

**BlackRock**<sup>®</sup>

# **BlackRock Energy and Resources Income Trust plc**

Half Yearly Financial Report 31 May 2024



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Further information about the Company can be found on our website at <http://www.blackrock.com/uk/berl>.

General enquiries about the Company should be directed to the Company Secretary at: [cosec@blackrock.com](mailto:cosec@blackrock.com).



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# Financial highlights

as at 31 May 2024

**121.50p**

Ordinary share price

▲12.3%<sup>1,2</sup>

**£172.2m**

Net assets

**138.24p**

Net asset value (NAV) per ordinary share

▲13.8%

**2.250p**

Interim dividends

▲2.3%

**1.83p**

Revenue earnings per ordinary share

▼22.7%

**3.7%**<sup>2,3</sup>

Yield

The above financial highlights are as at 31 May 2024 and percentage comparisons are against 30 November 2023. Revenue earnings per ordinary share percentage comparison is against 31 May 2023.

- <sup>1</sup> Mid-market share price and NAV performance are calculated in Pound Sterling terms with dividends reinvested.
- <sup>2</sup> Alternative Performance Measures, see Glossary on pages 41 to 45.
- <sup>3</sup> Based on dividends paid and declared for the twelve months to 31 May 2024 and share price as at 31 May 2024.



As well as expanded demand for wind and solar, ambitions of a tripling in renewables capacity by 2030 confirmed at COP28 in Dubai will need to be matched with equally ambitious investments into electricity grids.

PHOTO COURTESY OF NEXTERA ENERGY

# Why BlackRock Energy and Resources Income Trust plc?

## Investment objective

The Company's objectives are 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.

## Reasons to invest

### ✓ Inflation sensitivity

A conviction-led approach, with the potential to benefit from inflation, delivering an attractive income from the best ideas in the Mining, Traditional Energy and Energy Transition sectors.

### ✓ Yield

The Company offers an attractive 3.7% dividend yield as at 31 May 2024, as the managers focus on higher quality companies with strong cash flows that are good allocators of capital. The Company's global nature means that the large majority of its holdings generate earnings from businesses around the world.

### ✓ Flexibility

The Company's flexibility means that the portfolio will adapt as the demand for Mining, Energy and Energy Transition related stocks changes. This approach allows the team to change the portfolio makeup to select the best stocks to generate returns.

### ✓ Energy Transition opportunities

Mining and Energy companies lie at the heart of the global economy. Without them, countries cannot grow and develop. Mining companies provide everything from materials to build wind turbines to lithium for electric cars. These companies provide an important role in the long-term de-carbonisation of the global economy. Energy companies power our cars, our homes and drive economic development. The path to a lower carbon global economy is forecast to disrupt many industries and business models creating remarkable opportunities. Investment in a specialist trust gives targeted exposure to these important companies, as it is positioned to capture such industry shifts and reap the benefits from this transition.

### ✓ Expertise

The Company's assets are managed by BlackRock's Natural Resources Team. The team have been running Mining funds since 1993, Traditional Energy funds since 1999 and Energy Transition funds since 2001. The team undertakes extensive, proprietary, on-the-ground research to get to know the management of the companies in which they invest.

### ✓ ESG integration

Consideration of Environmental, Social and Corporate Governance (ESG) insights and data is integrated within the investment process. The team's philosophy is that whilst ESG is only one of many factors that should be considered when making an investment, there is a positive correlation between good ESG and investment performance. Portfolio asset allocation reflects this, with a significant allocation to companies active in the Energy Transition sector. More details in respect of BlackRock's approach to ESG integration can be found on page 48 of the Annual Report for the year to 30 November 2023. Investors should note that no ESG focused investment strategy or exclusionary screens have been adopted by the Company. However, in active and advisory portfolios, BlackRock as Manager excludes companies that generate more than 25% of their revenues from thermal coal production.

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# Performance record

	As at 31 May 2024	As at 30 November 2023
Net assets (£'000) <sup>1</sup>	172,233	162,362
Net asset value per ordinary share (pence)	138.24	123.58
Ordinary share price (mid-market) (pence)	121.50	110.40
Discount to net asset value <sup>2</sup>	12.1%	10.7%

	For the six months ended 31 May 2024	For the year ended 30 November 2023
<b>Performance (with dividends reinvested)</b>		
Net asset value per share <sup>2</sup>	13.8%	(11.8)%
Ordinary share price <sup>2</sup>	12.3%	(15.2)%

	For the six months ended 31 May 2024	For the year ended 30 November 2023
<b>Performance since inception (with dividends reinvested)</b>		
Net asset value per share <sup>2</sup>	255.3%	212.2%
Ordinary share price <sup>2</sup>	213.7%	179.4%

	For the six months ended 31 May 2024	For the six months ended 31 May 2023	Change %
<b>Revenue</b>			
Net profit on ordinary activities after taxation (£'000)	2,334	3,209	-27.3
Revenue earnings per ordinary share (pence) <sup>3</sup>	1.83	2.37	-22.7
<b>Interim dividends (pence)</b>			
1st interim	1.125	1.10	2.3
2nd interim <sup>4</sup>	1.125	1.10	2.3
<b>Total dividends payable/paid</b>	<b>2.250</b>	<b>2.20</b>	<b>2.3</b>

## Performance from 31 May 2019 to 31 May 2024



Sources: BlackRock and LSEG Datastream.

Performance figures are calculated on a mid-market basis in Pound Sterling terms, with dividends reinvested.

Share price and NAV at 31 May 2019, rebased to 100.

<sup>1</sup> The change in net assets reflects portfolio movements, the buyback of shares and dividends paid during the period.

<sup>2</sup> Alternative Performance Measures, see Glossary on pages 41 to 45.

<sup>3</sup> Further details are given in the Glossary on page 44.

<sup>4</sup> Paid on 15 July 2024.

# Chairman's Statement

# Dear Shareholder



**Adrian Brown**  
Chairman

I am pleased to report that our portfolio has performed well during the six months to 31 May 2024, delivering strong absolute NAV returns. My fellow Board members and I believe that the Company remains well positioned to exercise flexibility to take advantage of the energy transition to a lower carbon global economy.

## **Market overview**

At the start of the Company's financial year on 1 December 2023 and through into the first half of 2024, markets as a whole showed resilience driven initially by signs of easing inflation and expectations of interest rate cuts in the US and UK. Generally strong corporate earnings and labour markets, as well as enthusiasm for AI, helped markets subsequently look through stubbornly high core services inflation (and consequently higher for longer interest rates) and political uncertainty, although some cracks are starting to show as of the time of writing. Given the mix of opportunity and risks, the Board is confident in your Company's 3-pronged investment strategy (Mining, Traditional Energy and Energy Transition), giving the portfolio managers the flexibility to be able to manoeuvre the portfolio around volatile markets to invest in stocks where they think the best investment opportunities can be found. The portfolio managers decreased Traditional Energy exposure through 2023 and into 2024, to stand at 28.3% at the end of the period, and increased the weighting in the Energy Transition sector to 26.3% at 31 May 2024.

## **Performance**

During the six months ended 31 May 2024, the Company's net asset value (NAV) per share rose by 13.8% and its share price rose by 12.3% (both percentages in Pound Sterling terms with dividends reinvested). Although the Company does not have a formal benchmark, to set this in the context of the market backdrop, the MSCI ACWI Metals and Mining Index rose by 10.6%, S&P Clean Energy Index rose by 5.5% and the MSCI World Energy Index rose by 9.7% over the same period (all percentages in Pound Sterling terms with dividends reinvested).

As noted above, the Board does not formally benchmark the Company's performance against Mining and Energy sector indices because meeting a specific dividend target is not within the scope of these indices and also because no index appropriately reflects the Company's blended exposure to the Energy (including the Energy Transition) and Mining sectors. For internal monitoring purposes, however, the Board compares the performance of the portfolio against a bespoke internal Mining and Energy composite index. The neutral sector weightings of this bespoke index are 40% Mining, 30% Traditional Energy and 30% Energy Transition.

Further information on investment performance is given in the Investment Managers' Report.

## Revenue return and dividends

The Company's revenue return per share for the six-month period was 1.83 pence per share, a decrease of 22.7% over the same period last year (the revenue return for the six months to 31 May 2023 was 2.37 pence per share). The Board's current target is to declare quarterly dividends of at least 1.125 pence per share in the year to 30 November 2024, making a total of at least 4.50 pence per share for the year as a whole. This target represents a yield of 3.7% based on the share price of 121.50 pence per share as at 31 May 2024, and 3.8% based on the share price of 117.00 pence per share at the close of business on 29 July 2024. When the Company's net revenue is insufficient to meet the dividend payments, the Board's policy is to utilise the considerable distributable reserves, including group revenue reserves of 3.46p per share as at 31 May 2024 (after adjusting for the second interim dividend for 2024) to meet any shortfall. This enables the portfolio managers to focus on total return from their investment selections.

The first quarterly interim dividend of 1.125 pence per share was paid on 26 April 2024 and the second quarterly interim dividend of 1.125 pence per share was paid on 15 July 2024 (four quarterly interim dividends each of 1.10 pence per share were paid in the twelve months ended 30 November 2023).

The Company may write options to generate revenue return, although the portfolio managers' focus is on investing the portfolio to generate an optimal level of total return without striving to meet an annual income target from option writing. Consequently, they will only enter into option transactions with the intention that the overall contribution is beneficial to total return.

## Gearing

The Company operates a flexible gearing policy which depends on prevailing market conditions. It is not intended that gearing will exceed 20% of the gross assets of the Company. The maximum gearing used during the period was 14.8%, and the level of gearing at 31 May 2024 was 9.6%. For calculations, see the Glossary on pages 41 and 42.

## Management of share rating

The Directors recognise the importance to investors that the Company's share price should not trade at a significant premium or discount to NAV, and therefore, in normal market conditions, may use the Company's share buyback, sale of shares from treasury and share issuance powers to ensure that the share price is broadly in line with the underlying NAV. The Board seeks to balance this aim, and to control discount volatility, against its desire to avoid excessive buybacks which impact the size of the Company and hence the liquidity of its shares and the Ongoing Charges Ratio.

During the period under review, the discounts on Investment Trusts in general have remained at close to historically high levels - the average discount for the Investment Trusts sector (ex 3i Group) has been 15.5% - and in this context, your Company's shares have been trading at a discount between 8.0% and 14.1% over the period under review with an average discount of 11.2%. The Company has therefore actively intervened to control the discount and has bought back 6,800,000 shares for costs of £7,684,000, representing an average discount of 12.6%. All shares were bought back at a discount to NAV, delivering an uplift to the NAV per share of 0.5% for continuing shareholders for the period under review. Since 31 May 2024 and as at 29 July 2024, the Company has bought back 1,841,697 shares for costs of £2,172,000 and at an average discount of 10.7%. As at 29 July 2024 the Company's shares are trading at a discount of 10.0%.

## Market outlook & portfolio positioning

Despite the current political uncertainty, the ongoing drive by governments to address climate change and decarbonise the energy supply chain remains an important backdrop for the Company's three pillars, of Traditional Energy, Mining and Metals and Energy Transition. The Board considers that all three sectors have an important role to play as the energy system transitions to a lower carbon economy. Traditional energy is needed to support base load energy to continue to power economies during the transition. The Metals and Mining sector provides the material supply chain for low carbon technologies from steel for wind turbines to lithium for electric cars. The path to a lower carbon economy is also expected to disrupt many industries and business models with scope for the Company to invest directly in opportunities in the Energy Transition space. Against this backdrop, the flexibility of the Company's investment mandate with the ability to shift exposure between Traditional Energy, Energy Transition and Mining sectors, means that it is uniquely positioned to serve investors as these sectors evolve.

The Board is confident that the Company remains well-placed to benefit from these key investment trends over the long term.

**Adrian Brown**

Chairman

31 July 2024



# Investment Managers' Report



Tom Holl

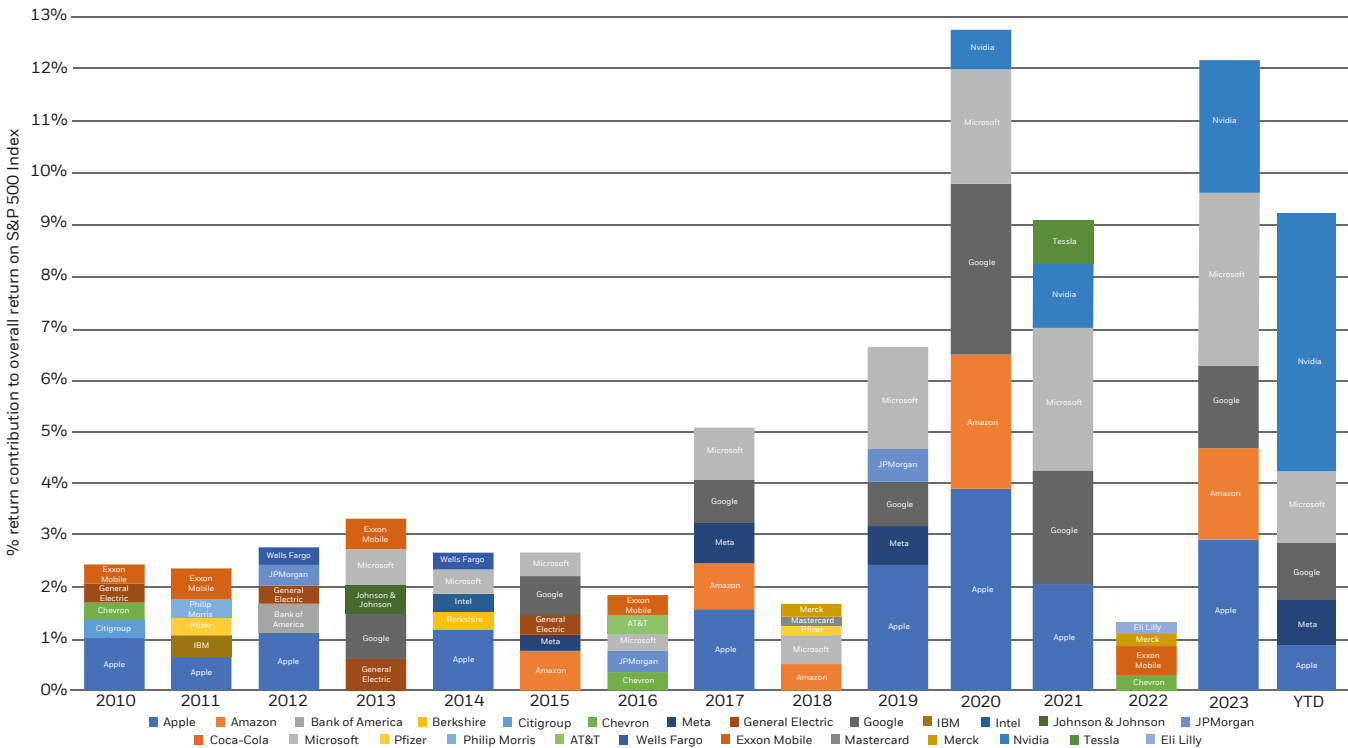


Mark Hume

## Market overview

The first six months of 2024 saw strong momentum in the broader equity markets carry over from 2023. Whilst the Company's net asset value per share (NAV) saw a positive return, it again lagged the overall equity market as all three sectors the Company invests in lagged broader markets, which were once again driven in a narrow fashion by the spectacular performance of a small group of technology and artificial intelligence (AI) related companies. See Figure 1 below.

**Figure 1: Top 5 contributing stocks by year (% return contribution to overall return on S&P 500 Index)**



Source: Baird.

Whilst the market excitement about AI has naturally focused on the relevant technology companies and associated industrial companies that will benefit from the step change in demand for cooling etc., there has been less attention paid to the energy and materials side of the equation. Just like the energy transition, the growth in AI is going to be materials and energy intensive as well as compounding some of the bottlenecks faced by the energy transition. We see some exciting opportunities associated with grid spending that is required to cope with the electricity demand growth as well as the upgrades to the grids. These investments are critical to cope with the rising complexity of grid management resulting from the higher proportion of intermittent generation from sources such as solar and wind.

Although the market has been pre-occupied with the timing and pace of interest rate cuts in the major economies, we have not viewed delays in rate cut expectations as a concern. The higher for longer scenario that now faces the market is a result of stronger than expected economic data in the US, which we view as positive for many of the companies held or potential investment opportunities for the portfolio. The resurgent US manufacturing industry, fuelled by the triple forces of reshoring driven geopolitics, the investments funded by the Inflation Reduction Act of 2022 and the AI/datacentre boom, are all energy and materials intensive forms of growth, that more than offset the costs of higher interest rates for many of the companies in the portfolio.

Commodity	31 May 2024	30 November 2023	% change	H1 2024 on H1 2023 Average Price % Change <sup>1</sup>
<b>Base Metals (US\$/tonne)</b>				
Aluminium	2,607	2,156	20.9	-2.3
Copper	9,913	8,388	18.2	2.4
Lead	2,216	2,092	5.9	-2.1
Nickel	19,456	16,438	18.4	-32.0
Tin	32,775	22,984	42.6	9.1
Zinc	2,915	2,467	18.2	-12.4
<b>Precious Metals (US\$/ounce)</b>				
Gold	2,330.7	2,037.8	14.4	13.2
Silver	30.3	25.3	20.0	8.0
Platinum	1,048.0	937.0	11.8	-7.5
Palladium	949.0	1,025.0	-7.4	-36.8
<b>Energy</b>				
Oil (WTI) (US\$/barrel)	78.0	75.6	3.1	3.2
Oil (Brent) (US\$/barrel)	79.4	81.7	-2.8	2.8
Natural Gas (US\$/Metric Million British Thermal Unit (mmbtu))	1.8	2.8	-35.3	-27.5
<b>Bulk Commodities (US\$/tonne)</b>				
Iron ore	117.0	132.5	-11.7	4.7
Coking coal	220.5	285.0	-22.6	-4.2
Thermal coal	142.4	129.0	10.4	-47.9
<b>Equity Indices</b>				
MSCI ACWI <sup>2</sup> Metals & Mining Index (US\$)	643.7	578.7	11.2	1.4
MSCI ACWI Metals & Mining Index (£)	505.6	457.2	10.6	-1.7
MSCI <sup>3</sup> World Energy Index (US\$)	507.6	459.9	10.4	8.5
MSCI World Energy Index (£)	398.7	363.3	9.7	1.8
S&P Clean Energy Index (US\$)	1,279.0	1,205.7	6.1	-27.0
S&P Clean Energy Index (£)	822.3	779.7	5.5	-29.3

Source: LSEG Datastream, June 2024.

<sup>1</sup> Average of 1/12/2022-31/05/2023 to 1/12/2023-31/05/2024.

<sup>2</sup> Morgan Stanley Capital International All Country Weighted Index.

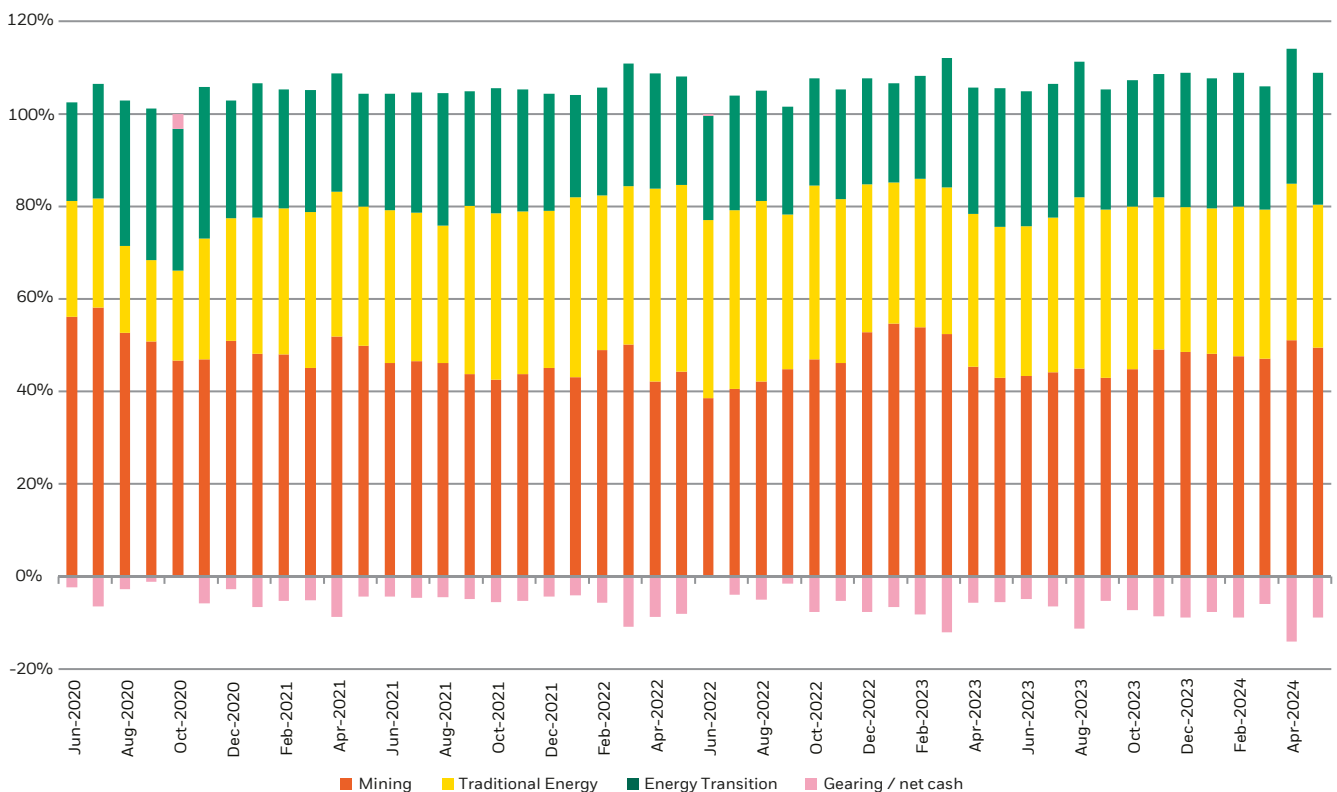
<sup>3</sup> Morgan Stanley Capital International.

## Portfolio activity & investment performance

The Company's portfolio delivered a total NAV return of 13.8% during the period driven by positive performance within all three sectors of the Company.

The most notable top down change in the portfolio during the first half was to add to our Energy Transition exposure (see Figure 2 below) as the valuations continue to move lower compared to broader equity markets, a trend we noted in the 2023 annual report too. This change was still relatively modest in size as whilst valuations have become more attractive, we do not think that broad based positive earnings momentum is imminent, given that areas like electric vehicles are still seeing shorter term sales estimates being revised downwards.

**Figure 2: Portfolio positioning**



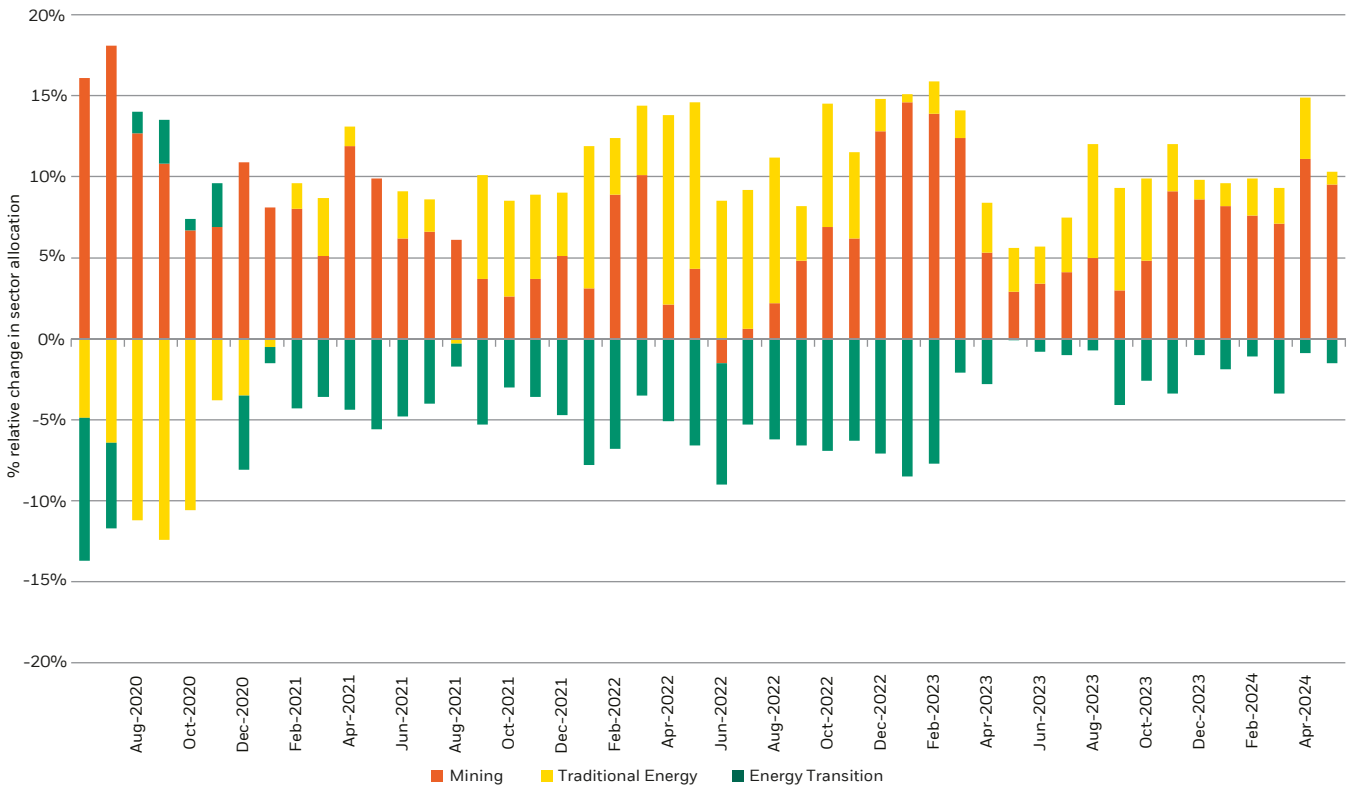
Source: BlackRock.

Within the three sectors we made some notable changes both to the industry/sub-sector exposures and the stock specific exposures (see Figure 3 on page 10). While we think that nuclear has a strong role to play in the energy transition, we exited our only uranium holding because both the spot price of uranium and the valuation of this particular company had got well ahead of fundamentals.

On the Traditional Energy side we added several new positions across the infrastructure, services and production segments. The infrastructure companies we now own are focused on natural gas so should see good volume growth to drive earnings and also benefit if there are unexpected reduction in rates. These purchases were funded by exiting a refining company (Valero) and an Exploration and Production (E&P) company (EOG Resources).

On the Energy Transition side we added a new holding in a US wind turbine manufacturer that looks to be a beneficiary from the ongoing fiscal support provided by the Inflation Reduction Act of 2022 and we initiated a position in a leading cable manufacturer, Prysmian. It should see its order books well supported by the array of investments needed in transmission and the grid.

**Figure 3: Relative change in portfolio positioning**



Source: BlackRock.

## Income

The Company paid a total of 2.250p in dividends for the first half of the year, split between the two quarterly payments.

The underlying dividend trends in the portfolio over the first six months of the year were a mixed picture. This is less as a result of companies deciding to make reductions to their dividend payments but more as a function of the changes we have made to the stock selection in the portfolio. The decisions to reduce Vale, TotalEnergies and BHP had negative implications for the ongoing income generation in the portfolio. However, we have conviction that the investments made with the proceeds offer a more attractive total return prospect to offset the income foregone.

We did make an investment in a new convertible bond issue that came with an attractive coupon as well as an equity upside. This was in a leading lithium producer where despite the near-term headwinds, the convertible bond offers a better risk-adjusted return with the added benefit of enhancing the portfolio's income.

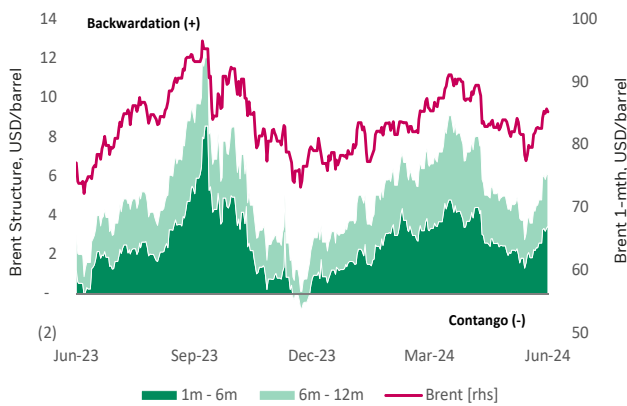
We also note that Pound Sterling has strengthened over 7% from its October 2023 lows against the US Dollar (as at 16 July 2024). If this trend continues then it will be a headwind for the Company's income in Pound Sterling as most of the dividends in the underlying portfolio companies are paid in US Dollars.

## Traditional Energy

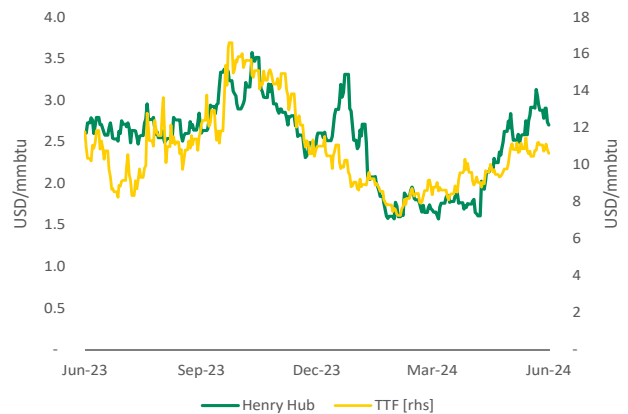
Oil prices remained relatively range-bound (see Figure 4 on page 11) in the period consistent with our view that Oil and Petroleum Exporting Countries (OPEC) plus countries continue to act in a disciplined fashion in balancing supply and demand. Our thesis remains supported by oil futures firmly in backwardation despite market concerns of oversupply following OPEC's June announcement to gradually phase out cuts to production.

Excluding COVID-19, US natural gas prices (Henry Hub, see Figure 5 on page 11) hit a 32-year low in February 2024 forcing gas drillers to reduce production. Lower activity levels helped to rebalance markets and prices have since recovered through June.

**Figure 4: Brent Oil Price Level and Structure**



**Figure 5: Global Natural Gas Prices**



Source: Bloomberg data through 21 June 2024. Dark shaded area represents the difference between front-month (1m) Brent prices and 6th month (6m) futures prices. Light shaded area represents the difference between 6th month (6m) and 12th month (12m) futures prices. Henry Hub is the front-month natural gas price. TTF: Title Transfer Facility is the virtual trading point in the Netherlands.

Although the Company's Traditional Energy holdings contributed positively to overall performance in the period, the underlying sub-sector performance was more mixed. Underweight positions in Chevron and Total Energies drove an overall negative contribution from Integrated Oil Companies (IOCs). Elsewhere, the Biden Administration announced a moratorium on US Liquefied Natural Gas export licenses at the end of January which impacted shares in Cheniere Energy. Subsequent to the period end, a federal district judge in Louisiana ordered the Biden Administration to lift the suspension.

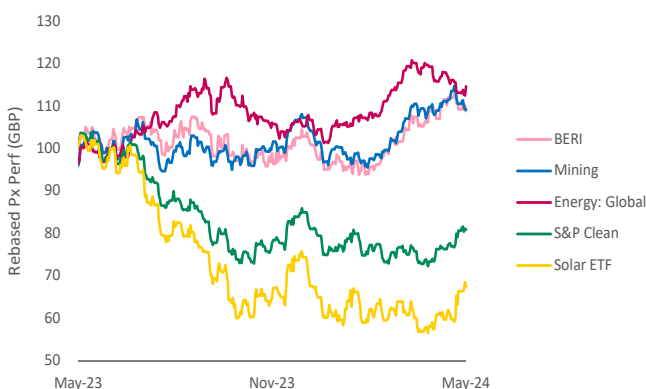
On a more positive note, we made several changes within our Traditional Energy holdings during the period. We exited our position in EOG Resources to help fund new holdings in Targa Resources, Permian Resources and Saipem. The first two holdings reflect an overall positive view on the long-term growth outlook for the world-class Permian Basin in West Texas. Targa Resources provides compelling low-risk throughput growth in its midstream business with an attractive yield whilst Permian Resources has continued to demonstrate best-in-class execution with a highly motivated management team.

Our holding in Saipem reflects an overall pivot within the Traditional Energy value-chain towards international oilfield services where we see a strong pipeline of new projects and improving margins. This follows new holdings initiated last year in TechnipFMC and Weatherford.

## Energy Transition

Over the trailing 12-month period (see Figure 6), Energy Transition-related stocks (S&P Clean Energy Index) have generally struggled against the Mining and Traditional Energy sectors, albeit with a strong step-up, particularly in the month of May (see Figure 7). This was partly driven by strong performance from a handful of renewable development companies that were subject to premium acquisitions including Encavis AG and Neoen SA. This precipitated a broader re-rating of renewables-focused stocks in the period which underpinned strong active return contributions from key holdings in NextEra Energy and First Solar.

**Figure 6: 12-month Performance Rebased**



**Figure 7: 6-month Performance Rebased**

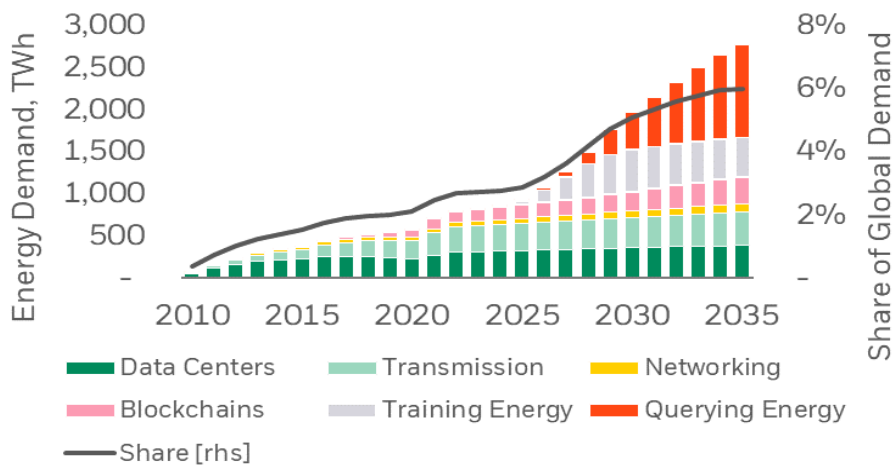


Source: Bloomberg. Data through 31st May 2024. The following Bloomberg indices were used – Mining=MSXWDOMM Index; Energy: Global=MXWDOEN Index; S&P Clean=SPGTCEI Index; Power: Global=MXWDOUT Index.

Elsewhere, manufacturing spend continued to broaden in the United States as a follow through from subsidies encapsulated in the Inflation Reduction Act of 2022 and the CHIPS and Science Act of 2022. This benefited stocks such as Trane Technologies and Ingersoll Rand with strong backlog expansion in CHVAC (Cooling, Heating, Ventilation and Air Conditioning) and industrial equipment demand, respectively.

Excitement around AI/datacentre build-outs in the United States led to a sharp upwards revision in long-term electricity demand forecasts (see Figure 8) which for much of the last two decades has been largely flat. Given the competing forces around rapid data centre build-out and dramatic improvements in the energy efficiency of leading-edge chips from the likes of Nvidia the range of growth estimates remains necessarily wide at this stage. Nevertheless, the outlook for baseload power demand growth in the region is likely to hit mid-single digits in the coming years. This helped drive positive stock performance from the likes of Schneider Electric. The Company also benefitted from a new position in GE Vernova, a spin-off from General Electric which has a leading position in electric power systems and gas turbine manufacturing. Building on the rising electrification theme, we also initiated new positions in global cabling systems supplier, Prsymian, and UK grid-operator, National Grid.

**Figure 8: United States Internet Energy Consumption Forecast**



Source: ThunderSaid Energy, “Energy and AI: the power and the glory?”, April 2024.

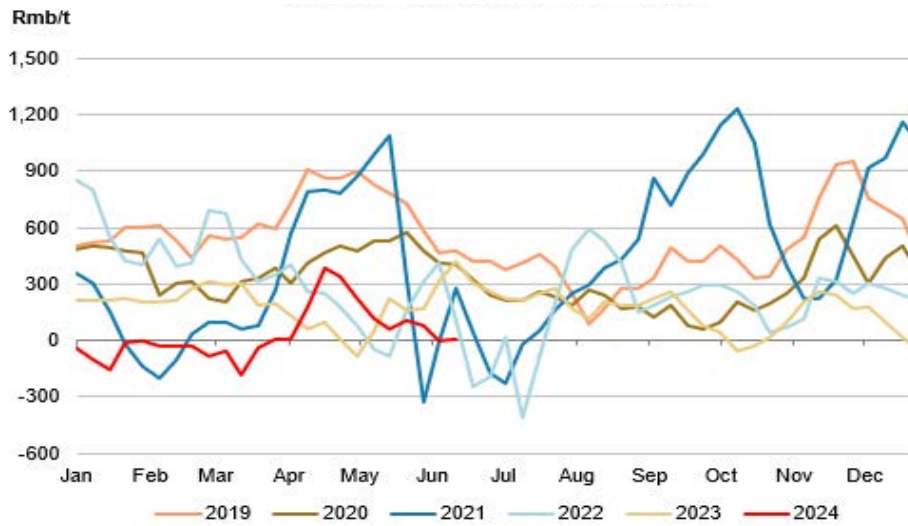
The Company’s investments in renewables-focused utility companies in Europe were amongst the largest detractors for the period including German-utility RWE AG and Portuguese-based EDP Renovaveis SA. Both companies faced earnings headwinds from a combination of lower trading earnings for the former and impairment charges for the latter.

## Mining

The mining sector saw a fairly strong first half performance for both mining companies and commodities. However there was significant dispersion in performance which was more pronounced for commodities than related equities explained further below.

The main differences came between steel related commodities (iron ore and coking coal), which both saw heavy price falls in the six months, and base metals (such a copper and aluminium) that posted strong double digit price gains. The real estate sector in China remains under significant pressure and this weighed heavily on the steel sentiment in China.

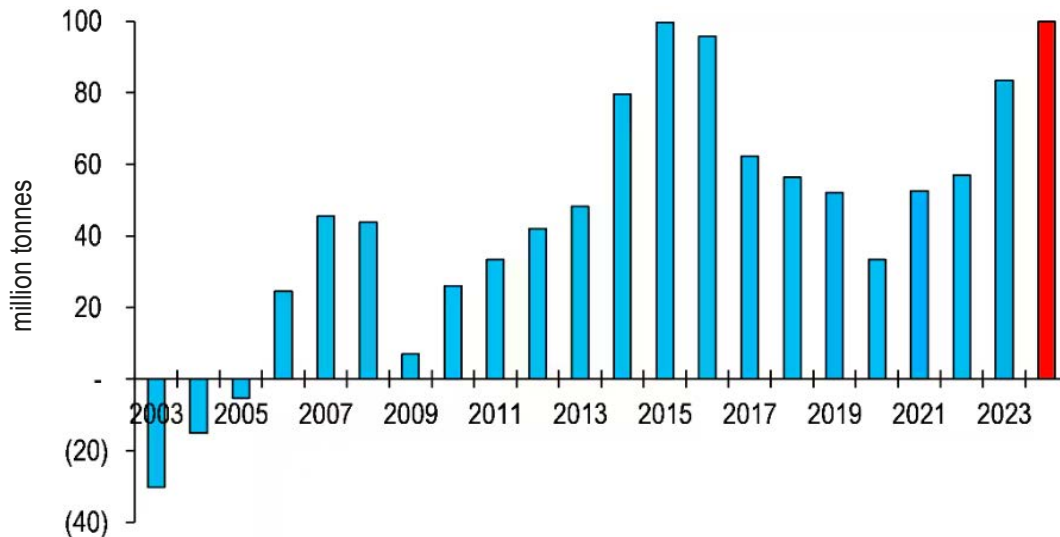
**Figure 9: Morgan Stanley estimated gross profit/tonne for Mill - Rebar Steel**



Source: Mysteel, Morgan Stanley Research.

As shown in Figure 9 above, steel margins were negative in China early in the period and, with demand subdued given the real estate woes, steel producers held back on iron ore purchases causing the price to fall back from \$130/tonne to \$100/tonne from the start of January to the end of March (SGX Iron Ore 62%). As margins improved in the second quarter steel production was able to pick up, with much of this destined for export given the depressed local demand. The chart below shows how much steel exports have picked up from China in 2024 (and 2023) – it is likely that this can't be sustained as trade barriers will be erected to protect steel industries in other countries (see Figure 10 below).

**Figure 10: Annual net exports of steel from China**



Source Citigroup, end May 2024; 2024 data is to end May and annualised to show 2024 potential exports at current run rate.

Despite the challenging iron ore market, the major producers of iron ore, such as BHP and Rio Tinto, held up quite well (Rio Tinto total return 5.6%, BHP 0.0%; GBP). This performance relative to the underlying commodity implies a noticeable increase in valuation multiple associated with the companies – in many ways we think this is deserved given the greater resilience and discipline of these businesses compared to previous cycles. However, despite this re-rating, they did lag their peers that have a more diversified commodity mix with another one of our portfolio companies, Teck Resources delivering substantially better returns for the six month period.

A key thematic to surface in the period was a “buy or build” question in the copper space. This is something that we have described in the past when talking about the incentive price to bring new projects online being substantially higher than current prices and that existing copper production capacity used to trade at lower implied copper prices than that incentive price. We saw significant corporate activity to emphasise this point with BHP making several approaches to Anglo American to try to get a deal agreed. The prize that BHP were seeking was clearly the South American copper portfolio of Anglo, which has several long life and high quality assets. In the end, they could not agree a deal due to the complexities of Anglo’s South African assets but other copper orientated companies saw strong share price appreciation as a result of the approach, with portfolio holdings such as Ivanhoe Mines notable performers.

Whilst our enthusiasm for copper longer-term remains, it should be noted that in the short-term there are some clouds on the horizon. Inventories, although low in terms of numbers of days of use at around 7 weeks, have been rising steadily during the first half of the year, as shown in Figure 11 below. Investor sentiment towards copper though has remained very positive, as shown by the long positions and overall net length in copper futures in Figure 12 below. If physical markets do not see near-term improvements, there is every chance the “hot money” in futures will look to deploy elsewhere and cause a copper price pullback. Given our longer-term structural positive view, it is likely we would use such an opportunity to increase the portfolio’s exposure.

**Figure 11: LME COTR<sup>1</sup> Investment Fund**



**Figure 12: Visible global copper stocks, year to date change**



<sup>1</sup> London Metal Exchange (LME) Commitments of Traders Report (COTR).

Source: LME, Comex, Shanghai Futures Exchange, Shanghai Metals Market, Bloomberg, Macquaire Strategy June 2024.

### Market outlook and portfolio positioning

Looking back at the 2023 annual report we flagged “an abnormally high level of uncertainty for the year ahead”. Part of this reflected a record spate of elections in 2024 as well as persistent tensions between the United States and China “where tariffs continue to be the tool of choice in tackling the competitive threat of cheaper manufactured goods in the Energy Transition value chain”. Since then, the European Union has announced tariffs against Chinese Electric Vehicles. Against this backdrop, we believe there is likely to be higher and stickier inflation than we have seen in the last two decades and reinforces our view of a higher interest rate environment. Whilst risks remain elevated, we believe the flexibility that the Company offers remains key to achieving our twin objectives of growth and income as these uncertainties drive persistent dispersion.



AI and datacentre demand will be additive to prior estimates of baseload power demand which we see as supportive not just for renewables, but critically for natural gas and nuclear. Further, as technology companies seek to drive rapid build out of these energy intensive assets the demand for traditional investments will drive further bottlenecks on the supply side.

As we look into the second half of the year we are also closely monitoring the outcome of Federal-level elections and their potential impact on energy and climate policy. The UK (22 May) and France (10 June) both announced snap elections during the period. Subsequent to the period end, a Labour majority has been confirmed in the UK that will likely see an acceleration of decarbonisation efforts and should provide a positive tailwind for grid expansion and permitting. Finally, as we head towards the November US Presidential election it is not unreasonable to surmise that, under either a Republican or Democratic victory, it will do little to derail the underlying pace of capital investment into the Energy Transition space. The Inflation Reduction Act of 2022, for instance, has been a very positive force in job creation and capital formation in the United States - an outcome most politicians will tend to favour.

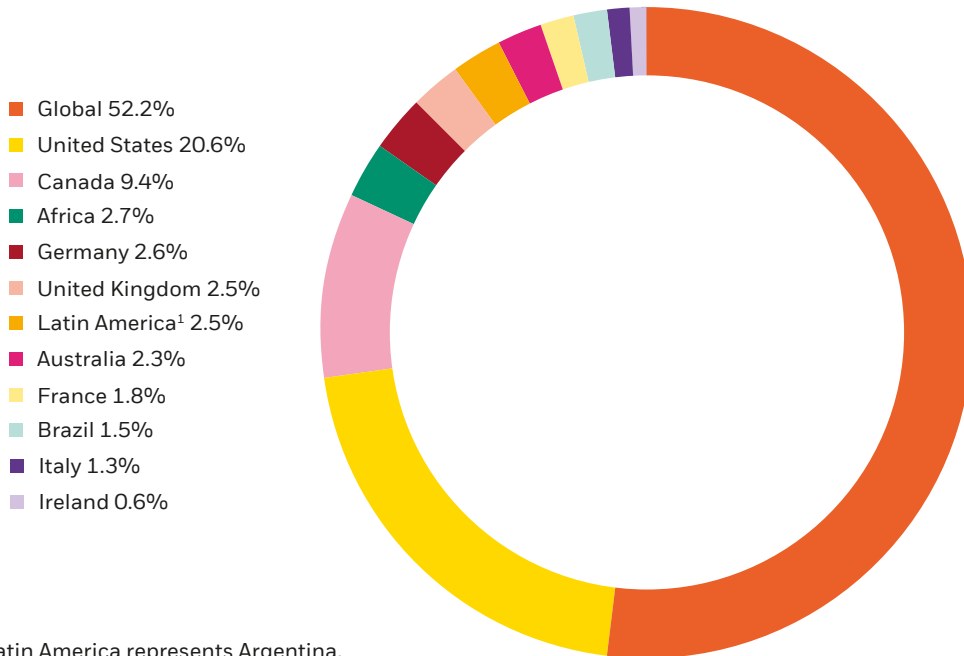
**Tom Holl and Mark Hume**

BlackRock Investment Management (UK) Limited  
31 July 2024

# Distribution of investments

as at 31 May 2024

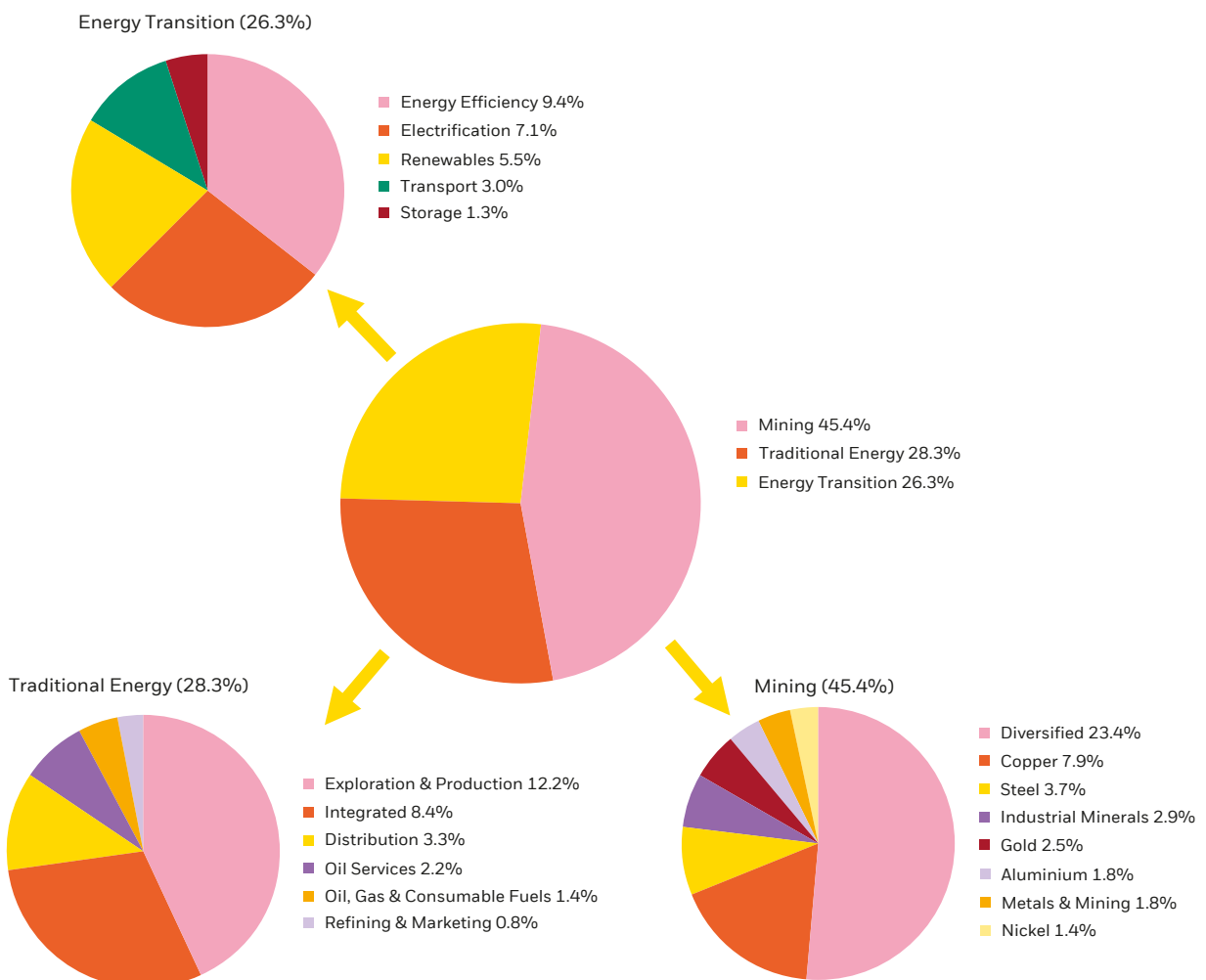
## Asset allocation – Geography



<sup>1</sup> Latin America represents Argentina.

Source: BlackRock.

## Asset allocation – Commodity



Source: BlackRock.

# Ten largest investments

Together, the ten largest investments represent 31.7% of the Company's portfolio as at 31 May 2024 (30 November 2023: 36.3%).

## 1 ▲ Anglo American (2023: 65th)

### Diversified mining group

Market value: £8,817,000

Share of investments: 4.7%<sup>1</sup> (2023: 0.4%)

A global mining group. The group's mining portfolio includes bulk commodities including iron ore, manganese, metallurgical coal, base metals including copper and nickel and precious metals and minerals including platinum and diamonds. Anglo American has mining operations globally, with significant assets in Africa and South America.

## 2 ▲ Rio Tinto (2023: 4th)

### Diversified mining group

Market value: £8,757,000

Share of investments: 4.6% (2023: 4.4%)

One of the world's leading mining companies. The group's primary product is iron ore, but it also produces aluminium, copper, diamonds, gold, industrial minerals and energy products.

## 3 ▲ Teck Resources (2023: 14th)

### Diversified mining group

Market value: £7,951,000

Share of investments: 4.2% (2023: 2.1%)

A diversified mining group headquartered in Canada. Teck Resources is engaged in mining and mineral development with operations and projects in Canada, the US, Chile and Peru. The group has exposure to copper, zinc, steelmaking coal and energy.

## 4 ▼ Glencore (2023: 1st)

### Diversified mining group

Market value: £6,450,000

Share of investments: 3.4% (2023: 4.8%)

One of the world's largest globally diversified natural resources groups. The group's operations include approximately 150 mining and metallurgical sites and oil production assets. Glencore's mined commodity exposure includes copper, cobalt, nickel, zinc, lead, ferroalloys, aluminium, iron ore gold and silver.

## 5 ▶ Shell (2023: 5th)

### Integrated oil group

Market value: £6,147,000

Share of investments: 3.3% (2023: 3.8%)

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.

# Investments

as at 31 May 2024

## **6 ▲ Filo Corp.** (2023: 13th)

### **Copper mining group**

**Market value: £4,802,000**

**Share of investments: 2.5%** (2023: 2.2%)

Filo Corp., part of the Lundin Group of companies, is a Canadian mineral exploration company focused on exploring their copper-gold-silver deposit in Filo del Sol near the borders of Argentina and Chile.

## **7 ▶ NextEra Energy** (2023: 7th)

### **Electrification**

**Market value: £4,610,000**

**Share of investments: 2.4%** (2023: 2.7%)

NextEra Energy is America's premier clean energy leader and the world's largest producer of wind and solar energy. The company has a dominant market share in a structurally growing renewables market.

## **8 ▼ BHP** (2023: 2nd)

### **Diversified mining group**

**Market value: £4,291,000**

**Share of investments: 2.3%** (2023: 4.7%)

The world's largest diversified mining group by market capitalisation. The group is an important global player in a number of commodities including iron ore, copper, thermal and metallurgical coal, manganese, nickel, silver and diamonds. BHP also has significant interests in oil, gas and liquefied natural gas.

## **9 ▲ Schneider Electric** (2023: 21st)

### **Energy efficiency**

**Market value: £4,137,000**

**Share of investments: 2.2%** (2023: 1.8%)

Schneider Electric is a French multinational company specialising in digital automation and energy management and addresses homes, buildings, data centres, infrastructure and industries, by combining energy technologies, real-time automation, software, and services.

## **10 ▶ Hess** (2023: 10th)

### **Exploration & Production**

**Market value: £3,995,000**

**Share of investments: 2.1%** (2023: 2.4%)

An American global independent energy company, involved in the exploration and production of crude oil and natural gas.

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

Arrows indicate the change in relative ranking of the position in the portfolio compared to its ranking as at 30 November 2023.

Percentages in brackets represent the value of the holding as at 30 November 2023.

# Investments

	Main geographic exposure	Market value £'000	% of investments
<b>Mining</b>			
<b>Diversified</b>			
Anglo American	Global	8,822	} 4.7
Anglo American Put Option 21/06/24	Global	(5)	
Rio Tinto	Global	8,757	4.6
Teck Resources	Global	7,951	4.2
Glencore	Global	6,449	3.4
BHP	Global	4,291	2.3
Abaxx Technologies	Global	3,334	1.8
Vale Debentures*	Brazil	2,162	} 1.5
Vale	Brazil	750	
Trident	Global	1,629	0.9
		<b>44,140</b>	<b>23.4</b>
<b>Copper</b>			
Filo Corp.	Latin America	4,802	2.5
First Quantum Minerals 6.875% 15/10/27	Global	1,616	} 1.6
First Quantum Minerals	Global	1,200	
Foran Mining	Canada	2,018	1.1
Metals Acquisition	Australia	1,981	1.0
Freeport-McMoRan	United States	1,619	0.9
Ivanhoe Electric	United States	1,219	0.6
Develop Global	Australia	414	0.2
		<b>14,869</b>	<b>7.9</b>
<b>Steel</b>			
Steel Dynamics	United States	2,424	1.3
ArcelorMittal	Global	2,354	1.2
Stelco	Canada	2,291	1.2
		<b>7,069</b>	<b>3.7</b>
<b>Industrial Minerals</b>			
Albemarle	Global	2,431	1.3
Bunge	Global	1,061	0.6
Nutrien	United States	988	0.5
Lynas Corporation	Australia	919	0.5
CF Industries	United States	47	-
		<b>5,446</b>	<b>2.9</b>
<b>Gold</b>			
Allied Gold Corporation 8.75% 07/09/2028	Africa	1,728	0.9
Wheaton Precious Metals	Global	1,603	0.8
Barrick Gold	Global	1,419	0.8
		<b>4,750</b>	<b>2.5</b>
<b>Metals &amp; Mining</b>			
Ivanhoe Mines	Africa	3,441	1.8
		<b>3,441</b>	<b>1.8</b>
<b>Aluminium</b>			
Norsk Hydro	Global	3,310	1.8
		<b>3,310</b>	<b>1.8</b>
<b>Nickel</b>			
Nickel Mines	Australia	1,138	0.6
Lifzone Metals	Global	1,590	0.8
		<b>2,728</b>	<b>1.4</b>
<b>Total Mining</b>		<b>85,753</b>	<b>45.4</b>

# Investments

continued

	Main geographic exposure	Market value £'000	% of investments
<b>Traditional Energy</b>			
<b>Exploration &amp; Production</b>			
Hess	Global	3,995	2.1
Canadian Natural Resources	Canada	3,889	2.1
ConocoPhillips	Global	3,540	1.9
Permian Resources	United States	2,920	1.5
Tourmaline Oil	Canada	2,417	1.3
Arc Resources	Canada	2,284	1.2
Diamondback Energy	United States	2,231	1.2
Kosmos Energy	United States	1,688	0.9
		<b>22,964</b>	<b>12.2</b>
<b>Integrated</b>			
Shell	Global	6,147	3.3
ExxonMobil	Global	3,985	2.1
BP	Global	3,564	1.9
Cenovus Energy	Canada	2,188	1.1
Gazprom**	Russian Federation	–	–
		<b>15,884</b>	<b>8.4</b>
<b>Distribution</b>			
Targa Resources	United States	3,887	2.1
Cheniere Energy	United States	2,334	1.2
		<b>6,221</b>	<b>3.3</b>
<b>Oil Services</b>			
TechnipFMC	Global	2,072	1.1
Weatherford International	Global	1,228	0.6
Saipem	Global	898	0.5
		<b>4,198</b>	<b>2.2</b>
<b>Oil, Gas &amp; Consumable Fuels</b>			
Pembina Pipeline	Canada	2,703	1.4
		<b>2,703</b>	<b>1.4</b>
<b>Refining &amp; Marketing</b>			
Marathon Petroleum Corporation	United States	1,519	0.8
		<b>1,519</b>	<b>0.8</b>
<b>Total Traditional Energy</b>		<b>53,489</b>	<b>28.3</b>
<b>Energy Transition</b>			
<b>Energy Efficiency</b>			
Schneider Electric	Global	4,137	2.2
Ingersoll-Rand	United States	3,610	1.9
Analog Devices	Global	3,422	1.8
Trane Technologies	United States	2,964	1.6
Regal Rexnord	United States	1,683	0.9
Kingspan Group	Ireland	1,087	0.6
Nidec Corp	Global	809	0.4
		<b>17,712</b>	<b>9.4</b>

	Main geographic exposure	Market value £'000	% of investments
<b>Electrification</b>			
NextEra Energy	United States	4,610	2.4
RWE	Germany	3,607	1.9
National Grid	United Kingdom	2,916	} 1.7
National Grid Rights 11/06/2024	United Kingdom	161	
Sempra Energy	United States	1,975	1.1
EDP Renováveis	Global	42	–
		<b>13,311</b>	<b>7.1</b>
<b>Renewables</b>			
First Solar	Global	3,721	2.0
GE Vernova	United States	3,106	1.6
Vestas Wind	Global	1,852	1.0
SSE	United Kingdom	1,660	0.9
		<b>10,339</b>	<b>5.5</b>
<b>Transport</b>			
STMicroelectronics	France	3,365	1.8
Infineon Technologies	Germany	1,333	0.7
Samsung SDI	Global	967	0.5
		<b>5,665</b>	<b>3.0</b>
<b>Storage</b>			
Prysmian Spa	Italy	2,420	1.3
		<b>2,420</b>	<b>1.3</b>
<b>Total Energy Transition</b>		<b>49,447</b>	<b>26.3</b>
<b>Total Portfolio</b>		<b>188,689</b>	<b>100.0</b>
<b>Comprising</b>			
Equity and debt investments		188,694	100.0
Derivative financial instruments – futures		(5)	–
		<b>188,689</b>	<b>100.0</b>

\* The investment in the Vale debentures is illiquid and has been valued using secondary market pricing information provided by the Brazilian Financial and Capital Markets Association (ANBIMA).

\*\* The investment in Gazprom has been valued at a nominal value of RUB0.01 as secondary listings of the depositary receipts on Russian companies have been suspended from trading.

All investments are ordinary shares unless otherwise stated. The total number of holdings (including options) at 31 May 2024 was 74 (30 November 2023: 78).

There was one open option as at 31 May 2024 (30 November 2023: one).

The equity and fixed income investment total of £188,694,000 (30 November 2023: £175,540,000) above before the deduction of the negative valuation of commodity futures contracts of £5,000 (30 November 2023: negative option valuation of £110,000 and negative futures contract valuation of £780,000) represents the Group's total investments held at fair value as reflected in the Consolidated Statement of Financial Position. The table above excludes cash and gearing; the level of the Group's gearing may be determined with reference to the bank overdraft of £15,213,000 (30 November 2023: £17,862,000) and cash and cash equivalents of £73,000 (30 November 2023: £5,276,000) that are also disclosed in the Consolidated Statement of Financial Position. Details of the AIC methodology for calculating gearing are given in the Glossary on pages 41 and 42.

As at 31 May 2024, the Company did not hold any equity interests comprising more than 3% of any company's share capital.

# Interim Management Report and Responsibility Statement

The Chairman's Statement on pages 5 and 6 and the Investment Managers' Report on pages 7 to 15 give details of the important events which have occurred during the period and their impact on the financial statements.

## Principal risks and uncertainties

The principal risks faced by the Company can be divided into various areas as follows:

- Investment performance;
- Income/dividend;
- Gearing;
- Legal and regulatory compliance;
- Operational;
- Market; and
- Financial.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 30 November 2023. A detailed explanation can be found in the Strategic Report on pages 38 to 42 and in note 18 on pages 110 to 122 of the Annual Report and Financial Statements which are available on the Company's website at [www.blackrock.com/uk/beri](http://www.blackrock.com/uk/beri).

The Board and the Investment Manager continue to monitor investment performance in line with the Company's investment objectives, and the operations of the Company and the publication of net asset values are continuing.

In the view of the Board, there have not been any changes to the fundamental nature of the principal risks and uncertainties since the previous report and these are equally applicable to the remaining six months of the financial year as they were to the six months under review.

## Going concern

The Board is mindful of the risk that unforeseen or unprecedented events including (but not limited to) heightened geopolitical tensions such as the wars in Ukraine and Middle East, their longer-term effects on the global economy, high inflation and the current cost of living crisis could have a significant impact on global markets. Notwithstanding this significant degree of uncertainty, the Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective, the Company's projected income and expenditure and the Company's substantial distributable reserves, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound.

The Company has a portfolio of investments which are considered to be readily realisable and is able to meet all of its liabilities from its assets and income generated from these assets. Borrowings under the overdraft facility shall be lower of £40.0 million or 20% of the Company's net assets (calculated at the time of draw down) and this covenant was complied with during the period. Ongoing charges (excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non recurring charges) have been capped by the Manager at 1.25% of average daily net assets with effect from 17 March 2020 and were 1.20% of net assets for the year ended 30 November 2023.

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.

## Related party disclosure and transactions with the Investment Manager

BlackRock Fund Managers Limited (BFM) is the Company's Alternative Investment Fund Manager (AIFM) and 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)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the management fee payable are set out in note 4 on page 30 and note 14 on page 37 of the financial statements. The related party transactions with the Directors are set out in note 13 on page 36 of the financial statements.



## **Directors' responsibility statement**

The Disclosure Guidance and Transparency Rules (DTR) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the Half Yearly Financial Report has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting; and
- the Interim Management Report together with the Chairman's Statement and Investment Managers' Report include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

This Half Yearly Financial Report has not been audited or reviewed by the Company's Auditor.

The Half Yearly Financial Report was approved by the Board on 31 July 2024 and the above responsibility statement was signed on its behalf by the Chairman.

**Adrian Brown**

For and on behalf of the Board

31 July 2024

# Consolidated Statement of Comprehensive Income

for the six months ended 31 May 2024

	Notes	Six months ended 31 May 2024 (unaudited)			Six months ended 31 May 2023 (unaudited)			Year ended 30 November 2023 (audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments held at fair value through profit or loss	3	2,700	–	2,700	3,411	101	3,512	6,258	79	6,337
Other income	3	428	–	428	652	–	652	1,218	–	1,218
<b>Total revenue</b>		<b>3,128</b>	<b>–</b>	<b>3,128</b>	<b>4,063</b>	<b>101</b>	<b>4,164</b>	<b>7,476</b>	<b>79</b>	<b>7,555</b>
Net profit/(loss) on investments and derivatives held at fair value through profit or loss		–	19,011	19,011	–	(29,497)	(29,497)	–	(27,606)	(27,606)
Net (loss)/profit on foreign exchange		–	(1)	(1)	–	(35)	(35)	–	6	6
<b>Total</b>		<b>3,128</b>	<b>19,010</b>	<b>22,138</b>	<b>4,063</b>	<b>(29,431)</b>	<b>(25,368)</b>	<b>7,476</b>	<b>(27,521)</b>	<b>(20,045)</b>
<b>Expenses</b>										
Investment management fee	4	(181)	(543)	(724)	(202)	(606)	(808)	(387)	(1,162)	(1,549)
Other operating expenses	5	(240)	(4)	(244)	(232)	(13)	(245)	(535)	(16)	(551)
<b>Total operating expenses</b>		<b>(421)</b>	<b>(547)</b>	<b>(968)</b>	<b>(434)</b>	<b>(619)</b>	<b>(1,053)</b>	<b>(922)</b>	<b>(1,178)</b>	<b>(2,100)</b>
<b>Net profit/(loss) on ordinary activities before finance costs and taxation</b>		<b>2,707</b>	<b>18,463</b>	<b>21,170</b>	<b>3,629</b>	<b>(30,050)</b>	<b>(26,421)</b>	<b>6,554</b>	<b>(28,699)</b>	<b>(22,145)</b>
Finance costs	6	(128)	(385)	(513)	(93)	(279)	(372)	(196)	(588)	(784)
<b>Net profit/(loss) on ordinary activities before taxation</b>		<b>2,579</b>	<b>18,078</b>	<b>20,657</b>	<b>3,536</b>	<b>(30,329)</b>	<b>(26,793)</b>	<b>6,358</b>	<b>(29,287)</b>	<b>(22,929)</b>
Taxation (expense)/credit		(245)	34	(211)	(327)	54	(273)	(584)	117	(467)
<b>Net profit/(loss) on ordinary activities after taxation</b>	<b>8</b>	<b>2,334</b>	<b>18,112</b>	<b>20,446</b>	<b>3,209</b>	<b>(30,275)</b>	<b>(27,066)</b>	<b>5,774</b>	<b>(29,170)</b>	<b>(23,396)</b>
<b>Earnings/(loss) per ordinary share (pence)</b>	<b>8</b>	<b>1.83</b>	<b>14.17</b>	<b>16.00</b>	<b>2.37</b>	<b>(22.40)</b>	<b>(20.03)</b>	<b>4.39</b>	<b>(22.17)</b>	<b>(17.78)</b>

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

The Group does not have any other comprehensive income/(loss) (31 May 2023: £nil; 30 November 2023: £nil). The net profit/(loss) for the period disclosed above represents the Group's total comprehensive income/(loss).

The notes on pages 28 to 37 form part of these financial statements.

# Consolidated Statement of Changes in Equity

for the six months ended 31 May 2024

	Notes	Called up share capital £'000	Share premium account £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
<b>For the six months ended 31 May 2024 (unaudited)</b>							
At 30 November 2023		1,356	69,980	66,100	18,660	6,266	162,362
Total comprehensive income							
Net profit for the period		–	–	–	18,112	2,334	20,446
Transaction with owners, recorded directly to equity:							
Ordinary shares bought back into treasury	9	–	–	(7,631)	–	–	(7,631)
Share buyback costs		–	–	(53)	–	–	(53)
Dividends paid <sup>1</sup>	7	–	–	–	–	(2,891)	(2,891)
<b>At 31 May 2024</b>		<b>1,356</b>	<b>69,980</b>	<b>58,416</b>	<b>36,772</b>	<b>5,709</b>	<b>172,233</b>
<b>For the six months ended 31 May 2023 (unaudited)</b>							
At 30 November 2022		1,344	68,203	70,937	47,803	6,421	194,708
Total comprehensive (loss)/income:							
Net (loss)/profit for the period		–	–	–	(30,275)	3,209	(27,066)
Transactions with owners, recorded directly to equity:							
Ordinary share issues		12	1,781	–	–	–	1,793
Share issue costs		–	(4)	–	–	–	(4)
Share reissue costs written back		–	–	–	28	–	28
Dividends paid <sup>2</sup>	7	–	–	–	–	(2,969)	(2,969)
<b>At 31 May 2023</b>		<b>1,356</b>	<b>69,980</b>	<b>70,937</b>	<b>17,556</b>	<b>6,661</b>	<b>166,490</b>
<b>For the year ended 30 November 2023 (audited)</b>							
At 30 November 2022		1,344	68,203	70,937	47,803	6,421	194,708
Total comprehensive (loss)/income:							
Net (loss)/profit for the year		–	–	–	(29,170)	5,774	(23,396)
Transactions with owners, recorded directly to equity:							
Ordinary share issues		12	1,781	–	–	–	1,793
Share issue costs		–	(4)	–	–	–	(4)
Ordinary shares bought back into treasury		–	–	(4,802)	–	–	(4,802)
Share buyback costs		–	–	(35)	–	–	(35)
Share reissue costs written back		–	–	–	27	–	27
Dividends paid <sup>3</sup>	7	–	–	–	–	(5,929)	(5,929)
<b>At 30 November 2023</b>		<b>1,356</b>	<b>69,980</b>	<b>66,100</b>	<b>18,660</b>	<b>6,266</b>	<b>162,362</b>

<sup>1</sup> 4th interim dividend of 1.125p per share for the year ended 30 November 2023, declared on 7 December 2023 and paid on 12 January 2024 and 1st interim dividend of 1.125p per share for the year ending 30 November 2024, declared on 15 March 2024 and paid on 26 April 2024.

<sup>2</sup> 4th interim dividend of 1.100p per share for the year ended 30 November 2022, declared on 7 December 2022 and paid on 13 January 2023 and 1st interim dividend of 1.100p per share for the year ended 30 November 2023, declared on 13 March 2023 and paid on 19 April 2023.

<sup>3</sup> 4th interim dividend of 1.100p per share for the year ended 30 November 2022, declared on 7 December 2022 and paid on 13 January 2023; 1st interim dividend of 1.100p per share for the year ended 30 November 2023, declared on 13 March 2023 and paid on 19 April 2023; 2nd interim dividend of 1.100p per share for the year ended 30 November 2023, declared on 7 June 2023 and paid on 14 July 2023 and 3rd interim dividend of 1.100p per share for the year ended 30 November 2023, declared on 20 September 2023 and paid on 27 October 2023.

For information on the Company's distributable reserves, please refer to note 11 on page 34.

The notes on pages 28 to 37 form part of these financial statements.

# Consolidated Statements of Financial Position

as at 31 May 2024

	Notes	31 May 2024 (unaudited) £'000	31 May 2023 (unaudited) £'000	30 November 2023 (audited) £'000
<b>Non current assets</b>				
Investments held at fair value through profit or loss	12	188,694	175,627	175,540
<b>Current assets</b>				
Other receivables		484	835	618
Current tax asset		195	134	130
Cash collateral pledged with brokers		343	1,086	1,538
Cash and cash equivalents		73	194	5,276
<b>Total current assets</b>		<b>1,095</b>	<b>2,249</b>	<b>7,562</b>
<b>Total assets</b>		<b>189,789</b>	<b>177,876</b>	<b>183,102</b>
<b>Current liabilities</b>				
Other payables		(2,338)	(1,463)	(1,988)
Derivative financial liabilities held at fair value through profit or loss	12	(5)	(559)	(890)
Bank overdraft		(15,213)	(9,364)	(17,862)
<b>Total current liabilities</b>		<b>(17,556)</b>	<b>(11,386)</b>	<b>(20,740)</b>
<b>Net assets</b>		<b>172,233</b>	<b>166,490</b>	<b>162,362</b>
<b>Equity attributable to equity holders</b>				
Called up share capital	10	1,356	1,356	1,356
Share premium account		69,980	69,980	69,980
Special reserve		58,416	70,937	66,100
Capital reserves		36,772	17,556	18,660
Revenue reserve		5,709	6,661	6,266
<b>Total shareholders' funds</b>		<b>172,233</b>	<b>166,490</b>	<b>162,362</b>
<b>Net asset value per ordinary share (pence)</b>	<b>8</b>	<b>138.24</b>	<b>122.79</b>	<b>123.58</b>

The financial statements on pages 24 to 37 were approved and authorised for issue by the Board of Directors on 31 July 2024 and signed on its behalf by Adrian Brown, Chairman.

BlackRock Energy and Resources Income Trust plc  
Registered in England, No. 5612963

The notes on pages 28 to 37 form part of these financial statements.

# Consolidated Cash Flow Statement

for the six months ended 31 May 2024

	Six months ended 31 May 2024 (unaudited) £'000	Six months ended 31 May 2023 (unaudited) £'000	Year ended 30 November 2023 (audited) £'000
<b>Operating activities:</b>			
Net profit/(loss) on ordinary activities before taxation	20,657	(26,793)	(22,929)
Add back finance costs	513	372	784
Net (profit)/loss on investments and derivatives held at fair value through profit or loss (including transaction costs)	(19,011)	29,497	27,606
Net amount for capital special dividends received	–	(86)	–
Net loss/(profit) on foreign exchange	1	35	(6)
Sales of investments held at fair value through profit or loss	61,484	53,133	97,330
Purchases of investments held at fair value through profit or loss	(56,512)	(51,272)	(93,247)
Decrease/(increase) in other receivables	204	44	(134)
Increase in other payables	253	515	471
(Increase)/decrease in amounts due from brokers	(70)	1,100	1,496
Increase/(decrease) in amounts due to brokers	23	(4,838)	(4,269)
Net movement in cash collateral held with brokers	1,195	(801)	(1,253)
<b>Net cash inflow from operating activities before taxation</b>	<b>8,737</b>	<b>906</b>	<b>5,849</b>
Taxation on investment income included within gross income	(276)	(304)	(494)
<b>Net cash inflow from operating activities</b>	<b>8,461</b>	<b>602</b>	<b>5,355</b>
<b>Financing activities</b>			
Interest paid	(513)	(372)	(784)
Receipts from share issues	–	1,793	1,793
Share issue costs paid	–	(58)	(59)
Shares bought back into treasury	(7,557)	–	(4,802)
Share buyback costs	(53)	–	(35)
Dividends paid	(2,891)	(2,969)	(5,929)
<b>Net cash outflow from financing activities</b>	<b>(11,014)</b>	<b>(1,606)</b>	<b>(9,816)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(2,553)</b>	<b>(1,004)</b>	<b>(4,461)</b>
Effect of foreign exchange rate changes	(1)	(35)	6
<b>Change in cash and cash equivalents</b>	<b>(2,554)</b>	<b>(1,039)</b>	<b>(4,455)</b>
Cash and cash equivalents at start of period/year	(12,586)	(8,131)	(8,131)
<b>Cash and cash equivalents at end of period/year</b>	<b>(15,140)</b>	<b>(9,170)</b>	<b>(12,586)</b>
<b>Comprised of:</b>			
Cash at bank	73	194	5,276
Bank overdraft	(15,213)	(9,364)	(17,862)
	<b>(15,140)</b>	<b>(9,170)</b>	<b>(12,586)</b>

The notes on pages 28 to 37 form part of these financial statements.

# Notes to the financial statements

for the six months ended 31 May 2024

## 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 principal activity of the subsidiary, BlackRock Energy and Resources Securities Income Company Limited, is investment dealing and options writing.

## 2. Basis of preparation

The half yearly financial statements for the period ended 31 May 2024 have been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority and with the UK-adopted International Accounting Standard 34 (IAS 34), Interim Financial Reporting. The half yearly financial statements should be read in conjunction with the Group's Annual Report and Financial Statements for the year ended 30 November 2023, which have been prepared in accordance with UK-adopted International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006.

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 guidance set out in the SORP.

### **Adoption of new and amended International Accounting Standards and interpretations:**

**IFRS 17 – Insurance contracts** (effective 1 January 2023). This standard replaced IFRS 4 and applies to all types of insurance contracts. IFRS 17 provides a consistent and comprehensive model for insurance contracts covering all relevant accounting aspects.

This standard did not 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.

The amendment of this standard did not have any significant impact on the Company.

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

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

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

### **Relevant International Accounting Standards that have yet to be adopted:**

**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.

**IAS 1 - Non current liabilities with covenants** (effective 1 January 2024). The IASB has amended IAS 1 Presentation of Financial Statements to introduce additional disclosures for liabilities with covenants within 12 months of the reporting period. The additional disclosures include the nature of covenants, when the entity is required to comply with covenants, the carrying amount of related liabilities and circumstances that may indicate that the entity will have difficulty complying with the covenants.

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

### 3. Income

	Six months ended 31 May 2024 (unaudited) £'000	Six months ended 31 May 2023 (unaudited) £'000	Year ended 30 November 2023 (audited) £'000
<b>Investment income:</b>			
UK dividends	654	329	608
Fixed income	332	227	453
Overseas dividends	1,560	2,055	4,578
Overseas special dividends	154	800	619
<b>Total investment income</b>	<b>2,700</b>	<b>3,411</b>	<b>6,258</b>
<b>Other income:</b>			
Bank interest	2	-	2
Interest on collateral received	8	-	7
Option premium income	418	652	1,209
	<b>428</b>	<b>652</b>	<b>1,218</b>
<b>Total income</b>	<b>3,128</b>	<b>4,063</b>	<b>7,476</b>

During the period, the Group received option premium income in cash totalling £418,000 (six months ended 31 May 2023: £652,000; year ended 30 November 2023: £1,209,000) for writing covered call and put options for the purposes of revenue generation.

Option premium income is amortised evenly over the life of the option contract and accordingly, during the period, option premiums of £418,000 (six months ended 31 May 2023: £652,000; year ended 30 November 2023: £1,209,000) were amortised to revenue.

At 31 May 2024, there was one open position (31 May 2023: nil; 30 November 2023: one) with an associated liability of £5,000 (31 May 2023: £nil; 30 November 2023: £110,000).

Dividends and interest received in cash during the period amounted to £2,374,000 and £287,000 (six months ended 31 May 2023: £2,837,000 and £178,000; year ended 30 November 2023: £5,107,000 and £482,000).

Special dividends of £nil have been recognised in capital during the period (six months ended 31 May 2023: £101,000; year ended 30 November 2023: £79,000).

# Notes to the financial statements

continued

## 4. Investment management fee

	Six months ended 31 May 2024 (unaudited)			Six months ended 31 May 2023 (unaudited)			Year ended 30 November 2023 (audited)		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment management fee	181	543	724	202	606	808	387	1,162	1,549
<b>Total</b>	<b>181</b>	<b>543</b>	<b>724</b>	<b>202</b>	<b>606</b>	<b>808</b>	<b>387</b>	<b>1,162</b>	<b>1,549</b>

The investment management fee is levied at 0.80% of gross assets per annum. Gross assets for the purposes of calculating the management fee equate to the value of the portfolio's gross assets held on the relevant date as valued on the basis of applicable accounting policies, less the value of any investments in in-house funds.

The fee is allocated 25% to the revenue account and 75% to the capital account of the Consolidated Statement of Comprehensive Income. There is no additional fee for company secretarial and administration services.

The Company is entitled to a rebate from the investment management fee charged by the Manager in the event the Company's ongoing charges exceed the cap of 1.25% per annum of average daily net assets. The amount of rebate accrued for the six months ended 31 May 2024 amounted to £nil (six months ended 31 May 2023: £nil; year ended 30 November 2023: £nil). The rebate, if any, is offset against management fees and is allocated between revenue and capital in the ratio of total ongoing charges (as defined on page 142 of the Annual Report and Financial Statements for the year ended 30 November 2023) allocated between revenue and capital during the period.



## 5. Other operating expenses

	Six months ended 31 May 2024 (unaudited) £'000	Six months ended 31 May 2023 (unaudited) £'000	Year ended 30 November 2023 (audited) £'000
<b>Allocated to revenue:</b>			
Custody fee	4	5	9
Auditor's remuneration – audit services <sup>1</sup>	28	24	48
Registrar's fee	17	18	35
Directors' emoluments	75	66	133
Broker fees	13	12	24
Depository fees	8	9	17
Marketing fees	15	21	84
Printing and postage fees	21	19	39
Legal and professional fees	12	13	26
Directors' search fees	–	6	38
Bank charges	7	7	14
Stock exchange listings fees	5	9	14
Other administration costs	35	42	75
Write back of prior year expense accruals <sup>2</sup>	–	(19)	(21)
	<b>240</b>	<b>232</b>	<b>535</b>
<b>Allocated to capital:</b>			
Custody transaction costs <sup>3</sup>	4	13	16
	<b>244</b>	<b>245</b>	<b>551</b>

<sup>1</sup> No non-audit services were provided by the Company's auditors in the six months ended 31 May 2024 (six months ended 31 May 2023: none; year ended 30 November 2023: none).

<sup>2</sup> No expenses were written back during the period (six months ended 31 May 2023: miscellaneous fees, external Director evaluation fees, legal and professional fees; year ended 30 November 2023: miscellaneous fees, external Director evaluation fees, legal and professional fees).

<sup>3</sup> For the six months ended 31 May 2024, expenses of £4,000 (six months ended 31 May 2023: £13,000; year ended 30 November 2023: £16,000) were charged to the capital account of the Statement of Comprehensive Income.

The transaction costs incurred on the acquisition of investments amounted to £99,000 for the six months ended 31 May 2024 (six months ended 31 May 2023: £32,000; year ended 30 November 2023: £89,000). Costs relating to the disposal of investments amounted to £21,000 for the six months ended 31 May 2024 (six months ended 31 May 2023: £19,000; year ended 30 November 2023: £23,000). All transaction costs have been included within the capital reserves.

# Notes to the financial statements

continued

## 6. Finance costs

	Six months ended 31 May 2024 (unaudited)			Six months ended 31 May 2023 (unaudited)			Year ended 30 November 2023 (audited)		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Interest payable – bank overdraft	128	385	513	93	279	372	196	588	784
<b>Total</b>	<b>128</b>	<b>385</b>	<b>513</b>	<b>93</b>	<b>279</b>	<b>372</b>	<b>196</b>	<b>588</b>	<b>784</b>

Finance costs for the Company are charged 25% to the revenue account and 75% to the capital account of the Consolidated Statement of Comprehensive Income. Subsidiary finance costs are charged 100% to the revenue account of the Consolidated Statement of Comprehensive Income.

At 31 May 2024, the Group had an overdraft facility of the lower of £40 million (six months ended 31 May 2023: £40 million; year ended 30 November 2023: £40 million) or 20% of the Group's net assets.

## 7. Dividends

The Board's current dividend target is to declare quarterly dividends of 1.125 pence per share in the year to 30 November 2024, making a total of at least 4.500 pence per share for the year as a whole.

A first interim dividend for the year ending 30 November 2024 of £1,423,000 (1.125 pence per share) was paid on 26 April 2024 to shareholders on the register on 29 March 2024.

The Directors have declared a second interim dividend for the year ending 30 November 2024 of 1.125 pence per share. The total cost of the dividend was £1,394,000 and was paid on 15 July 2024 to shareholders on the Company's register on 14 June 2024. This dividend has not been accrued in the financial statements for the six months ended 31 May 2024, as under IAS, interim dividends are not recognised until paid. Dividends are debited directly to reserves.

The third and fourth interim dividends will be declared in September 2024 and December 2024 respectively.

Dividends on equity shares paid during the period were:

	Six months ended 31 May 2024 (unaudited) £'000	Six months ended 31 May 2023 (unaudited) £'000	Year ended 30 November 2023 (audited) £'000
2nd interim dividend of 1.100p per share for the year ended 30 November 2023 (2022: 1.100p)	–	–	1,478
3rd interim dividend of 1.100p per share for the year ended 30 November 2023 (2022: 1.100p)	–	–	1,491
4th interim dividend of 1.125p per share for the year ended 30 November 2023 (2022: 1.100p)	1,468	1,478	1,491
1st interim dividend of 1.125p per share for the year ending 30 November 2024 (2023: 1.100p)	1,423	1,491	1,469
	<b>2,891</b>	<b>2,969</b>	<b>5,929</b>

## 8. Consolidated earnings and net asset value per ordinary share

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

	Six months ended 31 May 2024 (unaudited)	Six months ended 31 May 2023 (unaudited)	Year ended 30 November 2023 (audited)
Net revenue profit attributable to ordinary shareholders (£'000)	2,334	3,209	5,774
Net capital profit/(loss) attributable to ordinary shareholders (£'000)	18,112	(30,275)	(29,170)
<b>Total profit/(loss) attributable to ordinary shareholders (£'000)</b>	<b>20,446</b>	<b>(27,066)</b>	<b>(23,396)</b>
<b>Equity shareholders' funds (£'000)</b>	<b>172,233</b>	<b>166,490</b>	<b>162,362</b>
The weighted average number of ordinary shares in issue during each period on which the earnings per ordinary share was calculated was:	127,790,523	135,151,964	131,610,148
The actual number of ordinary shares in issue at the period end on which the net asset value per ordinary share was calculated was:	124,586,194	135,586,194	131,386,194
<b>Earnings per share</b>			
Revenue earnings per share (pence) - basic and diluted	1.83	2.37	4.39
Capital earnings/(loss) per share (pence) - basic and diluted	14.17	(22.40)	(22.17)
<b>Total earnings/(loss) per share (pence) - basic and diluted</b>	<b>16.00</b>	<b>(20.03)</b>	<b>(17.78)</b>
	<b>As at 31 May 2024 (unaudited)</b>	<b>As at 31 May 2023 (unaudited)</b>	<b>As at 30 November 2023 (audited)</b>
Net asset value per ordinary share (pence)	138.24	122.79	123.58
Ordinary share price (pence)	121.50	111.60	110.40

There were no dilutive securities at the period end (six months ended 31 May 2023: nil; year ended 30 November 2023: nil).

## 9. Reconciliation of liabilities arising from financing activities

	Six months ended 31 May 2024 (unaudited) £'000	Six months ended 31 May 2023 (unaudited) £'000	Year ended 30 November 2023 (audited) £'000
Bank overdraft at beginning of period/year	17,862	14,345	14,345
Cash flows:			
Movement in overdraft	(2,649)	4,981	3,517
<b>Bank overdraft at end of period/year</b>	<b>15,213</b>	<b>9,364</b>	<b>17,862</b>

## 10. Called up share capital

(unaudited)	Ordinary shares number	Treasury shares number	Total shares number	Nominal value £'000
<b>Allotted, called up and fully paid share capital comprised:</b>				
<b>Ordinary shares of 1 pence each:</b>				
At 30 November 2023	131,386,194	4,200,000	135,586,194	1,356
Ordinary shares repurchased into treasury	(6,800,000)	6,800,000	-	-
<b>At 31 May 2024</b>	<b>124,586,194</b>	<b>11,000,000</b>	<b>135,586,194</b>	<b>1,356</b>

During the period ended 31 May 2024, 6,800,000 shares were bought back into treasury (six months ended 31 May 2023: nil; year ended 30 November 2023: 4,200,000) for a net consideration after costs of £7,684,000 (six months ended 31 May 2023: £nil; year ended 30 November 2023: £4,837,000).

# Notes to the financial statements

continued

## 10. Called up share capital continued

During the period ended 31 May 2024, no shares were issued (six months ended 31 May 2023: 1,230,000; year ended 30 November 2023: 1,230,000) for a net consideration after costs of £nil (six months ended 31 May 2023: £1,789,000; year ended 30 November 2023: £1,789,000).

Since 31 May 2024, no shares have been issued.

Since 31 May 2024 and as at 29 July 2024, the Company has bought back 1,841,697 shares for costs of £2,172,000.

## 11. 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 reserve of the Parent Company may be used as distributable reserves for all purposes and, in particular, the repurchase by the Parent 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 revenue reserve may be distributed by way of dividend. The Parent Company's gain on the capital reserve arising on the revaluation of investments of £32,843,000 (31 May 2023: gain of £13,039,000; year ended 30 November 2023: gain of £15,447,000) is subject to fair value movements and may not be readily realisable at short notice, as such it may not be entirely distributable. The investments are subject to financial risks, as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments. The reserves of the subsidiary company are not distributable until distributed as a dividend to the Parent Company.

## 12. Financial risks and valuation of financial instruments

The Company's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The risks are substantially consistent with those disclosed in the previous annual financial statements with the exception of those outlined below.

### Market risk arising from price risk

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 Group and the market price of its investments and could result in increased premiums or discounts to the Company's net asset value.

### Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Consolidated Statement of Financial Position at their fair value (investments and derivatives) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and bank overdrafts). IFRS 13 requires the Group 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 Group are explained in the accounting policies note 2(h) as set out on page 100 of the Group's Annual Report and Financial Statements for the year ended 30 November 2023.

Categorisation within the hierarchy has been determined on the basis of the lowest level 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 Group 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 than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs.

Over-the-counter derivative option contracts have been classified as Level 2 investments as their valuation has been based on market observable inputs represented by the underlying quoted securities to which these contracts expose the Group.

### Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation technique includes inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability including an assessment of the relevant risks including but not limited to credit risk, market risk, liquidity risk, business risk and sustainability risk. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager and these risks are adequately captured in the assumptions and inputs used in measurement of Level 3 assets or liabilities.

### Fair values of financial assets and financial liabilities

The table below sets out fair value measurements using the IFRS 13 fair value hierarchy.

Financial assets/(liabilities) at fair value through profit or loss at 31 May 2024 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Assets:</b>				
Equity investments	186,532	–	–	186,532
Fixed income investments	–	2,162	–	2,162
<b>Liabilities:</b>				
Derivative financial instruments – written options	(5)	–	–	(5)
	<b>186,527</b>	<b>2,162</b>	<b>–</b>	<b>188,689</b>

Financial assets/(liabilities) at fair value through profit or loss at 31 May 2023 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Assets:</b>				
Equity investments	170,896	–	–	170,896
Fixed income investments	2,714	2,017	–	4,731
<b>Liabilities:</b>				
Derivative financial instruments – commodity futures	(559)	–	–	(559)
	<b>173,051</b>	<b>2,017</b>	<b>–</b>	<b>175,068</b>

Financial assets/(liabilities) at fair value through profit or loss at 30 November 2023 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Assets:</b>				
Equity investments	169,171	–	–	169,171
Fixed income investments	4,022	2,347	–	6,369
<b>Liabilities:</b>				
Derivative financial instruments – written options	(110)	–	–	(110)
Derivative financial instruments – commodity futures	(780)	–	–	(780)
	<b>172,303</b>	<b>2,347</b>	<b>–</b>	<b>174,650</b>

The investment in Vale debentures has been classified as Level 2 in the tables above for all periods as these are priced using secondary market pricing information provided by the Brazilian Financial and Capital Markets Association (ANBIMA).

# Notes to the financial statements

continued

## 12. Financial risks and valuation of financial instruments continued

As at 31 May 2024, the investment in Gazprom has been valued at a nominal value of RUB0.01 (31 May 2023: RUB0.01; 30 November 2023: RUB0.01) due to lack of access to the Moscow Stock Exchange as a result of sanctions against Russia following the invasion of Ukraine. Following the suspension of the secondary listings of depository receipts of Russian companies, the investment in Gazprom ADRs was transferred from Level 1 to Level 3. Towards the previous year end, the ADRs in Gazprom were converted into equity shares of Gazprom. As at the period-end, this investment is considered a Level 3 financial asset.

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 business risks, including climate change risk, in accordance with the fair value related requirements of the Company's financial reporting framework.

The Company may invest no more than 10% of its net asset value in investments held through Stock Connect as set out on page 122 of the Group's Annual Report and Financial Statements for the year ended 30 November 2023.

## 13. Related party disclosure

### Directors' emoluments

The Board consists of four non-executive Directors, all of whom are considered to be independent of the Manager by the Board. None of the Directors has a service contract with the Company. The Chairman receives an annual fee of £42,000, the Chairman of the Audit and Management Engagement Committee receives an annual fee of £35,000, the Senior Independent Director receives an annual fee of £31,000 and each of the other Directors receives an annual fee of £30,000.

As at 31 May 2024, an amount of £11,000 (31 May 2023: £11,000; 30 November 2023: £11,000) was outstanding in respect of Directors' fees.

At the period end, interests of the Directors in the ordinary shares of the Company are as set out below:

	31 May 2024	31 May 2023	30 November 2023
Mr Adrian Brown (Chairman)	35,000	35,000	35,000
Mr Andrew Robson	35,000	35,000	35,000
Mrs Anne Marie Cannon <sup>1</sup>	15,000	n/a	n/a
Mrs Carole Ferguson	14,505	10,000	14,505
Dr Carol Bell <sup>2</sup>	n/a	44,000	50,800

<sup>1</sup> Mrs Cannon joined the Board with effect from 16 January 2024 and held no shares as at that date.

<sup>2</sup> Dr Carol Bell retired from the Board with effect from 15 March 2024.

Since the period end and up to the date of this report there have been no changes in Directors' holdings.

### Significant Holdings

The following investors are:

- funds managed by the BlackRock Group or are affiliates of BlackRock, Inc. (Related BlackRock Funds); or
- 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).

	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.
As at 31 May 2024	0.75	n/a	n/a
As at 30 November 2023	0.70	n/a	n/a
As at 31 May 2023	0.95	n/a	n/a

## 14. Transactions with the Investment Manager and AIFM

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Group under a contract which is terminable on six months' notice. BFM has (with the Group'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 on page 53 of the Directors' Report in the Company's Annual Report and Financial Statements for the year ended 30 November 2023.

The investment management fee due for the six months ended 31 May 2024 amounted to £724,000 (six months ended 31 May 2023: £808,000; year ended 30 November 2023: £1,549,000). At the period end £1,088,000 was outstanding in respect of these fees (31 May 2023: £1,187,000; 30 November 2023: £742,000).

The Company is entitled to a rebate from the investment management fee charged by the Manager in the event the Company's ongoing charges exceed the cap of 1.25% per annum of average daily net assets. The amount of rebate accrued to 31 May 2024 amounted to £nil (six months ended 31 May 2023: £nil; year ended 30 November 2023: £nil). Any final rebate for the full year ending 30 November 2024 will not crystallise and fall due until the calculation date of 30 November 2024.

In addition to the above services, BIM (UK) has provided the Group with marketing services. The total fees paid or payable for these services for the period ended 31 May 2024 amounted to £15,000 excluding VAT (six months ended 31 May 2023: £21,000; year ended 30 November 2023: £84,000). Marketing fees of £121,000 (31 May 2023: £43,000; 30 November 2023: £106,000) were outstanding at 31 May 2024.

The ultimate holding company of the Manager and the Investment Manager is BlackRock, Inc., a company incorporated in Delaware, USA.

## 15. Capital commitments and contingent liabilities

The Group had no capital commitments at 31 May 2024 (31 May 2023: one SPAC PIPE commitment for investment in Lifezone Metals; year ended 30 November 2023: none). There were no contingent liabilities at 31 May 2024 (31 May 2023: none; 30 November 2023: none).

## 16. Publication of non-statutory accounts

The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the six months ended 31 May 2024 and 31 May 2023 has not been reviewed or audited by the auditor.

The information for the year ended 30 November 2023 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies unless otherwise stated. The report of the Auditors on those accounts contained no qualification or statement under Sections 498(2) or 498(3) of the Companies Act 2006.

## 17. Annual results

The Board expects to announce the annual results for the year ending 30 November 2024 in January 2025.

Copies of the annual results announcement can be obtained from the Secretary on 020 7743 3000 or at [cossec@blackrock.com](mailto:cossec@blackrock.com). The Annual Report and Financial Statements should be available at the beginning of February 2025, with the Annual General Meeting being held in March 2025.

# Directors, management and other service providers

## Directors

Adrian Brown (Chairman)  
Andrew Robson (Chairman of the Audit and Management Engagement Committee)  
Anne Marie Cannon  
Carole Ferguson

## Registered office

(Registered in England, No. 5612963)  
12 Throgmorton Avenue  
London EC2N 2DL

## Alternative Investment Fund Manager<sup>1</sup>

BlackRock Fund Managers Limited<sup>2</sup>  
12 Throgmorton Avenue  
London EC2N 2DL  
Telephone: 020 7743 3000

## Investment Manager and Company Secretary

BlackRock Investment Management (UK) Limited<sup>2</sup>  
12 Throgmorton Avenue  
London EC2N 2DL

## Banker, Custodian and Depositary

The Bank of New York Mellon (International) Limited<sup>2</sup>  
160 Queen Victoria Street  
London EC4V 4LA

## Registrar

Computershare Investor Services PLC<sup>2</sup>  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ  
Telephone: 0370 707 1476

## Auditor

Deloitte LLP  
110 Queen Street  
Glasgow G1 3BX

## Stockbroker

Winterflood Securities Limited<sup>2</sup>  
The Atrium Building  
Cannon Bridge  
25 Dowgate Hill  
London EC4R 2GA

## Solicitor

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

<sup>1</sup> BlackRock Fund Managers Limited (BFM) was appointed as the Alternative Investment Fund Manager on 2 July 2014. BlackRock Investment Management (UK) Limited continues to act as the Investment Manager under a delegation agreement with BFM.

<sup>2</sup> Authorised and regulated by the Financial Conduct Authority.



# Shareholder information

## Contact information

General enquiries about the Company should be directed to:

The Company Secretary  
BlackRock Energy and Resources Income Trust plc,  
12 Throgmorton Avenue,  
London EC2N 2DL  
Telephone: 020 7743 3000

Email: [cosec@blackrock.com](mailto:cosec@blackrock.com)

## Website

[www.blackrock.com/uk/beri](http://www.blackrock.com/uk/beri)

## 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 will be required to gain access to your account, including your shareholder reference number available from your most recent dividend counterfoil or other communication received from the registrar. Computershare's website address is [www.investorcentre.co.uk](http://www.investorcentre.co.uk). Alternatively, please contact the registrar on 0370 707 1476.

Changes of name or address must be notified in writing either through Computershare's website or sent to:

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol BS99 6ZZ

## Results

Full year announced in late January/early February

Half year announced in July/early August

## Annual General Meeting

March

## Quarterly Dividends

Dividends are paid quarterly as follows:

Period ending	Ex-date	Payment date
28 February	March	April
31 May	June	July
31 August	September	October
30 November	December	January

# Shareholder information

continued

## **Dividend tax allowance**

The annual tax-free allowance on dividend income across an individual's entire share portfolio is £500. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company continues to provide registered shareholders with confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is a shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries, please contact a Financial Advisor.

## **Dividend reinvestment scheme (DRIP)**

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 on 0370 707 1476 or through their secure website: [www.investorcentre.co.uk](http://www.investorcentre.co.uk). Shareholders who have already opted to have their dividends reinvested do not need to reapply.

## **Climate-related Financial Disclosure**

BlackRock Fund Managers Limited (the Manager) has produced a supplemental detailed Climate Report which can be found on the website at [www.blackrock.com/uk/literature/public-disclosure/tcf-d-product-level-disclosure-report-it.pdf](http://www.blackrock.com/uk/literature/public-disclosure/tcf-d-product-level-disclosure-report-it.pdf) which is a response to, and is consistent with, all the recommendations and relevant recommended disclosures of the Task Force on Climate-related Financial Disclosures. These disclosures describe how the Manager incorporates climate-related risks and opportunities into governance, strategy, risk management, metrics and targets and how the Manager is responding to the expectations of our stakeholders.

# Glossary

## Alternative Performance Measures (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 Group'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 Half Yearly Financial 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 May 2024, the share price was 121.50p (31 May 2023: 111.60p; 30 November 2023: 110.40p) and the NAV was 138.24p (31 May 2022: 122.79p; 30 November 2023: 123.58p); therefore, discount was 12.1% (31 May 2023: discount of 9.1%; 30 November 2023: discount of 10.7%) (please see note 8 of the financial statements for the inputs to the calculations).

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 370p and the NAV was 365p, the premium would be 1.4%.

Discounts and premium 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 Group may achieve gearing through borrowings or the effect of gearing through an appropriate balance of equity capital, investment in derivatives and structured financial instruments, and borrowings. Gearing through the use of derivatives is limited to a maximum of 30% of the Group's assets for the purposes of efficient portfolio management and to enhance portfolio returns. Gearing through borrowings is limited to 40% of the Group's gross assets; however borrowings are not envisaged to exceed 20% of the Group's gross assets at the date of drawdown.

\* Alternative Performance Measure.

# Glossary

continued

<b>Net gearing calculation</b>	<b>Page</b>	<b>31 May 2024 £'000 (unaudited)</b>	<b>31 May 2023 £'000 (unaudited)</b>	<b>30 November 2023 £'000 (audited)</b>	
Net assets	26	172,233	166,490	162,362	(a)
Borrowings	26	15,213	9,364	17,862	(b)
<b>Total assets (a + b)</b>		<b>187,446</b>	<b>175,854</b>	<b>180,224</b>	<b>(c)</b>
Current assets <sup>1</sup>	26	1,095	2,249	7,562	(d)
Current liabilities (excluding borrowings)	26	(2,343)	(2,022)	(2,878)	(e)
Net current (liabilities)/assets (d + e)		(1,248)	227	4,684	(f)
<b>Net gearing figure (g=(c-f-a)/a) (%)</b>		<b>9.6</b>	<b>5.5</b>	<b>8.1</b>	<b>(g)</b>

<sup>1</sup> Includes cash at bank.

## Gross assets

Gross assets is defined as the total of the Group's net assets and borrowings.

## 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:

$$\text{Leverage ratio} = \frac{\text{Exposure}}{\text{Net assets}}$$

The Directive sets out two methodologies for calculating exposure. These are the Gross Method and the Commitment Method. The treatment of cash and cash equivalent balances in terms of calculating what constitutes an "exposure" under AIFMD differs for these two methods. The definitions for calculating the Gross Method exposures require that "the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the AIF, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond" should be excluded from exposure calculations.

## 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 Group assuming these are reinvested in the Group at the prevailing NAV/share price (please see note 8 of the financial statements for the inputs to the calculations).

<b>NAV total return</b>	<b>Page</b>	<b>Six months to 31 May 2024 (unaudited)</b>	<b>Six months to 31 May 2023 (unaudited)</b>	<b>Year to 30 November 2023 (audited)</b>	
Closing NAV per share (pence)	33	138.24	122.79	123.58	
Add back interim and final dividends (pence)	25	2.25	2.20	4.40	
Effect of dividend reinvestment (pence)		0.20	(0.12)	(0.17)	
Adjusted closing NAV (pence)		140.69	124.87	127.81	(a)
Opening NAV per share (pence)	33	123.58	144.92	144.92	(b)
<b>NAV total return (c = ((a - b)/b)) (%)</b>		<b>13.8</b>	<b>(13.8)</b>	<b>(11.8)</b>	<b>(c)</b>

\* Alternative Performance Measure.

Share price total return	Page	Six months to 31 May 2024 (unaudited)	Six months to 31 May 2023 (unaudited)	Year to 30 November 2023 (audited)	
Closing share price (pence)	33	121.50	111.60	110.40	
Add back interim and final dividends (pence)	25	2.25	2.20	4.40	
Effect of dividend reinvestment (pence)		0.20	(0.29)	(0.37)	
Adjusted closing share price (pence)		123.95	113.51	114.43	(a)
Opening share price (pence)	33	110.40	135.00	135.00	(b)
<b>Share price total return (c = ((a - b)/b)) (%)</b>		<b>12.3</b>	<b>(15.9)</b>	<b>(15.2)</b>	<b>(c)</b>

### Net asset value per share (Cum income NAV)

This is the value of the Group'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 May 2024, equity shareholders' funds were worth £172,233,000 (31 May 2023: £166,490,000; 30 November 2023: £162,362,000) and there were 124,586,194 (31 May 2023: 135,586,194; 30 November 2023: 131,386,194) ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 138.24p per ordinary share (31 May 2023: 122.79p; 30 November 2023: 123.58p) (please see note 8 of the financial statements for the inputs to the calculations).

Equity shareholders' funds are calculated by deducting from the Group's total assets, its current and long-term liabilities and any provision for liabilities and charges.

### 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 Group's assets disregarding the current period revenue income, on the basis that most trusts will distribute substantially all of their income in any financial period. It is calculated by dividing 'equity shareholders' funds' (excluding current period revenue) by the total number of ordinary shares in issue.

As at 31 May 2024, equity shareholders' funds less the current year net revenue return (after interim dividends) amounted to £171,322,000 (31 May 2023: £164,772,000; 30 November 2023: £161,039,000) and there were 124,586,194 (31 May 2023: 135,586,194; 30 November 2023: 131,386,194) ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 137.51p (31 May 2023: 121.53p; 30 November 2023: 122.57p).

Equity shareholders' funds (excluding current period revenue) of £171,322,000 (31 May 2023: £164,772,000; 30 November 2023: £161,039,000) are calculated by deducting from the Group's net assets £172,233,000 (31 May 2023: £166,490,000; 30 November 2023: £162,362,000) its current period revenue £2,334,000 (31 May 2023: £3,209,000; 30 November 2023: £5,774,000) and adding back the interim dividends paid from revenue £1,423,000 (31 May 2023: £1,491,000; 30 November 2023: £4,451,000).

### 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 Group'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 Group during the year.

\* Alternative Performance Measure.

# Glossary

continued

The inputs that have been used to calculate the ongoing charges percentage are set out in the following table.

<b>Ongoing charges calculation</b>	<b>Page</b>	<b>30 November 2023 £'000 (audited)</b>	<b>30 November 2022 £'000 (audited)</b>	
Management fee	30	1,549	1,358	
Other operating expenses <sup>1</sup>	31	556	457	
Total management fee and other operating expenses		2,105	1,815	(a)
Average daily net assets in the year		176,911	160,532	(b)
<b>Ongoing charges (c = a/b) (%)</b>		<b>1.19</b>	<b>1.13</b>	<b>(c)</b>

<sup>1</sup> Excluding the write back of prior year expenses totalling £21,000 during the year ended 30 November 2023 (30 November 2022: £nil), non-recurring expenses of £nil (30 November 2022: £49,000 relating to stock exchange listing fees) and provision for doubtful debts of £nil (30 November 2022: £380,000).

The Company's ongoing charges (including the investment management fee), will be capped at 1.25% per annum of average daily net assets.

## 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 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 Group employs an options overwriting strategy but 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 Group's portfolio such that, if the options are exercised, the Group 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 Group's direct investments.

## Quoted securities and unquoted securities

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.

## 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 Group. Revenue reserves is the undistributed income that the Group 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.

\* Alternative Performance Measure.

## Total dividends and yield\*

Total dividends represent total quarterly and final dividends declared by the Company for a particular year. The yield is the amount of cash (in percentage terms) that is returned to the owners of the security, in the form of interest or dividends received from it. Normally, it does not include the price variations, distinguishing it from the total return.

Yield	Page	31 May 2024 (unaudited)	31 May 2023 (unaudited)	30 November 2023 (audited)	
Interim dividends payable/paid (pence) <sup>1</sup>	25	4.475	4.400	4.425	(a)
Ordinary share price (pence)	33	121.50	111.60	110.40	(b)
<b>Yield (c = a/b) (%)</b>		<b>3.7</b>	<b>3.9</b>	<b>4.0</b>	<b>(c)</b>

<sup>1</sup> Comprising dividends declared/paid for the twelve months to 31 May and 30 November.

\* Alternative Performance Measure.

# Share fraud warning

Be ScamSmart



## Investment scams are designed to look like genuine investments

### Spot the warning signs



Have you been:

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

### Avoid investment fraud

**1 Reject cold calls**

If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

**2 Check the FCA Warning List**

The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

**3 Get impartial advice**

Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

### Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at [www.fca.org.uk/consumers](http://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](http://www.actionfraud.police.uk)

Find out more at [www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

**Remember: if it sounds too good to be true, it probably is!**

SGN001



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Park works to the EMAS standard and its Environmental Management System is certified to ISO 14001.

This publication has been manufactured using 100% offshore wind electricity sourced from UK wind.

100% of the inks used are vegetable oil based, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

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