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BlackRock Frontiers Investment Trust plc

Annual Report and Financial Statements 30 September 2023

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Use this QR code to take you to the Company's website where you can sign up to monthly insights and factsheets.

Further information about the Company can be found on our website at www.blackrock.com/uk/brfi. General enquiries about the Company should be directed to the Company Secretary at: cosec@blackrock.com.

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Financial highlights

as at 30 September 2023

175.76 cents
Ordinary share price
+28.8%[1,2,3]

144.00 pence
Ordinary share price
+17.7%[1,2]

192.05 cents
Net asset value (NAV) per ordinary share
+25.1%[1,2]

157.35 pence
NAV per ordinary share
+14.3%[1,2,3]

+5.0%
Benchmark Index (NR)[4]
(US$)

-3.9%
Benchmark Index (NR)[4]
(GBP)

8.00 cents
Total dividends
+14.3%

4.6%[2,5]
Yield

US$363.6m
Net assets
+20.1%

The above financial highlights are at 30 September 2023 and percentage comparisons are year-on-year against 30 September 2022.

1 Mid-market share price and NAV performance is calculated in British Pound Sterling (GBP) and US Dollar terms with dividends reinvested.

2 Alternative Performance Measure, see Glossary on pages 131 to 135.

3 Based on an exchange rate of US$1.2206 to £1 at 30 September 2023 and US$1.1163 to £1 at 30 September 2022.

4 The Benchmark Index of the Company is the MSCI Emerging Markets Index ex Selected Countries + MSCI Frontier Markets Index + MSCI Saudi Arabia Index.

5 Based on dividends paid and declared for the year ended 30 September 2023 and share price as at 30 September 2023.

← Multinationals such as Apple, Dell and HP are examples of companies taking part in an ongoing global supply chain reconfiguration, having announced plans of expanded manufacturing operations in Vietnam.

Why BlackRock Frontiers Investment Trust plc?

Investment objective

The Company's investment objective is to achieve long-term capital growth by investing in companies domiciled or listed in or exercising the predominant part of their economic activity in less developed countries. These countries (the "Frontiers Universe") are any country which is neither part of the MSCI World Index of developed markets, nor one of the eight largest countries by market capitalisation in the MSCI Emerging Markets Index: being Brazil, China, India, South Korea, Mexico, Russia, South Africa and Taiwan (the "Selected Countries").

Reasons to invest

Differentiated growth opportunity

Investing in frontier markets provides the Company with the opportunity to identify attractively valued businesses operating within faster growing economies often delivering highly attractive growth in cash flows and dividends. These markets typically have low correlation with each other and the developed markets, offering portfolio diversification opportunities.

Long-term focus

Our managers look through the daily noise which impacts markets, seeking out mis-priced assets in some of the fastest growing countries in the world, home to over 3 billion people. Our managers look to align themselves with good management teams of highly cash flow generative companies that they believe have the ability to create long-term value.

Closed-end structure

Investment Trusts have an independent Board of Directors appointed to protect shareholders' interests and enhance shareholder value. The closed-end structure means the Company does not have to sell assets to meet redemptions, making it more suitable for holding less liquid assets. It can also retain a proportion of its income to help smooth dividend payments and use gearing to potentially increase returns over time, and can invest for the long term in a more diverse portfolio of assets.

Expertise and idea generation

The Company is managed by BlackRock's Global Emerging Markets team and benefits from its expertise and global reach. The team has the resources to undertake extensive, proprietary, on-the-ground research to get to know the management of the companies in which they invest. The team also generates investment ideas using a diverse range of sources, including BlackRock's research platform.

Diversified portfolio

Our Investment Manager aims to ensure risks and returns are diversified by end market exposures. They work closely with their colleagues in the BlackRock Risk and Quantitative Analysis group to ensure that portfolio risk is deliberate, diversified and scaled.

Yield

Whilst our investment objective is focused on capital appreciation, many of the companies in our portfolio distribute income. This revenue enables the Company to generate an attractive yield, an important component of long-term shareholder total return.

aic The Association of Investment Companies

A member of the Association of Investment Companies

Further details about the Company, including the latest annual and half yearly financial reports, factsheets and stock exchange announcements, are available on the website at www.blackrock.com/uk/brfi.

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Cover image: Borobudur Temple at sunrise, Yogyakarta, Java.

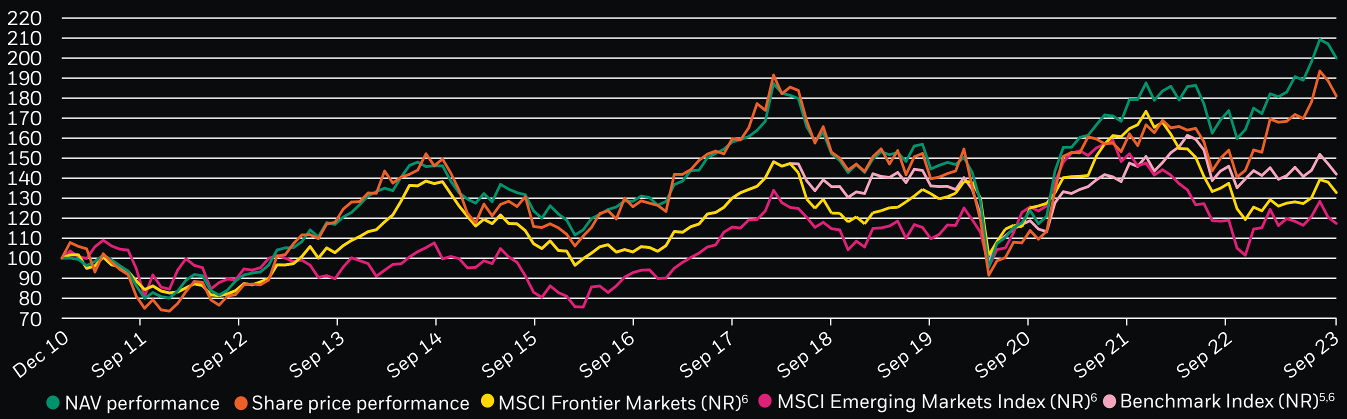
Performance record

The Company's financial statements are presented in US Dollars. The Company's shares are listed on the London Stock Exchange and quoted in British Pound Sterling. The British Pound Sterling amounts for performance returns shown below are presented for convenience. The difference in performance returns measured in US Dollars and in British Pound Sterling reflects the change in the value of British Pound Sterling versus the US Dollar over the period.

	As at 30 September 2023	As at 30 September 2022
US Dollar		
Net assets (US$'000)[1]	363,598	302,656
Net asset value per ordinary share (cents)	192.05	159.86
Ordinary share price (mid-market)[2] (cents)	175.76	142.61
British Pound Sterling		
Net assets (£'000)[1,2]	297,897	271,124
Net asset value per ordinary share[2] (pence)	157.35	143.21
Ordinary share price (mid-market) (pence)	144.00	127.75
Discount[3]	8.5%	10.8%

Performance	For the year ended 30 September 2023 %	For the year ended 30 September 2022 %	Since inception[4] %
US Dollar			
Net asset value per share (with dividends reinvested)[3]	+25.1	-10.9	+100.0
Benchmark Index (NR)[5,6]	+5.0	-7.3	+42.1
MSCI Frontier Markets Index (NR)[6]	+6.5	-25.2	+32.8
MSCI Emerging Markets Index (NR)[6]	+11.7	-28.1	+17.3
Ordinary share price (with dividends reinvested)[3]	+28.8	-10.0	+81.1
British Pound Sterling			
Net asset value per share (with dividends reinvested)[3]	+14.3	+7.7	+154.6
Benchmark Index (NR)[5,6]	-3.9	+12.0	+80.1
MSCI Frontier Markets Index (NR)[6]	-2.6	-9.6	+69.6
MSCI Emerging Markets Index (NR)[6]	+2.2	-13.2	+49.9
Ordinary share price (with dividends reinvested)[3]	+17.7	+8.7	+130.2

Performance since inception on 17 December 2010 to 30 September 2023



All performance figures calculated on a US Dollar basis with dividends reinvested, rebased to 100 at 17 December 2010.

1 The change in net assets reflects dividends paid and portfolio movements during the year.
2 Based on an exchange rate of US$1.2206 to £1 at 30 September 2023 and US$1.1163 to £1 at 30 September 2022.
3 Alternative Performance Measures, see Glossary on pages 131 to 135.
4 The Company was incorporated on 15 October 2010 and its shares were admitted to trading on the London Stock Exchange on 17 December 2010.
5 With effect from 1 April 2018, the Benchmark Index changed to the MSCI Emerging Markets Index ex Selected Countries + MSCI Frontier Markets Index + MSCI Saudi Arabia Index. Prior to 1 April 2018, the Benchmark Index was the MSCI Frontier Markets Index. The performance returns of the Benchmark Index since inception have been blended to reflect this change.
6 Net return (NR) indices calculate the reinvestment of dividends net of withholding taxes.

Sources: BlackRock and Datastream.

Chairman's statement

Dear Shareholder

Audley Twiston-Davies
Chairman

Overview

Over the year to 30 September 2023, your Company's Net Asset Value per share produced a total return of 25.1%, compared to an increase in the Benchmark Index of +5.0%, resulting in an outperformance of 20.1%[1].

For Sterling based shareholders, the equivalent return for the year was +14.3%, with the Benchmark Index returning -3.9%, representing an outperformance of 18.2%[1].

Since the financial year end, and up to close of business on 27 November 2023, the Company's NAV has increased by 0.6% compared with an increase in the Benchmark Index of 0.9% over the same period[1]. For Sterling based shareholders, the equivalent return for the financial year to date was -2.6%, with the Benchmark Index returning -2.3%, representing an underperformance of 0.3%[1].

Our portfolio managers provide a detailed description of the key contributors and detractors to performance during the period, insight into the positioning of the portfolio and their views on the outlook for the forthcoming year in their report which follows on pages 9 to 13.

I am also pleased to be able to tell you that the Company won the Investment Week Investment Company of the Year Award 2023 – Global Emerging Markets category for the second year in a row. The Company also won the AJ Bell Investment Award 2023 in the Emerging Markets Equity – Active category and the CityWire Investment Trust Award 2023 - Global Emerging Markets Equities Trust. I am sure shareholders will join me in congratulating the investment team on these achievements.

Revenue return and dividends

The Company's revenue return per share for the year amounted to 8.38 cents (2022: 6.35 cents). The Directors are recommending the payment of a final dividend of 4.90 cents per ordinary share (2022: 4.25 cents) in respect of the year ended 30 September 2023. Together with the interim dividend of 3.10 cents per share (2022: 2.75 cents), this represents a total of 8.00 cents per share (2022: 7.00 cents).

Subject to shareholder approval, this dividend will be paid on 14 February 2024 to shareholders on the register at close of business on 5 January 2024. The ex-dividend date will be 4 January 2024. The Company does not have a policy of actively targeting income; nevertheless, this return represents an attractive yield of 4.6% (please see the Glossary on page 135 for the inputs to the yield calculation).

[1] All numbers in US Dollar terms with dividends reinvested.

Fees and charges

Following an impressive outperformance of the Benchmark Index during the financial year, the Manager has generated a performance fee of $8.27m for the year ending 30 September 2023. As per best practice, the performance fee structure is subject to a maximum cap and a high water mark. This mechanism requires the Manager to catch up any previous cumulative underperformance against the benchmark before a performance fee can be generated. Further details of the Company's costs and charges can be found in note 4 on pages 93 and 94 and in the Glossary on page 134.

Share capital management

For the year under review, the Company's ordinary shares have traded at an average discount to NAV of 8.4% and were trading at a discount of 7.3% on a cum-income basis at 27 November 2023, the latest practicable date prior to the issue of this report.

The Directors recognise the importance to investors of ensuring that the Company's share price should not trade at a significant discount or premium to NAV. Accordingly, the Directors monitor the share price closely and will consider the issue of shares at a premium or the repurchase at a discount to help balance demand and supply in the market. The Board monitors the Company's discount to NAV closely and receives regular updates from the Manager and our corporate broker, Winterflood Securities. In the Board's opinion it is important to consider the discount in the context of the wider market conditions, with investor sentiment and discounts being influenced by various external factors, including the war in Ukraine, the conflict in the Middle East and prolonged higher rates of inflation. Against this backdrop, the average discount for the investment company sector as a whole has recently exceeded 19%, a level not seen since the global financial crisis of 2008. The Company's discount compares favourably to this, as it does to the average discount of the Global Emerging Markets sector average which stood at 9.1% on 27 November 2023, the latest practicable date prior to the publication of this report. Therefore, the Board decided not to buy back any of its shares during the financial year. The Company also provides a five yearly opportunity for shareholders to realise the value of their ordinary shares at the applicable NAV less costs. The next such opportunity will occur in early 2026.

The Board believes that the best way to encourage a narrowing of the discount at which the Company's shares trade is to continue to deliver strong investment performance and to communicate the unique attractiveness of our investment proposition to both existing and new shareholders.

As at 30 September 2023, the Company had 189,325,748 ordinary shares in issue, excluding 52,497,053 shares held in treasury. The Board will consider whether it is in shareholders' interests to continue to hold shares in treasury or whether they should be cancelled. No shares were issued or bought back during the year under review or post year end from 1 October 2023 up to the date of this report.

The Directors have been granted the authority by shareholders to buy back up to 14.99% of the Company's issued share capital (excluding any shares held in treasury) and also to issue or sell from treasury on a non-pre-emptive basis up to 10% of the Company's issued share capital. Both authorities expire on the conclusion of the forthcoming Annual General Meeting (AGM) to be held on Tuesday, 6 February 2024, at which time resolutions will be put to shareholders seeking a renewal of these powers. Further information can be found in the Directors' Report on page 53.

Consolidation opportunities

The Board is aware of an ongoing trend of consolidation within the wealth management industry and the implications this may have on smaller investment companies given the demand for larger, more liquid investment vehicles. With net assets of £290 million as at 27 November 2023, the Board believes the Company is in a good position in this regard. Further, the Board believes the Company's strong long-term performance record, relatively narrow discount and attractive dividend should position it well to act as a consolidator. As part of the Board's ongoing strategic considerations, and against the backdrop of a number of mergers amongst closed-ended investment companies in recent years, the Board regularly considers possible consolidation opportunities that might enhance value for the Company's shareholders. The Board will always continue to consider whether any transaction would be in shareholders' long-term interests.

Gearing

One of the advantages of the investment trust structure is that the Company can use gearing with the objective of increasing portfolio returns over the longer term. The Company utilised its ability to gear the portfolio through its CFD exposure during the year. As at the year end, net gearing stood at 12.0%. This is a higher level than in the recent past, reflecting our portfolio managers' positive view on the smaller emerging and frontier markets opportunity set where they see value in both currencies and equity markets across our investment universe.

Board composition

On 1 February 2023 the Board announced that, as part of its ongoing succession plans, and having each served for a tenure of in excess of 12 years, both Sarmad Zok and I would step down from the Board at the next AGM to be held in February 2024. In accordance with our succession plans, the Board is currently undertaking a process to identify a replacement for Sarmad whose in-depth knowledge and on the ground insights into the culture, customs and business practices in the frontier markets have been invaluable. The Board intends to announce the new Board appointment in due course.

As announced in the Half-Yearly Report earlier this year, it has been agreed that Katrina Hart, our current Senior Independent Director, will succeed me as Chairman upon my retirement from the Board at the AGM in 2024. Katrina possesses a great deal of investment trust specific expertise and asset management experience, both through her executive career in investment banking and equities research and in her current involvement with a number of complementary boards. It has also been agreed that Elisabeth Airey, also a serving Director, will succeed Katrina as our Senior Independent Director.

Further information on their respective backgrounds and experience can be found on pages 29 to 31.

As at 30 September 2023 the Board consisted of six independent non-executive Directors. As part of its succession plan the Board regularly considers its composition to ensure that a suitable balance of skills, knowledge, experience, independence and diversity is achieved to enable the Board to effectively discharge its duties. The Directors submit themselves for re-election annually and therefore all Directors, other than myself and Sarmad Zok, will stand for re-election at the forthcoming AGM.

Corporate governance

The Board takes its governance responsibilities very seriously and follows best practice requirements as closely as possible. The UK Code of Corporate Governance (the UK Code) requires enhanced disclosure setting out how we, as Directors, have fulfilled our duties in taking into account the wider interests of stakeholders in promoting the success of the Company.

As it does each year, and as required by the Corporate Governance Code, the Company undertook a comprehensive Board evaluation this year. The overall conclusion was very positive in terms of the effectiveness of the Board, and the skills, expertise and commitment of the Directors. The combination of our succession plan and structured search and selection process through which the Board identifies new appointments and the annual Board evaluation of their ongoing performance means that the Board remains confident that each Director is discharging their role effectively.

The Board is also cognisant of the risk of "overboarding" and has considered the time commitment required by the Directors' other roles, taking into account their nature and complexity. The Board reviews this information annually, for each Director, including my own as Chairman of the Board, to ensure that all Directors have sufficient capacity to carry out their role effectively. Before recommending a Director for re-election, their independence, attendance record and ongoing commitment to the affairs of the Company are also considered.

Board Diversity

I am pleased to report that the Board is compliant with the recommendations of the Parker Review and the FTSE Women Leaders Review and, at the date of this report, we have a 50:50 gender ratio. For the first time this year, and in accordance with the Listing Rules, we have also disclosed the ethnicity of the Board and our policy on matters of diversity. The disclosure can be found on page 58.

Environmental, Social and Governance (ESG) considerations

Material ESG issues can present both opportunities and risks to long-term investment performance. While the Company does not have an ESG investment objective or exclude investments based only on ESG criteria, these ethical and sustainability issues are a consideration of the Company, and your Board is committed to a diligent oversight of the activities of our Investment Manager in these areas. The frontier markets in which the Company can invest are home to over 3 billion of the world's population and through our investments we bring much needed capital to markets largely overlooked by developed world investors.

We believe that the companies in which the portfolio is invested should operate within a healthy ecosystem of all their stakeholders whether these be shareholders, employees, customers, regulators or suppliers and that this can aid the sustainability of long-term returns. Further information can be found on pages 34 and 35.

Annual general meeting

I am pleased to report that it is the Board's intention that this year's AGM will be held in person at 12:30 p.m. on Tuesday, 6 February 2024 at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL.

The Board very much looks forward to meeting shareholders and answering any questions you may have on the day. We hope you can attend this year's AGM.

Shareholder communication

We appreciate how important access to regular information is to our shareholders. To supplement our Company website, we continue to offer shareholders the ability to sign up to the Trust Matters newsletter which includes information on the Company as well as news, views and insights. Further information on how to sign up is included on the inside cover of this report.

Outlook

While developed market economies have been experiencing heightened inflation, slowing growth and the spectre of recession, by contrast, many of the countries in our frontier market universe are in the growth phase of their economies. Moreover, a significant proportion of frontier markets are further along the curve in their monetary tightening cycle, having raised interest rates earlier, and in many cases have now already cut interest rates. Our portfolio managers believe that this represents a more stable and benign environment for growth. Moreover, this lack of correlation with developed market economies remains one of the Company's key attractions for investors seeking portfolio diversification.

Our managers also note that the rise in geopolitical tensions globally is leading major developed economies to diversify their food, energy and technology supply chains, to the benefit of many of the countries in which they invest. This, combined with an investment universe of countries with favourable demographics, a growing and more affluent middle-class, relatively low debt and low stock market valuations, both versus developed markets and their own history, presents an ever more compelling investment case for exposure to frontier markets. In addition, alongside capital growth, the Company's dividend yield remains an attractive element of the Company's investment proposition. I am pleased that we have again been able to grow our earnings and increase the dividend distributed to shareholders this year.

As I look back over my tenure as Chairman of the Board since launch in late 2010, I am reminded of the various political and economic crises through which we have had to navigate, both domestically and globally. I am proud of what the Company has achieved, and I thank my fellow directors, past and present, for the benefit of their collective wisdom, experience, and expertise and their contribution to the success of the Company. I would also like to take this opportunity to thank our portfolio managers for their dedication to and passion for frontier market investing, and their unwavering commitment to travelling the globe in search of the best and brightest companies that frontier markets have to offer.

As I sign off on my tenure, I am confident that the leadership of the Company is in safe hands with my successor, Katrina. I am also reassured that our portfolio managers continue to express the same infectious enthusiasm and excitement about the opportunities available in frontier markets as they did when we launched the Company in 2010. I believe the Company's offering is truly unique and continues to provide our shareholders with access to dynamic markets and fast growing, exciting companies. I wish the team well for the future and thank shareholders for their loyalty and support.

AUDLEY TWISTON-DAVIES
Chairman
29 November 2023

Investment Manager's Report

For the year ended 30 September 2023

Sam Vecht

Emily Fletcher

Sudaif Niaz

Market review

The 2020s look set to be a decade dominated by geopolitics and 2023 was no exception. Tensions between China and the West remain at elevated levels, the conflict between Russia and Ukraine continues and post year end we have seen devastating loss of life in the Middle East. Remarkably, despite this backdrop, 2023 was a very strong year for Company performance.

For the year ended 30 September 2023, the Company's NAV returned 25.1%, compared with a Benchmark Index return of 5.0% in US Dollar terms. In British Pound Sterling terms, the Company's NAV was up by 14.4%, relative to a Benchmark Index return of -3.9%. For reference, the MSCI Emerging Markets Index was up by 11.7% and the MSCI World Index by 22.0% over the same period (in US Dollar terms). Under the hood, the drivers of various parts of the frontier markets universe are unsurprisingly quite divergent.

Many of the countries where we invest have sought to walk the tightrope of occupying neutral ground between the global super powers of East and West. US policy looking to reshore manufacture of sensitive technology items is pressuring companies to consider expanding their production bases. Coming on the back of the supply chain challenges that we saw during COVID and the concerns that brought around food and energy security, we have seen companies continue to invest in geographic diversification. ASEAN, Emerging Europe and Latin America are the likely beneficiaries and should benefit disproportionately given the smaller size of the economies relative to the global supply chains. Investment has come from both East and West. As an example, Vietnam has not only seen Global players such as Apple and Dell announce expanded manufacturing operations, but has also seen an uptick in foreign direct investment from Chinese exporters looking fearful of losing their market share.

Inflation has dominated global investor conversations through 2023. Notably in our markets, inflation peaked in almost all countries around the end of Q1 2023. Central banks in frontier and small emerging markets have generally exercised orthodox monetary policy, having started increasing rates co-incident with inflation, equating to around 12 months ahead of the West. This has meant that they have had some scope through H2 2023 to start to reduce rates. Latin America and Eastern Europe contain good examples of this: Chile has cut rates 100bps since July from 11.25% and Hungary has reduced its rate from 18% to 13%. Normalisation of rates would typically be a good set up for our markets, allowing domestic growth to recover and accelerate.

2023 was a notable year from a political context for many markets with elections taking place in Greece, Thailand, and Turkey. Over the next twelve months there will be elections in Indonesia and Ecuador to name a few. The market reactions to these recent elections have been the strongest deservedly mixed. In Greece, political party New Democracy, led by PM Mitsotakis picked up 41% of the vote to Syriza's 20%, exceeding poll predictions and giving a strong mandate for a second term. We expect their agenda of bureaucratic reform, privatisation and investment to provide a strong underpin for the economy. In Thailand, the Move Forward party won more seats than Pheu Thai, the expected leaders. However, Pita Limjaroenrat, leader of Move Forward was not able to form a sufficiently large coalition government to win a majority in the combined upper and lower house. We were initially hopeful for change in policy direction, but expect the current government to lean towards policy continuity. Finally in Turkey, the opposition lost once more! We observe the turn towards economic orthodoxy by President Erdogan since his recent election win out of necessity but remain cautious on the exchange rate given the recent inflation print of 61.5% for September 2023.

Markets in Central Europe have been notable performers over the 1-year period. Hungary (+76%) and Poland (+59%) have performed well, with banks leading the way in both markets. Higher interest rates have resulted in significant increases in net interest margins, particularly in countries where rates are tied to European rates, the change in profitability has been dramatic.

In Latin America all markets have generated positive returns. Within the region, Argentina (+62%) was the best performing market ahead of elections. These elections concluded 19 November 2023, with libertarian Javier Milei picking up a majority of the votes ahead of Sergio Massa, the centrist rival. We believe Milei's victory will bring with it a significant change in policy direction, and initial market reactions to his win have been positive. We do however believe that the economic situation in Argentina will remain challenging and difficult due to a plethora of issues, including high inflation.

In Southeast Asia, performance was more fragmented with Philippines (+18%) being the top performer. Philippines performance was helped by market-friendly policies set forth by current president Ferdinand Marcos Jr, who won the election in June last year. Vietnam on the other hand lagged. Tight liquidity conditions, a government corruption crackdown and a slowdown in the property sector impacted the market which fell 9% over the 1-year horizon.

Due diligence on the ground

We have continued to travel extensively across the emerging and frontier world in the pursuit of alpha. Travel is an integral part of our responsibilities as Fund Managers as the information we obtain on these trips serves as important input in our decision-making progress. Speaking to companies on the ground, understanding the ecosystem surrounding the company and talking to suppliers and clients all matter in our effort to form a holistic view of the companies in which we invest. To that end, travel continued as normal throughout the period, and we have visited many countries. We will highlight just a couple here.

Recent travel to Malaysia left us more optimistic about how the country can benefit from regional semiconductor and tech packaging supply chains diversifying away from China and Taiwan amid growing geopolitical risks. We also visited Egypt and came back more cautious. Although policy makers have allowed the Egyptian Pound to materially devalue we felt there was little appetite to allow a free float, with clear preference to sell domestic assets to raise dollars. Whilst the plan has merits, with high inflation and an unwillingness to raise rates further, we don't think they'll be able to sell assets fast enough to fund that gap.

Another country the team visited over the period was Bangladesh, a fruitful trip that left us positive on the opportunity set within the country. For example, Bangladesh is famous for its garmenting and is now the world's second largest garment manufacturer. We believe the country can use its manufacturing expertise to gain market share in other manufacturing sectors. Our experience tells us that there are real benefits to investing in an emerging market when the country is in real need of foreign capital and before other foreign investors get there – Bangladesh meets those criteria. However, there are challenges which still need resolving – among them the currency needs to weaken and the floor on stock market prices needs to be dismantled.

Portfolio performance

Over the 12-month period, the Company generated positive returns in a number of countries. **Elm** (+146%), the Saudi IT company, was the biggest contributor to relative returns over the period. The company has done well on the back of profit growth and re-rating from the digitisation theme we are seeing in the Kingdom. The Qatar-based oil services holding company **Gulf International Services** (+48.4%) also did well. The company's Q2 earnings surprised on the upside and the share price was also helped by the company successfully concluding a debt restructuring deal at favourable terms with lenders.

In Argentina our off-benchmark position in energy company **Vista** (+146%) was amongst the top contributors at the company level. We expect growth in shale production in Argentina to continue its dramatic growth profile and Vista will remain at the centre of this. The company still believes they can nearly double production volumes from this point.

Financials exposure has benefitted the Company, primarily through our exposure to banks across CEEMEA markets. Polish bank **PKO Bank Polski** (+80%), **National Bank of Greece** (+90%) and Hungary's **OTP Bank** (+103%) are all amongst the top contributing companies over the period. In addition to a beneficial rates environment in these markets, asset quality of the bank portfolios has been very benign, which has translated into stronger than expected earnings. Financials exposure in Kazakhstan also contributed positively, our overweight in **Kaspi** (+80%), the payments and e-commerce company, was a significant contributor to overall returns. This has been a long-term holding in the Fund with a proposed US listing in Q4 this year, which should hopefully lead to further value unlocking.

In Asia, Vietnamese tech conglomerate **FPT Corp** (+29%) did well. This business contains a fast-growing IT services business that retains a cost advantage and has been able to win new mandates in developed markets. Given its relatively small size compared to Indian and global peers, the company has a long runway for growth. Indonesian clothing retailer, Mitra Adiperkasa (+70%) did well on the back of strong results as strong like-for-like sales continued from market share gains in the apparel market in Indonesia.

While Financials exposure has benefitted the Fund more broadly, some names have lagged with **Saudi National Bank** (-28%) being the biggest detractor over the period. The bank made a non-core investment in Credit Suisse which had to be written off. The market has penalised the bank for poor capital allocation and the domestic corporate credit growth picture remains murky at best. However, this remains our preferred bank exposure in Saudi Arabia, as it prices in rates normalisation and the valuation is compelling at current levels. Elsewhere in the Kingdom, **Saudi Telecom** also fell (-9%). While earnings per share have been good, there has been no uplift in dividend which disappointed the market. We exited the position in February. Another detractor over the period was our off-benchmark holding in Nagacorp (-37%), the Cambodian integrated-gambling resort operator. The recovery of Chinese travellers to pre-covid levels has been slower than expected, but despite that, the company is still generating strong free cash flows.

Investment activity

We have reduced our overall exposure to the Middle East, primarily through reducing our financial holdings in Saudi Arabia. In the banking sector in particular, we believe margins have peaked out, liquidity is tight and valuations are high overall. On this view, we rotated some financials exposure from the Kingdom to UAE by exiting our holding in **Riyad Bank** and rotating this into **Abu Dhabi Commercial Bank**. We also exited **Saudi British Bank** on a similar view. We are however finding value in other sectors within the country and have increased exposure to petrochemical names. We initiated a position in **Saudi Basic Industries** on the view that margins are at 10-year troughs and as the company is still free cash flow positive, it should do well on an eventual economic upswing.

We have continued to increase our exposure to countries we see benefitting from the recalibration of supply chains, many of which are in Southeast Asia. In the Philippines we have initiated positions in sectors spanning from real estate to financials. We initiated a position in property developer **Ayala Land** as the stock has meaningfully corrected and we see a potential turnaround in the local real estate cycle. We also recently re-initiated a position in **Bloomberry Resorts**, a Philippines based resort and casino operator, on the view that strong volume growth will continue and that leverage is likely to fall from current levels. Elsewhere in the region, we increased our exposure to the telecom space in Thailand on the back of consolidation in the sector. We also continue to be positive on Indonesia.

We have taken profits in various European banks like **National Bank of Greece**, **OTP Bank** in Hungary and in Polish bank **PKO**. We exited **Titan Cement**, the Greek cement and building materials producer as our investment view played out. In Latin America, we exited pan-American airline **Copa** as the stock reached our target price following a strong earnings release.

Outlook

We believe global markets are starting to feel the impact of higher interest rates, noting slowing credit growth as evidence that a demand slowdown is imminent in developed markets. When combined with a Chinese economy which is struggling to find its footing we find it difficult to see where a meaningful pick up in global growth could come from.

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Markets in Central Europe have been the strongest performers over the year. Hungary's OTP Bank was amongst the top contributing companies over the period.

PHOTO COURTESY OF OTP BANK

In contrast we see better fundamentals in frontier and smaller emerging markets. Monetary tightening across much of our universe was ahead of that in developed markets as well as, in many cases, stronger than in past cycles, particularly in Latin America and Eastern Europe. With inflation falling across many countries within our universe, rate cuts have already taken place or are underway in some of our markets. This is typically a good set up as domestic economies should see a cyclical pick up. This is in stark contrast to many countries in the developed world, where major economies like the US are still in a tightening cycle.

We continue to like Indonesia and the country is currently the largest absolute weight in the portfolio. We are positive on the country's ability to grow, due in part to beneficial policymaking. For example, by banning the export of raw ore, Indonesia has increased the value of its mineral exports, enhanced its domestic processing and refining capabilities, and created more economic opportunities for its people. We therefore remain positive on their ability to grow the value added from their nickel exports. We are also positive on other ASEAN markets as we believe many of these countries stand to benefit from increased geopolitical tensions worldwide. These countries will likely maintain trade relations with both the West and the East, and can therefore benefit from the shifting in global supply chains away from China.

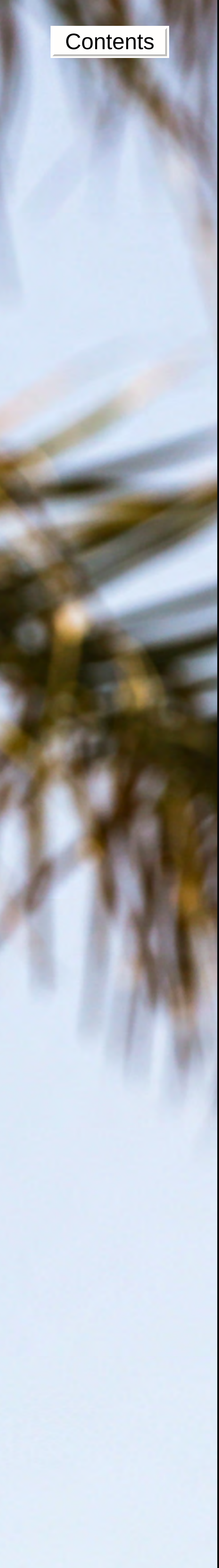
Elsewhere we note the growth in oil and gas production in Argentina which is on an impressive trajectory and where we have exposure. This shift is especially important for a country short on foreign currency; Argentina needs to get this export project ramped up to meaningfully change its economic circumstance.

In the Philippines, we initiated a position in property developer Ayala Land.
PHOTO COURTESY OF AYALA LAND

A growing collection of the smaller markets including Pakistan, Sri Lanka, Kenya and Nigeria have started to pique our interest again. Despite previously having positions in some of these markets, they have been relatively un-investible for the last few years as imbalances built up and policy makers responded with significant capital controls. Year to date we have now seen more orthodox steps to let the FX find a market equilibrium, through reducing intervention and import controls. Many countries have hiked rates and secured an International Monetary Fund (IMF) package. All these measures will help rebalance economies and will allow markets to function properly. If they follow through on this there could be some interesting investment opportunities in this cohort of countries.

We remain positive on the outlook for small emerging and frontier markets versus developed markets, and we find significant value in currencies and equity markets across our investment opportunity set. We are optimistic over the long term in our under-researched frontiers universe which should continue to offer compelling investment opportunities.

SAM VECHT, EMILY FLETCHER AND SUDAIF NIAZ
BlackRock Investment Management (UK) Limited
29 November 2023



Portfolio

Qatar-based oil services holding company Gulf International Services was a notable contributor to performance. Group companies operate within four sectors: insurance and reinsurance, drilling and associated services, helicopter transportation and catering.

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PHOTOS COURTESY OF JSC KASPI, ASTRA INTERNATIONAL, EMAAR PROPERTIES, SAUDI BASIC INDUSTRIES.

Ten largest investments[1]

as at 30 September 2023

The Company's ten largest investments represented 32.2% of the Company's portfolio as at 30 September 2023 (2022: 35.2%).

1 ▲ Bank Central Asia (2022: n/a)

Financials (Indonesia)

Portfolio value: US$16,590,000
Percentage of net assets: 4.6% (2022: nil%)

Bank Central Asia is an Indonesian commercial bank headquartered in Jakarta. It is the largest private bank in the country, offering commercial banking and other financial services.

2 ► Saudi National Bank[2] (2022: 2nd)

Financials (Saudi Arabia)

Portfolio value: US$15,365,000
Percentage of net assets: 4.2% (2022: 4.6%)

Saudi National Bank is a commercial bank based in Saudi Arabia. The bank offers current, savings, time, and other deposit accounts, auto leases, home financing, corporate loans, currency exchange, money transfer, asset management, share brokerage, initial public offering subscription and private banking services.

3 ▲ JSC Kaspi (2022: 4th)

Financials (Kazakhstan)

Portfolio value: US$11,468,000
Percentage of net assets: 3.2% (2022: 3.4%)

JSC Kaspi is the largest payments, marketplace and fintech ecosystem in Kazakhstan. The company has seen strong growth particularly in its marketplace and payments verticals. The company began as a bank at first but expanded into peer-to-peer payments and online marketplaces, particularly proving vital for businesses during the lockdowns of 2020. The company is working on expanding into other markets in Central Asia.

4 ▲ Bank Mandiri (2022: 23rd)

Financials (Indonesia)

Portfolio value: US$11,348,000
Percentage of net assets: 3.1% (2022: 2.0%)

Bank Mandiri is one of the largest banks in Indonesia. The bank offers a range of banking products and services segments from corporate to retail banking.

Ten largest investments[1]

continued

5 ▲ Astra International (2022: 12th)

Industrials (Indonesia)

Portfolio value: US$10,861,000
Percentage of net assets: 3.0% (2022: 2.6%)

Astra International is an Indonesian auto conglomerate and the largest independent automotive group in South East Asia.

6 ▼ Emaar Properties (2022: 1st)

Real Estate (United Arab Emirates)

Portfolio value: US$10,687,000
Percentage of net assets: 2.9% (2022: 4.7%)

Emaar Properties is an Emirati real estate developer. The company is involved in property investment, development, shopping malls, retail centres, hospitality and property management services, and serves customers in the UAE.

7 ▲ FPT[2] (2022: 11th)

Information Technology (Vietnam)

Portfolio value: US$10,336,000
Percentage of net assets: 2.8% (2022: 2.6%)

FPT is Vietnam's largest information technology services company, with a focus on information and communications technologies. The core business focuses on consulting, providing and deploying technology and telecommunications services and solutions.

8 ▲ CP All (2022: n/a)

Consumer Staples (Thailand)

Portfolio value: US$10,302,000
Percentage of net assets: 2.8% (2022: nil%)

CP All is a convenience store operator based in Thailand. It also operates wholesale business, retail business and mall, payment centres and related supporting services. The convenience stores are operated under the 7-Eleven trademark.

9 ▲ Saudi Basic Industries Corporation[2] (2022: n/a)

Materials (Saudi Arabia)

Portfolio value: US$10,108,000
Percentage of net assets: 2.8% (2022: nil%)

Saudi Basic Industries Corporation (SABIC), headquartered in Riyadh, is a steel and chemicals manufacturer. The company is a subsidiary of Saudi Arabian Oil Co, and engages in the production of petrochemicals, chemicals, industrial polymers, fertilisers and metals.

10 ▲ Advanced Info Service (2022: n/a)

Communication Services (Thailand)

Portfolio value: US$10,062,000
Percentage of portfolio: 2.8% (2022: nil%)

Advanced Info Service is a Thailand based telecom services provider. The company operates through three segments: mobile phone services, mobile phone and equipment sales, and Datanet and broadband services.

[1] Gross market exposure as a % of net assets.
[2] Exposure gained via long contracts for difference (CFDs) only.

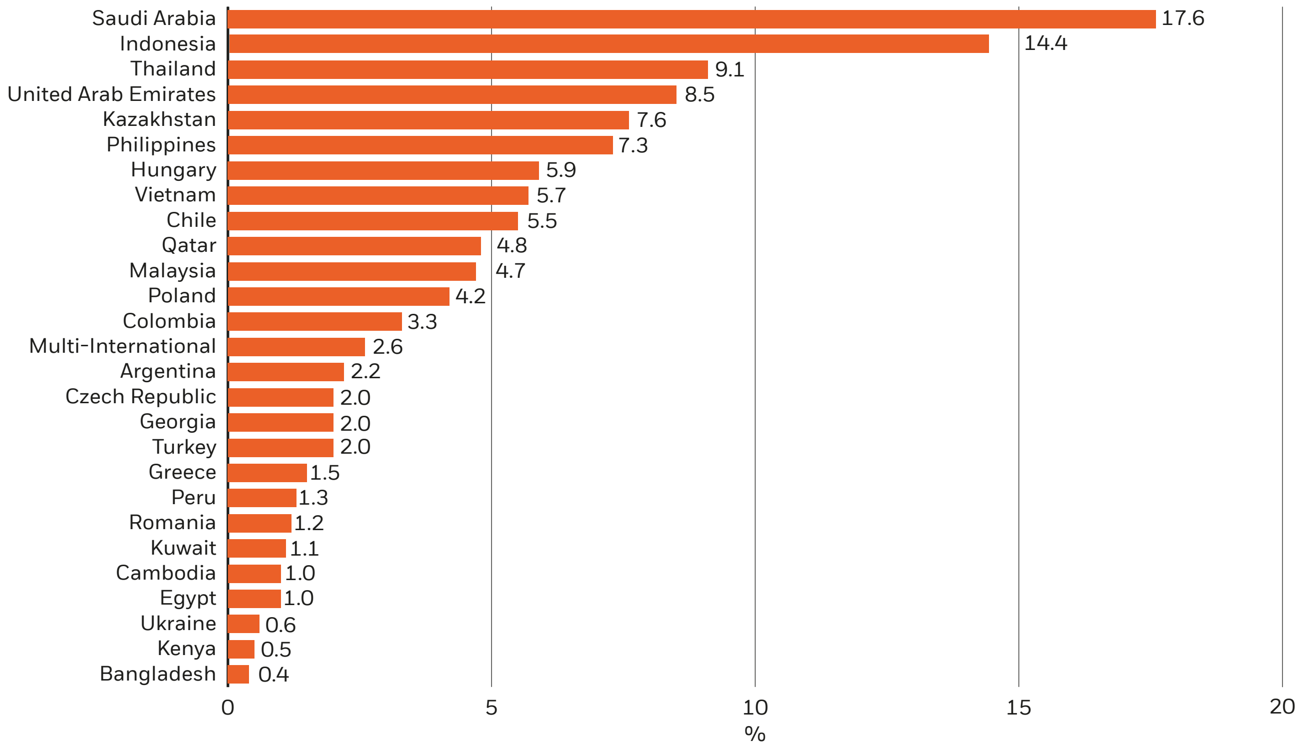
Percentages in brackets represent the portfolio holding as at 30 September 2022.

Arrows indicate the change in the relative ranking of the position in the portfolio compared to its ranking as at 30 September 2022.

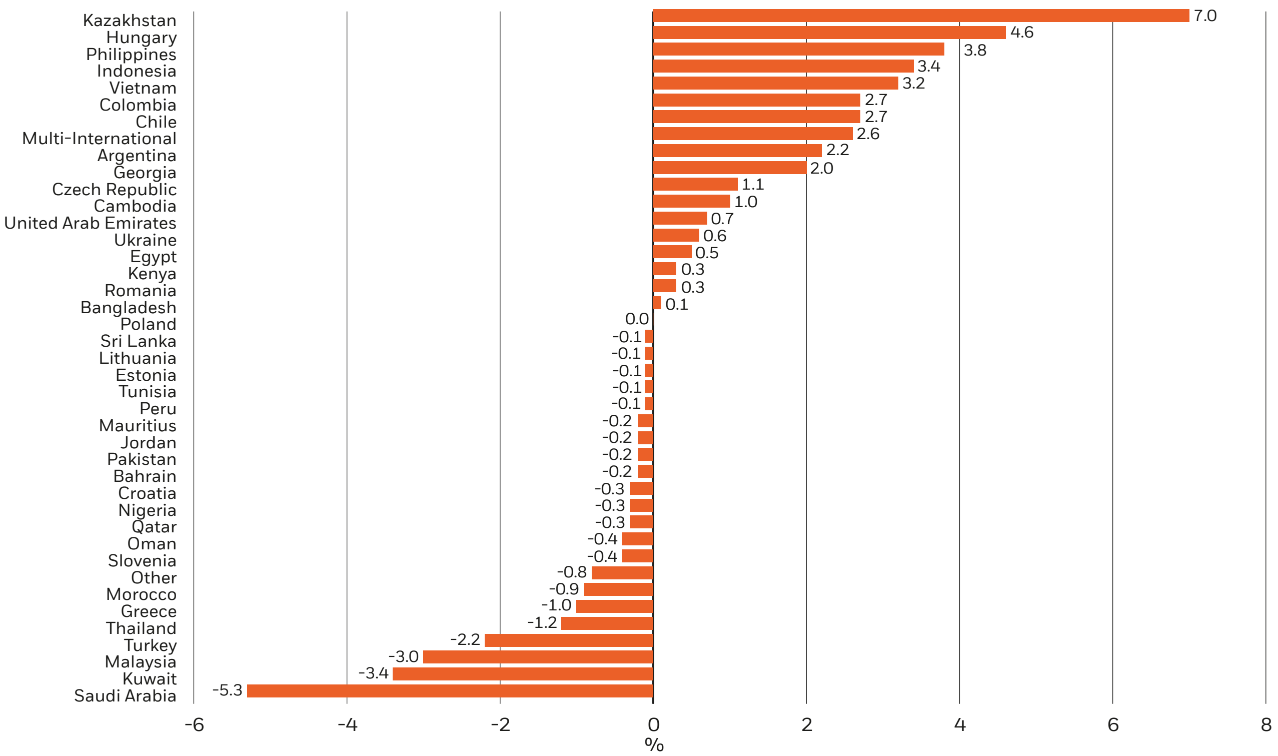
Portfolio analysis

as at 30 September 2023

Country allocation: Absolute weights (Gross market exposure as a % of net assets)[1]



Country allocation relative to the Benchmark Index (%)[1]



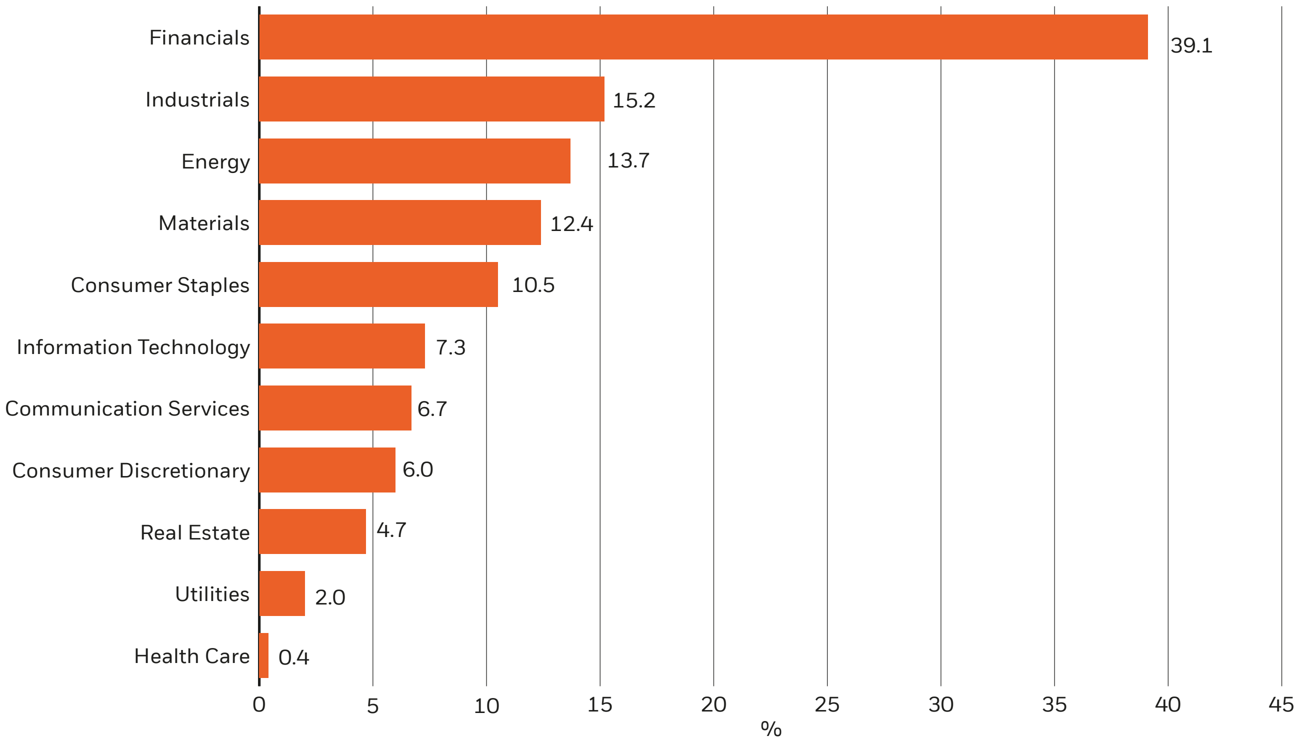
[1] Includes exposure gained through equity positions and long and short CFD positions.
Sources: BlackRock and Datastream.

Contents

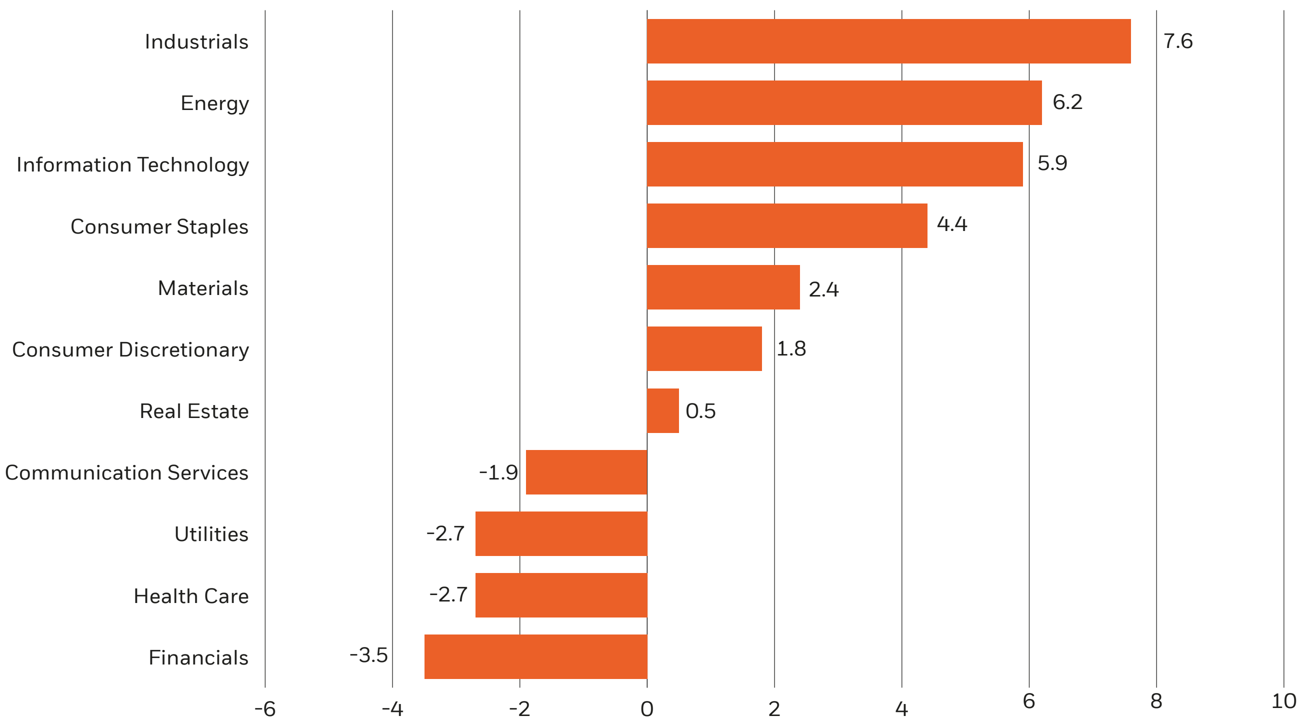
Portfolio analysis

continued

Sector allocation: Absolute weights (Gross market exposure as a % of net assets)[1]



Sector allocation relative to the Benchmark Index (%)[1]



[1] Includes exposure gained through equity positions and long and short CFD positions.
Sources: BlackRock and Datastream.

Investments

as at 30 September 2023

Equity portfolio by country of exposure

Company	Principal country of operation	Sector	Fair value[1] US$'000	Gross market exposure as a % of net assets[3]
Bank Central Asia	Indonesia	Financials	16,590	4.6
Bank Mandiri	Indonesia	Financials	11,348	3.1
Astra International	Indonesia	Industrials	10,861	3.0
Indofood CBP Sukses Makmur	Indonesia	Consumer Staples	6,903	1.9
Mitra Adiperkasa	Indonesia	Consumer Discretionary	6,499	1.8
			52,201	**14.4**
CP All	Thailand	Consumer Staples	10,302	2.8
Advanced Info Service	Thailand	Communication Services	10,062	2.8
Bangkok Bank	Thailand	Financials	5,560	1.5
True Corporation	Thailand	Communication Services	4,726	1.3
			30,650	**8.4**
JSC Kaspi	Kazakhstan	Financials	11,468	3.2
Kazatomprom	Kazakhstan	Energy	8,499	2.3
Halyk Savings Bank	Kazakhstan	Financials	7,781	2.1
			27,748	**7.6**
Bloomberry	Philippines	Consumer Discretionary	6,881	1.9
Ayala Land	Philippines	Real Estate	6,519	1.8
Metrobank	Philippines	Financials	5,124	1.4
Jollibee Foods	Philippines	Consumer Discretionary	4,585	1.3
LT Group	Philippines	Industrials	3,322	0.9
			26,431	**7.3**
Sociedad Quimica y Minera - ADR	Chile	Industrials	7,352	2.0
Cervecerias Unidas	Chile	Consumer Staples	7,151	2.0
Empresas CMPC	Chile	Materials	5,600	1.5
			20,103	**5.5**
OTP Bank	Hungary	Financials	7,151	2.0
Wizz Air Holdings	Hungary	Industrials	6,604	1.8
MOL Group	Hungary	Energy	5,192	1.4
			18,947	**5.2**
Emaar Properties	United Arab Emirates	Real Estate	10,687	2.9
Air Arabia	United Arab Emirates	Industrials	7,401	2.1
			18,088	**5.0**
Malaysia Airports Holdings Berhad	Malaysia	Industrials	7,075	1.9
Frontken Corp	Malaysia	Industrials	5,142	1.4
Pentamaster	Malaysia	Industrials	5,002	1.4
			17,219	**4.7**
PKO Bank Polski	Poland	Financials	9,536	2.6
PZU	Poland	Financials	5,877	1.6
			15,413	**4.2**

Investments

continued

Company	Principal country of operation	Sector	Fair value[1] US$'000	Gross market exposure as a % of net assets[3]
Bancolombia	Colombia	Financials	6,680	1.8
Ecopetrol	Colombia	Energy	5,445	1.5
			12,125	**3.3**
EPAM Systems	Multi-International	Information Technology	9,377	2.6
			9,377	**2.6**
Vista Oil & Gas	Argentina	Energy	7,770	2.2
			7,770	**2.2**
Eldorado Gold	Turkey	Materials	7,274	2.0
			7,274	**2.0**
Bank of Georgia	Georgia	Financials	7,205	2.0
			7,205	**2.0**
Komercni Banka	Czech Republic	Financials	7,141	2.0
			7,141	**2.0**
National Bank of Greece	Greece	Financials	5,534	1.5
			5,534	**1.5**
Qatar Gas Transport Company	Qatar	Energy	5,477	1.5
			5,477	**1.5**
Credicorp	Peru	Financials	4,699	1.3
			4,699	**1.3**
BRD–Groupe Société Générale	Romania	Financials	4,356	1.2
			4,356	**1.2**
Mobile Telecommunications	Kuwait	Communication Services	3,887	1.1
			3,887	**1.1**
NagaCorp	Cambodia	Consumer Discretionary	3,810	1.0
			3,810	**1.0**
Equity Group	Kenya	Financials	1,685	0.5
			1,685	**0.5**
Square Pharmaceuticals	Bangladesh	Health Care	1,344	0.4
			1,344	**0.4**
Ferrexpo	Ukraine	Materials	1,158	0.3
			1,158	**0.3**
Equity investments			**309,642**	**85.2**
BlackRock's Institutional Cash Series plc – US Dollar Liquid Environmentally Aware Fund (Cash Fund)			64,875	17.8
Total equity investments (including Cash Fund)			**374,517**	**103.0**

CFD portfolio by country of exposure

Company	Principal country of operation	Sector	Fair value[1] US$'000	Gross market exposure[3] US$'000	Gross market exposure as a % of net assets[3]
Long positions					
Saudi National Bank	Saudi Arabia	Financials		15,365	4.2
Saudi Basic Industries Corporation	Saudi Arabia	Materials		10,108	2.8
Yanbu National Petrochemical	Saudi Arabia	Materials		9,108	2.5
Abdullah Al Othaim Markets	Saudi Arabia	Consumer Staples		8,870	2.4
Elm	Saudi Arabia	Information Technology		6,968	1.9
Arabian Contracting Services	Saudi Arabia	Communication Services		5,353	1.5
Lumi	Saudi Arabia	Consumer Discretionary		69	0.0
				55,841	**15.3**
FPT	Vietnam	Information Technology		10,336	2.8
Petrovietnam Drilling & Well Services	Vietnam	Energy		5,571	1.5
Vietnam Dairy Products	Vietnam	Consumer Staples		5,237	1.4
				21,144	**5.7**
Borouge	United Arab Emirates	Materials		7,101	2.0
Abu Dhabi Commercial Bank	United Arab Emirates	Financials		5,632	1.5
				12,733	**3.5**
Gulf International Services	Qatar	Energy		9,664	2.7
Qatar Gas Transport Company	Qatar	Energy		2,045	0.6
				11,709	**3.3**
Commercial International Bank	Egypt	Financials		3,507	1.0
				3,507	**1.0**
Wizz Air Holdings	Hungary	Industrials		2,439	0.7
				2,439	**0.7**
Ferrexpo	Ukraine	Materials		886	0.3
				886	**0.3**
Total long CFD positions			**(1,919)**	**108,259**	**29.8**
Total short CFD positions			**87**	**(10,775)**	**(3.0)**
Total CFD portfolio			**(1,832)**	**97,484**	**26.8**

Fair value and gross market exposure of investments as at 30 September 2023

Portfolio	Fair value[1] US$'000	Gross market exposure[3] US$'000	Gross market exposure as a % of net assets[3] 2023	2022
Equity investments (see footnote 1(a) below)	309,642	309,642	85.2	74.8
Total long CFD positions (see footnote 1(b) below)	(1,919)	108,259	29.8	31.3
Total short CFD positions (see footnote 1(b) below)	87	(10,775)	(3.0)	(5.2)
Total gross market exposure	**307,810**	**407,126**	**112.0**	**100.9**
Cash Fund	64,875	64,875	17.8	23.6
Total investments and derivatives	**372,685**	**472,001**	**129.8**	**124.5**
Cash and cash equivalents[1,2]	5,283	(94,033)	(25.9)	(25.7)
Other net current (liabilities)/assets	(14,351)	(14,351)	(3.9)	1.2
Non-current liabilities	(19)	(19)	0.0	0.0
Net assets	**363,598**	**363,598**	**100.0**	**100.0**

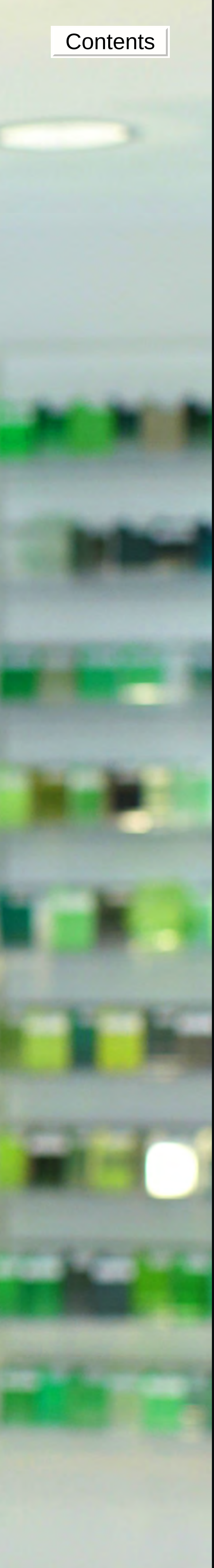
The nature of the Company's portfolio and the fact the Company gains significant exposure to a number of markets through long and short CFDs means that the Company will aim to hold a level of cash (or an equivalent holding in a Cash Fund) on its balance sheet representing of the difference between the notional cost of purchasing or selling the investments directly and the lower initial cost of making a collateral payment on the long or short CFD contract.

The Company was geared through the use of long and short CFD positions and gross and net gearing as at 30 September 2023 was 17.9% and 12.0% respectively (30 September 2022: 11.3% and 1.0% respectively). Gross and net gearing are Alternative Performance Measures, see Glossary on pages 131 to 135.

1 Fair value is determined as follows:
(a) Listed investments are valued at bid prices where available, otherwise at latest market traded quoted prices.
(b) The sum of the fair value column for the CFD contracts totalling US$(1,832,000) represents the net fair valuation of all the CFD contracts, which is determined based on the difference between the notional transaction price and market value of the underlying shares in the contract (in effect the unrealised gains/(losses) on the exposed long and short CFD positions). The cost of purchasing the securities held through long CFD positions directly in the market would have amounted to US$110,178,000 at the time of purchase, and subsequent movements in market prices have resulted in unrealised losses on the long CFD positions of US$1,919,000 resulting in the value of the total long CFD market exposure to the underlying securities decreasing to US$108,259,000 as at 30 September 2023. If the long positions had been closed on 30 September 2023 this would have resulted in a loss of US$1,919,000 for the Company. The notional price of selling the securities to which exposure was gained via the short CFD positions would have been US$10,862,000 at the time of entering into the contract, and subsequent movements in market prices have resulted in unrealised gains on the short CFD positions of US$87,000 resulting in the value of the total short CFD market exposure of these investments decreasing to US$10,775,000 at 30 September 2023. If the short positions had been closed on 30 September 2023, this would have resulted in a gain of US$87,000 for the Company.

2 The gross market exposure column for cash and cash equivalents has been adjusted to assume the Company purchased/sold direct holdings rather than exposure being gained through long and short CFDs and forward currency positions.

3 Gross market exposure in the case of equity investments is the same as fair value. In the case of long and short CFDs it is the market value of the underlying shares to which the portfolio is exposed via the contract. Market exposure in the case of forward currency positions is the value of the receivable portion of the forward currency contracts.



Governance

We initiated a position in Saudi chemical manufacturing company Saudi Basic Industries. Its Color Innovation Centers in the Americas, Europe and the Pacific, help clients create customised colour palettes for plastic resins.

PHOTO COURTESY OF SAUDI BASIC INDUSTRIES

Governance structure

Responsibility for good governance lies with the Board. The governance framework of the Company reflects the fact that as an investment company it has no employees and outsources investment management and administration to the Manager and other external service providers.

The Board
Five scheduled meetings per annum

Six non-executive Directors (NEDs), all independent of the Manager

Chairman: Audley Twiston-Davies

Objectives:
- To determine the Company's strategy, including investment policy and investment guidelines;
- To provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed and the Company's assets to be safeguarded; and
- To challenge constructively and to scrutinise performance of all outsourced activities.

Other functions:
- To carry out the duties of a Nomination Committee, including a regular review of the Board's structure and composition, making recommendations for any new Board appointments and reviewing the Directors' conflicts of interest; and
- To determine the Company's remuneration policy.

Audit and Management Engagement Committee[1]
Two scheduled meetings per annum

Chairman: Stephen White

Membership: All NEDs

Key objectives:
- To oversee financial reporting;
- To consider the adequacy of the control environment;
- To review the performance of the Manager;
- To review and form an opinion on the effectiveness of the external audit process; and
- To review other service providers.

[1] Terms of reference for the committee are available at www.blackrock.com/uk/brfi.

Directors' biographies

Audley Twiston-Davies
Chairman
(Appointed 23 November 2010)

He was formerly Chairman of the Haberdashers Monmouth Schools, Taylor Young Investment Management Limited, non-executive Director and Chairman of TR European Growth Trust plc and Kazimir Russian Growth Fund. He was also the Chief Executive Officer of F&C Emerging Markets Limited.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee: 2/2

Stephen White
Audit and Management Engagement Committee Chairman (with effect from 22 November 2016)
(Appointed 13 July 2016)

Currently a non-executive Director of Polar Capital Technology Trust plc, Senior Independent Director of Henderson Eurotrust plc and Chairman of Brown Advisory US Smaller Companies plc. He was formerly a non-executive director of Aberdeen New India Investment Trust plc, JP Morgan European Discovery Trust plc, Global Special Opportunities Trust plc, Head of European and US Equities at British Steel Pension Fund, Head of European Equities at F&C Investment Management, Manager of F&C Eurotrust plc and Deputy Manager of the F&C Investment Trust plc. Prior to joining F&C in 1985, he held positions at Hill Samuel Asset Management, Phillips & Drew and PriceWaterhouse. He is a Chartered Accountant.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee: 2/2

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company and will be available at the AGM.

Directors' biographies

continued

Katrina Hart
Senior Independent Director
(Appointed 1 October 2019)

Currently a non-executive director of Keystone Positive Change Investment Trust plc (where she is also the Senior Independent Director), AEW UK REIT plc, JP Morgan UK Smaller Companies Investment Trust plc and Montanaro Asset Management Limited. She was formerly a non-executive director of Premier Miton Group plc and Polar Capital Global Financials Trust plc. Mrs Hart spent her executive career in investment banking, advising, analysing and commentating on a broad range of businesses. Initially working in corporate finance at ING Barings and Hawkpoint Partners, she then moved into equities research at HSBC, covering the General Financials sector. Latterly, Mrs Hart headed up the Financials research teams at Bridgewell Group plc and Canaccord Genuity, specialising in wealth and asset managers.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee: 2/2

Sarmad Zok
(Appointed 8 February 2011)

CEO of Kingdom Hotel Investments (UK) Ltd and a director on the boards of Four Seasons Hotels and Resorts, AccorHotels and Kingdom Holding Company. Mr Zok is an active member of the boards of the hotel management companies he sits on, being directly engaged on strategy, product, operations/guest experience, growth and value creation. In his early career, Mr Zok worked at HVS International and Hilton International. He holds a Bachelor of Science in Hotel Management from the University of Surrey and a Master of Arts in Property Valuation and Law from City University Business School in London.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee: 2/2

Elisabeth Airey
(Appointed on 10 December 2021)

Currently Chairman of abrdn UK Smaller Companies Growth Trust plc, Chairman of Rolls-Royce UK Pension Fund Trustees Limited, a non-executive Director of Kirk Lovegrove & Company Limited, a member of the advisory board of Ownership Capital and a member of the Investments Committee of the Royal Horticultural Society. Previously she was non-executive Chairman of Jupiter Fund Management plc, a non-executive Director of Tate & Lyle plc, a non-executive Director of Dunedin Enterprise Investment Trust plc and a member of the Investment Committee of the Institute of Chartered Accountants in England and Wales. In her executive career she was Finance Director of Monument Oil and Gas plc, a post she held from 1990 until the sale of the company to Lasmo plc in 1999.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee: 2/2

Lucy Taylor-Smith
(Appointed on 10 December 2021)

Previously Global Head of Strategy with Standard Chartered Bank based in Singapore. Prior to this, she was Chief Strategy Officer and a member of the Executive Committee at Manulife Asia, and Chairman of Manulife Singapore, as well as Chief Strategy Officer and Board Director for Prudential Corporation Asia. She also spent 13 years with UBS advising companies on a wide range of strategic initiatives and corporate transactions encompassing mergers and acquisitions, equity and debt capital markets deals, culminating in her position as Executive Director of Corporate Broking.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee: 2/2

Strategic report

The Directors present the Strategic Report of the Company for the year ended 30 September 2023.

Principal activity
The Company carries on business as an investment trust and its principal activity is portfolio investment.

Investment objective
The Company's investment objective is to achieve long-term capital growth by investing in companies domiciled or listed in or exercising the predominant part of their economic activity in, less developed countries. These countries (the "Frontiers Universe") are any country which is neither part of the MSCI World Index of developed markets, nor one of the eight largest countries by market capitalisation in the MSCI Emerging Markets Index: being Brazil, China, India, South Korea, Mexico, Russia, South Africa and Taiwan (the "Selected Countries").

Strategy, business model and investment policy
Strategy
To achieve its objective, the Company invests globally in the securities of companies domiciled or listed in or exercising the predominant part of their economic activity in, the Frontiers Universe.

Business model
The Company's business model follows that of an externally managed investment trust; therefore the Company does not have any employees and outsources its activities to third party service providers, including BlackRock Fund Managers Ltd (BlackRock or BFM) ('the Manager') which is the principal service provider.

The management of the investment portfolio and the administration of the Company have been contractually delegated to the Manager. The Manager has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (BIM (UK)) ('the Investment Manager'). The contractual arrangements with, and assessment of, the Manager are summarised on page 50. The Investment Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company. Other service providers include the Depositary and the Fund Accountant, The Bank of New York Mellon (International) Limited (BNYM), and the Registrar, Computershare Investor Services PLC (Computershare). Details of the contractual terms with third party service providers are set out in the Directors' Report.

Investment policy
The Company will seek to maximise total return and will invest globally in the securities of companies domiciled or listed in or exercising the predominant part of their economic activity in, the Frontiers Universe. Performance is measured against the Company's Benchmark Index, which is a composite of the MSCI Emerging Markets Index ex Selected Countries + MSCI Frontier Markets Index + MSCI Saudi Arabia Index (net total return, USD). The Investment Manager is not constrained by the geographical weightings of the Benchmark Index and the Company's portfolio may frequently be overweight or underweight any particular country relative to the Benchmark Index. The Company will exit any investment as soon as reasonably practicable following the relevant company ceasing to be domiciled or listed in or exercising the predominant part of its economic activity in, the Frontiers Universe.

In order to achieve the Company's investment objective, the Investment Manager selects investments through a process of fundamental and geopolitical analysis, seeking long-term appreciation from mispriced value or growth. The Investment Manager employs both a top-down and bottom-up approach to investing. It is expected that the Company will have exposure to between 35 to 65 holdings.

Where possible, investment will generally be made directly in the stock markets of the Frontiers Universe. Where the Investment Manager determines it appropriate, investment may be made through collective investment schemes, although such investments are not likely to be significant. Investment in other closed-ended investment funds admitted to the Official List will not exceed more than 10%, in aggregate, of the value of the Gross Assets (calculated at the time of any relevant investment). It is intended that the Company will generally be invested in equity investments; however, the Investment Manager may invest in equity-related investments, such as derivatives or convertibles, and, to a lesser extent, in bonds or other fixed-income securities, including high risk debt securities. These securities may be below investment grade.

Due to national and/or international regulation, excessive operational risk, prohibitive costs and/or the time period involved in establishing trading and custody accounts in certain countries in the Frontiers Universe, the Company may be unable to invest (whether directly or through nominees) in companies in certain countries in the Frontiers Universe or, in the opinion of the Company and/or the Investment Manager, it may not be advisable to do so. In such circumstances, or in countries where acceptable custodial and other arrangements are not in place to safeguard the Company's investments, the Company intends to gain economic exposure to companies in such countries by investing indirectly through derivatives. Derivatives are financial instruments linked to the performance of another asset or security, such as promissory notes, contracts for difference, futures or traded options. Save as provided below, there is no restriction on the Company investing in derivatives in such circumstances or for efficient portfolio management purposes.

The Company may be geared through borrowings and/or by entering into derivative transactions (taking both long and short positions) that have the effect of gearing the Company's portfolio to enhance performance. The Company may also use borrowings for the settlement of transactions, to facilitate share repurchases (where applicable) and to meet on-going expenses.

The respective limits on gearing (whether through the use of derivatives, borrowings or a combination of both) are set out below:

- Maximum gearing through the use of derivatives or borrowings to gain exposure to long positions in securities: 140% of net assets
- Maximum exposure to short positions (for shorting purposes the Company may use indices or individual stocks): 10% of net assets
- Maximum gross exposure (total long exposure plus total short exposure): 150% of net assets
- Maximum net exposure (total long exposure minus total short exposure): 130% of net assets

In normal circumstances, the Company will typically have net exposure of between 95% and 120% of net assets.

When investing via derivatives, the Company will seek to mitigate and/or spread its counterparty risk exposure by collateralisation and/or contracting with a potential range of counterparty banks, as appropriate, each of which shall, at the time of entering into such derivatives, have a Standard & Poor's credit rating of at least A- on its long-term senior unsecured debt.

The Company may invest up to 5% of its Gross Assets (at the time of such investment) in unquoted securities. The Company will invest so as not to hold more than 15% of its Gross Assets in any one stock or derivative position at the time of investment (excluding cash management activities).

No material change will be made to the investment policy without the approval of shareholders by ordinary resolution.

A detailed analysis of the Company's portfolio has been provided on pages 17 to 24.

Investment approach and process

Portfolio construction is a continuous process, with the Investment Manager analysing constantly the impact of new ideas and information on the portfolio as a whole. The approach is flexible, varying through market and economic cycles to create a portfolio appropriate to the focused and unconstrained strategy of the Company. The macro environment is factored into all portfolio decisions. In general, macro analysis is a more dominant factor in investment decision-making when the outlook is negative. The macro process is comprised of three parts: political assessment, macroeconomic analysis and appraisal of the valuation of a country's market, which can only take place with thorough analysis of stock specific opportunities.

The Investment Manager's research team generates ideas from a diverse range of sources. When permitted, these include frequent travel to the markets in which the Company invests and regular conversations with contacts that allow the Frontiers team to assess the entire eco system around a company, namely competitors, suppliers, financiers, customers and regulators. The team leverages the internal research network, sharing information between BlackRock's investment teams using a proprietary research application and database and develops insights from macroeconomic analysis. The Board believes that BlackRock's research platform is a significant competitive advantage, both in terms of information specific to emerging and frontier market equities and through its global insights across asset classes. Access to companies is extremely good given BlackRock's market presence, which makes it possible to develop a detailed knowledge of a company and its management.

The research process focuses on cash flow and future earnings growth, as the investment team believes that this is ultimately

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the driver of share prices over time. The process is designed with the aim of identifying companies that can translate top line revenue growth to free cash flow and investing in these companies when the analysis suggests that the cash flow stream is undervalued. Financial models are developed focusing on company financials, particularly cash flow statements, rather than relying on third party research.

ESG integration

The Manager defines Environmental, Social and Governance (ESG) integration as the practice of incorporating material ESG information and consideration of sustainability risks into investment decisions in order to enhance ‘long term’ risk adjusted returns. Inclusion of this statement does not imply that the Company has a sustainability-aligned investment objective or constrain the Investment Manager’s investable universe and does not mean that a sustainable or impact focused investment strategy or any exclusionary screens have been or will be adopted by the Company, but rather describes how ESG information is considered as part of the overall investment process.

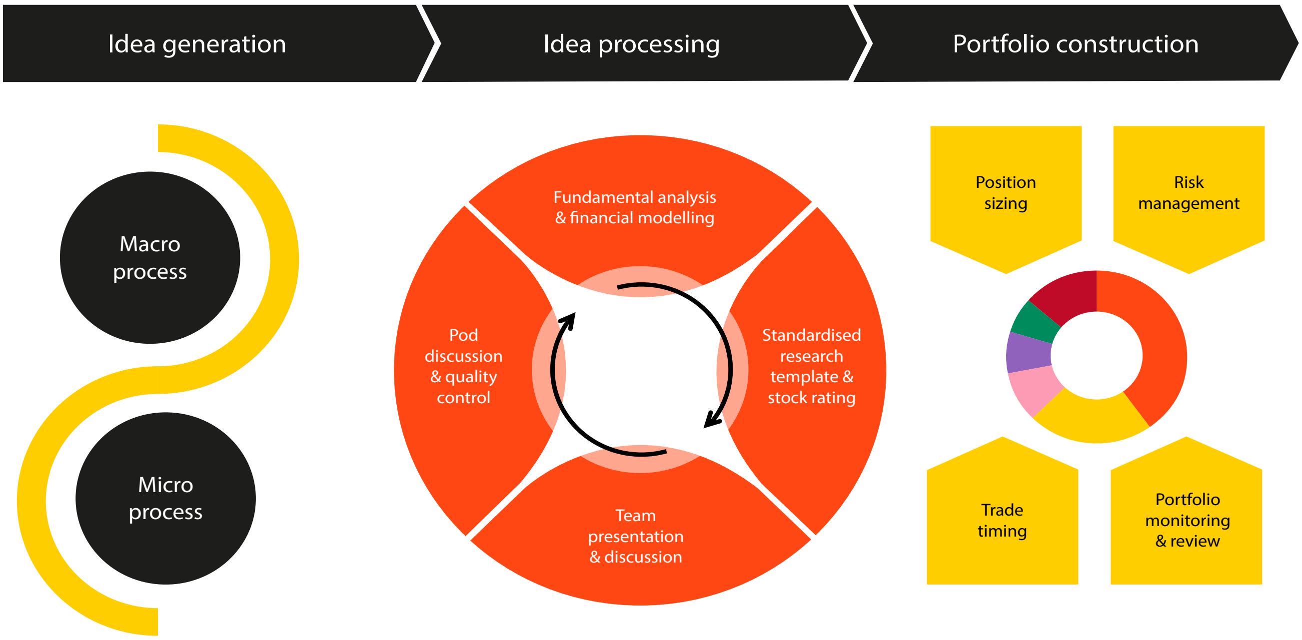
In making investment decisions, the Manager assesses a variety of economic and financial indicators which include ESG considerations in combination with other information in the research phase of the investment process to make investment decisions appropriate to the Company’s objectives. This may also include relevant third party insight, as well as internal engagement commentary and input from BlackRock Investment Stewardship (BIS) on governance issues. The portfolio managers conduct regular portfolio reviews with the BlackRock Risk and Quantitative Analysis (RQA) team. These reviews include discussion of the portfolio’s exposure to material ESG risks, as well as exposure to sustainability related business involvements, climate related metrics, traditional financial risks and other factors.

The portfolio managers’ approach to ESG integration is to broaden the total amount of information its investment professionals consider in order to improve investment analysis, seeking to meet or exceed economic return and financial risk targets. ESG factors can be useful and relevant indicators for investment purposes and can help portfolio managers with their decision-making through identifying potentially negative events or corporate behaviour. The portfolio managers work closely with BIS to assess the governance quality of companies and investigate any potential issues, risks or opportunities.

The Manager’s research team monitors differing levels of risk throughout the process and believes that avoiding major downside events can generate significant outperformance over the long term. Inputs from the RQA team are an integral part of the investment process. The RQA team analyse market and portfolio risk factors including stress tests, correlations, factor returns, cross sectional volatility and attributions. The Manager’s evaluation procedures and financial analysis of the companies within the portfolio also take into account environmental, social and governance matters and other business issues.

The Company does not meet the criteria for Article 8 or 9 products under the EU Sustainable Finance Disclosure Regulation (“SFDR”) and the investments within the portfolio do not take into account the EU criteria for environmentally sustainable economic activities.

Further information on the Manager’s approach to ESG and Socially Responsible Investing can be found in the Strategic Report on page 48.



Risk-aware portfolios built from a structured research framework

Performance

Details of the Company's performance for the year are given in the Chairman's Statement on pages 5 to 8. The Investment Manager's Report on pages 9 to 13 includes a review of the main developments during the period, together with information on investment activity within the Company's portfolio.

Results and dividends

The results for the Company are set out in the Statement of Comprehensive Income on page 85. The total profit for the year, after taxation, was US$74,856,000 (2022: loss of US$36,869,000) of which the revenue return amounted to US$15,872,000 (2022: US$12,013,000) and the capital profit amounted to US$58,984,000 (2022: loss of US$48,882,000).

The Directors are recommending the payment of a final dividend of 4.90 cents per ordinary share in respect of the year ended 30 September 2023 (2022: final dividend of 4.25 cents) as set out in the Chairman's Statement on page 5.

Key performance indicators

The Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators (KPIs) used to measure the progress and performance of the Company over time and which are comparable to those reported by other investment trusts are set out on the following page.

Performance measured against the Benchmark Index

At each meeting the Board reviews the performance of the portfolio as well as the net asset value and share price for the Company and compares this to the return of the Company's benchmark. The Board considers this to be an important key performance indicator and has determined that it should also be used to calculate whether a performance fee is payable to BlackRock. The Company's absolute and relative performance is set out in the performance record table on page 4.

Share rating and discount/premium

The Directors recognise the importance to investors that the Company's share price should not trade at a significant discount or premium to NAV. Accordingly, the Directors monitor the share rating closely and will consider share repurchases in the market if the discount widens significantly, or the issue of shares to the market to meet demand to the extent that the Company's shares are trading at a premium. In addition, in accordance with the Directors' commitment at launch the Company will formulate and submit to shareholders proposals to provide them with an opportunity at each five year anniversary since launch to realise the value of their ordinary shares at the prevailing NAV per share less applicable costs. Such an opportunity took place in the year ended 30 September 2021. The next opportunity will take place in early 2026.

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For the year under review the Company's shares traded at an average discount to the cum-income NAV of 8.4% and were trading at a discount of 7.3% on a cum-income basis at 27 November 2023. The Directors have the authority to buy back up to 14.99% of the Company's issued share capital (excluding treasury shares). The Directors sought and received shareholder authority at the last AGM to issue up to 10% of the Company's issued share capital (via the issue of new shares or sale of shares from treasury) on a non pre-emptive basis. Further information can be found in the Directors' Report on page 53.

Ongoing charges

The ongoing charges reflect those expenses which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective investment fund, excluding the costs of acquisition or disposal of investments, financing charges and gains or losses arising on investments and performance fees. The ongoing charges are based on actual costs incurred in the year as being the best estimate of future costs. The Board reviews the ongoing charges and monitors the expenses incurred by the Company.

The table below sets out the key KPIs for the Company (see Glossary on pages 131 to 135).

	Year ended 30 September 2023[1]		**Year ended 30 September 2022[1]**	
	£%	**US$%**	**£%**	**US$%**
Net asset value total return[2]	+14.3	+25.1	+7.7	-10.9
Share price total return[3]	+17.7	+28.8	+8.7	-10.0
Benchmark Index return[4]	-3.9	+5.0	+12.0	-7.3
Discount to cum income NAV		8.5		10.8
Ongoing charges[5]		1.38		1.36
Ongoing charges including performance fees[6]		3.78		1.36

1 Based on an exchange rate of US$1.2206 to £1 at 30 September 2023 and US$1.1163 to £1 at 30 September 2022.

2 Calculated with dividends reinvested.

3 Calculated on a mid to mid basis with dividends reinvested.

4 The Benchmark Index is a composite of the MSCI Emerging Markets Index ex Selected Countries + MSCI Frontier Markets Index + MSCI Saudi Arabia Index. Benchmark Index return calculates the reinvestment of dividends net of withholding taxes.

5 Ongoing charges represent the management fee and all other operating expenses, excluding performance fees, finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items, as a % of average daily net assets.

6 Ongoing charges represent the management fee and all other operating expenses, including performance fees, but excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items, as a % of average daily net assets.

The Board regularly reviews a number of indices and ratios to understand the impact on the Company's relative performance of the various components such as asset allocation and stock selection. The Board also reviews the performance of the Company against a peer group of frontier market focussed open and closed-ended funds.

Principal risks

As required by the 2018 UK Code of Corporate Governance, the Board has in place a robust, ongoing process to identify, assess and monitor the principal and emerging risks of the Company, including those that they consider would threaten its business model, future performance, solvency or liquidity. Emerging risks are considered by the Board as they come into view and are incorporated into the Company's risk register where applicable. Additionally, the Manager considers emerging risks in numerous forums and the Risk and Quantitative Analysis team produces an annual risk survey. Any material risks of relevance to the Company identified through the annual risk survey will be communicated to the Board.

A core element of this is the Company's risk register, which identifies the risks facing the Company and assesses the likelihood and potential impact of each risk, and the quality of the controls operating to mitigate the risk. A residual risk rating is then calculated for each risk based on the outcome of this assessment. This approach allows the effect of any mitigating procedures to be reflected in the final assessment.

The risk register, its method of preparation and the operation of the key controls in BlackRock's and other third party service providers' systems of internal control are reviewed on a regular basis by the Company's Audit and Management Engagement Committee. In order to gain a more comprehensive understanding of BlackRock's and other third party service providers' risk management processes and how these apply to the Company's business, the Audit and Management Engagement Committee periodically receives presentations from BlackRock's Internal Audit and Risk & Quantitative Analysis teams, and reviews

Service Organisation Control (SOC 1) reports from BlackRock and the Company's Custodian and Fund Accountant, The Bank of New York Mellon (International) Limited (BNYM).

The current risk register includes a range of risks spread between performance risk, income/dividend risk, legal and regulatory risk, counterparty risk, operational risk, market risk, political risk and financial risk.

The principal risks and uncertainties faced by the Company during the year, together with the potential effects, controls and mitigating factors, are set out on pages 36 to 41.

Investment Performance Risk

Principal risk

The Board is responsible for:

- setting the investment policy to fulfil the Company's objectives; and
- monitoring the performance of the Company's Investment Manager and the strategy adopted.

An inappropriate policy or strategy may lead to:

- poor performance compared to the Company's benchmark peer group or shareholder expectations;
- a widening discount to NAV;
- a reduction or permanent loss of capital; and
- dissatisfied shareholders and reputational damage.

The Board is also cognisant of the long-term risk to performance from inadequate attention to ESG issues and in particular the impact of climate change.

Mitigation/Control

To manage this risk the Board:

- regularly reviews the Company's investment mandate and long-term strategy;
- has set, and regularly reviews, the investment guidelines and has put in place appropriate limits on levels of gearing and the use of derivatives;
- receives from the Investment Manager a regular explanation of stock selection decisions, portfolio gearing and any changes in gearing and the rationale for the composition of the investment portfolio;
- receives from the Investment Manager regular reporting on the portfolio's exposure through derivatives, including the extent to which the portfolio is geared in this manner and the value of any short positions;
- monitors the maintenance of an adequate spread of investments in order to minimise the risks associated with particular countries or factors specific to particular sectors, based on the diversification requirements inherent in the Company's investment policy; and
- regularly reviews detailed performance attribution analysis.

ESG analysis is integrated into the Manager's investment process, as set out on pages 34 and 35. This is monitored by the Board.

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Income/Dividend Risk

Principal risk
The amount of dividends and future dividend growth will depend on the Company's underlying portfolio. In addition, any change in the tax treatment of the dividends or interest received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests) may reduce the level of dividends received by shareholders.

Mitigation/Control
Although the Company does not have a policy of actively seeking income, the Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each meeting. The Company also has a revenue reserve and powers to pay dividends from capital which can be used to support the Company's dividend if required.

Legal and Regulatory Risk

Principal risk
The Company has been approved by HM Revenue & Customs as an investment trust, subject to continuing to meet the relevant eligibility conditions, and operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from capital gains tax on the profits realised from the sale of its investments.

Any breach of the relevant eligibility conditions could lead to the Company losing its investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio.

In such event the investment returns of the Company may be adversely affected. Any serious breach could result in the Company and/or the Directors being fined or the subject of criminal proceedings or the suspension of the Company's shares which would in turn lead to a breach of the Corporation Tax Act 2010. Amongst other relevant laws and regulations, the Company is required to comply with the provisions of the Companies Act 2006, the Alternative Investment Fund Managers' Directive, the Market Abuse Act, the UK Listing Rules and the Disclosure Guidance & Transparency Rules.

Mitigation/Control
The Investment Manager monitors investment movements, the level of forecast income and expenditure and the amount of proposed dividends, if any, to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached, and the results are reported to the Board at each meeting.

Following authorisation under the Alternative Investment Fund Managers' Directive (AIFMD), the Company and its appointed Alternative Investment Fund Manager (AIFM) are subject to the risks that the requirements of this Directive are not correctly complied with. The Board and the AIFM also monitor changes in government policy and legislation which may have an impact on the Company.

Compliance with the accounting standards applicable to quoted companies and those applicable to investment trusts are also regularly monitored to ensure compliance.

The Company Secretary and the Company's professional advisers monitor developments in relevant laws and regulations and provide regular reports to the Board in respect of the Company's compliance.

Counterparty Risk

Principal risk
The Company's investment policy also permits the use of both exchange-traded and over-the-counter derivatives (including contracts for difference). The potential loss that the Company could incur if a counterparty is unable (or unwilling) to perform on its commitments.

Mitigation/Control
Due diligence is undertaken before contracts are entered into and exposures are diversified across a number of counterparties. The Board reviews the controls put in place by the Investment Manager to monitor and to minimise counterparty exposure, which include intra-day monitoring of exposures to ensure that these are within set limits.

Operational Risk

Principal risk

In common with most other investment trust companies, the Company has no employees. The Company therefore relies upon the services provided by third parties and is dependent on the control systems of BlackRock (the Investment Manager and AIFM), and of The Bank of New York Mellon (International) Limited (the Custodian, Depositary and Fund Accountant), which ensures safe custody of the Company's assets and maintains the Company's accounting records. The Company's share register is maintained by the Registrar, Computershare.

Failure by any service provider to carry out its obligations to the Company could have a material adverse effect on the Company's performance. Disruption to the accounting, payment systems or custody records, as a result of a cyberattack or otherwise, could impact the monitoring and reporting of the Company's financial position.

The security of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements, depend on the effective operation of these systems.

Mitigation/Control

The Board reviews the overall performance of the Manager, Investment Manager and all other third-party service providers and compliance with the investment management agreement on a regular basis.

The Fund Accountant's and the Manager's internal control processes are regularly tested and monitored throughout the year and are evidenced through their Service Organisation Control (SOC 1) reports, which are subject to review by an Independent Service Assurance Auditor. The SOC 1 reports provide assurance in respect of the effective operation of internal controls.

The Company's assets are subject to a strict liability regime and in the event of a loss of financial assets held in custody, the Depositary must return assets of an identical type or the corresponding amount, unless able to demonstrate that the loss was a result of an event beyond its reasonable control.

The Board considers succession arrangements for key employees of the Manager and the Board also considers the business continuity arrangements of the Company's key service providers on an ongoing basis and reviews these as part of its review of the Company's risk register.

The Board also receives regular reports from BlackRock's internal audit function.

Political Risk

Principal risk

Investments in the Frontiers Universe may include a higher element of risk compared to more developed markets due to greater political instability. Political and diplomatic events in the Frontiers Universe where the Company invests (for example, governmental instability, corruption, adverse changes in legislation or other diplomatic developments such as the outbreak of war or imposition of sanctions) could substantially and adversely affect the economies of such countries or the value of the Company's investments in those countries.

Mitigation/Control

The Investment Manager mitigates this risk by applying stringent controls over where investments are made and through close monitoring of political risks. The Investment Manager's approach to filtering the investment universe takes account of the political background to regions and is backed up by rigorous stock specific research and risk analysis, individually and collectively, in constructing the portfolio. The management team has a wide network of business and political contacts which provides economic insights with public and private bodies. This enables the Investment Manager to assess potential investments in an informed and disciplined way, as well as being able to conduct regular monitoring of investments once made. However, given the nature of political risk, all investments will be exposed to a degree of risk and the Investment Manager will ensure that the portfolio remains diversified across countries to mitigate the risk.

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Financial Risk

Principal risk
The Company's investment activities expose it to a variety of financial risks which include foreign currency risk, liquidity risk, currency risk and interest rate risk.

Mitigation/Control
Details of these risks are disclosed in note 17 to the financial statements, together with a summary of the policies for managing these risks.

Market Risk

Principal risk
Market risk arises from volatility in the prices of the Company's investments. It represents the potential loss the Company might suffer through realising investments in the face of negative market movements. The securities markets of the Frontiers Universe are not as large as the more established securities markets and have substantially less trading volume, which may result in a lack of liquidity and higher price volatility. There are fewer attractive investment opportunities in frontier markets, and this may lead to a delay in investment and may affect the price at which such investments may be made and reduce potential investment returns for the Company.

There is also exposure to currency, market and political risk due to the location of the operation of the businesses in which the Company may invest. As a consequence of this and other market factors the Company may invest in a concentrated portfolio of shares and this focus may result in higher risk when compared to a portfolio that has spread or diversified investments more broadly.

Corruption also remains a significant issue across the Frontiers Universe and the effects of corruption could have a material adverse effect on the Company's performance. Accounting, auditing and financial reporting standards and practices and disclosure requirements applicable to many companies in developing countries may be less rigorous than in developed markets. As a result, there may be less information available publicly to investors in these securities, and such information as is available is often less reliable.

The Company may also gain exposure to the Frontiers Universe by investing indirectly through Participatory Notes (P-Notes) which presents additional risk to the Company as P-Notes are uncollateralised resulting in the Company being subject to full counterparty risk via the P-Note issuer. P-Notes also present liquidity issues as the Company, being a captive client of a P-Note issuer, may only be able to realise its investment through the P-Note issuer and this may have a negative impact on the liquidity of the P-Notes which does not correlate to the liquidity of the underlying security.

The Portfolio Managers seek to understand the environmental, social and governance (ESG) risks and opportunities facing companies and industries in the portfolio. The Company does not exclude investment in stocks based on ESG criteria, but the Portfolio Managers consider ESG information when conducting research and due diligence on new investments and again when monitoring investments in the portfolio.

Mitigation/Control
Market risk represents the risks of investment in a particular market, country or geographic region. Therefore, this is largely outside of the scope of the Board's control. However, the Board carefully considers asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager. Market risk is also mitigated through portfolio diversification across countries and regions. The Board monitors the implementation and results of the investment process with the Investment Manager regularly.

The Investment Manager regularly reports to the Board on relative market risks associated with investment in such regions. Further information is provided under 'Political Risk'.

The Board recognises the benefits of a closed-end fund structure in extremely volatile markets such as those affected by the COVID-19 pandemic, and more recently the Russia-Ukraine conflict. Unlike open-ended counterparts, closed-end funds are not obliged to sell-down portfolio holdings at low valuations to meet liquidity requirements for redemptions. During times of elevated volatility and market stress, the ability of a closed-end fund structure to remain invested for the long term enables the Investment Manager to adhere to disciplined fundamental analysis from a bottom-up perspective and be ready to respond to dislocations in the market as opportunities present themselves.

Companies operating in the sectors in which the Company invests may be impacted by new legislation governing climate change and environmental issues, which may have a negative impact on their valuation and share price.

Viability statement

In accordance with the provisions of the UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the twelve months referred to by the 'Going Concern' guidelines. The Board is cognisant of the uncertainty surrounding the potential duration of the Russia-Ukraine conflict, its impact on the global economy, and the prospects for many of the Company's portfolio holdings. The same is true of the more recent hostilities in the Middle-East. Notwithstanding these crises, and given the factors stated below, the Board expects the Company to continue to meet its liabilities as they fall due for the foreseeable future and has therefore conducted this review for a period of five years. Five years is considered by the Board to be a reasonable time horizon over which the performance of the Company can be assessed. The Board also notes that this aligns with the five-yearly assessment period adopted when the Company was launched (on the basis that this was an appropriate time frame for shareholders to judge performance and have the opportunity to exit the fund at the applicable NAV per ordinary share less relevant costs).

The Board conducted this review for the period up to the AGM in 2029.

In determining this period, the Board took into account the Company's investment objective to achieve long-term capital growth and the Company's projected income and expenditure. The Directors believe that five years is an appropriate investment horizon to assess the viability of the Company. It is satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound.

When the Company was launched in late 2010, the Board made a commitment that before the Company's fifth AGM and at five yearly intervals thereafter, it would formulate and submit to shareholders proposals to provide shareholders with an opportunity to realise the value of their ordinary shares at the applicable NAV per ordinary share less applicable costs. The Board put proposals to shareholders in 2021. The Company received elections to tender representing 21.5% of the Company, with the vast majority of shareholders choosing to retain their investment. The Board believes this is indicative of the ongoing attractiveness of the Company's investment strategy and offering. The next such opportunity will occur in early 2026.

In making the longer-term viability assessment the Board has considered the following factors:

- the Company's principal risks as set out on pages 36 to 41;
- the level of ongoing demand for the Company's ordinary shares;
- the impact of a significant fall in Frontier equity markets on the value of the Company's investment portfolio;
- the ongoing relevance of the Company's investment objective, business model and investment policy in the current environment;
- the operational resilience of the Company and its key service providers and their ability to continue to provide a good level of service for the foreseeable future; and
- the effectiveness of business continuity plans in place for the Company and key service providers.

The Board has also considered a number of financial metrics, including:

- the level of current and historic ongoing charges incurred by the Company;
- the Company's borrowings and its ability to meet its liabilities as they fall due;
- the premium or discount to NAV;
- the level of income generated by the Company;
- future income forecasts; and
- the liquidity of the Company's portfolio.

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The Company is an investment company with a relatively liquid equity portfolio (as at 30 September 2023, 94.1% of the equity portfolio was capable of being realised in less than 20 days in normal market conditions) and largely fixed overheads (excluding performance fees) which comprise a very small percentage of net assets (1.38%). In addition, any performance fees are capped at 1% of gross assets in years where the NAV per share has fallen or 2.5% of gross assets in years where the NAV per share has increased. Therefore, the Board has concluded that even in exceptionally stressed operating conditions, the Company would comfortably be able to meet its ongoing operating costs as they fall due.

However, investment companies may face other challenges, such as regulatory changes and the tax treatment of investment trusts, or a significant decrease in size due to substantial share buy-back activity or market falls, which may result in the Company no longer being of sufficient market capitalisation to represent viable investment propositions or no longer being able to continue in operation.

The Board has determined that the factors considered are applicable to the period up to the AGM in 2029 and beyond.

In addition, the Board's assessment of the Company's ability to operate in the foreseeable future is included in the Going Concern Statement which can be found on pages 51 and 52 in the Directors' Report.

Based on the results of their analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

Section 172 Statement: Promoting the success of the BlackRock Frontiers Investment Trust Plc

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain more fully how they have discharged their duties under Section 172(1) of the Companies Act 2006 in promoting the success of their companies for the benefit of members as a whole. This enhanced disclosure covers how the Board has engaged with and understands the views of stakeholders and how stakeholders' needs have been taken into account, the outcome of this engagement and the impact that it has had on the Board's decisions.

As the Company is an externally managed investment company and does not have any employees or customers, the Board considers the main stakeholders in the Company to be the shareholders, key service providers (being the Manager and Investment Manager, the Custodian, Depositary, Registrar and Broker) and investee companies.

A summary of the principal areas of engagement undertaken by the Board with its key stakeholders in the year under review and how Directors have acted upon this to promote the long-term success of the Company is set out in the tables below.

Stakeholders

Shareholders

Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy. The Board is focused on fostering good working relationships with shareholders and on understanding the views of shareholders in order to incorporate them into the Board's strategy and objectives in delivering long-term growth and income.

Manager and Investment Manager

The Board's main working relationship is with the Manager, who is responsible for the Company's portfolio management (including asset allocation, stock and sector selection) and risk management, as well as ancillary functions such as administration, secretarial, accounting and marketing services. The Manager has sub-delegated portfolio management to the Investment Manager. Successful management of shareholders' assets by the Investment Manager is critical for the Company to successfully deliver its investment strategy and meet its objective. The Company is also reliant on the Manager as AIFM to provide support in meeting relevant regulatory obligations under the AIFMD and other relevant legislation.

Other key service providers

In order for the Company to function as an investment trust with a listing on the premium segment of the official list of the Financial Conduct Authority (FCA) and trade on the London Stock Exchange's (LSE) main market for listed securities, the Board relies on a diverse range of advisors for support in meeting relevant obligations and safeguarding the Company's assets. For this reason, the Board considers the Company's Custodian, Depositary, Registrar and Broker to be stakeholders. The Board maintains regular contact with its key external providers and receives regular reporting from them through the Board and committee meetings, as well as outside of the regular meeting cycle.

Investee companies

Portfolio holdings are ultimately shareholders' assets, and the Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy. The Board monitors the Manager's stewardship activities and receives regular feedback from the Manager in respect of meetings with the management of portfolio companies.

Strategic report
continued

A summary of the key areas of engagement undertaken by the Board with its key stakeholders in the year under review and how Directors have acted upon this to promote the long-term success of the Company are set out in the table below.

Area of Engagement

Responsible investing

Issue

The Board is committed to promoting the role and success of the Company in delivering on its investment mandate to shareholders over the long term. However, the Board recognises that securities within the Company's investment remit may involve significant additional risk due to the political volatility and environmental, social and governance concerns facing many of the countries in the Company's investment universe. While the Company does not have a sustainable investment objective or exclude investments based only on ESG criteria, these ethical and sustainability issues should be a consideration of our Manager's research. More than ever, consideration of sustainable investment is a key part of the investment process and should be factored in when making investment decisions. The Board also has responsibility to shareholders to ensure that the Company's portfolio of assets is invested in line with the stated investment objective and in a way that ensures an appropriate balance between spread of risk and portfolio returns.

Engagement

The Board believes that responsible investment and sustainability are important to the longer-term delivery of growth in capital and income and has worked very closely with the Manager throughout the year to regularly review the Company's performance and investment strategy and to understand how ESG considerations are integrated into the investment process.

The Manager's approach to the consideration of ESG factors in respect of the Company's portfolio, as well as its engagement with investee companies to encourage the adoption of sustainable business practices which support long-term value creation, are kept under review by the Board. The Manager reports to the Board in respect of its consideration of ESG factors and how these are integrated into the investment process; a summary of BlackRock's approach to ESG and sustainability is set out on page 48. The Investment Manager's engagement and voting policy is detailed on page 51 and on the BlackRock website.

Impact

The Board and the Manager believe there is a positive long-term correlation between strong ESG practices and investment performance. Details regarding the Company's NAV and share price performance can be found in the Chairman's Statement on page 5. The portfolio activities undertaken by the Manager, can be found in the Investment Manager's Report on pages 9 to 13.

Discount Strategy

Issue

The Board believes that the Company's unique investment offering, strong performance and an attractive dividend yield enhances demand for the Company's shares, which should help to maintain the Company's discount at as close to the underlying NAV as possible.

The Company has also put in place a 5-yearly mechanism which provides shareholders with a periodic opportunity to exit at NAV less costs. This last occurred in March 2021, with the next opportunity to take place in early 2026.

Engagement

The Manager reports total return performance statistics to the Board on a regular basis, along with the portfolio yield and the impact of dividends paid on brought forward distributable reserves.

The Board reviews the Company's discount/premium to NAV on a regular basis and holds regular discussions with the Manager and the Company's broker regarding the discount/premium level.

The Board also seeks shareholder authority each year to buy back up to 14.99% of the Company's issued share capital for cancellation or to be held in treasury for potential re-issue. Buying back the Company's shares can, in certain circumstances, help to narrow the discount and/or reduce the volatility in the share rating.

Impact
The average discount for the year to 30 September 2023 was 8.4%. During the year the Company's share price traded at a maximum discount of 12.7% and a minimum discount of 3.7%.

Service levels of third party providers

Issue
The Board acknowledges the importance of ensuring that the Company's principal suppliers are providing a suitable level of service, including the Manager in respect of investment performance and delivering on the Company's investment mandate; the Custodian and Depositary in respect of their duties towards safeguarding the Company's assets; the Registrar in its maintenance of the Company's share register and dealing with investor queries and the Company's Brokers in respect of the provision of advice and acting as a market maker for the Company's shares.

Engagement
The Manager reports to the Board on the Company's performance on a regular basis. The Board carries out a robust annual evaluation of the Manager's performance, their commitment and available resources. As previously announced, the Board is pleased that the portfolio management team has been bolstered this year by the appointment of a third portfolio manager, Sudaif Niaz.

The Board performs an annual review of the service levels of all third party service providers and concludes on their suitability to continue in their role.

The Board receives regular updates from the AIFM, Depositary, Registrar and Brokers on an ongoing basis.

The Board works closely with the Manager to gain comfort that relevant business continuity plans are operating effectively for all of the Company's service providers.

Impact
All performance evaluations were performed on a timely basis and the Board concluded that all third-party service providers, including the Manager, Custodian, Depositary and Fund Accountant were operating effectively and providing a good level of service.

The Board has received updates in respect of business continuity planning from the Company's Manager, Custodian, Depositary, Fund Accountant, Broker, Registrar and printer, and is confident that arrangements are in place to ensure that a good level of service will continue to be provided.

Board composition

Issue
The Board is committed to ensuring that its own composition brings an appropriate balance of knowledge, experience and skills, and that it is compliant with best corporate governance practice under the UK Code, including guidance on tenure and the composition of the Board's committees.

Engagement
The Board recognises the benefits of diversity and regular refreshment but does not believe tenure alone should determine whether a Director remains independent.

As it does each year, the Board, discharging the duties of a Nomination Committee, considers the composition of the Board to ensure that it is suitably aligned with the activities and needs of the Company. Following this review, and in accordance with corporate governance best practice, the Board has resolved to appoint Katrina Hart as Chair-elect, to take office from the conclusion of the AGM and to appoint Elisabeth Airey as Senior Independent Director. The Board has also commenced a search and selection process to identify a suitable replacement for Sarmad Zok who will step down at the conclusion of the AGM. It has appointed an independent third party recruiter, Odgers Berndtson, to assist with this important process.

The Board will continue to keep the composition of the Board under regular review. If it is determined that a new appointment to the Board is required, it will agree the selection criteria, which will take into account the need to maintain a suitable balance of skills, knowledge, independence and diversity.

Strategic report
continued

All Directors are subject to a formal evaluation process on an annual basis (more details and the conclusions in respect of the 2023 evaluation process are given on page 60). All eligible Directors stand for re-election by shareholders annually. Shareholders may attend the AGM and raise any queries in respect of Board composition or individual Directors in person or may contact the Company Secretary or the Chairman using the details provided on page 120 if they wish to raise any issues.

Impact
The Directors are not aware of any issues that have been raised directly by shareholders in respect of Board composition in 2023. Details for the proxy voting results in favour and against individual Directors' re-election at the 2022 AGM are given on the Company's website at www.blackrock.com/uk/brfi.

Shareholders

Issue
Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy.

Engagement
The Board is committed to maintaining open channels of communication and engaging with shareholders. The Company welcomes and encourages attendance and participation from shareholders at its Annual General Meetings. Shareholders therefore have the opportunity to meet the Directors and Investment Manager and to address questions to them directly.

The Annual Report and Half Yearly Financial Report are available on the BlackRock website and are also circulated to shareholders either in printed copy or via electronic communications. In addition, regular updates on performance, monthly factsheets, the daily NAV and other information are published on the website at www.blackrock.com/uk/brfi.

The Board works closely with the Manager to develop the Company's marketing strategy, with the aim of ensuring effective communication with shareholders in respect of the investment mandate and objective. Unlike trading companies, one-to-one shareholder meetings usually take the form of a meeting with the Investment Manager as opposed to members of the Board. As well as attending regular investor meetings the Investment Manager holds regular discussions with wealth management desks and offices to build on the case for, and understanding of, long-term investment opportunities in frontier markets.

The Manager coordinates public relations activity, including meetings between the Investment Manager and relevant industry publications to set out their vision for the portfolio strategy and outlook for the region.

The Manager releases monthly portfolio updates to the market to ensure that investors are kept up to date in respect of performance and other portfolio developments and maintains a website on behalf of the Company that contains relevant information in respect of the Company's investment mandate and objective.

If shareholders wish to raise issues or concerns with the Board, they are welcome to do so at any time. The Chairman is available to meet directly with shareholders periodically to understand their views on governance and the Company's performance where they wish to do so. He may be contacted via the Company Secretary whose details are given on page 120.

Impact
The Board values any feedback and questions from shareholders ahead of and during Annual General Meetings in order to gain an understanding of their views and will take action when and as appropriate. Feedback and questions will also help the Company evolve its reporting, aiming to make reports more transparent and understandable.

Feedback from all substantive meetings between the Investment Manager and shareholders is shared with the Board. The Directors also receive updates from the Company's broker on any feedback from shareholders, as well as share trading activity, share price performance and an update from the Investment Manager.

The Board's approach to ESG considerations

Material environmental, social and governance (ESG) issues can present both opportunities and threats to long-term investment performance. The securities within the Company's investment remit may involve significant additional risk due to the political volatility and ESG concerns facing many of the countries in the Company's investment universe. While the Company does not have a sustainable investment objective or exclude investments based only on ESG criteria, these ethical and sustainability issues are a consideration of the Board, and your Board is committed to a diligent oversight of the activities of the Manager in these areas. The Board believes engagement with management is, in most cases, the most effective way of driving meaningful positive change in the behaviour of investee company management. The Board believes that BlackRock is well placed as Manager to fulfil these requirements due to the integration of ESG into its investment processes, the emphasis it places on sustainability, its long-term approach to stewardship and corporate governance, and its position in the industry as one of the largest suppliers of sustainable investment products in the global market. More information on BlackRock's approach to responsible ownership is set out on page 48.

Future prospects

The Board's main focus is on the achievement of capital growth and the future of the Company is dependent upon the success of the investment strategy. The outlook for the Company is discussed in both the Chairman's Statement on pages 5 to 8 and in the Investment Manager's Report on pages 9 to 13.

Social, community and human rights issues

As an investment trust, the Company has no direct social or community responsibilities. However, the Company believes that it is in shareholders' interests to consider environmental, social and governance factors and human rights issues when selecting and retaining investments. Details of the Company's policy on socially responsible investment are set out above and the Manager's approach is described on page 48.

Modern slavery

As an investment vehicle the Company does not provide goods or services in the normal course of business and does not have customers. Accordingly, the Directors consider that the Company is not required to make any slavery or human trafficking statement under the Modern Slavery Act 2015. In any event, the Board considers the Company's supply chain, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

Directors, gender representation and employees

The Directors of the Company on 30 September 2023 are set out in the Directors' biographies section on pages 29 to 31. As at 29 November 2023, the Board consisted of three men and three women constituting 50% female Board representation. The Company does not have any employees.

By order of the Board

KEVIN MAYGER
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
9 November 2023

BlackRock Investment Stewardship

Investment stewardship approach

Consistent with BlackRock's fiduciary duty as an asset manager, BlackRock Investment Stewardship (BIS) seeks to support investee companies in their efforts to deliver long-term financial value on behalf of their clients. These clients include public and private pension plans, governments, insurance companies, endowments, universities, charities and, ultimately, individual investors, among others. BIS serves as a link between BlackRock's clients and the companies they invest in. Clients depend on BlackRock to help them meet their investment goals; the business and governance decisions that companies make may have a direct impact on BlackRock's clients' long-term investment outcomes and financial wellbeing.

From BlackRock's perspective, business-relevant sustainability issues can contribute to a company's long-term financial performance, and thus further incorporating these considerations into the investment research, portfolio construction, and stewardship process can enhance long-term risk adjusted returns. By expanding access to data, insights and learning on material business risks and opportunities in investment processes across BlackRock's diverse platform, BlackRock believes that the investment process is greatly enhanced. The Company's Investment Manager works closely with BlackRock's Investment Stewardship team to assess the governance quality of companies and business practices, and better understand any potential issues, risks or opportunities. The Investment Manager uses this information when conducting research and due diligence on new investments and again when monitoring investments in the portfolio.

Global Principles

The BIS Global Principles, regional voting guidelines, and engagement priorities (collectively, the "BIS policies") set out the core elements of corporate governance that guide BIS' investment stewardship efforts globally and within each regional market, including when engaging with companies and voting at shareholder meetings when authorized to do so on behalf of clients. Each year, BIS reviews its policies and updates them as necessary to reflect changes in market standards and regulations, insights gained over the year through third-party and its own research, and feedback from clients and companies.

Regional proxy voting guidelines

BIS' regional voting guidelines are intended to help clients and companies understand its thinking on key governance matters. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at the shareholder meeting. BIS applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock informs voting decisions through research and engages as necessary. BIS reviews its voting guidelines annually and updates them as necessary to reflect changes in market standards, evolving governance practice and insights gained from engagement over the prior year. BIS' regional voting guidelines are available on its website at www.blackrock.com/corporate/about-us/investmentstewardship#stewardship-policies.

BlackRock is committed to transparency in terms of disclosure of its stewardship activities on behalf of clients. BIS publishes its stewardship policies – such as the BIS Global Principles, regional voting guidelines, and engagement priorities – to help BlackRock's clients understand its work to advance their interests as long-term investors in public companies. Additionally, BIS publishes both annual and quarterly reports detailing its stewardship activities, as well as vote bulletins that describe its rationale for certain votes at high profile shareholder meetings.

BlackRock's reporting and disclosures

In terms of its own reporting, BlackRock believes that the Sustainability Accounting Standards Board provides a clear set of standards for reporting sustainability information across a wide range of issues, from labour practices to data privacy to business ethics. For evaluating and reporting climate-related risks, as well as the related governance issues that are essential to managing them, the Task Force on Climate-Related Financial Disclosures (TCFD) provides a valuable framework. BlackRock recognises that reporting to these standards requires significant time, analysis and effort. BlackRock's 2022 TCFD report can be found at www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2022-blkinc.pdf.

The above forms part of the Strategic Report.

Directors' report

The Directors present the Annual Report and Financial Statements of the Company for the year ended 30 September 2023.

Status of the Company

The Company carries on business as an investment trust. It has been approved by HM Revenue & Customs as an investment trust in accordance with Sections 1158 and 1159 of the Corporation Tax Act 2010, subject to the Company continuing to meet eligibility conditions. The Directors are of the opinion that the Company has conducted its affairs in a manner which will satisfy the conditions for continued approval.

The Company is domiciled in the UK as an investment company within the meaning of Section 833 of the Companies Act 2006. It is not a close company and has no employees.

As an investment company that is managed and marketed in the United Kingdom, the Company is an Alternative Investment Fund (AIF) falling within the scope of, and subject to the requirements of the Alternative Investment Fund Managers' Directive, as implemented, retained and onshored in the UK. The Company is governed by the provisions of the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 ('the Regulations') and is required to be authorised by the FCA and must comply with a number of obligations, including the appointment of an AIFM and a depositary to carry out certain functions. The AIFM must also comply with the Regulations in respect of leverage, outsourcing, conflicts of interest, risk management, valuation, remuneration and capital requirements. Additional disclosures to both shareholders and the FCA are also required. Further details are set out on the Company's website at www.blackrock.com/uk/brfi, the Regulatory disclosures section on pages 124 to 129 and in the notes to the financial statements on pages 101 to 114.

The Company is a qualifying company for the purposes of Stocks & Shares ISA.

The Common Reporting Standard

On 1 January 2016 the Organisation for Economic Cooperation and Development (OECD) Common Reporting Standard for Automatic Exchange of Financial Account Information (the Common Reporting Standard) was introduced and is applicable to the Company.

The legislation requires investment trust companies to provide personal information to HMRC about investors who purchase shares in investment trusts. The Company will have to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated shareholders and corporate entities. The local tax authority to which the information is initially passed may in turn exchange the information with the tax authorities of another country or countries in which the shareholder may be tax resident, where those countries (or tax authorities in those countries) have entered into agreements to exchange financial account information.

All new shareholders, excluding those whose shares are held in CREST, entered on to the share register will be sent a certification form for the purposes of collecting this information.

Shareholder Rights Directive II

The Shareholder Rights Directive II took effect from 10 July 2019 with some transitional provisions. It encourages long-term shareholder engagement and transparency between companies and shareholders. In substantive terms the changes are small for investment companies and the majority of requirements apply to the Company's remuneration policy and disclosure of processes, as well as related party transactions. There are also additional rules for Alternative Investment Fund Managers and proxy advisers.

GDPR

Data protection rights were harmonised across the European Union following the implementation of the General Data Protection Regulation ("GDPR") on 25 May 2018. The Board has sought and received assurances from its third-party service providers that they have taken appropriate steps to ensure compliance with the regulation. The Company's 'Data Privacy Policy' can be found on the Company's website at www.blackrock.com/uk/brfi.

Facilitating retail investments

The Company currently conducts its affairs so that its securities can be recommended by independent financial advisers to retail investors in accordance with the FCA rules in relation to non-mainstream pooled investments and intends to continue to do so for the foreseeable future. The securities are excluded from the FCA's restrictions which apply to non-mainstream pooled investments because they are shares in an investment trust.

Directors' report
continued

Future prospects
Commentary on future prospects for the Company is set out in both the Chairman's Statement on pages 5 to 8 and the Investment Manager's Report on pages 9 to 13.

Dividends
Details of dividends paid and payable in respect of the year are set out in the Chairman's Statement on page 5 and in the Strategic Report on page 35.

Investment management and administration
BlackRock Fund Managers Limited (BFM) was appointed as the Company's AIFM with effect from 2 July 2014, having been authorised as an AIFM by the FCA on 1 May 2014. The management contract is terminable by either party on six months' notice.

BlackRock Investment Management (UK) Limited (BIM (UK)) continues to act as the Company's Investment Manager under a delegation agreement with BFM. BIM (UK) also acted as the Secretary of the Company throughout the year. BFM receives an annual fee of 1.10% of the Company's gross asset value plus a performance fee equal to 10% of any increase in the NAV at the end of a performance period over and above what would have been achieved had the cumulative NAV since admission to trading on the Official List of the London Stock Exchange increased in line with the Benchmark Index (all calculations on a US Dollar basis with dividends reinvested).

The performance fee payable in any year is capped at 2.5% of the gross assets of the Company if there is an increase in the NAV per share, or 1% of the gross assets of the Company if there is a decrease of the NAV per share, at the end of the relevant performance period. It is also subject to a high watermark such that any performance fee arising is only payable to the extent that the cumulative relative outperformance of the NAV is greater than what would have been achieved had the NAV increased in line with the Benchmark Index (US Dollar basis with dividends reinvested) since the last date in relation to which a performance fee had previously been paid. This mechanism requires the Manager to catch up any previous cumulative underperformance against the benchmark before a performance fee can be generated. For the year ended 30 September 2023, a performance fee of US$8,272,000 is payable (2022: US$nil). Further details are given in note 4 on pages 93 and 94. A detailed review of the management fee structure was undertaken during the year and the Board concluded that the current fee structure was appropriate for an investment company in this sector.

The Company contributes to a focused investment trust sales and marketing initiative operated by BIM (UK) on behalf of the investment trusts under its management. The Company's contribution to the consortium element of the initiative, which enables the investment trusts to achieve efficiencies by combining certain sales and marketing activities, represented 0.025% per annum (subject to an overall cap) of its net assets of US$326,220,000 (£271,195,000) as at 31 December 2022 and this contribution is matched by BIM (UK). For the year ended 30 September 2023, the capped amount of US$90,000 (excluding VAT) has been accrued in respect of these initiatives. The purpose of the programme overall is to ensure effective communication with existing shareholders and to attract new shareholders to the Company. This has the benefit of improving liquidity in the Company's shares and helps sustain the stock market rating of the Company.

BFM and BIM (UK) are subsidiaries of BlackRock, Inc. which is a publicly traded corporation on the New York Stock Exchange operating as an independent firm.

Appointment of the manager
The Company is required under the AIFMD to appoint an AIFMD compliant depositary. The Board considers the arrangements for the provision of management services to the Company on an ongoing basis and a formal review is conducted annually. As part of the annual review the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date. The Board believes that the appointment of BFM as AIFM, and the delegation of investment management services to BIM (UK), on the terms disclosed above, is in the interests of shareholders as a whole given BlackRock's proven track record in successfully investing in frontier markets.

Depositary and Custodian
The Company appointed BNY Mellon Trust & Depositary (UK) Limited (BNYMTD) with effect from 2 July 2014. With effect from 1 November 2017, the role of the Depositary was transferred by operation of a novation agreement from BNYMTD to its parent company, The Bank of New York Mellon (International) Limited (BNYM or the Depositary).

The Depositary's duties and responsibilities are outlined in the investment fund legislation (as defined in the FCA AIF Rulebook). The main role of the Depositary under AIFMD is to act as a central custodian with additional duties to monitor the operations of the Company, including monitoring cash flows and ensuring that the Company's assets are valued appropriately in accordance with the relevant regulations and guidance. The Depositary is also responsible for enquiring into the conduct of the AIFM in each annual accounting period. The Depositary receives a fee payable at 0.0095% of the net assets of the Company. The Company has appointed the Depositary in a tripartite agreement, to which BFM as AIFM is also a signatory. The Depositary is liable for the loss of financial instruments held in custody.

Under the depositary agreement, custody services in respect of the Company's assets are provided by The Bank of New York Mellon (International) Limited. BNYM receives a custody fee payable by the Company at rates depending on the number of trades effected and the location of securities held. The depositary agreement is subject to 90 days' notice of termination by any party.

Registrar

The Company has appointed Computershare Investor Services PLC as its Registrar (the Registrar). The principal duty of the Registrar is the maintenance of the register of shareholders (including registering transfers). It also provides services in relation to any corporate actions, dividend administration, shareholder documentation, the Common Reporting Standard and the Foreign Account Tax Compliance Act.

The Registrar receives a fixed fee plus disbursements and VAT per annum. Fees in respect of corporate actions are negotiated on an arising basis.

CFD counterparties

The Company uses derivatives (including contracts for difference) and/or structured financial instruments, for example P-Notes, to gain exposure to the Frontiers Universe in certain circumstances. Citibank, HSBC, Goldman Sachs, Morgan Stanley, BNP Paribas and Bank of America Merrill Lynch act as contracts for difference (CFD) counterparties to the Company under separate International Swaps and Derivatives Association (ISDA) master agreements. The ISDA agreements are terminable subject to 30 days' notice by either party.

Change of control

There are no agreements to which the Company is a party that might be affected by a change in control of the Company.

Exercise of voting rights in investee companies

The exercise of voting rights attached to the Company's portfolio has been delegated to the Investment Manager by BFM. BIM (UK)'s approach to voting at shareholder meetings, engagement with companies and corporate governance is framed within an investment context. BIM (UK) believes that sound corporate governance practices by companies can contribute to their long-term financial performance and thus to better risk-adjusted returns. BIM (UK)'s proxy voting process is led by the BlackRock Investment Stewardship team, located in nine offices around the world. In addition to its own dedicated staff, the BIS team draws upon the expertise of BIM (UK)'s portfolio managers, researchers and other internal and external resources globally.

BIM (UK)'s stewardship policies are published on the website at:
www.blackrock.com/corporate/about-us/investment-stewardship#our-responsibility.

The principles set out BIM (UK)'s views on the overarching features of corporate governance that apply in all markets. For each region, BIM (UK) also publishes regional voting guidelines, which are updated every year to ensure that they remain relevant.

The regional voting guidelines are principles based and not prescriptive because BIM (UK)'s experience, each voting situation needs to be assessed on its economic merits. Voting decisions are taken to support the outcome that in BIM (UK)'s assessment, will be best aligned with the long-term financial interests of their clients.

During the year under review, the Investment Manager voted on 375 proposals at 42 general meetings on behalf of the Company. At these meetings the Investment Manager voted in favour of most resolutions, but did not support 54 (10.95%) management resolutions and abstained from voting on 8 (1.62%) resolutions. Most of the votes against were in respect of proposals which contained insufficient disclosure for the Investment Manager to make an informed decision, or in respect of executive remuneration packages which were considered to be poorly structured.

Principal risks

The key risks faced by the Company are set out in the Strategic Report on pages 36 to 41.

Directors' report
continued

Going concern
As described in the viability statement on pages 41 and 42 of the Annual Report, the Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the period to 30 September 2025, being a period of at least 12 months from the date of approval of these financial statements and is financially sound. The Board is still mindful of the current environment of heightened geopolitical risk given the war in Ukraine, the hostilities in the Middle-East, and their current and potential future impact on the global economy.

The financial statements of the Company have been prepared on a going concern basis. In reaching this conclusion, the Directors have considered the nature and liquidity of the portfolio, the Company's investment objectives, the Company's projected and actual income and expenditure and its ongoing charges of approximately 1.38% of net assets (excluding performance fees). The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future, that it is able to meet its liabilities as they fall due and that it is financially sound.

Directors
The Directors of the Company as at 30 September 2023 and their biographies are set out on pages 29 to 31. Details of Directors' interests in the ordinary shares of the Company are set out on pages 64 and 65 of the Directors' Remuneration Report. All the Directors held office throughout the year under review. The Company's Articles of Association ('the Articles') require that one third of the Directors retire by rotation each year and seek re-election at the AGM and also that every Director submit himself or herself for re-election at least every three years. Subject to these requirements for re-election, Directors are appointed to the Board for a specified period, initially for three years and subsequent extensions are, in each case, at the discretion of the Board. Having given due regard to developing corporate governance and best practice, all Directors have agreed to retire and submit themselves for re-election annually.

Accordingly, all Directors, other than Mr Twiston-Davies and Mr Zok, will retire at the forthcoming AGM, and being eligible, will offer themselves for re-election. The Board is conscious of the need to maintain a degree of continuity and believes that retaining Directors with sufficient experience of both the Company and the markets is of great benefit to shareholders. The Board believes that the performance of all Directors continues to be effective and that they demonstrate a range of business, financial and asset management skills and experience relevant to the direction and control of the Company. The Board, having considered the retiring Directors' performance within the annual Board performance evaluation process, hereby recommends that shareholders vote in favour of each Director's proposed re-election. Further information on the respective skills and experience of each member of the Board can be found on page 54.

There were no contracts subsisting during the year under review or up to the date of this report in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. None of the Directors is entitled to compensation for loss of office on the takeover of the Company. None of the Directors has a service contract with the Company.

Conflicts of interest
The Board has put in place a framework in order for Directors to report conflicts of interests or potential conflicts of interest. All Directors are required to notify the Company Secretary of any situations, or potential situations where they consider that they have or may have a direct or indirect interest or duty that conflicted or possibly conflicted with the interests of the Company. The Board has considered that the framework worked effectively throughout the period under review. All such situations were reviewed by the Board and duly authorised. Directors were also made aware that there remains a continuing obligation to notify the Company Secretary of any new situation that may arise, or any change to a situation previously notified. It is the Board's intention to continue to review all notified situations on a regular basis.

Directors' remuneration report and policy
The Directors' Remuneration Report and Remuneration Policy is set out on pages 63 to 67. An advisory ordinary resolution to approve the Directors' Remuneration Report (excluding any content relating to the Remuneration Policy) will be put to shareholders at the Company's next AGM in February 2024. The Company is required to put the Directors' Remuneration Policy to a binding shareholder vote every three years. The Company's Remuneration Policy was last put to shareholders at the AGM in 2023 and therefore a resolution approving the policy will be laid before shareholders at the AGM in 2026.

Substantial share interests

As at 30 September 2023, the Company had received notification in accordance with the FCA's Disclosure Guidance and Transparency Rule 5.1.2R of the following interests in 3% or more of the voting rights attaching to the Company's issued share capital.

Name	Number of voting rights	% of total voting rights
City of London Investment Management Company Limited	23,900,259	12.62
Investec Wealth	17,359,433	9.16
RBC Brewin Dolphin	12,528,608	6.61
1607 Capital Partners, LLC	10,742,802	5.67
Tilney Smith & Williamson Limited	9,313,608	4.91

As at 27 November 2023, being the latest practicable date prior to disclosure of the Annual Report, the Company had received the following additional notification of interests in 3% or more of the voting rights attached to the Company's issued share capital.

Name	Number of voting rights	% of total voting rights
City of London Investment Management Company Limited	25,526,578	13.48
Investec Wealth	16,917,738	8.93
RBC Brewin Dolphin	12,138,058	6.41
1607 Capital Partners, LLC	12,022,830	6.35

Share capital, ordinary share issues and repurchases

At 30 September 2023, the Company had 241,822,801 ordinary shares in issue, of which 52,497,053 were held in treasury. The Company also has 50,000 management shares in issue which carry the right to a fixed cumulative preferred dividend. The management shares are held by the Manager, BlackRock Investment Management (UK) Limited. Full details of the Company's issued share capital are given in notes 15 and 16 to the financial statements on pages 99 and 100. Details of the voting rights in the Company's shares as at the date of this report are given in note 17 to the Notice of Annual General Meeting on page 141.

The Company's ordinary shares carry the right to receive dividends and have one voting right per ordinary share. There are no restrictions on the voting rights or the transfer of the ordinary shares. There are no shares which carry specific rights with regard to the control of the Company. No ordinary shares were allotted or bought back during the year to 30 September 2023. No ordinary shares were allotted or bought back following the year end.

The Directors seek shareholder authority each year to allot new shares, dis-applying pre-emption rights, and to repurchase the Company's shares in the market, to be cancelled or retained in treasury for re-issue. Although the Investment Manager initiates any buy backs, the policy and parameters are set by the Board and reviewed at regular intervals. The Company intends to raise the cash needed to finance the purchase of shares either by selling securities in the Company's portfolio or by short-term borrowing.

The current authority to issue new shares or purchase ordinary shares in the market (to be held in treasury or for cancellation) was granted to the Directors on 7 February 2023 and expires at the conclusion of this year's AGM. The Directors are proposing that these authorities be renewed at the forthcoming AGM.

Treasury shares

At the AGM in 2023, the Company was authorised to purchase its own ordinary shares to be held in treasury for reissue or cancellation at a future date. No ordinary shares were purchased under this authority during the year. The Company currently

Directors' report

continued

holds 52,497,053 (2022: 52,497,053) ordinary shares in treasury.

Streamlined energy and carbon reporting (SECR) statement: greenhouse gas (GHG) emissions and energy consumption disclosure

As an externally managed investment company, the Company has no greenhouse gas emissions to report from its operations, nor does it have any responsibility for any other emissions producing sources under the Companies Act (Strategic Report and Directors' Reports) Regulations 2013. For the same reason, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

Articles of association

Any amendments to the Company's Articles must be made by special resolution.

Business of the AGM

Annual general meeting

The following information to be discussed at the forthcoming AGM is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents (but not the personalised Form of Proxy) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The business of this year's AGM consists of 13 resolutions. Resolutions 1 to 10 are proposed as ordinary resolutions and resolutions 11 to 13 are being proposed as special resolutions.

Resolution 1 – Approval of the Annual Report and Financial Statements

This resolution seeks shareholder approval of the Annual Report and Financial Statements for the year ended 30 September 2023 and the Auditor's report thereon.

Resolution 2 – Approval of the Directors' Remuneration Report

This resolution is an advisory vote on the Directors' Remuneration Report, which is set out on pages 63 to 65, excluding any content relating to the remuneration policy.

Resolution 3 – Approval of a final dividend

Resolution 3 seeks shareholder approval of a final dividend of 4.90 cents per ordinary share for the year ended 30 September 2023.

Resolutions for the re-election of Directors

The biographies of the Directors are set out on pages 29 to 31 and are incorporated into this report by reference. The skills and experience that each Director brings to the Board for the long-term sustainable success of the Company are set out below. All the Directors will stand for election or re-election by shareholders at the AGM in accordance with the requirements of the UK Code.

Resolution 4

Relates to the re-election of Stephen White who was appointed on 13 July 2016, and who also chairs the Company's Audit and Management Engagement Committee. Stephen has many years of experience in the investment management sector as well as serving as a non-executive director on several investment trust companies. He is a qualified Chartered Accountant.

Resolution 5

Relates to the re-election of Katrina Hart who was appointed on 1 October 2019. Katrina has extensive knowledge of the UK retail investment market and has served on the boards of an asset management operating companies and several investment trust companies.

Resolution 6

Relates to the re-election of Elisabeth Airey who was appointed on 10 December 2021. Elisbeth has provided significant insight to the Board through her financial and corporate experience and knowledge of the investment management sector. She has also served on boards of several investment trust companies.

Resolution 7

Relates to the re-election of Lucy Taylor-Smith who was appointed on 10 December 2021. Lucy brings business and executive experience within the financial services industry and beyond, having worked with a broad range of publicly listed entities. She has spent much of her career in Asia.

Resolutions 8 and 9 – Reappointment of the external Auditor and the Auditor's Remuneration

These resolutions relate to the re-appointment and remuneration of the Company's Auditor. The Company, through its Audit and Management Engagement Committee, has considered the independence and objectivity of the external Auditor and are satisfied that the Auditor remains independent. Further information in relation to the assessment of the Auditor's independence can be found on pages 72 and 73.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM.

Resolution 10 – Authority to allot ordinary shares

Resolution 10 seeks to renew the authority of the Directors to allot ordinary shares for cash up to an aggregate nominal amount of US$189,325.74 which is equivalent to 18,932,574 ordinary shares of 1 cent each and represents 10% of the Company's issued ordinary share capital (excluding any treasury shares) as at the date of the Notice of Annual General Meeting, or, if different, such nominal amount as represents 10% of the Company's issued share capital as at the date of the passing of this resolution.

Special Resolution 11 – Authority to dis-apply pre-emption rights

Special Resolution 11 empowers the Directors to allot new shares for cash or to sell ordinary shares held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of US$189,325.74 which is equivalent to 18,932,574 ordinary shares of 1 cent each and represents 10% of the Company's issued ordinary share capital (excluding any treasury shares). The special resolution to be proposed will enable the Directors, at their discretion, to allot a limited number of equity securities for cash and will also provide the Directors with greater flexibility should appropriate business opportunities arise.

Special Resolution 12 – Authority to buy back shares

The special resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own ordinary shares. Purchases of ordinary shares will only be made through the market for cash at prices below the prevailing NAV per ordinary share. Under the Listing Rules of the Financial Conduct Authority the maximum price which can be paid shall be the higher of (i) an amount equal to 5% above the average of the market values of the ordinary shares for the five business days immediately preceding the date on which the purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of, and (b) the highest current independent bid for, any number of ordinary shares on the trading venue where the purchase is carried out. In making purchases, the Company will deal only with member firms of the London Stock Exchange. The Directors are seeking authority to purchase up to 28,379,929 ordinary shares (being approximately 14.99% of the issued ordinary share capital as at the date of the Notice of Annual General Meeting) or, if different, such nominal amount as represents 14.99% of the Company's issued share capital as at the date of the passing of this resolution.

Special Resolution 13 – Notice period for General Meetings

Special Resolution 13 empowers the Directors to hold general meetings (other than annual general meetings) on 14 days' notice, which is the minimum notice period permitted by the Companies Act 2006. The EU Shareholder Rights Directive increases the minimum notice period to 21 days unless two conditions are met.

The first condition is that the Company offers facilities for shareholders to vote by electronic means. The second condition is that there is an annual resolution of shareholders approving the reduction in the minimum notice period from 21 days to 14 days, hence this resolution being proposed. It is not intended that this power will be used as a matter of course, rather that this flexibility will be utilised where the Board believes that the nature of the business to be conducted requires that a general meeting be convened at 14 days' notice.

Recommendation

Your Board considers that the resolutions to be proposed at the AGM are likely to promote the success of the Company for the benefit of its members as a whole and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of each resolution, as they intend to do in respect of their own beneficial holdings.

Directors' report

continued

Corporate governance

Full details are given in the Corporate Governance Statement on pages 57 to 62. The Corporate Governance Statement forms part of this Directors' Report.

Audit information

As required by Section 418 of the Companies Act 2006, each of the Directors who held office at the date of approval of this report confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Independent auditor

In line with EU regulations on mandatory audit rotation, an audit tender process was carried out by the Company during 2021 and, as a result, it was recommended that Ernst & Young LLP be re-appointed as the Company's independent auditor. Ernst & Young LLP has indicated its willingness to continue in office and resolutions proposing their reappointment and authorising the Company's Audit and Management Engagement Committee to determine its remuneration for the ensuing year will be submitted at the AGM.

The Directors' Report was approved by the Board at its meeting on 29 November 2023.

By order of the Board

KEVIN MAYGER
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
29 November 2023

Corporate governance statement

Chairman's introduction

Corporate governance is the process by which the Board seeks to look after shareholders' interests and to protect and enhance shareholder value. Shareholders hold the Directors responsible for the stewardship of the Company, delegating authority and responsibility to the Directors to manage the Company on their behalf and holding them accountable for its performance.

The Board is ultimately responsible for framing and executing the Company's strategy and for closely monitoring risks. We aim to run our Company in a manner which is responsible and consistent with our belief in honesty, transparency and accountability. In our view, good governance means managing our business well and engaging effectively with investors. We consider the practice of good governance to be an integral part of the way we manage the Company and we are committed to maintaining the highest standards of financial reporting, transparency and business integrity.

The Board is accountable to shareholders for the governance of the Company's affairs. The Directors have considered the principles and provisions of the 2019 AIC Code of Corporate Governance (AIC Code). The AIC Code addresses all the principles set out in the 2018 UK Corporate Governance Code (UK Code), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts.

The AIC Code is available from the Association of Investment Companies (www.theaic.co.uk). The UK Code is available from the Financial Reporting Council website (www.frc.org.uk).

This report, which forms part of the Directors' Report, explains how the Board deals with its responsibility, authority and accountability.

Compliance

The Board has made appropriate disclosures in this report to ensure that the Company meets its continuing obligations. It should be noted that, as an investment trust, the majority of the Company's day-to-day responsibilities are delegated to third parties, the Company has no employees, and the Directors are non-executive. Thus, not all provisions of the UK Code are directly applicable to the Company.

Throughout the year, the Company has complied with the recommendations of the AIC Code and provisions of the UK Code as applicable to investment trust companies, except the provisions relating to:

- the role of the chief executive; and
- the executive directors' remuneration.

For the reasons set out in the AIC Code of Corporate Governance, and as explained in the UK Code, the Board considers that these provisions are not relevant to the position of the Company being an externally managed investment company with no executive employees. In view of BlackRock having an internal audit function it does not consider it necessary for the Company to have its own internal audit function. The Board receives regular reports from BlackRock's internal audit function. In addition, BlackRock's internal audit department provides an annual presentation to the Audit Committee chairmen of the BlackRock investment trusts on the results of testing performed in relation to BlackRock's internal control processes.

As the Company has no employees and has a small Board of solely non-executive Directors, the Board has not established a separate remuneration committee. The remuneration of Directors is dealt with by the Board as a whole.

Information on how the Company has applied the principles of the AIC Code and the UK Code is provided in the Directors' Report as set out below:

Board composition

The Board currently consists of six non-executive Directors, all of whom are independent of the Company's Manager.

The UK Code recommends that the Board should appoint one of the independent non-executive Directors to be the senior independent director to provide a sounding board for the Chairman and to serve as an intermediary for the other Directors when necessary. The Code states that the senior independent director should be available to shareholders if they have concerns which contact through the normal channels of chairman, chief executive or other executive directors has failed to resolve or for which such contact is inappropriate.

Corporate governance statement
continued

The Board regularly considers its composition to ensure that it is suitably aligned with the objectives and activities of the Company. Following the appointment of Katrina Hart as Chairman of the Board after Mr Twiston-Davies' retirement at the forthcoming AGM, the Board has agreed that Elisabeth Airey will succeed her as the Senior Independent Director as it believes that she has the skills, experience and independence required to effectively discharge this role on behalf of the Board. Further information on the Directors can be found in the Directors' Report on pages 49 to 56.

The Directors' biographies demonstrate a breadth of investment knowledge, business and financial skills which enables them to provide effective strategic leadership and proper governance of the Company. Details of the Chairman's other significant time commitments can also be found on page 29. Board composition is kept under review and when the need arises, care will be taken to ensure that appointees have sufficient time to devote to the role. External consultants may be used to identify potential candidates.

Board Diversity

While the Board does not have a formal policy on diversity, it recognises the benefits at Board level and believes that Directors should have a mix of different skills, experience and backgrounds. The Board's aim regarding diversity, including that of age, gender, educational and professional background and other broader diversity characteristics, is to take these into account during the recruitment and appointment process. However, the Board is committed to an objective of appointing the most appropriate candidate, regardless of gender or other forms of diversity.

A broad range of factors are taken into account when setting an appointment brief and during the search and selection process and have been applied during the recruitment and that all Board appointments must be made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

As at 30 September 2023 the Board had a 50:50 gender ratio, in accordance with relevant regulation and best practice, and will continue to consider other diversity characteristics, such as age, ethnicity, gender, disability, educational or professional background when appraising Board composition.

The Board has complied with the recommendations of the Parker Review in respect of board diversity and the recent changes to the FCA's Listing Rules which set new diversity targets and associated disclosure requirements for UK companies listed on the premium and standard segment of the London Stock Exchange. Listing Rule 9.8.6R (9) requires listed companies to include a statement in their annual reports and accounts in respect of certain targets on board diversity, or if those new targets have not been met to disclose the reasons for this. This new requirement applies to accounting periods commencing on or after 1 April 2022 and therefore the Company has reported against these diversity targets for the year ending 30 September 2023. Further information on the composition and diversity of the Board and its Committees can be found in the disclosure table which follows below:

Gender	**Number of Board members**	**Percentage of Board**	**Number of senior roles held[1]**
Men	3	50	2
Women	3	50	1
Ethnicity[2,3]			
White British (or any other white background)	5	80	3
Other ethnic group, including Arab	1	20	0
Black/African/Caribbean/Black British	0	0	0
Mixed/Multiple Ethnic Groups Asian/Asian British	0	0	0

1 According to the Listing Rules, the Chair and Senior Independent Director are defined as senior positions. In addition, the Company considers that the role of the Audit and Management Engagement Chair is a senior position.

2 Categorisation of ethnicity is stated in accordance with the Office of National Statistics classification.

3 Columns corresponding to the 'Number in executive management' and 'Percentage of executive management' are not included in the table. These are inapplicable as the Company is externally managed and does not have executive management functions.

The Board's policy on independence and tenure

The Board's independence, including that of the Chairman, has been considered in detail, and all current Directors are deemed to be wholly independent. A number of factors were taken into account when making this assertion, including length of tenure, the individual contribution of each Director, the time spent on their other directorships and interests, and their ongoing commitment and enthusiasm to promote the long-term success of this Company, its shareholders and wider stakeholders.

The Board also takes into account the provisions of the UK Corporate Governance Code and evolving best practice when considering the independence criteria of the Board, its Committees and that of individual Directors. However, the Board does not believe that length of tenure should be the predominant factor in determining an individual's independence.

The Board believes that the overarching objective should be to establish and maintain a board which has a range of tenure, skills and experience such that it can effectively discharge its duties and retain the benefits of corporate memory, while also benefiting from regular board refreshment, which inevitably brings new ideas, perspectives and, importantly, challenge of the status quo and accepted thinking.

Succession planning

The rules concerning the appointment and replacement of Directors are contained in the Company's Articles and are set out in more detail in the Directors' Report on page 52. The Board has considered the position of each of the Directors as part of the annual board evaluation process and believes it would be in the Company's best interests that each of the Directors retiring stands for re-election at the forthcoming AGM, given their level of contribution and commitment to the Company. The Directors (other than Audley and Sarmad) support a planned and progressive refreshment of the Board, but do not believe it is appropriate, nor in shareholders' interests, to put in place a finite tenure period for any single Director.

The Board has an ongoing succession plan in place to ensure that there is at all times an appropriate balance of skills, experience, diversity and independence on the Board. The Board is currently undertaking a search and selection process to identify a suitable individual to join the Board. Further information with regard to the outcome of this process will be disclosed following its completion in the new year.

The Board's tenure and succession policy seeks to ensure that there is an appropriate balance of skills, knowledge, independence, experience and diversity on the Board. This is achieved through the regular evaluation of both the composition and performance of the Board and, where required, the appointment of new Directors who possess appropriate skills and experience and who are able to commit the necessary time to effectively carry out their duties. Further information in respect of Director tenure can be found in the Directors' Report on page 52.

Directors' training and induction

When a new Director is appointed to the Board, he or she is provided with all relevant information regarding the Company and their duties and responsibilities as a Director. In addition, a new Director will also spend some time with representatives of the Manager and the Investment Manager whereby he or she will become familiar with the various processes which the Manager and the Investment Manager consider necessary for the performance of their duties and responsibilities to the Company. The Company's policy is to encourage Directors to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company and its activities. The Directors also receive regular briefings from, amongst others, the Auditor and the Company Secretary regarding any proposed developments or changes in applicable law or regulation which could affect the Company and/or the Directors.

Directors' liability insurance

The Company has maintained appropriate Directors' Liability Insurance cover throughout the year.

Board's responsibilities

The Board's responsibilities are set out on page 28 along with information on the schedule of meetings held during the year. The Board may also convene additional meetings to consider strategy and other issues. There is regular contact with the Manager and the Investment Manager between meetings. A formal schedule of matters specifically reserved for decision by the Board has been defined. The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. Strategic issues and all operational matters of a material nature are determined by the Board. The Directors also have access to the advice and services of the Company Secretary, who is responsible for ensuring that relevant procedures are followed and that it complies with applicable rules and regulations. Where necessary, in the furtherance of their duties, the Directors may seek independent professional advice at the expense of the Company.

Corporate governance statement
continued

The Board has responsibility for ensuring that the Company maintains proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with the Companies Act 2006 and other applicable law and regulation. It is the Board's responsibility to present a fair, balanced and understandable assessment, which extends to interim and other price-sensitive public reports. The Board is also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Committees of the Board

Nomination committee

As the Board comprises only non-executive Directors it fulfils the function of the Nomination Committee and a separate committee has not been established.

The Board regularly reviews its structure and composition, including the balance of knowledge, independence, experience, skills and diversity on the Board. It also determines policy on succession planning and tenure. Appointments of new Directors are made on a formalised basis, with the Board agreeing the selection criteria and the method of search, selection, recruitment and appointment. The services of an external search consultant may be used to identify potential candidates.

An external recruitment firm, Odgers Berndtson, was engaged by the Board this year to identify candidates in the recruitment process and the Board intends to select and announce the new appointment prior to the AGM in February 2024.

Audit and management engagement committee

A separate Audit and Management Engagement Committee has been established and comprises the whole Board. Further details are given in the Report of the Audit and Management Engagement Committee on pages 68 to 73.

Remuneration committee

The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report and Remuneration Policy on pages 63 to 67. As stated in the Directors' Remuneration Policy, the full Board determines the level of Directors' fees and accordingly there is no separate Remuneration Committee. No Director is involved when his or her individual remuneration is determined.

Performance evaluation

The Board reviews its performance formally on an annual basis. An appraisal system has been agreed by the Board for the evaluation of the Board, its Committee and individual Directors, including the Chairman. The evaluation for the year ended 30 September 2023 has been carried out. This took the form of self and peer group assessment followed by individual discussions between the Chairman and individual Directors as required. The performance of the Chairman was reviewed by the other Directors, led by Mr White. The results of the evaluation process were presented to and discussed by the Board and it was agreed that the current composition of the ongoing Board reflected a suitable balance of skills, experience, diversity and independence and that the Board, as a whole, continues to function effectively.

Delegation of responsibilities

The Board has delegated the following areas of responsibility:

Management and administration

The management of the investment portfolio and the administration of the Company have been delegated to BlackRock Fund Managers Limited (BFM) as the Company's AIFM, and BFM (with the permission of the Company) has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (BIM (UK)) (the Investment Manager). The contractual arrangements with, and assessment of, the Manager are summarised on page 50.
The Investment Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company.

The assets of the Company have been entrusted to the Depositary for safekeeping. The Depositary is The Bank of New York Mellon (International) Limited (BNYM). The address at which this business is conducted is given on page 120.

The Board has delegated the exercise of voting rights attaching to the securities held in the portfolio to the Investment Manager. Details of the Investment Manager's voting policy are set out on page 51.

Internal controls

The Board is responsible for establishing and maintaining the Company's systems of internal controls, for reviewing their effectiveness, for ensuring that financial information published or used within the business is reliable, and for regularly monitoring compliance with regulations governing the operation of investment trusts. The Board, through its Audit and Management Engagement Committee, reviews the effectiveness of the internal control systems on an ongoing basis to identify, evaluate and mitigate the Company's significant risks. As part of that process there are procedures designed to identify and evaluate any failings or weaknesses. Should a case be categorised by the Board as significant, procedures exist to ensure that necessary remedial action is taken. The Board is not aware of any significant failings or weaknesses arising in the year under review.

Control of the risks identified, covering financial, operational, compliance and risk management, is embedded in the operations of the Company. There is a monitoring and reporting process to review these controls, which has been in place throughout the year under review and up to the date of this report, carried out by BlackRock's corporate audit department. This accords with the Financial Reporting Council's "Risk Management, Internal Control and Related Financial Reporting".

The Company's risk register sets out the risks relevant to the Company and describes, where relevant, the internal controls that are in place at the AIFM, the Investment Manager and other third-party service providers to mitigate these risks.

The Audit and Management Engagement Committee (the Committee) formally reviews this register on a semi-annual basis and BFM as the Company's AIFM reports on any significant issues that have been identified in the period. In addition, BlackRock reports to the Committee on a semi-annual basis on the results of testing performed in relation to BlackRock's internal control processes. The Depositary also reviews the control processes in place at the Custodian, the Fund Accountant and the AIFM and reports formally to the Committee twice yearly. Both the AIFM and the Depositary will escalate issues and report to the Committee outside of these meetings on an ad-hoc basis to the extent that this is required. The Committee also receives annual and quarterly Service Organisation Control (SOC 1) reports respectively from BlackRock and The Bank of New York Mellon on the internal controls of their respective operations, together with the opinion of their reporting accountants.

The Board recognises that these control systems can only be designed to manage rather than eliminate the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss, and relies on the operating controls established by the Manager, the Investment Manager and BNYM. The Manager prepares revenue forecasts and management accounts which allow the Board to assess the Company's activities and review its performance. The Board and the Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted to the Board at each meeting.

The Company does not have its own internal audit function, as all the administration is delegated to the Manager. The Board monitors the controls in place through BlackRock's internal audit department and believes that there is currently no requirement for the Company to have its own internal audit function, although this matter is kept under review.

There are no agreements between the Company and its Directors concerning compensation for loss of office. Powers to issue or buy back the Company's shares, which are sought annually, and any amendments to the Company's Articles require a special resolution to be passed by shareholders.

Financial reporting

The Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements is set out on pages 74 and 75 the Independent Auditor's Report on pages 78 to 84 and the statement of Going Concern on pages 51 and 52 and on longer-term viability on pages 41 and 42.

Socially responsible investment and ESG matters

Generally, investment trusts do not employ staff and accordingly have no direct impact on social matters but can be significant investors in the economies of the regions in which they invest. The Directors believe that it is in shareholders' interests to consider human rights issues and environmental, social and governance factors when selecting and retaining investments. Details of the Company's approach to socially responsible investment are set out on page 47.

Bribery prevention policy

The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board has a zero tolerance policy towards bribery and a commitment to carry out business fairly, honestly and openly. The Board takes its responsibility to prevent bribery by the Company's Manager on its behalf very seriously and BlackRock has anti-bribery policies and procedures in place which are high level, proportionate and risk based. The Company's service providers have been contacted in respect of their anti-bribery policies and, where necessary, contractual changes are made to existing agreements in respect of anti-bribery provisions.

Corporate governance statement
continued

Criminal Finances Act
The Criminal Finances Act 2017 came into force on 25 May 2018 and introduced a new corporate criminal offence of "failing to take reasonable steps to prevent the facilitation of tax evasion". The Board has confirmed that it is the Company's policy to conduct all of its business in a transparent and ethical manner. The Board takes a zero-tolerance approach to facilitation of tax evasion.

Communication with shareholders
All shareholders have the opportunity to attend and vote at the AGM. The Notice of Annual General Meeting is sent out at least 21 working days in advance of the meeting and sets out the business of the meeting and any item not of an entirely routine nature is explained in the Directors' Report on pages 54 and 55, separate resolutions are proposed for substantive issues.

In addition, regular updates on performance are available to shareholders and the Investment Manager will review the Company's portfolio and performance at the AGM, where the Board and representatives of the Investment Manager will be available to answer shareholders' queries. Proxy voting figures will be announced to shareholders at the AGM and will be made available on the Company's website at www.blackrock.com/uk/brfi shortly after the meeting. In accordance with the UK Corporate Governance Code, when, in the opinion of the Board, a significant proportion of votes have been cast against a resolution at any general meeting, the Board will explain, when announcing the results of voting, what actions it intends to take to understand the reasons behind the vote result.

The Company's willingness to enter into discussions with institutional shareholders is also demonstrated by the programmes of institutional presentations made by the Investment Manager. The Board discusses any feedback from meetings with shareholders with the Investment Manager at each Board meeting. It also receives reports from its corporate broker in relation to the views of shareholders and demand for the Company's shares.

There is also a clear channel of communication between the Board and the Company's shareholders via the Company Secretary. The Company Secretary has no express authority to respond to enquiries addressed to the Board and all communication, other than junk mail, is redirected to the Chairman of the Board. There is also a section within this report entitled "Additional Information – Shareholder Information", on pages 121 to 123 which provides an overview of useful information available to shareholders.

The Company's accounts, regular factsheets and other information are also published on the BlackRock website at www.blackrock.com/uk/brfi. The work undertaken by the Auditor does not involve consideration of the maintenance and integrity of the website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the accounts since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the accounts may differ from legislation in their jurisdiction.

Disclosure guidance and transparency rules
Other information required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules has been placed in the Directors' Report on pages 49 to 56 because it is information which refers to events that have taken place during the course of the year. The following is a list of that information:

- substantial share interests;
- share capital;
- share issues;
- share repurchases; and
- greenhouse gas emissions.

In addition, information on Directors' shareholdings is given on pages 64 and 65 in the Directors' Remuneration Report.

For and on behalf of the Board

AUDLEY TWISTON-DAVIES
Chairman
29 November 2023

Directors' remuneration report

The Board presents the Directors' Remuneration Report for the year ended 30 September 2023 which has been prepared in accordance with Sections 420-422 of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 78 to 84.

Statement by the Chairman

A key driver of the remuneration policy is that fees payable to Directors should be designed to support strategy and promote long-term sustainable success. Following this review it was agreed that with effect from 1 October 2023 all Directors' fees would be increased to the levels set out in the policy table on page 67. The basis for determining the level of any change in Directors' remuneration is set out in the Directors' Remuneration Policy on pages 66 and 67. Directors' fees were last increased on 1 October 2022. No discretionary fees have been paid to Directors during the year or since inception and the payment of such fees is expected to be a rare occurrence, only necessary in exceptional circumstances. Any discretionary fees paid to the Directors will be clearly disclosed in the Directors' Remuneration Report accompanied by an explanation of the work undertaken and why it was deemed necessary to pay such additional remuneration.

Remuneration committee

The Board as a whole fulfils the function of the Remuneration Committee and considers any change in the Directors' remuneration policy. A separate Committee has therefore not been established. The Company's Directors are all non-executive and are independent of the Manager. No advice or services were provided by any external agencies or third parties.

Implementation of the remuneration policy in the year 2023

The Remuneration Policy has been implemented as set out on pages 66 and 67. The Directors do not receive any performance related remuneration or incentives. Discretionary payments are permitted under the policy; however, such discretionary payments would only be considered in exceptional circumstances.

Remuneration/service contracts

The maximum remuneration of the Directors is determined within the limits of the Company's Articles and currently amounts in aggregate to £250,000.

The Company does not and has not awarded any share options or long-term performance incentives to any of the Directors. None of the Directors has a service contract with the Company or receives any non-cash benefits or pension entitlements. The terms of their appointment are detailed in an appointment letter issued to them when they join the Board. These letters are available for inspection at the registered office of the Company.

Remuneration implementation report

A single figure for total remuneration of each Director is set out in the table below for the year ended 30 September 2023:

	Year ended 30 September 2023			Year ended 30 September 2022		
Directors	**Base Salary**	**Taxable benefits[1]**	**Total**	**Base Salary**	**Taxable benefits[1]**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Audley Twiston-Davies (Chairman)	42,000	–	42,000	39,000	–	39,000
Stephen White (Audit Committee Chairman)	35,000	–	35,000	23,431	–	23,431
Katrina Hart	30,500	86	30,586	29,000	–	29,000
Lucy Taylor-Smith[2]	30,500	153	30,653	23,431	–	23,431
Elisabeth Airey[2]	30,500	–	30,500	33,000	–	33,000
Sarmad Zok	30,500	–	30,500	29,000	–	29,000
Total	**199,000**	**239**	**199,239**	**176,862**	**–**	**176,862**

[1] Taxable benefits relate to travel and subsistence costs.
[2] Appointed as a Director on 10 December 2021.
There were no discretionary payments made during the year.

The information in the table above has been audited. The amounts paid by the Company to the Directors were for services as non-executive Directors. The Directors receive no variable remuneration.

Directors' remuneration report
continued

At 30 September 2023, fees of US$20,000 (£17,000) (2022: US$17,000 (£15,000)) were outstanding to Directors in respect of their annual fees.

Relative importance of spend on pay
As the Company has no employees, the table above also comprises the total remuneration costs and benefits paid by the Company. To enable shareholders to assess the relative importance of spend on pay, this has been shown in the table below compared to the Company's net profit on ordinary activities after taxation, total operating expenditure and dividend distributions.

	2023	2022	Change
Directors' total remuneration	£199,239 (US$243,000)	£176,862 (US$196,000)	+£22,377 (+US$47,000)
Total dividends paid and payable	US$13,914,000	US$13,253,000	+US$661,000
Buy back of ordinary shares	US$nil	US$nil	US$nil
Net revenue profit on ordinary activities after tax	US$15,872,000	US$12,013,000	+US$3,859,000

No payments were made in the period to any past Directors (2022: £nil).

Annual percentage change in Directors' Remuneration
The following table sets out the annual change in Directors' fees for the year to 30 September 2023:

Audley Twiston-Davies (Chairman)	7.7%
Stephen White (Audit Committee Chairman)	6.1%
Katrina Hart	5.2%
Sarmad Zok	5.2%
Elisabeth Airey[1]	n/a
Lucy Taylor-Smith[1]	n/a

[1] Appointed with effect from 10 December 2021.

Five year change comparison
Over the last five years, Directors' pay has increased as set out in the table below:

	2023 £	2018 £	Change
Chairman	42,000	36,000	16.7%
Audit Committee Chairman	35,000	30,000	16.7%
Director	30,500	26,000	17.3%

As previously noted, the Company does not have any employees and hence no comparisons are given in respect of the comparison between Directors' and employees' pay increases.

Shareholdings
The interests of the Directors in the ordinary shares of the Company are set out in the table on the following page. The Company does not have a share option scheme, therefore none of the Directors has an interest in any share options in the Company. There is no requirement for Directors to hold shares in the Company.

	2023	2022
Audley Twiston-Davies (Chairman)	128,935	128,935
Elisabeth Airey[1]	75,000	75,000
Katrina Hart	39,789[2]	39,789[2]
Lucy Taylor-Smith[1]	nil	nil
Stephen White	30,000	30,000
Sarmad Zok	nil	nil

[1] Appointed with effect from 10 December 2021.
[2] 9,780 ordinary shares are held on behalf of Katrina Hart's dependents.

The information in the above table has been audited.

All of the holdings of the Directors are beneficial. No changes to these holdings have been notified up to the date of this report.

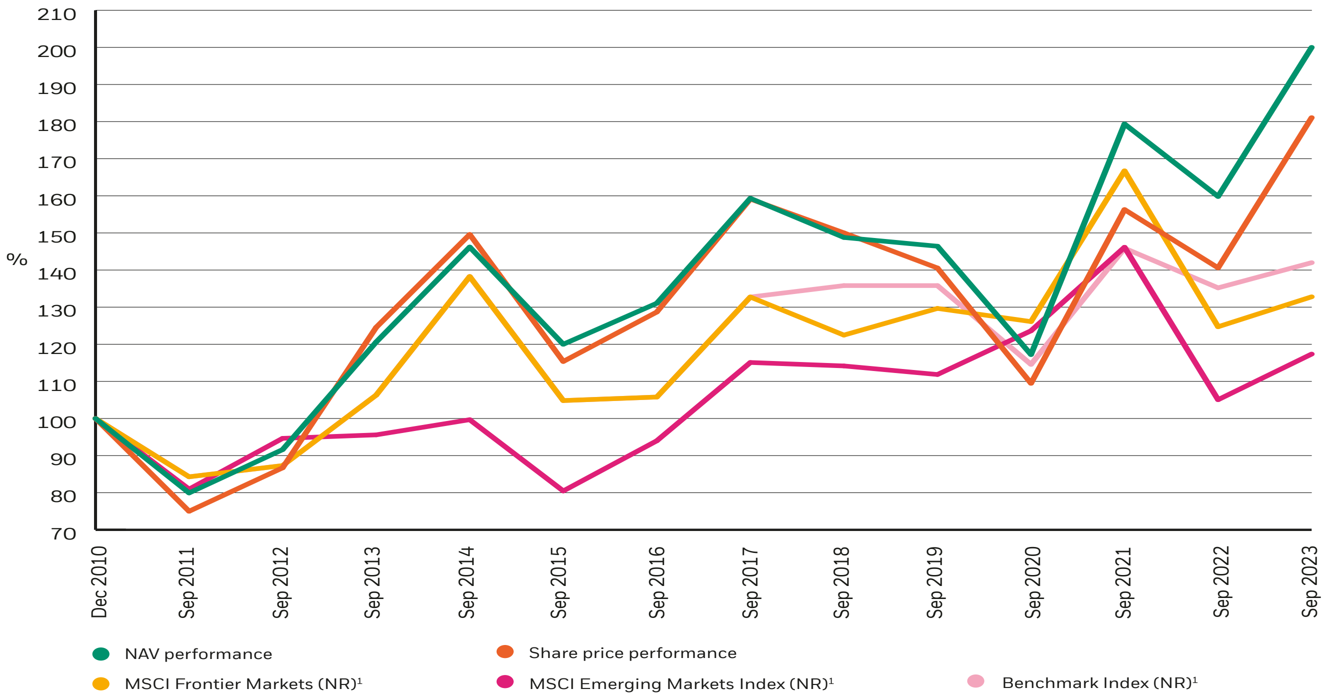
Retirement of directors

Further details are given in the Directors' Report on page 52.

Performance

The graph below compares the Company's NAV and share price total returns with the total return on an equivalent investment in the Benchmark Index. This Index is deemed to be the most appropriate as the Company has a frontier markets objective.

Performance since inception on 17 December 2010 to 30 September 2023



[1] With effect from 1 April 2018, the Benchmark Index changed to a composite of the MSCI Emerging Markets Index ex Selected Countries + MSCI Frontier Markets Index + MSCI Saudi Arabia Index. Prior to 1 April 2018, the Benchmark Index was the MSCI Frontier Markets Index. The performance of the Benchmark Index during the period from 1 April 2018 to 30 September 2023 has been blended to reflect this change. Benchmark return index calculate the reinvestment of dividends net of withholding taxes.

Sources: BlackRock and Datastream.

All performance figures calculated on a US Dollar basis with dividends reinvested, rebased to 100 at 17 December 2010.

For and on behalf of the Board

AUDLEY TWISTON-DAVIES
Chairman
29 November 2023

Directors' remuneration policy

Directors' remuneration policy

In setting the appropriate level of Directors' fees, a number of factors are considered, including the workload of the Directors, their responsibilities, any change in these responsibilities and additional legal duties (for example as a result of new legislation being implemented), the relationship with their suppliers and the size and complexity of the Company. The time commitment required, the level of skills and appropriate experience required and the need for Directors to maintain on an ongoing basis an appropriate level of knowledge of regulatory and compliance requirements in an industry environment of increasing complexity are also taken into account.

The Board also considers the average rate of inflation during the period since the last fee increase and reviews the level of remuneration in comparison with other investment trusts of a similar size and/or mandate, as well as taking account of any data published by the Association of Investment Companies to ensure that fees are in line with industry practice. This comparison, together with consideration of any alteration in non-executive Directors' responsibilities, is used to review whether any change in remuneration is necessary. The review is performed on an annual basis. The Board is cognisant of the need to avoid any potential conflicts of interest and has therefore agreed a mechanism by which no Director is involved when his or her own pay is being considered.

The Company has no employees and consequently no consideration is required to be given to employment conditions elsewhere in setting this policy and there has been no employee consultation.

No element of the Directors' remuneration is performance related or subject to recovery or withholding (except for tax). Directors cannot be awarded any share options or long-term performance incentives. None of the Directors has a service contract with the Company or receives any non-cash benefits (except as described in the policy table), pension entitlements or compensation for loss of office.

The remuneration policy would be applied when agreeing the remuneration package of any new Director. The terms of Directors' appointment are detailed in a letter sent to them when they join the Board. These letters are available for inspection at the registered office of the Company.

Directors' appointments do not have a fixed duration, but they can be terminated by the Company in writing at any time without obligation to pay compensation. On termination of the appointment, Directors shall only be entitled to accrued fees as at the date of termination together with reimbursement of any expenses properly incurred prior to that date. No payments for loss of office are made. Directors are also subject to re-election at least every three years and, if not elected, their appointment ceases immediately. However, in accordance with the UK Corporate Governance Code the Board have agreed that all Directors will, being eligible, stand for re-election annually.

Consideration of shareholders' views

In accordance with applicable law and regulation, an ordinary resolution to approve the remuneration report is put to shareholders at each AGM, and shareholders have the opportunity to express their views and raise any queries in respect of remuneration policy at this meeting. To date, no shareholders have commented in respect of the Company's Remuneration Policy. The Company obtained shareholder approval for its remuneration policy at the AGM in 2023. In accordance with the Companies Act 2006, the remuneration policy is subject to a triennial binding shareholder vote at the forthcoming AGM in 2026. At the Company's AGM held on 7 February 2023, 99.81% (including votes cast at the Chairman's discretion) were in favour of the resolution to approve the Directors' Remuneration Policy and 0.19% of votes cast were against.

At the Company's AGM held on 7 February 2023, 99.81% of votes cast were in favour of the resolution to approve the Directors' Remuneration Report in respect of the year ended 30 September 2022 and 0.81% against.

Any discretionary fees paid to the Directors will be clearly disclosed in the Directors' Remuneration Report accompanied by an explanation of the work undertaken.

Policy table

Purpose and link to strategy	Fees payable to Directors should be sufficient to attract and retain individuals of high calibre who possess knowledge and experience suitably aligned to the activities of the Company. Those chairing the Board and key committees should be paid higher fees than other Directors in recognition of their more demanding roles. Fees should reflect the time spent by Directors on the Company's affairs and the responsibilities borne by the Directors.
Description	Current levels of fixed annual fee with effect from 1 October 2023: Chairman – £44,000 Audit and Management Engagement Committee Chairman – £36,750 Directors – £32,000 All reasonable expenses to be reimbursed.
Maximum and minimum levels	Remuneration consists of a fixed fee each year, set in accordance with the stated policies and any increase granted must be in line with the stated policies. The Company's Articles of Association provide that the Directors are paid fees for their services not exceeding in the aggregate an annual sum of £250,000 or such larger amount as the Company may by Ordinary Resolution decide divided between the Directors as they agree. In addition, the Directors propose a limit of £50,000 in relation to the maximum that may be paid in respect of taxable benefits.
Policy on share ownership	Directors are not required to own shares in the Company, although all Directors who served during the financial year, with the exception of Sarmad Zok and Lucy Taylor-Smith, are currently shareholders.
Fixed fee element	The Board reviews the quantum of Directors' pay each year to ensure this is in line with the level of Directors' remuneration for other investment trusts of a similar size and complexity. When making recommendations for any changes in pay, the Board considers wider factors such as the average rate of inflation over the period since the previous review, and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements). Directors are not eligible to be compensated for loss of office, nor are they eligible for bonuses, pension benefits, share options or other incentives or benefits. Directors do not have service contracts but are appointed under letters of appointment.
Discretionary Payments	The Company's Articles authorise the payment of discretionary fees to Directors for any additional work undertaken on behalf of the Company which is outside of their normal duties. Any such extra work undertaken is subject to the prior approval of the Chairman or, in the case of the Chairman undertaking the extra work, subject to the prior approval of the Chairman of the Audit and Management Engagement Committee. The level of discretionary fees shall be determined by the Directors. Any discretionary fees paid will be disclosed in the Director's remuneration implementation report within the Annual Report. The payment of such fees would only be considered in exceptional circumstances and any discretionary fees paid will be clearly disclosed.
Taxable benefits	Taxable benefits comprise expenses incurred by the Directors in the course of travel to attend Board and Committee meetings which are held at the Company's registered offices in London, and which are reimbursed by the Company and therefore treated as a benefit in kind and are subject to tax and national insurance. The Company's policy in respect of this element of remuneration is that all reasonable costs of this nature will be reimbursed as they are incurred.

Report of the audit and management engagement committee

As Chairman of the Audit and Management Engagement Committee I am pleased to present the Committee's report to shareholders for the year ended 30 September 2023.

Role and responsibilities

The Company has established a separately chaired Audit and Management Engagement Committee ("the Committee"). The Committee meets at least twice a year, prior to the Board meetings to approve the half yearly and annual results. The Committee does not consider that as an investment trust company it is necessary to hold an additional meeting during the year, although this is kept under review.

The Committee's principal duties are set out below and include considering, and recommending to the Board for approval, the contents of the half yearly and annual financial statements and providing an opinion as to whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance and position, business model and strategy. It is also responsible for assessing the adequacy of the Company's internal financial controls, systems of internal control and risk management and receives regular reports from the Manager's corporate audit and compliance departments and from other key third party service providers during the year. The Committee also has primary responsibility for managing the relationship with the external auditor, including the assessment of the external auditor's ongoing independence and objectivity.

All of the Directors are members of the Committee and their biographies can be found on pages 29 to 31. The Board considers that at least one member of the Committee has recent and relevant financial experience and has specific competence in accounting and/or auditing. The Committee as a whole has competence relevant to the sector in which the Company operates. As permitted by the AIC Code of Corporate Governance, the Chairman of the Company is a member of the Committee to enable him to be kept fully informed of any issues which may arise.

The Committee operates within written terms of reference detailing its scope and duties and these are available on the Company's website at www.blackrock.com/uk/brfi. In accordance with these duties, the principal activities of the Committee during the year are set out below.

Internal controls, financial reporting and risk management systems

- monitoring and assessing the adequacy and effectiveness of the Company's internal financial controls and the internal control and risk management systems;
- seeking reasonable assurance that such systems meet relevant legal and regulatory requirements;
- monitoring the integrity of the financial statements;
- reviewing the consistency of, and any changes to, accounting policies;
- reviewing the Half Yearly and Annual Report and Financial Statements to ensure that the Company's results and financial position are represented accurately and fairly to shareholders;
- evaluating the need for an internal audit function;
- reviewing semi-annual reports from the Manager on its activities as AIFM;
- reviewing semi-annual reports from the Depositary on its activities; and
- reviewing arrangements by which staff of the Manager may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

Narrative reporting

- reviewing the content of the Annual Report and Financial Statements and, where requested by the Board, providing an opinion on whether, taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Management engagement

- reviewing the performance of the Manager during the year, both on an absolute and relative basis;
- reviewing all services provided to the Company by the Manager;
- reviewing the investment management agreement to ensure the terms are appropriate and remain competitive;
- satisfying itself that the continuing appointment of the Manager is in the interests of shareholders as a whole; and
- considering the appropriateness of the remuneration of the Manager.

Third party service providers

- considering the appointment of other third party service providers; and
- ensuring that third party service providers comply with the terms of their agreements and that the provisions of such agreements remain both appropriate and competitive.

Reporting responsibilities

- reporting to the Board on its proceedings and how it has discharged its responsibilities, making whatever recommendations it deems appropriate on any area within its remit; and
- compiling a report on its activities to be included in the Annual Report and Financial Statements.

Internal audit

- considering the need for an internal audit function, as set out in the Corporate Governance Statement on page 61.

Due to the nature of the Company, being an externally managed investment company with no employees, and in view of BlackRock having an internal audit function which reports to the Audit and Management Engagement Committee, the Company does not have its own internal audit function.

External audit

The Committee has primary responsibility for assessing the effectiveness of the external audit process and for making recommendations to the Board on the appointment, reappointment or removal of the external auditor. It considers the planning, scope, quality of performance, cost effectiveness and independence of the external auditor. The Committee reviews and approves the external audit plan in advance of the audit and throughout the year and ensures that any non-audit services proposed to be performed by the external auditor are in accordance with the Company's policy on the provision of non-audit services. The Company's non-audit services policy is set out in full in the Committee's terms of reference which are available at the Company's website at: www.blackrock.com/uk/brfi. The external audit plan includes an analysis of the key audit risks and calculations of audit materiality, which the Committee considers in forming its assessment of key risks to the Company's financial statements.

The Committee considers the quality of the audit plan, subsequent execution and composition of the audit team in formulating its recommendation to the Board regarding the reappointment of the external auditor. Length of tenure and independence (with due regard to the level of non-audit services) are considerations underpinning this assessment, which is carried out within the framework laid down by The Statutory Auditors and Third Country Auditors (amendment) (EU Exit) Regulations 2019 (as amended) on auditor rotation that is supplemented by application guidance from the UK's Financial Reporting Council.

Further information on the external audit is reported under 'Assessment of the effectiveness of the external audit process' on pages 72 and 73. The fees paid to the external Auditor are set out in note 5 on page 94.

Whistleblowing policy

The Committee has also reviewed and accepted the "whistleblowing" policy that has been put in place by BlackRock under which its staff, in confidence, can raise concerns about possible improprieties in matters of financial reporting or other matters, in so far as they affect the Company.

United Kingdom Single Electronic Format regulatory technical standard (UKSEF)

We paid special attention to the preparation of our financial statements in digital form under the UKSEF taxonomy and regulatory technical standard. As this was the first report in this format, we made sure the necessary procedures had been completed by all parties, including the technical accounting team of the Manager, our fund accountants, The Bank of New York Mellon and a specialist information technology provider.

Report of the audit and management engagement committee continued

Significant issues considered regarding the Annual Report and Financial Statements

During the year, the Committee considered a number of significant issues and areas of key audit risk in respect of the Annual Report and Financial Statements. The Committee reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Company had been identified in the audit plan and that suitable audit procedures had been put in place to obtain reasonable assurance that the financial statements as a whole would be free of material misstatements. The following table sets out the key areas of risk identified by the Committee and also explains how these were addressed by the Committee.

Significant issue

The accuracy of the valuation of the investment portfolio.

How the issue was addressed

Listed investments are valued using stock exchange prices by third party vendors. Long and short CFD positions are valued by reference to the stock exchange prices of securities underlying the respective securities and the notional transaction prices. Unquoted or illiquid investments, if any, are valued by the Directors based on recommendations from BlackRock's Pricing Committee. The Board reviews detailed portfolio valuations on a regular basis throughout the year and receives confirmation from BlackRock that the pricing basis is appropriate, in line with relevant accounting standards as adopted by the Company, and that the carrying values are materially correct. The Board also relies on BlackRock's and the Fund Accountant's (BNYM) controls which are documented in semi-annual internal control reports and reviewed by the Committee.

Significant issue

The risk of misappropriation of assets and unsecured ownership of investments.

How the issue was addressed

The Depositary is responsible for financial restitution for loss of financial investments held in custody. The Depositary reports to the Audit and Management Engagement Committee on a twice-yearly basis and is also available to attend the Company's AGM.

The Committee reviews reports from its service providers on key controls over the assets of the Company. Any significant issues are reported by the Manager to the Committee. The Manager has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets. BlackRock's New Market Opening Committee reports regularly to the Board on the status of opening of new markets and any potential risks and exposures that might arise as a result.

Significant issue

The accuracy of the calculation of management and performance fees.

How the issue was addressed

The Manager reports to the Board on the calculation of any performance fee accruals that have been included in the Company's NAV on a regular basis. The management fee and any performance fee are calculated in accordance with the contractual terms in the investment management agreement by the administrator and are reviewed in detail by the Manager and are also subject to an analytical review by the Board. During the year, the Directors performed a detailed review of the calculation of the performance fee mechanism. There are review processes performed by BNYM and the Manager on the calculation of the management fee and any performance fee to ensure that they are correctly calculated.

Significant issue

The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income.

How the issue was addressed

The Committee reviews income forecasts and receives explanations from the Investment Manager for any variations or significant movements from previous forecasts and prior year figures. The Committee also reviews the facts and circumstances of all special dividends to determine the revenue/capital treatment. There are review processes performed by BNYM and the Manager on the completeness and accuracy of income, and also that this has been recognised in accordance with stated accounting policies.

Significant issue

The risk that the global economic disruption caused by the war in Ukraine and the hostilities in the Middle-East will affect the Company's ability to continue in operation due to the impact on market valuations of portfolio companies or the ability of key service providers (including the Manager, the Depositary, the Custodian, the Fund Accountant and Brokers) to maintain business continuity and continue to provide appropriate service levels.

How the issue was addressed

The Committee has considered the impact of market volatility related to the war in Ukraine and the more recent hostilities in the Middle-East on the Company's portfolio and received regular reports from the Investment Manager. The Committee has also reviewed portfolio liquidity and updated revenue and expense forecasts in light of the Ukraine conflict and their impact on portfolio liquidity, income and market valuations and considers that the Company's business model remains viable and that the Company has sufficient resources to continue in operation and to meet all liabilities as they fall due.

The Committee keeps the Company's principal risks and uncertainties under review and is confident that the Company has appropriate controls and processes in place to manage these risks and to maintain its operating model. The Committee has also received updates from key service providers in respect of their business continuity plans and is confident that they will be able to continue to provide a good level of service for the foreseeable future.

Third party service providers

The provision of portfolio valuation, fund accounting and administration services is delegated to BIM (UK), which sub-delegates fund accounting to a third party service provider, BNYM. The Committee has also reviewed the Service Organisation Control (SOC 1) reports prepared by BlackRock, the Custodian and the Fund Accountant to ensure that the relevant control procedures are in place to cover these areas of risk as identified above and are adequate and appropriate and have been designated as operating effectively by the reporting auditor.

Auditor and audit tenure

The Company's Auditor, Ernst & Young LLP, was appointed on the launch of the Company in 2010. The Committee has considered the risks associated with audit firms withdrawing from the market and the relationship with the Company's Auditor. The appointment of the Auditor is reviewed each year and the audit partner rotates at least every five years. Mr Price has been the Company's audit partner since 2021.

The Company carried out a formal tender process in 2020. Following the audit tender process conducted in the year to 30 September 2020, on the recommendation of the Company's audit committee, the Board unanimously decided to re-appoint Ernst and Young LLP as Auditors based on the evaluation of each firm, taking into account a broad range of evaluation criteria.

The Committee is satisfied that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014, published by the Competition and Markets Authority on 26 September 2014. In recognition of underlying audit rotation requirements, the Committee currently intends that a further tender process will be undertaken during the year to 30 September 2029 to cover the financial year ending 30 September 2030 onwards. The Committee will continue to review the Auditor's appointment each year to ensure that the Company is receiving an optimal level of service.

Report of the audit and management engagement committee continued

The legislation also prohibits certain non-audit and audit related services, consulting services and caps the amount of additional fees auditors can charge their clients. There are no contractual obligations that restrict the Company's choice of auditor. For the year ended 30 September 2023, the ratio of non-audit fees to audit fees was 0.13:1 (2022: 0.12:1) The fees paid to the Auditor in respect of other assurance services relating to the review of the Half Yearly Report amounted to £7,100 (US$9,000) (2022: £6,500 (US$7,000)). The value is considered to be immaterial and was not such that it might threaten the Auditor's independence. No other non-audit or audit related services were provided to the Company by the Auditor during the year. Further details can be found in note 5 to the financial statements on page 94.

The Auditor has indicated its willingness to continue in office and the Audit Committee has recommended to the Board that it be reappointed. Resolutions proposing its reappointment and authorising the Audit and Management Engagement Committee to determine its remuneration for the ensuing year will be proposed at the forthcoming AGM.

Assessment of the effectiveness of the external audit process

To assess the effectiveness of the external audit, members of the Committee work closely with BlackRock to obtain a good understanding of the progress and efficiency of the audit. The Committee has adopted a formal framework in its review of the effectiveness of the external audit process and audit quality. This includes a review of the following areas:

- the quality of the audit engagement partner and the audit team;
- the expertise of the audit firm and the resources available to it;
- identification of areas of audit risk;
- planning, scope and execution of the audit;
- consideration of the appropriateness of the level of audit materiality adopted;
- the role of the Committee, the Manager, the Investment Manager and third party service providers in an effective audit process;
- communications by the Auditor with the Committee;
- how the Auditor supports the work of the Committee and how the audit contributes added value;
- monitor and review the supply of non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm;
- a review of the independence and objectivity of the audit firm; and
- an assessment of the quality of the formal audit report to shareholders.

Feedback in relation to the audit process and the effectiveness of the Manager in performing its role is also sought from relevant involved parties, notably the audit partner and team. The Auditor attends the Committee meetings on at least one occasion at which they have the opportunity to meet with the Committee without representatives of the Manager being present. The effectiveness of the Board and the Manager in the external audit process is assessed principally in relation to the timely identification and resolution of any process errors or control breaches that might impact the Company's net asset values and accounting records. It is also assessed by reference to how successfully any issues in respect of areas of accounting judgement are identified and resolved, the quality and timeliness of papers analysing these judgements, the Board and the Manager's approach to the value of independent audit and the booking of any audit adjustments arising, and the timely provision of draft public documents for review by the Auditor and the Committee.

To form a conclusion with regard to the independence of the Auditor, the Committee considers whether the skills and experience of the Auditor make them a suitable supplier of non-audit services and whether there are safeguards in place to ensure that there is no threat to their objectivity and independence in the conduct of the audit resulting from the provision of any such services.

On a semi-annual basis, Ernst & Young LLP reports the independence of its relationship with the Company and reports to the Committee, providing details of any other relationship with BlackRock. As part of this review, the Committee also receives information about policies and processes for maintaining independence and monitoring compliance with relevant requirements from the Company's Auditor, including information on the rotation of audit partners and staff, the level of fees that the Company pays in proportion to the overall fee income of the firm, and the level of related fees, details of any relationships between the audit firm and its staff and the Company as well as an overall confirmation from the Auditor of its independence and objectivity.

As a result of their review, the Committee has concluded that Ernst & Young LLP is independent of the Company and therefore it has made a recommendation to the Board that it be reappointed.

Conclusions in respect of the Annual Report and Financial Statements

The production and the audit of the Company's Annual Report and Financial Statements is a comprehensive process requiring input from a number of different contributors. In order to reach a conclusion that the Annual Report and Financial Statements are fair, balanced and understandable, the Board has requested that the Committee advise on whether these criteria are satisfied. In so doing, the Committee has given consideration to the following:

- the comprehensive control framework over the production of the Annual Report and Financial Statements, including the verification processes in place to deal with the factual content;

- the extensive levels of review that are undertaken in the production process of the Annual Report and Financial Statements by BlackRock, the Depositary and the Committee, applying its knowledge and expertise of the investment industry and frontier markets sector;

- the controls that are in place at BlackRock and third party service providers to ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets; and

- the existence of satisfactory Service Organisation Control Reports that have been reviewed and reported on by the external Auditor to verify the effectiveness of the internal controls of BlackRock, Depositary, Custodian and Fund Accountant.

In addition to the work outlined above, the Committee has reviewed the Annual Report and Financial Statements and is satisfied that, taken as a whole, they are fair, balanced and understandable and provide shareholders with the information necessary to assess the Company's position and performance, business model and strategy. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report and Financial Statements would have a reasonable level of knowledge of the investment companies sector.

The Committee has reported on these findings to the Board who affirm the Committee's conclusions in the Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements on pages 74 and 75.

STEPHEN WHITE
Chairman of the Audit and Management Engagement Committee
29 November 2023

Statement of Directors' responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the financial statements under international accounting standards in conformity with UK-adopted International Accounting Standards (IAS). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- present fairly the financial position, financial performance and cash flows of the Company;
- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IAS, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements in IAS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report, Corporate Governance Statement and the Report of the Audit and Management Engagement Committee in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure Guidance and Transparency Rules. The Directors have delegated responsibility to the Investment Manager and the AIFM for the maintenance and integrity of the Company's corporate and financial information included on BlackRock's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, who were appointed as at the date of the Annual Report, confirms to the best of their knowledge that:

- the financial statements, which have been prepared in accordance with IAS, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Strategic Report contained in the Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The 2018 UK Corporate Governance Code also requires Directors to ensure that the Annual Report and Financial Statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit and Management Engagement Committee advise on whether it considers that the Annual Report and Financial Statements fulfil these requirements. The process by which the Committee has reached these conclusions is set out in the Audit and Management Engagement Committee's report on pages 68 to 73 of this Annual Report. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 30 September 2023, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

For and on behalf of the Board

AUDLEY TWISTON-DAVIES
Chairman
29 November 2023

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Headquartered in BCA Tower, Jakarta, Bank Central Asia is the largest private bank in Indonesia, and was the portfolio's largest holding at year end.

Independent auditor’s report

to the members of BlackRock Frontiers Investment Trust plc

Opinion

We have audited the financial statements of BlackRock Frontiers Investment Trust plc (“the Company”) for the year ended 30 September 2023 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Cash Flow Statement and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the Company’s affairs as at 30 September 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Independence

We are independent of the Company 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC’s Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors’ assessment of the Company’s ability to continue to adopt the going concern basis of accounting included:

- Confirmation of our understanding of the Company’s going concern assessment process and engagement with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.
- Inspection of the Directors’ assessment of going concern, including the revenue forecast, for the period to 30 September 2025. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its liabilities as they fall due.
- Review of the factors and assumptions, including the impact of the Russia-Ukraine conflict and other significant events that could give rise to market volatility, as applied to the revenue forecast and the Directors’ liquidity assessment of the investments. We considered the appropriateness of the methods used to be able to make an assessment for the Company.
- Consideration of the mitigating factors included in the revenue forecasts that are within control of the Company. We reviewed the Company’s assessment of the liquidity of investments held and evaluated the Company’s ability to sell those investments to cover working capital requirements should revenue decline significantly.
- Review of the Company’s going concern disclosures included in the Annual Report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for a period to 30 September 2025, which is at least twelve months from the date the financial statements were authorised for issue.

In relation to the Company’s reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors’ statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company’s ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income. • Risk of incorrect calculation of the performance fee. • Risk of incorrect valuation or ownership of the investment portfolio and derivatives.
Materiality	• Overall materiality of $3.64m (2022: $3.03m) which represents 1% (2022: 1%) of the Company’s shareholders’ funds.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. The Directors have stated that they are cognisant of the long-term risk to performance from inadequate attention to Environmental, Social and Governance (ESG) issues, and in particular the impact of climate change. These are explained in the principal risks included in the Strategic Report (pages 36 to 41), which form part of the “Other information,” rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company’s disclosures in the financial statements as set out in Note 2a and conclusion that there was no material impact of climate change on the valuation of investments. We also challenged the Directors’ considerations of climate change in their assessment of going concern and viability and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income *Refer to the Report of the Audit and Management Engagement Committee (page 71); Accounting policies (pages 90 to 92); and Note 3 of the Financial Statements (page 93).* The total investment income for the year to 30 September 2023 was $17.40m (2022: $12.37m), consisting primarily of dividend income from overseas listed investments. Net income from contracts for difference (“CFD”) amounted to $1.99m (2022: $2.33m). During the year, the Company received special dividends amounting to $1.60m, of which $1.01m was classified as revenue and $0.59m as capital (2022: $1.40m, of which $1.33m was classified as revenue and $0.07m as capital).	**We performed the following procedures:** We obtained an understanding of the processes and controls surrounding revenue recognition and classification of special dividends by performing our walkthrough procedures. For the classification of special dividends, we also evaluated the design and implementation of controls. For a sample of dividends, we recalculated the investment income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, as agreed to an independent data vendor. We agreed this sample to bank statements or broker statements and, where applicable, we also agreed the exchange rates to an external source.	The results of our procedures identified no material misstatement in relation to the risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Statement of Comprehensive Income.

Independent auditor's report
continued

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition to the above, the Directors may, in certain circumstances, exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income.	For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the obligation arose prior to 30 September 2023. We agreed the dividend rate to the corresponding announcements made by the investee company, recalculated the amount receivable and, where applicable, agreed the subsequent cash receipts to post-year end bank statements. To test completeness of recorded investment income, we tested that expected dividends for each investee company held during the year had been recorded as income with reference to investee company announcements obtained from an independent data vendor. For all investments held during the year, we compared the type of dividends paid with reference to an external data source to identify those which were 'special'. We confirmed ten special dividends, amounting to $1.60m were received during the year. We tested all special dividends received, by recalculating the amount received and assessing the appropriateness of classification as revenue or capital by reviewing the underlying rationale of the distribution.	
Risk of incorrect calculation of the performance fee *Refer to the Report of the Audit and Management Engagement Committee (page 70); Accounting policies (page 91); and note 4 of the Financial Statements (pages 93 and 94).* The Company's performance fee for the year to 30 September 2023 amounted to $8.27m (2022: $Nil). The performance fee is calculated using a methodology as set out in the Investment Management Agreement ("IMA") between the Company and the Manager. Incorrect calculation of this fee could have a material impact on the return generated for shareholders.	**We performed the following procedures:** We obtained an understanding of the processes and controls surrounding the calculation of the performance fee by performing our walkthrough procedures. We agreed all key inputs used in the calculation to the accounting records or the IMA and benchmark data to third party source information. We agreed the calculation methodology to the IMA, recalculated the cumulative relative outperformance of the NAV and the performance fee payable as at 30 September 2023.	The results of our procedures identified no material misstatement in relation to the risk of incorrect calculation of the performance fee.

Risk	Our response to the risk	Key observations communicated to the Audit and Management Engagement Committee
Risk of incorrect valuation or ownership of the investment portfolio and derivatives *Refer to the Report of the Audit and Management Engagement Committee (page 70); Accounting policies (pages 91 and 92); and notes 10 and 11 of the Financial Statements (pages 97 and 98).* The valuation of the investment portfolio as at 30 September 2023 was \$374.525m (2022: \$297.95m). The derivative financial assets and liabilities held at fair value through profit or loss amounted to \$1.40m and \$(3.23)m respectively (2022: \$0.76m and \$(4.61)m respectively). The valuation of the instruments held in the investment portfolio is the key driver of the Company's net asset value and total return. Inappropriate investment pricing, including incorrect application of exchange rates, or failure to maintain proper legal title of the instruments held by the Company could have a significant impact on the portfolio valuation and, therefore, the return generated for shareholders. The fair value of exchange listed investments is determined using quoted market bid prices at close of business on the reporting date. The fair value of derivative instruments is based on the bid prices of the underlying securities in respect of long CFD positions, and the offer prices in respect of short CFD positions.	**We performed the following procedures:** We obtained an understanding of BNYM's processes surrounding investment and derivative title and pricing by performing our walkthrough procedures. For all listed investments and derivatives in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment and derivative valuations as at the year end. We inspected the stale pricing reports produced by BNYM to identify prices that have not changed and verified whether the listed price is a valid fair value. We compared the Company's investment holdings at 30 September 2023 to independent confirmations received directly from the Company's Custodian and Depositary, testing any reconciling items to supporting documentation. We agreed all year-end open CFD positions to confirmations received independently from the Company's brokers.	The results of our procedures identified no material misstatement in relation to the risk of incorrect valuation or ownership of the investment portfolio and derivatives.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be \$3.64m (2022: \$3.03m), which is 1% (2022: 1%) of the Company's shareholders' funds. We believe that shareholders' funds provides us with a basis of materiality aligned to the key measure of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2022: 75%) of our planning materiality, namely \$2.73m (2021: \$2.27m). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Independent auditor's report

continued

Given the importance of the distinction between revenue and capital for the Company we have also applied a separate testing threshold of $0.90m (2022: $0.65m) for the revenue column of the Statement of Comprehensive Income, being the greater of 5% of the net revenue profit on ordinary activities before taxation and our reporting threshold.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Management Engagement Committee that we would report to them all uncorrected audit differences in excess of $0.18m (2022: $0.15m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 75 and 118 to 143, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 51 and 52 and 89;

- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 41 and 42;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on pages 41 and 42, 51 and 52 and 89;
- Directors' statement on fair, balanced and understandable set out on pages 73 to 75;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 36 and 37;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 36 to 41; and
- The section describing the work of the Audit and Management Engagement Committee set out on pages 68 to 73.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities in respect of the Annual Report and Financial Statements set out on pages 74 and 75, the Directors are 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 Directors determine 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 Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are UK-adopted International Accounting Standards, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code, the Association of Investment Company's Code of Corporate Governance and Statement of Recommended Practice, section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how BlackRock Frontiers Investment Trust plc is complying with those frameworks through discussions with the Audit and Management Engagement Committee and Company Secretary, review of Board and committee meeting minutes and review of papers provided to the Audit and Management Engagement Committee.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items in the Statement of Comprehensive Income. Further detail of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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.

Independent auditor's report
continued

Other matters we are required to address
Following the recommendation from the Audit and Management Engagement Committee, we were appointed by the Company on 11 May 2011 to audit the financial statements for the year ending 30 September 2011 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is 13 years, covering the years ending 30 September 2011 to 30 September 2023.

The audit opinion is consistent with the additional report to the Audit and Management Engagement Committee.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Price (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

29 November 2023

Statement of comprehensive income

for the year ended 30 September 2023

	Notes	2023 Revenue US$'000	2023 Capital US$'000	2023 Total US$'000	2022 Revenue US$'000	2022 Capital US$'000	2022 Total US$'000
Income from investments held at fair value through profit or loss	3	17,402	–	17,402	12,369	74	12,443
Net income from contracts for difference	3, 11	1,985	565	2,550	2,328	–	2,328
Other income	3	251	–	251	55	–	55
Total income		**19,638**	**565**	**20,203**	**14,752**	**74**	**14,826**
Net profit/(loss) on investments held at fair value through profit or loss	10	–	58,566	58,566	–	(41,473)	(41,473)
Net loss on foreign exchange		–	(1,980)	(1,980)	–	(205)	(205)
Net profit/(loss) from derivatives	11	–	12,523	12,523	–	(4,425)	(4,425)
Total		**19,638**	**69,674**	**89,312**	**14,752**	**(46,029)**	**(31,277)**
Expenses							
Investment management and performance fees	4	(757)	(11,298)	(12,055)	(757)	(3,028)	(3,785)
Other operating expenses	5	(942)	(68)	(1,010)	(899)	(78)	(977)
Total operating expenses		**(1,699)**	**(11,366)**	**(13,065)**	**(1,656)**	**(3,106)**	**(4,762)**
Net profit/(loss) on ordinary activities before finance costs and taxation		**17,939**	**58,308**	**76,247**	**13,096**	**(49,135)**	**(36,039)**
Finance costs	6	(23)	(94)	(117)	(3)	(14)	(17)
Net profit/(loss) on ordinary activities before taxation		**17,916**	**58,214**	**76,130**	**13,093**	**(49,149)**	**(36,056)**
Taxation (charge)/credit	7	(2,044)	770	(1,274)	(1,080)	267	(813)
Profit/(loss) for the year		**15,872**	**58,984**	**74,856**	**12,013**	**(48,882)**	**(36,869)**
Earnings/(loss) per ordinary share (cents)	**9**	**8.38**	**31.16**	**39.54**	**6.35**	**(25.82)**	**(19.47)**

The total columns of this statement represent the Company's Statement of Comprehensive Income, prepared in accordance with UK-adopted International Accounting Standards (IAS). The supplementary revenue and capital accounts are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year. All income is attributable to the equity holders of the Company.

The Company does not have any other comprehensive income. The profit/(loss) for the year disclosed above represents the Company's total comprehensive income/(loss).

The notes on pages 89 to 115 form part of these financial statements.

Statement of changes in equity

for the year ended 30 September 2023

	Notes	Called up share capital US$'000	Capital redemption reserve US$'000	Special reserve US$'000	Capital reserves US$'000	Revenue reserve US$'000	Total US$'000
For the year ended 30 September 2023							
At 30 September 2022		2,418	5,798	308,804	(22,831)	8,467	302,656
Total comprehensive income:							
Net profit for the year		–	–	–	58,984	15,872	74,856
Transactions with owners, recorded directly to equity:							
Dividends paid[1]	8	–	–	–	–	(13,914)	(13,914)
At 30 September 2023		**2,418**	**5,798**	**308,804**	**36,153**	**10,425**	**363,598**
For the year ended 30 September 2022							
At 30 September 2021		2,418	5,798	308,804	26,051	9,707	352,778
Total comprehensive (loss)/income:							
Net (loss)/profit for the year		–	–	–	(48,882)	12,013	(36,869)
Transactions with owners, recorded directly to equity:							
Dividends paid[2]	8	–	–	–	–	(13,253)	(13,253)
At 30 September 2022		**2,418**	**5,798**	**308,804**	**(22,831)**	**8,467**	**302,656**

[1] Final dividend of 4.25 cents per share for the year ended 30 September 2022, declared on 8 December 2022 and paid on 14 February 2023 and an interim dividend of 3.10 cents per share for the year ended 30 September 2023, declared on 6 June 2023 and paid on 7 July 2023.

[2] Final dividend of 4.25 cents per share for the year ended 30 September 2021, declared on 1 December 2021 and paid on 11 February 2022 and an interim dividend of 2.75 cents per share for the year ended 30 September 2022, declared on 26 May 2022 and paid on 24 June 2022.

For information on the Company's distributable reserves please refer to note 16 on page 100.

The notes on pages 89 to 115 form part of these financial statements.

Statement of financial position

as at 30 September 2023

	Notes	2023 US$'000	2022 US$'000
Non current assets			
Investments held at fair value through profit or loss	10	374,517	297,945
Current assets			
Current tax asset		444	446
Other receivables	12	5,085	1,345
Derivative financial assets held at fair value through profit or loss – contracts for difference	11	1,402	755
Cash and cash equivalents	11	5,308	4,901
Cash collateral pledged with brokers	11	2,435	7,404
Total current assets		**14,674**	**14,851**
Total assets		**389,191**	**312,796**
Current liabilities			
Bank overdraft		(25)	–
Other payables	13	(20,015)	(4,858)
Derivative financial liabilities held at fair value through profit or loss – contracts for difference	11	(3,234)	(4,613)
Liability for cash collateral received	11	(2,300)	(650)
Total current liabilities		**(25,574)**	**(10,121)**
Total assets less current liabilities		**363,617**	**302,675**
Non current liabilities			
Management shares of £1.00 each (one quarter paid up)	14	(19)	(19)
Net assets		**363,598**	**302,656**
Equity attributable to equity holders			
Called up share capital	15	2,418	2,418
Capital redemption reserve	16	5,798	5,798
Special reserve	16	308,804	308,804
Capital reserves	16	36,153	(22,831)
Revenue reserve	16	10,425	8,467
Total equity		**363,598**	**302,656**
Net asset value per ordinary share (cents)	**9**	**192.05**	**159.86**

The financial statements on pages 85 to 115 were approved and authorised for issue by the Board of Directors on 29 November 2023 and signed on its behalf by Mr Twiston-Davies, Chairman.

BlackRock Frontiers Investment Trust plc

Registered in England, No. 7409667

The notes on pages 89 to 115 form part of these financial statements.

Cash flow statement

for the year ended 30 September 2023

	2023 US$'000	2022 US$'000
Operating activities		
Net profit/(loss) on ordinary activities before taxation	76,130	(36,056)
Add back finance costs	117	17
Net (profit)/loss on investments held at fair value through profit or loss (including transaction costs)	(58,566)	41,473
Net (profit)/loss from derivatives (including transaction costs)	(12,523)	4,425
Financing costs on derivatives	(4,107)	(1,450)
Net loss on foreign exchange	1,980	205
Sales of investments held at fair value through profit or loss	183,095	193,129
Purchases of investments held at fair value through profit or loss	(207,654)	(203,288)
Sales of Cash Fund[1]	163,097	214,616
Purchases of Cash Fund[1]	(156,544)	(189,800)
Amounts paid for losses on closure of derivatives	(42,659)	(62,302)
Amounts received on profit on closure of derivatives	57,263	69,002
(Increase)/decrease in other receivables	(855)	862
Increase/(decrease) in other payables	10,651	(4,680)
(Increase)/decrease in amounts due from brokers	(2,885)	2,017
Increase/(decrease) in amounts due to brokers	4,506	(2,059)
Cash collateral pledged with brokers	4,969	(7,074)
Cash collateral received from brokers	1,650	(5,537)
Taxation paid	(1,272)	(841)
Net cash inflow from operating activities	**16,393**	**12,659**
Financing activities		
Interest paid	(117)	(17)
Dividends paid	(13,914)	(13,253)
Net cash outflow from financing activities	**(14,031)**	**(13,270)**
Increase/(decrease) in cash and cash equivalents	**2,362**	**(611)**
Effect of foreign exchange rate changes	(1,980)	(205)
Change in cash and cash equivalents	**382**	**(816)**
Cash and cash equivalents at the start of the year	4,901	5,717
Cash and cash equivalents at the end of the year	**5,283**	**4,901**
Comprised of:		
Cash at bank	5,308	4,901
Bank overdraft	(25)	–
	5,283	**4,901**

[1] Cash Fund represents investment in the BlackRock Institutional Cash Series plc - US Dollar Liquid Environmentally Aware Fund.

The notes on pages 89 to 115 form part of these financial statements.

Notes to the financial statements

for the year ended 30 September 2023

1. Principal activity

The principal activity of the Company is that of an investment trust company within the meaning of Section 1158 of the Corporation Tax Act 2010. The Company was incorporated on 15 October 2010, and this is the thirteenth Annual Report.

2. Accounting policies

The principal accounting policies adopted by the Company have been applied consistently, other than where new policies have been adopted and are set out below.

(a) Basis of preparation

On 31 December 2020, International Financial Reporting Standards (IFRS) as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards (IAS), with future changes being subject to endorsement by the UK Endorsement Board and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared under the historic cost convention modified by the revaluation of certain financial assets and financial liabilities held at fair value through profit or loss and in accordance with UK-adopted IAS. All of the Company's operations are of a continuing nature.

Insofar as the Statement of Recommended Practice (SORP) for investment trust companies and venture capital trusts, issued by the Association of Investment Companies (AIC) in October 2019 and updated in July 2022, is compatible with UK-adopted IAS, the financial statements have been prepared in accordance with the guidance set out in the SORP.

Substantially, all of the assets of the Company consist of securities that are readily realisable and, accordingly, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future for the period to 30 September 2024, being a period of at least twelve months from the date of approval of the financial statements, and therefore consider the going concern assumption to be appropriate. The Directors have reviewed the income and expense projections and the liquidity of the investment portfolio in making their assessment.

The Directors have considered the impact of climate change on the value of the investments included in the Financial Statements and have concluded that:

- there was no further impact of climate change to be considered as the investments are valued based on market pricing as required by IFRS 13; and

- the risk is adequately captured in the assumptions and inputs used in measurement of Level 3 assets, if any, as noted in note 17 of the Financial Statements.

None of the Company's other assets and liabilities were considered to be potentially impacted by climate change.

The Company's financial statements are presented in US Dollars, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand dollars (US$'000) except where otherwise indicated.

Adoption of new and amended International Accounting Standards and interpretations:

IFRS 9 – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (effective 1 January 2022). The International Accounting Standards Board (IASB) has amended IFRS 9 Financial Instruments to clarify the fees that a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Relevant International Accounting Standards that have yet to be adopted:

IFRS 17 – Insurance contracts (effective 1 January 2023). This standard replaces IFRS 4, which currently permits a wide range of accounting practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

This standard is unlikely to have any impact on the Company as it has no insurance contracts.

Notes to the financial statements
continued

2. Accounting policies continued

IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (effective 1 January 2023). The IASB has amended IAS 12 Income Taxes to require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. According to the amended guidance, a temporary difference that arises on initial recognition of an asset or liability is not subject to the initial recognition exemption if that transaction gave rise to equal amounts of taxable and deductible temporary differences. These amendments might have a significant impact on the preparation of financial statements by companies that have substantial balances of right-of-use assets, lease liabilities, decommissioning, restoration and similar liabilities. The impact for those affected would be the recognition of additional deferred tax assets and liabilities.

The amendment of this standard is unlikely to have any significant impact on the Company.

IAS 8 – Definition of accounting estimates (effective 1 January 2023). The IASB has amended IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help distinguish between accounting policies and accounting estimates, replacing the definition of accounting estimates.

IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies (effective 1 January 2023). The IASB has amended IAS 1 Presentation of Financial Statements to help preparers in deciding which accounting policies to disclose in their financial statements by stating that an entity is now required to disclose material accounting policies instead of significant accounting policies.

IAS 12 – International Tax Reform Pillar Two Model Rules (effective 1 January 2023). The IASB has published amendments to IAS 12 Income Taxes to respond to stakeholders' concerns about the potential implications of the imminent implementation of the OECD pillar two rules on the accounting for income taxes. The amendment is an exception to the requirements in IAS 12 that an entity does not recognise and does not disclose information about deferred tax assets as liabilities related to the OECD pillar two income taxes and a requirement that current tax expenses must be disclosed separately to pillar two income taxes.

IAS 1 – Classification of liabilities as current or non-current (effective 1 January 2024). The IASB has amended IAS 1 Presentation of Financial Statements to clarify its requirement for the presentation of liabilities depending on the rights that exist at the end of the reporting period. The amendment requires liabilities to be classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment no longer refers to unconditional rights.

None of the standards that have been issued but are not yet effective are expected to have a material impact on the Company.

(b) Presentation of the Statement of Comprehensive Income
In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and a capital nature has been presented alongside the Statement of Comprehensive Income.

(c) Segmental reporting
The Directors are of the opinion that the Company is engaged in a single segment of business being investment business.

(d) Income
Dividends receivable on equity shares are recognised as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available, dividends receivable on or before the year end are treated as revenue for the year. Provision is made for any dividends and interest income not expected to be received. Special dividends, if any, are treated as a capital or a revenue receipt depending on the facts or circumstances of each particular case. The return on a debt security is recognised on a time apportionment basis so as to reflect the effective yield on the debt security. Interest income and deposit interest are accounted for on an accruals basis.

Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the cash equivalent of the dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

(e) Expenses

All expenses, including finance costs, are accounted for on an accruals basis. Expenses have been charged wholly to the revenue account of the Statement of Comprehensive Income, except as follows:

- expenses which are incidental to the acquisition or sale of an investment are charged to the capital account of the Statement of Comprehensive Income. Details of transaction costs on the purchases and sales of investments are disclosed within note 10 to the financial statements on page 97;
- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated;
- the investment management fee and finance costs have been allocated 20% to the revenue account and 80% to the capital account of the Statement of Comprehensive Income in line with the Board's expected long-term split of returns, in the form of capital gains and income, respectively, from the investment portfolio; and
- performance fees are allocated 100% to the capital account of the Statement of Comprehensive Income as fees are generated in connection with enhancing the value of the investment portfolio.

(f) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

Where expenses are allocated between capital and revenue accounts, any tax relief in respect of the expenses is allocated between capital and revenue returns on the marginal basis using the Company's effective rate of corporation tax for the accounting period.

Deferred taxation is recognised in respect of all temporary differences that have originated but not reversed at the financial reporting date, where transactions or events that result in an obligation to pay more taxation in the future or right to pay less taxation in the future have occurred at the financial reporting date. This is subject to deferred taxation assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted. Deferred taxation assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise.

(g) Investments held at fair value through profit or loss

In accordance with IFRS 9, the Company classifies its investments at initial recognition as held at fair value through profit or loss and are managed and evaluated on a fair value basis in accordance with its investment strategy and business model.

All investments are measured initially and subsequently at fair value through profit or loss. Purchases of investments are recognised on a trade date basis. Sales of investments are recognised at the trade date of the disposal.

The fair value of the financial investments is based on their quoted bid price at the financial reporting date, without deduction for the estimated future selling costs. This policy applies to all current and non-current asset investments held by the Company. The fair value of the P-Notes are, when held, based on the quoted bid price of the underlying equity to which they relate.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as "Net profit/(loss) on investments held at fair value through profit or loss". Also included within the heading are transaction costs in relation to the purchase or sale of investments.

For all financial instruments not traded in an active market, the fair value is determined by using various valuation techniques. Valuation techniques include market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data where possible). See note 2(o) below.

(h) Derivatives

The Company can hold long and short positions in contracts for difference (CFDs) which are held at fair value based on the bid prices of the underlying securities in respect of long positions, and the offer prices of the underlying securities in respect of short positions.

Notes to the financial statements

continued

2. Accounting policies continued

Profits and losses on derivative transactions are recognised in the Statement of Comprehensive Income. They are shown in the capital account of the Statement of Comprehensive Income if they are of a capital nature and are shown in the revenue account of the Statement of Comprehensive Income if they are of a revenue nature. To the extent that any profits or losses are of a mixed revenue and capital nature, they are apportioned between revenue and capital accordingly.

(i) Other receivables and other payables

Other receivables and other payables do not carry any interest and are short term in nature and are accordingly stated on an amortised cost basis.

(j) Dividends payable

Under IAS, final dividends should not be accrued in the financial statements unless they have been approved by shareholders before the financial reporting date. Interim dividends should not be recognised in the financial statements unless they have been paid.

Dividends payable to equity shareholders are recognised in the Statement of Changes in Equity.

(k) Foreign currency translation

Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities and non-monetary assets held at fair value are translated into US Dollars at the rate ruling on the financial reporting date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income as a revenue or capital item depending on the income or expense to which they relate. For investment transactions and investments held at the year end, denominated in a foreign currency, the resulting gains or losses are included in the profit/(loss) on investments held at fair value through profit or loss in the Statement of Comprehensive Income.

(l) Cash and cash equivalents

Cash comprises cash in hand, bank overdrafts and on demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

The Company's investment in the Cash Fund is managed as part of the Company's investment policy and, accordingly, this investment along with purchases and sales of this investment has been classified in the Statement of Financial Position as an investment and not as a cash equivalent as defined under IAS 7.

(m) Bank borrowings

Bank overdrafts and loans are recorded as the proceeds received. Finance charges, including any premium payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest rate method and are added to the carrying amount of the instrument.

(n) Share repurchases and share reissues

Shares repurchased and subsequently cancelled – share capital is reduced by the nominal value of the shares repurchased and the capital redemption reserve is correspondingly increased in accordance with Section 733 of the Companies Act 2006. The full cost of the repurchase is charged to the special reserve.

Shares repurchased and held in treasury – the full cost of the repurchase is charged to the special reserve.

Where treasury shares are subsequently re-issued:

- amounts received to the extent of the repurchase price are credited to the special reserve and capital reserves based on a weighted average basis of amounts utilised from these reserves on repurchases; and

- any surplus received in excess of the repurchase price is taken to the share premium account.

Where new shares are issued, amounts received to the extent of any surplus received in excess of the par value are taken to the share premium account.

Share issue costs are charged to the share premium account. Costs on share reissues are charged to the special reserve and capital reserves.

(o) Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors do not believe that any accounting judgements or estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Income

	2023 US$'000	2022 US$'000
Investment income:		
UK dividends	362	–
Stock dividend	14	–
Overseas dividends	12,997	10,327
Overseas special dividends	1,006	1,329
Interest from Cash Fund	3,023	713
Total investment income	**17,402**	**12,369**
Net income from contracts for difference (see note 11)	1,985	2,328
Interest received on cash collateral	68	–
Deposit interest	183	55
Total income	**19,638**	**14,752**

Dividends and interest received in cash during the year amounted to US$14,859,000 and US$3,182,000 (2022: US$13,766,000 and US$591,000).

Special dividends of US$nil from equity investments have been recognised in capital (2022: US$74,000). Special dividends of US$565,000 from long contracts for difference have been recognised in capital (2022: US$nil) and is included within net income from contracts for difference in the capital account of the Statement of Comprehensive Income.

4. Investment management and performance fees

	2023			2022		
	Revenue US$'000	Capital US$'000	Total US$'000	Revenue US$'000	Capital US$'000	Total US$'000
Investment management fee	757	3,026	3,783	757	3,028	3,785
Performance fee	–	8,272	8,272	–	–	–
Total	**757**	**11,298**	**12,055**	**757**	**3,028**	**3,785**

An investment management fee equivalent to 1.10% per annum of the Company's gross assets (defined as the aggregate net assets of the long equity and CFD portfolios of the Company) is payable to the Manager. In addition, the Manager is entitled to receive a performance fee at a rate of 10% of any increase in the net asset value (NAV) at the end of a performance period over and above what would have been achieved had the NAV since launch increased in line with the Benchmark Index, which, since 1 April 2018, is a composite of the MSCI Emerging Markets Index ex Selected Countries + MSCI Frontier Markets Index + MSCI Saudi Arabia Index.

For the purposes of the calculation of the performance fee, the performance of the NAV total return was measured against the performance of the Benchmark Index on a blended basis.

For the year ended 30 September 2023, the Company's NAV outperformed the Benchmark Index on a US Dollar basis by 20.1% resulting in a cumulative outperformance since launch of 57.9% (2022: underperformed by 3.6%); therefore, a performance fee of US$8,272,000 has been accrued (2022: US$nil). Any accrued performance fee is included within other payables in the Statement of Financial Position.

Notes to the financial statements
continued

4. Investment management and performance fees continued

The performance fee payable in any year is capped at 2.5% of the gross assets of the Company if there is an increase in the NAV per share, or 1% of the gross assets of the Company if there is a decrease of the NAV per share, at the end of the relevant performance period. Any capped excess outperformance for a period may be carried forward to the next two performance periods, subject to the then applicable annual cap. The performance fee is also subject to a high watermark such that any performance fee is only payable to the extent that the cumulative relative outperformance of the NAV is greater than what would have been achieved had the NAV increased in line with the Benchmark Index since the last date in relation to which a performance fee had been paid. This mechanism requires the Manager to catch up any previous cumulative underperformance against the benchmark before a performance fee can be generated.

The investment management fee is allocated 20% to the revenue account and 80% to the capital account and the performance fee is wholly allocated to the capital account of the Statement of Comprehensive Income. There is no additional fee for company secretarial and administration services.

5. Other operating expenses

	2023 US$'000	2022 US$'000
Allocated to revenue:		
Custody fee	229	274
Auditor's remuneration:		
– audit services	62	52
– other assurance services[1]	9	7
Registrar's fee	32	38
Directors' emoluments[2]	243	196
Broker fees	38	36
Depositary fees[3]	33	29
Marketing fees	90	76
AIC fees	24	22
FCA fees	18	16
Printing and postage fees	58	35
Employer NI contributions	31	22
Stock exchange listings	13	12
Legal and professional fees	21	18
Write back of prior year expenses[4]	(27)	(6)
Other administrative costs	68	72
	942	**899**
Allocated to capital:		
Custody transaction charges[5]	68	78
	1,010	**977**
The Company's ongoing charges[6], calculated as a percentage of average daily net assets and using the management fee and all other operating expenses, excluding performance fees, finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items, were:	1.38%	1.36%
The Company's ongoing charges[6], calculated as a percentage of average daily net assets and using the management fee and all other operating expenses and including performance fees but excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items, were:	3.78%	1.36%

1 Fees for other assurance services of £7,100 (US$9,000) (2022: £6,500 (US$7,000)) relate to the review of the interim financial statements.
2 Further information on Directors' emoluments can be found in the Directors' Remuneration Report on page 63. The Company has no employees.
3 All expenses other than depositary fees are paid in British Pound Sterling and are therefore subject to exchange rate fluctuations.
4 Relates to Directors' expenses, miscellaneous fees and legal fees written back during the year (2022: Directors' expenses and miscellaneous fees).
5 For the year ended 30 September 2023, expenses of £56,000 (US$68,000) (2022: £70,000 (US$78,000)) were charged to the capital account of the Statement of Comprehensive Income. These relate to transaction costs charged by the Custodian on sale and purchase trades.
6 Alternative Performance Measures, see Glossary on page 134.

No fees were payable in 2023 or 2022 in relation to investing in new markets.

6. Finance costs

	2023 Revenue US$'000	2023 Capital US$'000	2023 Total US$'000	2022 Revenue US$'000	2022 Capital US$'000	2022 Total US$'000
Interest paid on bank overdraft	–	–	–	3	14	17
Interest paid on cash collateral	23	94	117	–	–	–
Total	**23**	**94**	**117**	**3**	**14**	**17**

7. Taxation

(a) Analysis of charge/(credit) in year

	2023 Revenue US$'000	2023 Capital US$'000	2023 Total US$'000	2022 Revenue US$'000	2022 Capital US$'000	2022 Total US$'000
Current taxation:						
Corporation tax	770	(770)	–	271	(271)	–
Overseas tax	1,274	–	1,274	809	4	813
Total taxation charge/(credit) (note7(b))	**2,044**	**(770)**	**1,274**	**1,080**	**(267)**	**813**

(b) Factors affecting total taxation charge/(credit) for the year

The taxation assessed for the year is lower (2022: higher) than the blended rate of corporation tax used of 22.01% (based on a rate of 19.00% up to 31 March 2023 and a rate of 25.00% from 1 April 2023) (2022: standard rate of corporation tax of 19.00%). The differences are explained below:

	2023 Revenue US$'000	2023 Capital US$'000	2023 Total US$'000	2022 Revenue US$'000	2022 Capital US$'000	2022 Total US$'000
Profit/(loss) on ordinary activities before taxation	17,916	58,214	76,130	13,093	(49,149)	(36,056)
Profit/(loss) on ordinary activities multiplied by blended rate of 22.01% (2022: standard rate of 19.00%)	3,943	12,813	16,756	2,488	(9,338)	(6,850)
Effects of:						
Non-taxable overseas dividends	(3,091)	–	(3,091)	(2,217)	(14)	(2,231)
Non-taxable UK dividends	(79)	–	(79)	–	–	–
Non-taxable stock dividend	(3)	–	(3)	–	–	–
(Profit)/loss on investments held at fair value through profit or loss	–	(12,890)	(12,890)	–	7,879	7,879
Foreign exchange loss	–	436	436	–	39	39
Net (profit)/loss from contracts for difference	–	(2,881)	(2,881)	–	841	841
Overseas tax suffered	1,274	–	1,274	809	4	813
Current period management expenses not utilised	–	1,737	1,737	–	307	307
Disallowable expenses	–	15	15	–	15	15
Total taxation charge/(credit) for the year (note 7(a))	**2,044**	**(770)**	**1,274**	**1,080**	**(267)**	**813**

The Company is exempt from UK corporation tax on capital gains provided it maintains its status as an investment trust under Chapter 4 of Part 24 of the Corporation Tax Act 2010. Due to the Company's intention to meet the conditions required to maintain its investment trust status, it has not provided for deferred UK corporation tax on any capital gains or losses.

At 30 September 2023, the Company had net surplus management expenses of US$13,939,000 (2022: US$6,044,000). A deferred tax asset has not been recognised in respect of these losses because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus management expenses. Accordingly, the deferred tax asset of US$3,485,000 (2022: US$1,511,000) has not been recognised as at 30 September 2023 which has been calculated based on the corporation tax rate in effect from 1 April 2023 of 25%, as enacted by the Finance Act 2021.

Notes to the financial statements
continued

8. Dividends

Dividends paid on equity shares	Record date	Payment date	2023 US$'000	2022 US$'000
2022 final of 4.25 cents (2021: 4.25 cents) per ordinary share	6 January 2023	14 February 2023	8,046	8,046
2023 interim of 3.10 cents (2022: 2.75 cents) per ordinary share	16 June 2023	7 July 2023	5,868	5,207
			13,914	**13,253**

The total dividends payable in respect of the year ended 30 September 2023 which form the basis of Section 1158 of the Corporation Tax Act 2010 and Section 833 of the Companies Act 2006, and the amounts proposed, meet the relevant requirements as set out in this legislation.

Dividends paid, proposed or declared on equity shares	2023 US$'000	2022 US$'000
Interim dividend of 3.10 cents per ordinary share (2022: 2.75 cents)	5,868	5,207
Final proposed dividend of 4.90 cents per ordinary share (2022: 4.25 cents)[1]	9,277	8,046
	15,145	**13,253**

[1] Based on 189,325,748 ordinary shares in issue on 29 November 2023.

9. Earnings and net asset value per ordinary share

Revenue, capital earnings/(loss) and net asset value per ordinary share are shown below and have been calculated using the following:

	Year ended 30 September 2023	Year ended 30 September 2022
Net revenue profit attributable to ordinary shareholders (US$'000)	15,872	12,013
Net capital profit/(loss) attributable to ordinary shareholders (US$'000)	58,984	(48,882)
Total profit/(loss) attributable to ordinary shareholders (US$'000)	**74,856**	**(36,869)**
Equity shareholders' funds (US$'000)	**363,598**	**302,656**
The weighted average number of ordinary shares in issue during the year on which the earnings per ordinary share was calculated was:	189,325,748	189,325,748
The actual number of ordinary shares in issue at the year end on which the net asset value per ordinary share was calculated was:	189,325,748	189,325,748
Earnings per share		
Revenue earnings per share (cents) – basic and diluted	8.38	6.35
Capital earnings/(loss) per share (cents) – basic and diluted	31.16	(25.82)
Total earnings/(loss) per share (cents) – basic and diluted	**39.54**	**(19.47)**

	As at 30 September 2023	As at 30 September 2022
Net asset value per ordinary share (cents)	192.05	159.86
Ordinary share price (cents)[1]	175.76	142.61
Net asset value per ordinary share (pence)[1]	157.35	143.21
Ordinary share price (pence)	144.00	127.75

[1] Based on an exchange rate of US$1.2206 to £1 at 30 September 2023 and US$1.1163 to £1 at 30 September 2022.

10. Investments held at fair value through profit or loss

	2023 US$'000	2022 US$'000
Equity investments held at fair value through profit or loss	309,642	226,530
Cash Fund	64,875	71,415
Total value of financial asset investments at 30 September	374,517	297,945
Opening book cost of investments	338,458	346,043
Investment holding (losses)/gains	(40,513)	8,032
Opening fair value	**297,945**	**354,075**
Analysis of transactions made during the year:		
Purchases at cost	364,198	393,088
Sales proceeds received	(346,192)	(407,745)
Gains/(losses) on investments	58,566	(41,473)
Closing fair value	**374,517**	**297,945**
Closing book cost of investments	366,035	338,458
Closing investment holding gains/(losses)	8,482	(40,513)
Closing fair value	**374,517**	**297,945**

The Company received US$346,192,000 (2022: US$407,745,000) from investments sold in the year. The book cost of these investments when they were purchased was US$336,621,000 (2022: US$400,673,000). These investments have been revalued over time and until they were sold any unrealised gains/(losses) were included in the fair value of investments.

During the year, transaction costs of US$267,000 (2022: US$282,000) were incurred on the acquisition of investments. Costs relating to the disposal of investments during the year amounted to US$281,000 (2022: US$378,000). All transaction costs have been included within the capital reserves.

11. Derivatives

The Company may use a variety of derivative contracts, including contracts for difference (CFDs) which are synthetic equities and are valued by reference to the market values of the investments' underlying securities.

The sources of the return under the derivative contracts (e.g. notional dividends, financing costs, interest returns and realised and unrealised gains and losses) are allocated to the revenue and capital accounts in alignment with the nature of the underlying source of income and in accordance with the guidance given in the AIC SORP. Notional dividend income or expense arising on long or short positions is apportioned wholly to the revenue account. Notional interest income on short positions is allocated wholly to the revenue account. Notional interest expense on long and short positions is apportioned between revenue and capital in accordance with the Board's long-term expected returns of the Company (currently determined to be 20% to revenue and 80% to capital). Changes in value relating to underlying price movements of securities in relation to CFD exposures are allocated to capital. A summary of the various sources of return on the derivative contracts is given in the table below.

		2023			2022	
	Revenue US$'000	Capital US$'000	Total US$'000	Revenue US$'000	Capital US$'000	Total US$'000
Net change in unrealised gains/(losses) relating to underlying price movements	–	2,025	2,025	–	(9,675)	(9,675)
Net realised gains relating to underlying price movements	–	14,604	14,604	–	6,700	6,700
Notional dividend income on long positions	3,240	565	3,805	2,949	–	2,949
Notional dividend expense on short positions	(231)	–	(231)	(265)	–	(265)
Notional interest expense on long positions	(1,107)	(4,421)	(5,528)	(332)	(1,354)	(1,686)
Notional interest expense on short positions	–	–	–	(24)	(96)	(120)
Notional interest income on short positions	83	315	398	–	–	–
Total return on derivative contracts for the year	**1,985**	**13,088**	**15,073**	**2,328**	**(4,425)**	**(2,097)**

Notes to the financial statements
continued

11. Derivatives continued

The net fair values of derivative financial assets/(liabilities) in respect of long and short CFDs are set out in the table below:

	2023 US$'000	2022 US$'000
Derivative financial assets: Amounts due from brokers in respect of revaluation gains on CFDs	1,402	755
Derivative financial liabilities: Amounts due to brokers in respect of revaluation losses on CFDs	(3,234)	(4,613)
Total net derivative financial liabilities in respect of CFDs	**(1,832)**	**(3,858)**

Net realised gains on CFD positions of US$14,604,000 (US$6,700,000) comprised realised gains of US$57,262,000 (2022: US$69,002,000) and realised losses of US$42,658,000 (2022: US$62,302,000).

There were no net realised gains or losses on futures positions held during the year (2022: no net realised gains or losses).

As at 30 September 2023, the Company held cash and cash equivalent balances of US$5,308,000 (2022: US$4,901,000) and a bank overdraft of US$25,000 (2022: US$nil). The Company also pledged cash collateral of US$2,435,000 (2022: US$7,404,000) with CFD counterparties. This cash represents collateral posted to counterparties or amounts due to counterparties in respect of unrealised losses on open CFDs. The nature of the Company's portfolio means that the Company gains significant exposure to a number of securities through CFDs. The Company may be geared through the use of CFDs up to 140% of net assets. However, to the extent the Investment Manager has elected not to be geared, the Company will generally hold a level of cash (or equivalent holding in the Cash Fund) on its balance sheet representative of the difference between the cost of purchasing investments directly and the lower initial cost of posting collateral on a CFD contract. The Company was geared through its use of CFDs as at 30 September 2023 and 2022 and the difference between the cost of direct investment and the notional price of purchasing or selling the securities associated with exposures via long and short CFD contracts amounted to US$99,316,000 (2022: US$83,013,000). Had the Company been able to acquire or sell all of the underlying CFD positions through direct equity investment, its cash position (taking into account cash invested in the Cash Fund at 30 September 2023 of US$64,875,000 (2022: US$71,415,000)) at the year end would therefore have been lower by US$99,316,000 (2022: US$83,013,000).

As at 30 September 2023, the Company also owed US$2,300,000 (2022: US$650,000) to counterparties in respect of cash collateral received to cover unrealised gains on open CFDs. These cash balances are disclosed within cash and cash equivalents as an asset on the Statement of Financial Position of US$5,308,000 (2022: US$4,901,000), and an equivalent creditor of US$2,300,000 (2022: US$650,000) is also shown to reflect the economic entitlement of the counterparty to these deposits until such a time as the CFD contracts are closed out and the gains are realised. To the extent there are unrealised losses on CFD contracts, the Company will post cash collateral to these counterparties. The Investment Manager monitors margin positions on a daily basis to ensure any end of day margin balances are minimised and any amounts owed to the Company are transferred on a timely basis. In the event of default, legal ownership of any monies held in the cash collateral balances resides with the counterparties.

12. Other receivables

	2023 US$'000	2022 US$'000
Amounts due from brokers	3,488	603
Prepayments and accrued income	1,597	742
	5,085	**1,345**

13. Other payables

	2023 US$'000	2022 US$'000
Amounts due to brokers	7,967	3,461
Accruals for other expenses and interest payable	874	515
Management and performance fees payable	11,174	882
	20,015	**4,858**

14. Non current liabilities – Management shares

The Company has in issue 50,000 management shares of £1 each (one quarter paid up) which carry the right to receive a fixed cumulative preferential dividend at the rate of 0.01% per annum on the nominal amount thereof, payable on demand and any such dividend is payable in priority to the payment of dividend to holders of any other class of shares. To the extent that there are no shares of any other class in issue, each management share carries one vote. To the extent there are shares of any other class in issue these shares do not carry any voting rights. On a return of assets of the Company, the holders of these management shares are entitled to be paid the amount paid up or treated as paid up on their share, such return payable in priority to the return to holders or any other class of shares. The management shares are not redeemable.

15. Called up share capital

	Ordinary shares in issue number	Treasury shares number	Total shares number	Nominal value US$'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 1 cent each:				
At 30 September 2022	189,325,748	52,497,053	241,822,801	2,418
At 30 September 2023	**189,325,748**	**52,497,053**	**241,822,801**	**2,418**

During the year, the Company did not issue or buyback any ordinary shares (2022: nil). Additionally, during the year no shares were transferred into treasury (2022: nil).

Since 30 September 2023 and up to the date of this report, no ordinary shares have been issued or bought back.

Notes to the financial statements

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16. Reserves

For the year ended 30 September 2023

		Distributable reserves			
	Capital redemption reserve US$'000	**Special reserve US$'000**	**Capital reserve arising on investments sold US$'000**	**Capital reserve arising on revaluation of investments held US$'000**	**Revenue reserve US$'000**
At 30 September 2022	5,798	308,804	21,748	(44,579)	8,467
Movement during the year:					
Total comprehensive income:					
Net profit for the year	–	–	10,017	48,967	15,872
Transactions with owners, recorded directly to equity:					
Dividends paid	–	–	–	–	(13,914)
At 30 September 2023	**5,798**	**308,804**	**31,765**	**4,388**	**10,425**

For the year ended 30 September 2022

		Distributable reserves			
	Capital redemption reserve US$'000	**Special reserve US$'000**	**Capital reserve arising on investments sold US$'000**	**Capital reserve arising on revaluation of investments held US$'000**	**Revenue reserve US$'000**
At 30 September 2021	5,798	308,804	12,959	13,092	9,707
Movement during the year:					
Total comprehensive income/(loss):					
Net profit/(loss) for the year	–	–	8,789	(57,671)	12,013
Transactions with owners, recorded directly to equity:					
Dividends paid	–	–	–	–	(13,253)
At 30 September 2022	**5,798**	**308,804**	**21,748**	**(44,579)**	**8,467**

The share premium account and capital redemption reserve are not distributable reserves under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the special reserve and capital reserves may be used as distributable reserves for all purposes and, in particular, the repurchase by the Company of its ordinary shares and for payments such as dividends. In accordance with the Company's Articles of Association, the special reserve, capital reserves and the revenue reserve may be distributed by way of dividend. The gain on the capital reserve arising on the revaluation of investments of US$4,388,000 (2022: loss of US$44,579,000) is subject to fair value movements and may not be readily realisable at short notice, as such it may not be entirely distributable. The investments are subject to financial risks; as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

In June 2011, the Company cancelled its share premium account pursuant to shareholders' approval of a special resolution and Court approval on 17 June 2011. The share premium account, which totalled US$142,704,000 was transferred to a special reserve.

In November 2013, the Company cancelled its share premium account pursuant to shareholders' approval of a special resolution and Court approval on 6 November 2013. The share premium account, which totalled US$88,326,000 was transferred to a special reserve.

In March 2021, the Company cancelled its share premium account pursuant to shareholders' approval of a special resolution and Court approval on 11 March 2021. The share premium account, which totalled US$165,984,000 was transferred to a special reserve.

17. Risk management policies and procedures

The Company's investment activities expose it to various types of risks 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 shareholders should refer to the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at www.blackrock.com/uk/brfi for a more detailed discussion of the risks inherent in investing in the Company.

Risk management framework

The following information refers to the risk management framework of the Alternative Investment Fund Manager (AIFM). However, as disclosed in the Corporate Governance Statement on page 57 and in the Statement of Directors' Responsibilities on pages 74 and 75, it is the ultimate responsibility of the Board to ensure that the Company's risks are appropriately monitored, and to the extent that elements of this are delegated to third party service providers, the Board is responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of the relevant agreements and taking appropriate action to the extent issues are identified.

The Directors of the AIFM review quarterly investment performance reports and receive semi-annual presentations in person from the Investment Manager covering the Company's performance and risk profile during the year. The AIFM 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 Company is managed within the terms of its investment guidelines and limits set out in the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at www.blackrock.com/uk/brfi.

The AIFM is responsible for monitoring investment performance, product risk monitoring and oversight and has the responsibility for the monitoring and oversight of regulatory and operational risk for the Company. The Directors of the AIFM have 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 Risk and Quantitative Analysis Group (RQA) which is a centralised group which performs an independent risk management function. RQA independently identifies, measures and monitors investment risk, including climate-related risk, and tracks the actual risk management practices being deployed across the Company. By breaking down the components of the process, RQA has the ability to determine if the appropriate risk management processes are in place. 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 AIFM reports to the Audit and Management Engagement Committee twice yearly on key risk metrics and risk management processes; in addition, the Depositary monitors the performance of the AIFM and reports to the Audit and Management Engagement Committee semi-annually. Any significant issues are reported to the Board as they arise.

Risk Exposures

The risk exposures of the Company are 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 Company may suffer through holding market positions in financial instruments in the face of market movements. The Company is also exposed to frontier markets fluctuations through CFDs which are valued based on the price of the underlying equity holding.

A key metric RQA 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 a confidence level of 99% with a holding period of not greater than 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 Company will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk. It is noted that the use of VaR methodology has limitations, namely assumptions that risk factor returns are normally distributed and 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 Company 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 30 September 2023 and 30 September 2022 (based on a 99% confidence level) was 1.83% and 2.84% respectively.

Notes to the financial statements
continued

17. Risk management policies and procedures continued
(i) 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. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, climate change, or other events could have a significant impact on the Company and the market price of its investments and could result in increased premiums or discounts to the Company's net asset value.

The current environment of heightened geopolitical risk given the war in Ukraine and the more recent hostilities in the Middle-East has undermined investor confidence and market direction. In addition to the tragic and devastating events in Ukraine and the Middle-East, these conflicts have constricted supplies of key commodities, pushing prices up and creating a level of market uncertainty and volatility which is likely to persist for some time.

The Company is exposed to market price risk arising from its equity investments and CFDs. The movements in the prices of these investments result in movements in the performance of the Company. Other price risk sensitivity has been covered by the VaR analysis under the market risk section above.

The Company's exposure to other changes in market prices at 30 September 2023 on its equity investments, excluding its holding in the Cash Fund, was US$309,642,000 (2022: US$226,530,000). In addition, the Company's gross market exposure to these price changes through its CFD portfolio was US$108,259,000 (2022: US$94,779,000) through long positions and was US$10,775,000 (2022: US$15,624,000) through short positions.

Management of other price risk
By diversifying the portfolio, where this is appropriate and consistent with the Company's objectives, the risk that a price change of a particular investment will have a material impact on the NAV of the Company is minimised which is in line with the investment objectives of the Company.

The economic exposures within the CFD portfolio can be closed out at anytime by the Company subject to the market liquidity.

Concentration of exposure to market risks
An analysis of the Company's investment portfolio is shown on pages 17 to 24. At 30 September 2023 this shows that the majority of the portfolio is invested in Saudi Arabia, Indonesia, Thailand, the United Arab Emirates and Kazakhstan. Accordingly, there is a concentration of exposure to those countries, though it is recognised that an investment's country of domicile or its listing does not necessarily equate to its exposure to the economic conditions in that country.

(ii) 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. Foreign currency sensitivity has been covered by the VaR analysis under the market risk section.

The fair values of the Company's monetary items which have foreign currency exposure at 30 September 2023 and 30 September 2022 are shown on the following page. Where the Company's equity investments which are not monetary items are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

2023	Indonesian Rupiah US$'000	Saudi Riyals US$'000	Thai Baht US$'000	UAE Dirham US$'000	Vietnamese Dong US$'000
Receivables (due from brokers, withholding tax receivable, dividends and other income receivable)	–	–	67	–	–
Contracts for difference - long (gross exposure)	–	55,841	–	5,632	21,144
Contracts for difference - short (gross exposure)	–	(8,344)	–	–	–
Cash and cash equivalents	–	–	–	–	–
Bank overdraft	–	–	–	–	–
Payables (due to brokers and other expenses payable)	–	–	–	–	–
Total foreign currency exposure on net monetary items	**–**	**47,497**	**67**	**5,632**	**21,144**
Investments at fair value through profit and loss that are equities	52,201	–	30,650	18,089	–
Total net foreign currency exposure	**52,201**	**47,497**	**30,717**	**23,721**	**21,144**

2023	Philippine Peso US$'000	British Pound Sterling US$'000	Qatari Rial US$'000	Malaysian Ringgit US$'000	Other US$'000
Receivables (due from brokers, withholding tax receivable, dividends and other income receivable)	337	17	–	277	300
Contracts for difference – long (gross exposure)	–	3,325	11,709	–	–
Contracts for difference – short (gross exposure)	–	–	–	–	–
Cash and cash equivalents	–	–	–	–	4,629
Bank overdraft	–	(25)	–	–	–
Payables (due to brokers and other expenses payable)	(6,850)	(591)	–	(651)	(178)
Total foreign currency exposure on net monetary items	**(6,513)**	**2,726**	**11,709**	**(374)**	**4,751**
Investments at fair value through profit and loss that are equities	26,431	14,968	5,477	17,219	71,202
Total net foreign currency exposure	**19,918**	**17,694**	**17,186**	**16,845**	**75,953**

2022	Saudi Riyals US$'000	Indonesian Rupiah US$'000	Malaysian Ringgit US$'000	Vietnamese Dong US$'000	UAE Dirham US$'000
Receivables (due from brokers, withholding tax receivable, dividends and other income receivable)	–	21	146	–	–
Contracts for difference – long (gross exposure)	70,098	–	–	21,133	–
Contracts for difference – short (gross exposure)	(9,222)	–	–	–	–
Cash and cash equivalents	–	–	–	–	–
Payables (due to brokers and other expenses payable)	–	–	–	–	–
Total foreign currency exposure on net monetary items	**60,876**	**21**	**146**	**21,133**	**–**
Investments at fair value through profit and loss that are equities	–	39,945	25,584	–	20,263
Total net foreign currency exposure	**60,876**	**39,966**	**25,730**	**21,133**	**20,263**

Notes to the financial statements

continued

17. Risk management policies and procedures continued

2022	Qatari Rial US$'000	Euro US$'000	Thai Baht US$'000	Polish Zloty US$'000	Other US$'000
Receivables (due from brokers, withholding tax receivable, dividends and other income receivable)	–	12	47	62	431
Contracts for difference - long (gross exposure)	–	2,660	–	–	888
Contracts for difference - short (gross exposure)	–	–	(4,059)	–	–
Cash and cash equivalents	–	–	–	–	1,227
Payables (due to brokers and other expenses payable)	–	–	–	–	(606)
Total foreign currency exposure on net monetary items	**–**	**2,672**	**(4,012)**	**62**	**1,940**
Investments at fair value through profit or loss that are equities	13,943	10,235	16,263	9,254	45,683
Total net foreign currency exposure	**13,943**	**12,907**	**12,251**	**9,316**	**47,623**

Management of foreign currency risk

The Investment Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board of the Company on a regular basis.

The Investment Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the exchange rate to which the Company's assets, liabilities, income and expenses are exposed.

The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

Consequently, the Company is exposed to risks that the exchange rate of its reporting currencies, relative to other currencies, may change in a manner which has an adverse effect on the value of the portion of the Company's assets which are denominated in currencies other than their own currencies.

(iii) Market risk arising from interest rate risk

Exposure to interest rate risk

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

The Company is exposed to interest rate risk specifically through its cash holdings and on positions within the CFD portfolio. Interest rate movements may affect the level of income receivable from any cash at bank and on deposits. The effect of interest rate changes on the earnings of the companies held within the portfolio may have a significant impact on the valuation of the Company's investments. Movements in interest rates will also have an impact on the financing costs of the CFD derivative contracts. Interest rate sensitivity risk has been covered by the VaR analysis under market risk section.

Interest rate exposure

The exposure at 30 September 2023 and 30 September 2022 of financial assets and liabilities to interest rate risk is shown by reference to:

- floating interest rates – when the interest rate is due to be re-set; and
- fixed interest rates – when the financial instrument is due for repayment.

	2023 Within one year US$'000	2022 Within one year US$'000
Exposure to floating interest rates:		
CFD derivative contracts		
– Notional long positions	(108,259)	(94,779)
– Notional short positions	10,775	15,624
Cash Fund	64,875	71,415
Cash and cash equivalents	5,308	4,901
Bank overdraft	(25)	–
Total exposure to interest rates	**(27,326)**	**(2,839)**

The Company is exposed to interest rate risk on positions within the CFD portfolio. The Company incurs charges on long and short positions when held. These are based on:

	US$ based	**EUR based**
Notional long positions	Overnight US Federal Funds Effective rate	Euro OverNight Index Average
Notional short positions	Overnight US Federal Funds Effective rate	Euro OverNight Index Average

Notional interest is determined on a gross basis; i.e. for this purpose long and short positions or exposures within the master agreements are not netted. Further details of notional interest arising in the year in relation to the CFD portfolio are given in note 11 to the Financial Statements on pages 97 and 98.

The Company has additional exposure to interest rate risk in relation to its holding in the Cash Fund. Interest received on this holding in the year was on average 5.49% (2022: 2.51%). There were no money market deposits as at 30 September 2023 or 30 September 2022.

The Company does not have any fixed rate exposure at 30 September 2023 or 30 September 2022. Interest rates received on cash balances or paid on bank overdrafts, respectively, by major currency account are set out in the table below.

2023	**Interest received %**	**Interest paid %**
US Dollar	4.388	7.250
British Pound Sterling	3.675	8.021

2022	**Interest received %**	**Interest paid %**
US Dollar	0.649	2.717
British Pound Sterling	0.505	3.789

Management of interest rate risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions.

The Company's investment guidelines permit it to be geared up to 140% of net assets through the use of derivatives or borrowings, although the Board currently envisages that any such net gearing will not exceed 130% of net assets. Derivative contracts are not used to hedge against exposure to interest rate risk.

(b) Counterparty credit risk

Counterparty credit risk is the risk that the issuer of a financial instrument will fail to fulfil an obligation or commitment that it has entered into with the Company.

The Company is exposed to counterparty credit risk from the parties with which it trades and will bear the risk of settlement default. Counterparty credit risk to the Company arises from transactions to purchase or sell investments and through its positions in long and short derivatives.

Notes to the financial statements
continued

17. Risk management policies and procedures continued
The major counterparties engaged with the Company are all widely recognised and regulated entities. Short CFD positions, if held, are backed by sufficient margin cash to reduce risk.

Depositary
The Company's Depositary is The Bank of New York Mellon (International) Limited (BNYM or the Depositary) (S&P long-term credit rating as at 30 September 2023: AA- (2022: AA-)). The Company's listed investments are held on its behalf by The Bank of New York Mellon (International) Limited (BNYM) as the Company's Custodian (as sub-delegated by the Depositary). All of the equity assets and cash of the Company are held within the custodial network of the global custodian appointed by the Depositary. Bankruptcy or insolvency of the Depositary/Custodian may cause the Company's rights with respect to its investments held by the Depositary/Custodian to be delayed or limited. The maximum exposure to this risk at 30 September 2023 is the total value of equity investments held with the Depositary/Custodian and cash and cash equivalents in the Statement of Financial Position.

In accordance with the requirements of the depositary agreement, the Depositary will ensure that any agents it appoints to assist in safekeeping the assets of the Company will segregate the assets of the Company. Thus, in the event of insolvency or bankruptcy of the Depositary, the Company's non-cash assets are segregated and this reduces counterparty credit risk. The Company will, however, be exposed to the counterparty credit risk of the Depositary in relation to the Company's cash held by the Depositary. In the event of the insolvency or bankruptcy of the Depositary, the Company will be treated as a general creditor of the Depositary in relation to cash holdings of the Company.

Counterparties/Brokers
The Company only invests directly in markets that operate on a delivery versus payment basis, and consequently most investment transactions in listed securities involve simultaneous delivery of securities against cash payment using an approved broker. The risk of default is considered minimal, and the trade will fail if either party fails to meet its obligation.

For a few markets that the Company invests in from time to time, although they operate on a delivery versus payment basis, there may be a very short time gap between stock delivery and payment, giving a potential rise to counterparty credit risk with the broker in relation 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 for those markets. The Company monitors the credit rating and financial position of the broker used to further mitigate this risk.

Cash held by a counterparty to financial derivative contracts is subject to the credit risk of the counterparty. The following table details the total number of counterparties to which the Company is exposed, the maximum exposure to any one counterparty, the collateral held by the Company against this exposure, the total exposure to all other counterparties and the lowest long-term credit rating of any one counterparty (or its ultimate parent if unrated).

	Total number of counterparties	Maximum exposure to any one counterparty[1]	Collateral held[1]	Total exposure to all other counterparties[1]	Lowest credit rating of any one counterparty[2]
		US$'000	US$'000	US$'000	US$'000
2023	7	5,308	2,435	4,890	BBB+
2022	8	4,901	7,404	1,358	A-

1 Calculated on a net basis.
2 Standard & Poor's ratings.

The Company may also be exposed to counterparty risk should there be any rehypothecation of pledged collateral. Collateral is received/paid where the client service agreement states that there should be collateral movements agreed with the counterparty, where there is a requirement for a mark-to-market process or collateralisation to ensure that the Company is protected against any counterparty default.

Over–the–counter (OTC) financial derivative instruments
The Company may utilise both exchange traded and over-the-counter derivatives, including, but not limited to, CFDs and P-Notes, as part of its investment policy. These instruments can be highly volatile and potentially expose investors to a higher risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage in respect of each transaction. As a result, depending on the type of instrument, a relatively small movement in the

price of a contract may result in a profit or loss which is high in proportion to the value of the net exposures in the underlying CFD positions. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. The Company's current investment strategy specifically utilises CFDs. The CFDs utilised have a linear performance to the referenced stocks quoted on exchanges and therefore have a volatility profile similar to the underlying stocks.

Management of OTC financial derivative instruments

The gross value represents the aggregate of the long and short exposure without netting and so within this limit market exposure may be significantly less. The net exposure refers to the market exposure the Company has to the underlying securities on long CFD positions, less the market exposure of the underlying securities on which the Company has taken short positions. Further definitions are provided in the Glossary on page 131. To the extent derivatives are used to gear the Company's portfolio, maximum gross exposure through long and short CFDs will not exceed 150% of net assets and maximum net exposure will not exceed 130% of net assets. Short positions may not exceed 10% of net assets.

Exposures are monitored daily by the Investment Manager and its independent risk management team. The Company's board also reviews exposures regularly.

The CFD positions are diversified across sectors and geographies comprising 20 positions as at 30 September 2023 (2022: 23).

The gross and net underlying notional exposures within the CFD portfolio at 30 September 2023 and 30 September 2022 were:

	2023 US$'000	**% of net assets**	**2022 US$'000**	**% of net assets**
CFDs – gross exposure relating to long positions	108,259	29.8	94,779	31.3
CFDs – gross exposure relating to short positions	10,775	3.0	15,624	5.2
Gross economic exposure	119,034	32.8	110,403	36.5
Net market exposure	**97,484**	**26.8**	**79,155**	**26.1**

The economic exposures within the CFD portfolio can be closed out at any time by the Company subject to market liquidity. Details of securities and exposures to market risk, interest rate risk and credit risk implicit within the CFD portfolio are given in note 17(a)(i), 17(a)(ii), 17(a)(iii), 17(b) and 17(c) to the Financial Statements.

Collateral

The Company engages in activities which may require collateral to be provided to a counterparty (pledged collateral) or may hold collateral received (inbound collateral) from a counterparty. Pledged and inbound cash collateral is paid/received in US Dollars. The Company uses inbound collateral received from a counterparty to reduce the counterparty credit risk associated with any trading activity in which the Company has engaged.

The collateral received/posted by the Company under the ISDA Master Agreement in respect of variation margin is transferred bilaterally under a title transfer arrangement. Collateral received by the Company in respect of variation margin is held in an account in the name of the Depositary on behalf of the Company. Collateral received is segregated from the assets belonging to the Company's Depositary.

At 30 September 2023, all cash collateral received by the Company in respect of CFD transactions was re-invested in the Cash Fund managed by the Manager or its affiliates as disclosed in the Schedule of Investments. The Company is the legal owner of Inbound collateral and can sell the assets and withhold the cash in the case of default. All cash received or posted as collateral has an open maturity tenor as it is not subject to a contractual maturity date.

The returns earned by the Company from the reinvestment of cash collateral in Cash Fund during the year ended 30 September 2023 was 4.86% (2022: 0.91%).

Cash collateral pledged by the Company is separately identified as an asset in the Statement of Financial Position and is not included as a component of cash and cash equivalents. Inbound cash collateral received by the Company is reflected as a liability on the Statement of Financial Position as cash collateral payable. The cash is subject to certain counterparty credit risk as the Company's access to its cash could be delayed should the counterparties become insolvent or bankrupt.

Notes to the financial statements
continued

17. Risk management policies and procedures continued
The fair value of inbound cash collateral and cash collateral pledged is reflected in the table below:

	Pledged collateral		Liability for inbound collateral	
	30 September 2023 US$'000	30 September 2022 US$'000	30 September 2023 US$'000	30 September 2022 US$'000
Cash collateral	2,435	7,404	2,300	650

Receivables
Amounts due from debtors are disclosed in the Statement of Financial Position as receivables. The counterparties included in receivables are the same counterparties discussed previously under counterparty credit risk and subject to the same scrutiny by the BlackRock RQA Counterparty and Concentration Risk Team (RQA CCR). The Company monitors the ageing of receivables to mitigate the risk of debtor balances becoming overdue.

In summary, the exposure to credit risk at 30 September 2023 and 30 September 2022 was as follows:

	2023 3 months or less US$'000	2022 3 months or less US$'000
Cash at bank and on deposit	5,308	4,901
Cash Fund	64,875	71,415
CFD positions – amounts due from brokers	1,402	755
Other receivables (amounts due from brokers, dividends and interest receivable)	5,529	1,791
	77,114	**78,862**

The following table details the Company's exposure to CFDs and net cash collateral (received/pledged in US Dollars) analysed by counterparty as at the balance sheet date:

2023 Name of counterparty	Counterparty country of incorporation	(Payable)/ receivable for CFDs US$'000	Cash collateral pledged/ (received) US$'000
HSBC	United Kingdom	(1,904)	1,190
Citibank N.A	United Kingdom	(40)	(1,250)
Bank of America Merrill Lynch	United Kingdom	(803)	1,245
Morgan Stanley	United Kingdom	353	(640)
Goldman Sachs	United Kingdom	562	(410)
		(1,832)	**135**

2022 Name of counterparty	Counterparty country of incorporation	Receivable/ (payable) for CFDs US$'000	Cash collateral (received)/ pledged US$'000
HSBC	United Kingdom	(3,236)	5,130
Citibank N.A	United Kingdom	(401)	1,170
Bank of America Merrill Lynch	United Kingdom	(573)	264
BNP Paribas	United Kingdom	(118)	260
Morgan Stanley	United Kingdom	(132)	580
Goldman Sachs	United Kingdom	602	(650)
		(3,858)	**6,754**

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

The counterparty/credit risk is managed as follows:

- transactions are only entered into with those counterparties approved by RQA CCR, with a formal review carried out for each new counterparty and with counterparties selected by RQA CCR on the basis of a number of risk mitigation criteria designed to reduce the risk to the Company of default;
- the creditworthiness of financial institutions with whom cash is held is reviewed regularly by RQA CCR; and
- RQA CCR review the credit standard of the Company's brokers on a periodic basis and set limits on the amount that may be due from any one broker.

The Board monitors the Company's counterparty risk by reviewing:

- the semi-annual report from the Depositary, which includes the results of periodic site visits to the Company's Custodian where controls are reviewed and tested;
- the Custodian's Service Organisation Control (SOC 1) reports which include a report by the Custodian's auditor. This report sets out any exceptions or issues noted as a result of the auditor's review of the Custodian's control processes;
- the Manager's internal control reports which include a report by the Manager's auditor. This report sets out any exceptions or issues noted as a result of the auditor's review of the Manager's control processes; and
- in addition, the Depositary and the Manager report any significant breaches or issues arising to the Board as soon as these are identified.

There were no past due or impaired assets as of 30 September 2023 (2022: nil). The major counterparties engaged with the Company are all widely recognised and regulated entities.

Offsetting disclosures
In order to better define its contractual rights and to secure rights that will help the Company mitigate its counterparty risk, the Company may enter into an ISDA Master Agreement or similar agreement with its OTC derivative contract counterparties. An ISDA Master Agreement is an agreement between the Company and the counterparty that governs OTC derivative contracts and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Company has a contractual right to offset with the counterparty certain derivative financial instruments payables and/or receivables with collateral held and/or posted and create one single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

For financial reporting purposes, the Company does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Financial Position. The disclosures set out in the following table include financial assets and financial liabilities that are subject to an enforceable master netting agreement or similar agreement.

Notes to the financial statements
continued

17. Risk management policies and procedures continued

At 30 September 2023 and 2022, the Company's derivative assets and liabilities (by type) are as follows:

Derivatives	At 30 September 2023 Assets US$'000	At 30 September 2023 Liabilities US$'000	At 30 September 2022 Assets US$'000	At 30 September 2022 Liabilities US$'000
CFD position – long positions	1,122	(3,041)	–	(4,267)
CFD position – short positions	280	(193)	755	(346)
Total derivative assets and liabilities in the Statement of Financial Position	**1,402**	**(3,234)**	**755**	**(4,613)**

The following table presents the Company's derivative assets and liabilities by counterparty, net of amounts available for offset, under a master netting agreement and net of any related collateral paid by the Company as at 30 September 2023 and 2022:

Counterparty	Derivative assets subject to a master netting agreement US$'000	Derivatives available for offset US$'000	Non-cash collateral received US$'000	Inbound cash collateral US$'000	Net amount of derivative assets US$'000
As at 30 September 2023					
HSBC	411	–	–	–	411
Morgan Stanley	361	–	–	(361)	–
Goldman Sachs	630	–	–	(410)	220
Total as at 30 September 2023	**1,402**	**–**	**–**	**(771)**	**631**
As at 30 September 2022					
Morgan Stanley	153	–	–	–	153
Goldman Sachs	602	–	–	(602)	–
Total as at 30 September 2022	**755**	**–**	**–**	**(602)**	**153**

Counterparty	Derivative liabilities subject to a master netting agreement US$'000	Derivatives available for offset US$'000	Non-cash collateral given US$'000	Pledged cash collateral US$'000	Net amount of derivative liabilities US$'000
As at 30 September 2023					
HSBC	(2,315)	–	–	1,190	(1,125)
Citibank N.A	(40)	–	–	–	(40)
Bank of America Merrill Lynch	(802)	–	–	802	–
Goldman Sachs	(68)	–	–	–	(68)
Morgan Stanley	(9)	–	–	–	(9)
Total as at 30 September 2023	**(3,234)**	**–**	**–**	**1,992**	**(1,242)**
As at 30 September 2022					
HSBC	(3,236)	–	–	3,236	–
Citibank N.A	(401)	–	–	401	–
Bank of America Merrill Lynch	(573)	–	–	264	(309)
BNP Paribas	(118)	–	–	118	–
Morgan Stanley	(285)	–	–	285	–
Total as at 30 September 2022	**(4,613)**	**–**	**–**	**4,304**	**(309)**

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk for margin calls on derivatives.

Liquidity risk exposure

The remaining undiscounted gross cash flows of the financial liabilities as at 30 September 2023 and 30 September 2022, based on the earliest date on which payment can be required, were as follows:

2023	3 months or less US$'000	Not more than one year US$'000	More than one year US$'000	Total US$'000
Amounts due to brokers, accruals and provisions	20,015	–	–	20,015
Amounts due to CFD counterparty brokers in respect of collateral held on account	2,300	–	–	2,300
Derivative financial liabilities held at fair value through profit or loss	3,234	–	–	3,234
Bank overdraft	25	–	–	25
	25,574	**–**	**–**	**25,574**

2022	3 months or less US$'000	Not more than one year US$'000	More than one year US$'000	Total US$'000
Amounts due to brokers, accruals and provisions	4,858	–	–	4,858
Amounts due to CFD counterparty brokers in respect of collateral held on account	650	–	–	650
Derivative financial liabilities held at fair value through profit or loss	4,613	–	–	4,613
	10,121	**–**	**–**	**10,121**

Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. Asset disposals may also be required to meet liquidity needs. However, the timely sale of trading positions can be impaired by many factors including decreased trading volume and increased price volatility. As a result, the Company may experience difficulties in disposing of assets to satisfy liquidity demands. Liquidity risk is not significant as the Company's assets are investments in listed securities that are readily realisable.

The Company is also exposed to liquidity risks from the leverage employed through exposure to long and short CFD positions. The underlying securities of the CFD portfolio are all quoted investments that are readily realisable. Short CFD positions are, when held, backed by sufficient margin cash to reduce risk. The Company does not have a committed overdraft facility in place. Additional cash is held within the portfolio to further mitigate risk.

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

For the avoidance of doubt, none of the assets of the Company are subject to special liquidity arrangements.

Notes to the financial statements
continued

17. Risk management policies and procedures continued

(d) Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value (investments and derivatives) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and bank overdrafts). IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note 2(g) to the Financial Statements on page 91.

Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset.

The fair value hierarchy has the following levels:

Level 1 – Quoted market price for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices for similar instruments in markets that are considered less 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 options, currency swaps and other over-the-counter 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 specific inputs.

As at the year end, the CFDs were valued using the underlying equity bid price and the inputs to the valuation were the exchange rates used to convert the CFD valuation from the relevant local currency in which the underlying equity was priced to US Dollars at the year-end date. There have been no changes to the valuation technique since the previous year or as at the date of this report.

Contracts for difference and forward currency contracts have all been classified as Level 2 investments as their valuation has been based on market observable inputs represented by the market prices of the underlying quoted securities and exchange rates to which these contracts expose the Company.

Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation technique includes 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 Investment Manager considers observable data 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 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. 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 including an assessment of the relevant risks including but not limited to credit risk, market risk, liquidity risk, business risk and sustainability risk. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager and these risks are adequately captured in the assumptions and inputs used in measurement of Level 3 assets or liabilities.

Fair values of financial assets and financial liabilities

The table below sets out fair value measurements using IFRS 13 fair value hierarchy.

Financial assets/(liabilities) at fair value through profit or loss at 30 September 2023	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Assets:				
Equity investments	309,642	–	–	309,642
Cash Fund	64,875	–	–	64,875
Contracts for difference (fair value)	–	1,402	–	1,402
Liabilities:				
Contracts for difference (fair value)	–	(3,234)	–	(3,234)
	374,517	**(1,832)**	**–**	**372,685**

Financial assets/(liabilities) at fair value through profit or loss at 30 September 2022	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Assets:				
Equity investments	226,530	–	–	226,530
Cash Fund	71,415	–	–	71,415
Contracts for difference (fair value)	–	755	–	755
Liabilities:				
Contracts for difference (fair value)	–	(4,613)	–	(4,613)
	297,945	**(3,858)**	**–**	**294,087**

There were no transfers between levels of financial assets and financial liabilities during the year recorded at fair value as at 30 September 2023. The Company held no Level 3 assets or liabilities during the year ended 30 September 2023 (2022: nil).

For exchange listed equity investments, the quoted price is the bid price. Substantially, all investments are valued based on unadjusted quoted market prices. Where such quoted prices are readily available in an active market, such prices are not required to be assessed or adjusted for any price related risks, including climate risk, in accordance with the fair value related requirements of the Company's financial reporting framework.

(e) Capital management policies and procedures

The Company's capital management objectives are:

- to ensure it will be able to continue as a going concern; and
- to achieve long-term capital growth, investing primarily in companies operating in or having exposure to frontier markets.

This is to be achieved through an appropriate balance of equity, capital, investment in derivatives and structured financial instruments, and gearing. The maximum exposure the Company may have to derivatives and structured financial instruments for investment purposes and efficient portfolio management purposes, in aggregate, is 140% of the Company's portfolio. The Company may use borrowings and enter into derivative transactions that have the effect of gearing the Company's portfolio to enhance performance. The aggregate gearing of the Company in these circumstances is currently not anticipated to exceed 140% of net assets.

The Company's total invested capital at 30 September 2023 was US$363,598,000 (2022: US$302,656,000).

The Board, with the assistance of the Investment Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Investment Manager's view on the market; and
- the need to buy back equity shares, either for cancellation or to be held in treasury, which takes account of the difference between the NAV per share and the share price (i.e. the level of share price discount or premium).

Notes to the financial statements

continued

17. Risk management policies and procedures continued

The Company is subject to externally imposed capital requirements:

- as a public company, the Company has a minimum share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restrictions tests imposed on investment companies by law.

During the year, the Company complied with the externally imposed capital requirements to which it was subject.

18. Related party disclosure

Directors' emoluments

At the date of this report, the Board consists of six non-executive Directors, all of whom are considered to be independent of the Manager by the Board.

Disclosures of the Directors' interests in the ordinary shares of the Company and fees and expenses payable to the Directors are set out in the Directors' Remuneration Report on pages pages 63 to 65. At 30 September 2023, US$20,000 (£17,000) (2022: US$17,000 (£15,000)) was outstanding in respect of Directors' fees.

Significant holdings

The following investors are:

a. funds managed by the BlackRock Group or are affiliates of BlackRock Inc. ("Related BlackRock Funds"); or

b. investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are as a result, considered to be related parties to the Company ("Significant Investors").

As at 30 September 2023

Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
4.1	n/a	n/a

As at 30 September 2022

Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
8.4	n/a	n/a

19. Transactions with the Investment Manager and AIFM

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed in the Directors' Report on page 50.

The investment management fee due for the year ended 30 September 2023 amounted to US$3,783,000 (2022: US$3,785,000). The performance fee payable for the year ended 30 September 2023 amounted to US$8,272,000 (2022: US$nil).

At the year end, US$2,902,000 (2022: US$882,000) was outstanding in respect of management fees and US$8,272,000 (2022: US$nil) was outstanding in respect of performance fees.

In addition to the above services, BIM (UK) has provided the Company with marketing services. The total fees paid or payable for these services for the year ended 30 September 2023 amounted to US$90,000 (2022: US$76,000) excluding VAT. Marketing fees of US$143,000 (US$53,000) excluding VAT were outstanding at the year end.

The Company has an investment in the BlackRock Institutional Cash Series plc – US Dollar Liquid Environmentally Aware Fund of US$64,875,000 (2022: US$71,415,000) at the year end, which is a fund managed by a company within the BlackRock Group.

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc., a company incorporated in Delaware, USA.

20. Contingent liabilities

There were no contingent liabilities at 30 September 2023 (2022: nil).


VISTA
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ENERGY FOR TOMORROW

Additional information

Our off-benchmark position in Argentinian energy company Vista was a top contributor to performance.

PHOTO COURTESY OF VISTA ENERGY

Analysis of shareholders

as at 30 September 2023

Analysis of Categories as at 30 September 2023

	Holdings	%	No. of Shares*	%*
Individuals	140	32.72	1,191,891	0.63
Bank or Nominees	264	61.68	187,299,557	98.93
Investment Trust	5	1.17	364,467	0.19
Other Company	12	2.80	399,578	0.21
Pension Trust	3	0.70	2,668	0.00
Other Corporate Body	4	0.93	67,587	0.04
Total	**428**	**100.00**	**189,325,748**	**100.00**

Band Analysis as at 30 September 2023

Range in shares held	No. of shareholders	%	No. of Shares*	%*
1 - 1,000	51	11.92	24,255	0.01
1,001 - 5,000	81	18.93	223,252	0.12
5,001- 10,000	38	8.88	286,340	0.15
10,001 - 100,000	135	31.54	4,852,288	2.56
100,001 - 500,000	58	13.55	13,082,365	6.91
500,001 - 1,000,000	20	4.67	13,459,180	7.11
1,000,001 - 999,999,999	45	10.51	157,398,068	83.14
Total	**428**	**100.00**	**189,325,748**	**100.00**

* Excludes treasury shares of 52,497,053.

Historical record

as at 30 September 2023

Year	Net assets	Net asset value per ordinary share	Ordinary share price per share[1]	Ordinary share price per share	Net revenue after taxation	Revenue return per share	Dividends per share
	US$m	cents	cents	pence	US$m	cents	cents
2011[2]	115.6	122.0	116.8	75.0	3.3	3.5	3.00
2012	128.3	135.4	130.4	80.8	3.9	4.1	3.80
2013	255.2	169.5	178.1	110.0	5.9	6.1	5.40[3]
2014	306.1	203.3	211.6	130.5	9.9	6.6	6.25
2015	242.4	160.9	157.2	103.8	9.9	6.6	6.55
2016	276.4	168.2	167.6	129.0	10.1	6.4	6.60
2017	350.2	196.9	199.9	149.0	13.1	7.7	6.90
2018	356.5	177.7	182.3	139.8	19.3	10.1	8.40[4]
2019	400.8	166.5	162.7	132.0	18.9	8.2	7.75
2020	306.0	126.9	120.6	93.3	12.2	5.1	7.00
2021	352.8	186.3	165.2	122.5	14.9	7.1	7.00
2022	302.7	159.9	142.6	127.8	12.0	6.4	7.00
2023	**363.6**	**192.05**	**175.76**	**144.00**	**15.9**	**8.4**	**8.00**

[1] Share price converted from Sterling at the exchange rate prevailing on 30 September.
[2] Since launch on 17 December 2010 to 30 September 2011.
[3] Includes special dividend of 3.40 cents per ordinary share.
[4] Includes special dividend of 1.00 cent per ordinary share.

Management and other service providers

Registered Office

(Registered in England, No. 07409667)
12 Throgmorton Avenue
London EC2N 2DL

Alternative Investment Fund Manager

BlackRock Fund Managers Limited[1,2]
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

Investment Manager and Company Secretary

BlackRock Investment Management (UK) Limited[2]
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Depositary

The Bank of New York Mellon (International) Limited[2]
160 Queen Victoria Street
London EC4V 4LA

Registrar

Computershare Investor Services PLC[2]
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 4027

Independent Auditor

Ernst & Young LLP
25 Churchill Place
London E14 5EY

Stockbrokers

Winterflood Securities Limited[2]
The Atrium Building
25 Dowgate Hill
London EC4R 2GA

Solicitors

Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

[1] BlackRock Fund Managers Limited (BFM) was appointed as the Alternative Investment Fund Manager on 2 July 2014. BlackRock Investment Management (UK) Limited continues to act as the Investment Manager of the Company under a delegation agreement with BFM.

[2] Authorised and regulated by the Financial Conduct Authority.

Shareholder information

Financial calendar

The timing of the announcement and publication of the Company's results may normally be expected in the months shown below:

November	Annual results announced
November	Annual Report and Financial Statements published
February	Annual General Meeting
February	Final dividend paid
May	Half yearly figures to 31 March announced and Half Yearly Financial Report published
June/July	Interim dividend paid

Ordinary share price

The Company's mid-market ordinary share price is quoted daily in The Financial Times and The Times under "Investment Companies" and in The Daily Telegraph under "Investment Trusts". The share price is also available on the BlackRock website at www.blackrock.com/uk/brfi.

Payment of dividends

Cash dividends will be sent by cheque to the first-named shareholder at their registered address. The Board has arranged for all shareholders to receive their dividends in British Pound Sterling unless they elect otherwise. Shareholders who wish to receive their dividends in US Dollars should complete and return the enclosed Currency Election Form.

Dividends may also be paid direct into a shareholder's bank account via BACSTEL-IP (Bankers' Automated Clearing Service – Telecom Internet Protocol). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC, through their secure website investorcentre.co.uk, or by telephone on 0370 707 4027, or by completing the Mandate Instructions section on the reverse of your dividend counterfoil and sending this to the Company's registrar, Computershare. Confirmation of dividends paid will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

Dividend 2023

The proposed final dividend in respect of the year ended 30 September 2023 is 4.90 cents per ordinary share. Together with the interim dividend of 3.10 cents per share which was paid on 7 July 2023 to shareholders on the register on 16 June 2023, this gives a total dividend for the year ended 30 September 2023 of 8.00 cents per ordinary share.

Dividend timetable	Ordinary shares
Ex-dividend date:	4 January 2024
Record date:	5 January 2024
Last day for receipt of currency elections:	24 January 2024
Dividend payment date:	14 February 2024

ISIN/SEDOL numbers

The ISIN/SEDOL numbers and mnemonic codes for the Company's shares are:

	Ordinary shares
ISIN	GB00B3SXM832
SEDOL	B3SXM83
Bloomberg code	BRFI LN Equity
Ticker	BRFI

Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio reduced to £1,000 from 6 April 2023 and will reduce again to £500 from 6 April 2024. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances.

The Company continues to provide registered shareholders with confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is a shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries, please contact a financial advisor.

Shareholder information
continued

Share dealing
Investors wishing to purchase more shares in the Company or sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service. Alternatively, please go to www.computershare.com/dealing/uk for a range of Dealing services made available by Computershare.

CREST
The Company's shares may be held in CREST, an electronic system for uncertificated securities trading.

Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

Electronic communications
We encourage you to play your part in reducing our impact on the environment and elect to be notified by email when your shareholder communications become available online. This means you will receive timely, cost-effective and greener online Annual Reports, Half Yearly Financial Reports and other relevant documentation. Shareholders who opt for this service will receive an email from Computershare with a link to the relevant section of the BlackRock website where the documents can be viewed and downloaded. Please submit your email address by visiting investorcentre.co.uk/ecomms. You will require your shareholder reference number which you will find on your share certificate or dividend confirmation.

You will continue to receive a printed copy of these reports if you have elected to do so. Alternatively, if you have not submitted your email address nor have elected to receive printed reports, we will write and let you know where you can view these reports online.

Electronic proxy voting
Shareholders are able to submit their proxy votes electronically via Computershare's internet site at eproxyappointment.com using their shareholder reference number, control number and a unique identification PIN which will be provided with voting instructions and the Notice of Annual General Meeting.

CREST members who wish to appoint one or more proxies or give an instruction through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. More details are set out in the notes on the Form of Proxy and the Notice of Annual General Meeting.

Annual general meeting
The AGM of the Company is to be held at 12.30 p.m. on Tuesday, 6 February 2024. If you are unable to attend the meeting you can view a replay of the presentation on the Company's website at www.blackrock.com/uk/brfi. The Investment Manager presents their overview of the year and the outlook for the coming months.

Nominee code
Where shares are held in a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and

- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

Publication of net asset value/portfolio analysis
The net asset value (NAV) per share of the Company is calculated daily, with details of the Company's investments and performance being published monthly.

The daily NAV per share and monthly information are released through the London Stock Exchange's Regulatory News Service and are available on the BlackRock website at www.blackrock.com/uk/brfi and through the Reuters News Service under the code "BLRKINDEX", on page 8800 on Topic 3 (ICV terminals) and under "BLRK" on Bloomberg (monthly information only).

Online access

Other details about the Company are available on the BlackRock website at www.blackrock.com/uk/brfi. The financial statements and other literature are published on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Shareholders can also manage their shareholding online by using Investor Centre, Computershare's secure website, at investorcentre.co.uk. To access Computershare's website, you will need your shareholder reference number (SRN) which can be found on paper or electronic communications you have previously received from Computershare. Listed below are the most frequently used features of the website.

- Holding enquiry – view balances, values, history, payments and reinvestments.
- Payments enquiry – view your dividends and other payment types.
- Address change – change your registered address.
- Bank details update – choose to receive your dividend payment directly into your bank account instead of by cheque.
- e-Comms sign-up – choose to receive email notification when your shareholder communications become available instead of paper communications.
- Outstanding payments – reissue payments using the online replacement service.
- Downloadable forms – including dividend mandates, stock transfer, dividend reinvestment and change of address forms.

Stocks and Shares Individual Savings Accounts (ISA)

ISAs are a tax-efficient method of investment and the Company's shares are eligible investments for inclusion within stocks and shares Individual Savings Accounts. In the 2023/2024 tax year investors have an annual ISA allowance of £20,000 which can be invested in either cash or shares.

Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information needs to be input accurately to gain access to an individual's account. This includes your shareholder reference number, available from your share certificate, dividend confirmation statement or other electronic communications you have previously received from Computershare. The address of the Computershare website is investorcentre.co.uk. Alternatively, please contact the registrar on 0370 707 4027.

Changes of name or address must be notified in writing either through Computershare's website, or to the registrar at:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

General enquiries

Enquiries about the Company should be directed to:

The Company Secretary
BlackRock Frontiers Investment Trust plc
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

AIFMD report on Remuneration

(unaudited)

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 provisions in the UK implementing the Alternative Investment Fund Managers Directive (the "AIFMD"), the European Commission Delegated Regulation supplementing the AIFMD (the "Delegated Regulation") and the "Guidelines on sound remuneration policies under the AIFMD" issued by the European Securities and Markets Authority.

The BlackRock AIFM Remuneration Policy (the "AIFM Remuneration Policy") will apply to the EEA entities within the BlackRock group authorised as a manager of alternative investment funds in accordance with the AIFMD and will ensure compliance with the requirements of Annex II of the AIFMD and to UK entities within the BlackRock group authorised as a manager of a UK alternative investment fund in accordance with the AIFMD as implemented, retained and onshored in the UK.

The Manager has adopted the AIFM 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 (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
- supporting the boards of the Company's EMEA regulated entities in meeting their remuneration-related obligations by overseeing the design and implementation of EMEA remuneration policy in accordance with applicable regulations.

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 7 meetings during 2022. The MDCC charter is available on BlackRock, Inc.'s website (www.blackrock.com).

(b) The Manager's Board

The Manager's Board has the task of supervising and providing oversight of the AIFM 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;
- promote sound and effective risk management across all risk categories, including sustainability risk;
- discourage excessive risk-taking (sustainability related or otherwise); and
- ensure that client interests are not negatively impacted by remuneration awarded on a short-term, mid-term and/or long-term basis.

AIFMD report on Remuneration

(unaudited) continued

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 may be made to select individuals to provide greater linkage with future business results. These 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

[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 US Dollars).

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

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

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

Quantitative Remuneration Disclosure

The Manager is required to make quantitative disclosures of remuneration in accordance with the AIFMD, the Delegated Regulation and the FCA FUND Handbook. 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 AIFMD and non-AIFMD 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 AIFMD-related business in respect of the Manager's financial year ending 31 December 2022 is US$194.5 million. This figure is comprised of fixed remuneration of US$109.3 million and variable remuneration of US$85.2 million. There were a total of 3,790 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager, which has been attributed to the Manager's AIFMD-related business in respect of the Manager's financial year ending 31 December 2022, to its senior management was US$21.6 million, and to members of its staff whose actions have a material impact on the risk profile of the Manager's AIFMD-related business was US$8.8 million. These figures relate to the entire Manager and not to the Company.

Other AIFMD disclosures

(unaudited)

Leverage

The Company may employ leverage and borrow cash in accordance with its stated investment policy or investment strategy. Consistent with its investment objective and policy, the Company may utilise derivative instruments as part of its investment policy.

The use of derivatives may expose the Company to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard underlying bonds or equities. Leveraged derivative positions can therefore increase the Company's volatility. The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject.

For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means. The AIFMD requires that each leverage ratio be expressed as the ratio between a Company's exposure and its NAV, and prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure. Further information on the definition of leverage can be found in the Glossary on page 132.

Using the methodologies prescribed under the AIFMD, the leverage of the Company is disclosed in the table below:

	Commitment leverage	Gross leverage
Leverage ratio – as at 30 September 2023	1.17	1.16
Leverage ratio – as at 30 September 2022	1.12	1.11

Other risk disclosures

The financial risk disclosures relating to risk framework and liquidity risk are set out in note 17 in the notes to the financial statements on page 101.

Pre investment disclosures

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the Annual Report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the website at www.blackrock.com/uk/brfi.

There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

KEVIN MAYGER
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
29 November 2023

Information to be disclosed in accordance with Listing Rule 9.8.4

The disclosures below are made in compliance with the requirements of Listing Rule 9.8.4.

9.8.4 (1) The Company has not capitalised any interest in the period under review.

9.8.4 (2) The Company has not published any unaudited financial information in a class 1 circular or prospectus or any profit forecast or profit estimate.

9.8.4 (3) This provision has been deleted.

9.8.4 (4) The Company does not have any long-term incentive schemes in operation.

9.8.4 (5) and (6) No Director of the Company has waived or agreed to waive any current or future emoluments from the Company or any subsidiary undertaking.

9.8.4 (7) The Company has not alloted any ordinary shares during the year.

The Company is a stand-alone entity and therefore Listing Rules 9.8.4 (8) and 9.8.4 (9) are not applicable.

9.8.4 (10) There were no contracts of significance subsisting during the period under review to which the Company is a party and in which a Director of the Company is or was materially interested, or between the Company and a controlling shareholder.

9.8.4 (11) This provision is not applicable to the Company.

9.8.4 (12) and (13) There were no arrangements under which a shareholder has waived or agreed to waive any dividends or future dividends.

9.8.4 (14) This provision is not applicable to the Company.

KEVIN MAYGER
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
29 November 2023

Depositary report

BNY MELLON

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London EC4V 4LA

T +44 (0)20 7570 1784

14 November 2023

To the Board of Directors
BlackRock Frontiers Investment Trust Plc
12 Throgmorton Avenue,
London
EC2N 2DL

Dear Sir / Madam,

Re: BlackRock Frontiers Investment Trust Plc ('the Entity')

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the BlackRock Frontiers Investment Trust Plc ("the Company") for the Year Ended 30 September 2023.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Investment Funds Sourcebook, ("the Sourcebook"), the Alternative Investment Fund Managers Directive ("AIFMD") (together "the Regulations") and the Company's Articles of Association.

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

The Depositary is responsible for the safekeeping of the assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

• the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;

• the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;

• the assets under management and the net asset value per share of the Company are calculated in accordance with the Regulations;

• any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;

• that the Company's income is applied in accordance with the Regulations; and

• the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Articles of Association in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM has been managed in accordance with the rules in the Sourcebook, the Articles of Association of the Company and as required by the AIFMD.

Glossary

Alternative Performance Measure (APM)
An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements.

The Company's APMs are set out below and are cross-referenced where relevant to the financial inputs used to derive them as contained in other sections of the Annual Report and Financial Statements.

Benchmark Index
The Company's Benchmark Index, used for performance comparative purposes, is the MSCI Emerging Markets Index ex Selected Countries + MSCI Frontier Markets Index + MSCI Saudi Arabia Index.

Benchmark Index outperformance/underperformance is measured by comparing the Company's net asset value return (NAV) total return, with the performance of the Benchmark Index on a total return basis.

As at 30 September 2023, the Company's NAV total return was +25.1% (2022: -10.9%) and the total return of the Benchmark Index was +5.0% (2022: -7.3%), therefore the Company's outperformance of the Benchmark Index was 20.1% (2022: underperformance of 3.6%).

Closed-end company
An investment trust works along the same lines as a unit trust, in that it pools money from investors which is then managed on a collective basis. The main difference is that an investment trust is a company listed on the Stock Exchange and, in most cases, trading takes place in shares which have already been issued, rather than through the creation or redemption of units. As the number of shares which can be issued or cancelled at any one time is limited, and requires the approval of existing shareholders, investment trusts are known as closed-end funds or companies. This means that investment trusts are not subject to the same liquidity constraints as open ended funds and can therefore invest in less liquid investments.

Contracts for difference (CFD)
A CFD is an agreement to exchange the difference in value of a particular share or index between the time at which a contract is opened and the time at which it is closed. A CFD allows an investor to gain access to the movement in the share price by putting down a small amount of cash known as a margin which can range between 1% and up to 80% of the market value of the underlying security.

CFDs do not have an expiry date like options or futures contracts. As opposed to an expiry date a CFD is effectively renewed at the close of each trading day and rolled forward if desired.

Discount and premium*
Investment trust shares can frequently trade at a discount to NAV. This occurs when the share price (based on the mid-market share price) is less than the NAV and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV.

As at 30 September 2023, the US Dollar equivalent share price was 175.76 cents (2022: 142.61 cents) and the NAV was 192.05 cents (2022: 159.86 cents), therefore the discount was 8.5% (2022: 10.8%) (please see note 9 of the financial statements on page 96 for the inputs to the calculation).

A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 370 pence and the NAV 365 pence, the premium would be 1.4%.

Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

* Alternative Performance Measure.

Glossary
continued

Gearing and borrowings*

The Company may achieve gearing through borrowings or the effect of gearing through an appropriate balance of equity capital, investment in derivatives and structured financial instruments, and borrowings. The maximum exposure the Company may have to derivatives and structured financial instruments for investment purposes and efficient portfolio management purposes, in aggregate, is 140% of the Company's net assets. The Company may use borrowings and enter into derivative transactions that have the effect of gearing the Company's portfolio to enhance performance.

The Company's gross and net gearing through the use of long and short CFD positions as at 30 September 2023 and 30 September 2022 is set out in the table below.

Gross and net gearing	Page	30 September 2023 US$000	30 September 2022 US$000	
Equity investments	97	309,642	226,530	(a)
Long CFD exposures	107	108,259	94,779	(b)
Short CFD exposures	107	10,775	15,624	(c)
Gross geared exposure (d = a + b + c)		428,676	336,933	(d)
Net geared exposure (e = a + b – c)		407,126	305,685	(e)
Net assets	87	363,598	302,656	(f)
Gross gearing % of net assets (g = (d – f)/f x 100) (%)		**17.9**	**11.3**	**(g)**
Net gearing % of net assets (h = (e – f)/f x 100) (%)		**12.0**	**1.0**	**(h)**

Gross market exposure and net market exposure

Market exposure gained through a CFD contract refers to the gross market value of the underlying securities to which the investor is exposed through the CFD contract.

Gross exposure refers to the total exposure the investor has through both long and short positions added together. For example, an investor who has 110% long market exposure through CFDs and 20% short market exposure through CFDs has gross market exposure of 130%.

Net exposure refers to the exposure the investor has through long positions less any short positions. For example, an investor who has 110% long market exposure through CFDs and 20% short market exposure through CFDs has net market exposure of 90%; this method of measurement is looking at the net directional market exposure and takes into account the fact that long and short positions theoretically offset one another when the market moves in a particular direction.

Leverage

Leverage is defined in the AIFM Directive as "any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means".

Leverage is measured in terms of 'exposure' and is expressed as a ratio of net asset value:

$$\text{Leverage ratio} = \frac{\text{Total assets}}{\text{Net assets}}$$

The Directive sets out two methodologies for calculating exposure. These are the Gross Method and the Commitment Method. The treatment of cash and cash equivalent balances in terms of calculating what constitutes an "exposure" under AIFMD differs for these two methods. The definitions for calculating the Gross Method exposures require that "the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the AIF, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond" should be excluded from exposure calculations.

The Company is leveraged in accordance with the methodology set out in the AIFMD, as at 30 September 2023, however all derivative positions were backed by cash and the Company was not geared from this perspective, nor was it geared using the calculation methodology adopted and recommended by the AIC.

* Alternative Performance Measure.

Net asset value per share (Capital only NAV)*

The capital only NAV is a point of reference when comparing a range of investment trusts. This NAV focuses on the value of the Company's assets disregarding the current period revenue income, on the basis that most trusts will distribute substantially all of their income in any financial period. It is calculated by dividing 'equity shareholders' funds' (excluding current period revenue) by the total number of ordinary shares in issue.

As at 30 September 2023, equity shareholders' funds less the current year net revenue return (after interim dividends) amounted to US$353,594,000 (2022: US$295,850,000) and there were 189,325,748 (2022: 189,325,748) ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 186.76 cents (2022: 156.27 cents).

Equity shareholders' funds (excluding current period revenue) of US$353,594,000 (2022: US$295,850,000) are calculated by deducting from the Company's net assets US$363,598,000 (2022: US$302,656,000) its current period revenue US$15,872,000 (2022: US$12,013,000) and adding back the interim dividend US$5,868,000 (2022: US$5,207,000).

Net asset value per share (Cum income NAV)

This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing 'equity shareholders' funds' by the total number of ordinary shares in issue (excluding treasury shares). For example, as at 30 September 2023, equity shareholders' funds were worth US$363,598,000 (2022: US$302,656,000) and there were 189,325,748 (2022: 189,325,748) ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 192.05 cents (2022: 159.86 cents) per ordinary share (please see note 9 of the financial statements for the audited inputs to the calculations).

Equity shareholders' funds are calculated by deducting from the Company's total assets, its current and long-term liabilities and any provision for liabilities and charges.

NAV and share price return (with dividends reinvested)*

Performance statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The performance measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/share price (please see note 9 of the financial statements for the audited inputs to the calculations).

NAV total return – US Dollar	Page	30 September 2023	30 September 2022	
Closing NAV per share (cents)	96	192.05	159.86	
Add back interim and final dividends (cents)	96	7.35	7.00	
Effect of dividend reinvestment (cents)		0.63	(0.82)	
Adjusted closing NAV (cents)		200.03	166.04	(a)
Opening NAV per share (cents)	96	159.86	186.33	(b)
NAV total return (c = ((a – b)/b)) (%)		**25.1**	**(10.9)**	**(c)**

NAV total return – British Pound Sterling	Page	30 September 2023	30 September 2022	
Closing NAV per share (pence)[1]	96	157.35	143.21	
Add back interim and final dividends (pence)	96	5.88	5.37	
Effect of dividend reinvestment (pence)		0.51	0.20	
Adjusted closing NAV (pence)		163.74	148.78	(a)
Opening NAV per share (pence)	96	143.21	138.19	(b)
NAV total return (c = ((a – b)/b)) (%)		**14.3**	**7.7**	**(c)**

[1] Based on an exchange rate of US$1.2206 to £1 at 30 September 2023 and US$1.1163 to £1 at 30 September 2022.

* Alternative Performance Measure.

Glossary
continued

Share price total return – US Dollar	Page	30 September 2023	30 September 2022	
Closing share price (cents)[1]	96	175.76	142.61	
Add back interim and final dividends (cents)	96	7.35	7.00	
Effect of dividend reinvestment (cents)		0.57	(1.02)	
Adjusted closing share price (cents)		183.68	148.59	(a)
Opening share price (cents)	96	142.61	165.18	(b)
Share price total return (c = ((a – b)/b)) (%)		**28.8**	**(10.0)**	**(c)**

[1] Based on an exchange rate of US$1.2206 to £1 at 30 September 2023 and US$1.1163 to £1 at 30 September 2022.

Share price total return – British Pound Sterling	Page	30 September 2023	30 September 2022	
Closing share price (pence)	96	144.00	127.75	
Add back interim and final dividends (pence)	96	5.88	5.37	
Effect of dividend reinvestment (pence)		0.46	0.02	
Adjusted closing share price (pence)		150.34	133.14	(a)
Opening share price (pence)	96	127.75	122.50	(b)
Share price total return (c = ((a – b)/b)) (%)		**17.7**	**8.7**	**(c)**

Ongoing charges ratio*

$$\text{Ongoing charges (\%)} = \frac{\text{Annualised ongoing charges}}{\text{Average undiluted net asset value in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management fees.

As recommended by the AIC in its guidance, ongoing charges are the Company's management fee and all other operating expenses (excluding performance fees, finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items) expressed as a percentage of the average daily net assets of the Company during the year.

The inputs that have been used to calculate the ongoing charges percentage are set out in the following table.

Ongoing charges calculation	Page	30 September 2023 US$'000	30 September 2022 US$'000	
Management fee	93	3,783	3,785	
Other operating expenses[1]	94	969	905	
Total management fee and other operating expenses		4,752	4,690	(a)
Performance fee	93	8,272	–	(b)
Total management and performance fees and other operating expenses (c = a + b)		13,024	4,690	(c)
Average daily net assets in the year		344,387	343,628	(d)
Ongoing charges in the year excluding performance fees (e = a/d) (%)		**1.38**	**1.36**	**(e)**
Ongoing charges in the year including performance fees (f = c/d) (%)		**3.78**	**1.36**	**(f)**

[1] Excluding the write back of prior year expenses totalling US$27,000 (2022: US$6,000).

* Alternative Performance Measure.

Participatory notes (P-Notes)

Participatory notes issued by certain counterparty banks are designed to offer the holder a return linked to the performance of a particular underlying equity security or market, and used where direct investment in the relevant underlying equity security or market is not possible for regulatory or other reasons.

Quoted securities and unquoted securities

Quoted securities are securities that trade on an exchange for which there is a publicly quoted price. Unquoted securities are financial securities that do not trade on an exchange for which there is not a publicly quoted price.

Revenue profit and revenue reserves

Revenue profit is the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the Company. Revenue reserves is the undistributed income that the Company keeps as reserves. Investment trusts do not have to distribute all the income they generate, after expenses. They may retain up to 15% of revenue generated which will be held in a revenue reserve. This reserve can be used at a later date to supplement dividend payments to shareholders.

Short and long exposures

CFDs enable an investor to benefit from the price of a stock falling as well as rising. This enables the investor to benefit from negative as well as positive views on individual stocks. Entering into a CFD that results in a profit where the share price movement falls is referred to as taking a short position. The counterparty pays the investor interest on the cash deposited with it which collateralises the short positions and deductions are made from the value of the short CFD contract in respect of dividends payable in relation to these stocks.

Entering into a CFD contract that results in a profit if the price of the stock rises is referred to as taking a long position. The investor pays a financing charge on long positions and receives payments from the counterparty in respect of dividends payable in relation to these long positions.

Treasury shares

Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares do not pay dividends, have no voting rights and are not included in a company's total issued share capital amount for calculating percentage ownership. Treasury stock may have come from a repurchase or buy back from shareholders, or it may never have been issued to the public in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

Yield*

The yield is the amount of cash (in percentage terms) that is returned to the owners of the security, in the form of interest or dividends received from it. Normally, it does not include the price variations, distinguishing it from performance (with dividends reinvested).

	Page	27 November 2023	30 September 2023	30 September 2022	
Interim and final dividends paid/payable (cents)[1]	96	8.00	8.00	7.00	(a)
Ordinary share price (cents)	96	179.02	175.76	142.61	(b)
Yield (c = a/b) (%)		4.5	4.6	**4.9**	**(c)**

[1] Comprising dividends declared/paid for the twelve months to 30 September.

* Alternative Performance Measure.

Contents

Annual general meeting

We rotated some exposure to Financials from holdings in Saudi Arabia to Abu Dhabi Commercial Bank in United Arab Emirates.

Notice of annual general meeting

Notice is hereby given that the next Annual General Meeting of BlackRock Frontiers Investment Trust plc (the Company) will be held at the offices of BlackRock Investment Management (UK) Limited, at 12 Throgmorton Avenue, London EC2N 2DL on Tuesday, 6 February 2024 at 12.30 p.m. for the purpose of considering and, if thought fit, passing the following resolutions. Resolutions 1 to 10 are proposed as ordinary resolutions and resolutions 11 to 13 are being proposed as special resolutions.

Ordinary business

Ordinary resolutions

1. To receive the report of the Directors of the Company and the Financial Statements for the year ended 30 September 2023, together with the report of the Auditor thereon.

2. To approve the Directors' Remuneration Report for the year ended 30 September 2023.

3. To approve the payment by the Company of a final dividend of 4.90 cents per ordinary share in respect of the year ended 30 September 2023.

4. To re-elect Stephen White as a Director.

5. To re-elect Katrina Hart as a Director.

6. To re-elect Elisabeth Airey as a Director.

7. To re-elect Lucy Taylor-Smith as a Director.

8. To reappoint Ernst & Young LLP as Auditor to the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

9. To authorise the Audit and Management Engagement Committee to determine the Auditor's remuneration.

Special business

Ordinary resolutions

10. That, in substitution for all existing authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the Company to allot ordinary shares of US$0.01 each in the capital of the Company ("Shares") and to grant rights to subscribe for or to convert any security into Shares ("Securities"), up to an aggregate nominal amount of US$189,325.74 (being 10% of the aggregate nominal amount of the issued ordinary share capital of the Company, excluding treasury shares, at the date of this notice), or, if different, such amount as represents 10% of the aggregate nominal amount of the issued ordinary share capital of the Company, excluding treasury shares, as at the date of the passing of this resolution, provided this authority shall expire at earlier of 31 March 2025 and the conclusion of the annual general meeting to be held in 2025 but so that the Company may, before such expiry, make any offer or agreement which would or might require Securities to be allotted pursuant to any such offer or agreement as if the authority hereby conferred had not expired.

Special resolutions

To consider and, if thought fit, pass the following resolutions as special resolutions:

11. That, in substitution for all existing authorities and subject to the passing of resolution 10, the Directors of the Company be and are hereby empowered pursuant to Sections 570 and 573 of the Act to allot and make offers or agreements to allot equity securities (as defined in Section 560 of the Act), and to sell equity securities held by the Company as treasury shares (as defined in Section 724 of the Act) for cash pursuant to the authority granted by the resolution numbered 10, as if Section 561(1) of the Act did not apply to any such allotments and sales of equity securities, provided that this power:

    (a) shall expire at the earlier of 31 March 2025 and the conclusion of the annual general meeting of the Company to be held in 2025, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or sold after such expiry and notwithstanding such expiry the Directors may allot and sell equity securities in pursuance of such offers or agreements;

    (b) shall be limited to the allotment of equity securities and/or the sale of equity securities held in treasury for cash up to an aggregate nominal amount of US$189,325.74 (representing approximately 10% of the aggregate nominal amount of the issued ordinary share capital of the Company at the date of this notice) or, if different, such amount as represents 10% of the Company's issued share capital as at the date of the passing of this resolution; and

(c) shall be limited to the allotment of equity securities and/or the sale of equity securities held in treasury at a price of not less than the net asset value per ordinary share.

12. That, in addition to any existing authorities the Company be and it is hereby authorised in accordance with Section 701 of the Act to make market purchases within the meaning of Section 693(4) of the Act of Shares provided that:

(a) the maximum number of shares hereby authorised to be purchased is 28,379,929 (being the equivalent of 14.99% of the Company's issued share capital, excluding treasury shares, at the date of this notice) or, if different, such amount as represents 14.99% of the Company's issued share capital, excluding treasury shares, as at the date of the passing of this resolution;

(b) the minimum price (exclusive of expenses) which may be paid for a share shall be 1 cent (or the British Pound Sterling currency equivalent), being the nominal value per share;

(c) the maximum price (exclusive of expenses) which may be paid for a share shall be the higher of:

(i) 5% above the average of the market value of a Share for the five business days immediately preceding the date of the purchase as derived from the Daily Official List of the London Stock Exchange; and

(ii) the higher of the price quoted for (a) the last independent trade of and (b) the highest current independent bid for, any number of shares on the trading venue where the purchase is carried out; and

(d) the authority hereby conferred shall expire at the earlier of 31 March 2025 and the conclusion of the annual general meeting of the Company in 2025 save that the Company may, prior to such expiry, enter into a contract to purchase shares which will or may be completed or executed wholly or partly after such expiry.

All shares purchased pursuant to the above authority shall be either:

(a) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or

(b) cancelled immediately upon completion of the purchase.

13. That, the period of notice required for general meetings of the Company (other than Annual General Meetings) shall be not less than 14 clear days' notice.

By order of the Board

KEVIN MAYGER
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
29 November 2023

Registered Office:
12 Throgmorton Avenue
London EC2N 2DL

Notice of annual general meeting
continued

Notes:

1. A member entitled to attend, speak and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.
2. To appoint a proxy, you may use the form of proxy enclosed with this Annual Report. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions printed thereon as soon as possible and in any event by 12.30 p.m. on Friday, 2 February 2024 (excluding non-working days). Amended instructions must also be received by the Company's registrar by the deadline for receipt of proxies. Alternatively, you can vote or appoint a proxy electronically by visiting eproxyappointment.com. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the form of proxy. The latest time for the submission of proxy votes electronically is 12.30 p.m. on Friday, 2 February 2024 (excluding non-working days).
3. Proxymity Voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12:30 p.m. on Friday, 2 February 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
4. Completion and return of the form of proxy will not prevent a member from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.
5. Any person (a "Nominated Person") receiving a copy of this Notice as a person nominated by a member to enjoy information rights under Section 146 of the Companies Act 2006 (the Act) should note that the provisions in notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting.
6. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from the Nominated Person.
7. Only shareholders registered in the register of members of the Company by not later than 6.00 p.m. on Friday, 2 February 2024 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. two days prior to the date of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
9. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's registrar by 12.30 p.m. on Friday, 2 February 2024 (excluding non-working days). Instructions on how to vote through CREST can be found by accessing the following website: euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.
10. If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) by 12.30 p.m. on Friday, 2 February 2024 (excluding non-working days). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company, who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

12. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under Section 319A of the Act, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares.
14. Under Section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

    (i) the audit of the Company's financial statements (including the auditor's report and the conduct of the audit) that are laid before the meeting; or

    (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Act. The Company may not require the members requesting such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.
15. Under Sections 338 and 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company:

    (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or

    (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

    A resolution may properly be moved or a matter may properly be included in the business unless:

    (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);

    (b) it is defamatory of any person; or

    (c) it is frivolous or vexatious.

    Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 26 December 2022, being the date six weeks clear before the meeting and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
16. Further information regarding the meeting which the Company is required by Section 311A of the Act to publish on a website in advance of the meeting (including this Notice), can be accessed at www.blackrock.com/uk/brfi.
17. As at the date of this report, the Company's issued share capital comprised 241,822,801 ordinary shares of 1 cent each (including 52,497,053 of which are held in treasury) with 1 voting right per share, and 50,000 management shares of £1.00 each (which do not carry voting rights). Each ordinary share carries the right to one vote at general meetings. Therefore, the total number of voting rights in the Company on 29 November 2023 is 189,325,748.
18. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles. Copies of the Directors' letters of appointment will be available for inspection at the Company's registered office from 29 November 2023 until the time of the meeting and at the meeting venue itself for at least 15 minutes prior to the meeting until the end of the meeting.

Share fraud warning

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

- **contacted out of the blue**
- **promised tempting returns and told the investment is safe**
- **called repeatedly, or**
- **told the offer is only available for a limited time?**

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 **Reject cold calls**
If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2 **Check the FCA Warning List**
The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3 **Get impartial advice**
Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at **www.fca.org.uk/consumers**. You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at **www.fca.org.uk/scamsmart**

Remember: if it sounds too good to be true, it probably is!

SGN001

Printed by Park Communications on FSC® certified paper.

Park works to the EMAS standard and its Environmental Management System is certified to ISO 14001.

This publication has been manufactured using 100% offshore wind electricity sourced from UK wind.

100% of the inks used are vegetable oil based, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

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