



## BlackRock Energy and Resources Income Trust plc

### Key risk factors

**Capital at risk.** All financial investments involve an element of risk. Therefore, the value of your investment and the income from it will vary and your initial investment amount cannot be guaranteed. Overseas investments will be affected by currency exchange rate fluctuations.

The Company invests in economies and markets which may be less developed. Compared to more established economies, the value of investments may be subject to greater volatility due to increased uncertainty as to how these markets operate.

BlackRock Energy and Resources Income Trust plc invests in mining shares which typically experience above average volatility when compared to other investments. Trends which occur within the general equity market may not be mirrored by mining securities.

The Company may from time to time utilise gearing. A fuller definition of gearing is given in the glossary.

### Options

The Company writes options for income generation and efficient portfolio management. 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. A fuller definition of the options strategy is given in the glossary.

### Company objective

To achieve an annual dividend target and, over the long term, capital growth by investing primarily in securities of companies operating in the mining and energy sectors.

Fund information (as at 30/06/19)	
Net asset value – capital only:	82.83p
Net asset value cum income*:	83.02p
Share price:	73.80p
Discount to NAV (cum income):	11.1%
Net yield:	5.4%
Gearing - cum income:	9.3%
Total assets:	£102.5m
Ordinary shares in issue:	114,941,515
Gearing range (as a % of net assets):	0-20%
Ongoing charges**:	1.4%

\* Includes net revenue of 0.19p.

\*\* Calculated as a percentage of average net assets and using expenses, excluding any interest costs and excluding taxation for the year ended 30 November 2018.

Country allocations (as at 30/06/19)	% of total assets
Global	66.3
USA	12.1
Canada	11.5
Latin America	5.3
Australia	4.6
Asia	1.4
Africa	0.6
Net current liabilities	-1.8
	100.0

^ Total Assets for the purposes of these calculations exclude bank overdrafts, and the net current asset figure shown in the tables above therefore exclude bank overdrafts equivalent to 7.4% of the Company's net asset value.

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

A full disclosure of portfolio investments for the Company as at 31 December 2018 has been made available on the Company's website at the link given below:

<https://www.blackrock.com/uk/individual/literature/policies/comit-portfolio-disclosure.pdf>

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## Comments from the portfolio managers:

Please note that the commentary below includes historic information on sector performance, commodity price performance and the Company's NAV performance.

**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.**

Commenting on the markets, Olivia Markham and Tom Holl, representing the Investment Manager noted:

The Company's NAV increased by +9.7% during the month of June (in sterling terms).

Despite continued geopolitical and economic risk, markets rebounded in June, as there were hopes for progress in trade talks between the US and China at the G20 summit. In addition, the US Federal Reserve and the European Central Bank remained dovish in their tone, leading to the MSCI World Index returning +6.5%. However, in terms of economic data, this continued to be soft, with the release of weak ISM new orders and weak PMI readings for China and Europe. Elsewhere, geopolitical noise continued in the Middle East, with four tankers attacked, the US threatening additional sanctions on Iran, and Iran continuing to strive to reach its maximum limit of enriched uranium, which would violate the terms of the 2015 Iran nuclear deal.

Against this macroeconomic backdrop, the risk-on environment led to the price of Brent and WTI rising by +1.6% and +8.8%, to finish the month at \$68/bbl and \$58/bbl respectively. In addition, the expectation in June for the OPEC meeting was that production cuts would be rolled. This was confirmed during the official meeting on 1st July, where the group announced that they would roll over production cuts and extend them for the next 9 months.

The mining sector performed positively, as displayed by the EMIX Global Mining Index increasing by +12.7%. In terms of the mined commodities, iron ore was the strongest performer, rising by +10.4% over the month to a near 5-year high of \$118/tonne, on the back of continued market tightness. Elsewhere, June was a spectacular month for gold and gold equities, with gold rising +8.6% to a 6-year high of \$1,412/oz. and gold equities exhibiting a beta of over 2 to the upwards move. Gold benefitted from the convergence of several key factors. The US Dollar, which weakened after the US Fed hinted at upcoming rate cuts in 2019 and the DXY (a US dollar index) fell from 97.5 to 96.2. For reference, gold and the US dollar tend to have a strong inverse relationship. Meanwhile, real yields, which represent the true opportunity cost of holding gold, plunged with the US 10-year yield falling to 2.01% (having started 2019 at 2.69%) whilst US CPI remained relatively flat, also coming in around 2.0%. Other tailwinds for gold included the aforementioned rising geopolitical risk, which led to safe haven demand for gold.

All data points in US Dollar terms unless otherwise specified. Commodity price moves sourced from Thomson Reuters Datastream.

Information correct as at 17 July 2019. 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.

**Ten largest investments**  
(in % total assets order 30/06/19)

Company	Region of risk	% total assets
BHP	Global	7.9
First Quantum Minerals	Global	7.3
Royal Dutch Shell 'B'	Global	6.8
Rio Tinto	Global	5.6
BP Group	Global	5.3
Chevron	Global	4.8
Exxon Mobil	Global	4.6
Barrick Gold	Global	4.6
Newmont Mining	Global	4.0
Teck Resources	Canada	3.7

\*The holding in First Quantum Minerals includes both an equity holding and a holding in several bonds.

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.

Sector allocations (as at 30/06/19)	% of total assets
Integrated Oil	30.3
Diversified Mining	24.1
Gold	13.5
Copper	10.3
Exploration & Production	8.4
Industrial Minerals	4.4
Silver	3.3
Diamonds	2.3
Distribution	2.3
Electricity	2.1
Steel	0.8
Net current liabilities	-1.8
	100.0

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

**Annual performance to the last quarter end (as at 30/06/19)**

	30/06/18 30/06/19 %	30/06/17 30/06/18 %	30/06/16 30/06/17 %	30/06/15 30/06/16 %	30/06/14 30/06/15 %
Net asset value	-0.3	28.8	5.8	2.4	-27.4
Share price	-7.2	29.1	11.0	-9.6	26.10

**Cumulative performance (as at 30/06/19)**

Sterling	1M%	3M%	6M%	1Y%	3Y%	5Y%
Net asset value	9.7	4.2	17.1	-0.3	35.8	1.0
Share price	6.9	-1.8	7.1	-7.2	33.0	-11.2

**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.**

The above Net Asset Value (NAV) performance statistics are based on a NAV including income with any dividends reinvested on the ex-dividend date, net of ongoing charges. The Company does not have in place any performance fee arrangements. A fuller definition of ongoing charges, which include the annual management fee, is given in the glossary.

Share price performance figures are calculated on a mid market basis in sterling terms with income reinvested on the ex-dividend date.

The performance of the Company's portfolio, or Net Asset Value ("NAV") performance, is not the same as share price performance and shareholders may not realise returns which are the same as NAV performance.

Sources: BlackRock, Datastream.

The latest performance data can be found on the BlackRock website at [blackrock.com/uk/beri](https://www.blackrock.com/uk/beri)

**Non-Mainstream Pooled Investments status**

The Company currently conducts its affairs so that its securities can be recommended by Independent Financial Advisors to ordinary retail investors in accordance with the Financial Conduct Authority's 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 Financial Conduct Authority's restrictions which apply to non-mainstream pooled investments because they are shares in an investment trust.

## Key company details

Fund characteristics:	
Launch date	13 December 2005
Dealing currency	Sterling
Association of Investment Companies sector (AIC)	Commodities and natural resources
Benchmark	n/a
Traded	London Stock Exchange
Management:	
Alternative investment fund manager (with effect from 2 July 2014)	BlackRock Fund Managers Limited
Portfolio managers	Olivia Markham & Tom Holl
Annual management fee	0.95% on the first £250 million of gross assets and 0.90% thereafter
Financial calendar:	
Year end	30 November
Results announced	July (half yearly) January/February (final)
Annual General Meeting	March
Dividends paid	April/July/October and January (quarterly)
Fund codes:	
ISIN	GB00B0N8MF98
Sedol	B0N8MF9
Bloomberg	BERI:LN
Reuters	BERI.L
Ticker	BERI/LON

## Glossary of terms

### DISCOUNT/PREMIUM

Investment trust shares frequently trade at a discount or premium to 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 favourable 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.

### 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.

### 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.

### ONGOING CHARGES RATIO

Ongoing charges (%) =  
Annualised ongoing charges

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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.

### OPTIONS

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 down side 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.

The Company writes options to generate income and for efficient portfolio management. Risk is mitigated by ensuring that any call options are covered (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.

## Risks:

**Capital at risk** The value of investments and the income from them can fall as well as rise and are not guaranteed. You 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.

**BlackRock has not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether this product is suitable, please read the Key Information Document (KID) and the current Annual and Half Yearly Financial Reports which are available on <http://blackrock.co.uk/brci> and which provide more information about the risk profile of the investment. We recommend you seek independent professional advice prior to investing.**

**If after reading this factsheet you have any questions or would like any additional information, please contact your financial adviser or speak to our Investor Services Team.**

The purpose of this factsheet is to provide summary information concerning the Company and does not constitute a recommendation to buy or sell its shares. If you are in any doubt as to the suitability of any of our funds for your investment needs, please contact your Financial Adviser.

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