BlackRock Throgmorton Trust plc

October 2024

Key risk factors

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

The Company's investments may be subject to liquidity constraints, which means that shares may trade less frequently and in small volumes, for instance in smaller companies. As a result, changes in the value of investments may be more unpredictable. In certain cases, it may not be possible to sell the security at or near the last market price quoted or at a value considered to be fair.

Derivatives may be used substantially for complex investment strategies. These include the creation of short positions where the Investment Manager artificially sells an investment it does not own.

Derivatives can also be used to generate exposure to investments greater than the net asset value of the Company. Investment Managers refer to this practice as obtaining market leverage or gearing. As a result, a small positive or negative movement in stock markets will have a larger impact on the value of these derivatives than owning the investments. The use of derivatives in this manner may have the effect of increasing the overall risk profile of the Company.

Approximately 30% of the Company's net assets may be invested in Contracts for Difference ("CFDs"). Please refer to the glossary for a fuller definition

blackrock.com/uk/thrg

The information contained in this release was correct as at 31 October 2024 Information on the Company's up to date net asset values can be found on the London Stock Exchange Website at:

https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html

Company objective

To provide shareholders with long term capital growth and an attractive total return through investment primarily in UK smaller companies and mid-capitalisation companies traded on the London Stock Exchange.

Fund information (as at 31/10/24)	
Net asset value capital only:	658.24p
Net asset value incl. income:	672.47p
Share price	591.00p
Discount to cum income NAV	12.1%
Net yield:[1]	2.6%
Total gross assets:[2]	£590.1m
Net market exposure as a % of net asset value:[3]	109.8%
Ordinary shares in issue:[4]	87,746,864
2023 ongoing charges (excluding performance fees):[5,6]	0.54%
2023 ongoing charges ratio (including performance fees):[5,6,7]	0.87%

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

[1] Calculated using the Final Dividend declared on 05 February 2024 paid on 28 March 2024, together with the Interim Dividend declared on 24 July 2024 paid on 21 August 2024.
[2] Includes current year revenue and excludes gross exposure through contracts for difference.
[3] Long exposure less short exposure as a percentage of net asset value.
[4] Excluding 15,463,000 shares held in treasury.
[5] The Company's ongoing charges are calculated as a percentage of average daily net assets and using the management fee and all other operating expenses, excluding performance fees, finance costs, direct transaction charges, VAT recovered, taxation and certain other non-recurring items for the year ended 30 November 2023.
[6] With effect from 1 August 2017 the base management fee was reduced from 0.70% to 0.35% of gross assets per annum. The Company's ongoing charges are calculated as a percentage of average daily net assets and using the management fee and all other operating expenses, including performance fees, but excluding finance costs, direct transaction charges, VAT recovered, taxation and certain other non-recurring items for the year ended 30 November 2022.
[7] Effective 1st December 2017 the annual performance fee is calculated using performance data on an annualised rolling two-year basis (previously, one year) and the maximum annual performance fee payable is effectively reduced to 0.90% of two year rolling average month end gross assets (from 1% of average annual gross assets over one year). Additionally, the Company now accrues this fee at a rate of 15% of outperformance (previously 10%). The maximum annual total management fees (comprising the base management fee of 0.35% and a potential performance fee of 0.90%) are therefore 1.25% of average month end gross assets on a two-year rolling basis (from 1.70% of average annual gross assets).

The latest performance data can be found on the BlackRock Investment Management (UK) Limited website at blackrock.com/uk/thrg.

Annual performance to the last quarter end (as at 30/09/2024)

Sterling	30/09/23 30/09/24 %	30/09/22 30/09/23 %	30/09/21 30/09/22 %	30/09/20 30/09/21 %	30/09/19 30/09/20 %
Net asset value	16.4	13.2	-41.7	58.3	4.8
Share price	9.7	14.1	-45.0	63.3	4.4
Benchmark[1]	14.1	3.3	-26.9	45.7	-2.8

Cumulative performance (as at 31/10/24)

Sterling	1M%	3M%	1Y%	3Y%	5Y%
Net asset value	-2.5	-6.7	21.9	-25.6	23.1
Share price	-3.6	-12.1	16.5	-35.2	9.9
Benchmark[1]	-2.1	-5.3	20.0	-15.2	18.5

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy. Index performance returns do not reflect any management fees, transaction costs or expenses. Indices are unmanaged and one cannot invest directly in an index.

Country allocations (as at 31/10/24)	% of total assets
United Kingdom	92.3
United States	3.0
Ireland	2.6
Australia	1.0
France	0.5
Canada	0.5
Switzerland	0.4
Sweden	-0.3
Total	**100.0**

Allocations are as of date shown and do not necessarily represent current or future portfolio holdings.

A full disclosure of portfolio investments for the Company as at 30 June 2024 has been made available on the Company's website at the link given below: https://www.blackrock.com/uk/individual/literature/policies/throgmorton-portfolio-disclosure.pdf

[1] With effect from 15 January 2024 the Numis Smaller Companies plus AIM (excluding Investment Companies) Index changed to the Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies). Source: BlackRock, Datastream as stated.

The latest performance data can be found on the BlackRock Investment Management (UK) Limited website at blackrock.com/uk/thrg.

The above Net Asset Value (NAV) performance statistics are based on an NAV with income included with any income reinvested on the ex-dividend date, net of ongoing charges and any applicable performance fee. Share price performance figures are calculated on a mid market basis in sterling terms with income reinvested on the ex-dividend date. A fuller definition of ongoing charges, which includes the annual management fee, is given in the Glossary. Details of the management and performance fees are given in the fund information table overleaf. The performance of the Company's portfolio, or NAV performance, is not the same as share price performance and shareholders may not realise returns which are the same as NAV performance.

Sector allocations (as at 31/10/24)	% of total assets
Industrials	34.3
Consumer Discretionary	17.3
Financials	17.1
Basic Materials	7.5
Technology	6.6
Real Estate	3.9
Telecommunications	3.7
Consumer Staples	1.7
Health Care	1.4
Communication Services	1.0
Energy	0.4
Other	0.1
Net Current Assets	5.0
Total	**100.0**

Allocations are as of date shown and do not necessarily represent current or future portfolio holdings.

Top 10 investments (as at 30/09/24)

Company	% of total gross assets
Breedon	3.6
IntegraFin	3.0
Grafton Group	3.0
Oxford Instruments	2.9
Ibstock	2.8
Tatton Asset Management	2.7
GPE	2.7
Gamma Communications	2.7
WH Smith	2.6
Workspace Group	2.5

Holdings are as at the date shown and do not necessarily represent current or future portfolio holdings. **Risk:** The specific companies identified and described above do not represent all of the companies purchased or sold, and no assumptions should be made that the companies identified and discussed were or will be profitable.

Market exposure – quarterly	30.11.23 %	29.02.24 %	31.05.24 %	31.08.24 %
Long	111.3	117.9	114.9	111.7
Short	3.8	3.2	2.3	2.7
Gross exposure	115.1	121.1	117.2	114.4
Net exposure	107.5	114.7	112.6	109.0

Source: BlackRock as at 31 August 2024

Comments from the portfolio manager:

Please note that the commentary below includes historic information in respect of the performance of portfolio investments, index performance data and the Company's NAV and share performance.

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results.

The Company returned -2.5% in October, while its benchmark, the Deutsche Numis Smaller Companies +AIM (excluding Investment Companies) Index, returned -2.1%.[1]

October witnessed a weak month for markets, with bonds and equities falling across the globe, however the drivers varied by market. In the US, equities fell on better-than-expected economic growth as well as a tick up in core CPI which resulted in a reappraisal of the speed and number of rate cuts ahead. The increase in bond yields was driven from the growing belief of a Republican clean sweep and the potential for fiscal policy risk amidst inflationary protectionist measures. As for the UK, markets continued to weaken into the Budget and then took a further leg down on rising concerns over the quantum of tax rises and borrowing.

Overall portfolio performance during the month was hurt particularly in rate sensitive areas like property and consumer. However, we did have several successes in Industrials, for example Morgan Sindall and Ibstock. Shares in **Morgan Sindall** rose after a strong trading update. Trading in its "fit out" division was the driver of the upgrade as several large contracts were won in the period which should benefit 2024 and 2025. Morgan Sindall is the number one player in the market and post the recent demise (bankruptcy) of the number two player; this favourable evolution of market structure should lead to improved returns and further market share gains from here. Digital payments business **Boku** continued to rise during the month following strong interim results released at the end of September, which showed continued growth in transaction volumes across all Local Payment Methods, driving a 24% increase in H1 revenues. Shares in brick manufacturer **Ibstock** rose in response to its third quarter trading update, which showed flat year-on-year sales, but with early signs of an improving demand outlook. We have spoken many times about our thesis around Ibstock and the industry backdrop for brick manufacturers, where volumes are running more than 30% below pre-covid levels, and therefore we see significant upside to sales and profitability as housebuilding volumes begin to recover through 2025.

Great Portland was the biggest detractor which fell in the month on renewed concerns for the outlook in the UK, UK interest rates and the impact of the budget. This came despite a trading statement highlighting continued resilient lettings performance, renting space out at 7% ahead of ERV (Estimated Rental Value). **Workspace** also fell on fears around the UK and interest rates in the month despite a resilient statement on trading with strong pricing across its estate. Shares in **WH Smith** gave back some of its strong performance from September following its positive trading update, with concerns around the impact of the budget adding further pressure to the shares. As a reminder, last month we highlighted the mix of the business now consists of more than 80% of profits coming from its travel division.

The UK budget is now behind us, but it has not been the clearing event we had quietly hoped for, with the consequences ahead of us. We have not added to rate sensitive areas in this most recent budget induced sell-off, yet we haven't panicked either and made wholesale changes to the portfolio. We are keeping a wary eye on bond yields, 5-year swap rates and incoming data on economic activity, mindful of any budget induced impacts. We do have some short positions to high staff-based companies with low margins where we can see additional staff costs (either through NI, or more problematic is the increase in numbers/percentages of temporary staff who will now be caught up in this tax grab) adding pressure to fragile unit economics, and we have added to short exposures here. It remains to be seen how swathes of leisure, retail and hospitality sectors will react to these cost headwinds, with some unable to pass it on due to competitive pressures.

Risk: Reference to the names of each company mentioned in this communication is merely for explaining the investment strategy and should not be construed as investment advice or investment recommendation of those companies.

[1] Datastream and London Stock Exchange as at 31 October 2024.

Any opinions or forecasts represent an assessment of the market environment at a specific time and are not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research, investment advice or a recommendation.

Comments from the portfolio manager – continued:

Please note that the commentary below includes historic information in respect of the performance of portfolio investments, index performance data and the Company's NAV and share performance.

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results.

The gross exposure remains lower than normal levels at around 11% but the net of the portfolio has increased to around 109% as we think the broader UK small and mid-cap sector remains very cheap.[2] However, with the UK and US elections and the UK budget now out of the way, we are more minded to add back to the gross exposure of the portfolio, but to do so gradually as opportunities present themselves.

We thank shareholders for your ongoing support.

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[1] Datastream and London Stock Exchange as at 31 October 2024.
[2] Please refer to Glossary for definition of net and gross exposure.

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Key company details

Fund characteristics:	
Incorporation date	December 1957
Date BlackRock took over management	1 July 2008
Dealing currency	Sterling
Association of Investment Companies sector (AIC)	UK Smaller Companies
Benchmark	Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies) Index*
*With effect from 15 January 2024 the Numis Smaller Companies plus AIM (excluding Investment Companies) Index changed to Deutsche Numis Smaller Companies plus AIM (excluding Investment Companies).	
Traded	London Stock Exchange

Management:	
Alternative investment fund manager (with effect from 2 July 2014)	BlackRock Fund Managers Limited
Portfolio manager	Dan Whitestone
Annual Management fee	0.35% per annum on gross assets (the annual management fee forms part of the ongoing charges as disclosed in the Fund Information section)
Performance fee	15% of the outperformance of the net asset value total return against the benchmark index, measured on an annualised two year rolling average basis. The performance fee is effectively capped at 0.9%.

Financial calendar:	
Year end	30 November
Results announced	July (half yearly) February (final)
Annual General Meeting	March
Dividends paid	August (interim) April (final)

Ordinary share codes:	
ISIN	GB0008910555
Sedol	0891055
Bloomberg	THRG:LN
Reuters	THRG.L
Ticker	THRG/LON

NMPI Status

The Company currently conducts its affairs so that its securities can be recommended by IFAs (Independent Financial Adviser) to ordinary retail investors in accordance with the FCA's (Financial Conduct Authority) rules in relation to Non-Mainstream Pooled Investments (NMPI) and intends to continue to do so for the foreseeable future. The securities are excluded from the FCA's restrictions which apply to non-mainstream pooled investment because they are shares in an investment trust.

Want to know more?

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Glossary of Terms

Alternative Investment Market (AIM)

AIM is the London Stock Exchange's international market for smaller growing companies. The AIM market has no restrictions on market capitalisation, and financial reporting is more flexible than for companies listed on the main market of the London Stock Exchange.

CFD (Contracts for Difference)

Under a CFD contract the seller undertakes to pay to the buyer the difference between the current value of an asset and its value at a specified end date; this may be a positive or negative amount dependant on how the price has moved. A CFD contract may be used to profit from the price of the underlying asset falling as well as rising; if the buyer enters into a contract where the transaction will generate a profit if the price of the underlying holding falls, this is called a short position. A CFD contract also enables the Company to take advantage of price movements by paying only a small margin and without the cost outlay of purchasing the underlying stock. CFD contracts are not without risks. They may generate losses as well as profits if the price of the underlying asset moves in an unfavourable direction. CFDs also involve counterparty risk – the risk the CFD provider or another counterparty to a trade fails to fulfil their obligations – and liquidity risk, which means market conditions/the mechanics of trading could alter in such a way that trades cannot be made.

Discount/Premium

Investment trust shares frequently trade at a discount or premium to the NAV. This occurs when the share price is less than (a discount) or more than (a premium) the NAV. The discount or premium is the difference between the share price (based on mid-market share prices) and the NAV, expressed as a percentage of the NAV. Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

Gearing

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 favorable situation or a particularly attractive stock without having to sell existing investments. Gearing works by magnifying the company's performance. If a company 'gears up' and then markets rise and the 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.

Long and short positions

Holding a long position in a security means that the holder owns the security or has gained exposure to the security via a CFD contract in the expectation that the stock will rise in value in the future.

A short position generally refers to an arrangement to sell at a future date a stock that is not currently owned by the investor. Investors who sell short believe the price of the stock will decrease in value. If the price drops, they can buy the stock at the lower price and make a profit. If the price of the stock rises and they buy it back later at the higher price, a loss will be incurred. CFD contracts may be used to take short positions.

Market exposure

Gross exposure is calculated by adding the 'long' and 'short' positions together. For example, if the Company has 120% 'long' exposure through a combination of securities and 'long' CFDs and 10% held in 'short' CFDs it has a gross exposure of 130%. Net exposure refers to the exposure of the Company when the short positions are deducted from total long exposure. For example, if the Company has 120% 'long' exposure through securities and CFDs and 10% 'short' exposure through CFD positions the net exposure is 110%; this measurement provides a guide to the net directional market exposure and takes into account the fact that long and short positions can often offset one another when the market moves in a particular direction

NAV (Net Asset Value)

A company's undiluted NAV is its available shareholders' funds divided by the number of shares in issue (excluding treasury shares), before making any adjustment for any potentially dilutive securities which the Company may have in issue, such as subscription shares, convertible bonds or treasury shares. A diluted NAV is calculated on the assumption that holders of any convertibles have converted, subscription shares have been exercised and treasury shares are re-issued at the mid-market price, to the extent that the NAV per share is higher than the price of each of these shares or securities and that they are 'in the money'. The aim is to ensure that shareholders have a full understanding of the potential impact on the Company's NAV if these instruments had been exercised on a particular date.

Net yield

The net yield is calculated using total dividends declared in the last 12 months (as at date of this factsheet) as a percentage of month end share price.

Ongoing charges ratio

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, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management fee.

Glossary of Terms (continued)

Gross and net exposure
Market exposure gained through a CFD (Contract for Differences) contract refers to the gross market value of the underlying securities to which the investor is exposed through the CFD contract. Gross exposure refers to the total exposure the investor has through both long and short positions added together. For example, an investor who has 110% long market exposure through CFDs and 20% short market exposure through CFDs has gross market exposure of 130%.

Net exposure refers to the exposure the investor has through long positions less any short positions. For example, an investor who has 110% long market exposure through CFDs and 20% short market exposure through CFDs has net market exposure of 90%; this method of measurement is looking at the net directional market exposure and takes into account the fact that long and short positions theoretically offset one another when the market moves in a particular direction.

Price to Earnings Ratio (PE) and Book Value
Price to Earnings Ratio is a way to value a company that measures its current share price relative to its EPS (earnings per share). PE is generally used as a measure to assess if a company's stock is overvalued or undervalued. The book value of a company is the difference between a company's total assets and total liabilities, for example, the amount of money that would be paid out to shareholders if a company was liquidated and all liabilities paid off.

Risk Warnings

Capital at risk The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.
Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.
Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time.

Trust Specific risks

Liquidity risk The Company's investments may have low liquidity which often causes the value of these investments to be less predictable. In extreme cases, the Company may not be able to realise the investment at the latest market price or at a price considered fair.
Complex derivative strategies. Derivatives can also be used to generate exposure to investments greater than the net asset value of the investment trust. Investment Managers refer to this practice as obtaining market leverage or gearing. As a result, a small positive or negative movement in stock markets will have a larger impact on the value of these derivatives than owning the physical investments. The use of derivatives in this manner may have the effect of increasing the overall risk profile of the Company.
Financial markets, counterparties and service providers. The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Company to financial loss.
Counterparty Risk
The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.
Gearing risk Investment strategies, such as borrowing, used by the Company can result in even larger losses suffered when the value of the underlying investments fall.
Investors should refer to the offering documentation for the funds full list of risks.

Important Information
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Net Asset Value (NAV) performance is not the same as share price performance, and shareholders may realise returns that are lower or higher than NAV performance.

BlackRock Throgmorton Trust plc currently conducts its affairs so that their securities can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to nonmainstream investment products and intend to continue to do so for the foreseeable future. The securities are excluded from the Financial Conduct Authority's restrictions which apply to non-mainstream investment products because they are securities issued by investment trusts. Investors should understand all characteristics of the funds objective before investing. For information on investor rights and how to raise complaints please go to https://www.blackrock.com/corporate/compliance/investor-right available in in local language in registered jurisdictions.

BlackRock has not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether our product is suitable, please read the fund specific risks in the Key Investor Document (KID) which gives more information about the risk profile of the investment. The KID and other documentation are available on the relevant product pages at www.blackrock.com/uk/its. We recommend you seek independent professional advice prior to investing.

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