BlackRock

BlackRock Sustainable American Income Trust plc

Annual Report and Financial Statements 31 October 2023

Keeping in touch

We know how important it is to receive up-to-date information about the Company.

To ensure that you are kept abreast, please scan the QR code to the right of this page to visit our website. If you have a smartphone, you can activate the QR code by opening the camera on your device and pointing it at the QR code. This will then open a link to the relevant section on the Company's website. By visiting our website, you will have the opportunity to sign up to our monthly newsletter which includes our latest factsheets and market commentary, as well as upcoming events and webinars. Information about how we process personal data is contained in our privacy policy available on our website.

Further information about the Company can be found at www.blackrock.com/uk/brsa.

General enquiries about the Company should be directed to the Company Secretary at: cosec@blackrock.com.

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

Financial highlights

as at 31 October 2023

193.51p
Net asset value (NAV) per ordinary share
▼5.6%[1,2]

1733.58
Reference index
▼5.0%[1]

174.00p
Ordinary share price
▼8.1%[1,2]

£154.8m
Net assets
▼9.5%

8.00p
Total dividends per share
No change

4.6%[2,3]
Yield

3.67p
Revenue earnings per ordinary share
▼4.4%[2]

10.1%[2]
Discount

Portfolio – AA
MSCI ESG Rating[4]

Portfolio 7.3 Reference index 6.4
MSCI ESG adjusted score[4]

Portfolio 93.3 Reference index 203.3
MSCI Carbon intensity score[5]

The above financial highlights are at 31 October 2023 and percentage comparisons are year-on-year against 31 October 2022.

1 NAV, mid-market share price and reference index performance are calculated in Sterling terms with dividends reinvested.
2 Alternative Performance Measures, see Glossary on pages 121 to 124.
3 Based on dividends paid and declared for the year ended 31 October 2023 and share price as at 31 October 2023.
4 ESG ratings and definitions on page 27.
5 CO_2 in tons/sales.

In the United States, greater demand and rising costs is driving a need for increased efficiency within the health care ecosystem, and we are finding opportunities with innovative pharmaceutical and health care equipment and supplies companies such as Eli Lilly and Baxter International.

Why BlackRock Sustainable American Income Trust plc?

Investment objective and approach

The Company's objective is to provide an attractive level of income together with capital appreciation over the long term in a manner consistent with the principles of sustainable investing adopted by the Company.

To achieve this outcome, we seek to identify dividend-paying companies that are Environmental, Social and Governance (ESG) Leaders, ESG Improvers or Sustainability Enablers[1] that trade at attractive prices.

[1] Please see the section 'About BlackRock Sustainable American Income Trust' for further information on how these categories have been defined.

Reasons to invest

US multi-cap value

The Company offers investors access to a US multi-cap value portfolio with an attractive dividend yield and a sustainable investment approach. We believe targeting companies with quality characteristics, such as clean balance sheets and sustainable cash flows, at reasonable valuations, can potentially deliver attractive and above average risk-adjusted returns over the long term.

Sustainability

The Company seeks to deliver a superior ESG outcome versus the Russell 1000 Value Index (the Company's current reference index), by aiming for the Company's portfolio to achieve a better ESG score than the reference index and a lower carbon emissions intensity relative to the reference index (see page 1 and page 26 for ESG metrics).

Income

The Company offers a consistent income stream with a yield of 4.6%. While capital appreciation is an important component of long-term total return, income can help to serve as a buffer during periods of high volatility.

Focus on quality

The strategy has generated a record of strong returns through diverse market environments by focusing on companies with strong balance sheets. Dividend payments impose a degree of capital discipline on company management teams and can help compound equity returns over the long term.

Expertise

The Company is managed by BlackRock's US Income & Value Team, which is responsible for the management of one of the most experienced equity income franchises (the BlackRock Equity Dividend Strategy) in the investment industry.

Closed-end structure

Investment trusts have an independent board of directors elected to protect shareholders' interests and enhance shareholder value. The closed-end structure means the Company does not have to sell assets to meet redemptions and can also retain a proportion of its income to help smooth dividend payments. It can also invest for the long term in a more diverse portfolio of assets.

Gearing

The Company has the ability to employ gearing to enhance returns.

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/brsa.

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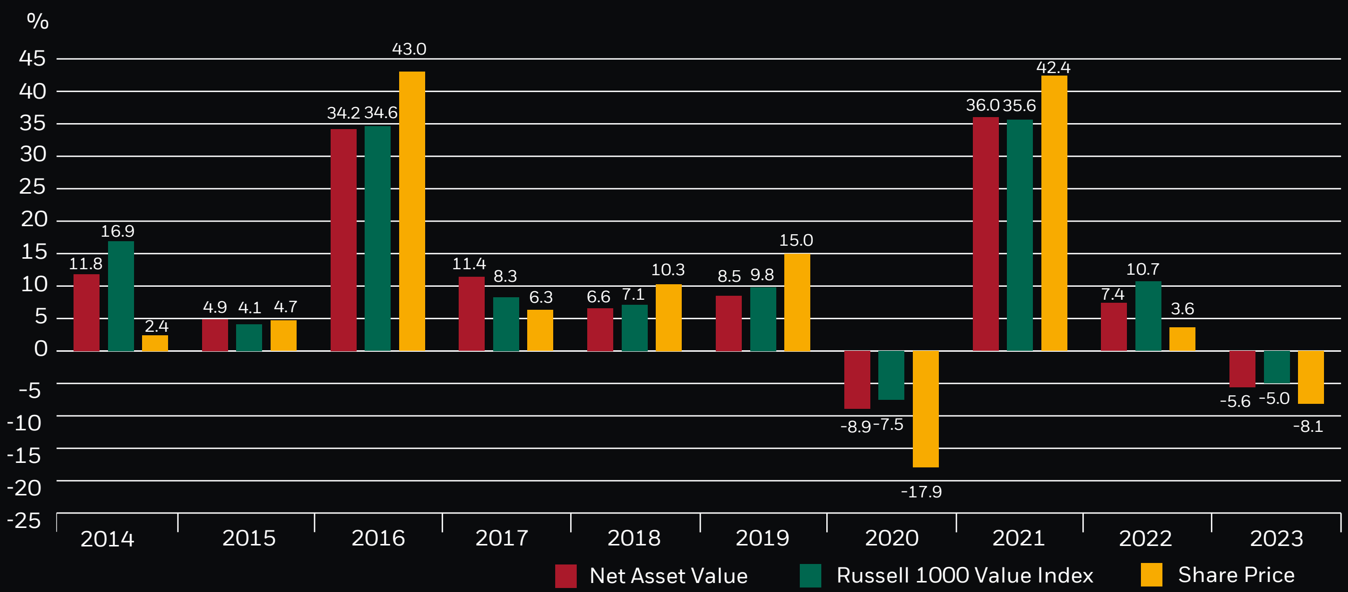
Performance record

	As at 31 October 2023	As at 31 October 2022
Net assets (£'000)[1]	154,789	171,086
Net asset value per ordinary share (pence)	193.51	213.25
Ordinary share price (mid-market) (pence)	174.00	197.50
Discount to cum income net asset value[2]	10.1%	7.4%
Russell 1000 Value Index	1733.58	1824.64

	For the year ended 31 October 2023	For the year ended 31 October 2022
Performance (with dividends reinvested)		
Net asset value per share[2]	-5.6%	7.4%
Ordinary share price[2]	-8.1%	3.6%
Russell 1000 Value Index	-5.0%	10.7%
Performance since inception (with dividends reinvested)		
Net asset value per share[2]	198.7%	216.3%
Ordinary share price[2]	167.8%	191.4%
Russell 1000 Value Index	250.7%	269.2%

	For the year ended 31 October 2023	For the year ended 31 October 2022	Change %
Revenue			
Net profit on ordinary activities after taxation (£'000)	2,945	3,081	-4.4
Revenue earnings per ordinary share (pence)[3]	3.67	3.84	-4.4
Interim dividends (pence)			
1st interim	2.00	2.00	–
2nd interim	2.00	2.00	–
3rd interim	2.00	2.00	–
4th interim	2.00	2.00	–
Total dividends payable/paid	**8.00**	**8.00**	**–**

Annual performance over the ten years to 31 October 2023



[1] The change in net assets reflects portfolio movements, share repurchases and dividends paid during the year.
[2] Alternative Performance Measures, see Glossary on pages 121 to 124.
[3] Further details are given in the Glossary on page 124.

Sources: BlackRock and Datastream.
Performance figures have been calculated in Sterling terms with dividends reinvested.

Chair’s Statement

Dear Shareholder

Alice Ryder
Chair

Market overview

During the year markets have faced a number of headwinds including higher inflation and interest rates, as well as geo-political tensions with the ongoing war in Ukraine and, more recently, the conflict in the Middle East. The US Federal Reserve (the Fed) has undertaken aggressive interest rate hikes and made progress in a bid to bring inflation back down to its target level. Despite these rate hikes, together with a steady unwinding of previously plentiful liquidity in the form or quantitative tightening, there was no recession in the US and growth remained surprisingly robust.

Performance

Against this background and over the year to 31 October 2023, the Company’s net asset value per share (NAV) returned -5.6%[1] and the share price returned -8.1%[1]. This compares with a fall of 5.0%[1] in the Russell 1000 Value Index, the Company’s reference index. In the same period, the S&P 500 Index was up by 4.5%[1], as a handful of mega-capitalisation technology stocks (most of which do not pay a dividend) enjoyed a boom from new artificial intelligence technologies and exceptionally strong performance.

The Company has faced headwinds as market turbulence and heightened scrutiny from US states has led to a challenging environment for ESG funds, resulting in a negative return and underperformance of the reference index over this period. A key driver for the underperformance was not owning Meta Platforms (Meta) which briefly entered the reference index. We did not hold a position in Meta because historically it did not meet our portfolio managers’ criteria of paying a dividend and also scores poorly from an ESG perspective. There were also headwinds for value stocks, our Investment Manager's favoured style of investing, and at the end of September the Russell 1000 Value Index had one of the largest price-to-earnings discounts in the last ten years.

Alongside our investment objective of maximising long-term capital growth and income, we are investing across the breadth of the market in companies that capture sustainable shifts and are responsible businesses within their industry.

[1] All percentages calculated in Sterling terms with dividends reinvested.

I am pleased to report that the Company has delivered a superior ESG score versus its reference index, as measured by MSCI, with an overall rating of AA. The Company has also delivered on its commitment to achieve a lower carbon emissions intensity than the reference index; further details are provided on pages 27 to 29.

Since the financial year end and up to close of business on 31 January 2024, the Company's NAV had increased by 9.2% compared with a rise of 8.3% in the reference index (both with dividends reinvested) over the same period.

Revenue earnings and dividends

The Company's revenue earnings per share, based on the weighted average number of shares in issue for the year, amounted to 3.67p (2022: 3.84p), a decrease of 4.4%. Four quarterly interim dividends of 2.00p per share were paid on 28 April 2023, 3 July 2023, 2 October 2023 and 2 January 2024. This is in line with the payments made in the previous financial year. The dividend paid represents a yield of 4.6% on the share price at the year end.

Your Board considers that it remains appropriate to continue with the current dividend policy for the new financial year, which will be supported through accumulated distributable reserves. The Board continues to believe that this dividend policy provides an attractive option for current and prospective shareholders who wish to achieve exposure to the US equity market, whilst at the same time receiving a competitive dividend.

Management of share rating

The Directors recognise the importance to investors that the market price of the Company's shares should not trade at a significant premium or discount to the underlying NAV. Accordingly, the Board monitors the share price closely, receiving regular updates from the Manager and our corporate broker, Cavendish Securities, and in normal market conditions may use the Company's share buy back and share issue powers to ensure that the share price does not go to an excessive discount or premium.

Investor sentiment and discounts have been influenced by various external factors and uncertainties, including rising interest rates, and discounts have widened generally across the investment trust sector. At market close on 31 October 2023, the average investment company was trading at the widest discount for a month-end since December 2008 when the world was in the depths of the global financial crisis.

Over the Company's financial year to the end of October, the Company's shares have traded at an average discount of 6.0%. During the year, the Company purchased 240,000 shares at an average price of 175.83p per share at an average discount of 9.1% for a total cost of £423,000. Since the year end and up to 2 February 2024, a further 780,803 shares have been bought back at an average price of 185.35p per share for a total cost of £1,452,000. All shares have been placed in treasury. No shares were issued during the year under review and up to the date of this report.

Resolutions to renew the authorities to issue and buy back shares will be put to shareholders at the forthcoming Annual General Meeting.

Board composition

As stated in the 2023 Half Yearly Financial Report, the Board was pleased to announce the appointment of Solomon Soquar as a new non-executive Director with effect from 21 March 2023. He brings a wealth of investment knowledge and has already made a significant contribution to the Board.

As part of the Board's ongoing succession plans I agreed to serve as Chair of the Board to provide some continuity following the retirements of Simon Miller and Andrew Irvine in 2022 and Christopher Casey in 2023. Having now served for a tenure in excess of ten years, it is my intention to retire from the Board at the Company's Annual General Meeting to be held in March 2025. I am delighted that David Barron has agreed to succeed me as Chair upon my retirement, at which time Solomon Soquar will become Senior Independent Director. The Board is currently undertaking a process to identify a new Director who will have the knowledge and skills to become Chair of the Audit Committee and a further announcement will be made in due course.

I am pleased to report that the Board is compliant with the recommendations of the Parker Review and 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 in the Corporate Governance Statement on pages 66 and 67.

SDR considerations

The Sustainable Disclosure Requirements (SDR) regime introduced by the Financial Conduct Authority is a package of measures aimed at tackling greenwashing. This includes sustainable investment labels, disclosure requirements and restrictions on the use of sustainability-related terms in product naming and marketing. These differ from the European Union's Sustainable Finance Disclosure Regulation. The Board is carefully considering the implications of the regulation for the Company. The Directors expect that the Company will be subject to the regulation and is working closely with BlackRock to assess the implications for the Company and to determine any changes that may be necessary or appropriate whilst acting in the best interests of investors. BlackRock has formed a cross functional working group to assess the requirements of the regulation and the implications for the strategies it manages. The Company will need to comply with the requirements by 2 December 2024.

Outlook

Looking ahead, it is only natural to ask what is in store for the US market for the rest of 2024. On the geopolitical front, the war in the Middle East, ongoing conflict between Russia and Ukraine and structural competition between the US and China will continue to be a key driver of uncertainty for markets and global supply chains. Interest rates also remain elevated, which has squeezed the housing market, business investment and consumer spending. The Fed has signalled that interest rates will remain high until inflation approaches 2% and, even if policy rates have peaked, central banks may not cut rates to levels that stimulate growth any time soon. Despite these headwinds, the US economy has been more resilient than anticipated in 2023 with baseline economic data in the US encouraging due to one of the longest stretches of low unemployment in history and gross domestic product (GDP) growing in the third quarter.

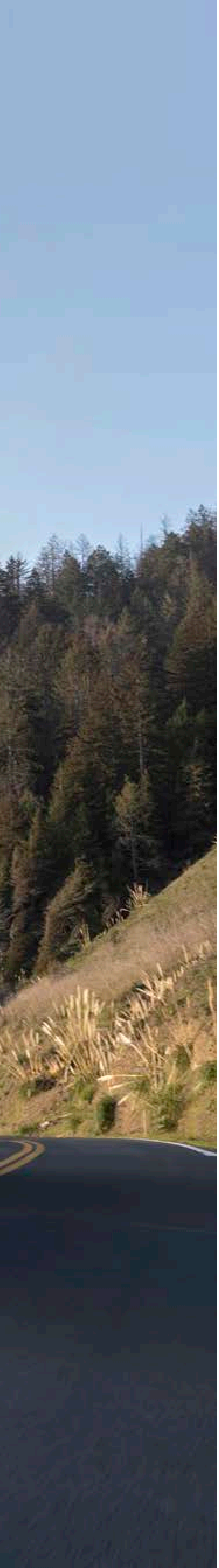
Against a background of macroeconomic uncertainty and market volatility, our portfolio managers are of the view that an active approach to investing is likely to carry greater rewards. Additionally, our portfolio managers believe quality stocks with higher profitability, stronger balance sheets and stable earnings growth should outperform in an environment of persistent investor concerns over a mild recession in the US and other major developed economies. These are the fundamentals that our portfolio managers continue to favour within your Company’s portfolio.

Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Thursday, 14 March 2024 at 12.00 noon. Details of the business of the meeting are set out in the Notice of Annual General Meeting on pages 127 to 130 of this Annual Report. The Board very much looks forward to meeting shareholders on the day and hope you will be able to attend.

Alice Ryder
Chair
2 February 2024


GMC
AIRSTREAM



Investment Manager's Report

Tony DeSpirito

David Zhao

Lisa Yang

Market overview

Over the year to 31 October 2023, the Company's NAV returned -5.6% and the share price returned -8.1%. This compares with a return of -5.0% in the Russell 1000 Value Index (all percentages calculated in Sterling terms with dividends reinvested). For the one-year period ended 31 October 2023, US large cap stocks, as represented by the S&P 500® Index, advanced by 10.1% in US Dollar terms. In Sterling, the S&P 500® Index returned 4.5% for the performance period. The following discussion highlights some of the key market events during the financial year.

US equities saw a strong rally early in the fourth quarter of 2022 as inflation pressures continued to ease. However, 2022 remains one of the worst years for the reference index since 2008. On the macro front, annual inflation slowed for a fifth straight month and the Fed's final rate hike of the year of 50 basis points (bps) marked a step down after four consecutive larger increases of 75bps. Despite central bank policy efforts, weakening housing data and disappointing economic data, inflation remained firmly embedded in the US economy during the final quarter of 2022. This backdrop, combined with anticipation of further rate hikes in 2023, stoked recessionary fears and weighed on market sentiment.

Early in the first quarter of 2023, equities rallied broadly as the market began to digest stronger-than-expected economic data and weakening headline inflation, which fell to 6.0% in February. By March 2023, we saw the first real economic ramifications from the Fed's tightening cycle as regulators announced the government rescue of depositors at Silicon Valley Bank (SVB). Signature Bank, another regional bank based out of New York, also collapsed in the wake of SVB's failure. While this initially sent shockwaves through the market, US equities eventually stabilised and rallied back to end the quarter as risk of contagion abated.

Within the Consumer Discretionary sector, General Motors is an ESG improver with a clear roadmap for better ESG adherence, including a commitment to end gasoline-powered passenger car production by 2035.

PHOTO COURTESY OF GENERAL MOTORS

US equities posted strong gains in the second quarter of the year led by the “magnificent seven”[1]. The majority of the gains were made in June as inflation prints continued to fall, showing signs of a resilient US economy and excitement around artificial intelligence intensified. The Fed raised rates by 25bps in May only to leave rates unchanged in June’s Federal Open Market Committee meeting, indicating a hawkish pause. Part of their reasoning related to headline US inflation which fell by 0.1% in May, bringing the annual inflation rate to 4.0%, below expectations of 4.1% but well ahead of the Fed’s stated target of 2%[2]. The US unemployment rate, another key economic indicator, increased in May to 3.7% from 3.4%, confirming the labour market remained historically tight[3].

By the third quarter, the magnificent seven continued their lead, albeit with some dispersion forming. While the group collectively outperformed, Apple, Microsoft, and Tesla underperformed. Despite the lacklustre third quarter, the US continued to see mostly positive economic signs such as a healthy job market, cooling inflation and rising GDP, significantly lowering the odds of a recession in 2023. By late August, investors’ enthusiasm began to fade as the theme of “higher for longer” sank in and the much-anticipated rate cuts for 2024 continue to look more and more unlikely. Although overall market sentiment dipped in the third quarter due to elevated rates and consumer pressures, the labour market has shown signs of softening without a large surge in the unemployment rate and core inflation continues to slow. In terms of style, growth stocks outperformed value stocks as the Russell 1000 Growth Index returned 12.9% and the Russell 1000 Value Index returned -5.0% during the one-year period.

Portfolio overview

The largest detractor from relative performance was due to investment decisions in communication services. Our lack of exposure to the interactive media and services industry, in particular, **Meta Platforms** (Meta), detracted from performance. Meta is broadly ineligible for our portfolio given it has not been a quality dividend payer and scores poorly on ESG metrics. While Meta’s data security framework includes strong measures such as board-level oversight, it continues to face multiple controversies tied to its data collection and processing practices. As a result, Meta remains ineligible for our portfolio. Nonetheless, the company had a strong year and continues to benefit from operating strength. It is also worth noting that the company was reconstituted from the Russell 1000 Value Index to the Russell 1000 Growth Index at the end of the second quarter. In consumer staples, stock selection within the consumer staples distribution and retail industry proved costly. Other detractors from relative results included selection decisions within materials.

The largest contributor to relative performance was stock selection in health care. Within the sector, our investment decisions within the pharmaceuticals industry accounted for the majority of strong performance helped in particular by the holding in Novo Nordisk whose shares soared on the back of the success of its diabetes drug, Wegovy. In utilities, stock selection within the multi-utilities industry boosted relative returns. Furthermore, selection decisions in energy proved beneficial, mainly due to investment decisions within the oil, gas, and consumable fuels industry.

Top 10 stock contributions and detractors

Below are the top 10 stock contributors and detractors during the year.

Company name	Sector	Portfolio average weight	Reference index average weight	Portfolio active weight	Contribution to relative return
Top 10 contributors					
Microsoft	Information Technology	+2.3	+0.0	+2.3	+0.9
Shell	Energy	+2.7	+0.0	+2.7	+0.5
Novo Nordisk	Health Care	+0.9	+0.0	+0.9	+0.5
Komatsu	Industrials	+1.7	+0.0	+1.7	+0.4
Pfizer	Health Care	+0.0	+1.2	-1.2	+0.4
Panasonic	Consumer Discretionary	+2.0	+0.0	+2.0	+0.4
Cardinal Health	Health Care	+2.2	+0.1	+2.1	+0.4
Ralph Lauren	Consumer Discretionary	+0.9	+0.0	+0.9	+0.4
PPG Industries	Materials	+1.3	+0.1	+1.2	+0.4
Bank of America	Financials	+0.0	+1.2	-1.2	+0.3

1 Source: BlackRock; “magnificent seven” are the largest US based companies by market cap and have performed well in 2023 due to the latest artificial intelligence boom.

2 Source: New York Fed as of 30 June 2023.

3 US Bureau of Labor Statistics as of 30 June 2023.

The third-largest food and beverage company in North America, Kraft Heinz has committed to a 50% reduction in GHG emissions by 2030 and net zero by 2050.

PHOTO COURTESY OF KRAFT HEINZ

Company name	Sector	Portfolio average weight	Reference index average weight	Portfolio active weight	Contribution to relative return
Top 10 detractors					
Newell Brands	Industrials	+0.8	+0.0	+0.7	-0.4
Berkshire Hathaway	Financials	+0.0	+3.2	-3.2	-0.4
Comerica	Financials	+0.5	+0.0	+0.5	-0.5
General Motors	Consumer Discretionary	+2.0	+0.3	+1.7	-0.5
Dollar Tree	Consumer Discretionary	+1.9	+0.1	+1.8	-0.6
Sealed Air Corp	Materials	+1.7	+0.0	+1.7	-0.7
Citizens Financial Group	Financials	+1.5	+0.1	+1.4	-0.7
Fidelity National Information Services	Information Technology	+2.0	+0.2	+1.8	-0.9
Baxter International	Health Care	+2.3	+0.1	+2.2	-1.0
Meta Platforms	Information Technology	+0.0	+1.1	-1.1	-1.7

Below is a comprehensive overview of our allocations (in Sterling) at the end of the period.

Health Care: 3.3% overweight (18.4% of the portfolio)
Secular growth opportunities in health care are a byproduct of demographic trends. Older populations spend more on health care than younger populations. In the United States, a combination of greater demand for health care services and rising costs facilitates a need for increased efficiency within the health care ecosystem. We believe innovation and strong cost control can work together to address this need and companies that can contribute to this outcome may be poised to benefit. On the innovation front, we are finding opportunities in pharmaceuticals and among companies in the health care equipment and supplies industry. We prefer to invest in pharma companies with a proven ability to generate high research and development productivity versus those that focus on one or two key drugs and rely upon raising their prices to drive growth. Outside of pharma, our search for attractively priced innovators is more stock specific; we recently initiated a position in **Cardinal Health**, (2.4% of the portfolio) a healthcare company that specialises in the distribution of pharmaceuticals and medical products. From a cost perspective, health maintenance organisations (HMOs) have an economic incentive to drive down costs as they provide health insurance coverage to constituents. These efforts ultimately help to make health care insurance affordable to more people and the HMOs also play a substantial role in improving the access to and quality of health care its members receive. Fundamentally, we believe our holdings in the space can benefit from downward pressure on cost-trend, new membership growth and further industry consolidation over time. Furthermore, they trade at meaningfully discounted valuations versus peers, offering us an attractive risk versus reward opportunity.

Consumer Discretionary: 4.8% overweight (9.6% of the portfolio)
Within the sector, our preferred areas of investment include household durables, textiles and apparel, and firms with auto-related exposure. Disruption risks persist in the sector and we believe these risks are best mitigated through identifying stock-specific investment opportunities that either trade at discounted valuations or have business models that are somewhat insulated from disruptive pressures. For example, we believe companies such as **General Motors** (1.7% of the portfolio) and **Gildan Activewear** (1.4% of the portfolio) offer investors exposure to underappreciated franchises at discounted valuations. From a sustainability standpoint, our selection of companies includes a mix of ESG leaders such as **Panasonic** (1.6% of the portfolio) as well as ESG Improvers with clear roadmaps for better ESG adherence and disclosures (i.e., General Motors' commitment to electric vehicles).

Financials: 1.2% underweight (19.6% of the portfolio)
Financials represent our portfolio's largest absolute sector allocation and we prefer companies in the banks, insurance and wealth management industries. We believe the US banks offer investors a combination of strong balance sheets (their capital levels are meaningfully higher post financial crisis) attractive valuations and the potential for relative upside versus the broader market from inflation and higher interest rates. Secondly, we continue to like insurers and insurance brokers as these companies operate relatively stable businesses and trade at attractive valuations. We categorise most of our holdings in this space as ESG Improvers, with opportunities for company managements to enact stronger corporate governance and human capital development policies. Lastly, we have also identified stock specific investments in wealth management as companies such as **Raymond James** (1.5% of the portfolio) stand out from peers due to its differentiated investment platforms, proximity to end customers and runways for long-term growth.

Information Technology (IT): 4.5% overweight (13.5% of the portfolio)
An increasing number of companies in the technology sector are what we refer to as "industrial tech". These firms are competitively insulated from disruptors, well-positioned to take advantage of long-term secular tailwinds and exhibit growth in earnings and free cash flow (FCF). Strong earnings growth and FCF generation is also translating to an increasing number of companies paying growing dividends to shareholders. This is in stark contrast to the dot.com era where growth was often prioritised over shareholder return. We believe this trend is poised to continue. Our preferred exposures in the sector include IT services and communications equipment companies with sticky revenue streams such as **Cognizant Technology Solutions** (2.2% of the portfolio) and **Cisco Systems** (2.9% of the portfolio). We also continue to invest in software companies with capital-light business models such as **Microsoft** (2.4% of the portfolio). IT broadly scores well on ESG metrics given the generally lower environmental impact than other sectors, with our selection of companies including a mix of ESG Leaders and ESG Improvers.

Energy: 0.3% overweight (9.3% of the portfolio)
The portfolio currently invests in four energy stocks and we have a neutral weight in the sector relative to the reference index. Our focus on sustainability places a high hurdle for energy companies to be included in the portfolio, but we believe the sector remains investable, as more traditional oil and gas operators are critical in the energy transition towards less carbon intensive sources. For example, natural gas is 40-60% less carbon-intensive to produce and combust versus coal and oil. We view natural gas as a key "bridge fuel" and like companies such as **Shell** (3.3% of the portfolio) and **Cheniere Energy** (2.5% of the portfolio). Fundamentally, we generally seek to invest in attractively priced operators with good resource assets that have the opportunity to improve upon environmental issues or demonstrate clear leadership in sustainability (i.e., through their exposure to renewables or commitments to net zero/carbon neutral outcomes). We also prefer to target companies with experienced management teams, low financial leverage and disciplined capital expenditure spending plans as these elements can contribute to positive free cash flow generation over time.

Consumer Staples: 1.4% underweight (7.2% of the portfolio)
The consumer staples sector is a common destination for the conservative equity income investor. Historically, many of these companies have offered investors recognisable brands, diverse revenue streams, exposure to growing end markets and the ability to garner pricing power. These characteristics, in turn, have translated into strong and often stable FCF and growing dividends for shareholders. Notable portfolio holdings include **Kraft Heinz** (2.6% of the portfolio) and **Mondelez International** (2.1% of the portfolio). We view each of these businesses as ESG Leaders and Improvers respectively: Mondelez International stands out for securing GFSI-benchmarked certification for its manufacturing sites which provide audits of suppliers and routine tests for final products limiting product and reputational risks. Kraft Heinz is an ESG Improver as it has committed to a 50% reduction in greenhouse gas emissions across all 3 scopes by 2030 and net zero by 2050.

The key infrastructure provided by multinational telecommunications and media company Comcast, the leading broadband provider in the United States, is critical to enabling remote working and reducing commuter-related emissions.

PHOTO COURTESY OF COMCAST CORPORATION

Communication Services: 0.3% underweight (4.5% of the portfolio)
The portfolio has an underweight to communication services. Our underweight is driven by expensive valuations and a lack of dividend payers in the entertainment and interactive media and services industries. Meanwhile, the portfolio is overweight to the diversified telecom services and media industries. Notable portfolio holdings include **Verizon Communications** (2.7% of the portfolio) and **Comcast** (1.7% of the portfolio). Verizon Communications trades at a reasonable price relative to the quality and stability of its business and acts as a key enabler for smart cities, with potential to reduce energy consumption, increase safety and provide other social benefits. Comcast also trades at a very reasonable valuation due to competition in broadband and in media. As the leading broadband provider in the United States, Comcast is a key enabler of digital interactions and provides some of the key infra-structure that enables remote work (which reduces commuting related emissions).

Utilities: 1.1% underweight (4.0% of the portfolio)
The portfolio currently invests in only three utility stocks and we have a slight underweight in the sector relative to the reference index. Portfolio exposures are stock specific as we are finding pockets of investment opportunity among US regulated utilities, which add a level of stability and defensiveness to the portfolio through their durable earnings and dividend profiles. Our investments in the sector primarily focus on ESG Leaders that have specific targets for reduction in carbon emissions and maintain significant exposure to renewables or generate power through cleaner means such as natural gas.

Materials: 1.3% underweight (3.6% of the portfolio)
Our exposure to the materials sector is stock specific as we are only invested in the chemicals and containers and packaging industries. Within the containers and packaging industry, our position in **Sealed Air** (1.7% of the portfolio) offers a relatively stable growth outlook. Sealed Air operates a high return business and has good pricing power. From a sustainability standpoint, plastic packagers generally score poorly on waste and water stress. The key issue for plastic is how to improve circularity and management has pledged to have 100% recyclable/reusable solutions and 50% average recycled/renewable content by 2025, which is well ahead of peers.

Real Estate: 3.3% underweight (1.3% of the portfolio)
The portfolio has an underweight allocation to real estate, as we are finding few companies in the sector with both attractive valuations and strong or improving fundamentals. For example, retail REITs are facing challenges due to e-commerce and its negative impact on traditional brick and mortar retailers. Meanwhile, data center and logistics companies have strong fundamentals, but we view their valuations as unattractive. Our lone recent holding is a specialised REIT company, **Crown Castle** (1.3% of the portfolio). The company owns cell towers, fiber and collects rent from carriers who collocate its equipment on the infrastructure. Crown Castle is trading at a wide discount relative to peers and is a leader in labour management and corporate governance practices.

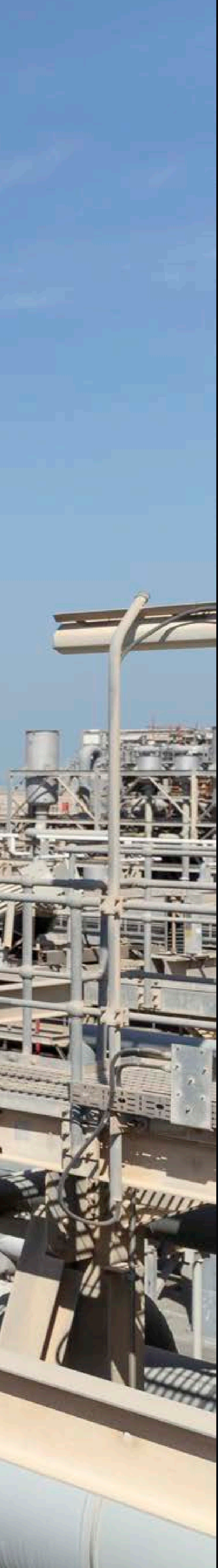
Industrials: 4.3% underweight (9.0% of the portfolio)
The portfolio is meaningfully underweight to the industrials sector. Our selectivity is driven by relative valuations, which we view as expensive, in many cases, versus other cyclical value segments of the US equity market. Notable positions include **L3Harris Technologies** (2.7% of the portfolio) and **Allegion** (1.9% of the portfolio). We view both companies as ESG Leaders in their respective domains. L3Harris Technologies does not have exposure to controversial weapons or nuclear weapons unlike all seven other US defence primes and its MSCI ESG score was recently upgraded and scores highly on an MSCI rating. Allegion's products enhance public safety and increase building efficiency. Additionally, Allegion's MSCI ESG score is top decile, both relative to the investment universe and Allegion's peer group.

Market outlook
The stock market saw solid gains in the first half of 2023, only to fade in the second half. While many analysts remain optimistic for 2024 as inflation cools and economic growth persists, we believe investors need to proceed with caution as warning signs continue to flash. These warning signs lead us to believe that the US economy is "late cycle", meaning economic activity has reached its peak and the next phase would feature a slowing US economy with an elevated risk of recession. Some indicators in our view include low unemployment[4], rapid Fed tightening, negative monetary supply growth, an inverted yield curve and consumers spending more and saving less.

Despite the strong economic data the US has seen year-to-date, it is imperative we keep an eye on both the aforementioned economic indicators and company valuations. Valuation gaps have grown substantially year-to-date and absolute valuations are beginning to look expensive yet again – the FY1 P/E ratio for the S&P 500 Index is 19.3x[5] versus the 20-year average at 16.4x. With higher valuations, increased volatility and a less accommodative Fed, we view the current market environment ripe for talented stock pickers. As a result, our team is prioritising high quality company fundamentals (i.e. consistent earnings, strong balance sheets, etc.) while being mindful of price as market dispersion increases and economic conditions worsen.

Tony DeSpirito, David Zhao and Lisa Yang
BlackRock Investment Management LLC
2 February 2024

[4] As of September 2023.
[5] As of 30 September 2023.



Portfolio

Our focus on sustainability places a high hurdle for energy companies to be included in the portfolio. Natural gas is 40-60% less carbon-intensive to produce and combust versus coal and oil, and is a key “bridge fuel” in the journey to decarbonisation. Liquefied natural gas specialist Shell was our largest holding at year end.

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Investment philosophy and process

The BlackRock Sustainable American Income Trust plc is a differentiated offering in the investment trust landscape. It provides investors with exposure to a portfolio of attractively priced companies that consists of ESG Leaders, ESG Improvers and Sustainability Enablers (as defined below) primarily within the North American universe of stocks.

Investment objective

The Company's investment objective is to provide an attractive level of income with capital appreciation over the long term in a manner consistent with the principles of sustainable investing adopted by the Company. The Investment Manager believes the aim of delivering specific, measurable ESG outcomes, is best achieved through an investment approach driven by fundamental research and ESG analysis. Philosophically, we seek to build a high conviction portfolio of attractively priced, high-quality dividend-paying companies that are classified as either ESG Leaders, ESG Improvers or Sustainability Enablers.

ESG Leaders are considered by the portfolio management team to be best in class companies that effectively manage environmental, social and governance factors to benefit all stakeholders. ESG Improvers are considered by the portfolio management team to be companies showing demonstrable progress on their ESG journey, where active engagements may lead to improving ESG practices and more sustainable outcomes. Finally, Sustainability Enablers are, as with ESG Leaders and Improvers, companies advancing the transition to sustainable solutions. For example, companies contributing to greater energy efficiency and a lower carbon footprint.

Investment team

Tony DeSpirito is the lead portfolio manager for the Company, together with David Zhao and Lisa Yang, co-Portfolio Managers. They are supported by a team of approximately 20 fundamental research analysts that are responsible for conducting deep research on the companies under their coverage. The team believes that ESG research is most powerful when it is embedded within the work of the team's fundamental analysts, as this approach tightly integrates an assessment of ESG issues into the investment research process. Furthermore, the team believes that their sector and industry experts are best positioned to identify and analyse ESG factors, as well as engage with company management teams on these important issues.

Investment Process

The Company's investment process has three elements including idea generation, investment research and portfolio construction. The investment process is continuous and is built to ensure the team's best investment ideas are always reflected in the portfolio.

Idea Generation:

The portfolio's investment universe primarily includes large and medium-cap companies in North America. New investment ideas are sourced from bottom-up fundamental research conducted by the Investment Manager's research analysts and from the results of their quantitative screens. ESG exclusionary screens also help to focus and narrow the investment universe. The Manager believes these sources are complementary and help to ensure that the best ESG and investment opportunities in the market are detected and are consistent with its investment philosophy. The Manager also believes a robust backlog of new investment ideas is critical to achieving the Company's investment objective because it creates a healthy and persistent competition for investment capital within the portfolio.

Fundamental Research:

The goal of the Investment Manager's fundamental research process is to develop differentiated investment insights through proprietary analysis. The team's research analysts are expected to understand the materiality of ESG and sustainability factors, as well as identify the key drivers of the investment case. Evaluating all relevant information on the company under review, the industry in which it operates, and its key competitors is critical at this stage. Meeting with the senior management of a company is also an important part of the research process as the Investment Manager seeks to engage with them on business and ESG issues. Ultimately, the analyst must independently develop an informed data-driven view on each of the key drivers, translate those views into a financial model and calculate an estimated fair value for the company's stock. The research process is exhaustive by design and culminates in a formal deep dive research pack that is presented at one of the Investment Manager's team investment review meetings.

Portfolio Construction:

The Investment Manager seeks to construct a fundamentally driven, high conviction portfolio of 30 to 60 companies that can meet the Company's fundamental and sustainability investment objectives. Dividend-paying companies that are attractively valued and offer positive risk versus reward potential are preferred and portfolio management aims to take a long-term view in directing capital aggressively towards its strongest investment ideas.

One advantage of the investment trust structure is the permitted use of gearing, in which money can be borrowed for investment purposes. The Investment Manager has the flexibility to gear up to 10% of NAV, with 5% viewed a neutral level within a 0-10% range. Specific to the Company's ESG objectives, the Company seeks to achieve a premium overall ESG score, in addition to premium scores for individual environmental, social and governance factors versus the Russell 1000 Value Index, using metrics from MSCI. The portfolio also seeks to have a superior carbon footprint, as measured by the greenhouse gas emissions intensity relative to the reference index.

The Investment Manager's investment process is illustrated in more detail below.

Idea Generation

- Investment universe: Primarily North American large and medium-cap equities, with flexibility to invest a portion of the portfolio in non-North American companies
- ESG exclusionary screens are utilised to focus and narrow the investment universe (full details of the screens can be found on page 38)
- Leverage the best fundamental and thematic ideas from BlackRock's US Income & Value research platform
- Generate a pipeline and prioritise the research agenda

Identify ESG and alpha opportunities in the North American market

Fundamental Research

- Assess the materiality of ESG & sustainability factors
- Evaluate key earnings drivers
- Engage with company managements on business & ESG issues
- Prepare research document with investment thesis
- Integrate the perspectives of peers across BlackRock
- Evaluate how, and over what time horizon, our insights will be reflected in the share price

Focus research on key ESG issues and share price drivers

Portfolio Construction

- Typically 30 – 60 holdings
- Portfolio gearing permitted (5% typical neutral level; 0 - 10% typical range; 20% permitted)
- Clear buy and sell disciplines for both fundamental and ESG considerations
- Monitor risks and exposures
- Emphasise stock specific risk to drive return
- Seek diversification across sector, industry, and style

Direct capital aggressively towards our strongest ideas

The Investment Manager's ESG investment framework includes four key elements: Pursuit of alpha generation, a premium ESG score, company engagement and low carbon. More details are provided below.

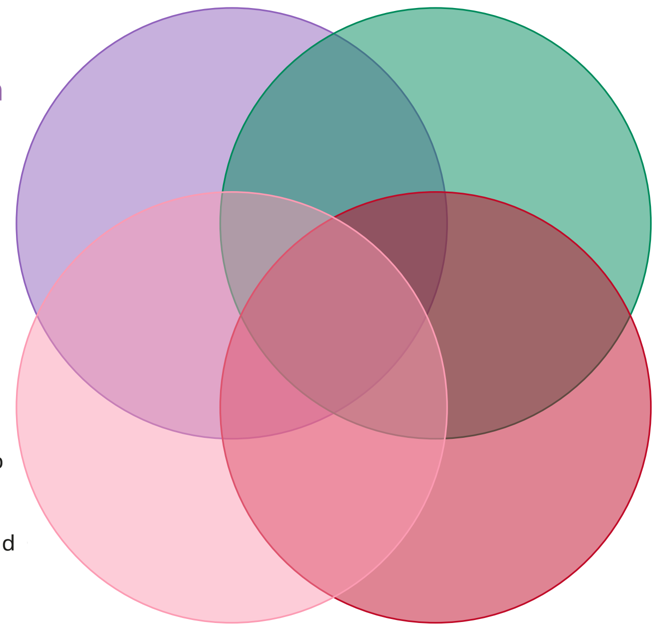
ESG Investment Framework

Alpha Generation

Aiming to deliver Alpha[1] through fundamental high-conviction investing.

Premium ESG Score

Investing in companies with strong and/or improving ESG practices in seeking to achieve a better ESG score versus the reference index.



Engagement

Multi-year engagement to understand investee companies' approach to material business risks and opportunities, including ESG.

Low Carbon

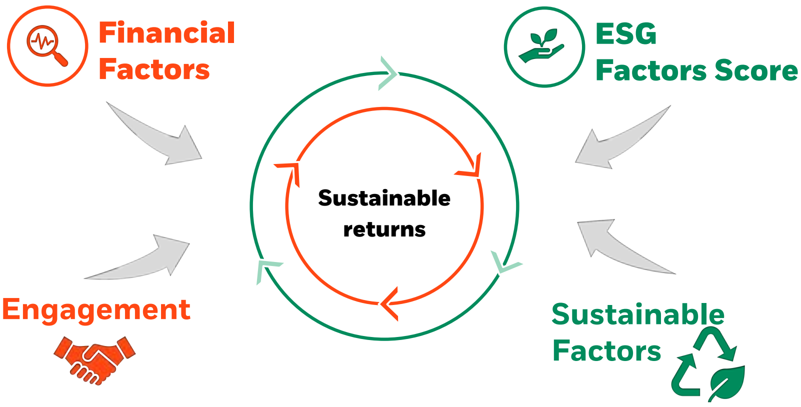
Carbon intensity below the reference index.

For illustrative purposes only.

[1] Alpha is a term used in investing to describe an investment strategy's ability to exceed the performance of a reference index over time.

Core Sustainable Philosophy

We believe that allocating capital to companies with Sustainable business models generates better risk-adjusted returns



Sustainable business models focus on all their stakeholders and align their interest with common goals

Key Sustainability Characteristics of the Company

	Portfolio Characteristics
ESG	• Premium MSCI Adjusted ESG Score versus reference index • ESG screens (including but not limited to): – UN Global Compact Violators – Controversial Weapons – Civilian Firearms – Fossil Fuels (Thermal Coal and Tar Sands) – Tobacco
Climate	• Scope 1 and 2 Carbon Emissions Intensity lower than the reference index (tons of CO_2 equivalents per $ sales)
Engagement	• Partner with the BlackRock Investment Stewardship and Corporate Access teams to engage with portfolio companies on key ESG issues
Performance	• High conviction portfolio (approximately 30-60 stocks) that aims to provide an attractive level of income and long-term outperformance versus the reference index

1

2

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Ten largest investments

Together, the ten largest investments represent 28.0% of the Company's portfolio as at 31 October 2023 (2022: 27.4%).

1 ▲ Shell (2022: 11th)

Sector: Energy

Market value: £5,070,000
Share of investments: 3.3% (2022: 2.5%)

Shell is one of the largest integrated energy companies globally with five main operating segments: Integrated Gas, Upstream, Marketing, Chemicals and Products, and Renewables and Energy Solutions. The company has a high-quality, gas/liquified natural gas (LNG)-weighted portfolio. Shell is an ESG Leader, having adopted an internal net-zero strategy by 2050 to be Paris-aligned, which is not adopted by most US-based oil major peers. Shell owns the largest portfolio of global LNG supplies, which is a critical long-term bridge to help the world abate from highly polluting coal power generation. Under its 'Powering Progress' strategy, Shell is committing a third or more of its capital expenditure into renewables and energy solutions. These include electrical charging platforms, wind power generation and nature-based carbon offsetting. The company believes it was the first energy major in Europe to sign up to the Science-Based Targets Initiative for reaching net zero. Whilst Shell is a UK listed company, it is global in nature and we believe it is more attractively priced versus its US peers. Its strong performance through the reporting period propelled it to become the portfolio's largest holding.

2 ▲ Cigna (2022: 8th)

Sector: Health Care

Market value: £4,481,000
Share of investments: 2.9% (2022: 2.6%)

Cigna is a health services company that offers integrated health plans and services. The company operates two main segments. The first segment is a traditional managed care business which operates a primarily fee-based commercial insurance business. The second segment is a pharmacy benefit managers/healthcare services segment that provides pharmacy benefits and broader healthcare services to a wide variety of customers.

3 ▲ Cisco Systems (2022: 5th)

Sector: Information Technology

Market value: £4,448,000
Share of investments: 2.9% (2022: 2.8%)

Cisco Systems (Cisco) is the world's largest networking equipment vendor, with leading positions in most of its core end markets. As one of the largest suppliers of network security solutions, Cisco's products help customers to enhance data security and privacy.

4 ▼ Willis Towers Watson (2022: 3rd)

Sector: Financials

Market value: £4,446,000
Share of investments: 2.9% (2022: 2.9%)

Willis Towers Watson (WTW) is a British-American multinational insurance advisor company. WTW's revenue breakdown is approximately 55% consulting related and 45% insurance brokerage related.

5 ▲ American International Group (2022: 10th)

Sector: Financials

Market value: £4,322,000
Share of investments: 2.8% (2022: 2.5%)

American International Group (AIG) is a diversified insurance company with half the book value allocated to P&C (property and casualty) and the other half to life insurance. AIG's business model revolves around pooling and diversifying risk which includes key issues such as climate change and impacted risks like hurricanes.

Ten largest investments

continued

6 ▼ Verizon Communications (2022: 4th)

Sector: Communication Services

Market value: £4,213,000
Share of investments: 2.7% (2022: 2.8%)

Verizon Communications (Verizon) is the leading wireless company in the United States. Verizon has some optionality on new types of revenue enabled by 5th generation networks with telecommunication networks being key enablers for smart cities, with the potential to reduce energy consumption, increase safety and provide other social benefits.

7 ▲ L3Harris Technologies (2022: 47th)

Sector: Industrials

Market value: £4,208,000
Share of investments: 2.7% (2022: 1.0%)

L3Harris Technologies (L3Harris) is an American technology company, defence contractor and information technology services provider that produces command and control systems and products, wireless equipment and more. L3Harris does not have exposure to controversial weapons or nuclear weapons unlike all seven other US defence primes.

8 ▲ Citigroup (2022: 13th)

Sector: Financials

Market value: £4,117,000
Share of investments: 2.7% (2022: 2.4%)

Citigroup (Citi) is a multinational investment bank and financial services corporation with a larger international footprint and smaller US retail footprint compared to its large US bank peers. Citi scores similarly to its large US bank peers with a strong score in Financing Environmental Impact, which will be increasingly important.

9 ▲ Kraft Heinz (2022: 44th)

Sector: Consumer Staples

Market value: £3,942,000
Share of investments: 2.6% (2022: 1.2%)

Kraft Heinz is a leading US packaged food manufacturer with brands including Oscar Mayer, Kraft, Lunchables, Philadelphia and more. Kraft Heinz has also committed to a 50% reduction in its GHG emissions across all three scopes by 2030 and net zero by 2050.

10 ▲ Cheniere Energy (2022: 24th)

Sector: Energy

Market value: £3,812,000
Share of investments: 2.5% (2022: 1.9%)

Cheniere Energy (Cheniere) is a full-service LNG provider with capabilities such as gas procurement and transportation, liquefaction, vessel chartering and LNG delivery. Cheniere is a recession-resilient name with quality management and strong dividend growth potential.

All percentages reflect the value of the holding as a percentage of total investments.

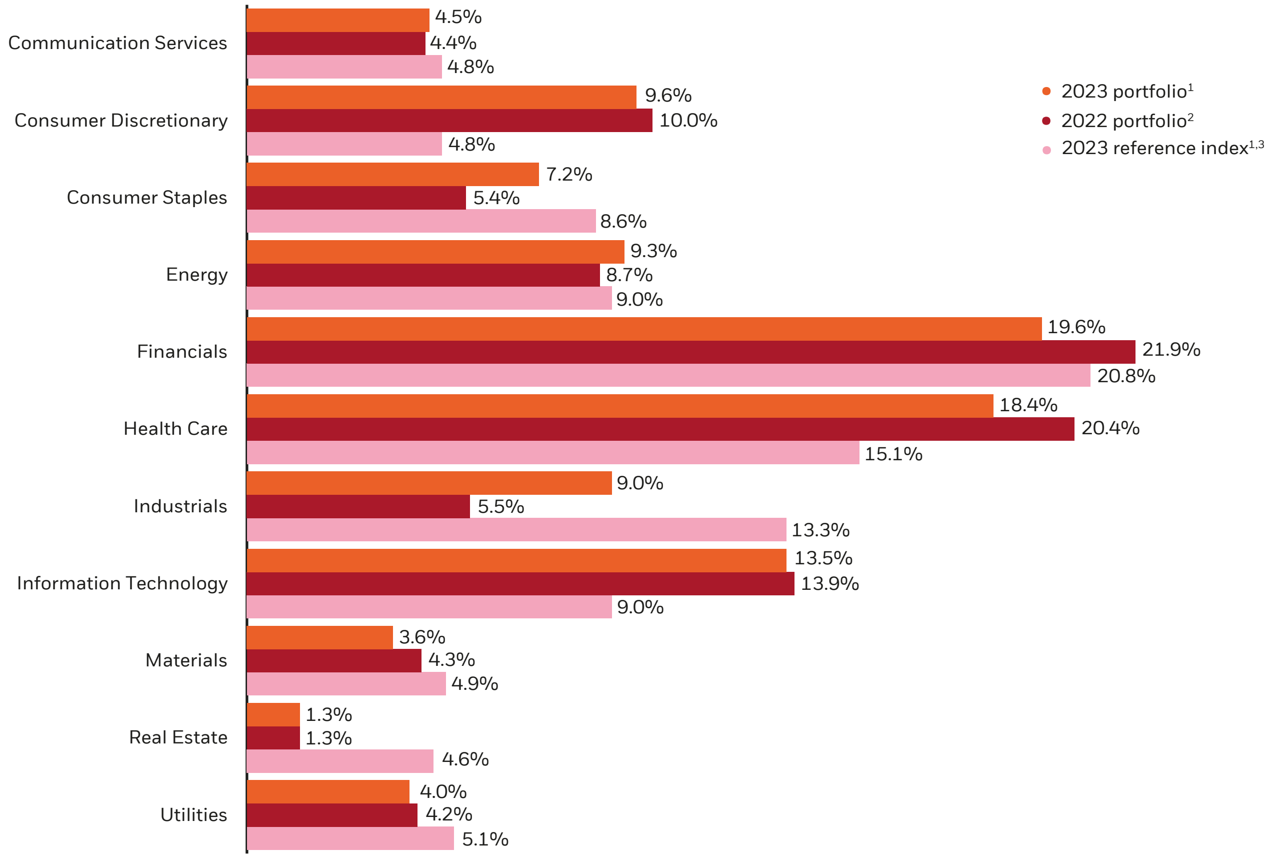
Percentages in brackets represent the value of the holding as at 31 October 2022.

Arrows indicate the change in relative ranking of the position in the portfolio compared to its ranking as at 31 October 2022.

Portfolio analysis

as at 31 October 2023

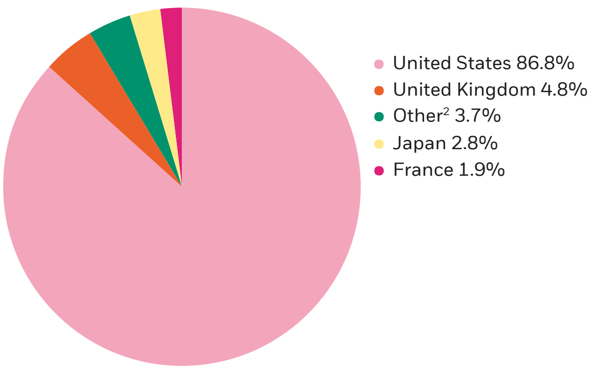
Sector Exposure



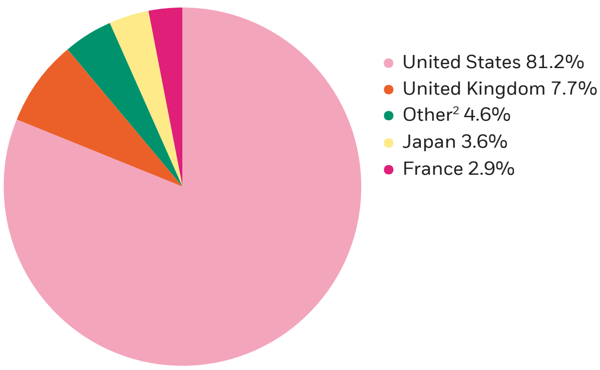
[1] Represents exposure at 31 October 2023.
[2] Represents exposure at 31 October 2022.
[3] Russell 1000 Value Index at 31 October 2023.

Geographic Exposure[1]

As at 31 October 2023



As at 31 October 2022



[1] Based on the principal place of operation of each investment.
[2] Consists of Australia, Canada and Denmark.

Investments

as at 31 October 2023

Company	Country	Sector	Securities	Market value £'000	% of total portfolio
Shell	United Kingdom	Energy	Ordinary shares	5,070	3.3
Cigna	United States	Health Care	Ordinary shares	4,481	2.9
Cisco Systems	United States	Information Technology (IT)	Ordinary shares	4,448	2.9
Willis Towers Watson	United States	Financials	Ordinary shares	4,446	2.9
American International Group	United States	Financials	Ordinary shares	4,322	2.8
Verizon Communications	United States	Communication Services	Ordinary shares	4,213	2.7
L3Harris Technologies	United States	Industrials	Ordinary shares	4,208	2.7
Citigroup	United States	Financials	Ordinary shares	4,117	2.7
Kraft Heinz	United States	Consumer Staples	Ordinary shares	3,942	2.6
Cheniere Energy	United States	Energy	Ordinary shares	3,812	2.5
Microsoft	United States	IT	Ordinary shares	3,734	2.4
Cardinal Health	United States	Health Care	Ordinary shares	3,723	2.4
Anthem	United States	Health Care	Ordinary shares	3,570	2.3
Sony	United States	Consumer Discretionary	Ordinary shares	3,541	2.3
Cognizant Technology Solutions	United States	IT	Ordinary shares	3,438	2.2
Baxter International	United States	Health Care	Ordinary shares	3,381	2.2
Mondelez International	United States	Consumer Staples	Ordinary shares	3,213	2.1
Western Digital	United States	IT	Ordinary shares	2,954	1.9
Sanofi	France	Health Care	Ordinary shares	2,937	1.9
Exelon	United States	Utilities	Ordinary shares	2,911	1.9
Allegion	United States	Industrials	Ordinary shares	2,874	1.9
Fidelity National Information Services	United States	IT	Ordinary shares	2,840	1.8
Laboratory Corporation of America	United States	Health Care	Ordinary shares	2,809	1.8
Kosmos Energy	United States	Energy	Ordinary shares	2,753	1.8
Comcast	United States	Communication Services	Ordinary shares	2,699	1.8
General Motors	United States	Consumer Discretionary	Ordinary shares	2,675	1.7
Woodside Energy Group	Australia	Energy	Ordinary shares	2,647	1.7
Dollar Tree	United States	Consumer Discretionary	Ordinary shares	2,631	1.7
Sealed Air	United States	Materials	Ordinary shares	2,539	1.6
First Citizens BancShares	United States	Financials	Ordinary shares	2,521	1.6
Panasonic	Japan	Consumer Discretionary	Ordinary shares	2,511	1.6
Fortrea Holdings	United States	Health Care	Ordinary shares	2,380	1.5
Prudential	United Kingdom	Financials	Ordinary shares	2,345	1.5
Raymond James	United States	Financials	Ordinary shares	2,309	1.5
Wells Fargo	United States	Financials	Ordinary shares	2,275	1.5
Union Pacific	United States	Industrials	Ordinary shares	2,252	1.5
JPMorgan Chase	United States	Financials	Ordinary shares	2,208	1.4
Unilever	United States	Consumer Staples	Ordinary shares	2,164	1.4
Public Service Enterprise Group	United States	Utilities	Ordinary shares	2,132	1.4

Investments continued

Company	Country	Sector	Securities	Market value £'000	% of total portfolio
Gildan Activewear	Canada	Consumer Discretionary	Ordinary shares	2,128	1.4
Crown Castle	United States	Real Estate	Ordinary shares	1,996	1.3
Visa	United States	IT	Ordinary shares	1,812	1.2
Komatsu	Japan	Industrials	Ordinary shares	1,803	1.2
Zimmer Biomet	United States	Health Care	Ordinary shares	1,717	1.1
Avantor	United States	Health Care	Ordinary shares	1,714	1.1
Zebra Technologies	United States	IT	Ordinary shares	1,697	1.1
Dollar General	United States	Consumer Staples	Ordinary shares	1,620	1.1
International Flavors & Fragrances	United States	Materials	Ordinary shares	1,611	1.0
Crown Holdings	United States	Materials	Ordinary shares	1,495	1.0
Goldman Sachs	United States	Financials	Ordinary shares	1,465	1.0
Lear	United States	Consumer Discretionary	Ordinary shares	1,394	0.9
Fidelity National	United States	Financials	Ordinary shares	1,387	0.9
Citizens Financial Group	United States	Financials	Ordinary shares	1,370	0.9
First American	United States	Financials	Ordinary shares	1,331	0.9
NextEra Energy	United States	Utilities	Ordinary shares	1,093	0.7
Eli Lilly	United States	Health Care	Ordinary shares	962	0.6
CNH Industrial	United States	Industrials	Ordinary shares	954	0.6
Pentair	United States	Industrials	Ordinary shares	942	0.6
Novo Nordisk	Denmark	Health Care	Ordinary shares	922	0.6
Transunion	United States	Industrials	Ordinary shares	774	0.5
Portfolio				**154,212**	**100.0**

All investments are in ordinary shares unless otherwise stated. The number of holdings as at 31 October 2023 was 60 (31 October 2022: 57).

At 31 October 2023, the Company did not hold any equity interests comprising more than 3% of any company's share capital.

ESG and carbon metrics

ESG Metrics: BlackRock Sustainable American Income Trust plc

Reference Index: Russell 1000 Value Index in GBP

ESG & Sustainability Reporting as at 31 October 2023

Portfolio ESG coverage	99%
Reference Index ESG coverage	100%

MSCI ESG Rating	AA

ESG Adjusted Score

Portfolio		Reference Index
7.3	vs	6.4

Environmental Score

7.0	Portfolio
6.5	Reference Index

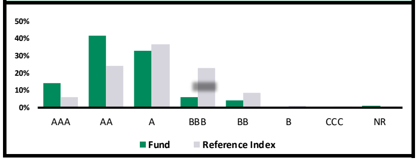
Social Score

5.2	Portfolio
4.9	Reference Index

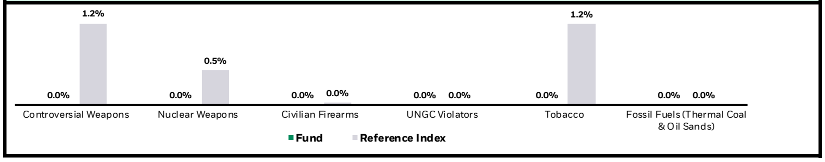
Governance Score

6.3	Portfolio
5.7	Reference Index

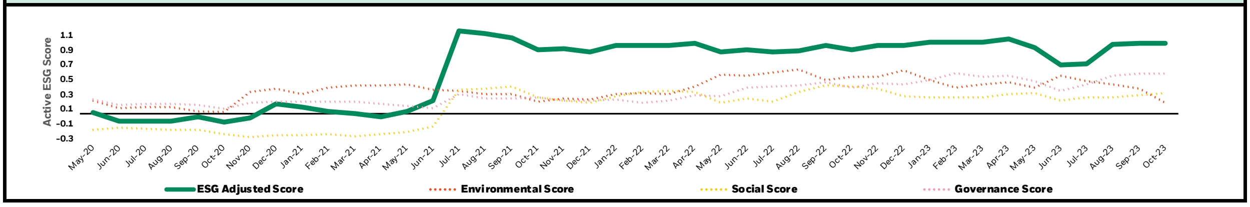
ESG Ratings Breakdown



Business Involvement



Active ESG Scores Over Time[2]

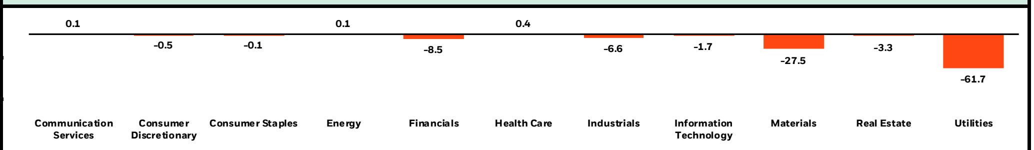


Carbon Intensity

Tons CO_2/Sales	
Portfolio	Reference Index
93.3	206.5

Tons CO_2/Total Capital	
Portfolio	Reference Index
70.3	131.7

Carbon Intensity (Tons CO_2/Sales) by GICS Sector[1]



Source: MSCI ESG Research Manager as of 31 Oct 2023. Underlying data is sourced from MSCI as of 31 Oct 2023. (1) GICS is the Global Industry Classification Standard. Carbon Intensity (Tons CO_2/Sales) by GICS Sector: Depicts the Company's carbon intensity less the reference index's carbon intensity within each GICS sector. (2) Active ESG Score Over Time: Depicts the Company's ESG score less the reference index's ESG score over time.

GICS was developed by and is the exclusive property and a service mark of Morgan Stanley Capital International Inc. (MSCI) and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P) and is licensed for use by BlackRock Inc. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

The metrics above have been provided for transparency purposes only. The existence of an ESG rating is not indicative of how or whether ESG factors will be integrated into a portfolio. The metrics are based on MSCI portfolio Ratings and, unless otherwise stated in portfolio documentation and included within a portfolio's investment objective. ESG integration does not change a portfolio's investment objective or constrain the Investment Manager's investable universe, and exclusionary screens have been adopted by the portfolio (see page 40). For more information regarding a portfolio's investment strategy, please see the Company's circular.

ESG Rating: The Rating is calculated as a direct mapping of ESG Adjusted Scores to letter rating categories (e.g. AAA = 8.6-10). The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).

ESG Adjusted Score: The ESG Adjusted Score is calculated as the weighted average of the underlying holdings' ESG Scores. It is provided on a 0-10 scale, with 0 and 10 being the respective lowest and highest possible scores. MSCI scores underlying holdings according to their exposure to 37 industry specific ESG risks and their ability to manage those risks relative to peers. These risks are: *Environment*: Carbon Emissions, Product Carbon Footprint, Financing Environmental Impact, Climate Change Vulnerability, Water Stress, Biodiversity & Land Use, Raw Material Sourcing, Toxic Emissions & Waste Packaging, Material & Waste, Electronic Waste, Opportunities in Clean Tech, Opportunities in Green Building, Opportunities in Renewable Energy. *Social*: Labour Management, Health & Safety, Human Capital Development, Supply Chain Labour Standards, Product Safety & Quality, Chemical Safety, Financial Product Safety, Privacy & Data Security, Responsible Investment, Health & Demographic Risk, Controversial Sourcing, Access to Communications, Access to Finance, Access to Health Care, Opportunities in Nutrition & Health. *Governance*: Board, Pay, Ownership, Accounting, Business Ethics, Anti-Competitive Practices, Tax Transparency, Corruption & Instability, Financial System Instability.

ESG and carbon metrics continued

Portfolio ESG Coverage: The coverage represents the sum of the market value weights of the portfolios' underlying holdings that have been assigned an ESG score by MSCI. It is expressed as a percentage of the portfolio's total market value.

Reference Index ESG Coverage: The coverage represents the sum of the market value weights of the reference index's underlying holdings that have been assigned an ESG score by MSCI. It is expressed as a percentage of the reference index's total market value.

Carbon Intensity: A portfolio's Weighted Average Carbon Emissions Intensity by Sales is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions/$M Sales) for each portfolio company and calculating the weighted average by portfolio weight. The underlying holdings' Emissions Intensity data is sourced from MSCI.

A portfolio's Weighted Average Carbon Emissions Intensity by Capital is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions/$M Total Capital) for each portfolio company and calculating the weighted average by portfolio weight. The underlying holdings' Scope 1 + 2 Emissions data is sourced from MSCI, and BlackRock then divides emissions by Total Capital (Total Debt + Total Equity).

CO_2 emission is converted into distance equivalent using EPA's official calculation available on https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references#miles.

Environmental (E), Social (S), Governance (G) Scores: The Environment (E), Social (S) and Governance (G) Scores are each calculated as the weighted average of the underlying holdings' E, S, and G scores respectively. They are also provided on a 0-10 scale, with 0 and 10 being the respective lowest and highest possible scores. MSCI scores underlying holdings according to their exposure to industry-specific Environmental, Social and Governance risks and their ability to manage those risks relative to peers.

Active Emissions Intensity: The km driven metric shows the CO_2 emission difference between the portfolio and the reference index for every USD 1 million of sales in the companies held by the portfolio. This CO_2 amount is converted into kilometers driven by an average passenger car to demonstrate the magnitude of savings.

Business Involvement

Business Involvement metrics are not indicative of a portfolio's investment objective, and, unless otherwise stated in portfolio documentation and included within a portfolio's investment objective, do not change a portfolio's investment objective or constrain the portfolio's investable universe, and there is no indication that an ESG or Impact focused investment strategy or exclusionary screens will be adopted by a portfolio. For more information regarding a portfolio's investment strategy, please see the portfolio's prospectus.

Business Involvement metrics are designed only to identify companies where MSCI has conducted research and identified as having involvement in the covered activity. As a result, it is possible there is additional involvement in these covered activities where MSCI does not have coverage. Business Involvement metrics are only displayed if at least 1% of the portfolio's gross weight includes securities covered by MSCI ESG Research.

Controversial Weapons: Percentage sum of issuers within the portfolio that have been identified by MSCI ESG Research as having controversial weapons involvement including Cluster Munitions, Landmines, Depleted Uranium, Biological & Chemical, and non detectable fragments.

Nuclear Weapons: Percentage sum of issuers within the portfolio that have been identified by MSCI ESG research as manufacturing nuclear weapons.

Civilian Firearms: Percentage sum of issuers within the portfolio that have been identified by MSCI ESG research as producing firearms and small arms ammunitions for civilian markets.

UNGC Violators: Percentage sum of issuers within the portfolio that have been identified by MSCI ESG Research as failing to comply with the United Nations Global Compact (UNGC) Principles.

Tobacco: Percentage sum of issuers within the portfolio that have been identified by MSCI ESG Research as producing tobacco products.

Fossil Fuels: Percentage sum of issuers within the portfolio that have been identified by MSCI ESG Research as earning >5% of total revenue from oil sand or thermal coal production.

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Environmental, Social and Governance issues and approach

The Board's approach to ESG

The Board believes that responsible investment and sustainability are integral to the longer-term delivery of the Company's success. The Board works closely with the Investment Manager regularly to review the Company's performance, investment strategy and underlying policies to ensure that the Company's investment objective continues to be met in an effective, responsible and sustainable way in the interests of shareholders and future investors.

The Board has been mindful of the increase in demand for investment products that place a sustainable investment philosophy at their core, a trend that has accelerated in recent years. Accordingly, the Company's investment objective and investment policy incorporates a sustainable investment approach into the investment policy so that the Company is managed in a way which is compatible with the principles of sustainable investment adopted by the Company.

The Company promotes environmental or social characteristics under the EU Sustainable Finance Disclosure Regulation (SFDR) and is classified as an Article 8 product due to registration and marketing of the Company's shares in Ireland. Further detail around how the Company has achieved these characteristics and objectives, is included in the sustainability-related disclosures supplementary section on page 132 of the Annual Report.

BlackRock's approach to ESG integration

BlackRock believes that sustainability risks, including climate risk, are investment risks. As a fiduciary, we manage material risks and opportunities that could impact portfolios. Sustainability can be a driver of investment risks and opportunities, and we incorporate them in our firm wide processes when they are material. This in turn (in BlackRock's view), is likely to drive a significant reallocation of capital away from traditional carbon-intensive industries over the next decade. BlackRock believes that carbon-intensive companies will play an integral role in unlocking the full potential of the energy transition, and to do this, they must be prepared to adapt, innovate and pivot their strategies towards a low carbon economy.

As part of BlackRock's structured investment process, material ESG risks and opportunities (including sustainability/climate risk) are considered within the portfolio management team's fundamental analysis of companies and industries and the Company's portfolio managers work closely with the BIS team to assess the governance quality of companies and understand any potential issues, risks or opportunities.

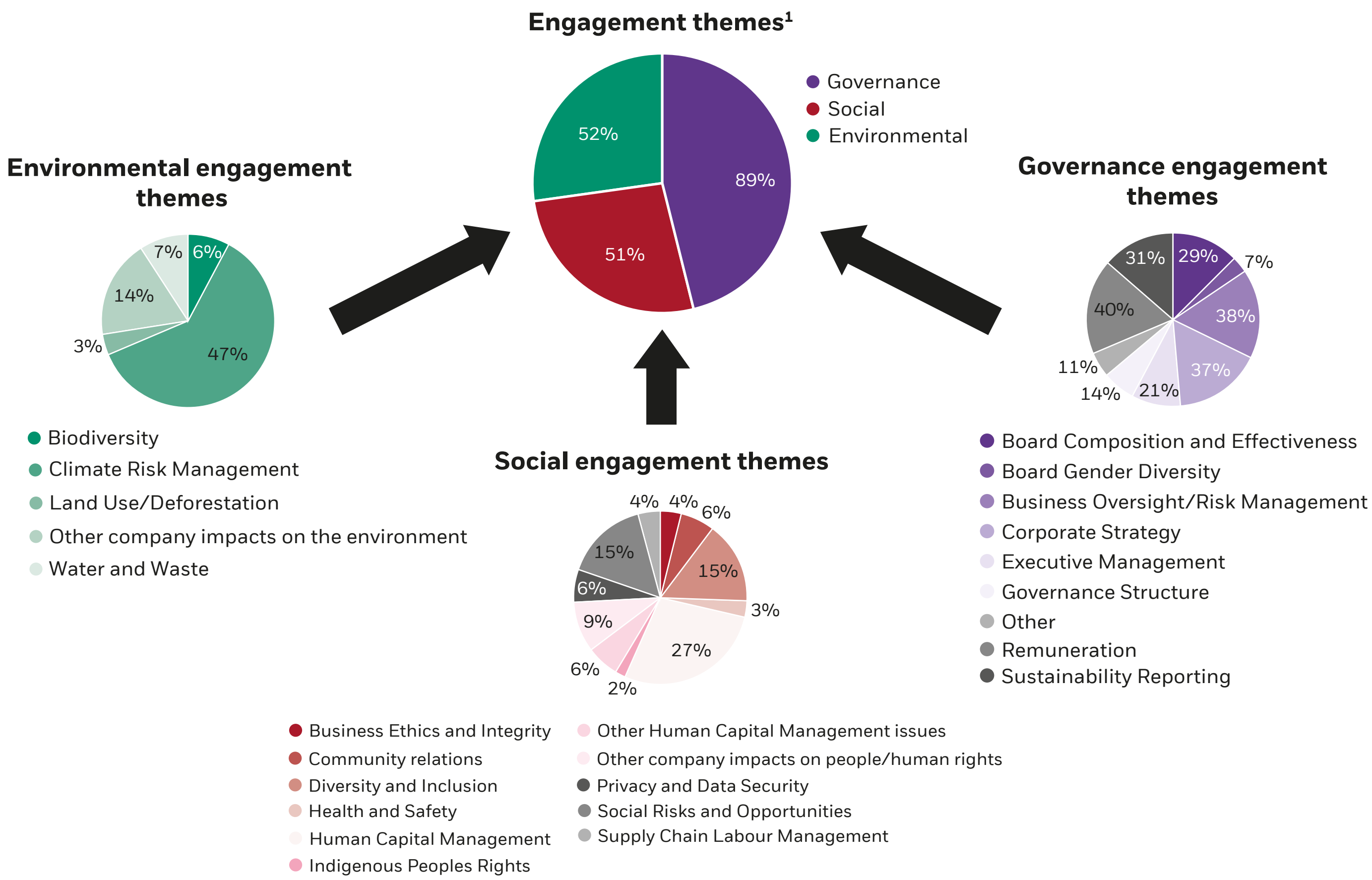
As part of their approach to ESG integration, the portfolio managers use ESG information when conducting research and due diligence on new investments and again when monitoring investments in the portfolio. In particular, portfolio managers at BlackRock now have access to 1,200 key ESG performance indicators in Aladdin (BlackRock's proprietary trading system) from third-party data providers. BlackRock's internal sustainability research framework scoring is also available alongside third-party ESG scores in core portfolio management tools. BlackRock's analysts' sector expertise and local market knowledge allows it to engage with companies through direct interaction with management teams and conducting site visits. BIS engages with company leadership to understand how they are identifying and managing material business risks and opportunities, including sustainability related risks and the potential impacts these may have on long-term financial performance. BIS and the portfolio management team's understanding of material sustainability related risks and opportunities is further supported by BlackRock's Sustainable and Transition Solutions (STS) function. STS looks to advance ESG research and integration, active engagement and the development of sustainable investment solutions across the firm.

BlackRock Sustainable American Income Trust plc – BlackRock Investment Stewardship Engagement with portfolio companies for the year ended 31 October 2023

The Company's portfolio is managed by the Fundamental Equities division of BlackRock's Portfolio Management Group which consists of 24 investment professionals. The team engages with company management teams and undertakes company meetings to identify the best management teams in the region with the ability to create value for shareholders over the long term. In addition, BlackRock also has a separate BlackRock Investment Stewardship (BIS) team. Consistent with BlackRock's fiduciary duty as an asset manager, BIS seeks to support investee companies in their efforts to deliver long-term financial value creation on behalf of BlackRock's clients. BIS engages with investee companies to build its understanding of these companies' approach to addressing material business risks and opportunities. Additional information is set out in the table and charts that follow, as well as the key engagement themes for the meetings held in respect of the Company's portfolio holdings.

	Year ended 31 October 2023
Number of engagements held	100
Number of companies met	49
% of equity investments covered	80
Shareholder meetings voted at	60
Number of proposals voted on	897
Number of votes against management	9
% of total items voted represented by votes against management	1.00

Sources: BlackRock, Institutional Shareholder Services (ISS).



1 Most engagement conversations cover multiple topics. More detail about BIS' engagement priorities can be found here: www.blackrock.com/corporate/literature/publication/blk-stewardship-priorities-final.pdf. Percentages reflect the number of meetings held in respect of the Company's portfolio holdings at which a particular topic is discussed as a percentage of the total meetings held; as more than one topic is discussed at each meeting, the total will not add up to 100%.

Source: BlackRock.

Engagements with investee companies*

Case study: Sizeable awards to incoming executives

Trends in compensation packages offered to newly hired executives have become more of a concern over the past several years. During this time, a number of companies have shown a greater willingness to provide high value compensation packages to newly recruited CEOs without a thorough rationale.

Environmental, Social and Governance issues and approach continued

BIS acknowledge that sometimes it is necessary for a company to offer “make-whole” awards, which replace compensation that an executive forfeits when leaving their former position and BIS find this acceptable within reason. However, many companies do not provide sufficient disclosure that helps shareholders delineate a “make-whole” award from an inducement award, complicating BIS’ assessment of their new-hire compensation package[1]. Consequently, in the 2022-23 proxy year, BIS did not support the executive compensation plans at 20% of the companies that made a new hire award[2], including Dollar Tree, one of the Company’s holdings.

Dollar Tree
At Dollar Tree, a US owner and operator of discount variety stores, BIS did not support the election of the compensation committee chair or the Say on Pay proposal at the company’s June 2023 Annual General Meeting because the compensation for the new CEO was excessive compared to peers and lacked performance-based metrics.

The company offered an annual US$1 million base salary and a US$135.6 million front-loaded, sign-on stock option award (approximately US$27 million on an annualised basis) to attract an industry veteran to serve as executive chairman in 2022[3]. When the executive chairman was subsequently appointed CEO in January 2023, the company amended the pay package to provide an increase in base salary and a short-term incentive package, adding to an already sizable remuneration plan relative to industry peers[4,5].

Case study: Supporting resilient, long-term oriented pay plans

BIS look to companies to explain how their executive compensation program is resilient and, thus, will deliver reasonable pay outcomes across a broad range of business outcomes and market environments over the long term. In this context, resilient means that programs will provide sufficient retentive impact without intervention when market conditions are difficult, motivate appropriate risk behaviours by executives, reward performance when conditions are more favourable, and adequately reflect the financial performance that shareholders are experiencing.

Fidelity National Information Services (FIS)
FIS is a US-based payments and fintech solutions company. The company has had a number of concerning pay practices in the past, such as incentives with short-term performance targets and a misalignment between pay outcomes and financial performance. After receiving low support in 2022 (approximately 65%)[1], the company engaged with shareholders, including BIS, to discuss their executive compensation approach. FIS made several enhancements to their long-term incentive plan to address shareholder concerns. These changes included targeting outperformance of a benchmark on a relative total shareholder return basis, increasing transparency around long-term performance goals, and extending their performance measurement period in the long-term plan to three years. As a result, BIS supported the company’s Say on Pay proposal at their May 2023 Annual General Meeting. The proposal passed with 92% support[1].

Case study: Natural capital-related shareholder proposals

BIS observed a variety of shareholder proposals related to natural capital in the 2022-23 proxy year, including requests for increased disclosure on water risks, plastics use, and sustainable material sourcing, among others. As with climate-related proposals, those that BIS supported addressed, in BIS’ assessment, gaps in a company’s approach to material nature-related risk in their business model or asked for additional disclosures that would allow investors to better assess how the company is managing these risks and opportunities.

Kraft Heinz
At their May 2023 Annual General Meeting, the Kraft Heinz Company received a shareholder proposal requesting a report on metrics and efforts to reduce water-related risk. In BIS’ view, the company already has robust disclosures addressing these risks, so BIS did not support the proposal. The proposal ultimately did not pass, receiving nearly 7% investor support[1].

* Sourced from the BIS 2023 Voting Spotlight: www.blackrock.com/corporate/literature/publication/2023-investment-stewardship-voting-spotlight.pdf.

1 Source: BlackRock, ISS.

2 A new hire award is characterised as a new hire grant, awards provided specifically for being a new hire but not included in an employment agreement, and/or a new employment agreement grant, awards granted to new hires which were mentioned in an employment agreement.

3 See: DollarTree, Inc. “Dollar Tree 2023 Proxy Statement.” Page 77. 2 May 2023.

4 See: Dollar Tree, Inc. “Dollar Tree 2023 Proxy Statement.” Page 55. 2 May 2023.

5 See: DollarTree, Inc.“Dollar Tree 2023 Proxy Statement.”

Shell plc

At Shell plc's (Shell) May 2023 annual general meeting, BIS voted in support of management's recommendation on item 25, requesting shareholder approval of the company's energy transition strategy. In BIS' analysis, Shell has and continues to provide a clear assessment of their plans to manage climate-related risks and opportunities and has demonstrated continued delivery against their Energy Transition Strategy. BIS voted against item 26, a shareholder proposal requesting Shell align their existing 2030 reduction targets covering scope 3 greenhouse gas emissions with the goals of the Paris Agreement. In BIS' assessment of Shell's aforementioned Energy Transition Strategy, the company addresses the risks and opportunities in their business model stemming from a low carbon transition and has demonstrated that they are delivering against their stated plan. Read more about BIS' voting rationale in the vote bulletin: www.blackrock.com/corporate/literature/press-release/vote-bulletin-shell-may-2023.pdf.

Investment stewardship

Consistent with BlackRock's fiduciary duty as an asset manager, 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. The Company's Investment Manager works closely with BIS 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 authorised 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/insights/investment-stewardship#stewardship-policies.

BlackRock is committed to transparency in terms of disclosure of its stewardship activities on behalf of clients. The BIS policies 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.

Governance

Within Consumer Staples, confectionery, food and beverage company Mondelēz International is another ESG leader and improver. Amongst its commitments, its Cocoa Life global sustainability program aims to secure a supply of more sustainable cocoa, creating inclusive and empowered communities and educating on forest conservation and restoration.

PHOTO COURTESY OF MONDELĒZ INTERNATIONAL

Governance structure

Responsibility for good governance lies with the Board. The governance framework of the Company reflects the fact that as an investment company the Company has no employees, the Directors are all non-executive and investment management and administration functions are outsourced to the Manager and other external service providers.

The Board
5 scheduled meetings per annum

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

Chair: Alice Ryder

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 scrutinise performance of all outsourced activities.

Audit Committee
2 scheduled meetings per annum

Membership: All NEDs

Chairman: David Barron

Key objectives:
- To oversee financial reporting;
- To consider the adequacy of the control environment and review the Company's risk register;
- To review the reporting of the auditors and form an opinion on the effectiveness of the external audit process; and
- To review the provisions relating to whistleblowing and fraud.

Nomination Committee
1 scheduled meeting per annum

Membership: All NEDs

Chairman: David Barron

Key objectives:
- To review regularly the Board's structure and composition;
- To be responsible for the Board's succession planning; and
- To make recommendations for any new appointments.

Remuneration Committee
1 scheduled meeting per annum

Membership: All NEDs

Chair: Alice Ryder

Key objectives:
- To be responsible for Directors' remuneration; and
- To set the Company's remuneration policy.

Management Engagement Committee
1 scheduled meeting per annum

Membership: All NEDs

Chairman: David Barron

Key objectives:
- To ensure that the provisions of the investment management agreement follow industry practice, remain competitive and are in the best interests of shareholders;
- To review the performance of the Manager and Investment Manager; and
- To review other service providers.

Directors' biographies

Alice Ryder
Chair
Appointed 12 June 2013
Appointed as Chair of the Board and Remuneration Committee on 1 November 2022

Alice Ryder is a partner of Stanhope Capital LLP and has more than 30 years' investment experience, comprising the last twenty years as an investment consultant in the charity sector and as a fund manager from 1985 to 2002. She is responsible for advising substantial charity and not for profit clients at Stanhope Consulting, a division of Stanhope Capital LLP. She is also a director of JPMorgan UK Smaller Companies Investment Trust plc.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee*: 3/3
Nomination Committee: 1/1
Remuneration Committee: 1/1

David Barron
Appointed 22 March 2022
Audit and Management Engagement Committee Chairman with effect from 21 March 2023, Senior Independent Director and Nomination Committee Chairman with effect from 1 November 2022

David Barron spent 25 years working in the investment management sector and was until November 2019 Chief Executive Officer of Miton Group PLC following six years with the firm. Prior to this he was Head of Investment Trusts at JP Morgan Asset Management for more than ten years having joined Robert Fleming in 1995. He is currently chairman of Dunedin Income Growth Investment Trust PLC and a non-executive director of Fidelity Japan Trust PLC and Baillie Gifford European Growth Trust PLC.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee*: 3/3
Nomination Committee: 1/1
Remuneration Committee: 1/1

* Up to 25 January 2024 there was a single combined Audit and Management Engagement Committee. On 25 January 2024 the Board established two separate committees, being the Audit Committee and the Management Engagement Committee.

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 Annual General Meeting.

Directors' biographies
continued

Melanie Roberts
Appointed 1 October 2019

Melanie Roberts is a partner at Sarasin & Partners LLP. She has 28 years of investment experience. She joined Sarasin & Partners in 2011 and in January 2023 was appointed head of charities, continuing to focus on strategy, stewardship and client service for charity portfolios. Prior to joining Sarasin & Partners, she spent 16 years at Newton Investment Management as a fund manager of charity, private client and pension fund portfolios.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee*: 3/3
Nomination Committee: 1/1
Remuneration Committee: 1/1

Solomon Soquar
Appointed 21 March 2023

Solomon Soquar has a long and deep experience of over 30 years across Investment Banking, Capital Markets and Wealth Management. He has worked with several major financial institutions, including Goldman Sachs, Bankers Trust, Merrill Lynch, Citi and Barclays. His most recent executive role has been as CEO of Barclays Investments Solutions Limited. Over the last few years he has developed a portfolio of roles, including non-executive director of Ruffer Investment Company Limited; chair, Africa Research Excellence Fund; and business fellow of Oxford University, Smith School of Economics and Enterprise.

Attendance record:
Board: 3/3[1]
Audit and Management Engagement Committee*: 2/2[1]
Nomination Committee: 1/1
Remuneration Committee: 1/1

[1] Appointed with effect from 21 March 2023 and has attended all available meetings since that date.

* Up to 25 January 2024 there was a single combined Audit and Management Engagement Committee. On 25 January 2024 the Board established two separate committees, being the Audit Committee and the Management Engagement Committee.

Strategic Report

The Directors present the Strategic Report of the Company for the year ended 31 October 2023. The aim of the Strategic Report is to provide shareholders with the information to assess how the Directors have performed their duty to promote the success of the Company for the collective benefit of shareholders.

The Chair's Statement together with the Investment Manager's Report form part of this Strategic Report. The Strategic Report was approved by the Board at its meeting on 2 February 2024.

Principal activity

The Company carries on business as an investment trust and has a premium listing on the London Stock Exchange. Its principal activity is portfolio investment. Investment trusts are pooled investment vehicles which allow exposure to a diversified range of assets through a single investment, thus spreading investment risk.

Investment objective

The Company's objective is to provide an attractive level of income return together with capital appreciation over the long term in a manner consistent with the principles of sustainable investing adopted by the Company.

Strategy, business model and investment policy

Strategy

The Company invests in accordance with the objective given above. The Board is collectively responsible to shareholders for the long-term success of the Company and is its governing body. There is a clear division of responsibility between the Board and BlackRock Fund Managers Limited (the Manager). Matters reserved for the Board include setting the Company's strategy, including its investment objective and policy, setting limits on gearing, capital structure, governance, and appointing and monitoring performance of service providers, including the Manager.

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 the Manager who is the principal service provider. In accordance with the Alternative Investment Fund Managers' Directive (AIFMD) the Company is an Alternative Investment Fund (AIF). BlackRock Fund Managers Limited is the Company's Alternative Investment Fund Manager.

The management of the investment portfolio and the administration of the Company have been contractually delegated to the Manager who in turn (with the permission of the Company) has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (the Investment Manager or BIM (UK)). The 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 Company delegates fund accounting services to the Manager, which in turn sub-delegates these services to The Bank of New York Mellon (International) Limited (BNYM). Other service providers include the Depositary (also BNYM) and the Registrar, Computershare Investor Services PLC. Details of the contractual terms with the Manager and the Depositary and more details of arrangements in place governing custody services are set out in the Directors' Report.

Investment policy

The Company invests primarily in a diversified portfolio of North American* equity securities, with a focus on large-cap and medium-cap companies that pay and grow their dividends. 'North America', in accordance with the United Nations publication 'Standard Country or Area Codes for Statistical Use', means Bermuda, Canada, Greenland, Saint Pierre and Miquelon and United States of America and 'North American' shall be construed accordingly. The Company may also invest in the equity securities of companies outside North America, subject to the restrictions set out below, and may invest in securities denominated in currencies other than the official currencies of the relevant countries or areas within North America. The Company may also hold other securities from time-to-time including, inter alia, options, futures contracts, convertible securities, fixed interest securities, preference shares, non-convertible preferred stock and depositary receipts (such securities other than equity securities, together 'Other Securities'). The Company may also write covered call options in respect of its portfolio.

To achieve the Company's investment objective, the Investment Manager adopts a stock specific approach in managing the Company's portfolio, selecting investments that it believes will both increase in value over the long term and provide income. The Company does not invest in companies which are not listed, quoted or traded on an exchange at the time of investment, although it may have exposure to such companies where, following investment, the relevant securities cease to be listed, quoted or traded on an exchange. Typically, it is expected that the investment portfolio will comprise between 30 and 60 equity securities. As at 31 October 2023, there were 60 holdings in the Company's portfolio.

* Securities may be deemed to be North American securities if: (i) the company's principal operations are conducted from North America; or (ii) the company's equity securities are listed, quoted or traded on a North American stock exchange; or (iii) the company does a substantial amount of business in North America; or (iv) the issuer of securities is included in the Company's reference index.

The Company may invest in derivatives for efficient portfolio management and in options for investment purposes and may, for investment purposes, write covered call options in respect of its portfolio. Any use of derivatives for efficient portfolio management and/or options for investment purposes is made based on the same principles of risk spreading and diversification that apply to the Company's direct investments. For the avoidance of doubt, the Company does not enter into physical or synthetic short positions or write any uncovered options.

Portfolio risk is mitigated by investing in a diversified spread of investments. In particular, the Company observes the following investment restrictions: no single investment (including for the avoidance of doubt, any single derivative instrument) at the time of investment, shall account for more than 10% of the gross asset value of the Company; no more than 25% of the gross asset value of the Company, at the time of investment, shall be invested in securities which are not deemed to be North American* securities; no more than 35% of the gross asset value of the Company, at the time of investment, shall be exposed to any one sector; no more than 20% of the gross asset value of the Company, at the time of investment, shall be invested in Other Securities; and no more than 20% of the Company's portfolio will be under option at any given time.

In managing the Company's portfolio, the Investment Manager, in addition to other investment criteria, takes into account the environmental, social and governance (ESG) characteristics of the relevant issuers of securities and seeks to deliver a superior ESG outcome versus the reference index by aiming for the Company's portfolio to achieve: (i) a better ESG score than the reference index; and (ii) a lower carbon emissions intensity score than the reference index. The reference index is the Russell 1000 Value Index, or such other index as may be agreed by the Company and the Investment Manager to be appropriate from time to time. However, there can be no guarantee that these aims will be achieved and the ESG rating of the Company's portfolio and its carbon emission intensity score may vary.

The Investment Manager also applies a screening policy (currently the BlackRock EMEA Baseline Screens policy[1]) at the time of investment through which it seeks to limit and/or exclude direct investment (as applicable) in companies which, in the opinion of the Investment Manager, have exposure to, or ties with, certain sectors (in some cases subject to specific revenue thresholds) including but not limited to: (i) the production of certain types of controversial weapons; (ii) the distribution or production of firearms or small arms ammunition intended for retail civilians; (iii) the extraction of certain types of fossil fuel and/or the generation of power from them; (iv) the production of tobacco products or certain activities in relation to tobacco-related products; and (v) issuers which have been deemed to have failed to comply with United Nations Global Compact Principles.

Following application of the screening policy outlined above, those companies which have not yet been excluded from investment are then evaluated by the Investment Manager based on their ability to manage the risks and opportunities associated with ESG-consistent business practices and their ESG risk and opportunity credentials, such as their leadership and governance framework, which is considered essential for sustainable growth, their ability to strategically manage longer-term issues surrounding ESG and the potential impact this may have on a company's financials. To undertake the required analyses, the Investment Manager may use data provided by external ESG data providers, proprietary models and local intelligence and may undertake site visits.

Should holdings which are compliant with the screening policy applied by the Investment Manager outlined above at the time of investment subsequently become ineligible, they will be divested within a reasonable period of time. The Company may gain limited exposure (including, but not limited to, through investment in other listed closed-ended investment funds and derivatives) to issuers with exposures that do not meet the sustainable investment principles described above. Circumstances in which such exposure may arise include, but are not limited to, where a counterparty to a derivative in which the Company invests posts collateral which is inconsistent with the Company's sustainable investment principles or where a fund in which the Company invests does not apply any or the same sustainable investment principles as the Company and so provides exposure to securities which are inconsistent with the Company's sustainable investment principles. The Investment Manager may take corrective action in such circumstances.

The Company may borrow up to 20 per cent of its net asset value (calculated at the time of draw down), although typically borrowings are not expected to exceed 10 per cent of its net asset value at the time of draw down. Borrowings may be used for investment purposes. The Company has entered into an overdraft facility for this purpose. The Company may enter into interest rate hedging arrangements.

The Company's foreign currency investments are not hedged to Sterling as a matter of general policy. However, the investment team may employ currency hedging, either back to Sterling or between currencies (i.e. cross-hedging of portfolio investments).

[1] https://www.blackrock.com/corporate/literature/publication/blackrock-baseline-screens-in-europe-middleeast-and-africa.pdf.

In order to comply with the current Listing Rules, the Company also complies with the following investment restrictions (which do not form part of the Company's investment policy): the Company will not conduct any trading activity which is significant in the context of its group as a whole; and the Company will not invest more than 10% of its gross asset value in other listed closed-ended investment funds, whether managed by the Investment Manager or not, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15% of their gross assets in other listed closed-ended investment funds.

Information regarding the Company's investment exposures is contained within the schedule of investments on pages 25 and 26. Further information regarding investment risk and activity throughout the year can be found in the Investment Manager's Report.

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

Environmental impact

The direct impact of the Company's activities is minimal as it has no employees, premises, physical assets or operations either as a producer or a provider of goods or services. Neither does it have customers. Its indirect impact occurs through the investments that it makes and this is mitigated through BlackRock's environmental, social and governance policies.

Performance

Over the year ended 31 October 2023, the Company's net asset value returned -5.6% compared with a return of -5.0% in the Russell 1000 Value Index. The ordinary share price returned -8.1% (all percentages are calculated in Sterling terms with dividends reinvested). The Investment Manager's Report includes a review of the main developments during the year, 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. The total return for the year, after taxation, was a loss of £9,456,000 (2022: profit of £12,170,000) of which the revenue return amounted to a profit of £2,945,000 (2022: profit of £3,081,000) and the capital return amounted to a loss of £12,401,000 (2022: profit of £9,089,000).

The Company pays dividends quarterly. Four quarterly interim dividends of 2.00p per share were paid on 28 April 2023, 3 July 2023, 2 October 2023 and 2 January 2024. Total dividends of 8.00p per share were paid or declared in the year ended 31 October 2023 (2022: 8.00p).

Future prospects

The Board's main focus is to provide an attractive level of income together with capital appreciation over the long term, in a manner consistent with the principles of sustainable investing. The future of the Company is dependent upon the success of the investment strategy. The outlook for the Company in the next twelve months is discussed in both the Chair's Statement and in the Investment Manager's Report.

Social, community and human rights issues

As an investment trust, the Company has no direct social or community responsibilities or impact on the environment. However, the Directors believe that it is important and 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 on socially responsible investment are set out on page 70.

Modern Slavery Act

As an investment vehicle, the Company does not provide goods or services in the normal course of business and does not have customers. The Investment Manager considers modern slavery as part of supply chains and labour management within the investment process. 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 chains, 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 31 October 2023 are set out in the Directors' Biographies on pages 37 and 38. The Board consists of two male Directors and two female Directors. The Company does not have any executive employees.

Strategic Report
continued

Key performance indicators

At each Board meeting, 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 other investment trusts, are set out in the following table. As indicated in the footnote to the table, some of these KPIs fall within the definition of 'Alternative Performance Measures' under guidance issued by the European Securities and Markets Authority (ESMA) and additional information explaining how these are calculated is set out in the Glossary on pages 121 to 124.

Additionally, the Board regularly reviews the performance of the portfolio, as well as the net asset value and share price of the Company and compares this against various companies and indices. The Board also reviews the performance of the portfolio against a reference index, the Russell 1000 Value Index. Information on the Company's performance is given in the Chair's Statement.

	Year ended 31 October 2023	Year ended 31 October 2022
Net asset value per ordinary share	193.51p	213.25p
Ordinary share price (mid-market)	174.00p	197.50p
Net asset value total return[1]	-5.6%	+7.4%
Reference index[2]	-5.0%	+10.7%
Share price total return[1]	-8.1%	+3.6%
Dividends per share	8.00p	8.00p
Discount to cum income net asset value[3]	10.1%	7.4%
Revenue return per share	3.67p	3.84p
Ongoing charges[4]	1.03%	1.01%

1 This measures the Company's share price and NAV total return, which assumes dividends paid by the Company have been reinvested.

2 Russell 1000 Value Index, total return basis.

3 This is the difference between the share price and the NAV per share with debt at par. It is an indicator of the need for shares to be bought back or, in the event of a premium to NAV per share, issued.

4 Ongoing charges represent the management fee and all other operating expenses 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.

Principal risks

The Company is exposed to a variety of risks and uncertainties. As required by the 2018 UK Corporate Governance Code (the UK Code), the Board has put in place a robust ongoing process to identify, assess and monitor the principal and emerging risks facing the Company, including those that would threaten its business model. A core element of this process 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 controls operating to mitigate it. A residual risk rating is then calculated for each risk based on the outcome of the assessment.

The risk register, its method of preparation and the operation of key controls in BlackRock's and third-party service providers' systems of internal control, are reviewed on a regular basis by the Audit 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, BlackRock's internal audit department provides an annual presentation to the Audit Committee chairs of the BlackRock investment trusts setting out the results of testing performed in relation to BlackRock's internal control processes. The Audit Committee also periodically receives and reviews internal control reports from BlackRock and the Company's service providers.

The Board has undertaken a robust assessment of both the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The COVID-19 pandemic gave rise to unprecedented challenges for businesses across the globe. Additionally, the risk that unforeseen or unprecedented events including (but not limited to) heightened geo-political tensions such as the war in Ukraine and the conflict in the Middle East, high inflation and the current cost of living crisis has had a significant impact on global markets. The Board has taken into consideration the risks posed to the Company by these events and incorporated these into the Company's risk register. The threat of climate change has also reinforced the importance of more sustainable practices and environmental responsibility.

Emerging risks are considered by the Board as they come into view and are incorporated into the existing review of the Company's risk register. 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.

The Board will continue to assess these risks on an ongoing basis. In relation to the UK Code, the Board is confident that the procedures that the Company has put in place are sufficient to ensure that the necessary monitoring of risks and controls has been carried out throughout the reporting period.

The principal risks and uncertainties faced by the Company during the financial year, together with the potential effects, controls and mitigating factors are set out below.

Market

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.

Changes in general economic and market conditions, such as currency exchange rates, interest rates, rates of inflation, industry conditions, tax laws, political events and trends can also substantially and adversely affect the securities and, as a consequence, the Company's prospects and share price.

Market risk includes the potential impact of events which are outside the Company's control, including (but not limited to) heightened geo-political tensions and military conflict, a global pandemic and high inflation.

Companies operating in 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.

Mitigation/Control

The Board considers the diversification of the portfolio, 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.

The Board monitors the implementation and results of the investment process with the Investment Manager.

The Board also recognises the benefits of a closed-end fund structure in extremely volatile markets such as those experienced as a consequence of the COVID-19 pandemic and the conflicts in Ukraine and the Middle East. 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 portfolio managers 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.

The portfolio managers spend a considerable amount of time understanding the ESG risks and opportunities facing investee companies and conduct research and due diligence on new investments and when monitoring investments in the portfolio.

Investment performance

Principal risk

Returns achieved are reliant primarily upon the performance of the portfolio.

The Board is responsible for:

- deciding the investment strategy to fulfil the Company's objective; and
- monitoring the performance of the Investment Manager and the implementation of the investment strategy.

An inappropriate investment strategy may lead to:

- underperformance compared to the reference index;
- a reduction or permanent loss of capital; and
- dissatisfied shareholders and reputational damage.

Mitigation/Control

To manage this risk the Board:

- regularly reviews the Company's investment mandate and long-term strategy;
- has set investment restrictions and guidelines which the Investment Manager monitors and regularly reports on;
- receives from the Investment Manager a regular explanation of stock selection decisions, portfolio exposure, gearing and any changes in gearing and the rationale for the composition of the investment portfolio;
- monitors and maintains 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 investment policy; and
- receives and reviews regular reports showing an analysis of the Company's performance against the Russell 1000 Value Index and other similar indices.

Operational

Principal risk

In common with most other investment trust companies, the Company has no employees. The Company therefore relies on the services provided by third parties and is dependent on the control systems of the Manager, the Depositary and Fund Accountant, which maintain the Company's assets, dealing procedures and accounting records.

The security of the Company's assets, dealing procedures, accounting records and adherence to regulatory and legal requirements depend on the effective operation of the systems of these other third-party service providers. There is a risk that a major disaster, such as floods, fire, a global pandemic, or terrorist activity, renders the Company's service providers unable to conduct business at normal operating effectiveness.

Failure by any service provider to carry out its obligations could have a material adverse effect on the Company's performance. Disruption to the accounting, payment systems or custody records (including cyber security risk) could prevent the accurate reporting and monitoring of the Company's financial position.

Mitigation/Control

Due diligence is undertaken before contracts are entered into with third-party service providers. Thereafter, the performance of the provider is subject to regular review and reported to the Board.

The Board reviews on a regular basis an assessment of the fraud risks that the Company could potentially be exposed to and also a summary of the controls put in place by the Manager, Depositary, Custodian, Fund Accountant and Registrar specifically to mitigate these risks.

Most third-party service providers produce Service Organisation Control (SOC 1) reports to provide assurance regarding the effective operation of internal controls as reported on by their reporting accountants. These reports are provided to the Audit Committee for review. The Committee would seek further representations from service providers if not satisfied with the effectiveness of their control environment.

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

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

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.

Legal & Regulatory Compliance

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 corporation tax on capital gains on the profits realised from the sale of its investments.

Any breach of the relevant eligibility conditions could lead to the Company losing 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.

A serious regulatory 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, the Company is required to comply with the provisions of the Companies Act 2006, the Alternative Investment Fund Managers' Directive, the UK Listing Rules, Disclosure Guidance and Transparency Rules, the Sanctions and Anti-Money Laundering Act 2018 and the Market Abuse Regulation.

Mitigation/Control

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

Compliance with the accounting rules affecting investment trusts is also carefully and regularly monitored.

The Company Secretary, Manager and the Company's professional advisers provide regular reports to the Board in respect of compliance with all applicable rules and regulations. The Board and Manager also monitor changes in government policy and legislation which may have an impact on the Company.

Strategic Report
continued

Counterparty

Principal risk
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 Depositary is liable for restitution for the loss of financial instruments held in custody unless able to demonstrate the loss was a result of an event beyond its reasonable control.

Financial

Principal risk
The Company's investment activities expose it to a variety of financial risks which include market risk, counterparty credit risk, liquidity risk and the valuation of financial instruments.

Mitigation/Control
Details of these risks are disclosed in note 15 to the Financial Statements, together with a summary of the policies for managing these risks.

Marketing

Principal risk
Marketing efforts are inadequate or do not comply with relevant regulatory requirements. There is a failure to communicate adequately with shareholders or reach out to potential new shareholders resulting in reduced demand for the Company's shares and a widening of the discount.

Mitigation/Control
The Board reviews marketing strategy and initiatives and the Manager is required to provide regular updates on progress. BlackRock has a dedicated investment trust sales team visiting both existing and potential clients on a regular basis. The Manager also devotes considerable resources marketing to self-directed private investors. Data on client meetings and issues raised are provided to the Board on a regular basis.

All investment trust marketing documents are subject to appropriate review and authorisation.

Section 172 statement: Promoting the success of the Company

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain in greater detail 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 includes the likely consequences of their decisions in the longer term and how they have taken wider stakeholders' needs into account.

The disclosure that follows 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. The Board considers the main stakeholders in the Company to be the Manager, Investment Manager and the shareholders. In addition to this, the Board considers investee companies and key service providers of the Company to be stakeholders; the latter comprise the Company's Custodian, Depositary, Registrar and Broker.

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 an attractive level of income return together with capital appreciation over the long term in a manner consistent with the principles of sustainable investing adopted by the Company.

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 deliver successfully 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 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 service 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.

Area of Engagement

Investment mandate and objective

Issue

The Board 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 worked closely with the Investment Manager throughout the year in further developing investment strategy and underlying policies in the interests of shareholders and future investors.

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, is to encourage the adoption of sustainable business practices which support long-term value creation.

Impact
The Company's investment objective is to provide an attractive level of income together with capital appreciation over the long term in a manner consistent with the principles of sustainable investing adopted by the Company.

The Board believes that it offers an attractive investment strategy with the additional potential the ESG integration provides to exceed the reference index over time.

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 will have the opportunity to meet the Directors and Investment Manager and to address questions to them directly. The Investment Manager will also provide a presentation on the Company's performance and outlook.

The Annual Report and Half Yearly Financial Report are available on the BlackRock website and are also circulated to shareholders. In addition, regular updates on performance, monthly factsheets, the daily NAV and other information are also published on the Manager's website at www.blackrock.com/uk/brsa. The Company's website and marketing initiatives are geared to providing a breadth and depth of informative and engaging content.

The Board also works closely with the Manager to develop the Company's marketing strategy. Unlike trading companies, one-to-one shareholder meetings normally take the form of a meeting with the Investment Manager as opposed to members of the Board. The Company's willingness to enter into discussions with institutional shareholders is also demonstrated by the programmes of institutional presentations by the portfolio managers. Additionally, the Investment Manager regularly presents at professional and private investor events to help explain and promote the Company's strategy.

If shareholders wish to raise issues or concerns with the Board, they are welcome to do so at any time. The Chair 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. She may be contacted via the Company Secretary whose details are given on page 117.

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 will be shared with the Board. The Directors will 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.

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 Investment Manager in respect of meetings with the management of portfolio companies.

Responsible investing

Issue
More than ever, the importance of good governance and consideration of sustainable investment are key factors in making investment decisions. Climate change is becoming a defining factor in companies' long-term prospects across the investment spectrum, with significant and lasting implications for economic growth and prosperity.

Engagement
The Board believes that responsible investment and sustainability are important to the longer-term delivery of the Company's success. The Board works closely with the Investment Manager to review regularly and challenge the Company's performance, investment strategy and underlying policies to ensure that the Company's investment objective continues to be met in an effective and responsible way in the interests of shareholders and future investors.

The Investment Manager's approach to the consideration of ESG factors in respect of the Company's portfolio, as well as the Investment Manager's 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 Board also expects to be informed by the Manager of any sensitive voting issues involving the Company's investments.

The Investment Manager reports to the Board in respect of its ESG policies and how these are integrated into the investment process; a summary of BlackRock's approach to ESG and sustainability is set out on pages 30 to 33. The Investment Manager's engagement and voting policy is detailed pages 30 and 31 and on page 54 and on the BlackRock website.

Impact
The Board and Investment Manager believe there is likely to be a positive correlation between strong ESG practices and investment performance over time.

Management of share rating

Issue
The Board recognises that it is in the long-term interests of shareholders that the Company's shares do not trade at a significant discount (or premium) to their prevailing NAV. The Board believes this may be achieved by the use of share buy back powers and the issue of shares.

Engagement
The Board monitors the Company's share rating on an ongoing basis and receives regular updates from the Manager and the Company's Broker, Cavendish Securities, regarding the level of discount/premium.

The Board believes that the best way of maintaining the share rating at an optimal level over the long term is to create demand for the shares in the secondary market. To this end, the Investment Manager is devoting considerable effort to broadening the awareness of the Company, particularly to wealth managers and to the wider retail market.

In addition, the Board has worked closely with the Manager to develop the Company's marketing strategy, with the aim of ensuring effective communication with existing shareholders and to attract new shareholders to the Company in order to improve liquidity in the Company's shares and to sustain the share rating of the Company.

Impact
The Board continues to monitor the Company's premium/discount to NAV and will look to buy back or issue shares if it is deemed to be in the interests of shareholders as a whole. During the financial year and up to the date of this report the Company did not reissue any shares. The Company bought back 1,020,803 shares both during the financial year and since the year end.

The Company's average discount for the year to 31 October 2023 was 6.0% and the discount at 31 January 2024 stood at 10.8%.

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 Broker 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. The Board met with the Investment Manager for a comprehensive two day agenda at their place of work in New York – meeting, engaging and understanding the significant level of input from multiple different teams and experts feeding in to the Company's strategy.

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 Broker on an ongoing basis. For example, our brokers Cavendish Securities, report to the Board at each board meeting and provide direct unfiltered feedback on the views of the shareholders, wider market considerations and offer Company specific advice. They also arrange meetings for major shareholders to meet the Chair, or other Directors, outside the normal general meeting cycle. The AIFM and Depositary also attend the Audit Committee meetings and provide a report on their monitoring activities, whilst the Registrar produces a quarterly report to monitor their level of service and ensure it is acceptable.

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

Impact

All performance evaluations were performed on a timely basis and the Board concluded that all key third-party service providers, including the Manager, 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, Registrar and Printer and is confident that arrangements are in place to ensure 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

During the year, the Board engaged the services of an external search consultant to identify potential candidates to replace Mr Casey who retired as a Director following the Annual General Meeting held on 21 March 2023. The Nomination Committee agreed the selection criteria and the method of selection, recruitment and appointment.

All Directors are subject to a formal evaluation process on an annual basis (more details and the conclusions of the 2023 evaluation process are given on page 68). All Directors stand for re-election by shareholders annually.

Shareholders may attend the Annual General Meeting and raise any queries in respect of Board composition or individual Directors in person or may contact the Company Secretary or the Chair using the details provided on page 117 with any issues.

Impact

As a result of the recruitment process, Mr Solomon Soquar was appointed as a Director of the Company following the Annual General Meeting held on 21 March 2023.

As at the date of this report, the Board was comprised of two men and two women. One Board Director, Ms Ryder, has a tenure in excess of nine years and it is her intention to retire at the Annual General Meeting to be held in 2025. The Board considers that the tenure of the Chair and Directors should be determined principally by how the Board's purpose in providing strategic leadership, governance and bringing challenge and support to the Manager can best be maintained, whilst also recognising the importance of independence, refreshment, diversity and retention of accumulated knowledge. It firmly believes that an appropriate balance of these factors is essential for an effective functioning board and, at times, will naturally result in some longer serving Directors. Furthermore, the Board wishes to retain the flexibility to recruit outstanding candidates when they become available rather than simply adding new Directors based upon a predetermined timetable.

Details of each Directors' contribution to the success and promotion of the Company are set out in the Directors' Report on pages 57 and 58 and details of Directors' biographies can be found on pages 37 and 38.

The Directors are not aware of any issues that have been raised directly by shareholders in respect of Board composition in the year under review. Details of the proxy voting results in favour and against individual Directors' re-election at the 2023 Annual General Meeting are given on the Manager's website at www.blackrock.com/uk/brsa.

Viability statement

In accordance with provision 31 of the 2018 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 Company is an investment trust with the objective of providing an attractive level of income return together with capital appreciation over the long term.

The Directors expect the Company to continue for the foreseeable future and have therefore conducted this review for a period up to the Annual General Meeting in 2027. The Directors assess viability over a rolling three-year period as they believe it best balances the Company's long-term objective, its financial flexibility and scope with the difficulty in forecasting economic conditions which could affect both the Company and its shareholders. The Company also undertakes a continuation vote every three years with the next one taking place at the Annual General Meeting in 2025.

In making an assessment on the viability of the Company, the Board has considered the following:

- the impact of a significant fall in US 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 prevailing market;
- the principal and emerging risks and uncertainties, as set out above, and their potential impact;
- the level of ongoing demand for the Company's shares;
- the Company's share price discount/premium to NAV;
- the liquidity of the Company's portfolio; and
- the level of income generated by the Company and future income and expenditure forecasts.

The Directors have concluded that there is a reasonable expectation that the Company will continue in operation and meet its liabilities as they fall due over the period of their assessment based on the following considerations:

- the Investment Manager's compliance with the investment objective and policy, its investment strategy and asset allocation;
- the portfolio mainly comprises readily realisable assets which continue to offer a broad range of investment opportunities for shareholders as part of a balanced investment portfolio;
- 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;
- the effectiveness of business continuity plans in place for the Company and its key service providers;
- the ongoing processes for monitoring operating costs and income which are considered to be reasonable in comparison to the Company's total assets;
- the Board's discount management policy; and
- the Company is a closed-end investment company and therefore does not suffer from the liquidity issues arising from unexpected redemptions.

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 in the Directors' Report.

By order of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
2 February 2024

Directors' Report

The Directors present the Annual Report and audited Financial Statements of the Company for the year ended 31 October 2023.

Status of the Company

The Company is domiciled in the United Kingdom. The Company is a public company limited by shares and is also an investment company under Section 833 of the Companies Act 2006 and operates as such. It is not a close company and has no employees.

The Company has been approved by HM Revenue & Customs (HMRC) 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.

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 (AIFMD), as implemented, retained and onshored in the UK. The Company is governed by the provisions of the Alternative Investment Fund Managers Regulations 2013 (the Regulations) and must comply with a number of obligations, including the appointment of an Alternative Investment Fund Manager (AIFM) and a depositary to carry out certain functions. The Company must also comply with the Regulations in respect of leverage, outsourcing, conflicts of interest, risk management, valuation, remuneration and capital requirements and must also make additional disclosures to both shareholders and the FCA. Further details are set out on the Company's website at www.blackrock.com/uk/brsa, the AIFMD disclosures section on pages 118 and 119 and in the notes to the Financial Statements.

The Company's shares are eligible for inclusion in the stocks and shares component of an Individual Savings Account (ISA).

Information to be disclosed in accordance with Listing Rule 9.8.4 (information to be included in annual report and financial statements)

Disclosures in respect of how the Company has complied with Listing Rule 9.8.4 are set out on page 120.

Facilitating retail investments

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

The Common Reporting Standard

Tax legislation under the Organisation for Economic Cooperation and Development (OECD) Common Reporting Standard for Automatic Exchange of Financial Account Information (the Common Reporting Standard) was introduced on 1 January 2016.

The legislation requires investment trust companies to provide personal information to HMRC about investors who purchase shares in investment trusts. As an affected company, BlackRock Sustainable American Income Trust plc has to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certification 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.

GDPR

Data protection rights were harmonised across the European Union following the implementation of the General Data Protection Regulation (GDPR) on 25 May 2018, since retained in the UK by the European Union (Withdrawal) Act 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.

Shareholder Rights Directive II

The Shareholder Rights Directive II took effect from 10 June 2019 with some transitional provisions. It encourages long-term shareholder engagement and transparency between companies and shareholders. In substantive terms the changes were 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 AIFMs and proxy advisers.

Dividends

Details of dividends paid in respect of the year are set out in the Chair's Statement.

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. Under the agreement, the Board continues to be independent from the AIFM. The agreement provides the appropriate balance between the Board's control over the Company, its investment policies and compliance with regulatory obligations.

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. The Manager receives an investment management fee which is calculated based on 0.70% of net assets per annum. Where the Company invests in other investment or cash funds managed by BlackRock, any underlying fee charged is rebated. Further details in relation to the management fee are given in note 4 to the Financial Statements on page 96.

The Manager has delegated certain of its responsibilities and functions, including its discretionary management of the Company's portfolio, to the US based equity income investments' team who are employed by BlackRock Investment Management LLC (BIM LLC), a limited liability company incorporated in Delaware which is regulated by the US Securities and Exchange Commission. BFM, BIM (UK) and BIM LLC are subsidiaries of BlackRock, Inc. which is a publicly traded corporation on the New York Stock Exchange operating as an independent firm.

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 trusts to achieve efficiencies by combining certain sales and marketing activities, represents a budget of up to 0.025% per annum of its net assets (£166.5 million) as at 31 December 2022 and this contribution is matched by BIM (UK). Total fees paid or payable for the year ended 31 October 2023 amounted to £94,000 (excluding VAT) (2022: £49,000). 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.

Appointment of the Manager

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis and a formal review is conducted annually. As part of this 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.

In line with the Company's objective, the Board places most importance on the Investment Manager's ability to deliver long-term performance. In the Board's view, this is best served by the Fundamental Equities division of BlackRock's Portfolio Management Group which is responsible for the discretionary management of the Company's portfolio and has successfully steered the US$19.4 billion Representative Account through bull and bear markets, outperforming its value style benchmark and the Morningstar Large Value peer group average to preserve and grow investors' capital over the longer term.

Additionally, the Board has noted that the Investment Manager continues the process of evolving and enhancing the Equity Dividend platform which commenced over six years ago. During this time, the US Income & Value team has invested in both people and processes and is expected to do so moving forward. Over the last six years, the team supporting the Company has grown in size from ten investment professionals to 24, including the dedicated portfolio managers and 16 team members with fundamental research responsibilities.

The US Income & Value team is well resourced and highly experienced in US fundamental active equity and the Board has concluded that it is in shareholders' interests as a whole that BFM should continue as Manager of the Company. The continued appointment of BFM was approved on 27 September 2023 following a series of presentations by the US Income & Value team which had highlighted their commitment, access and engagement.

The principal contents of the agreement with the Manager have been set out in the previous section. Having considered the terms of this agreement, and those of other investment trust companies, the Board considers that the terms of the agreement represent an appropriate balance between cost and incentivisation of the Manager.

Directors' Report

continued

Depositary and Custodian

The AIFMD requires that AIFs such as the Company have an AIFMD-compliant depositary. The Company has appointed The Bank of New York Mellon (International) Limited (BNYM or the Depositary) to perform this role.

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 the AIFMD is to act as a central custodian with additional duties to monitor the operations of the Company, including monitoring cash flows and ensuring 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% per annum of net assets. 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 the financial instruments held in custody.

Under the depositary agreement, custody services in respect of the Company's assets have been delegated to The Bank of New York Mellon (International) Limited (BNYM). 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 each year, plus disbursements and VAT for the maintenance of the register. Fees in respect of corporate actions and other services are negotiated on an arising basis.

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 (BIS) team, located in nine offices around the world. The team's globally-coordinated, local presence and breadth of experience enables more frequent and better informed dialogue with companies. 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 in 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 897 proposals at 60 general meetings on behalf of the Company. At these meetings the Investment Manager voted in favour of most resolutions, but did not support 9 (1.00%) management resolutions and did not abstain from voting on any 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.

Political donations

The Company does not make political donations.

Going concern

The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective, the triennial continuation vote and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements and is financially sound. The Board is mindful of the continuing uncertainty surrounding the current environment of heightened geo-political risk given the war in Ukraine and conflict in the Middle East.

The Company has a portfolio of investments which are predominantly readily realisable and is able to meet all of its liabilities from its assets and income generated from these assets. The portfolio mainly comprises readily realisable assets which can be sold to meet funding requirements if necessary. As at 31 January 2024, 100% of the portfolio was estimated as being capable of being liquidated within one day. Accounting revenue and expense forecasts are maintained and reported to the Board regularly and it is expected that the Company will be able to meet all its obligations. Borrowings under the overdraft facility shall at no time exceed £20 million or 20% of the Company's net asset value (whichever is lower) and this covenant was complied with during the year. Based on the above, the Board is satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements and that the Company has adequate resources to continue in operational existence for the period to 28 February 2025, being a period of at least 12 months from the date of approval of these financial statements.

Ongoing charges for the year ended 31 October 2023 were approximately 1.03% (2022: 1.01%) of net assets.

A statement on the longer-term viability of the Company is considered in the viability statement on page 51.

Directors

The Directors of the Company as at 31 October 2023 and their biographies are set out on pages 37 and 38. Details of their interests in the shares of the Company are set out in the Directors' Remuneration Report on page 62. All of the Directors, apart from Mr Soquar, held office throughout the year under review and up to the date of signing the financial statements.

Although the Company's Articles of Association require that one-third of Directors retire and seek re-election at intervals of no more than three years, the Board has resolved that all of the Directors should be subject to re-election on an annual basis. Accordingly, Ms Ryder, Ms Roberts and Mr Barron, will offer themselves for re-election at the Annual General Meeting. Mr Soquar, who was appointed during the year, will stand for election.

Having considered the Directors' performance within the annual Board performance evaluation process, further details of which are provided on page 68, the Board believes that it continues to be effective and the Directors bring extensive knowledge and commercial experience and demonstrate a range of valuable business, financial and asset management skills. The Board therefore recommends that shareholders vote in favour of each Director's proposed re-election/election. More details in respect of the skills and experience each Director brings to the Board are set out on pages 57 and 58.

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.

Directors' indemnity

The Company has maintained appropriate Directors' and Officers' liability insurance cover throughout the year. In addition to Directors' and Officers' liability insurance cover, the Company's Articles of Association provide, subject to the provisions of applicable UK legislation, a qualifying third-party indemnity for Directors in respect of costs incurred in the defence of any proceedings brought against them by third parties arising out of their positions as Directors, in which they are acquitted, or judgement is given in their favour. The Company has entered into Deeds of Indemnity with Directors individually which are available for inspection at the Company's registered office and will also be available for inspection at the Annual General Meeting. The indemnity has been in force during the financial year and up to the date of approval of the financial statements.

Conflicts of interest

The Board has put in place a framework in order for Directors to report conflicts of interest or potential conflicts of interest which it believes has worked effectively during the year. 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 year under review. All such situations are reviewed by the Board and duly authorised. Directors are

Directors' Report
continued

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 Remuneration Policy

The Directors' Remuneration Report and Remuneration Policy is set out on pages 60 to 64. An advisory ordinary resolution to approve this report will be put to shareholders at the Company's Annual General Meeting. The Company is also required to put the Director's Remuneration Policy to a binding shareholder vote every three years. The Company's Remuneration Policy was last put to shareholders at the Annual General Meeting in 2023, therefore an ordinary resolution to approve the policy will next be put to shareholders at the Annual General Meeting in 2026.

Notifiable interests in the Company's voting rights

As at 31 October 2023, the following investor had declared a notifiable interest in the Company's voting rights.

Shareholder	Number of Ordinary shares	% of issued share capital
Rathbone Investment Management Limited	5,529,991	6.9%

As at 23 January 2024, the following had declared a notifiable interest in the Company's voting rights.

Shareholder	Number of Ordinary shares	% of issued share capital
Rathbone Investment Management Limited	5,307,591	6.7

Share capital

Full details of the Company's issued share capital are given in note 13 to the Financial Statements. Details of the voting rights in the Company's shares as at the date of this report are also given in note 16 to the Notice of Annual General Meeting. The ordinary shares carry the right to receive dividends and have one voting right per ordinary share. There are no restrictions on the voting rights of the ordinary shares. There are no shares which carry specific rights with regard to the control of the Company.

Share repurchases

The Company has the authority to purchase ordinary shares in the market to be held in treasury or for cancellation and to issue new shares or sell shares from treasury for cash. During the year and up to the date of this report, the Company purchased 1,020,803 ordinary shares at an average discount of 8.9% for a total cost of £1,875,000 including expenses. All shares have been placed in treasury. The Company holds 21,153,064 ordinary shares in treasury (21.1% of the Company's issued share capital).

At the 2023 Annual General Meeting, the Company was authorised to repurchase ordinary shares into treasury for reissue or cancellation at a future date. The latest authority to repurchase shares was granted to Directors on 21 March 2023 and the Directors are proposing that their authority to buy back shares be renewed at the forthcoming Annual General Meeting.

Share issues

During the year, the Company did not reissue any ordinary shares. The Directors are seeking to renew the authority to issue or sell shares out of treasury at the forthcoming Annual General Meeting. Any issuance will be at or above NAV.

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. Consequently, the Company consumed less than 40,000 kwh of energy during the year in respect of which the Directors' Report is prepared and is therefore exempt from the disclosures required under SECR.

As an investment company, the Company does not need to report against the Task Force on Climate-related Financial Disclosures (TCFD) framework. However, BlackRock reports detailed information about its management of climate-related risks and opportunities across its business in its TCFD-aligned reports. BlackRock's latest TCFD report can be found at www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2022-blkinc.pdf.

Articles of Association

Any amendments to the Articles of Association must be made by special resolution.

Annual General Meeting

The following information to be discussed at the forthcoming Annual General Meeting 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 Annual General Meeting consists of 12 resolutions. Resolutions 1 to 10 are proposed as ordinary resolutions and 11 and 12 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 31 October 2023 and the auditors' report thereon.

Resolution 2 – Approval of the Directors' Remuneration Report

This resolution is an advisory vote on the Directors' Remuneration Report, excluding any content relating to the remuneration policy as set out on pages 63 and 64.

Resolution 3 – Approval of dividends

Resolution 3 seeks shareholder approval of the Company's dividend policy to continue to pay four quarterly dividends, which in the year under review have totalled 8.00p per share.

Resolutions 4 to 7 – Re-election/election of Directors

Resolutions 4 to 7 relate to the re-election and election of the Directors. The Board has undertaken a formal performance evaluation during the year and confirms that the performance of the Directors standing for re-election/election continues to be effective and that each Director demonstrates commitment to their role. The biographies of the Directors are set out on pages 37 and 38. The skills and experience each Director bring to the Board for the long-term sustainable success of the Company are set out below. The Directors will stand for re-election by shareholders at the meeting in accordance with the requirements of the UK Code.

Resolution 4 relates to the re-election of Alice Ryder who was appointed in June 2013. Ms Ryder who acts as Chair, brings leadership skills and much in-depth knowledge, expertise and experience to the Board. She is head of Stanhope Consulting where she is responsible for a number of substantial clients and a member of the Chartered Institute for Securities and Investment. She has more than 30 years' investment experience and holds another non-executive position on an investment trust board.

Resolution 5 relates to the re-election of Melanie Roberts who was appointed in October 2019. She joined Sarasin & Partners in 2011 having previously spent her fund management career at Newton Investment Management. She has over 28 years of investment experience and is now primarily responsible for the management of charity and pension fund portfolios.

Directors' Report

continued

Resolution 6 relates to the re-election of David Barron who was appointed in March 2022. He has a strong background in the closed end funds sector with 20+ years' experience in all aspects of the listed funds market. He is a former CEO of a listed asset management business and a non-executive director on three investment trust boards with different mandates. He is also a chartered accountant.

Resolution 7 relates to the election of Solomon Soquar who was appointed in March 2023. He has a long and deep experience of over 30 years across Investment Banking, Capital Markets and Wealth Management. He has worked with several major financial institutions and his most recent executive role has been as CEO of Barclays Investments Solutions Limited. He also holds another non-executive position on an investment trust board.

Resolutions 8 and 9 – Appointment of the external auditor and auditor's remuneration

These resolutions relate to the appointment and remuneration of the Company's auditor. In line with emerging best corporate governance practice and EU regulations on mandatory audit rotation, an audit tender process was carried out by the Company during 2023 and, as a result, it was recommended that Deloitte LLP be appointed as the Company's independent auditor for the year starting from 1 November 2023. As a result, PricewaterhouseCoopers LLP will not be seeking reappointment as the Company's auditor for the financial year commencing on 1 November 2023. A resolution to appoint Deloitte LLP as auditor of the Company will be proposed at the forthcoming Annual General Meeting, together with a resolution to authorise the Audit Committee to determine their remuneration.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting.

Resolution 10 – Authority to allot shares

The Directors may only allot shares for cash if authorised to do so by shareholders in general meeting. This resolution seeks authority for the Directors to allot shares for cash up to an aggregate nominal amount of £79,208 which is equivalent to 7,920,824 ordinary shares of 1 pence each and represents 10% of the current issued ordinary share capital excluding treasury shares. The Directors will use this authority when it is in the best interests of the Company to issue shares for cash. This authority will expire at the conclusion of the Annual General Meeting to be held in 2025, unless renewed prior to that date at an earlier general meeting.

Resolution 11 – Authority to disapply pre-emption rights

By law, Directors require specific authority from shareholders before allotting new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 11 empowers the Directors to allot new shares for cash or to sell shares held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £79,208 which is equivalent to 7,920,824 ordinary shares of 1 pence each and represents 10% of the Company's issued ordinary share capital, excluding treasury shares, at the date of this notice. Unless renewed at a general meeting prior to such time, this authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2025.

Resolution 12 – Authority to buy back ordinary shares

The resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own shares. The Directors will only consider repurchasing shares in the market if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the Company's shares.

The Directors are seeking authority to purchase up to 11,873,315 shares (being 14.99% of the shares in issue, excluding treasury shares, at the date of this report or, if less, 14.99% of the ordinary shares in issue at 14 March 2024). This authority will expire at the conclusion of the next Annual General Meeting of the Company in 2025, unless renewed at an earlier general meeting.

Recommendation

Your Board considers that the resolutions to be proposed at the Annual General Meeting are likely to promote the success of the Company 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.

Corporate governance

Full details are given in the Corporate Governance Statement. 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 Directors' Report confirm 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

A resolution to appoint Deloitte LLP as the Company's new auditor will be proposed at the forthcoming Annual General Meeting, together with a resolution to authorise the Audit Committee to determine its remuneration.

The Directors' Report was approved by the Board at its meeting on 2 February 2024.

By order of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
2 February 2024

Directors' Remuneration Report

Introduction

The Board presents the Directors' Remuneration Report for the year ended 31 October 2023 which has been prepared in accordance with Sections 420-422 of the Companies Act 2006.

The Remuneration Report comprises a remuneration policy report and a remuneration policy implementation report. The remuneration policy report is subject to a triennial binding shareholder vote and will be put to shareholders for approval at the forthcoming Annual General Meeting. The remuneration policy implementation report is subject to an annual advisory vote.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 82 to 87.

Statement by the Chair

A key element of the remuneration policy is that fees payable to Directors should be sufficient to attract and retain individuals with suitable knowledge and experience to promote the long-term success of the Company, whilst also reflecting the time commitment and responsibilities of the role. The basis for determining the level of any increase in Directors' remuneration and the Board's policy on remuneration is set out in the Directors' Remuneration Policy.

The Board's remuneration is considered annually and was last reviewed in September 2023. Following this review, it was agreed that effective from 1 November 2023, the fees of the Chair would increase from £43,000 to £44,000, the Chairman of the Audit Committee from £36,000 to £38,000 and for the other Directors from £30,000 to £31,500. Prior to this increase, Directors' fees were last increased on 1 November 2022.

No discretionary fees have been paid to Directors during the year or previous year 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 Remuneration Committee considers any change in the Directors' remuneration policy. No advice or services were provided by any external agencies or third parties in respect of remuneration levels.

Remuneration implementation report

A single figure for the total remuneration of each Director is set out in the table below for the years ended 31 October 2023 and 31 October 2022.

	Year ended 31 October 2023			Year ended 31 October 2022		
Directors	**Fees**	**Taxable benefits[1]**	**Total**	**Fees**	**Taxable benefits[1]**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Alice Ryder (Chair)	43,000	–	43,000	29,000	238	29,238
David Barron (Chairman of the Audit Committee w.e.f. 22 March 2023)[2]	33,682	–	33,682	17,800	–	17,800
Melanie Roberts	30,000	–	30,000	29,000	–	29,000
Solomon Soquar[3]	18,411	–	18,411	–	–	–
Andrew Irvine[4]	–	–	–	11,200	–	11,200
Christopher Casey (Chairman of the Audit and Management Engagement Committee to 21 March 2023)[5]	13,907	3,052	16,959	35,000	–	35,000
Simon Miller (Chairman to 31 October 2022)[6]	–	–	–	42,000	1,143	43,143
Total	**139,000**	**3,052**	**142,052**	**164,000**	**1,381**	**165,381**

[1] Taxable benefits relate to travel and subsistence costs.
[2] Mr Barron was appointed as a Director on 22 March 2022.
[3] Mr Soquar was appointed as a Director on 21 March 2023.
[4] Mr Irvine retired as a Director effective 22 March 2022.
[5] Mr Casey retired as a Director effective 21 March 2023.
[6] Mr Miller retired as a Director effective 31 October 2022.

The information in the above table has been audited.

The amounts paid by the Company to the Directors were for services as non-executive Directors. As at 31 October 2023, fees of £12,000 (31 October 2022: £14,000) were outstanding to Directors in respect of their annual fees. The Directors received no variable remuneration. No discretionary fees have been paid to Directors in the year to 31 October 2023 (2022: nil). No payments for loss of office were made and no payments were made to former directors.

As the Company has no employees, the table on page 60 also comprises the total remuneration costs and benefits paid by the Company.

Relative importance of spend on remuneration

To enable shareholders to assess the relative importance of spend on pay, this has been shown in the table below compared with the Company's total revenue, dividend distributions and share buy backs. As the Company has no employees, no consideration is required to be given to employment conditions elsewhere in setting Directors' pay.

	2023 £'000	2022 £'000	Change £'000
Directors' total remuneration	142	165	-23
Total revenue	4,263	4,258	+5
Dividends paid and payable	6,411	6,417	-6
Buy back of ordinary shares after costs	423	nil	+423

Annual percentage change in Directors' remuneration

The following table sets out the annual percentage changes in Directors' fees over the past five years.

Directors	31 October 2019	31 October 2020	31 October 2021	31 October 2022	31 October 2023
Alice Ryder[1]	+9.4%	+6.1%	0.0%	0.0%	+2.4%
David Barron[2]	n/a	n/a	n/a	0.0%	0.0%
Melanie Roberts	0.0%[3]	+6.1%	0.0%	0.0%	+3.4%
Solomon Soquar	n/a	n/a	n/a	n/a	0.0%[4]

1 Chair of the Board w.e.f. 1 November 2022.

2 Chairman of the Audit Committee w.e.f. 22 March 2023. As David Barron was appointed as a Director on 22 March 2022, the percentage change in his annual fixed fee has been annualised in 2022. It is also not presented in 2023 due to his change in role.

3 As Melanie Roberts was appointed as a Director on 1 October 2019, the percentage change in her annual fixed fee has been annualised.

4 As Solomon Soquar was appointed as a Director on 21 March 2023, the percentage change in his annual fixed fee has been annualised.

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.

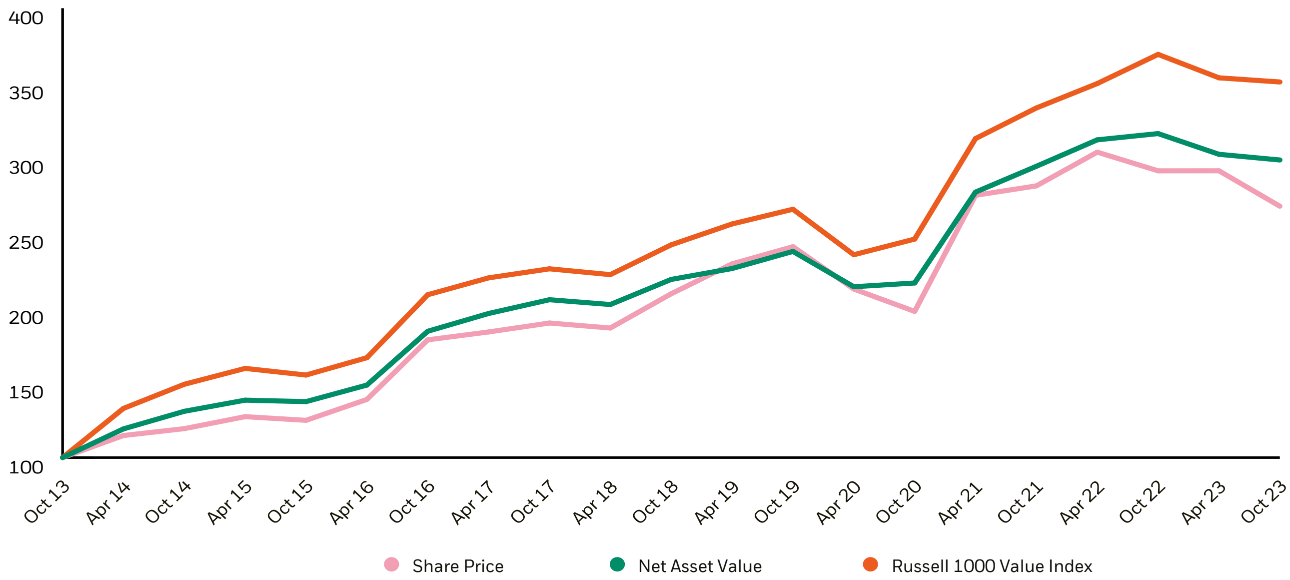
Performance

The line graph that follows compares the Company's NAV and share price total returns with the total return on an equivalent investment in the Russell 1000 Value Index (the reference index). This index was chosen for comparison purposes as it is the best proxy whereby the success of the Investment Manager's investment decisions may be judged.

Directors' Remuneration Report

continued

Performance since 1 November 2013 to 31 October 2023



Sources: BlackRock and Datastream.
Performance figures have been calculated in Sterling terms with dividends reinvested, rebased to 100 at 31 October 2013.

Shareholdings

There is no requirement for Directors to hold shares in the Company. The interests of the Directors in the ordinary shares of the Company and those of their connected persons are set out in the table below. The Company does not have a share option scheme, therefore none of the Directors has an interest in share options.

	31 October 2023 Ordinary shares	31 October 2022 Ordinary shares
Alice Ryder	9,047	9,047
David Barron	5,000	5,000
Melanie Roberts	10,000	10,000
Solomon Soquar	nil	n/a

The information in the above table has been audited.

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

Implementation of the remuneration policy in 2023/2024 financial year

There are no significant changes in the current financial year. The remuneration policy was implemented at the 2023 Annual General Meeting and details of changes to Directors' fees with effect from 1 November 2023 are outlined on page 60.

Retirement of directors

Details are given in the Directors' Report on page 55.

By order of the Board

ALICE RYDER
Chair
2 February 2024

Directors' Remuneration Policy

Directors' remuneration policy

In determining 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. No Director will be present when his or her own pay is being determined. 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 will be applied when agreeing the remuneration package of any new Director. The terms of a Director's 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. Directors are also subject to re-election on an annual basis and, if not elected, their appointment ceases immediately. No payments for loss of office are made.

Consideration of shareholders' views

An ordinary resolution to approve the Remuneration Report is put to members at each Annual General Meeting and shareholders have the opportunity to express their views and raise any queries in respect of the remuneration policy at this meeting. To date, no shareholders have commented in respect of the remuneration policy. In the event that there was a substantial vote against any resolution proposed at the Company's Annual General Meeting, the reasons for any such vote would be sought and appropriate action taken. Should the vote be against resolutions in relation to the Directors' remuneration, further details will be provided in future Directors' Remuneration Reports.

In accordance with the Companies Act 2006, the Company is required to seek shareholder approval of its remuneration policy on a triennial basis. An ordinary resolution for the approval of the remuneration policy was put to members at the Annual General Meeting in 2023.

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

Shareholder voting

At the Company's previous Annual General Meeting held on 21 March 2023, 99.36% of votes cast (including votes cast at the Chairman's discretion) were in favour of the resolution to approve the Directors' Remuneration Report in respect of the year ended 31 October 2022 and 0.64% were against. 25,254 votes were withheld.

At the Company's Annual General Meeting held on 21 March 2023, 99.31% (including votes cast at the Chairman's discretion) were in favour of the resolution to approve the remuneration policy and 0.69% of votes cast were against. 26,304 votes were withheld.

Directors' Remuneration Policy

continued

Policy table

Purpose and link to strategy	Fees payable to Directors should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience. 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 (effective from 1 November 2023): Chair – £44,000 Audit Committee Chairman – £38,000 Directors – £31,500
Maximum levels	Fixed fees are set each year in accordance with the stated policies and as such there is no set maximum threshold; however, any increase granted must be in line with the stated policies. The Company's Articles of Association set an aggregate limit of £300,000 in respect of the remuneration that may be paid to Directors in any financial year. These ceilings have been set at a level to provide flexibility in respect of the recruitment of additional Board members and inflation.
Policy on share ownership	Directors are not required to own shares in the Company.
Operation	
Fees	The Board reviews the quantum of Directors' pay each year to ensure that this is in line with the level of Directors' remuneration for other investment trusts of a similar size. When making recommendations for any changes in fees, the Board will consider 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).
Discretionary fees	The Company's Articles of Association 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 work and the fees payable are 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 Committee. Any discretionary fees paid will be disclosed in the Directors' remuneration implementation report within the Annual Report. The level of discretionary fees shall be determined by the Directors and will be subject to a maximum of £10,000 per annum per Director.
Benefits	The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them in or about the performance of their duties as Directors, including any expenses incurred in attending meetings of the Board or Committees of the Board, Annual General Meetings or General Meetings. Some expenses incurred by Directors are required to be treated as taxable benefits. Taxable benefits include (but are not limited to) travel expenses incurred by the Directors in the course of travel to attend Board and Committee meetings which are held at the Company's registered office 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, including the tax and national insurance costs incurred by the Director on such expenses. No more than £20,000 per annum may be paid in respect of taxable benefits.

Corporate Governance Statement

Chair's introduction

Corporate Governance is the process by which the Board seeks to look after shareholders' interests and 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 high standards of financial reporting, transparency and business integrity.

As a UK-listed investment trust company our principal reporting obligation is driven by the UK Corporate Governance Code (the UK Code) issued by the Financial Reporting Council in July 2018. However, as listed investment trust companies differ in many ways from other listed companies, the Association of Investment Companies has drawn up its own set of guidelines, the AIC Code of Corporate Governance (the AIC Code) issued in February 2019, which addresses the governance issues relevant to investment companies and meets the approval of the Financial Reporting Council.

Both the UK Code and the AIC Code apply to accounting periods beginning on or after 1 January 2019. The Board has determined that it has complied with the recommendations of the AIC Code. This in most material respects is the same as the UK Code, save that there is greater flexibility regarding the tenure of the chair and membership of the audit committee.

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

The Board considers that the Company has complied with the recommendations of the AIC Code and the provisions contained within the UK Code that are relevant to the Company throughout this accounting period, except the provisions relating to:

- the role of the chief executive;
- executive directors' remuneration;
- the need for an internal audit function; and
- membership of the Audit Committee.

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 and, in relation to the internal audit function, in view of BlackRock having an internal audit function. The Chair is a member of the Audit Committee due to being independent on her appointment to the Committee in line with Provision 29 of the AIC Code. Further explanation is provided below.

Information on how the Company has applied the principles of the AIC Code and UK Code is set out below. The UK Code is available from the Financial Reporting Council's website at frc.org.uk. The AIC Code is available from the Association of Investment Companies at www.theaic.co.uk.

The Board

As at 31 October 2023, the Board consisted of four non-executive Directors, all of whom were independent of the Company's Manager. Provision 9 of the UK Code which relates to the combination of the roles of the chair and chief executive does not apply as the Company has no executive directors. With effect from 22 March 2023, Mr Barron was appointed as the Chairman of the Audit Committee.

The Board's primary purpose is to direct the Company to maximise shareholder value within a framework of proper controls and in accordance with the Company's investment objective.

Corporate Governance Statement
continued

Board structure and management
Details of the Board's structure, roles and responsibilities and management are set out in the summary of Governance Structure on page 36. The Directors' biographies on pages 37 and 38 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 Chair's other significant time commitments can also be found on page 37.

The Company does not have a chief executive as day-to-day management of the Company's affairs is delegated to the Manager as AIFM, with investment management and other ancillary services delegated to the Investment Manager. Representatives of the Manager, Investment Manager and Company Secretary attend each Board meeting. The Board, the AIFM, the Investment Manager and the Company Secretary operate in a supportive and co-operative manner.

Board independence and tenure
The Board's individual independence has been considered and confirmed. All Directors are considered to be independent and there are no relationships or circumstances which are likely to affect the judgement of any Director. In line with the AIC Code, it has been agreed that Ms Ryder will continue to be a member of the Audit Committee.

The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company, where continuity and experience can add significantly to the strength of the Board. Following the formal performance evaluation process, the Board has concluded that, notwithstanding that Ms Ryder has served as a Director for just over nine years, she continues to be independent in character and judgement and her range of skills and experience is beneficial for the Board.

The Board considers that the tenure of the Chair should be determined principally by how the Board's purpose in providing strategic leadership, governance and bringing challenge and support to the Manager can best be maintained, whilst also recognising the importance of independence, refreshment, diversity and retention of accumulated knowledge. It firmly believes that an appropriate balance of these factors is essential for an effective functioning Board and, at times, will naturally result in some longer serving directors, including the Chair. Furthermore, the Board wishes to retain the flexibility to be able to recruit outstanding candidates when they become available rather than simply adding new Directors based upon a predetermined timetable.

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. Copies of these letters are available on request from the Company's registered office and will be available at the Annual General Meeting.

Board diversity
The Board's aim regarding diversity, including age, gender, educational and professional background and other broader characteristics of diversity, 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, and therefore no targets have been set against which to report.

The Parker Review in respect of board diversity and the recent changes to the FCA's Listing Rules 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. Further information on the composition and diversity of the Board and its Committees as at 31 October 2023 can be found in the disclosure table which follows on the next page.

Gender	Number of Board members	Percentage of Board (%)	Number of senior roles held[1]
Men	2	50	1
Women	2	50	1

Ethnicity[2,3]			
White British (or any other white background)	3	75	2
Mixed/Multiple Ethnic Groups	0	0	0
Asian/Asian British	0	0	0
Black/African/Caribbean/Black British	1	25	0
Other ethnic group, including Arab	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 Committee Chairman 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.

Directors' appointment, retirement and rotation

The rules concerning the appointment, retirement and rotation of Directors are set out in more detail in the Directors' Report on page 51. The Board has considered the position of each of the Directors as part of the evaluation process and believes it would be in the best interests of the Company for those Directors retiring to be proposed for re-election/election at the forthcoming Annual General Meeting given their material level of contribution and commitment to the Company.

The Board recognises the value of progressive renewing of, and succession planning, for company boards. As part of the process for continual refreshment, the Board commenced a search for a new Director and appointed Cornforth Consulting Ltd, an independent external recruitment consultancy firm, to assist which resulted in the appointment of Mr Soquar.

The refreshment of the Board will remain as an ongoing process to ensure that the Board is well-balanced through the appointment of new Directors with the skills and experience necessary. Directors must be able to demonstrate commitment to the Company, including in terms of time.

Directors' induction, training and development

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 the portfolio managers, the Company Secretary and other key employees of the Manager whereby he or she will become familiar with the workings and processes of 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. The Directors also receive regular briefings from, amongst others, the auditors and the Company Secretary regarding any proposed developments or changes in laws or regulations that could affect them or the Company. Directors' training and development needs are reviewed by the Chair on an annual basis.

Directors' liability insurance

The Company has maintained appropriate Directors' liability insurance cover throughout the year.

The Board's responsibilities

The Board is responsible to shareholders for the overall management of the Company. It decides upon matters relating to the Company's investment objective, policy and strategy and monitors the Company's performance towards achieving that objective through its agreed policy and strategy. The Board has also adopted a schedule of matters reserved for its decision. 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.

Corporate Governance Statement
continued

Strategic issues and all operational matters of a material nature are determined by the Board. The Board has responsibility for ensuring that the Company keeps adequate 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. It is the Board's responsibility to present a balanced and understandable assessment, which extends to interim and other price-sensitive 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.

The Board has established a procedure whereby Directors wishing to do so in the furtherance of their duties, may take independent advice at the Company's expense.

The Board meets at least five times a year to review investment performance, financial reports and other reports of a strategic nature. Board or Board committee meetings are also held on an ad hoc basis to consider particular issues as they arise. Key representatives of the Manager and/or Investment Manager attend each meeting and between these meetings there is regular contact with the Manager and Investment Manager.

Performance evaluation

In order to review the effectiveness of the Board, the Committees and the individual Directors, the Board carries out a formal and rigorous annual appraisal process. This encompasses both quantitative and qualitative measures of performance in respect of the Board and its Committees, implemented by way of completion of an evaluation survey and a subsequent review of findings. The Chair also reviews with each Director their individual performance, contribution and commitment and the appraisal of the Chair is reviewed by the other Directors, led by the Senior Independent Director.

The appraisal process is considered by the Board to be constructive in terms of identifying areas for improving the functioning and the performance of the Board and its Committees and the contribution of individual Directors, as well as building on and developing individual and collective strengths. The review concluded that the Board oversees the management of the Company effectively and has the skills and expertise to safeguard shareholders' interests. The Board, the portfolio managers and representatives of the Manager were found to operate in a cooperative and open environment. Each Director made a valuable contribution to the Board and its discussions, brought different qualities to the Board, challenged the Investment Manager and Manager constructively, remained independent in character and judgement, and dedicated sufficient time to their respective role on the Board. Board composition, dynamics and structure worked well. The appraisal did not identify any areas of material weakness or concern, but found areas for enhancement, including succession planning with the recruitment of a new non-executive Director during 2023, as well as an internal successor to the Audit Committee Chairman. It was agreed that the current composition of the Board and its Committees reflected a suitable mix of skills and experience and that the Board as a whole, the individual Directors and its Committees, were functioning effectively.

Delegation of responsibilities

Management and administration

The management of the investment portfolio and the administration of the Company have been contractually 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) or the Investment Manager). The contractual arrangements with BFM (the Manager) are summarised on page 49.

The 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 review of the Manager's performance is an ongoing duty and responsibility of the Board which is carried out at each Board meeting. In addition, a formal review is undertaken annually, details of which are set out in the Directors' Report.

The Manager has delegated the portfolio valuation and fund accounting services to The Bank of New York Mellon (International) Limited (BNYM). The assets of the Company have been entrusted to the Depositary for safekeeping. The Depositary is The Bank of New York Mellon (International) Limited. The address at which this business is conducted is given on page 117.

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 54.

The Company Secretary

The Board has direct access to company secretarial advice and services of the Manager which, through its nominated representative, is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with. The Board has a procedure whereby Directors wishing to do so in the furtherance of their duties, may take independent professional advice at the Company's expense. The appointment and removal of the Company Secretary is a matter for the whole Board.

Committees of the Board

Nomination Committee

The Nomination Committee, which comprises all of the Directors, has been chaired by Mr Barron. The role of the Committee is to review Board structure, size and composition, the balance of knowledge, experience, skills and diversity and to consider succession planning and tenure policy. Appointments of new Directors will be made on a formalised basis, with the Committee agreeing the selection criteria and the method of selection, recruitment and appointment. The services of an external search consultant may be used to identify potential candidates.

Audit Committee

A separately chaired Audit Committee comprises the whole Board and is currently chaired by Mr Barron. Further details are given in the Report of the Audit Committee on pages 72 to 77.

Management Engagement Committee

On 25 January 2024 the Board resolved to establish a separate Management Engagement Committee chaired by Mr Barron and comprising the whole Board. The Committee is responsible for reviewing the performance of the Manager in terms of investment management, company secretarial services and fund accounting and, at least annually, reviews the investment management agreement to ensure the terms remain competitive. It will consider each year whether the continuing appointment of the Manager on the terms of the management contract is in the interests of the Company's shareholders as a whole. It will also consider and make recommendations to the Board regarding the appointment of third-party service providers and ensure that third-party service providers comply with the terms of their respective agreements with the Company and that the provisions of such agreements follow industry practice, remain competitive and are in the best interests of shareholders.

Remuneration Committee

The Remuneration Committee is currently chaired by Ms Ryder. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report and Directors' Remuneration Policy on pages 60 to 64.

Internal controls

The Board is responsible for establishing and maintaining the internal controls of the Company and 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 the Audit Committee (the Committee), regularly reviews the effectiveness of the internal control systems to identify, evaluate and manage the Company's significant risks. If any significant failings or weaknesses are identified, the Manager and the Board ensure that necessary action is taken to remedy the failings. 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 the Manager's Risk and Quantitative Analysis Group. This accords with the Financial Reporting Council's 'Guidance on Risk Management, Internal Control and Related Financial and Business 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 Committee formally reviews this register on a semi-annual basis and the Manager as the Company's AIFM reports on any significant issues that have been identified in the period. In addition, BlackRock's internal audit department provides an annual presentation to the Audit Committee chairs of the BlackRock investment trusts on the results of testing performed in

Corporate Governance Statement

continued

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 this is required. The Committee also receives annual and quarterly internal control reports respectively from BlackRock and BNYM on the internal controls of their respective operations, together with the opinion of their reporting accountant.

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 and the Custodian. 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 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 and other third-party service providers. The Board monitors the controls in place through the internal control reports and the Manager's internal audit department and feels that there is currently no need for the Company to have its own internal audit function, although this matter is kept under review.

Financial reporting

The Statement of Directors' Responsibilities in respect of the Financial Statements is set out on pages 78 and 79, the Independent Auditors' Report on pages 82 to 87 and the Statement of Going Concern on page 55.

Socially responsible investment

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 Company invests predominantly in securities quoted in North America. The Board believes that it is important to invest in companies whose boards act responsibly in respect of environmental, ethical and social issues. The Investment Manager's evaluation procedures and financial analysis of the companies within the portfolio includes research and appraisal, and considers environmental policies, social, ethical and other business issues. In this regard, the US team works closely with colleagues in the BlackRock Investment Stewardship team.

Further details on ESG and Socially Responsible Investing can be found on pages 30 to 33.

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.

Criminal Finances Act 2017

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

Communications with shareholders

All shareholders have the opportunity to attend and vote at the Annual General Meeting. The Notice of Annual General Meeting which is sent out 20 working days in advance of the meeting sets out the business of the Meeting which is explained in the Directors' Report. Separate resolutions are proposed for substantive issues. In addition, regular updates are available to shareholders on the BlackRock website and the Portfolio Managers will review the Company's portfolio and performance at the Annual General Meeting, where the Chair of the Board and the Chairman of the Audit Committee and representatives of the Manager will be available to answer shareholders' queries.

Proxy voting figures will be announced to shareholders at the Annual General Meeting and will be made available on the BlackRock website shortly after the meeting. In accordance with Provision 4 of the UK Code, when 20% 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. An interim action statement will also be published within six months of the vote, setting out the views received from shareholders and the actions the Company has taken, and will include a summary of the feedback and actions in the next Annual Report.

The Company's willingness to enter into discussions with institutional shareholders is also demonstrated by the programme of institutional presentations made by the Investment Manager. The Board discusses with the Investment Manager at each Board meeting any feedback from meetings with shareholders and it also receives reports from its corporate broker. The Chair is available to meet directly with shareholders periodically without the Investment Manager being present. If any shareholder wishes to contact the Chair directly, they should contact the Secretary whose details are given on page 117. The dialogue with shareholders provides a two-way forum for canvassing the views of shareholders and enabling the Board to become aware of any issues of concern, including those relating to performance, strategy and corporate governance.

There is a section within this report entitled 'Shareholder Information', which provides an overview of useful information available to shareholders. The Company's financial statements, regular factsheets and other information are also published on the BlackRock website at www.blackrock.com/uk/brsa. The work undertaken by the auditors does not involve consideration of the maintenance and integrity of the website and, accordingly, the auditors accept no responsibility for any changes that have occurred to the financial statements 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 financial statements may differ from legislation in their jurisdiction.

Packaged Retail and Insurance-Based Investment Products (PRIIPs) Regulation (the Regulation)

This regulation (as onshored in the UK and amended) requires that anyone manufacturing, advising on, or selling a PRIIP to retail investors in the UK must comply with the Regulation. Shares issued by investment trusts fall into the scope of the Regulation.

Investors should be aware that the Regulation requires the AIFM, as PRIIPs manufacturer, to prepare a key information document (KID) in respect of the Company. This KID must be made available, free of charge, to UK retail investors prior to them making any investment decision and have been published on BlackRock's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by the Regulation. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

The PRIIPs KID in respect of the Company can be found at: www.blackrock.com/uk/brsa.

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 52 to 59 because it is information which refers to events that have taken place during the course of the year.

For and on behalf of the Board

ALICE RYDER
Chair
2 February 2024

Report of the Audit Committee

As Chairman of the Audit Committee (the Committee) I am pleased to present the Committee's report to shareholders for the year ended 31 October 2023.

Composition

All of the Directors are members of the Committee. The Association of Investment Companies published its updated Code of Corporate Governance in February 2019 which has been endorsed by the Financial Reporting Council. It states that the Chair of the Board should not chair the Committee but can be a member if they were independent on appointment. The Chair of the Company is a member of the Committee to enable her to be kept fully informed of any issues which may arise.

The Directors' biographies are given on pages 37 and 38 and the Board considers that at least one member of the Committee has recent and relevant financial experience and specific competence in accounting and/or auditing and the Committee as a whole has competence relevant to the sector in which the Company operates.

Performance evaluation

Details of the evaluation of the Committee are set out in the Corporate Governance Statement on page 68.

Role and responsibilities

The Committee meets at least twice a year. The two planned meetings are held prior to the Board meetings to approve the half yearly and annual results and the Committee receives information from the Manager's corporate audit and compliance departments.

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/brsa. The Committee's principal duties are set out in the terms of reference. In accordance with these duties, the principal activities of the Committee during the year included:

Internal controls, financial reporting and risk management system

- reviewing the adequacy and effectiveness of the Company's internal financial controls and the internal control and risk management systems;
- reasonably satisfying itself 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 Report and Financial Statements to ensure that the Company's results and financial position are represented accurately and fairly to shareholders;
- reviewing the content of the Annual Report and Financial Statements and advising the Board 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, performance, business model and strategy;
- evaluating the need for an internal audit function;
- reviewing semi-annual reports from the Manager on its activities as AIFM; and
- reviewing half yearly reports from the Depositary on its activities.

External audit

- making recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting in relation to the appointment, re-appointment and removal of the Company's external auditors;
- reviewing the scope, execution, results, cost effectiveness, independence and objectivity of the external auditors and the efficiency of the external audit process;
- reviewing and approving the audit and non-audit fees payable to the external auditors and the terms of their engagement;
- reviewing and approving the external auditors' plan for the financial year, with a focus on the identification of areas of audit risk and consideration of the appropriateness of the level of audit materiality adopted;

- reviewing the quality of the audit engagement partner and the audit team, and making a recommendation with respect to the reappointment of the auditors;
- reviewing the role of the Manager and third-party service providers in an effective audit process;
- considering the quality of the formal audit report to shareholders; and
- overseeing the relationship with the external auditors.

During the past year, as part of the single combined Audit and Management Engagement Committee, the principal activities also included:

Management engagement

- reviewing the performance of the Manager in terms of investment management, company secretarial services and fund accounting and thereby reviewing the investment management agreement to ensure the terms remain competitive; and
- satisfying itself that the continuing appointment of the Manager is in the interests of shareholders as a whole.

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 competitive.

Reporting

- 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 controls

As the provision of portfolio valuation, fund accounting and administration services is delegated to the Manager, which sub-delegates certain administrative functions to BNYM, the Committee has reviewed the internal control reports prepared by BlackRock and BNYM. This enables the Committee to ensure that the relevant control procedures are in place to cover these areas of risk and are adequate and appropriate and have been confirmed as operating effectively by their reporting auditors.

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, insofar as they affect the Company.

Internal audit

The Company does not have its own internal audit function, as all administration is delegated to the Manager. The Board considers that it is sufficient to rely on the internal audit function of BlackRock. The requirement for an internal audit function is kept under review. The external auditors obtain an understanding of the internal controls in place at both the Manager and Fund Accountant by analysing the relevant internal control reports issued by their independent auditors.

United Kingdom Single Electronic Format Regulatory Technical Standard (UKSEF)

The Committee paid special attention to the preparation of our financial statements in digital form under the UKSEF taxonomy and regulatory technical standard. The Committee 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.

Audit Committee Standard

The Financial Reporting Council's Audit Committee Standard 'Audit Committees and the External Audit: Minimum Standard' was published in May 2023. It is applicable to FTSE 350 companies with a premium listing on the London Stock Exchange (although is noted as representing good practice for more general application) and will operate on a comply or explain basis until the creation of the Audit, Reporting and Governance Authority (ARGA), at which time compliance will be mandated. This standard is not anticipated to have a significant impact on the Company, but the Audit Committee will be reviewing its current practices against the standard to avoid any non compliance when ARGA is formed.

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 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 table below sets out the key areas of risk identified by the Committee and also explains how these were addressed.

Significant issue

The accuracy of the valuation of the investment portfolio

How the issue was addressed

Listed investments are valued using stock exchange prices from third party vendors. The Board reviews detailed portfolio valuations at each of its Board meetings and receives confirmation from the Manager that the pricing basis is appropriate and in line with relevant accounting standards as adopted by the Company and that the carrying values are materially correct. The Board also relies on the Manager's and Fund Accountant's controls which are documented in their internal controls report which is 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 Committee on a twice yearly basis. The Committee reviews reports from its service providers on key controls over the assets of the Company and will take action to address any significant issues that are identified in these reports, which may include direct discussions with representatives of the relevant service providers to obtain more detailed information surrounding any matters of concern and gaining assurance that appropriate remediation action has been taken. 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.

Significant issue

The accuracy of the calculation of the management fee

How the issue was addressed

The management fee is calculated in accordance with the contractual terms in the investment management agreement by the fund accountant and is reviewed in detail by the Committee.

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, including special dividends, and receives explanations from the 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. The Directors also review a detailed schedule of dividends received from portfolio holdings at each meeting which sets out current and historic dividend rates and the amounts accrued. Any significant movements or unusual items are discussed with the Manager.

The Committee also reviews SOC 1 Reports from its service providers, including the Company's Fund Accountant and Custodian, The Bank of New York Mellon (International) Limited. These reports include information on the control processes in place to ensure the accurate recording of income and any exceptions are highlighted to the Committee and will be investigated further to ensure that appropriate remediation action has been taken where relevant.

External audit and tender process

The Committee is mindful of the regulations on mandatory auditor rotation which require the appointment of a new auditor or perform an audit tender every ten years. As a result, the Company carried out a formal tender process in July 2023 and Deloitte LLP was selected as the Company's new independent auditors for the forthcoming year ending on 31 October 2024. PricewaterhouseCoopers LLP, who has been in office since 1 October 2014, will not seek re-election at the forthcoming Annual General Meeting. The Committee will continue to review the auditors' appointment each year to ensure that the Company is receiving an optimal level of service. There are no contractual obligations that restrict the Company's choice of auditors. The Committee appointed an internal Selection Panel (the Panel) on its behalf to review the competitive tender bids and make recommendations to it for consideration.

The Committee is responsible for overseeing the relationship with the external auditors and for considering their terms of engagement, remuneration, effectiveness, independence and continued objectivity. The Committee reviews annually the audit requirements of the Company, for the business and in the context of the external environment, placing great importance on ensuring a high quality, effective external audit process.

Planning and preparation

As part of planning the tender process, the Committee has taken due regard of the current FRC guidance on audit tenders and has considered the relevant sections of the 'Audit Committees and the External Audit: Minimum Standard' published by the FRC in May 2023.

The steps that were undertaken as part of the tender process are set out below:

The Company issued a formal Request for Proposal (RFP) to the four firms (Deloitte LLP, Ernst & Young LLP, Mazars LLP and PricewaterhouseCoopers LLP) which had confirmed a willingness to participate in the tender process detailing the evaluation criteria which would be used by the Panel in informing its decision, which included but were not limited to:

- independence criteria;
- quality and clarity of audit approach and audit quality review record of the firm;
- the quality of understanding of the audit risk areas;
- audit transition and implementation plan;
- depth of understanding of the business, its industry and the risks in the industry; and
- overall quality of the response and adherence to RFP instructions.

Written proposal

The Company received a written proposal from each of the firms.

Presentations and Q&A session

At the final stage, the participating firms delivered presentations and their proposed audit plan, followed by a question-and-answer session. The meetings were attended by all of the Panel members.

Evaluation, assessment and Committee recommendation

The Committee's unanimous view was that each firm participated with energy, enthusiasm and integrity and that each could perform a quality audit of the Company. However, based on the evaluation criteria above, the Panel discussed and unanimously agreed to recommend PricewaterhouseCoopers LLP and Deloitte LLP to the Committee for consideration, but also expressed their thanks to Ernst & Young LLP and Mazars LLP for their participation. Following a review, the Committee concurred with the Panel's findings and recommendations.

Report of the Audit Committee continued

Board decision

Based on the Panel's findings, the Committee recommended the two firms to the Board, with a preference for the tender to be awarded to Deloitte LLP. The Board endorsed the Committee's recommendation.

Announcement

The Board will seek approval for Deloitte LLP to be appointed as external auditors at the 2024 Annual General Meeting for the year ending 31 October 2024.

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.

Assessment of the effectiveness of the external audit process

To assess the effectiveness of the external audit, members of the Committee work closely with the Manager to obtain a good understanding of the progress and efficiency of the audit. The Committee has adopted a formal framework to review 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 and third-party service providers in an effective audit process;
- communications by the auditors with the Committee;
- how the auditors support the work of the Committee and how the audit contributes added value;
- policies and procedures to pre-approve and monitor non-audit services including gifts and hospitality;
- the independence and objectivity of the audit firm; and
- 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 external auditors are invited to attend the Committee meetings at which the Half Yearly and Annual Financial Statements are considered and at which they have the opportunity to meet with the Committee without representatives of the Manager or Investment Manager being present.

The effectiveness of the Committee 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 auditors and the Committee.

To form a conclusion with regard to the independence of the external auditors, the Committee considers whether the skills and experience of the auditors 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 such services.

The Company's policy on permitted audit related and non-audit services is set out in full in the Committee's terms of reference which are available on BlackRock's website at www.blackrock.com/uk/brsa. In the years to 31 October 2023 and 31 October 2022, the auditors did not provide any audit related or non-audit services to the Company.

On an ongoing basis, PricewaterhouseCoopers LLP review the independence of their relationship with the Company and report to the Committee, providing details of any other relationship with the Manager. 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 auditors, 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 auditors of their independence and objectivity.

As a result of their review, the Committee has concluded that PricewaterhouseCoopers LLP is independent of the Company and the Manager.

The fees paid to the external auditors are set out in note 5 of the Financial Statements.

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 by the Manager, the Depositary and other third-party service providers responsible for accounting services and the Committee;
- the controls that are in place at the Manager and other 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 external auditors to verify the effectiveness of the internal controls of the Manager, 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. 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.

DAVID BARRON
Chairman
Audit Committee
2 February 2024

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

The Directors are responsible for preparing the Annual 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 have elected to prepare the financial statements under UK-adopted International Accounting Standards (IASs) in conformity with the requirements of the Companies Act 2006. 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 as at the end of each financial year and of the profit or loss of the Company for that period.

In preparing those 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 IASs in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements in IASs in conformity with the requirements of the Companies Act 2006 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, Directors' Report, the Directors' Remuneration Report, the Corporate Governance Statement and the Report of the Audit 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 Manager for the maintenance and integrity of the Company's corporate and financial information included on the BlackRock 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, whose names are listed on pages 37 and 38, confirm to the best of their knowledge that:

- the financial statements, which have been prepared in accordance with IASs in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and net profit 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 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 Committee's report on pages 72 to 77. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 31 October 2023, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

For and on behalf of the Board

ALICE RYDER
Chair
2 February 2024

Financial statements

Electronics multinational Panasonic is another Consumer Discretionary ESG leader within our portfolio.

Independent Auditors' Report

to the members of BlackRock Sustainable American Income Trust plc

Report on the audit of the financial statements

Opinion

In our opinion, BlackRock Sustainable American Income Trust plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2023 and of its loss and cash flows 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.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 October 2023; the Statement of Comprehensive Income; the Statement of Changes in Equity; the Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

Our audit approach

Overview

Audit scope	• The Company is a standalone Investment Trust Company and engages BlackRock Fund Managers Limited (the 'Manager') to manage its assets and Bank of New York Mellon (International) Limited (the 'Fund Accountant') to provide administrative functions. • We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties, the accounting processes and controls, and the industry in which the Company operates.
Key audit matters	• Valuation and existence of investments. • Accuracy, occurrence and completeness of investment income.
Materiality	• Overall materiality: £1.55 million (2022: £1.71 million) based on approximately 1% of net assets. • Performance materiality: £1.16 million (2022: £1.28 million).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, including 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, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters that follow are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments Refer to the Report of the Audit Committee (page 74), Accounting policies (page 94) and Notes to the Financial Statements (page 100). The investment portfolio at the year-end comprised of listed equity investments valued at £154.2 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Statement of Financial Position in the financial statements.	Our audit work on the Valuation and existence of the investments included the following: • We tested the valuation of 100% of the listed investments by agreeing the valuation to independent third party sources. • We tested existence of all of the listed investments by agreeing the Company's holdings to an independent custodian confirmation as at 31 October 2023. We have no matters to report as a result of this testing.
Accuracy, occurrence and completeness of investment income Refer to the Report of the Audit Committee (page 74), Accounting policies (page 93) and Notes to the Financial Statements (page 96). Income from investments consists primarily of dividend income. Within dividend income there is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an inappropriate accounting treatment. In addition, the Directors are required to 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.	We responded to this risk by performing the following audit procedures: • We obtained an understanding of the processes and controls around revenue recognition and classification of special dividends by reviewing the internal controls reports of the Fund Accountant. • We assessed the appropriateness of the classification of special dividends as revenue or capital by the Directors with reference to publicly available information. For all dividends recorded by the Company, we performed our audit procedures through the use of our proprietary testing tool Halo. • We tested the accuracy of their receipts by agreeing the dividend rates from investments to independent market data. • We tested occurrence by examining for each investment holding, that all dividends recorded in the year had been declared in the market. • To test for completeness, we investigated that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all investment holdings held within the year. As stipulated by the requirements set out in the AIC SORP, we tested the allocation and presentation of dividend income between the revenue and capital return columns of the Statement of Comprehensive Income by determining reasons behind dividend distributions. We have no matters to report as a result of this testing.

Independent Auditors' Report
continued

How we tailored the audit scope
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

All audit procedures were conducted remotely by a UK audit team. We tested and examined information using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to form our own judgements.

The impact of climate risk on our audit
In planning our audit, we made enquiries of the Directors and the Investment Manager to understand the extent of the potential impact of climate change risk on the Company's financial statements. The Directors and Investment Manager concluded that the impact on the measurement and disclosures within the financial statements is not material because the Company's investment portfolio is made up of level 1 quoted securities which are valued at fair value based on market prices. We found this to be consistent with our understanding of the Company's investment activities. We also considered the consistency of the climate change disclosures included in the Strategic Report and Investment Manager's Report with the financial statements and our knowledge from our audit.

Materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£1.55 million (2022: £1.71 million).
How we determined it	Approximately 1% of net assets.
Rationale for benchmark applied	We believe that net assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark. This benchmark provides an appropriate and consistent year on year basis for our audit.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £1.16 million (2022: £1.28 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £77,000 (2022: £85,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern
Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and
- assessing the implication of significant reductions in NAV as a result of a severe but plausible downside scenarios

in the market's performance on the ongoing ability of the Company to operate.

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 of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Directors' 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.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 October 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Directors' Remuneration

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

Corporate Governance Statement

The Listing Rules require us to review the Directors' statements 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. Our additional responsibilities with respect to the Corporate Governance Statement as other information are described in the Reporting on other information section of this report.

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 and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;

- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;

- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;

- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and

- The Directors' statement as to whether they 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 its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

In addition, 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 and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;

- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and

- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the annual report and financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of Section 1158 of the Corporation Tax Act 2010 (see page 52 of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase net asset value. Audit procedures performed by the engagement team included:

- discussions with the Manager and the Audit Committee, including consideration of known or suspected instances of non compliance with laws and regulation and fraud;

- understanding the controls implemented by the Company and the Fund Accountant designed to prevent and detect irregularities;

- assessment of the Company's compliance with the requirements of Section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;

- identifying and testing journal entries, in particular year end journal entries posted by the Fund Accountant during the preparation of the financial statements;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing for example, targeting transactions that otherwise would be immaterial; and
- reviewing relevant meeting minutes, including those of the Audit Committee.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; 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.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the Directors on 1 October 2014 to audit the financial statements for the year ended 31 October 2014 and subsequent financial periods. The period of total uninterrupted engagement is ten years, covering the years ended 31 October 2014 to 31 October 2023.

Allan McGrath (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

2 February 2024

Statement of Comprehensive Income

for the year ended 31 October 2023

		2023			2022		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments held at fair value through profit or loss	3	4,252	–	4,252	4,255	55	4,310
Other income	3	11	–	11	3	–	3
Total income		**4,263**	**–**	**4,263**	**4,258**	**55**	**4,313**
Net (loss)/profit on investments and options held at fair value through profit or loss	10	–	(11,550)	(11,550)	–	10,423	10,423
Net gain/(loss) on foreign exchange		–	50	50	–	(433)	(433)
Total		**4,263**	**(11,500)**	**(7,237)**	**4,258**	**10,045**	**14,303**
Expenses							
Investment management fee	4	(286)	(858)	(1,144)	(299)	(898)	(1,197)
Other operating expenses	5	(521)	(4)	(525)	(412)	2	(410)
Total operating expenses		**(807)**	**(862)**	**(1,669)**	**(711)**	**(896)**	**(1,607)**
Net profit/(loss) on ordinary activities before finance costs and taxation		**3,456**	**(12,362)**	**(8,906)**	**3,547**	**9,149**	**12,696**
Finance costs	6	(13)	(39)	(52)	(17)	(52)	(69)
Net profit/(loss) on ordinary activities before taxation		**3,443**	**(12,401)**	**(8,958)**	**3,530**	**9,097**	**12,627**
Taxation	7	(498)	–	(498)	(449)	(8)	(457)
Profit/(loss) for the year		**2,945**	**(12,401)**	**(9,456)**	**3,081**	**9,089**	**12,170**
Earnings/(loss) per ordinary share (pence)	**9**	**3.67**	**(15.46)**	**(11.79)**	**3.84**	**11.33**	**15.17**

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.

The Company does not have any other comprehensive income (31 October 2022: £nil). The net profit for the year disclosed above represents the Company's total comprehensive income.

The notes on pages 92 to 109 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 October 2023

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the year ended 31 October 2023								
At 31 October 2022		1,004	–	1,460	82,963	84,940	719	171,086
Total comprehensive (loss)/income:								
Net (loss)/profit for the year		–	–	–	–	(12,401)	2,945	(9,456)
Transactions with owners, recorded directly to equity:								
Ordinary shares bought back into treasury	13,14	–	–	–	(421)	–	–	(421)
Share buyback costs	13,14	–	–	–	(2)	–	–	(2)
Dividends paid	8	–	–	–	–	(3,338)	(3,080)	(6,418)
At 31 October 2023		**1,004**	**–**	**1,460**	**82,540**	**69,201**	**584**	**154,789**
For the year ended 31 October 2022								
At 31 October 2021		1,004	44,873	1,460	38,090	79,369	538	165,334
Total comprehensive income:								
Net profit for the year		–	–	–	–	9,089	3,081	12,170
Transactions with owners, recorded directly to equity:								
Transfer of share premium to special reserve	14	–	(44,873)	–	44,873	–	–	–
Dividends paid	8	–	–	–	–	(3,518)	(2,900)	(6,418)
At 31 October 2022		**1,004**	**–**	**1,460**	**82,963**	**84,940**	**719**	**171,086**

For information on the Company's distributable reserves please refer to note 14 on pages 101 and 102.

The notes on pages 92 to 109 form part of these financial statements.

Statement of Financial Position

as at 31 October 2023

	Notes	2023 £'000	2022 £'000
Non current assets			
Investments held at fair value through profit or loss	10	154,212	175,425
Current assets			
Current tax asset		130	145
Other receivables	11	2,614	3,287
Cash and cash equivalents	15	1,092	58
Total current assets		**3,836**	**3,490**
Total assets		**158,048**	**178,915**
Current liabilities			
Current tax liability		(6)	(6)
Other payables	12	(3,253)	(3,969)
Bank overdraft	15	–	(3,854)
Total current liabilities		**(3,259)**	**(7,829)**
Net assets		**154,789**	**171,086**
Equity attributable to equity holders			
Called up share capital	13	1,004	1,004
Share premium account	14	–	–
Capital redemption reserve	14	1,460	1,460
Special reserve	14	82,540	82,963
Capital reserves	14	69,201	84,940
Revenue reserve	14	584	719
Total equity		**154,789**	**171,086**
Net asset value per ordinary share (pence)	**9**	**193.51**	**213.25**

The financial statements on pages 88 to 109 were approved and authorised for issue by the Board of Directors on 2 February 2024 and signed on its behalf by Alice Ryder, Chair.

BlackRock Sustainable American Income Trust plc

Registered in England and Wales, No. 8196493

The notes on pages 92 to 109 form part of these financial statements.

Cash Flow Statement

for the year ended 31 October 2023

	2023 £'000	2022 £'000
Operating activities		
Net (loss)/profit on ordinary activities before taxation	(8,958)	12,619
Add back finance costs	52	69
Net loss/(profit) on investments and options held at fair value through profit or loss (including transaction costs)	11,550	(10,423)
Net (gain)/loss on foreign exchange	(50)	433
Sales of investments held at fair value through profit or loss	98,933	107,169
Purchases of investments held at fair value through profit or loss	(89,270)	(107,200)
Decrease/(increase) in other receivables	61	(23)
Increase/(decrease) in other payables	195	(76)
Decrease/(increase) in amounts due from brokers	612	(1,021)
(Decrease)/increase in amounts due to brokers	(911)	829
Net cash inflow from operating activities before taxation	**12,214**	**2,376**
Taxation paid	(483)	(492)
Net cash inflow from operating activities	**11,731**	**1,884**
Financing activities		
Interest paid	(52)	(69)
Payments for ordinary shares bought back into treasury	(423)	–
Dividends paid	(6,418)	(6,418)
Net cash outflow from financing activities	**(6,893)**	**(6,487)**
Increase/(decrease) in cash and cash equivalents	**4,838**	**(4,603)**
Effect of foreign exchange rate changes	50	(433)
Change in cash and cash equivalents	**4,888**	**(5,036)**
Cash and cash equivalents at start of year	(3,796)	1,240
Cash and cash equivalents at end of year	**1,092**	**(3,796)**
Comprised of:		
Cash at bank	213	58
Bank overdraft	–	(3,854)
Cash Fund[1]	879	–
	1,092	**(3,796)**

[1] Cash Fund represents funds held on deposit with the BlackRock Institutional Cash Series plc – US Dollar Liquid Environmentally Aware Fund.

The notes on pages 92 to 109 form part of these financial statements.

Notes to the Financial Statements
for the year ended 31 October 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 in England and Wales on 30 August 2012 and this is the eleventh 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 were 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 28 February 2025, 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 the measurement of Level 3 assets, if any, as noted in note 15 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 Sterling, 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 pounds (£'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.

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.

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 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.

Options may be purchased or written over securities held in the portfolio for generating or protecting capital returns, or for generating or maintaining revenue returns. Where the purpose of the option is the generation of income, the premium is treated as a revenue item. Where the purpose of the option is the maintenance of capital, the premium is treated as a capital item.

Option premium income is recognised as revenue evenly over the life of the option contract and included in the revenue account of the Statement of Comprehensive Income unless the option has been written for the maintenance and enhancement of the Company's investment portfolio and represents an incidental part of a larger capital transaction, in which case any premia arising are allocated to the capital account of the Statement of Comprehensive Income.

Deposit interest receivable is accounted for on an accruals basis. Interest income from the Cash Fund is accounted for on an accruals basis.

Notes to the Financial Statements
continued

2. Accounting policies continued
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 100;

- 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 25% to the revenue account and 75% 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.

(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 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 selling costs. This policy applies to all current and non-current asset investments held by the Company.

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 and options 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).

(h) Options
Options are held at fair value through profit or loss based on the bid/offer prices of the options written to which the Company is exposed. The value of the option is subsequently marked-to-market to reflect the fair value through profit or loss of the option based on traded prices. Where the premium is taken to revenue, an appropriate amount is shown as capital return such that the total return reflects the overall change in the fair value of the option. When an option is exercised, the gain or loss is accounted for as a capital gain or loss. Any cost on closing out an option is transferred to revenue along with any remaining unamortised premium.

(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 IASs, 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 Sterling 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 and options 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 can invest in a Cash Fund which is managed as part of the Company's investment policy and, accordingly, the investment is managed as part of the Company's cash and cash equivalents as defined under IAS 7 and is presented as a cash equivalent in the Financial Statements.

(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 to the extent that they are not settled in the period in which they arise.

(n) Share repurchases and 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, the par value is taken to called up share capital and 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.

Notes to the Financial Statements
continued

2. Accounting policies continued

(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 £'000	2022 £'000
Investment income:		
UK dividends	334	234
Overseas dividends	3,839	3,926
Overseas special dividends	–	27
Overseas REIT[1] dividends	34	68
Interest from Cash Fund	45	–
Total investment income	**4,252**	**4,255**
Deposit interest	11	3
Total income	**4,263**	**4,258**

[1] Real Estate Investment Trust.

Dividends and interest received in cash during the year amounted to £3,724,000 and £51,000 (31 October 2022: £3,662,000 and £3,000).

Special dividends of £nil have been recognised in capital (2022: £55,000).

4. Investment management fee

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	286	858	1,144	299	898	1,197
Total	**286**	**858**	**1,144**	**299**	**898**	**1,197**

The investment management fee is payable in quarterly arrears, calculated at the rate of 0.70% of the Company's net assets.

The investment management fee is allocated 25% to the revenue account and 75% to the capital account.

There is no additional fee for company secretarial and administration services.

5. Other operating expenses

	2023 £'000	2022 £'000
Allocated to revenue:		
Custody fee	2	3
Auditors' remuneration – audit services[1]	39	38
Registrar's fee	28	32
Directors' emoluments[2]	142	165
Broker fees	40	40
Depositary fees	16	16
Printing fees	31	32
Legal and professional fees	14	35
Marketing fees	94	49
AIC fees	13	11
FCA fees	11	9
Write back of prior year expenses[3]	(11)	(101)
Other administrative costs	102	83
	521	**412**
Allocated to capital:		
Custody transaction charges	4	5
Write back of prior year expenses	–	(7)
	525	**410**
The Company's ongoing charges[4], calculated as a percentage of average daily net assets and using the management fee and all other operating expenses excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items were:	1.03%	1.01%

1 No non-audit services were provided by the Company's auditor (2022: none).

2 Further information on Directors' emoluments can be found in the Directors' Remuneration Report on page 60. The Company has no employees.

3 Relates to Directors' expenses written back during the year (2022: printing fees, legal fees, Directors' emoluments, Employers' national insurance and Directors' expenses).

4 Alternative Performance Measure, see Glossary on page 123.

6. Finance costs

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest paid on bank overdraft	13	39	52	17	52	69
Total	**13**	**39**	**52**	**17**	**52**	**69**

7. Taxation

(a) Analysis of charge in year

	Revenue 2023 £'000	Capital 2023 £'000	Total 2023 £'000	Revenue 2022 £'000	Capital 2022 £'000	Total 2022 £'000
Current taxation:						
Overseas tax	498	–	498	449	8	457
Total taxation charge (note 7(b))	**498**	**–**	**498**	**449**	8	**457**

(b) Factors affecting total taxation charge for the year

The taxation assessed for the year is higher (2022: lower) than the blended rate of corporation tax used of 22.52% (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:

	Revenue 2023 £'000	Capital 2023 £'000	Total 2023 £'000	Revenue 2022 £'000	Capital 2022 £'000	Total 2022 £'000
Profit/(loss) on ordinary activities before taxation	3,443	(12,401)	(8,958)	3,530	9,097	12,627
Profit/(loss) on ordinary activities multiplied by blended rate of 22.52% (2022: standard rate of 19.00%)	775	(2,793)	(2,018)	671	1,728	2,399
Effects of:						
Non-taxable UK dividends	(75)	–	(75)	(44)	–	(44)
Non-taxable overseas dividends	(865)	–	(865)	(751)	–	(751)
Net loss/(profit) on investments and options held at fair value through profit or loss	–	2,601	2,601	–	(1,986)	(1,986)
Foreign exchange (profit)/loss	–	(11)	(11)	–	87	87
Overseas tax suffered	498	–	498	449	8	457
Disallowed expenses	–	1	1	–	–	–
Current period management expenses not utilised	166	201	367	122	161	283
Expense relief for overseas withholding tax	(1)	–	(1)	(2)	–	(2)
Movement in non-trade loan relationship deficit	–	1	1	4	10	14
	(277)	2,793	2,516	(222)	(1,720)	(1,942)
Total taxation charge for the year (note 7(a))	**498**	**–**	**498**	**449**	**8**	**457**

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 tax on any capital gains or losses.

At 31 October 2023, the Company had net surplus management expenses of £3,869,000 (2022: £2,239,000) and a non-trade loan relationship deficit of £76,000 (2022: £73,000). 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 £986,000 (2022: £578,000) has not been recognised as at 31 October 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.

8. Dividends

Dividends paid on equity shares	Record date	Payment date	2023 £'000	2022 £'000
4th interim dividend of 2.00p per share paid for the year ended 31 October 2022 (2021: 2.00p)	25 November 2022	3 January 2023	1,604	1,605
1st interim dividend of 2.00p per share paid for the year ended 31 October 2023 (2022: 2.00p)	31 March 2023	28 April 2023	1,605	1,605
2nd interim dividend of 2.00p per share paid for the year ended 31 October 2023 (2022: 2.00p)	19 May 2023	3 July 2023	1,605	1,604
3rd interim dividend of 2.00p per share paid for the year ended 31 October 2023 (2022: 2.00p)	18 August 2023	2 October 2023	1,604	1,604
Accounted for in the financial statements			**6,418**	**6,418**

The total dividends payable in respect of the year ended 31 October 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 declared, meet the relevant requirements as set out in this legislation.

Dividends paid or declared on equity shares	2023 £'000	2022 £'000
1st interim dividend of 2.00p per share paid for the year ended 31 October 2023 (2022: 2.00p)	1,605	1,605
2nd interim dividend of 2.00p per share paid for the year ended 31 October 2023 (2022: 2.00p)	1,605	1,604
3rd interim dividend of 2.00p per share paid for the year ended 31 October 2023 (2022: 2.00p)	1,604	1,604
4th interim dividend of 2.00p per share payable on 2nd January 2024 for the year ended 31 October 2023[1] (2022: 2.00p)	1,597	1,604
	6,411	**6,417**

[1] Based on 79,827,506 ordinary shares in issue on 23 November 2023 (the ex-dividend date).

9. (Loss)/earnings and net asset value per ordinary share

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

	Year ended 31 October 2023	Year ended 31 October 2022
Net revenue profit attributable to ordinary shareholders (£'000)	2,945	3,081
Net capital (loss)/profit attributable to ordinary shareholders (£'000)	(12,401)	9,089
Total (loss)/profit attributable to ordinary shareholders (£'000)	**(9,456)**	**12,170**
Equity shareholders' funds (£'000)	**154,789**	**171,086**
The weighted average number of ordinary shares in issue during the year on which the earnings per ordinary share was calculated was:	80,225,591	80,229,044
The actual number of ordinary shares in issue at the year end on which the net asset value per ordinary share was calculated was:	79,989,044	80,229,044
(Loss)/earnings per ordinary share		
Revenue earnings per share (pence) – basic and diluted	3.67	3.84
Capital (loss)/earnings per share (pence) – basic and diluted	(15.46)	11.33
Total (loss)/earnings per share (pence) – basic and diluted	**(11.79)**	**15.17**

	As at 31 October 2023	As at 31 October 2022
Net asset value per ordinary share (pence)	193.51	213.25
Ordinary share price (pence)	174.00	197.50

There were no dilutive securities at the year end.

10. Investments held at fair value through profit or loss

	2023 £'000	2022 £'000
UK listed equity investments held at fair value through profit or loss	7,416	13,750
Overseas listed equity investments held at fair value through profit or loss	146,796	161,675
Total value of financial asset investments at 31 October	**154,212**	**175,425**
Opening book cost of investments	163,587	147,994
Investment holding gains	11,838	16,977
Opening fair value	**175,425**	**164,971**
Analysis of transactions made during the year:		
Purchases at cost	89,270	107,200
Sales proceeds received	(98,933)	(107,169)
(Losses)/gains on investments	(11,550)	10,423
Closing fair value	**154,212**	**175,425**
Closing book cost of investments	160,628	163,587
Closing investment holding (losses)/gains	(6,416)	11,838
Closing fair value	**154,212**	**175,425**
Comprising of:		
– Equity investments	154,212	175,425
Total	**154,212**	**175,425**

The Company received £98,933,000 (2022: £107,169,000) from investments sold in the year. The book cost of these investments when they were purchased was £92,229,000 (2022: £91,607,000). These investments have been revalued over time and until they were sold any unrealised gains/(losses) were included in the fair value of the investments.

During the year, transaction costs of £18,000 (2022: £66,000) were incurred on the acquisition of investments. Costs relating to the disposal of investments during the year amounted to £13,000 (2022: £16,000). All transaction costs have been included within the capital reserves.

11. Other receivables

	2023 £'000	2022 £'000
Amounts due from brokers	2,430	3,042
Prepayments and accrued income	184	245
	2,614	**3,287**

12. Other payables

	2023 £'000	2022 £'000
Amounts due to brokers	1,918	2,829
Accruals for expenses and interest payable	1,335	1,140
	3,253	**3,969**

13. Called up share capital

	Ordinary shares in issue number	Treasury shares number	Total shares number	Nominal value £'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 1 pence each:				
At 31 October 2022	80,229,044	20,132,261	100,361,305	1,004
Ordinary shares bought back into treasury	(240,000)	240,000	–	–
At 31 October 2023	**79,989,044**	**20,372,261**	**100,361,305**	**1,004**

During the year ended 31 October 2023, the Company bought back and transferred 240,000 (2022: none) shares into treasury for a total consideration including costs of £423,000 (2022: £nil).

Since 31 October 2023 and up to the date of this report, 780,803 shares have been bought back into treasury for a total consideration including costs of £1,452,000.

14. Reserves

			Distributable reserves			
	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Revenue reserve £'000
At 31 October 2022	–	1,460	82,963	73,260	11,680	719
Movement during the year:						
Total comprehensive income/(loss):						
Net profit/(loss) for the year	–	–	–	5,918	(18,319)	2,945
Transactions with owners, recorded directly to equity:						
Ordinary shares bought back into treasury	–	–	(421)	–	–	–
Share buyback costs	–	–	(2)	–	–	–
Dividends paid	–	–	–	(3,338)	–	(3,080)
At 31 October 2023	**–**	**1,460**	**82,540**	**75,840**	**(6,639)**	**584**

Notes to the Financial Statements

continued

14. Reserves continued

	Share premium account	Capital redemption reserve	Distributable reserves: Special reserve	Capital reserve arising on investments sold	Capital reserve arising on revaluation of investments held	Revenue reserve
	£'000	£'000	£'000	£'000	£'000	£'000
At 31 October 2021	44,873	1,460	38,090	62,624	16,745	538
Movement during the year:						
Total comprehensive income/(loss):						
Net profit/(loss) for the year	–	–	–	14,154	(5,065)	3,081
Transactions with owners, recorded directly to equity:						
Transfer of share premium to special reserve[1]	(44,873)	–	44,873	–	–	–
Dividends paid	–	–	–	(3,518)	–	(2,900)
At 31 October 2022	**–**	**1,460**	**82,963**	**73,260**	**11,680**	**719**

[1] The Company's share premium account was cancelled pursuant to shareholders' approval of a special resolution at the Company's Annual General Meeting on 22 March 2022 and Court approval on 19 July 2022. The share premium account which totalled £44,873,000 was transferred to a special reserve. This action was taken, in part, to ensure that the Company had sufficient distributable reserves.

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. At 31 October 2023 there were no gains on the capital reserve arising on the revaluation of investments (2022: gain of £11,680,000). The gains on revaluation of investments are subject to fair value movements and may not be readily realisable at short notice; as such any gains 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.

15. Financial risk management

The Directors have adopted a risk matrix which identifies the key risks for the Company and covers strategy, investment management, operations, shareholders, regulatory and financial obligations and third party service providers. This risk matrix is reviewed formally every six months. The Board has in place a robust process to identify, assess and monitor the principal risks and uncertainties facing the Company. A summary of the principal risks together with their mitigating action is set on pages 43 to 46. 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 'AIFMD FUND Disclosures' which can be found at www.blackrock.com/uk/brsa 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 pages 69 and 70 and in the Statement of Directors' Responsibilities on pages 78 and 79, 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 AIFMD Fund Disclosures.

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 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 Committee. 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.

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 of 31 October 2023 and 31 October 2022 (based on a 99% confidence level) was 1.69% and 3.37%, respectively.

(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 Company is exposed to market price risk arising from its equity investments. 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 31 October 2023 on its equity investments was £154,212,000 (2022: £175,425,000).

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

Notes to the Financial Statements
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15. Financial risk management continued

Concentration of exposure to market risks

An analysis of the Company's investment portfolio is shown on pages 24 to 26. At 31 October 2023, this shows that the majority of the portfolio is invested in the United States. Accordingly, there is a concentration of exposure to this country, 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

The fair values of the Company's monetary items which have foreign currency exposure at 31 October 2023 and 31 October 2022 are shown below. Foreign currency sensitivity risk has been covered by the VaR analysis under the market risk section.

	2023 US Dollar £'000	2023 Other £'000	2022 US Dollar £'000	2022 Other £'000
Receivables (due from brokers, withholding tax receivable, prepayments and accrued income)	2,574	148	3,193	197
Cash and cash equivalents	125	29	–	–
Payables (due to brokers and other payables)	(1,971)	–	(2,829)	–
Bank overdraft	–	–	(3,854)	–
Total foreign currency exposure on net monetary items	**728**	**177**	**(3,490)**	**197**
Investments at fair value through profit or loss	136,898	9,898	143,928	17,747
Total net foreign currency exposure	**137,626**	**10,075**	**140,438**	**17,944**

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 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

The Company is exposed to interest rate risk specifically through its cash holdings and its borrowing facility for investment purposes. Interest rate sensitivity risk has been covered by the VaR analysis under the market risk section.

Interest rate exposure

The exposure at 31 October 2023 and 31 October 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 £'000	2022 Within one year £'000
Exposure to floating interest rates:		
Cash and cash equivalents	1,092	58
Bank overdraft	–	(3,854)
Total exposure to interest rates	**1,092**	**(3,796)**

The Company does not have any fixed rate exposure at 31 October 2023 or 31 October 2022.

Interest rates received on cash balances or paid on bank overdrafts, respectively, is set out in the table below.

2023	Interest received %	Interest paid %
US Dollar	4.882	4.865
Sterling	3.797	8.250

2022	Interest received %	Interest paid %
US Dollar	0.881	2.087
Sterling	0.658	3.658

Management of interest rate risk
The Company finances part of its activities through borrowings at levels approved and monitored by the Board of the Company. The Company, generally, does not hold significant cash balances, with short-term borrowings being used when required. Derivative contracts are not used to hedge against the 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 equity investments.

The major counterparties engaged with the Company are all widely recognised and regulated entities.

There were no past due or impaired assets as of 31 October 2023.

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 31 October 2023: AA- (31 October 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 31 October 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.

Cash held by a counterparty 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, any 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).

Notes to the Financial Statements

continued

15. Financial risk management continued

	Total number of counterparties	Maximum exposure to any one counterparty[1] £'000	Total exposure to all other counterparties[1] £'000	Lowest credit rating of any one counterparty[2] £'000
2023	2	2,430	213	A+
2022	5	1,548	1,553	A-

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

Receivables
Amounts due from debtors are disclosed on 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 31 October 2023 and 31 October 2022 was as follows:

	2023 3 months or less £'000	2022 3 months or less £'000
Cash and cash equivalents	1,092	58
Other receivables (amounts due from brokers, prepayments and accrued income)	2,614	3,287
	3,706	**3,345**

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 reviews 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 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.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. At the year end, the Company had an overdraft facility of the lower of £20.0 million or 20% of the Company's net assets (2022: lower of £20.0 million or 20% of the Company's net assets).

Liquidity risk exposure

The remaining undiscounted gross cash outflows of the financial liabilities as at 31 October 2023 and 31 October 2022, based on the earliest date on which payment can be required, were as follows:

	2023 3 months or less £'000	2022 3 months or less £'000
Amounts due to brokers, accruals and provisions	3,253	3,969
Bank overdraft	–	3,854
	3,253	**7,823**

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. Liquidity risk is not significant as the Company's assets are investments in listed securities that are readily realisable.

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.

(d) Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value (investments) 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 94.

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.

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 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.

Notes to the Financial Statements
continued

15. Financial risk management continued
Fair values of financial assets and financial liabilities
The table below sets out fair value measurements using the IFRS 13 fair value hierarchy.

Financial assets at fair value through profit or loss at 31 October 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	154,212	–	–	154,212
	154,212	**–**	**–**	**154,212**

Financial assets at fair value through profit or loss at 31 October 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	175,425	–	–	175,425
	175,425	**–**	**–**	**175,425**

There were no transfers between levels of financial assets and financial liabilities during the year recorded at fair value as at 31 October 2023 and 31 October 2022. The Company did not hold any Level 3 securities throughout the financial year or as at 31 October 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 provide an attractive level of income together with capital appreciation over the longer term in a manner consistent with the principles of sustainable investing.

This is to be achieved through an appropriate balance of equity capital and gearing. The Company operates a flexible gearing policy which depends on prevailing conditions.

The Company's total capital at 31 October 2023 was £154,789,000 (2022: £171,086,000), comprising a bank overdraft of £nil (2022: £3,854,000) and equity shares, capital and reserves of £154,789,000 (2022: £174,940,000).

Under the terms of the overdraft facility agreement, the Company's total indebtedness shall at no time exceed 20% of the Company's net asset value.

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, or the reissue of shares 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).

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.

16. Related party disclosure

Directors' Emoluments

At the date of this report, the Board consists of four 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 60 to 62. At 31 October 2023, £12,000 (2022: £14,000) 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 31 October 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.
0.8	n/a	n/a

As at 31 October 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.
1.8	n/a	n/a

17. 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 53.

The investment management fee due for the year ended 31 October 2023 amounted to £1,144,000 (2022: £1,197,000). At the year end, £837,000 was outstanding in respect of the management fee (2022: £899,000).

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 31 October 2023 amounted to £94,000 excluding VAT (2022: £49,000). Marketing fees of £123,000 excluding VAT (2022: £29,000) were outstanding as at the year end.

The Company has an investment in the BlackRock Institutional Cash Series plc – US Dollar Liquid Environmentally Aware Fund of £879,000 (2022: £nil) 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.

18. Contingent liabilities

There were no contingent liabilities at 31 October 2023 (2022: nil).

Additional information

We believe paints, coatings, and specialty materials company PPG Industries' improving cost dynamics will lead to better earnings. By 2022, 39% of PPG sales were from sustainably advantaged products and 87% of PPG products were evaluated for sustainable attributes.

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:

January/February	Annual results and Annual Report and Financial Statements published.
March	Annual General Meeting.
June	Half Yearly figures announced and Half Yearly Financial Report published.

Quarterly dividends
Dividends are paid quarterly as follows:

Period ending	Ex-date	Payment date
31 January	March	April
30 April	May	July
31 July	August	October
31 October	November	January

Payment of dividends
Cash dividends will be sent by cheque to the first-named shareholder at their registered address. 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 www.investorcentre.co.uk, or by telephone on 0370 873 5879, or by completing the Mandate Instructions section on the reverse of your dividend counterfoil and sending this to the Company's registrar, Computershare. Dividend confirmations will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

Dividend reinvestment plan
Shareholders may request that their dividends be used to purchase further shares in the Company. Dividend reinvestment forms may be obtained from Computershare Investor Services PLC, through their secure website www.investorcentre.co.uk, or by telephone on 0370 873 5879. Shareholders who have already opted to have their dividends reinvested do not need to reapply.

Share prices
The Company's mid-market 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/brsa.

ISIN/SEDOL numbers
The ISIN/SEDOL numbers and mnemonic codes for the Company's ordinary shares are:

	Ordinary shares
ISIN	GB00B7W0XJ61
SEDOL	B7W0XJ6
Reuters code	BRSA.L
Bloomberg code	BRSA LN

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 a 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 the shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries, please contact a financial advisor.

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.

Risk factors

- Past performance is not necessarily a guide to future performance.
- The value of your investment in the Company and the income from it can fluctuate as the value of the underlying investments fluctuate.
- The price at which the Company's shares trade on the London Stock Exchange is not the same as their net asset value (NAV) (although they are related) and therefore you may realise returns which are lower or higher than NAV performance.

Electronic proxy voting

Shareholders are able to submit their proxy votes electronically via Computershare's internet site at www.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.

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 NAV of the Company is calculated daily, with details of the Company's investments and performance being published monthly.

The daily NAV 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/brsa 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).

Individual Saving Account (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 (2022/2023: £20,000) which can be invested in either cash or shares.

Shareholder information

continued

Online access

Other details about the Company are available on the BlackRock website at www.blackrock.com/uk/brsa. 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 www.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.

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 www.investorcentre.co.uk. Alternatively, please contact the registrar on 0370 873 5879.

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 Secretary
BlackRock Sustainable American Income Trust plc
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Analysis of ordinary shareholders

as at 31 October 2023

By type of holder

	Number of holders[1]	% of total 2023[1]	% of total 2022[2]	Number of shares[1]	% of total 2023[1]	% of total 2022[2]
Individuals	49	18.0	19.7	1,126,470	1.4	1.5
Bank or Nominees	214	78.7	75.7	77,365,578	96.7	96.5
Investment Trust	2	0.7	0.7	1,070,218	1.3	1.3
Insurance Company	0	0.0	0.4	0	0.0	0.2
Other Company	6	2.2	2.5	486,777	0.6	0.4
Pension Trust	1	0.4	0.3	1	0.0	0.0
Other Corporate Body	0	0.0	0.7	0	0.0	0.1
	272	**100.0**	**100.0**	**80,049,044**	**100.0**	**100.0**

By size of holding

Range	Number of holders[1]	% of total 2023[1]	% of total 2022[2]	Number of shares[1]	% of total 2023[1]	% of total 2022[2]
1-10,000	79	29.0	30.3	288,951	0.4	0.4
10,001-100,000	107	39.2	38.0	3,987,790	5.0	5.1
100,001-1,000,000	67	24.9	25.0	5,568,419	6.9	33.2
1,000,001-5,000,000	17	6.2	6.3	40,645,796	50.8	49.7
5,000,000 and above	2	0.7	0.4	29,558,088	36.9	11.6
	272	**100.0**	**100.0**	**80,049,044**	**100.0**	**100.0**

[1] Excludes treasury shares of 20,372,261 and unsettled share buybacks of 60,000 shares into treasury as at 31 October 2023.

[2] Excludes treasury shares of 21,132,261.

Historical record

Year ended 31 October	Ordinary shares in issue ex. Treasury	Treasury shares	Net assets attributable to ordinary shareholders £'000	Net asset value per ordinary share – undiluted p	Ordinary share price p	Revenue attributable to ordinary shareholders £'000	Revenue earnings per share p	Dividend per share p
2013	99,361,305	–	111,289	112.00	112.50	3,254	4.28	4.00
2014	100,361,305	–	121,199	120.76	112.00	4,256	4.25	4.00
2015	80,039,044	20,322,261	98,046	122.50	113.00	3,833	4.54	4.30
2016	68,949,044	31,412,261	109,479	158.78	155.75	3,730	5.17	4.70
2017	68,874,044	31,487,261	118,295	171.76	160.50	3,731	5.41	4.95
2018	68,874,044	31,487,261	120,945	175.60	169.50	3,556	5.16	8.00
2019	78,399,044	21,962,261	142,786	182.13	186.50	4,338	5.96	8.00
2020	79,974,044	20,387,261	126,410	158.06	145.50	5,367	6.65	8.00
2021	80,229,044	20,132,261	165,334	206.08	198.25	3,248	4.06	8.00
2022	80,229,044	20,132,261	171,086	213.25	197.50	3,081	3.84	8.00
2023	**79,989,044**	**20,372,261**	**154,789**	**193.51**	**174.00**	**2,945**	**3.67**	**8.00**

Management and other service providers

Registered Office
(Registered in England and Wales, No. 8196493)
12 Throgmorton Avenue
London EC2N 2DL

Investment Manager and Secretary
BlackRock Investment Management (UK) Limited[1]
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Alternative Investment Fund Manager
BlackRock Fund Managers Limited[1]
12 Throgmorton Avenue
London EC2N 2DL

Depositary, Custodian, Banker and Fund Accountant
The Bank of New York Mellon (International) Limited[1]
160 Queen Victoria Street
London EC4V 4LA

Registrar
Computershare Investor Services PLC[1]
The Pavilions
Bridgwater Road
Bristol BS99 6ZY
Telephone: 0370 873 5879

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Stockbroker
Cavendish Securities plc[1]
One Bartholomew Close
London EC1A 7BL

Solicitor
Gowling WLG (UK) LLP
4 More London Riverside
London SE1 2AU

[1] Authorised and regulated by the Financial Conduct Authority.

AIFMD disclosures
(unaudited)

Remuneration related disclosures in accordance with Article 22(2) of the AIFMD, Article 107 of the AIFMD Regulations and Section XIII of the ESMA Guidelines on sound remuneration policies under the AIFMD

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 UK version of the Directive.

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

Quantitative Remuneration Disclosure

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

Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of the Company, 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 Manager 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. Conversely, members of staff and senior management of the broader BlackRock group may provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the broader BlackRock group and of the Manager. Therefore, the figures disclosed are a sum of individuals' 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 to the Manager's staff in respect of the Manager's financial year ending 31 December 2022 is USD 194.5 million. This figure is comprised of fixed remuneration of USD 109.3 million and variable remuneration of USD 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 USD 21.6 million, and to other members of its staff whose actions potentially have a material impact on the risk profile of the Manager or its funds was USD 8.8 million. These figures relate to the entire Manager and not to the Company.

Leverage

The Company may employ leverage and borrow cash in accordance with its stated investment policy or investment strategy. The Company may also employ leverage in its investment programme through foreign exchange forward contracts. 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.

Consistent with its investment objectives and policy, the Company may utilise a variety of exchange traded and over-the-counter (OTC) derivative instruments such as covered call options as part of its investment policy. The use of derivatives may expose the Company to a higher degree of risk. No derivatives were used for leverage purposes during the year.

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.

Using the methodologies prescribed under the AIFMD, the leverage of the Company is disclosed in the table below:

	Commitment leverage as at 31 October 2023	**Gross leverage as at 31 October 2023**
Leverage ratio	1.00	1.00

Other risk disclosures

The financial risk disclosures relating to risk framework and liquidity risk are set out in note 15 to the Notes to the Financial Statements.

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/brsa.

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.

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
2 February 2024

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.

9.8.4 (7) The Company has not allotted any ordinary shares during the year.

The Company is a stand-alone entity 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.

For and on behalf of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
2 February 2024

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.

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.

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 31 October 2023 the share price was 174.00p (2022: 197.50p) and the NAV was 193.51p (2022: 213.25p); therefore, the discount was 10.1% (2022: 7.4%) (please see note 9 of the financial statements for the audited 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 180p and the NAV 178p, the premium would be 1.1%. Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

Gearing and borrowings

Investment companies can borrow to purchase additional investments. This is called 'gearing'. It allows investment companies to take advantage of a long-term view on a sector or to take advantage of a favourable situation or a particularly attractive stock without having to sell existing investments.

Gearing works by magnifying a company's performance. If a company 'gears up' and then markets rise and returns on the investments outstrip the costs of borrowing, the overall returns to investors will be even greater. But if markets fall and the performance of the assets in the portfolio is poor, then losses suffered by the investor will also be magnified.

The Company may achieve gearing through borrowings or the effect of gearing through an appropriate balance of equity capital and borrowings.

Net (cash)/gearing calculation	**Page**	**31 October 2023 £'000**	**31 October 2022 £'000**	
Net assets	90	154,789	171,086	(a)
Borrowings	90	–	3,854	(b)
Total assets (a + b)		**154,789**	**174,940**	**(c)**
Current assets[1]	90	3,836	3,490	(d)
Current liabilities (excluding borrowings)	90	(3,259)	(3,975)	(e)
Cash and cash equivalents (d + e)		577	(485)	(f)
Net (cash)/gearing figure (g = (c – f – a)/a) (%)		**(0.4)**	**2.5**	**(g)**

[1] Includes cash at bank and the Company's investment in the BlackRock Institutional Cash Series plc – US Dollar Liquid Environmentally Aware Fund.

* Alternative Performance Measure.

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 the 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.

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	**Page**	**31 October 2023**	**31 October 2022**	
Closing NAV per share (pence)	99	193.51	213.25	
Add back quarterly dividends (pence)	99	8.00	8.00	
Effect of dividend reinvestment (pence)		(0.14)	0.12	
Adjusted closing NAV (pence)		201.37	221.37	(a)
Opening NAV per share (pence)	99	213.25	206.08	(b)
NAV total return (c = ((a – b)/b)) (%)		**(5.6)**	**7.4**	**(c)**

Share price total return	**Page**	**31 October 2023**	**31 October 2022**	
Closing share price (pence)	99	174.00	197.50	
Add back quarterly dividends (pence)	99	8.00	8.00	
Effect of dividend reinvestment (pence)		(0.50)	(0.17)	
Adjusted closing share price (pence)		181.50	205.33	(a)
Opening share price (pence)	99	197.50	198.25	(b)
Share price total return (c = ((a – b)/b)) (%)		**(8.1)**	**3.6**	**(c)**

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 31 October 2023, equity shareholders' funds were worth £154,789,000 (2022: £171,086,000) and there were 79,989,044 (2022: 80,229,044) ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 193.51p (2022: 213.25p) 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.

* Alternative Performance Measure.

Glossary
continued

Net asset value per share (capital only NAV)*
The capital only NAV is a popular 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 year. It is also the measure adopted by the Association of Investment Companies for preparation of statistical data. It is calculated by dividing 'equity shareholders' funds' (excluding current period revenue) by the total number of ordinary shares in issue.

As at 31 October 2023, equity shareholders' funds (excluding current year net revenue) amounted to £154,205,000 (2022: £170,367,000) and there were 79,989,044 (2022: 80,229,044) ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 192.78p (2022: 212.35p).

Equity shareholders' funds (excluding current period revenue) of £154,205,000 (2022: £170,367,000) are calculated by deducting from the Company's net assets £154,789,000 (2022: £171,086,000) its current period revenue £2,945,000 (2022: £3,081,000) and adding back the interim dividends paid from current year revenue £2,361,000 (2022: £2,362,000).

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 charge.

As recommended by the AIC in its guidance, ongoing charges are calculated using the Company's annualised recurring revenue and capital expenses (excluding 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**	**31 October 2023 £'000**	**31 October 2022 £'000**	
Management fee	96	1,144	1,197	
Other operating expenses[1]	97	532	513	
Total management fee and other operating expenses		1,676	1,710	(a)
Average daily net assets in the year		163,202	169,755	(b)
Ongoing charges (c = a/b) (%)		**1.03**	**1.01**	**(c)**

[1] Excluding the write back of prior year expenses totalling £11,000 in the year ended 31 October 2023 (2022: £101,000).

Options and options overwriting strategy
An option is a contract that offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date) for a fee (the premium). The sale of call or put options on stocks that are believed to be overpriced or underpriced, based on the assumption that the options will not be exercised, is referred to as an 'options overwriting' strategy.

The seller of the option collects a premium but, if the option subsequently expires without being exercised, there will be no downside for the seller. However, if the stock rises above the exercise price the holder of the option is likely to exercise the option and this strategy can reduce returns in a rising market.

* Alternative Performance Measure.

The Company seeks to mitigate risk by utilising predominantly covered call options (meaning that call options are only written in respect of stocks already owned within the Company's portfolio such that, if the options are exercised, the Company does not need to purchase stock externally at fluctuating market prices to meet its obligations under the options contract). Any use of derivatives for efficient portfolio management and options for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments.

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 and for which there is not a publicly quoted price.

Reference index

The Company's reference index, used for performance comparative purposes is the Russell 1000 Value Index, calculated in Sterling terms with dividends reinvested.

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.

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 price variations, distinguishing it from the total return.

	Page	31 October 2023	31 October 2022	
Dividends paid/payable (pence)[1]	99	8.00	8.00	(a)
Ordinary share price (pence)	99	174.00	197.50	(b)
Yield (c = a/b) (%)		**4.6**	**4.1**	**(c)**

[1] Comprising dividends declared/paid for the twelve months to 30 April and 31 October.

* Alternative Performance Measure.


SAMSUNG
Access

Annual General Meeting

Allegion is a leading global safety and security solutions provider whose products enhance public safety and increase building efficiency. The company's MSCI ESG score is top decile, both relative to the investment universe and its peer group.

PHOTO COURTESY OF ALLEGION

Notice of Annual General Meeting

Notice is hereby given that the eleventh Annual General Meeting of BlackRock Sustainable American Income Trust plc will be held at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Thursday, 14 March 2024 at 12.00 noon to consider and, if thought fit, pass Resolutions 1 to 10 inclusive as Ordinary Resolutions and Resolutions 11 and 12 as Special Resolutions.

Ordinary business

1. To receive the report of the Directors of the Company and the financial statements for the year ended 31 October 2023, together with the report of the auditors thereon.

2. To approve the Directors' Remuneration Report for the year ended 31 October 2023, excluding any content relating to the remuneration policy of the Company.

3. That shareholders approve the Company's dividend policy to continue to pay four quarterly interim dividends, which in the year under review have totalled 8.00p per share.

4. To re-elect Alice Ryder as a Director.

5. To re-elect Melanie Roberts as a Director.

6. To re-elect David Barron as a Director.

7. To elect Solomon Soquar as a Director.

8. To appoint Deloitte LLP as auditor of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

9. To authorise the Audit Committee to determine the auditor's remuneration.

Special business

Ordinary resolution.

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 relevant securities in the Company (as described in that section) up to an aggregate nominal amount of £79,208 (being 10% of the aggregate nominal amount of the issued ordinary share capital, excluding treasury shares, of the Company at the date of this notice), provided this authority shall (unless previously revoked) expire at the conclusion of the Annual General Meeting to be held in 2025, but the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot such securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Special resolutions

11. That, in substitution for all existing authorities and subject to the passing of resolution numbered 10 above, the Directors of the Company be and are hereby empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the Act) 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 above, 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 conclusion of the next 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 offer 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 £79,208 (representing 10% of the aggregate nominal amount of the issued share capital, excluding treasury shares, of the Company at the date of this notice); and

    (c) shall be limited to the allotment of equity securities at a price of not less than the net asset value per share as close as practicable to the allotment or sale.

12. That in substitution for the Company's existing authority to make market purchases of ordinary shares of 1p each in the Company (Ordinary Shares), the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the Act) to make market purchases of Ordinary Shares (within the meaning of Section 693 of the Act) provided that:

(a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 11,873,315 or, if less, that number of Ordinary Shares which is equal to 14.99% of the Company's issued ordinary share capital (excluding treasury shares) at the date of the Annual General Meeting;

(b) the minimum price (exclusive of expenses) which may be paid for any such Ordinary Share shall be 1p being the nominal value per share;

(c) the maximum price (exclusive of expenses) which may be paid for any such Ordinary Share shall be the higher of (i) 105% of the average of the middle market quotations (as derived from the Official List) of the Ordinary Shares for the five dealing days prior to the date on which the market purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of and (b) the highest independent bid for, any number of Ordinary Shares on the trading venue where the purchase is carried out; and

(d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2025 save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under the authority hereby conferred and may make a purchase of Ordinary Shares pursuant to any such contract notwithstanding such expiry.

All Ordinary Shares purchased pursuant to the above authority shall be either:

(i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or

(ii) cancelled immediately upon completion of the purchase.

By order of the Board

CAROLINE DRISCOLL
For and on behalf of the Board
BlackRock Investment Management (UK) Limited
Company Secretary
2 February 2024

Registered Office:
12 Throgmorton Avenue
London EC2N 2DL

Notice of Annual General Meeting
continued

Notes:

1. A member entitled to attend 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 Notice of Annual General Meeting. 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 or office copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions thereon as soon as possible and in any event by not later than 12.00 noon on 12 March 2024. Amended instructions must also be received by the Company's registrar by the deadline for receipt of Forms of Proxy. Alternatively, you can vote or appoint a proxy electronically by visiting www.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 12.00 noon on 12 March 2024.
3. Completion and return of the Form of Proxy will not prevent you from attending the meeting and voting in person.
4. 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 12.00 noon on 12 March 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.
5. Any 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 (a Nominated Person) 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 ordinary 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. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only ordinary shareholders registered in the register of members of the Company by not later than 6.00 p.m. on 12 March 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 time 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 not later than 12.00 noon on 12 March 2024. Instructions on how to vote through CREST can be found by accessing the following website: www.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) not later than 12.00 noon on 12 March 2024. 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 Chair, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chair, result in the Chair holding such number of voting rights that she has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chair 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 Chair 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 Companies Act 2006, 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. It is therefore no longer necessary to nominate a designated corporate representative.

14. Under Section 527 of the Companies Act 2006, 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 auditors 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 financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006.

    The Company may not require the members requesting such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors 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 Companies Act 2006 to publish on a website.

15. Further information regarding the meeting which the Company is required by Section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at www.blackrock.com/uk/brsa.

16. As at 2 February 2024 (being the last practicable date prior to the publication of this Notice of Annual General Meeting), the Company's issued share capital comprised 79,208,241 ordinary shares of 1p each, excluding shares in treasury. Each ordinary share carries the right to one vote and therefore the total number of voting rights in the Company as at 2 February 2024 is 79,208,241.

17. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

Letter from outgoing auditor

The Directors
BlackRock Sustainable American Income Trust plc
12 Throgmorton Avenue,
London,
EC2N 2DL

2 February 2024

Dear Ladies and Gentlemen,

Statement of Reasons connected with ceasing to hold office as Auditors

In accordance with Section 519 of the Companies Act 2006 (the "Act"), we set out below the reasons connected with PricewaterhouseCoopers LLP, registered auditor number C001004062, ceasing to hold office as auditors of BlackRock Sustainable American Income Trust plc, registered no: 08196493 (the "Company") effective from 14 March 2024.

The reason we are ceasing to hold office is that:

- the Company undertook a competitive tender process for the position of statutory auditor and we were unsuccessful in retaining the audit.

There are no reasons for and no other matters connected with our ceasing to hold office as auditors of the Company that we consider need to be brought to the attention of the Company's members or creditors.

Yours faithfully,

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX
T: +44 (0) 1312 264 488, F: +44 (0) 1312 604 008, pwc.co.uk

Sustainability-related disclosures
(unaudited)

Glossary and key definitions
The periodic report disclosures set out below are presented for the year ended 31 October 2023, the “reference period”. Comparative information is presented for the financial year ended 31 October 2022, the “previous reference period”.

All data presented for the Company’s investments and other quantitative measures disclosed has been calculated based on an average of the value of investments traded and held at each quarter end date within the reference period for which the Company met the criteria of an Article 8 fund. For metrics that are presented with sustainability indicators, the relevant metric calculation relates to the investments for which the underlying ESG data is available, rather than all investments held by the Company.

All such data presented is unaudited and was not subject to an assurance provided by the Company’s auditor or a review by a third party.

The term “Assets” shall be deemed to mean the total value of investments held by the Company throughout the reference period.

Investments shall include cash and cash equivalents as set out by Article 53 of the regulatory technical standards under the Delegated Regulation (EU) 2022/1288. However, IFRS requires such cash and cash equivalents to be treated separately. Therefore, there will be a difference in presentation for the purposes of the overall annual report. Cash and cash equivalents are presented on a settlement date basis.

Disclaimer
Certain information set out below (the “Information”) has been provided by vendors of market data to BlackRock (some of whom may be Registered Investment Advisors under the Investment Advisers Act of 1940), each, an “Information Provider”, and it may not be reproduced or disseminated in whole or in part without prior written permission of such Information Provider. The Information has not been submitted to, nor received approval from, the US SEC or any other regulatory body. The Information may not be used to create any derivative works, or in connection with, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. The Information is provided “as is” and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. The Information Providers make no representations or express or implied warranties (which are expressly disclaimed), nor shall they incur liability for any errors or omissions in the Information, or for any damages related thereto. The foregoing shall not exclude or limit any liability that may not be excluded or limited by applicable law. Information Providers shall be deemed to be third party beneficiaries with respect to the terms of this paragraph, entitled to enforce such terms against any third party.

Sustainability-related disclosures

(unaudited) continued

Periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:
BlackRock Sustainable American Income Trust plc

Legal entity identifier:
549300WWOCXSC241W468

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

●● ☐ Yes	● ☑ No
☐ It made **sustainable investments with an environmental objective:___%**	☐ It **promoted Environmental/ Social (E/S)** characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:___%**	☑ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The following table lists the environmental and social characteristics which were promoted by the Company throughout the reference period. Further information on these environmental and social characteristics is outlined in the Company's prospectus. Please refer to the section below, "How did the sustainability indicators perform?", which provides information about the extent that the Company met such environmental and social characteristics.

Environmental and social characteristics promoted by the Company
Maintain that the Company's ESG score is higher than that of Russell 1000 Value Index (the "Index")
Reduction of carbon emissions intensity (emissions per $1 million of sales revenue across the Company's holdings) relative to the Index
Exclusion of issuers which are engaged in, or are otherwise exposed to, the production of controversial weapons (including, but not limited to, cluster munitions, biological-chemical, landmines, depleted uranium, blinding laser, non-detectable fragments and/or incendiary weapons)
Exclusion of issuers deriving any revenue from direct involvement in the production of nuclear weapons or nuclear weapon components or delivery platforms, or the provision of auxiliary services related to nuclear weapons
Exclusion of issuers deriving more than 5% of their revenue from thermal coal extraction and/or thermal coal-based power generation, with the exception of "green bonds", that are considered to comply with the International Capital Markets Association's Green Bond Principles
Exclusion of issuers deriving more than 5% of their revenue from the production and generation of tar sands (also known as oil sands)
Exclusion of issuers which produce tobacco products
Exclusion of issuers which derive more than 5% of their revenue from the production, distribution, retail and supply of tobacco-related products
Exclusion of issuers which produce firearms and/or small arms ammunition intended for retail to civilians
Exclusion of issuers which derive more than 5% of their revenue from the distribution (wholesale or retail) of firearms and/or small arms ammunition intended for civilian use
Exclusion of issuers which have been deemed to have failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anticorruption)

Sustainability-related disclosures
(unaudited) continued

- **How did the sustainability indicators perform?**
  The following table provides information about the performance of the sustainability indicators used to measure the attainment of each of the environmental and social characteristics promoted by the Company, as further detailed in the Company's prospectus.

Sustainability Indicator	Metric	Performance for 2023	Performance for 2022
Maintain that the Company's ESG score is higher than that of the Index	ESG score % improvement relative to the Index	14.55%	14.97%
Reduction of carbon emissions intensity (emissions per $1 million of sales revenue across the Company's holdings) relative to the Index	Carbon emissions intensity relative to the Index	(57.86)%	(49.80)%
Exclusion of issuers based on exclusionary criteria as defined in table on the previous page "Environmental and social characteristics promoted by the Company"	# of active breaches	No active breaches	No active breaches

- **...and compared to previous periods?**
  The above table provides information about the performance of the sustainability indicators for the previous reference period (see section "How did the sustainability indicators perform?").

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  This section is not applicable for this Company as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Company's investments portfolio.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  This section is not applicable for this Company as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Company's investment portfolio.

Principal adverse impacts (PAI) are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

  – **How were the indicators for adverse impacts on sustainability factors taken into account?**
    This section is not applicable for this Company as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Company's investment portfolio. Please refer to the section below, "How did this financial product consider principal adverse impacts on sustainability factors?", which describes how the Company considered PAIs on sustainability factors.

  – **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
    This section is not applicable for this Company as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Company's investment portfolio.

The EU Taxonomy sets out a "do not significantly harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significantly harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other Sustainable Investments must also not significantly harm any environmental or social objectives.

Sustainability-related disclosures

(unaudited) continued

How did this financial product consider principal adverse impacts on sustainability factors?

The following table provides information about the impact of the principal adverse sustainability indicators taken into consideration by this Company. The Company considered the impact of the principal adverse sustainability indicators through the application of these minimum ESG and exclusionary criteria. The Investment Manager has determined that those PAIs marked in the table below as "F" are fully considered or "P" are partially considered, as part of the investment selection criteria. A PAI is partially considered where a BlackRock internal assessment has determined the sustainability indicator partially meets the regulatory definition of the PAI outlined in Annex 1 supplementing Regulation (EU) 2019/2088 Regulatory Technical Standards ("RTS"). A PAI is fully considered where a BlackRock internal assessment has determined the sustainability indicator captures the full regulatory definition as outlined in Annex 1 supplementing Regulation (EU) 2019/2088 RTS.

	Sustainability indicators				
Adverse Sustainability Indicator	**Exclusion of issuers which are engaged in, or are otherwise exposed to, the production of controversial weapons (including, but not limited to, cluster munitions, biological-chemical, landmines, depleted uranium, blinding laser, non-detectable fragments and/or incendiary weapons)**	**Exclusion of issuers deriving more than 5% of their revenue from the production and generation of tar sands (also known as oil sands)**	**Exclusion of issuers deriving more than 5% of their revenue from thermal coal extraction and/or thermal coal-based power generation, with the exception of "green bonds", that are considered to comply with the International Capital Markets Association's Green Bond Principles**	**Exclusion of issuers which have been deemed to have failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anticorruption)**	**Reduction of carbon emissions intensity (emissions per $1 million of sales revenue across the Company's holdings) relative to the Index**
Greenhouse gas (GHG) emissions					P
GHG Intensity of investee companies					P
Exposure to companies active in the fossil fuel sector		P	P		
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises				P	
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	F				

What were the top investments of this financial product?

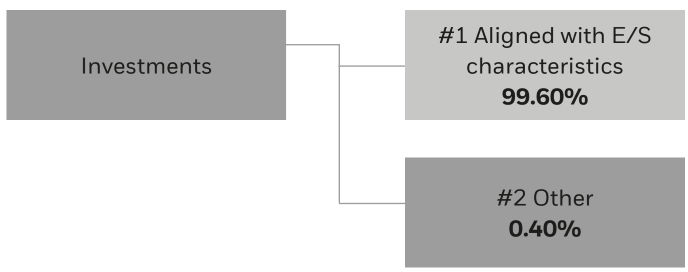
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: From 1 November 2022 to 31 October 2023.

Largest investments	Sector	% Assets	Country
Willis Towers Watson Plc	Financials	2.78%	United Kingdom
Shell Plc	Energy	2.75%	United Kingdom
Cisco Systems Inc	Information Technology	2.69%	United States
Laboratory Corporation Of America	Health Care	2.66%	United States
Verizon Communications Inc	Communication	2.62%	United States
Citigroup Inc	Financials	2.56%	United States
Cognizant Technology Solutions Cor	Information Technology	2.54%	United States
American International Group Inc	Financials	2.53%	United States
Cigna Corp	Health Care	2.48%	United States
Baxter International Inc	Health Care	2.43%	United States
Kraft Heinz	Consumer Staples	2.42%	United States
Microsoft Corp	Information Technology	2.36%	United States
Sanofi Sa	Health Care	2.29%	France
Cardinal Health Inc	Health Care	2.21%	United States
Mondelez International Inc Class A	Consumer Staples	2.14%	United States

What was the proportion of sustainability-related investments?

- **What was the asset allocation?**

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as Sustainable Investments.

Asset allocation	% Investments 2023	2022
#1 Aligned with E/S characteristics	99.60%	100.00%
#2 Other	0.40%	0.00%

Sustainability-related disclosures
(unaudited) continued

- **In which economic sectors were the investments made?**
  The following table details the economic sectors representing 1% or more of investments held that the Company was exposed to during the reference period.

Sector	Sub-Sector	% of Investments
Health Care	Health Care Equipment & Services	12.78%
Financials	Banks	8.80%
Financials	Insurance	8.71%
Information Technology	Software & Services	7.87%
Health Care	Pharma, Biotech & Life Sciences	6.90%
Information Technology	Tech Hardware & Equipment	6.04%
Consumer Discretionary	Consumer Durables	5.38%
Consumer Staples	Food Beverage Tobacco	4.81%
Industrials	Capital Goods	4.70%
Utilities	Utilities	3.83%
Energy	Oil & Gas Exploration & Production	3.70%
Materials	Materials	3.67%
Financials	Financial Services	3.20%
Consumer Discretionary	Autos & Components	2.88%
Energy	Integrated Oil & Gas	2.75%
Communication	Telecom	2.62%
Consumer Discretionary	Consumer Discretionary Distribution & Retail	2.24%
Energy	Oil & Gas Storage & Transportation	1.99%
Industrials	Transportation	1.88%
Communication	Media & Entertainment	1.86%
Real Estate	Equity Real Estate Investment Trusts (REITs)	1.38%
Consumer Staples	Household & Personal Products	1.33%

During the reference period, none of the Company's investments were held in the following sub-sectors (as defined by the Global Industry Classification System): oil and gas drilling, oil and gas refining and marketing, oil and gas equipment services or coal and consumable fuels.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

For the reference period, the Company's investment alignment with EU Taxonomy is shown in the graphs below.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

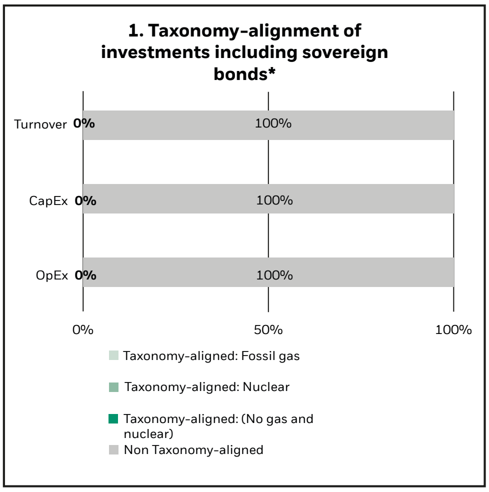
1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

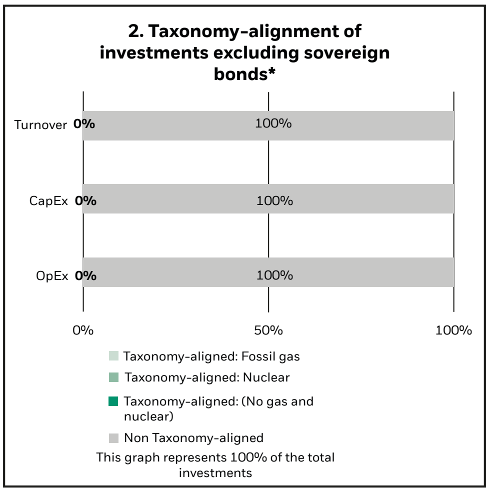
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.

- **capital expenditure** (CapEx) showing the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.





* For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **What was the share of investments made in transitional and enabling activities?**
  For the reference period, 0% of the Company's investments in transitional and enabling activities.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  For the previous reference period, 0% of the Company's investments were aligned with EU Taxonomy.

*Sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments* with an environmental objective not aligned with the EU Taxonomy?

This section is not applicable for this Company as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Company's investment portfolio.

What was the share of socially sustainable investments?

This section is not applicable for this Company as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Company's investment portfolio.

What investments were included under "Other", what was their purpose and were there any minimum environmental or social safeguards?

Investments included under "#2 Other" included cash and near cash instruments, however such holdings did not exceed 20%. Such investments were used only for investment purposes in pursuit of the Company's (non-ESG) investment objective, for the purposes of liquidity management and/or hedging. No other investments held by the Company were assessed against minimum environmental or social safeguards.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Investment Manager has implemented internal quality controls such as compliance rule coding to ensure compliance with the environmental and social characteristics promoted by the Company. The Investment Manager regularly reviews the environmental and social characteristics promoted by the Company to ensure that they are still appropriate relative to the Company's investment universe.

Where issuers are identified as potentially having issues with regards to good governance, the issuers are reviewed to ensure that, where the Investment Manager agrees with this external assessment, the Investment Manager is satisfied that the issuer has either taken remediation actions or will take remedial actions within a reasonable time frame based on the Investment Manager's direct engagement with the issuer. The Investment Manager may also decide to reduce exposure to such issuers.

The Shareholders Rights Directive II aims to strengthen the position of shareholders, enhance transparency and reduce excessive risk within companies traded on regulated EU marketplaces. Further details regarding the Shareholders Rights Directive II are available on BlackRock's website at: www.blackrock.com/uk/professionals/solutions/shareholder-rights-directive.

How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial products attain the environmental or social characteristics that they promote.

For the reference period, an index has not been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Company, therefore this section is not applicable.

- **How does the reference benchmark differ from a broad market index?**
  Not applicable.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  Not applicable.

- **How did this financial product perform compared with the reference benchmark?**
  Not applicable.

- **How did this financial product perform compared with the broad market index?**
  Not applicable.

Share fraud warning

Be ScamSmart

FINANCIAL CONDUCT AUTHORITY

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

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