of the year	5,435,246	42,001,036	21,646,021	36,511,367
Issued during the year	420,340	7,994,686	8,469,218	9,501,822
Cancelled during the year	(1,639,380)	(18,632,572)	(5,993,992)	(14,273,241)
Converted during the year	(48,883)	(165,047)	50,696	75,481
Balance at the end of the year	**4,167,323**	**31,198,103**	**24,171,943**	**31,815,429**

	DI Income Units	DI Accumulation Units	X Income Units	X Accumulation Units*
Balance at the beginning of the year	855,799	4,919,041	26,118,503	–
Issued during the year	268,558	2,411,398	141,505	8,981,781
Cancelled during the year	(314,973)	(1,797,575)	(2,954,405)	(1,261,067)
Converted during the year	15,382	59,132	–	–
Balance at the end of the year	**824,766**	**5,591,996**	**23,305,603**	**7,720,714**

*X Accumulation class launched 24 May 2018.

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.

15. 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 2019.

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 gains 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 2019

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.

The Bank of New York Mellon
(International) Limited

London
2 May 2019

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Tel: +44 131 777 2000
Fax: +44 131 777 2001
ey.com

Independent Auditor's Report to the Unitholders of BlackRock Gold and General Fund

Opinion

We have audited the financial statements of BlackRock Gold and General Fund ("the Fund") for the year ended 28 February 2019 which comprise the Statement of Total Return and Statement of Change 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 2019 and of the net revenue and the net capital gains 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.

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.

A member firm of Ernst & Young Global Limited

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Tel: +44 131 777 2000
Fax: +44 131 777 2001
ey.com

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.

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.

A member firm of Ernst & Young Global Limited

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Tel: +44 131 777 2000
Fax: +44 131 777 2001
ey.com

Responsibilities of the manager

As explained more fully in the manager's responsibilities statement set out on page 43, 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.

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.

Ernst & Young LLP
Statutory Auditor

Edinburgh
2 May 2019

A member firm of Ernst & Young Global Limited

Supplementary Information

Efficient Portfolio Management Techniques

The Manager may, on behalf of the Fund and subject to the conditions and within the limits laid down by the FCA, the Prospectus, as amended from time to time, and the ESMA Guidelines, employ techniques and instruments relating to transferable securities. These include repurchases/reverse repurchase transactions ("repo transactions") and securities lending, provided that such techniques and instruments are used for efficient portfolio management purposes.

Securities Lending

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 9.25% and 10.43% 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 relevant 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 2019, is disclosed in the notes to the financial statements.

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

Supplementary Information continued

Collateral

The Fund engages in activities which may require collateral to be provided to a counterparty ("collateral posted") or may hold collateral received ("collateral received") from a counterparty.

The following table provides an analysis by currency of the 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 2019.

Currency	Non-cash collateral received
	£000's
CAD	1,117
CHF	631
CNY	6,139
DKK	184
EUR	29,775
GBP	15,841
HKD	1,182
JPY	7,784
NOK	490
SEK	527
SGD	107
USD	26,835
Total	**90,612**

The Fund is the legal owner of inbound collateral and can sell the assets and withhold the cash in the case of default.

Non-cash collateral received by way of title transfer collateral arrangement in relation to securities lending transactions cannot be sold, re-invested or pledged.

Collateral continued

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 2019.

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 – securities lending					
Fixed Income					
Investment grade	–	1,477	32,335	-	33,812
Equities					
Recognised equity index	–	–	–	56,385	56,385
ETFs					
UCITS	–	–	–	38	38
Non-UCITS	–	–	–	377	377
Total	**–**	**1,477**	**32,335**	**56,800**	**90,612**

Investment grade securities are those issued by an entity with a minimum investment grade credit rating from at least one globally recognised credit rating agency; Standard & Poor's, Moody's or Fitch.

A recognised equity index contains at least 20 equities where no single equity represents more than 20% of the total index and no five equities combined represent more than 60% of the total index.

The maturity tenor analysis for fixed income securities received as collateral is based on the respective contractual maturity date, while for equity securities and ETFs received as collateral are presented as open transactions as they are not subject to a contractual maturity date.

As at 28 February 2019, 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).

Collateral continued

The following table lists the top ten issuers of non-cash collateral received by the Fund by way of title transfer collateral arrangement across securities lending transactions as at 28 February 2019.

Issuer	Value	% of the Fund's NAV
	£000's	
Credit Suisse Securities (Europe) Limited	31,528	3.60
Goldman Sachs International	12,000	1.37
Merrill Lynch International	11,971	1.37
Deutsche Bank AG	9,231	1.05
J.P. Morgan Securities Plc	7,615	0.87
Morgan Stanley & Co. International Plc	6,615	0.75
The Bank of Nova Scotia	4,682	0.53
UBS AG	2,418	0.28
Barclays Capital Securities Limited	1,716	0.20
Other issuers	2,836	0.32
Total	**90,612**	**10.34**

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 2019, the firm manages £4.99 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 proprietarily-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.

Want to know more?

blackrock.co.uk enquiry@ukclientservices.blackrock.com 0800 44 55 22

BLACKROCK®