Contents

BlackRock

BlackRock American Income Trust plc

(formerly BlackRock Sustainable American Income Trust plc)

Annual Report and Financial Statements 31 October 2024

Keeping in touch

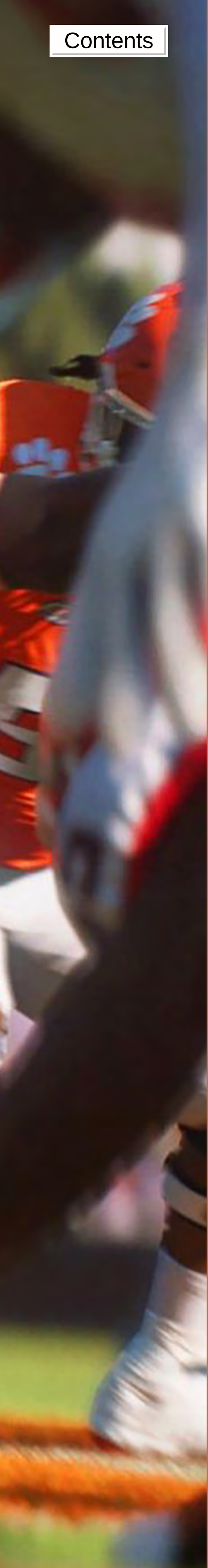
We know how important it is to receive up-to-date information about the Company.

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

Further information about the Company can be found on our website at www.blackrock.com/uk/brai.

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

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



Financial highlights

as at 31 October 2024

216.24p
Net asset value (NAV) per ordinary share
▲16.0%[1,2]

2533.77
Reference index - net total return
▲23.2%[1]

190.00p
Ordinary share price
▲13.8%[1,2]

£155.1m
Net assets
▲0.2%

8.00p
Total dividends per share
No change

4.2%[2,3]
Yield

3.39p
Revenue earnings per ordinary share
▼7.6%[2]

12.1%[2]
Discount

Portfolio: AA
MSCI ESG rating[4]

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

Portfolio: 87.2
Reference index: 178.8
MSCI carbon (CO_2) intensity score[5]

The above financial highlights are at 31 October 2024 and percentage comparisons are against 31 October 2023.

1 NAV per ordinary share, mid-market share price and reference index performance are calculated in Sterling terms with dividends reinvested. Net total return indices calculate the reinvestment of dividends net of withholding taxes.
2 Alternative Performance Measures, see Glossary on pages 117 to 121.
3 Based on dividends paid and declared for the year ended 31 October 2024 and share price as at 31 October 2024.
4 ESG ratings and definitions on page 24.
5 CO_2 in tons/sales.

Video game giant Electronic Arts has invested to expand and refresh its catalogue, and is set to start reaping the benefits of a wider array of franchises, including EA Sports College Football pictured opposite.

PHOTO COURTESY OF ELECTRONIC ARTS

Contents

Section 1: Overview and performance

Financial highlights	1
Performance record	3
Chair's Statement	4
Investment Manager's Report	9

Section 2: Portfolio

Ten largest investments	19
Portfolio analysis	21
Investments	22
ESG and carbon metrics	24

Section 3: Governance

Governance structure	28
Directors' biographies	29
Strategic Report	31
Environmental, Social and Governance issues and approach	45
BlackRock Investment Stewardship	46
Directors' Report	49
Directors' Remuneration Report	57
Directors' Remuneration Policy	60
Corporate Governance Statement	62
Report of the Audit Committee	69
Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements	74

Section 4: Financial statements

Independent Auditors' Report	78
Statement of Comprehensive Income	84
Statement of Changes in Equity	85
Statement of Financial Position	86
Cash Flow Statement	87
Notes to the Financial Statements	88

Section 5: Additional information

Shareholder information	108
Analysis of ordinary shareholders (unaudited)	111
Historical record	112
Management and other service providers	113
AIFMD disclosures (unaudited)	114
Information to be disclosed in accordance with Listing Rule 9.8.4	116
Glossary	117

Section 6: Annual General Meeting

Notice of Annual General Meeting	124
SFDR disclosures (unaudited)	128
Share fraud warning	139

Contents

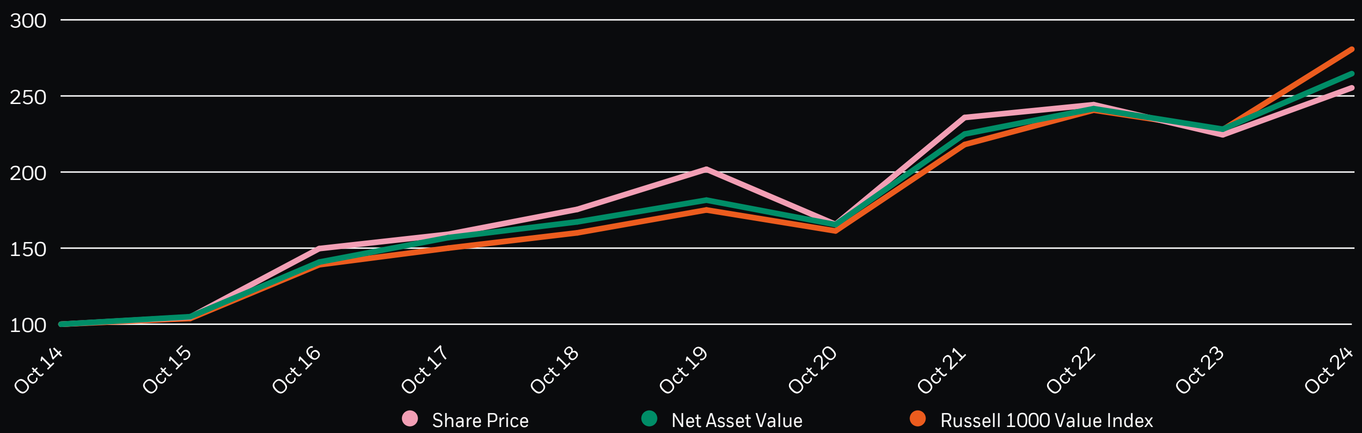
Performance record

	As at 31 October 2024	As at 31 October 2023
Net assets (£'000)[1]	155,067	154,789
Net asset value per ordinary share (pence)	216.24	193.51
Ordinary share price (mid-market) (pence)	190.00	174.00
Discount to cum income net asset value[2]	12.1%	10.1%
Russell 1000 Value Index – gross total return[3]	2143.06	1733.58
Russell 1000 Value Index – net total return[3]	2533.77	2056.54

	For the year ended 31 October 2024	For the year ended 31 October 2023
Performance (with dividends reinvested)		
Net asset value per share[2]	16.0%	-5.6%
Ordinary share price[2]	13.8%	-8.1%
Russell 1000 Value Index – gross total return[3]	23.6%	-5.0%
Russell 1000 Value Index – net total return[3]	23.2%	-5.3%
Performance since inception (with dividends reinvested)		
Net asset value per share[2]	246.5%	198.7%
Ordinary share price[2]	204.7%	167.8%
Russell 1000 Value Index – gross total return[3]	333.6%	250.7%
Russell 1000 Value Index – net total return[3]	315.1%	236.9%

	For the year ended 31 October 2024	For the year ended 31 October 2023	Change %
Revenue			
Net profit on ordinary activities after taxation (£'000)	2,604	2,945	-11.6
Revenue earnings per ordinary share (pence)[4]	3.39	3.67	-7.6
Interim dividends (pence)			
1st interim	2.00	2.00	–
2nd interim	2.00	2.00	–
3rd interim	2.00	2.00	–
4th interim	2.00	2.00	–
Total dividends payable/paid	**8.00**	**8.00**	**–**

Performance since 1 November 2014 to 31 October 2024



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

[1] The change in net assets reflects portfolio movements, shares bought back into treasury and dividends paid during the year.
[2] Alternative Performance Measures, see Glossary on pages 117 to 121.
[3] The Company's performance reference index (the Russell 1000 Value Index) may be calculated on either a gross or a net total return basis. Net total return (NR) indices calculate the reinvestment of dividends net of withholding taxes using the tax rates applicable to non-resident institutional investors, and hence give a lower total return than indices where calculations are on a gross total return basis. As the Company is subject to the same withholding tax rates for the countries in which it invests, the NR basis is felt to be the most accurate, appropriate, consistent and fair comparison for the Company.
[4] Further details are given in the Glossary on page 120.

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

Chair's Statement

Dear Shareholder

Alice Ryder
Chair

Market overview

The performance of markets over the year to October 2024 was supported by a more benign economic backdrop of falling inflation, a lower cost of borrowing, a resilient consumer and robust corporate earnings. Evidence suggests that US policymakers may have managed to bring inflation under control without causing a recession and, despite persistent concerns surrounding the durability of growth and interest rate policy, the US economy remains fundamentally strong.

Performance

Against this background and over the year to 31 October 2024, the Company's net asset value per share (NAV) returned +16.0% and the share price returned +13.8%. This compares with a rise of +23.2% in the Russell 1000 Value Index – net total return[1], the Company's reference index (all figures are in Sterling terms with dividends reinvested net of withholding taxes). In the same period, and as a broader comparison, the S&P 500 Index was up by +30.2%.

More details on this and the significant contributors to and detractors from performance during the year are given in the Investment Manager's Report. Since the financial year end and up to close of business on 25 February 2025, the Company's NAV had increased by 4.8% (with dividends reinvested).

The Board is disappointed with the Company's performance relative to the Russell 1000 Value Index. Following a review of a wide range of options over the last few months, the Board is proposing to shareholders a change of investment strategy that will offer a differentiated approach to investing in US value equities with an enhanced dividend policy but at a lower cost, as set out in detail in the section below.

Revenue earnings and dividends

Your Company's revenue earnings per share, based on the weighted average number of shares in issue for the year, amounted to 3.39p (2023: 3.67p), a decrease of 7.6%. Four quarterly interim dividends of 2.00p per share were paid on 26 April 2024, 5 July 2024, 1 October 2024 and 2 January 2025. This is in line with the payments made in the previous financial year. The dividend paid represents a yield of 4.2% on the share price at the year end.

[1] Return on net total return index is calculated including the reinvestment of dividends net of withholding taxes.

Your Board considers that it remains appropriate to continue with an enhanced dividend policy, supported through both revenue and other distributable reserves. The Board continues to believe that such a dividend policy provides an attractive option for investors who wish to achieve exposure to the US equity market, whilst at the same time receiving a competitive dividend.

Management of share rating

The Directors recognise the importance to investors that the market price of the Company's shares should not trade at a significant premium or discount to the underlying NAV. Accordingly, the Board monitors the share price closely, receiving regular updates from the Manager and our corporate broker, Cavendish Securities, and may use the Company's share buy back and share issue powers to ensure that the share price does not go to an excessive discount or premium. In the Board's opinion it is important to consider the discount in the context of wider market conditions, with investor sentiment and discounts being influenced by various external factors.

The investment trust sector average discount widened over the year as markets were disrupted by market volatility related to increased geopolitical instability and election uncertainty both in the US and Europe. Additionally, in the run-up to the UK budget, there was an accelerated stream of retail selling which also widened discounts. The Company's underperformance over the past couple of years compared to the Russell 1000 Value Index may have contributed to the discount widening out, but the Board has put in place a consistent buyback policy that has helped to defend the Company's discount which at 25 February 2025 was 7.4%.

Over the Company's financial year to end October 2024, the Company's shares have traded at an average discount of 9.6%. During the year, the Company purchased 8,280,074 shares at an average price of 194.78p per share at an average discount of 9.9% for a total cost of £16,128,000. The buyback of shares during the year has provided a gross capital uplift of £1.75 million (1.07% of the daily average NAV). Since the year end and up to 25 February 2025, a further 3,136,986 shares have been bought back at an average price of 205.06p per share for a total cost of £6,449,000. All shares have been placed in treasury. No shares were issued during the year under review and up to the date of this report.

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

General Meeting

On 19 December 2024 a letter was sent to shareholders regarding the renewal of the share buyback authority and notice of a General Meeting. Following the share buybacks both during the year and since the financial year end, the Directors concluded that, if the Company's purchases of its own shares were to continue at the same rate as they had since the Company's 2024 Annual General Meeting, the remaining capacity would be fully utilised before the 2025 Annual General Meeting.

The Directors therefore convened a General Meeting to seek authority from shareholders to renew the Company's authority to buy back shares with the renewed authority expiring at the conclusion of the 2025 Annual General Meeting. The General Meeting was held on 23 January 2025 and the special resolution was passed giving the Directors renewed authority to make market purchases of up to 10,468,142 ordinary shares. As mentioned above, the Directors intend to seek further renewal of the authority at the forthcoming Annual General Meeting.

Board composition

As stated in the 2024 Annual Report, as part of the Board's ongoing succession plans and, having now served as a Director for more than ten years and as Chair for just over two years, it is my intention to retire at the Company's forthcoming Annual General Meeting. I am delighted that David Barron has agreed to succeed me as Chair, at which time Solomon Soquar will become Senior Independent Director.

The Board has appointed an external recruitment firm to undertake a search and selection process to identify a new Director with the knowledge and skills to replace David Barron as Chair of the Audit Committee. If the Company's continuation vote is passed, the Board will proceed with the appointment of a new Director.

It has been a privilege to serve as Chair of your Company and also to have the opportunity to work with the Board, the investment team and others at BlackRock who help support the Company. With David's extensive experience, I leave the Company in the capable hands of the Board and the Investment Manager and wish it every success for the future.

Agreement with Saba

On 22 January 2025, the Board entered into an agreement with Saba Capital Management L.P. (Saba) pursuant to which Saba has provided a number of undertakings which has the effect of limiting certain actions by Saba. The press release can be found at www.londonstockexchange.com/news-article/BRAI/agreement-with-saba/16863470. The agreement lasts until the earlier of the day following the completion of the Company's 2027 AGM or 31 August 2027. The agreement does not limit Saba's ability to acquire or dispose of shares in the Company.

SDR

Over the year, the Board considered the implications for the Company of the Financial Conduct Authority's Sustainability Disclosure Requirements (SDR) which came into effect on 2 December 2024. Noting that adopting a label under SDR would have required changes to the Company's existing strategy that would have required additional ESG constraints, the Board decided to remove the word 'sustainable' from the Company's name and investment objective such that the Company became an unlabelled ESG fund. As a result, on 13 November 2024 the Company's name was changed to BlackRock American Income Trust plc and, to reflect the Naming & Marketing Rules under SDR, the Company was required to make non-material changes to its investment objective and investment policy. These changes are reflected in the Strategic Report on pages 31 and 32. There was no change to how the investment portfolio was managed. However, as part of a wider exercise, the Board has undertaken a detailed review of strategy and is proposing a number of additional changes as set out below.

Proposal to change investment strategy

The Board recognises that the investment performance relative to the Russell 1000 Value Index has been challenged for some time. Further, the Board has sought to offer shareholders active investment management at a lower cost and to identify a differentiated investment strategy that shareholders will find appealing and which better enables the Company to achieve greater scale. During the year the Directors engaged with their advisers to consider a number of strategic options available to the Company to address these points. Accordingly, following a thorough review and after careful consideration, the Board is proposing to amend the Company's investment approach (including its investment objective and investment policy) based on a proposal that was presented by BlackRock, a summary of which is set out below and in greater detail in the Circular.

Systematic Active Equity approach
Adopt a modern Systematic Active Equity investment process. By combining the power of big data, artificial intelligence and human expertise, the systematic investment process offered by BlackRock aims to unlock new ways to seek consistent portfolio outcomes and exploit market inefficiencies. Further details on the characteristics of this approach are set out in the Circular sent to shareholders.

Value investment style providing diversity for the US equity market
The strategy will continue to use the Russell 1000 Value Index, providing a diversifier from US growth allocations. There are few US equity-focused investment trusts and fewer focused with a value bias. This will be the first investment trust through which to access a systematic active equity strategy in the UK. Similar to the existing investment policy, the portfolio managers will retain the flexibility to invest up to 20 per cent of gross asset value in securities that are not US equity securities, but in practice the Company is expected to be 100 per cent invested in US equity securities. There will be a significant marketing and communications campaign to communicate the characteristics and potential advantages of the new strategy to existing and prospective shareholders.

Using the investment trust structure for the benefit of shareholders – Enhanced dividend and gearing
Continue to pay an enhanced dividend. Using revenue and other distributable reserves, the Company will pay an attractive dividend of 1.5 per cent of net asset value each quarter, equivalent to 6 per cent of net asset value annually. Shareholders will be able to maintain exposure to the US equity market, which now represents approximately 74 per cent of global developed markets, whilst receiving an income yield significantly above the natural yield of the US market. The Board believes the Company's proposed approach may be attractive to investors with an income requirement who do not wish to reduce their US weighting. The Board will also be working with BlackRock to introduce gearing to the strategy to make use of the tools available within the investment trust structure.

Reduction in management fees and ongoing charges
The management fees for the new strategy will reduce from 0.70 per cent per annum to 0.35 per cent per annum of net assets, tiered to 0.30 per cent on net assets greater than £350 million. The future ongoing charges are expected to reduce from 1.06 per cent to circa 0.70 per cent - 0.80 per cent.

Fee holiday and cost contribution from the Manager
The Manager has agreed to a six-month management fee holiday in respect of the period 1 May 2025 to 31 October 2025 and to make a cost contribution to the costs of changing the investment strategy, such that the change of strategy and implementation of the tender offer referred to below are cost-neutral for shareholders in respect of their continuing investment in the Company.

Offering shareholders opportunities for exit
20 per cent tender opportunity available at time of strategy change. The Board believes the proposals are attractive to shareholders. Nonetheless, the Board recognise that some shareholders may wish to tender part or all of their investment at or around net asset value. As part of the strategy change, shareholders will be able to tender up to 20 per cent of the issued share capital (excluding ordinary shares held in treasury) at a discount of 2 per cent to the cum-income net asset value per ordinary share adjusted for the related portfolio realisation costs. The Company will also commit to offering shareholders the opportunity to tender for up to 100 per cent of the Company's issued share capital (excluding ordinary shares held in treasury) at a tender price reflecting the latest cum-income NAV per ordinary share less 2 per cent and adjusted for the related portfolio realisation costs where the annualised total NAV return of the Company does not exceed the annualised benchmark return (being the Russell 1000 Value Index) GBP (net total return) by more than 50 basis points over each three-year period from 1 May 2025.

The Board may also, at its discretion, determine to implement a tender offer on the basis set out above where the cum-income net asset value of the Company as at close of business at the end of each three-year period referred to above is less than £125 million.

Recommendation on continuation

Further details on the proposals, including the terms of the tender offer and the revised investment objective and policy are required to be set out in a separate Circular to shareholders. These proposals are conditional on the Company continuing as an investment trust for a further three years. They can only be implemented if shareholders vote in favour of continuation. Accordingly, the Board unanimously recommends shareholders vote in favour of continuation at the Annual General Meeting.

Outlook

The story for the US economy remains positive having grown faster than other large economies and expected to continue doing so. The re-election of US President Trump and a Republican majority is predicted to result in new trade policies and higher tariffs, much lower immigration, fresh tax cuts and regulatory easing. The economic headwind from US trade policy is expected to be greater outside the US, weighing more on China and the Euro area but, overall, global economic growth is expected to be solid despite the potential for US tariffs.

Against this backdrop of fundamental strength but potentially higher volatility, the Company continues to provide shareholders with exposure to US equities through a diversified portfolio of attractively valued companies.

Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Wednesday, 16 April 2025 at 12 noon. Details of the business of the meeting are set out in the Notice of Annual General Meeting on pages 124 to 127 of this Annual Report. The Board very much looks forward to meeting shareholders on the day and we hope you will be able to attend.

Alice Ryder
Chair
27 February 2025

Contents

Investment Manager's Report


Tony DeSpirito


David Zhao


Lisa Yang

Market overview

Over the year to 31 October 2024, the Company's net asset value per share (NAV) returned +16.0% and the share price returned +13.8%. This compares with a return of +23.2% in the Russell 1000 Value Index – net total return[1] (all percentages calculated in Sterling terms with dividends reinvested net of withholding taxes). For the one-year period ended 31 October 2024, US large cap stocks, as represented by the S&P 500 Index, advanced by +38.0% in US Dollar terms. In Sterling, S&P 500 Index returned +30.2% for the period. The following discussion highlights some of the key market events during the fiscal year.

After a banner year in 2023, US markets, defined as the S&P 500 Index, continued their momentum in 2024. Key drivers of performance may be attributed to a strong macro backdrop and above average earnings. The US economy continues to demonstrate a high level of resilience relative to the rest of the world. US gross domestic product (GDP) continues to grow at a healthy rate while employment remains low relative to long-term averages. At the same time inflation has come down meaningfully, leading to the US Federal Reserve's (the Fed) first rate cut in September which has also driven excitement around a more sanguine outlook for equities. This supportive macro environment has translated into exceptionally strong performance for US equity markets, particularly for the largest tech-oriented companies that continue to see a boon from excitement around the development of artificial intelligence (AI). The market does continue to run at historically concentrated levels, but there has been signs of broadening taking place. Since June, the leading sectors in the S&P 500 Index in terms of absolute performance have been utilities, financials, real estate and industrials. Moving forward, a broadening market will be one of the key trends that will dictate the health and longevity of strong performance for US equities.

[1] Return on net total return index is calculated including the reinvestment of dividends net of withholding taxes.

Stock selection in industrials was the largest contributor to relative performance. Within the sector, Johnson Controls International is an ESG leader providing fire, heating, ventilation, air conditioning and security systems to help transform properties into smart buildings and sustainable spaces.

Portfolio overview

In the fiscal year ending 31 October 2024, the US equity market experienced a tremendous amount of momentum among the more expensive end of the market. While this dynamic was most apparent in growth and core indexes, it also led to underperformance for the Company relative to the Russell 1000 Value Index. In environments where the market is led by strong momentum instead of fundamentals, the Company can lag the high growth of the market during these periods. Along with market dynamics, there were isolated stock selection decisions that weighed on the Company in consumer staples and health care. We continue to find conviction in these areas of the market and provide further commentary on our positioning below.

The largest detractor from relative performance was stock selection in consumer staples. Our selection decisions in the consumer staples distribution & retail industry accounted for the majority of underperformance. In health care, the overweight allocation along with stock selection within the health care providers & services industry proved costly. Other detractors from relative results included selection decisions within energy, specifically oil, gas and consumable fuels.

The largest contributor to relative performance was stock selection in industrials. Within the sector, our overweight allocation to the building products industry accounted for the majority of relative outperformance. In materials, an underweight allocation along with positive stock selection in chemicals boosted relative returns. Furthermore, stock selection in communication services proved beneficial, mainly due to stock selection within the entertainment industry.

Company name	Sector	Portfolio average weight	Reference index average weight	Portfolio active weight	Contribution to relative return
Top 10 detractors					
JPMorgan Chase	Financials	+0.2%	+2.5%	-2.3%	-0.6%
Icon	Health Care	+0.3%	+0.1%	+0.3%	-0.6%
Prudential	Financials	+1.3%	+0.0%	+1.3%	-0.8%
Humana	Health Care	+1.1%	+0.1%	+0.9%	-0.8%
Woodside Energy	Energy	+1.3%	+0.0%	+1.3%	-0.8%
Samsung Electronics	Information Technology	+1.3%	+0.0%	+1.3%	-0.9%
Aptiv	Industrials	+1.5%	+0.1%	+1.4%	-1.0%
Fortrea Holdings	Industrials	+1.5%	+0.0%	+1.5%	-1.2%
Kosmos Energy	Energy	+1.3%	+0.0%	+1.3%	-1.5%
Dollar Tree	Consumer Staples	+1.9%	+0.1%	+1.8%	-1.8%

Company name	Sector	Portfolio average weight	Reference index average weight	Portfolio active weight	Contribution to relative return
Top 10 contributors					
Fidelity National Information Services	Financials	+2.1%	+0.2%	+1.9%	+0.8%
Citigroup	Financials	+3.2%	+0.5%	+2.7%	+0.8%
General Motors	Industrials	+1.9%	+0.2%	+1.7%	+0.7%
Western Digital	Information Technology	+1.9%	+0.1%	+1.8%	+0.7%
Intel	Information Technology	+0.1%	+0.7%	-0.6%	+0.5%
Johnson Controls International	Industrials	+1.8%	+0.2%	+1.6%	+0.5%
Hasbro	Consumer Discretionary	+1.8%	+0.0%	+1.8%	+0.5%
Exxon Mobil	Energy	+0.0%	+2.2%	-2.2%	+0.4%
Johnson & Johnson	Health Care	+0.0%	+1.7%	-1.7%	+0.4%
Westinghouse Airbrake Technologies	Industrials	+1.1%	+0.1%	+1.0%	+0.4%

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

Health Care: 3.0% overweight (18.0% of the portfolio)

Secular growth opportunities in health care are a byproduct of demographic trends. Older populations spend more on health care than younger populations. In the US, a combination of greater demand for health care services and rising costs facilitates a need for increased efficiency within the health care ecosystem. We believe innovation and strong cost control can work together to address this need and companies that can contribute to this outcome may be poised to benefit. On the innovation front, we are finding opportunities in pharmaceuticals and among companies in the health care equipment & supplies industry. We prefer to invest in pharma companies with a proven ability to generate high research and development

We continue to like Baxter International, a health care company focused on products to treat kidney disease and other chronic medical conditions.

productivity with companies like **Sanofi** (2.2% of the portfolio) and **Novo Nordisk** (1.5% of the portfolio). Outside of pharma, our search for attractively priced innovators is more stock specific; we continue to like **Baxter International** (2.4% of the portfolio) a health care company focused on products to treat kidney disease and other chronic medical conditions. We believe the company is still poised to do well as margin pressures from temporary inflation (logistics and shipping) continue to reside and operation count rises as hospitals gain more capacity. From a cost perspective, health maintenance organisations (HMOs) have an economic incentive to drive down costs as they provide health insurance coverage to constituents. These efforts ultimately help to make health care insurance affordable to more people and the HMOs also play a substantial role in improving the access to and quality of health care its members receive. Fundamentally, we believe our holdings in the space can benefit from downward pressure on cost-trend and further industry consolidation over time. HMOs are also secular beneficiaries of aging populations which should drive membership growth, specifically for the Medicare exposed names. Furthermore, they trade at meaningfully discounted valuations versus peers, offering us an attractive risk versus reward opportunity.

Consumer Discretionary: 4.1% overweight (10.2% of the portfolio)
Within the sector, our preferred areas of investment include leisure products and firms with auto-related exposure. In leisure products, we believe **Hasbro** (1.9% of the portfolio) which trades at a significant discount to peers, but has a wide catalogue of strong franchises offers nice upside for an extremely steady business. Disruption risks persist in the sector and we believe these risks are best mitigated through identifying stock-specific investment opportunities that either trade at discounted valuations or have business models that are able to take advantage of possible disruptions. For example, we believe companies such as **General Motors** (autos; 1.6% of the portfolio) and **Aptiv** (auto components; 1.5% of the portfolio) offer investors exposure to underappreciated franchises at discounted valuations from the perspective of General Motors and an opportunity to benefit from the further electrification of cars with Aptiv.

Communication Services: 3.5% overweight (7.8% of the portfolio)
The portfolio has an overweight to communication services. The portfolio is overweight to the media and entertainment industries. Notable portfolio holdings include **Comcast** (media; 2.9% of the portfolio) and **Electronic Arts** (entertainment; 2.4% of the portfolio). Comcast trades at a very reasonable valuation due to competition in broadband and in media. As the leading broadband provider in the US, Comcast is a key enabler of digital interactions and provides some of the key infrastructure that enables remote work (which reduces commuting related emissions). Electronic Arts has been going through a notable investment period over the last few years as they refreshed their catalogue of video games and are set to start reaping the benefits with their now wider array of franchises.

Information Technology (IT): 7.5% overweight (16.5% of the portfolio)
An increasing number of companies in the technology sector are what we refer to as "industrial tech". These firms are competitively insulated from disruptors, well-positioned to take advantage of long-term secular tailwinds and exhibit growth in earnings and free cash flow (FCF). Strong earnings growth and FCF generation is also translating to an increasing number of companies paying growing dividends to shareholders. This is in stark contrast to the dot-com era where growth was often prioritised over shareholder return. We believe this trend is poised to continue. Our preferred industry exposures in the sector include technology hardware, storage & peripherals and electronic equipment, instruments & components companies. In the sector we have looked to gain exposure to the AI excitement through the memory chip producers. We like this part of the theme because companies like **Samsung Electronics** (1.9% of the portfolio) and **Western Digital** (1.8% of the portfolio) trade at valuations much more appropriate for a value portfolio but should be beneficiaries of the significant demand uptick that graphics processing units require to run AI queries.

Utilities: 0.3% overweight (5.1% of the portfolio)
The portfolio currently invests in four utility stocks and we have a slight overweight in the sector relative to the reference index. Portfolio exposures are stock specific as we are finding pockets of investment opportunity among US regulated utilities, which add a level of stability and defensiveness to the portfolio through their durable earnings and dividend profiles. Our investments in the sector primarily focus on ESG leaders that have specific targets for reduction in carbon emissions and maintain significant exposure to renewables or generate power through cleaner means such as natural gas.

Consumer Staples: 2.1% underweight (5.8% of the portfolio)
The consumer staples sector is a common destination for the conservative equity income investor. Historically, many of these companies have offered investors recognisable brands, diverse revenue streams, exposure to growing end markets and the ability to garner pricing power. These characteristics, in turn, have translated into strong and often stable FCF and growing dividends for shareholders. Notable portfolio holdings include **Kraft Heinz** (2.3% of the portfolio) and **Dollar Tree** (1.4% of the portfolio). Kraft Heinz is historically among the strongest franchises in food products but has also continued to innovate its product mix to meet the changing demands of modern consumers. Dollar Tree is a discount retailer that has historically performed counter cyclically as more consumers tend to trade down and shop at the store during challenging economic environments. The performance dynamic helps build stability into the portfolio in the scenario that there is a drawdown in the economy.

Materials: 2.0% overweight (6.6% of the portfolio)
Our exposure to the materials sector is stock specific because broadly the sector is fairly expensive relative to history, but there are isolated opportunities at the stock level. Within the containers & packaging industry, our position in **Sealed Air** (1.6% of the portfolio) offers a relatively stable growth outlook. Sealed Air operates a high return business and has good pricing power. They have also expanded their business into paper packaging in order to position them more competitively against the rising competition from low-cost packaging materials. From a ESG standpoint, plastic packagers generally score poorly on waste and water stress. The key issue for plastic is how to improve circularity and management has pledged to have 100% recyclable/reusable solutions and 50% average recycled/renewable content by 2025, which is well ahead of peers. Within the chemicals industry, we have a position in **International Flavors & Fragrances** (1.4% of the portfolio), a global supplier of inputs into food, consumer items and health care solutions. International Flavors & Fragrances is a dominant player in every market it participates in, making it a consistent earnings compounder.

Energy: 0.8% underweight (6.0% of the portfolio)
The portfolio currently invests in four energy stocks and we have a slight underweight in the sector relative to the reference index. Our focus on ESG places a high hurdle for energy companies to be included in the portfolio, but we believe the sector remains investable, as more traditional oil & gas operators are critical in the energy transition towards less carbon intensive sources. For example, natural gas is 40-60% less carbon-intensive to produce and combust versus coal and oil. We view natural gas as a key "bridge fuel" and like companies such as **Cheniere Energy** (2.1% of the portfolio) and **Shell** (1.7% of the portfolio). Fundamentally, we generally seek to invest in attractively priced operators with good resource assets that have the opportunity to improve upon environmental issues or demonstrate clear leadership in ESG (i.e. through their exposure to renewables or commitments to net zero/carbon neutral outcomes). We also prefer to target companies with experienced management teams, low financial leverage and disciplined capital expenditure spending plans, as these elements can contribute to positive free cash flow generation over time.

Dollar Tree is a discount retailer that has historically performed counter cyclically as more consumers shop at the store during challenging economic environments.

PHOTO COURTESY OF DOLLAR TREE

Financials: 5.9% underweight (16.1% of the portfolio)
Financials represent our portfolio's largest absolute sector allocation, and we prefer companies in banks, insurance and consumer finance. We believe the large US banks offer investors a combination of strong balance sheets (their capital levels are meaningfully higher post financial crisis), attractive valuations and the potential for relative upside versus the broader market from inflation and higher interest rates. Secondly, we continue to like insurers and insurance brokers as these companies operate relatively stable businesses and trade at attractive valuations. We categorise most of our holdings in this space as ESG improvers, with opportunities for company managements to enact stronger corporate governance and human capital development policies. Lastly, we have also identified stock specific investments in consumer finance with an opportunity in **Discover Financial Services** (1.1% of the portfolio). While currently in conversation to be acquired by Capital One, which would be beneficial to shareholders, the company has strong growth prospects with differentiated networks that offer a healthy outlook for the business even if the current deal with Capital One were to fall through.

Real Estate: 2.7% underweight (2.1% of the portfolio)
The portfolio has an underweight allocation to real estate, as we are finding few companies in the sector with both attractive valuations and strong or improving fundamentals. For example, retail REITs are facing challenges due to e-commerce and its negative impact on traditional brick and mortar retailers. Meanwhile, data center and logistics companies have strong fundamentals, but we view their valuations as unattractive. Our lone recent holding is a specialised REIT company, **Crown Castle** (2.1% of the portfolio). The company owns cell towers, fiber, and collects rent from carriers who collocate their equipment on the infrastructure. Crown Castle is trading at a wide discount relative to peers and is a leader in labour management and corporate governance practices.

Industrials: 8.9% underweight (5.8% of the portfolio)
The portfolio is meaningfully underweight to the industrials sector. Our selectivity is driven by relative valuations which we view as expensive, in many cases, versus other cyclical value segments of the US equity market. Notable positions include **Johnson Controls Internationa**l (2.0% of the portfolio) and **Allegion** (1.9% of the portfolio). We view both companies as ESG leaders in their respective domains. Allegion's products enhance public safety and increase building efficiency. Additionally, Allegion's MSCI ESG score is top decile, both relative to the investment universe and Allegion's peer group.

Market outlook

Like many, we see plenty of reasons to be optimistic in 2025: the US economy continues to hum along, a Republican-led administration has historically led to reduced regulation and lower taxes, which should support companies' bottom lines, and AI infrastructure spend shows no signs of slowing down. However, in the face of excitement, experience tells us to maintain prudence. Multiples have continued to expand with current levels similar to those in the mid-to-late 1990s. This has coincided with a growing 'valuation gap' i.e. expensive companies getting more expensive and cheap companies getting cheaper despite, in many cases, company fundamentals not materially changing. We believe this opens the door for earnings growth to broaden out in 2025, shrinking the valuation gap. Lastly, high expectations for policy, economics and markets, may lead to harsher negative reactions if there are speed bumps. Taken together, our team continues to emphasise discipline in finding high quality businesses (i.e. clean balance sheets, good franchises, savvy management etc.) at attractive valuations, while avoiding chasing momentum.

Tony DeSpirito, David Zhao and Lisa Yang
BlackRock Investment Management LLC
27 February 2025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388

Contents

Portfolio

Multinational investment bank and financial services corporation Citi was the portfolio's largest holding at year end.

PHOTO COURTESY OF CITIGROUP, INC

Contents

PHOTOS COURTESY OF CITIGROUP INC., CARDINAL HEALTH, COMCAST, CVS HEALTH, WELLS FARGO, AMERICAN INTERNATIONAL GROUP, FIRST CITIZENS BANK, ELECTRONIC ARTS, BAXTER INTERNATIONAL.

Ten largest investments

Together, the Company's ten largest investments represented 26.9% of the Company's portfolio as at 31 October 2024 (2023: 28.0%)

1 ▲ Citigroup (2023: 8th)

Sector: Financials

Market value: £5,373,000
Share of investments: 3.5% (2023: 2.7%)

Citigroup (Citi) is a multinational investment bank and financial services corporation with a larger international footprint and smaller US retail footprint compared to its large US bank peers. Citi generates returns significantly below its peers due to numerous issues, including higher funding costs, business mix and weak operating performance. However, we believe there is a multi-year opportunity to close the gap over time, as they continue to cut costs. Citi also scores similarly to its large US bank peers with a strong score in Financing Environmental Impact, which will be increasingly important.

2 ▲ Cardinal Health (2023: 12th)

Sector: Health Care

Market value: £4,578,000
Share of investments: 2.9% (2023: 2.4%)

Cardinal Health (Cardinal) is one of three leading pharmaceutical wholesalers in the US engaged in sourcing and distributing of branded, generic and specialty pharmaceutical products to pharmacies (retail chains, independent and mail order), hospitals networks and health care providers. Over the long term, the fundamental outlook for the drug distribution industry looks extremely positive, driven by an aging population and increased utilisation of prescription drugs. We believe at the current valuation, Cardinal gives the best opportunity to capture this secular tailwind.

3 ▲ Comcast (2023: 25th)

Sector: Communication Services

Market value: £4,527,000
Share of investments: 2.9% (2023: 1.8%)

Comcast is a leading American multinational telecommunications and media conglomerate. It operates primarily through its cable services, internet offerings and media production capabilities, making it one of the largest telecommunications companies globally. Comcast is currently trading at a discount due to competitive dynamics and structural fears around linear TV. However, we believe Comcast is a high-return communication infrastructure business with high-quality assets (studios, parks) and thus this discount creates an asymmetric risk-reward profile.

4 ▲ CVS Health (2023: n/a)

Sector: Health Care

Market value: £4,302,000
Share of investments: 2.8% (2023: n/a)

CVS Health (CVS) is a prominent American health care company that provides a wide array of health services, including retail pharmacy, health insurance and various health care solutions. The company aims to enhance patient care and improve health outcomes through its integrated services. Currently, CVS is experiencing a 30% decline in earnings due to losses in Medicare Advantage (MA) amid industry-wide mispricing of MA health plans. However, earnings are expected to recover as plans reprice and adjust benefits. In the meantime, CVS's other major business lines remain profitable and strong free cash flow provides time for a turnaround. The early stages of a turnaround are already coming together with a new MA team in place.

5 ▲ Wells Fargo (2023: 35th)

Sector: Financials

Market value: £4,092,000
Share of investments: 2.6% (2023: 1.5%)

Wells Fargo is a major American multinational financial services corporation that provides a wide range of banking, investment and mortgage products and services to millions of customers worldwide. Wells Fargo was a high-quality compounder that has historically generated best-in-class returns. However, Wells Fargo is currently underearning relative to peers because of a suboptimal efficiency ratio driven by an inflated cost base due to historical mismanagement and regulatory issues. Therefore, there is an opportunity for outperformance over the long term as Wells Fargo manages efficiencies and approaches normalised return levels.

Ten largest investments

continued

6 ▼ American International Group (2023: 5th)

Sector: Financials

Market value: £3,843,000
Share of investments: 2.5% (2023: 2.8%)

American International Group (AIG) is a leading global insurer that provides insurance solutions to help businesses and individuals in over 190 countries and jurisdictions protect their assets and manage risks. In recent years, management has transformed AIG and returned the company to financial strength. AIG continues to present an investment opportunity by trading at a discount to book value.

7 ▼ Willis Towers Watson (2023: 4th)

Sector: Financials

Market value: £3,813,000
Share of investments: 2.5% (2023: 2.9%)

Willis Towers Watson (WTW) is a British-American multinational company that specialises in insurance brokerage, risk management and consulting services. We believe that insurance brokerage and health/risk outsourcing is an attractive business that has sticky customer relationships and high free cash flow conversion. Within this space, WTW trades at a discount to peers due to low cash conversion, low margins and high staff turnover post the failed sale to AON. The team believes that the valuation gap will narrow as WTW executes on its cost efficiency strategy, boosting margins while maintaining long-term growth.

8 ▲ First Citizens BancShares (2023: 30th)

Sector: Financials

Market value: £3,783,000
Share of investments: 2.4% (2023: 1.6%)

First Citizens BancShares is a family-controlled financial institution based in the US, offering a comprehensive range of banking products and services tailored for both personal and business needs. The bank emphasises stability, customer service and community involvement. The team believes in the upside of First Citizens BancShares because it is a disciplined bank that serves attractive markets (primarily in the Carolinas). The bank's opportunistic acquisitions of CIT Group & Silicon Valley Bank have created meaningful value with further runway ahead. First Citizens BancShares' significant excess capital also provides optionality.

9 ▲ Electronic Arts (2023: n/a)

Sector: Communication Services

Market value: £3,782,000
Share of investments: 2.4% (2023: n/a)

Electronic Arts (EA) is a leading American video game company that has become one of the largest and most influential players in the video game industry, known for its innovative games and franchises. Currently, EA is going through an investment period that has led to a substantial discount in their valuation. However, the team believes that EA should benefit over time from new titles within dormant franchises such as NCAA Football, Battlefield, Sims and more.

10 ▲ Baxter International (2023: 16th)

Sector: Health Care

Market value: £3,689,000
Share of investments: 2.4% (2023: 2.2%)

Baxter International (Baxter) markets devices and drugs used to treat kidney disease and other chronic and acute medical conditions. Baxter is the number one player in Peritoneal Dialysis (PD) with dominant positions in medical fluids/delivery systems and strong market positions across a wide range of medical equipment and devices. The company's PD technology helps improve access to care for high-risk patients with kidney disease. They are focused on driving higher penetration rates of PD therapy globally to address the needs of dialysis patients in a more cost-effective manner.

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

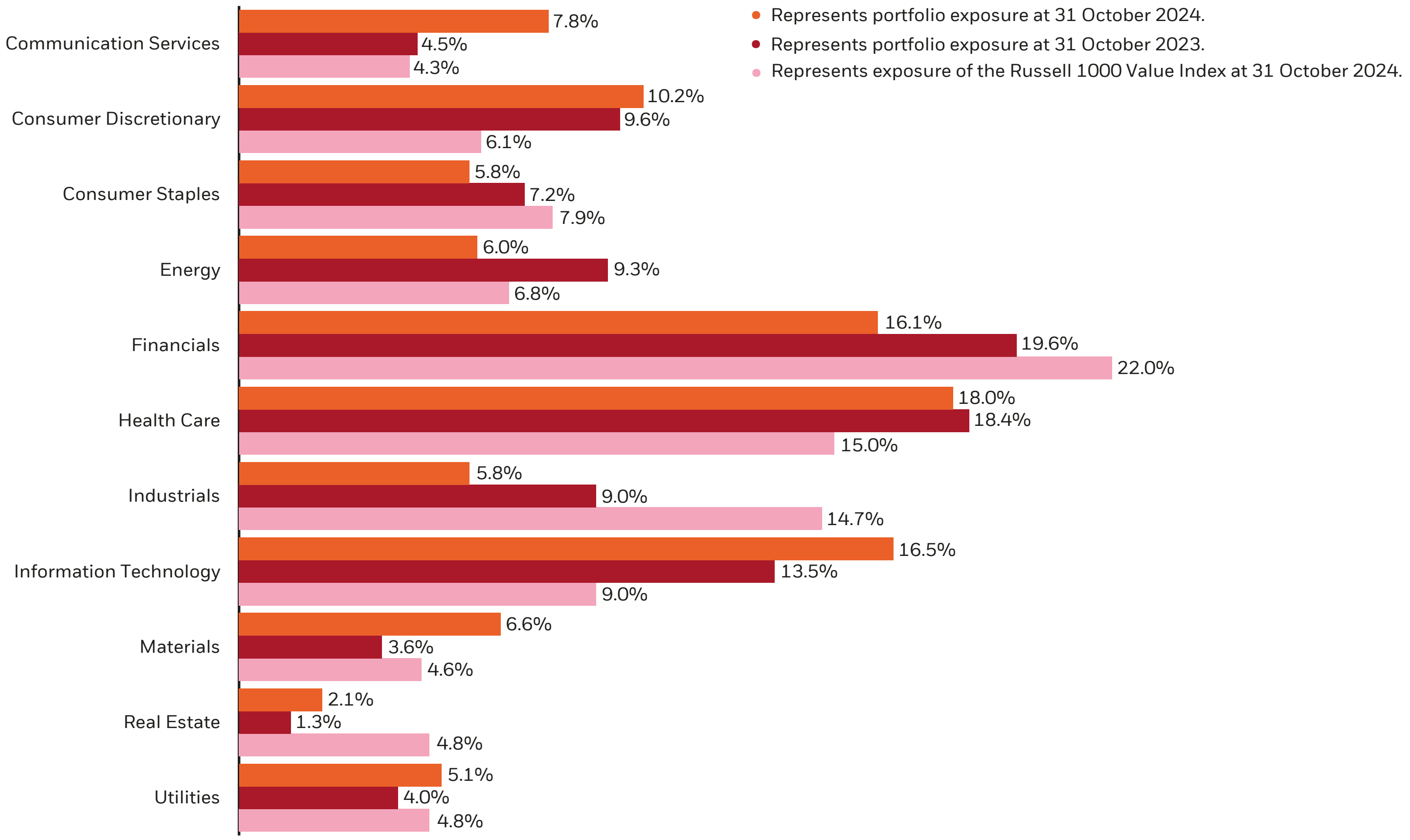
Percentages in brackets represent the value of the holding as at 31 October 2023.

Arrows indicate the change in relative ranking of the position in the portfolio compared to its ranking as at 31 October 2023.

Portfolio analysis

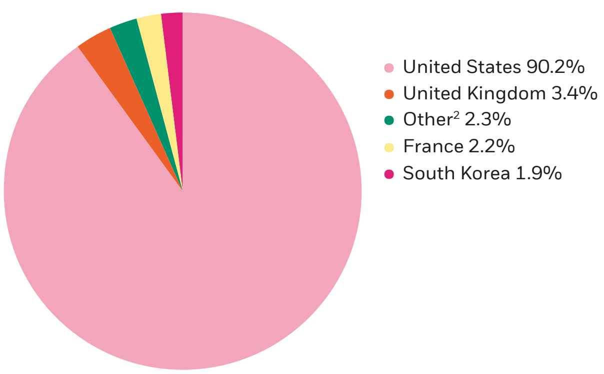
as at 31 October 2024

Sector Exposure

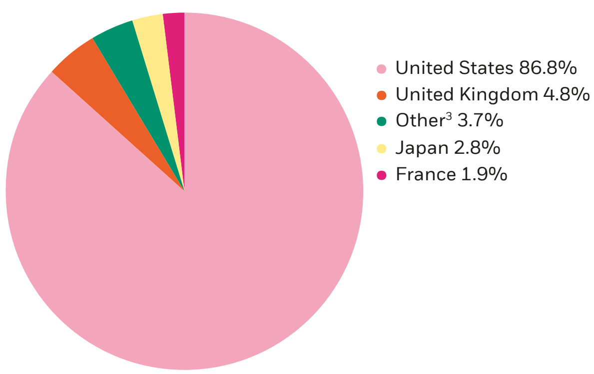


Geographic Exposure[1]

As at 31 October 2024



As at 31 October 2023



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

Investments

as at 31 October 2024

Company	Country	Sector	Market value £'000	% of total portfolio
Citigroup	United States	Financials	5,373	3.5
Cardinal Health	United States	Health Care	4,578	2.9
Comcast	United States	Communication Services	4,527	2.9
CVS Health	United States	Health Care	4,302	2.8
Wells Fargo	United States	Financials	4,092	2.6
American International Group	United States	Financials	3,843	2.5
Willis Towers Watson	United States	Financials	3,813	2.5
First Citizens BancShares	United States	Financials	3,783	2.4
Electronic Arts	United States	Communication Services	3,782	2.4
Baxter International	United States	Health Care	3,689	2.4
Kraft Heinz	United States	Consumer Staples	3,536	2.3
Sanofi	France	Health Care	3,338	2.2
Cheniere Energy	United States	Energy	3,326	2.1
Fidelity National Information Services	United States	Information Technology (IT)	3,317	2.1
Crown Castle	United States	Real Estate	3,278	2.1
Microsoft	United States	IT	3,258	2.1
Sony	United States	Consumer Discretionary	3,190	2.1
Johnson Controls International	United States	Industrials	3,135	2.0
Cisco Systems	United States	IT	2,969	1.9
Allegion	United States	Industrials	2,963	1.9
Hasbro	United States	Consumer Discretionary	2,949	1.9
Samsung Electronics	South Korea	IT	2,906	1.9
HP	United States	IT	2,809	1.8
Western Digital	United States	IT	2,746	1.8
WPP	United Kingdom	Communication Services	2,678	1.7
Cognizant Technology Solutions	United States	IT	2,669	1.7
Shell	United Kingdom	Energy	2,654	1.7
Amazon	United States	Consumer Discretionary	2,638	1.7
Sempra	United States	Utilities	2,596	1.7
General Motors	United States	Consumer Discretionary	2,507	1.6
Sealed Air	United States	Materials	2,428	1.6
Exelon	United States	Utilities	2,388	1.5
Novo Nordisk	United States	Health Care	2,387	1.5
Keysight Technologies	United States	IT	2,376	1.5
Aptiv	United States	Consumer Discretionary	2,375	1.5
Laboratory Corporation of America	United States	Health Care	2,338	1.5
Crown Holdings	United States	Materials	2,299	1.5
International Flavors & Fragrances	United States	Materials	2,209	1.4
Dollar Tree	United States	Consumer Discretionary	2,129	1.4
Icon	Ireland	Health Care	2,089	1.3
PG&E	United States	Utilities	2,054	1.3
Diageo	United States	Consumer Staples	2,037	1.3
Avnet	United States	IT	1,967	1.3
Hess	United States	Energy	1,820	1.2
Fortrea Holdings	United States	Health Care	1,817	1.2
Elevance Health	United States	Health Care	1,784	1.2

Company	Country	Sector	Market value £'000	% of total portfolio
Unilever	United States	Consumer Staples	1,740	1.1
Lamb Weston Holdings	United States	Consumer Staples	1,694	1.1
Air Products & Chemicals	United States	Materials	1,679	1.1
Discover Financial Services	United States	Financials	1,657	1.1
Humana	United States	Health Care	1,631	1.0
CNH Industrial	United States	Industrials	1,614	1.0
Teck Resources	Canada	Materials	1,570	1.0
Kosmos Energy	United States	Energy	1,509	1.0
Wabtec	United States	Industrials	1,467	0.9
Fidelity National	United States	Financials	1,462	0.9
Walt Disney Company	United States	Communication Services	1,242	0.8
NASDAQ	United States	Financials	982	0.6
Dominion Energy	United States	Utilities	970	0.6
Intel	United States	IT	620	0.4
Portfolio			**155,578**	**100.0**

All investments are in ordinary shares unless otherwise stated. The number of holdings as at 31 October 2024 was 60 (2023: 60).

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

Portfolio ESG and carbon metrics

as at 31 October 2024

ESG Metrics: BlackRock American Income Trust plc

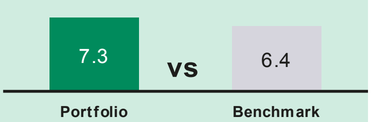
Reference Index: Russell 1000 Value Index in GBP – net total return

ESG Reporting as at 31 October 2024

Portfolio ESG coverage	99%
Reference Index ESG coverage	100%

MSCI ESG Rating	AA

ESG Adjusted Score



Environmental Score

7.1 Portfolio

6.6 Benchmark

Social Score

5.3 Portfolio

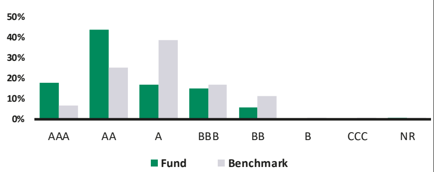
4.9 Benchmark

Governance Score

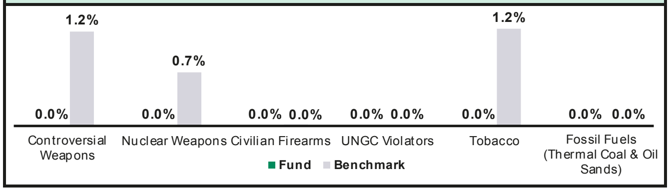
6.2 Portfolio

5.9 Benchmark

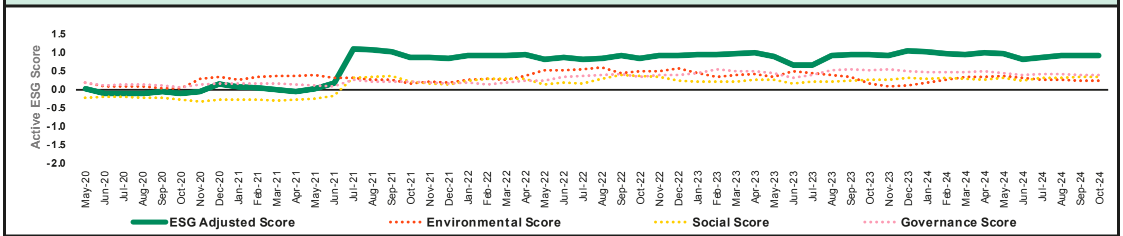
ESG Ratings Breakdown



Business Involvement



Active ESG Scores Over Time[2]

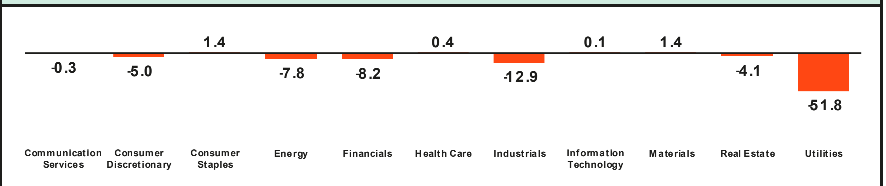


Carbon Intensity

Tons CO_2/ Sales	
Portfolio	Benchmark
87.2	178.8

Tons CO_2/ Total Capital	
Portfolio	Benchmark
64.0	121.9

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



Source: MSCI ESG Research Manager as of 31 Oct 2024. Underlying data is sourced from MSCI as of 31 Oct 2024. (1) GICS is the Global Industry Classification Standard. Carbon Intensity (Tons CO_2/Sales) by GICS Sector: Depicts the Company's carbon intensity less the reference index's carbon intensity within each GICS sector. (2) Active ESG Score Over Time: Depicts the Company's ESG score less the reference index's ESG score over time.

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

The metrics above have been provided for transparency purposes only. The existence of an ESG rating is not indicative of how or whether ESG factors will be integrated into the Company's portfolio. The metrics are based on MSCI portfolio ratings and, unless otherwise stated in Company documentation and included within the Company's investment objective. ESG integration does not change the Company's investment objective or constrain the Investment Manager's investable universe, and exclusionary screens have been adopted by the Company (see page 36). For more information regarding the Company's investment strategy, please see the Company's Circular.

ESG Rating: The rating is calculated as a direct mapping of ESG Adjusted Scores to letter rating categories (e.g. AAA = 8.6-10). The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).
ESG Adjusted Score: The ESG Adjusted Score is calculated as the weighted average of the underlying holdings' ESG Scores. It is provided on a 0-10 scale, with 0 and 10 being the respective lowest and highest possible scores. MSCI scores underlying holdings according to their exposure to 37 industry specific ESG risks and their ability to manage those risks relative to peers. These risks are: *Environment*: Carbon Emissions, Product Carbon Footprint, Financing Environmental Impact, Climate Change Vulnerability, Water Stress, Biodiversity & Land Use, Raw Material Sourcing, Toxic Emissions & Waste Packaging, Material & Waste, Electronic Waste, Opportunities in Clean Tech, Opportunities in Green Building, Opportunities in Renewable Energy. *Social*: Labour Management, Health & Safety, Human Capital Development, Supply Chain Labour Standards, Product Safety & Quality, Chemical Safety, Financial Product Safety, Privacy & Data Security, Responsible Investment, Health & Demographic Risk, Controversial Sourcing, Access to Communications, Access to Finance, Access to Health Care, Opportunities in Nutrition & Health. *Governance*: Board, Pay, Ownership, Accounting, Business Ethics, Anti-Competitive Practices, Tax Transparency, Corruption & Instability, Financial System Instability.
Portfolio ESG Coverage: The coverage represents the sum of the market value weights of the Company's underlying holdings that have been assigned an ESG score by MSCI. It is expressed as a percentage of the total market value of the Company's portfolio.

Reference Index ESG Coverage: The coverage represents the sum of the market value weights of the reference index's underlying holdings that have been assigned an ESG score by MSCI. It is expressed as a percentage of the reference index's total market value.
Carbon Intensity: A portfolio's Weighted Average Carbon Emissions Intensity by Sales is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions/$M Sales) for each portfolio company and calculating the weighted average by portfolio weight. The underlying holdings' Emissions Intensity data is sourced from MSCI.

A portfolio's Weighted Average Carbon Emissions Intensity by Capital is achieved by calculating the carbon intensity (Scope 1 + 2 Emissions/$M Total Capital) for each portfolio company and calculating the weighted average by portfolio weight. The underlying holdings' Scope 1 + 2 Emissions data is sourced from MSCI, and then divided emissions by Total Capital (Total Debt + Total Equity). CO_2 emission is converted into distance equivalent using EPA's official calculation available on https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references#miles.

Environmental (E), Social (S), Governance (G) Scores: The Environment (E), Social (S) and Governance (G) Scores are each calculated as the weighted average of the underlying holdings' E, S, and G scores respectively. They are also provided on a 0-10 scale, with 0 and 10 being the respective lowest and highest possible scores. MSCI scores underlying holdings according to their exposure to industry-specific Environmental, Social and Governance risks and their ability to manage those risks relative to peers.
Active Emissions Intensity: The km driven metric shows the CO_2 emission difference between the Company's portfolio and the reference index for every USD 1 million of sales in the companies held by the portfolio. This CO_2 amount is converted into kilometers driven by an average passenger car to demonstrate the magnitude of savings.

Business Involvement

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

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

Controversial Weapons: Percentage sum of issuers within the Company's portfolio that have been identified by MSCI ESG Research as having controversial weapons involvement including Cluster Munitions, Landmines, Depleted Uranium, Biological & Chemical, and non detectable fragments.
Nuclear Weapons: Percentage sum of issuers within the Company's portfolio that have been identified by MSCI ESG research as manufacturing nuclear weapons.
Civilian Firearms: Percentage sum of issuers within the Company's portfolio that have been identified by MSCI ESG research as producing firearms and small arms ammunitions for civilian markets.
UNGC Violators: Percentage sum of issuers within the Company's portfolio that have been identified by MSCI ESG Research as failing to comply with the United Nations Global Compact (UNGC) Principles.
Tobacco: Percentage sum of issuers within the Company's portfolio that have been identified by MSCI ESG Research as producing tobacco products.
Fossil Fuels: Percentage sum of issuers within the portfolio that have been identified by MSCI ESG Research as earning >5% of total revenue from oil sand or thermal coal production.

Contents

Governance

Data storage specialist Western Digital should benefit from the significant demand uptick that graphics processing units require to run AI queries.

Contents

Governance structure

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

The Board

5 scheduled meetings per annum

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

Chair: Alice Ryder

Objectives:

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

Audit Committee

2 scheduled meetings per annum

Membership: All NEDs

Chairman: David Barron

Key objectives:

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

Nomination Committee

1 scheduled meeting per annum

Membership: All NEDs

Chairman: David Barron

Key objectives:

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

Remuneration Committee

1 scheduled meeting per annum

Membership: All NEDs

Chair: Alice Ryder

Key objectives:

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

Management Engagement Committee

1 scheduled meeting per annum

Membership: All NEDs

Chairman: David Barron

Key objectives:

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

Directors' biographies

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

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

Attendance record:
Board: 4/4
Audit Committee*: 2/2
Nomination Committee**: 0/0
Remuneration Committee**: 0/0
Management Engagement Committee**: 0/0

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

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

Attendance record:
Board: 4/4
Audit Committee*: 2/2
Nomination Committee**: 0/0
Remuneration Committee**: 0/0
Management Engagement Committee**: 0/0

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

** Due to a change in scheduling of Committee meetings, the Nomination Committee, Remuneration Committee and Management Engagement Committee meetings were held in November as opposed to September in previous years.

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

Directors' biographies

continued

Melanie Roberts
Appointed 1 October 2019

Melanie Roberts is a partner at Sarasin & Partners LLP. She has 29 years of investment experience. She joined Sarasin & Partners in 2011 and in January 2023 was appointed head of charities, continuing to focus on strategy, stewardship and client service for charity portfolios. Prior to joining Sarasin & Partners, she spent 16 years at Newton Investment Management as a fund manager of charity, private client and pension fund portfolios.

Attendance record:
Board: 4/4
Audit Committee*: 2/2
Nomination Committee**: 0/0
Remuneration Committee**: 0/0
Management Engagement Committee**: 0/0

Solomon Soquar
Appointed 21 March 2023

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

Attendance record:
Board: 4/4
Audit Committee*: 2/2
Nomination Committee**: 0/0
Remuneration Committee**: 0/0
Management Engagement Committee**: 0/0

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

** Due to a change in scheduling of Committee meetings, the Nomination Committee, Remuneration Committee and Management Engagement Committee meetings were held in November as opposed to September in previous years.

Strategic Report

The Directors present the Strategic Report of the Company for the year ended 31 October 2024.

Principal activity

The Company carries on business as an investment trust and is listed on the London Stock Exchange. Its principal activity is portfolio investment.

Investment objective

The Company's current objective is to provide an attractive level of income return together with capital appreciation over the long term, whilst incorporating the ESG commitments described in the Company's investment policy.

Proposed amendments to the Company's investment objective and policy are set out in the Chair's Statement and in the Circular to shareholders. As such, this Strategic Report section should be read within the context of the current objectives of the Company.

Strategy, business model and investment policy

Strategy

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

Business model

The Company's business model follows that of an externally managed investment trust. Therefore, the Company does not have any employees and outsources its activities to third-party service providers including the Manager who is the principal service provider. In accordance with the Alternative Investment Fund Managers' Directive (AIFMD) the Company is an Alternative Investment Fund (AIF). BlackRock Fund Managers Limited is the Company's Alternative Investment Fund Manager.

The management of the investment portfolio and the administration of the Company have been contractually delegated to the Manager which in turn (with the permission of the Company) has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (the Investment Manager or BIM (UK)). The Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company.

The Company delegates fund accounting services to the Manager, which in turn sub-delegates these services to The Bank of New York Mellon (International) Limited (BNY). Other service providers include the Depositary (also BNY) and the Registrar, Computershare Investor Services PLC. Details of the contractual terms with the Manager and the Depositary and more details of arrangements in place governing custody services are set out in the Directors' Report. Oversight of service levels of third-party providers is set out on page 42.

Investment policy

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

To achieve the Company's investment objective, the Investment Manager adopts a stock specific approach in managing the Company's portfolio, selecting investments that it believes will both increase in value over the long term and provide income. The Company does not invest in companies which are not listed, quoted or traded on an exchange at the time of investment, although it may have exposure to such companies where, following investment, the relevant securities cease to be listed, quoted or traded on an exchange. Typically, it is expected that the investment portfolio will comprise between 30 and 60 equity securities. As at 31 October 2024, there were 60 holdings in the Company's portfolio.

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

Strategic Report
continued

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

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

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

The Company will apply the BlackRock EMEA Baseline Screens as follows: The Investment Manager will limit and/or exclude (as applicable) direct investment in corporate issuers which, at the time of purchase, in the opinion of the Investment Manager, have exposure to, or ties with, the following sectors (i) the production of certain types of controversial weapons or nuclear weapons; (ii) the production or, subject to specific revenue thresholds, distribution of firearms or small arms ammunition intended for retail to civilians; (iii) subject to specific revenue thresholds, the extraction of certain types of fossil fuel and/or the generation of power from them; (iv) the production of tobacco products or, subject to specific revenue thresholds, certain activities in relation to tobacco-related products; and (v) issuers which have been deemed to have failed to comply with United Nations Global Compact Principles.

Should existing holdings, compliant with the above limits and/or exclusions at the time of investment subsequently become ineligible, they will be divested within a reasonable period of time.

The BlackRock EMEA Baseline Screens described above are only applied by the Investment Manager to direct investments made by the Company in corporate issuers and accordingly the Company may have exposure to other investments (including, but not limited to, derivatives, money market instruments, units or shares in collective investment schemes, cash and assets that can be turned into cash quickly) which are inconsistent with the BlackRock EMEA Baseline Screens and other exclusionary screens.

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

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

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

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

Information regarding the Company's investment exposures is contained within the portfolio analysis and schedule of investments on pages 21 to 23. Further information regarding investment risk and activity throughout the year can be found in the Investment Manager's Report.

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

Performance

Over the year ended 31 October 2024, the Company's net asset value returned +16.0% compared with a return of +23.2% in the Russell 1000 Value Index. The ordinary share price returned +13.8% (all percentages are calculated in Sterling terms with dividends reinvested). The Investment Manager's Report includes a review of the main developments during the year, together with information on investment activity within the Company's portfolio.

Results and dividends

The results for the Company are set out in the Statement of Comprehensive Income. The total return for the year, after taxation, was a profit of £22,572,000 (2023: loss of £9,456,000) of which the revenue return amounted to a profit of £2,604,000 (2023: profit of £2,945,000) and the capital return amounted to a profit of £19,968,000 (2023: loss of £12,401,000).

The Company pays dividends quarterly. Four quarterly interim dividends of 2.00p per share were paid on 26 April 2024, 5 July 2024, 1 October 2024 and 2 January 2025. Total dividends of 8.00p per share were paid or declared in the year ended 31 October 2024 (2023: 8.00p).

Future prospects

The Board's main focus is to provide an attractive level of income together with capital appreciation over the long term, whilst incorporating the ESG commitments described in the Company's investment policy. Subject to shareholder approval, the investment objective and strategy will be changing as set out on pages 6 and 7, with more details published in a separate Circular to shareholders, but the core focus will remain on providing an attractive level of income and capital appreciation through investment in US equities with a value style. The future of the Company is dependent upon the success of the investment strategy. The outlook for US equity markets in the next twelve months is discussed in both the Chair's Statement and in the Investment Manager's Report.

Social, community and human rights issues

As an investment trust, the Company has no direct social or community responsibilities or impact on the environment. However, the Directors believe that it is important and in shareholders' interests to consider human rights issues and environmental, social and governance factors when selecting and retaining investments.

Modern Slavery Act

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

Directors, gender representation and employees

The Directors of the Company on 31 October 2024 are set out in the Directors' Biographies on pages 29 and 30. The Board consists of two male Directors and two female Directors. The Company does not have any executive employees. Further information on the composition and diversity of the Board is set out on pages 63 and 64.

Strategic Report
continued

Key performance indicators

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators (KPIs) used to measure the progress and performance of the Company over time, and which are comparable to other investment trusts, are set out in the following table.

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

	Year ended 31 October 2024	Year ended 31 October 2023
Net asset value per ordinary share	216.24p	193.51p
Ordinary share price (mid-market)	190.00p	174.00p
Net asset value total return[1,2]	16.0%	-5.6%
Reference index – net total return[3]	23.2%	-5.3%
Share price total return[1,2]	13.8%	-8.1%
Dividends per share	8.00p	8.00p
Discount to cum income net asset value[2,4]	12.1%	10.1%
Revenue return per share	3.39p	3.67p
Ongoing charges[5]	1.06%	1.03%

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

2 Alternative Performance Measures, see Glossary on pages 117 to 121.

3 Russell 1000 Value Index.

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

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

Principal risks

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

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

The Board has undertaken a robust assessment of both the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. For instance, the risk that unforeseen or unprecedented events including (but not limited to) heightened geopolitical tensions such as the war in Ukraine and the conflict in the Middle East, inflation and the current cost of living crisis has had a significant impact on global markets. The Board has taken into consideration the risks posed to the Company by these events and incorporated these into the Company's risk register. The threat of climate change has also reinforced the importance of environmental responsibility.

Emerging risks are considered by the Board as they come into view and are incorporated into the existing review of the Company's risk register. Additionally, the Manager considers emerging risks in numerous forums and the Risk and Quantitative Analysis team produces an annual risk survey. Any material risks of relevance to the Company identified through the annual risk survey will be communicated to the Board.

Emerging risks that have been considered by the Board over the year include the impact of climate change, escalating geo-political conflict and technological advances.

The key emerging risks identified are as follows:

Climate change: Investors can no longer ignore the impact that the world's changing climate will have on their portfolios, with the impact of climate change on returns, including climate-related natural disasters, now potentially significant and with the potential to escalate more swiftly than one is able to predict. The Board receives ESG reports from the Manager on the portfolio and the way ESG considerations are integrated into the investment decision making, so as to mitigate risk at the level of stock selection and portfolio construction.

Geopolitical risk: Escalating geopolitical tensions (including, but not limited to tensions in the Middle East and the ongoing war in Ukraine, or deteriorating relations between China and the US/other countries) have a significant negative impact on global markets, with an increasing use of tariffs and domestic regulations making global trade more complex and driving economic fragmentation.

Artificial Intelligence (AI): Advances in computing power means that AI has become a powerful tool that will impact a huge range of areas and with a wide range of applications that have the potential to dislocate established business models and disrupt labour markets, creating uncertainty in corporate valuations. The significant energy required to power this technological revolution will create further pressure on environmental resources and carbon emissions.

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

Strategic Report
continued

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

Market

Principal risk
Market risk arises from volatility in the prices of the Company's investments. It represents the potential loss the Company might suffer through realising investments in the face of negative market movements.

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

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

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

Mitigation/Control
The Board considers the diversification of the portfolio, asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager.

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

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

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

Investment performance

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

The Board is responsible for:

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

An inappropriate investment strategy may lead to:

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

Mitigation/Control
To manage this risk the Board:

- regularly reviews the Company's investment mandate and long-term strategy;
- has set investment restrictions and guidelines which the Investment Manager monitors and regularly reports on;

- receives from the Investment Manager a regular explanation of stock selection decisions, portfolio exposure, gearing and any changes in gearing and the rationale for the composition of the investment portfolio;
- monitors and maintains an adequate spread of investments in order to minimise the risks associated with particular countries or factors specific to particular sectors, based on the diversification requirements inherent in the investment policy; and
- receives and reviews regular reports showing an analysis of the Company's performance against the Russell 1000 Value Index and other similar indices.

Operational

Principal risk

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

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

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

Mitigation/Control

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

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

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

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

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

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

Legal & Regulatory Compliance

Principal risk

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

Any breach of the relevant eligibility conditions could lead to the Company losing investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio. In such event, the investment returns of the Company may be adversely affected.

Strategic Report
continued

A serious regulatory breach could result in the Company and/or the Directors being fined or the subject of criminal proceedings, or the suspension of the Company's shares which would in turn lead to a breach of the Corporation Tax Act 2010.

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

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

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

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

The Company's Investment Manager, BlackRock, at all times complies with the sanctions administered by the UK Office of Financial Sanctions Implementation, the United States Treasury's Office of Foreign Assets Control, the United Nations, European Union member states and any other applicable regimes.

Financial

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

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

Marketing

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

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

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

Section 172 statement: Promoting the success of the Company

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain in greater detail how they have discharged their duties under Section 172(1) of the Companies Act 2006 in promoting the success of their companies for the benefit of members as a whole. This includes the likely consequences of their decisions in the longer term and how they have taken wider stakeholders' needs into account.

The disclosure that follows covers how the Board has engaged with and understands the views of stakeholders and how stakeholders' needs have been taken into account, the outcome of this engagement and the impact that it has had on the Board's decisions. The Board considers the main stakeholders in the Company to be the Manager, Investment Manager and the shareholders. In addition to this, the Board considers investee companies and key service providers of the Company to be stakeholders; the latter comprise the Company's Custodian, Depositary, Registrar and Broker.

Stakeholders

Shareholders

Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy. The Board is focused on fostering good working relationships with shareholders and on understanding the views of shareholders in order to incorporate them into the Board's strategy and objectives in delivering an attractive level of income return together with capital appreciation over the long term, whilst also incorporating the ESG commitments as described in the Company's investment policy.

Manager and Investment Manager

The Company's Board has delegated the management of the Company's portfolio to BlackRock Investment Management (UK) Limited (the Manager), as well as ancillary functions such as administration, secretarial, accounting and marketing services. The Manager has sub-delegated portfolio management to the Investment Manager (BlackRock Investment Management LLC). Successful management of shareholders' assets by the Investment Manager is critical for the Company to deliver successfully its investment strategy and meet its objective. The Company is also reliant on the Manager as AIFM to provide support in meeting relevant regulatory obligations under the AIFMD and other relevant legislation.

Other key service providers

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

Investee companies

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

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

Area of Engagement

Investment mandate and objective

Issue

The Board is committed to promoting the role and success of the Company in delivering on its investment mandate to shareholders over the long term. The Board also has responsibility to shareholders to ensure that the Company's portfolio of assets is invested in line with the stated investment objective and in a way that ensures an appropriate balance between spread of risk and portfolio returns.

Strategic Report
continued

Engagement
The Board worked closely with the Investment Manager throughout the year in further developing investment strategy and underlying policies in the interests of shareholders and future investors. During the year the Board held meetings with a wide range of BlackRock personnel ahead of the introduction of the SDR changes. They considered the implications for the existing strategy of the regulatory changes before concluding to make the name change as announced on 13 November 2024.

As part of a wider exercise, the Board has undertaken a review of the challenges facing the Company and, along with its adviser, considered a number of different strategies. Amongst these, the Board asked BlackRock to put forward alternative approaches for the management of the Company's portfolio.

Impact
On 13 November 2024, the Company's name was changed to BlackRock American Income Trust plc and, to reflect the Naming & Marketing Rules under SDR, the Company was required to make non-material changes to its investment objective and investment policy. The Company's current investment objective is to provide an attractive level of income together with capital appreciation over the long term, whilst incorporating the ESG commitments described in the Company's investment policy.

As part of a wider exercise the Board has undertaken a detailed review of the Company's strategy and is proposing a number of additional changes as set out on pages 6 and 7, with more details published in a separate Circular to shareholders.

Shareholders

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

Engagement
The Board is committed to maintaining open channels of communication and engaging with shareholders. The Company welcomes and encourages attendance and participation from shareholders at its Annual General Meetings. Shareholders will have the opportunity to meet the Directors and Investment Manager and to address questions to them directly. The Investment Manager will also provide a presentation on the Company's performance and outlook. The Chair and Senior Independent Director offer meetings to all major shareholders and also meet directly with shareholders providing a forum for canvassing their views and enabling the Board to be aware of any issues of concern.

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

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

If shareholders wish to raise issues or concerns with the Board, they are welcome to do so at any time. The Chair is available to meet directly with shareholders periodically to understand their views on governance and the Company's performance where they wish to do so. She may be contacted via the Company Secretary whose details are given on page 113.

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

During the year the Chair and Senior Independent Director offered meetings to all identifiable major shareholders and met with a number of them, without any representatives of the management group present. These meetings, and private Board discussions with its Broker Cavendish, are particularly important as the Company approaches its continuation vote. Feedback from all substantive meetings between the Investment Manager and shareholders is also shared with the Board. The Directors also receive updates from the Company's Broker on any feedback from shareholders, as well as share trading activity, share price performance and updates from the Investment Manager.

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

Responsible investing

Issue

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

Engagement

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

The Investment Manager's approach to the consideration of ESG factors in respect of the Company's portfolio, as well as the Investment Manager's engagement with investee companies to encourage the adoption of business practices which support long-term value creation, are kept under review by the Board. The Board also expects to be informed by the Manager of any sensitive voting issues involving the Company's investments.

The Investment Manager reports to the Board in respect of its ESG policies and how these are integrated into the investment process; a summary of BlackRock's approach to ESG is set out on page 45. The Investment Manager's engagement and voting policy is detailed on pages 46 and 47 and on page 51 and on the BlackRock website.

Impact

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

The proposal to amend the Company's investment objective and investment policy will remove the current ESG commitments. If the amendment is approved, the Company will cease to meet the requirements of an Article 8 fund under the European Union Sustainable Finance Disclosure Regulation and will become an Article 6 fund. Whilst ESG information and data still form some of the important inputs of the research and investment process, by removing the ESG commitments the portfolio managers will have access to the entire investment universe and will be better able to seek out the best total return for shareholders.

Management of share rating

Issue

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

Engagement

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

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

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

Strategic Report

continued

Impact

The Board continues to monitor the Company's premium/discount to NAV and will look to buy back or issue shares if it is deemed to be in the interests of shareholders as a whole. During the financial year and up to the date of this report the Company did not reissue any shares. The Company bought back 11,417,060 shares both during the financial year and since the year end.

The Company's average discount for the year to 31 October 2024 was 9.6% and the discount at 25 February 2025 stood at 7.4%. In addition, the Board convened a General Meeting to renew the Company's share buyback powers. The resolution was passed on 23 January 2025.

Service levels of third-party providers

Issue

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

Engagement

The Manager reports to the Board on the Company's performance on a regular basis. The Board carries out a robust annual evaluation of the Manager's performance, their commitment and available resources.

The Board performs an annual review of the service levels of all third-party service providers and concludes on their suitability to continue in their role. The Board receives regular updates from the AIFM, Depositary, Registrar and Broker on an ongoing basis. For example, our Broker, Cavendish Securities, reports to the Board at each board meeting and provides direct unfiltered feedback on the views of the shareholders, wider market considerations and offers Company specific advice. They also arrange meetings for major shareholders to meet the Chair, or other Directors, outside the normal general meeting cycle. The AIFM and Depositary also attend the Audit Committee meetings and provide a report on their monitoring activities, whilst the Registrar produces a quarterly report to monitor their level of service and ensure it is acceptable.

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

Impact

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

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

Board composition

Issue

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

Engagement

The Board has engaged the services of an external search consultant, Cornforth Consulting Ltd, to identify potential candidates to replace Ms Ryder who will be retiring as a Director following the forthcoming Annual General Meeting. The Nomination Committee agreed the selection criteria and the method of selection, recruitment and appointment.

All Directors are subject to a formal evaluation process on an annual basis (more details and the conclusions of the 2024 evaluation process are given on page 65). All Directors stand for re-election by shareholders annually.

Shareholders may attend the Annual General Meeting and raise any queries in respect of Board composition or individual Directors in person or may contact the Company Secretary or the Chair using the details provided on page 113 with any issues.

Impact

If the Company's continuation vote is passed, the Board will proceed with the appointment of a new Director.

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

Details of each Directors' contribution to the success and promotion of the Company are set out in the Directors' Report on page 55 and details of Directors' biographies can be found on pages 29 and 30.

The Directors are not aware of any issues that have been raised directly by shareholders in respect of Board composition in the year under review. Details of the proxy voting results in favour and against individual Directors' re-election at the 2024 Annual General Meeting are given on the Manager's website at www.blackrock.com/uk/brai.

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the twelve months referred to by the 'Going Concern' guidelines.

The Directors expect the Company to continue as a going concern and is proposing to change its investment strategy to adopt a systematic active investment process subject to approval by shareholders. The new strategy has committed to a conditional 100% tender offer if the Company does not outperform its benchmark index by 0.50% per annum over each three-year period from 1 May 2025 which they believe is attractive to existing and prospective shareholders. The Directors assess viability over a rolling three-year period as they believe it best balances the Company's long-term objective, its financial flexibility and scope with the difficulty in forecasting economic conditions which could affect both the Company and its shareholders. The Company also undertakes a continuation vote every three years with the next one scheduled to take place at the forthcoming Annual General Meeting.

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

- the expected support for a continuation vote and the change in investment strategy as described in the Going Concern Statement on pages 51 to 53;
- the impact of a significant fall in US equity markets on the value of the Company's investment portfolio;
- the principal and emerging risks and uncertainties, as set out above, and their potential impact;
- the level of ongoing demand for the Company's shares;
- a significant reduction in the Company's ongoing charges in the new investment strategy;
- the Company's share price discount/premium to NAV;
- the liquidity of the Company's portfolio; and
- the level of income generated by the Company and future income and expenditure forecasts.

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

- the Investment Manager's compliance with the investment objective and policy, its investment strategy and asset allocation;

Strategic Report
continued

- the portfolio mainly comprises readily realisable assets with low value at risk (see page 99) which continue to offer a broad range of investment opportunities for shareholders as part of a balanced investment portfolio;
- the ongoing processes for monitoring operating costs and income which are considered to be reasonable in comparison to the Company's total assets; and
- the Board's discount management policy.

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

By order of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
27 February 2025

Environmental, Social and Governance issues and approach

The Company's approach to ESG

Environmental, social and governance (ESG) issues can present both opportunities and risks to long-term investment performance. Whilst the Company does not exclude investment in stocks purely on ESG criteria, material ESG analytics are integrated into the investment process when weighing up the risk and reward benefits of investment decisions and the Board believes that communication and engagement with portfolio companies is important and can lead to better outcomes for shareholders and the environment than merely excluding investment in certain areas.

More information on BlackRock's global approach to ESG integration, as well as activity specific to the BlackRock American Income Trust plc portfolio, is set out below. BlackRock has defined ESG integration as the practice of incorporating financially material E, S and/or G data and information and consideration of ESG risks into investment decisions with the objective of enhancing risk-adjusted returns. ESG integration does not change the Company's investment objective.

The Company currently promotes environmental or social characteristics under the EU Sustainable Finance Disclosure Regulation (SFDR) and is classified as an Article 8 product due to registration and marketing of the Company's shares in Ireland. Further detail around how the Company has achieved these characteristics and objectives, is included in the SFDR disclosures supplementary section on pages 128 to 138 of the Annual Report.

BlackRock's approach to material ESG integration

BlackRock's clients have a wide range of perspectives on a variety of issues and investment themes. Given the wide range of unique and varied investment objectives sought by BlackRock's clients, BlackRock's investment teams have a range of relevance of E, S and/or G considerations may vary by issuer, sector, product, mandate, and time horizon. Depending on the investment approach, this financially material E, S and/or G data or information may help inform due diligence, portfolio or index construction, and/or monitoring processes of BlackRock's portfolios, as well as BlackRock's approach to risk management.

BlackRock's ESG integration framework is built upon its history as a firm founded on the principle of thorough and thoughtful risk management. Aladdin, BlackRock's core risk management and investment technology platform, allows investors to leverage financially material E, S and/or G data or information as well as the combined experience of BlackRock's investment teams to effectively identify investment opportunities and investment risks. BlackRock's heritage in risk management combined with the strength of the Aladdin platform enables BlackRock's approach to ESG integration.

BlackRock's ESG Integration Statement can be found at www.blackrock.com/corporate/literature/publication/blk-esg-investment-statement-web.pdf.

BlackRock's reporting and disclosures

In terms of its own reporting, BlackRock believes that the Sustainability Accounting Standards Board provides a clear set of standards for reporting ESG information across a wide range of issues, from labour practices to data privacy to business ethics. For evaluating and reporting climate-related risks, as well as the related governance issues that are essential to managing them, the Task Force on Climate-related Financial Disclosures (TCFD) provides a valuable framework. BlackRock recognises that reporting to these standards requires significant time, analysis and effort. BlackRock's 2023 TCFD report can be found at www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2023-blkinc.pdf.

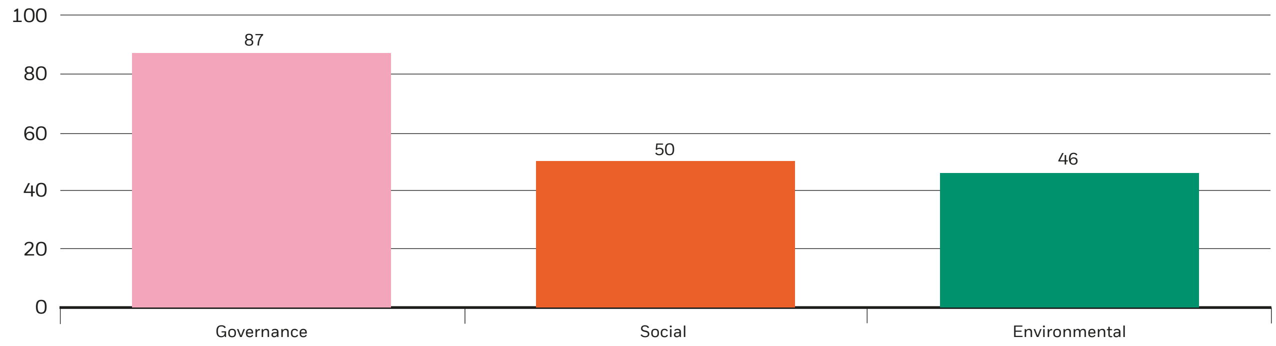
BlackRock Investment Stewardship

BlackRock American Income Trust plc – BlackRock Investment Stewardship Engagement with portfolio companies for the year ended 31 October 2024

The Company's portfolio is managed by the Fundamental Equities division of BlackRock's Portfolio Management Group which consists of 24 investment professionals. The team engages with company management teams and undertakes company meetings to identify the best management teams in the region with the ability to create value for shareholders over the long term. In addition, BlackRock also has a separate BlackRock Investment Stewardship (BIS) team that is responsible for engaging with investee companies, proxy voting on behalf of clients when authorised, contributing to industry dialogue on stewardship and reporting on its activities.# Additional information is set out in the table and charts that follow, as well as the key engagement themes for the meetings held in respect of the Company's portfolio holdings.

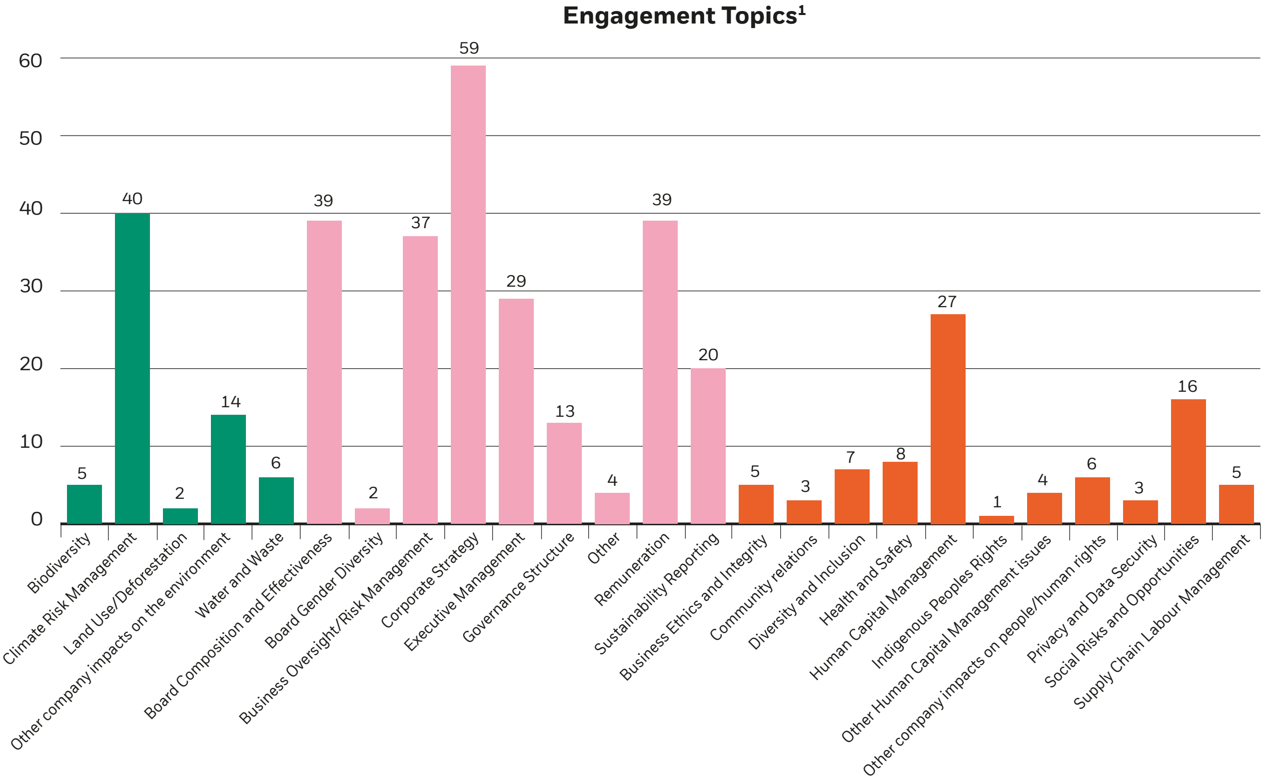
	Year ended 31 October 2024
Number of engagements held	98
Number of companies met	49
% of equity investments covered	78
Shareholder meetings voted at	62
Number of proposals voted on	913
Number of votes against management	7
% of total items voted represented by votes against management	0.8

Engagement Themes[1]



[1] See page 47.

Starting in 2025, BlackRock's stewardship policies are developed and implemented by two independent, specialist teams, BlackRock Investment Stewardship (BIS) and BlackRock Active Investment Stewardship (BAIS). While the two teams operate independently, their general approach is grounded in widely recognised norms of corporate governance and shareholder rights and responsibilities. BIS is responsible for engagement and voting in relation to clients' assets managed by certain index equity portfolio managers. Approximately 90% of BlackRock clients' public equity assets under management are held in index strategies, as of 30 September 2024. BAIS partners with BlackRock's active investment teams on company engagement and voting in relation to their holdings. Index or active, BlackRock Stewardship teams, and all of its stewardship efforts across the firm, are focused on making decisions consistent with clients' stated objectives. More information is available on BlackRock's website: www.blackrock.com/corporate/insights/investment-stewardship.



[1] Engagements include multiple company meetings during the year with the same company. Most engagement conversations cover multiple topics and are based on our vote guidelines and our engagement priorities found here: www.blackrock.com/corporate/literature/publication/blk-stewardship-priorities-final.pdf.

Sources: ISS Proxy Exchange and BlackRock Investment Stewardship.

BlackRock Investment Stewardship

The BIS team takes a long-term approach in its stewardship efforts, reflecting the investment horizons of the majority of BlackRock's clients. BIS' activities include engaging with companies, proxy voting on clients' behalf, contributing to industry dialogue on stewardship, and reporting on its activities. These activities are the main components of the stewardship toolkit and are performed all year long. BIS aims to take a globally consistent approach, while recognising the unique markets and sectors in which companies operate.

BIS benchmark policies

BIS's benchmark policies, and the vote decisions made consistent with these policies, take a financial materiality-based approach and are focused solely on advancing clients' financial interests. BIS takes a globally consistent approach, while recognising the unique markets and sectors in which companies operate. More detail in respect of BIS reporting can be found at www.blackrock.com/corporate/insights/investment-stewardship/blackrock-investment-stewardship.

BIS Global principles

The BIS Global Principles reflect BIS' views on certain globally applicable fundamental elements of governance that contribute to a company's ability to create long-term financial value, anchored in transparency and accountability.

The BIS Global Principles are available on BIS' website: www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf.

Regional voting guidelines

The BIS regional voting guidelines provide context on how the Principles inform BIS' voting decisions in relation to common ballot items for shareholder meetings in those markets.

BlackRock Investment Stewardship continued

BIS' regional voting guidelines are available on its website: www.blackrock.com/corporate/insights/investment-stewardship#stewardship-policies.

Engagement priorities

The BIS engagement priorities reflect the five themes on which BIS most frequently engages companies, where they are relevant, as these can be a source of material business risk or opportunity. The engagement priorities are available on BIS' website: www.blackrock.com/corporate/literature/publication/blk-stewardship-priorities-final.pdf.

Directors' Report

The Directors present the Annual Report and audited Financial Statements of the Company for the year ended 31 October 2024.

Status of the Company

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

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

As an investment company that is managed and marketed in the United Kingdom, the Company is an Alternative Investment Fund (AIF) falling within the scope of, and subject to the requirements of, the Alternative Investment Fund Managers' Directive (AIFMD), as implemented, retained and onshored in the UK. The Company is governed by the provisions of the Alternative Investment Fund Managers Regulations 2013 (the Regulations) and must comply with a number of obligations, including the appointment of an Alternative Investment Fund Manager (AIFM) and a depositary to carry out certain functions. The Company must also comply with the Regulations in respect of leverage, outsourcing, conflicts of interest, risk management, valuation, remuneration and capital requirements and must also make additional disclosures to both shareholders and the FCA. Further details are set out on the Company's website at www.blackrock.com/uk/brai, the AIFMD disclosures section on pages 114 and 115 and in the notes to the Financial Statements.

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

Financial Conduct Authority (FCA) Regulation of 'non-mainstream pooled investments', MiFID II 'complex investments'

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments because they are shares in an investment trust. The Company's ordinary shares are not considered to be 'complex instruments' under the FCA's 'Appropriateness' rules and guidance in the Conduct of Business Sourcebook.

The Common Reporting Standard

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

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

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

GDPR

Data protection rights were harmonised across the European Union following the implementation of the General Data Protection Regulation (GDPR) on 25 May 2018, since retained in the UK by the European Union (Withdrawal) Act 2018. The Board has sought and received assurances from its third-party service providers that they have taken appropriate steps to ensure compliance with the regulation.

Shareholder Rights Directive II

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

Directors' Report
continued

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

Investment management and administration
BlackRock Fund Managers Limited (BFM or the Manager) was appointed as the Company's AIFM with effect from 2 July 2014, having been authorised as an AIFM by the FCA on 1 May 2014. The management contract is terminable by either party on six months' notice. Under the agreement, the Board continues to be independent from the AIFM. The agreement provides the appropriate balance between the Board's control over the Company, its investment policies and compliance with regulatory obligations.

BlackRock Investment Management (UK) Limited (BIM (UK) or the Investment Manager) continues to act as the Company's Investment Manager under a delegation agreement with BFM. BIM (UK) also acted as the Secretary of the Company throughout the year. The Manager currently receives an investment management fee which is calculated based on 0.70% of net assets per annum. Where the Company invests in other investment or cash funds managed by BlackRock, any underlying fee charged is rebated. Further details in relation to the current management fee are given in note 4 to the Financial Statements on page 92.

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

The Company contributes to a focused investment trust sales and marketing initiative operated by BIM (UK) on behalf of the investment trusts under its management. The Company's contribution to the consortium element of the initiative, which enables the trusts to achieve efficiencies by combining certain sales and marketing activities, represents a budget of up to 0.025% per annum of its net assets (£165.0 million) as at 31 December 2023 and this contribution is matched by BIM (UK). Total fees paid or payable for the year ended 31 October 2024 amounted to £87,000 (excluding VAT) (2023: £94,000). The purpose of the programme overall is to ensure effective communication with existing shareholders and to attract new shareholders to the Company. This has the benefit of improving liquidity in the Company's shares and helps sustain the stock market rating of the Company.

The AIFM is responsible for monitoring investment performance, product risk monitoring and oversight and has the responsibility for the monitoring and oversight of regulatory and operational risk for the Company. The Directors of the AIFM have appointed a Risk Manager who has responsibility for the daily risk management process with assistance from key risk management personnel of the Investment Manager, including members of the Risk and Quantitative Analysis Group (RQA) which is a centralised group which performs an independent risk management function. RQA independently identifies, measures and monitors investment risk, including climate-related risk, and tracks the actual risk management practices being deployed across the Company. By breaking down the components of the process, RQA has the ability to determine if the appropriate risk management processes are in place. This captures the risk management tools employed, how the levels of risk are controlled, ensuring risk/return is considered in portfolio construction and reviewing outcomes.

The AIFM reports to the Audit Committee twice yearly on key risk metrics and risk management processes. In addition, the Depositary monitors the performance of the AIFM and reports to the Audit Committee. Any significant issues are reported to the Board as they arise.

Appointment of the Manager
The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis and a formal review is conducted annually. As part of this review, the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date. Although for many years the Company delivered positive returns for shareholders in the face of numerous headwinds, in recent years the Company's investment performance has failed to pass the expectations of the Board. Accordingly, following a thorough review and after careful consideration, and subject to shareholder approval, the Board is proposing to amend the Company's investment objective and investment policy as set out in the Chair's Statement.

The principal contents of the agreement with the Manager have been set out in the previous section. Having considered the terms of this agreement, and those of other investment trust companies, the Board has put forward proposals which will improve the management fee terms subject to the approval of the adoption of the new investment mandate. Management fees will be charged at 0.35% of net asset value up to and including £350 million and 0.30% of net asset value in excess of £350 million.

Depositary and Custodian

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

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

Custody services in respect of the Company's assets have been delegated to BNY. BNY receives a custody fee payable by the Company at rates depending on the number of trades effected and the location of securities held. The depositary agreement is subject to 90 days' notice of termination by any party.

Registrar

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

The Registrar receives a fixed fee each year, plus disbursements and VAT for the maintenance of the register. Fees in respect of corporate actions and other services are negotiated on an arising basis.

Change of control

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

Exercise of voting rights in investee companies

The exercise of voting rights attached to the Company's portfolio has been delegated to the Investment Manager by BFM. BIM (UK)'s approach to voting at shareholder meetings, engagement with companies and corporate governance is framed within an investment context. BIM (UK) believes that sound corporate governance practices by companies can contribute to their long-term financial performance and thus to better risk adjusted returns. BIM (UK)'s proxy voting process is led by the BIS team, located in nine offices around the world. The team's globally-coordinated, local presence and breadth of experience enables more frequent and better informed dialogue with companies.

During the year under review, the Investment Manager voted on 913 proposals at 62 general meetings on behalf of the Company. At these meetings the Investment Manager voted in favour of most resolutions, as should be expected when investing in well run companies, but voted against management on 7 (0.8%) resolutions and did not abstain from voting on any management resolutions. Most of the votes against were due to poorly structured remuneration arrangements and concerns about board quality and effectiveness.

Principal risks

The key risks faced by the Company are set out in the Strategic Report.

Political donations

The Company does not make political donations.

Going concern

The Directors, have considered the nature, liquidity and stock volatility of the portfolio, the Company's investment objective, the triennial continuation vote, the proposals to shareholders for the change to the Company's strategy and ongoing charges and the Company's projected income and expenditure.

Directors' Report
continued

The Company has a portfolio of investments which are predominantly readily realisable and is able to meet all of its liabilities from its assets, including funding requirements, and income generated from these assets. As at 25 February 2025, 100% of the portfolio was estimated as being capable of being liquidated within one day. Accounting revenue and expense forecasts are maintained and reported to the Board regularly. Borrowings under the overdraft facility shall at no time exceed £20 million or 20% of the Company's net asset value (whichever is lower) and this covenant was complied with during the year.

The Company has a triennial continuation vote. The past three votes held by the Company have been comfortably passed. The Board believes that less comfort can be taken from previous patterns of voting in making its assessment of the likely outcome, given that the performance of the Company has been below the reference index, the ongoing charges ratio is in excess of 1.00% and the size at a level that some investors find too small.

As noted in the Chair's Statement, the Directors during the year engaged with their advisers to consider a number of strategic options available to the Company to address these points. Accordingly, following a thorough review and after careful consideration, the Board is proposing to amend the Company's investment approach (including its investment objective and investment policy) based on a proposal that was presented by BlackRock, which the Board believes shareholders should find appealing. The key characteristics of this new strategy and the commercial elements of the re-launch are set out in greater detail below.

The Board, through its corporate adviser, Cavendish, has engaged with a number of shareholders to obtain their thoughts about the Company and its current strategy, the feedback which has been taken on board. It should be noted that this input was sought before the current proposals were set out in any significant detail. These commercial elements should, in the opinion of the Board, make the new strategy more attractive thereby increasing the likelihood of votes supporting continuation. In addition, as the Board is proposing an amendment to the investment policy and investment objective, the proposals include the opportunity to participate in a significant cash exit at a discount of 2 per cent to the cum income net asset value per ordinary share adjusted for the related portfolio realisation costs.

The Board will put a resolution to shareholders to change its investment strategy to adopt a systematic active equity investment approach. The Board believes this new strategy will increase the attractiveness of the Company to both the existing shareholders and prospective shareholders. The changes to the proposed investment strategy are summarised as follows:

- BlackRock's Systematic Equity team has nearly four decades of experience. By combining the power of big data, data science and human expertise to modernise the way investing is done, systematic investing is unlocking new ways to seek consistent portfolio outcomes.
- The new strategy will make use of the investment trust structure by paying an enhanced dividend of 6 per cent of net asset value annually and looking to employ gearing which the Directors believe will be attractive to current and prospective investors.
- The management fees for the new strategy will reduce from 0.70 to 0.35 per cent per annum of net assets, tiering to 0.30 per cent on net assets greater than £350 million. The future ongoing charges are therefore expected to reduce from 1.06 per cent to circa 0.70 per cent - 0.80 per cent, which should be attractive to investors given the Company provides exposure to US equities.
- The Company will continue to seek long-term capital growth, whilst paying an attractive level of income.
- The Company will continue to be measured against the Russell 1000 Value Index for performance comparison purposes.
- The explicit costs for the change of strategy and portfolio transition will be borne by BlackRock, such that the strategy change is cost neutral for shareholders in respect of their continuing investment in the Company. Further, a six-month fee waiver on the new strategy is being offered by the Investment Manager.
- In addition to the change of strategy, investors will be offered a cash exit for up to 20 per cent of the Company's share capital (excluding ordinary shares held in treasury).
- As part of the new strategy, the Company will commit to a conditional 100 per cent tender offer where the annualised total NAV return of the Company does not exceed the annualised benchmark return (being the Russell 1000 Value Index) GBP (net total return) by more than 50 basis points over each three-year period from 1 May 2025.
- The Board may also, at its discretion, determine to implement a tender offer on the basis set out above where the cum-income net asset value of the Company as at close of business at the end of each three-year period referred to above is less than £125 million.

Based on discussions with shareholders and with proposed enhancements to the strategy (given the two are inter-linked) as outlined above, the Board is satisfied that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements and that the Company has adequate resources to continue in operational existence for the period to 28 February 2026, being a period of at least 12 months from the date of approval of these financial statements.

Ongoing charges for the year ended 31 October 2024 were approximately 1.06% (2023: 1.03%) of the average daily net assets.

A statement on the longer-term viability of the Company is considered in the viability statement on pages 43 and 44.

Directors

The Directors of the Company as at 31 October 2024 and their biographies are set out on pages 29 and 30. Details of their interests in the shares of the Company are set out in the Directors' Remuneration Report on page 59. All of the Directors held office throughout the year under review and up to the date of signing the financial statements.

Although the Company's Articles of Association require that one-third of Directors retire and seek re-election at intervals of no more than three years, the Board has resolved that all of the Directors should be subject to re-election on an annual basis. Accordingly, Ms Roberts, Mr Barron and Mr Soquar will offer themselves for re-election at the Annual General Meeting. Ms Ryder will not be seeking re-election at the Annual General Meeting.

Having considered the Directors' performance within the annual Board performance evaluation process, further details of which are provided on page 65, the Board believes that it continues to be effective and the Directors bring extensive knowledge and commercial experience and demonstrate a range of valuable business, financial and asset management skills. The Board therefore recommends that shareholders vote in favour of each Director's proposed re-election/election. More details in respect of the skills and experience each Director brings to the Board are set out on page 55.

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

Directors' indemnity

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

Conflicts of interest

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

Directors' Remuneration Report and Remuneration Policy

The Directors' Remuneration Report and Remuneration Policy is set out on pages 57 to 61. An advisory ordinary resolution to approve the Directors' Remuneration Report will be put to shareholders at the Company's Annual General Meeting. The Company is also required to put the Director's Remuneration Policy to a binding shareholder vote every three years. The Company's Remuneration Policy was last put to shareholders at the Annual General Meeting in 2023, therefore an ordinary resolution to approve the policy will next be put to shareholders at the Annual General Meeting in 2026.

Directors' Report
continued

Notifiable interests in the Company's voting rights
As at 31 October 2024, the following investors had declared a notifiable interest in the Company's voting rights.

Shareholder	Number of Ordinary shares	% of issued share capital
Charles Stanley & Co. Ltd	6,617,209	9.2%
1607 Capital Partners, LLC	5,161,167	7.2%
Rathbone Investment Management Limited	4,442,209	6.2%

As at 21 February 2025, the following had declared a notifiable interest in the Company's voting rights.

Shareholder	Number of Ordinary shares	% of issued share capital
Charles Stanley & Co. Ltd	6,425,683	9.3
Rathbone Investment Management Limited	4,041,794	5.9

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

Share repurchases
The Company has the authority to purchase ordinary shares in the market to be held in treasury or for cancellation and to issue new shares or sell shares from treasury for cash. During the year and up to the date of this report, the Company purchased 11,417,060 ordinary shares at an average discount of 9.7% for a total cost of £22,577,000 including expenses. All shares have been placed in treasury. Following the cancellation of five million shares on 13 February 2025, as at 25 February 2025 the Company holds 26,789,321 ordinary shares in treasury (28.1% of the Company's issued share capital).

At the 2024 Annual General Meeting, the Company was authorised to repurchase ordinary shares into treasury for reissue or cancellation at a future date. The latest authority to repurchase shares was granted to Directors on 23 January 2025 and the Directors are proposing that their authority to buy back shares be renewed at the forthcoming Annual General Meeting. Purchases of ordinary shares pursuant to this authority will only be made in the market for cash at prices below the prevailing NAV per share.

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

Streamlined Energy and Carbon Reporting (SECR) statement: Greenhouse gas (GHG) emissions and energy consumption disclosure
As an externally managed investment company, the Company has no greenhouse gas emissions to report from its operations, nor does it have any responsibility for any other emissions producing sources under the Companies Act (Strategic Report and Directors' Reports) Regulations 2014. For the same reason the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information.

As an investment company, the Company does not need to report against the Task Force on Climate-related Financial Disclosures (TCFD) framework. However, BlackRock reports detailed information about its management of climate-related risks and opportunities across its business in its TCFD-aligned reports. BlackRock's latest TCFD report can be found at www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2023-blkinc.pdf.

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

Annual General Meeting
The following information to be discussed at the forthcoming Annual General Meeting is important and requires your immediate attention. If you are in any doubt about the action you should take, you should seek advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser, authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all of your ordinary shares in the Company, you should pass this document, together with any other accompanying documents (but not the personalised Form of Proxy) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Resolutions for the re-election of Directors
Resolutions 4 to 6 relate to the re-election of the Directors. The Board has undertaken a formal performance evaluation during the year and confirms that the performance of the Directors standing for re-election continues to be effective and that each Director demonstrates commitment to their role. The biographies of the Directors are set out on pages 29 and 30. The skills and experience each Director bring to the Board for the long-term success of the Company are set out below. The Directors will stand for re-election by shareholders at the meeting in accordance with the requirements of the UK Code.

Resolution 4 relates to the re-election of Melanie Roberts who was appointed in October 2019. She joined Sarasin & Partners in 2011 having previously spent her fund management career at Newton Investment Management. She has over 29 years of investment experience and is now primarily responsible for the management of charity and pension fund portfolios.

Resolution 5 relates to the re-election of David Barron who was appointed in March 2022. He has a strong background in the closed end funds sector with 20+ years' experience in all aspects of the listed funds market. He is a former CEO of a listed asset management business and a non-executive director on three investment trust boards with different mandates. He is also a chartered accountant.

Resolution 6 relates to the re-election of Solomon Soquar who was appointed in March 2023. He has a long and deep experience of over 30 years across Investment Banking, Capital Markets and Wealth Management. He has worked with several major financial institutions and his most recent executive role has been as CEO of Barclays Investments Solutions Limited. He also holds another non-executive position on an investment trust board.

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

Resolution 9 – Continuation of the Company as an investment trust
The ordinary resolution to be proposed will seek shareholder authority that the Company shall continue in being as an investment trust.

Resolution 10 – Authority to allot shares
The Directors may only allot shares for cash if authorised to do so by shareholders in general meeting. This resolution seeks authority for the Directors to allot shares for cash up to an aggregate nominal amount of £68,571 which is equivalent to 6,857,198 ordinary shares of 1 pence each and represents 10% of the current issued ordinary share capital excluding treasury shares. The Directors will use this authority when it is in the best interests of the Company to issue shares for cash. This authority will expire at the conclusion of the Annual General Meeting to be held in 2026, unless renewed prior to that date at an earlier general meeting.

Resolution 11 – Authority to disapply pre-emption rights
By law, Directors require specific authority from shareholders before allotting new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 11 empowers the Directors to allot new shares for cash or to sell shares held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £68,571 which is equivalent to 6,857,198 ordinary shares of 1 pence each and represents 10% of the Company's issued ordinary share capital, excluding treasury shares, at the date of this notice. Unless renewed at a general meeting prior to such time, this authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2026.

Directors' Report
continued

Resolution 12 – Authority to buy back ordinary shares
The resolution to be proposed will seek to renew the authority granted to Directors enabling the Company to purchase its own shares. The Directors will only consider repurchasing shares in the market if they believe it to be in shareholders' interests and as a means of correcting any imbalance between supply and demand for the Company's shares.

The Directors are seeking authority to purchase up to 10,278,940 shares (being 14.99% of the shares in issue, excluding treasury shares, at the date of this report or, if less, 14.99% of the ordinary shares in issue at 16 April 2025). This authority will expire at the conclusion of the next Annual General Meeting of the Company in 2026, unless renewed at an earlier general meeting.

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

Corporate governance
Full details are given in the Corporate Governance Statement. The Corporate Governance Statement forms part of this Directors' Report.

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

Independent auditors
Deloitte LLP was appointed as the Company's auditors at the Annual General Meeting held on 14 March 2024. A resolution to re-appoint Deloitte LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting, together with a resolution to authorise the Audit Committee to determine their remuneration.

The Directors' Report was approved by the Board at its meeting on 27 February 2025.

By order of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
27 February 2025

Directors' Remuneration Report

Introduction

The Board presents the Directors' Remuneration Report for the year ended 31 October 2024 which has been prepared in accordance with Sections 420-422 of the Companies Act 2006.

The Remuneration Report comprises a remuneration policy report and a remuneration policy implementation report. The remuneration policy report is subject to a triennial binding shareholder vote and was put to shareholders for approval at the 2024 Annual General Meeting. The remuneration policy implementation report is subject to an annual advisory vote.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 78 to 83.

Statement by the Chair

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

The Board's remuneration is considered annually and was last reviewed in November 2024. Following this review, it was agreed that effective from 1 November 2024, the fees of the Chair would increase from £44,000 to £45,000, the Chairman of the Audit Committee from £38,000 to £39,000 and for the other Directors from £31,500 to £32,500. Prior to this increase, Directors' fees were last increased on 1 November 2023.

No discretionary fees have been paid to Directors during the year or previous year and the payment of such fees is expected to be a rare occurrence, only necessary in exceptional circumstances. Any discretionary fees paid to the Directors will be clearly disclosed in the Directors' Remuneration Report accompanied by an explanation of the work undertaken and why it was deemed necessary to pay such additional remuneration.

Remuneration Committee

The Remuneration Committee considers any change in the Directors' remuneration policy. No advice or services were provided by any external agencies or third parties in respect of remuneration levels.

Remuneration implementation report

A single figure for the total remuneration of each Director is set out in the table below for the years ended 31 October 2024 and 31 October 2023.

	Year ended 31 October 2024			Year ended 31 October 2023		
Directors	**Fees**	**Taxable benefits**[1]	**Total**	**Fees**	**Taxable benefits**[1]	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Alice Ryder (Chair)	44,000	–	44,000	43,000	–	43,000
David Barron (Chairman of the Audit Committee and Management Engagement Committee)[2]	38,000	–	38,000	33,682	–	33,682
Melanie Roberts	31,500	–	31,500	30,000	–	30,000
Solomon Soquar[3]	31,500	–	31,500	18,411	–	18,411
Christopher Casey[4]	–	–	–	13,907	3,052	16,959
Total	**145,000**	–	**145,000**	**139,000**	**3,052**	**142,052**

[1] Taxable benefits relate to travel and subsistence costs.
[2] Mr Barron was appointed as Chairman of the Audit Committee and Management Engagement Committee effective 22 March 2023.
[3] Mr Soquar was appointed as a Director on 21 March 2023.
[4] Mr Casey retired as a Director effective 21 March 2023.

The information in the above table has been audited.

Directors' Remuneration Report

continued

The amounts paid by the Company to the Directors were for services as non-executive Directors. As at 31 October 2024, fees of £12,000 (2023: £12,000) were outstanding to Directors in respect of their annual fees. The Directors received no variable remuneration. No discretionary fees have been paid to Directors in the year to 31 October 2024 (2023: nil). No payments for loss of office were made and no payments were made to former directors.

As the Company has no employees, the table on page 57 also comprises the total remuneration costs and benefits paid by the Company.

Relative importance of spend on remuneration

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

	2024 £'000	2023 £'000	Change £'000
Directors' total remuneration	145	142	+3
Total revenue	3,855	4,263	-408
Dividends paid and payable	5,979	6,411	-432
Buy back of ordinary shares after costs	16,128	423	+15,705

Annual percentage change in Directors' remuneration

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

Directors	31 October 2020	31 October 2021	31 October 2022	31 October 2023	31 October 2024
Alice Ryder[1]	+6.1%	0.0%	0.0%	+2.4%	+2.3%
David Barron[2]	n/a	n/a	0.0%	0.0%	+5.5%
Melanie Roberts	+6.1%	0.0%	0.0%	+3.4%	+5.0%
Solomon Soquar[3]	n/a	n/a	n/a	0.0%	+5.0%

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

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

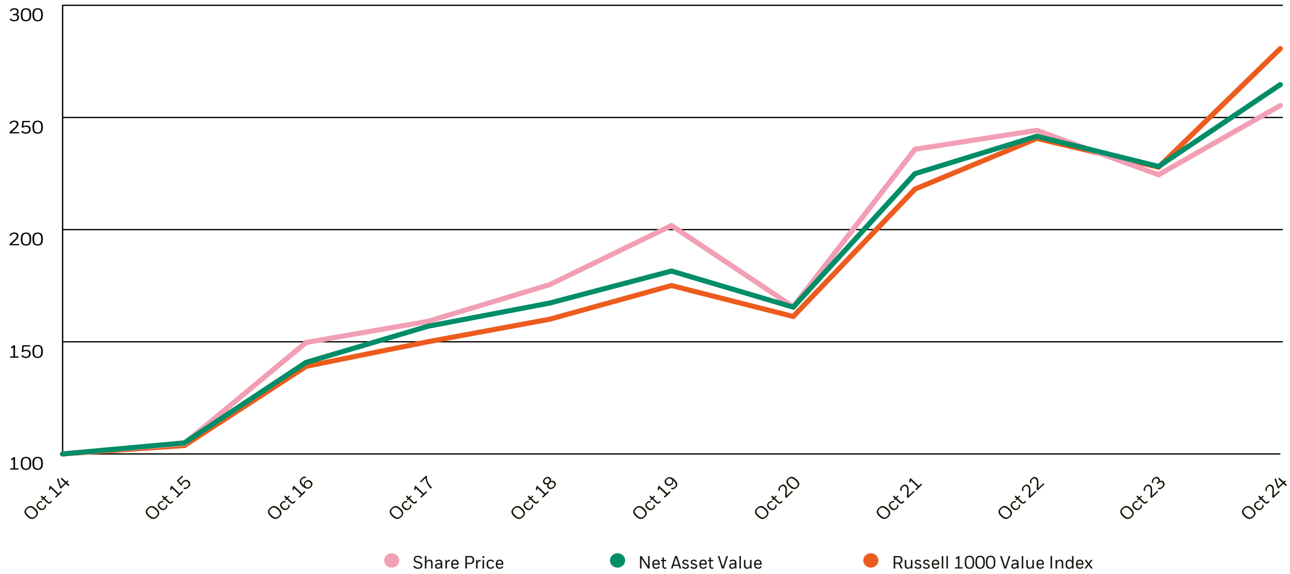
3 As Solomon Soquar was appointed as a Director on 21 March 2023, the percentage change in his annual fixed fee has been annualised in 2023.

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

Performance

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

Performance since 1 November 2014 to 31 October 2024



Sources: BlackRock and LSEG Datastream.
Performance figures have been calculated in Sterling terms with dividends reinvested, rebased to 100 at 31 October 2014.

Shareholdings

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

	31 October 2024 Ordinary shares	31 October 2023 Ordinary shares
Alice Ryder	9,047	9,047
David Barron	11,500	5,000
Melanie Roberts	10,000	10,000
Solomon Soquar	10,000	nil

The information in the above table has been audited.

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

Implementation of the remuneration policy in 2024/2025 financial year

There are no significant changes in the current financial year. The remuneration policy was implemented at the 2023 Annual General Meeting and details of changes to Directors' fees with effect from 1 November 2024 are outlined on page 57.

Retirement of directors

Details are given in the Directors' Report on page 53.

By order of the Board

ALICE RYDER
Chair
27 February 2025

Directors' Remuneration Policy

Directors' remuneration policy

In determining the appropriate level of Directors' fees, a number of factors are considered, including the workload of the Directors, their responsibilities, any change in these responsibilities and additional legal duties (for example as a result of new legislation being implemented), the relationship with their suppliers and the size and complexity of the Company. The time commitment required, the level of skills and appropriate experience required and the need for Directors to maintain on an ongoing basis an appropriate level of knowledge of regulatory and compliance requirements in an industry environment of increasing complexity are also taken into account. The Board also considers the average rate of inflation during the period since the last fee increase and reviews the level of remuneration in comparison with other investment trusts of a similar size and/or mandate, as well as taking account of any data published by the Association of Investment Companies to ensure that fees are in line with industry practice. This comparison, together with consideration of any alteration in non-executive Directors' responsibilities, is used to review whether any change in remuneration is necessary.

The review is performed on an annual basis. No Director will be present when his or her own pay is being determined. The Company has no employees and consequently no consideration is required to be given to employment conditions elsewhere in setting this policy and there has been no employee consultation.

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

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

Directors' appointments do not have a fixed duration, but they can be terminated by the Company in writing at any time without obligation to pay compensation. On termination of the appointment, Directors shall only be entitled to accrued fees as at the date of termination, together with reimbursement of any expenses properly incurred prior to that date. Directors are also subject to re-election on an annual basis and, if not elected, their appointment ceases immediately. No payments for loss of office are made.

Consideration of shareholders' views

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

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

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

Shareholder voting

At the Company's previous Annual General Meeting held on 14 March 2024, 99.59% of votes cast (including votes cast at the Chair's discretion) were in favour of the resolution to approve the Directors' Remuneration Report in respect of the year ended 31 October 2023 and 0.41% were against. 15,361 votes were withheld.

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

Policy table

Purpose and link to strategy	Fees payable to Directors should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience. Those chairing the Board and key Committees should be paid higher fees than other Directors in recognition of their more demanding roles. Fees should reflect the time spent by Directors on the Company's affairs and the responsibilities borne by the Directors.
Description	Current levels of fixed annual fee (effective from 1 November 2024): Chair – £45,000 Audit Committee Chairman – £39,000 Directors – £32,500
Maximum levels	Fixed fees are set each year in accordance with the stated policies and as such there is no set maximum threshold; however, any increase granted must be in line with the stated policies. The Company's Articles of Association set an aggregate limit of £300,000 in respect of the remuneration that may be paid to Directors in any financial year. These ceilings have been set at a level to provide flexibility in respect of the recruitment of additional Board members and inflation.
Policy on share ownership	Directors are not required to own shares in the Company.
Operation	
Fees	The Board reviews the quantum of Directors' pay each year to ensure that this is in line with the level of Directors' remuneration for other investment trusts of a similar size. When making recommendations for any changes in fees, the Board will consider wider factors such as the average rate of inflation over the period since the previous review and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements).
Discretionary fees	The Company's Articles of Association authorise the payment of discretionary fees to Directors for any additional work undertaken on behalf of the Company which is outside of their normal duties. Any such work and the fees payable are subject to the prior approval of the Chairman or, in the case of the Chairman undertaking the extra work, subject to the prior approval of the Chairman of the Audit Committee. Any discretionary fees paid will be disclosed in the Directors' remuneration implementation report within the Annual Report. The level of discretionary fees shall be determined by the Directors and will be subject to a maximum of £10,000 per annum per Director.
Benefits	The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them in or about the performance of their duties as Directors, including any expenses incurred in attending meetings of the Board or Committees of the Board, Annual General Meetings or General Meetings. Some expenses incurred by Directors are required to be treated as taxable benefits. Taxable benefits include (but are not limited to) travel expenses incurred by the Directors in the course of travel to attend Board and Committee meetings which are held at the Company's registered office in London and which are reimbursed by the Company and therefore treated as a benefit in kind and are subject to tax and national insurance. The Company's policy in respect of this element of remuneration is that all reasonable costs of this nature will be reimbursed as they are incurred, including the tax and national insurance costs incurred by the Director on such expenses. No more than £20,000 per annum may be paid in respect of taxable benefits.

Corporate Governance Statement

Chair's introduction

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

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

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

Both the UK Code and the AIC Code apply to accounting periods beginning on or after 1 January 2019. The Board has determined that it has complied with the recommendations of the AIC Code. This in most material respects is the same as the UK Code, save that there is greater flexibility regarding the tenure of the chair and membership of the audit committee. The 2018 Corporate Governance Code was updated in January 2024 and will apply to financial years beginning on or after 1 January 2025.

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

Compliance

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

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

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

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company with no executive employees and, in relation to the internal audit function, in view of BlackRock having an internal audit function. The Chair is a member of the Audit Committee due to being independent on her appointment to the Committee in line with Provision 29 of the AIC Code. Further explanation is provided below.

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

The Board

As at 31 October 2024, the Board consisted of four non-executive Directors, all of whom were independent of the Company's Manager. Provision 9 of the UK Code which relates to the combination of the roles of the chair and chief executive does not apply as the Company has no executive directors.

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

Board structure and management

Details of the Board's structure, roles and responsibilities and management are set out in the summary of Governance Structure on page 28. The Directors' biographies on pages 29 and 30 demonstrate a breadth of investment knowledge, business and financial skills which enables them to provide effective strategic leadership and proper governance of the Company. Details of the Chair's other significant time commitments can also be found on page 29.

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

Board independence and tenure

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

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

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

None of the Directors has a service contract with the Company. The terms of their appointment are detailed in a letter sent to them when they join the Board. Copies of these letters are available on request from the Company's registered office and will be available at the Annual General Meeting.

Board diversity

The Board's aim regarding diversity, including age, gender, educational and professional background and other broader characteristics of diversity, is to take these into account during the recruitment and appointment process. However, the Board is committed to an objective of appointing the most appropriate candidate, regardless of gender or other forms of diversity, and therefore no targets have been set against which to report.

The Board has complied with the recommendations of the Parker Review in respect of board diversity and the recent changes to the FCA's Listing Rules which set new diversity targets and associated disclosure requirements for UK companies listed on the London Stock Exchange. Listing Rule 9.8.6R (9) requires listed companies to include a statement in their annual reports and accounts in respect of certain targets on board diversity, or if those new targets have not been met to disclose the reasons for this. This requirement applies to accounting periods commencing on or after 1 April 2022. Further information on the composition and diversity of the Board and its Committees as at 31 October 2024 can be found in the disclosure table which follows on the next page.

Corporate Governance Statement
continued

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

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

1 According to the Listing Rules, the Chair and Senior Independent Director are defined as senior positions. In addition, the Company considers that the role of the Audit Committee Chairman is a senior position.
2 Categorisation of ethnicity is stated in accordance with the Office of National Statistics classification.
3 Columns corresponding to the 'Number in executive management' and 'Percentage of executive management' are not included in the table. These are inapplicable as the Company is externally managed and does not have executive management functions.

Directors' appointment, retirement and rotation
The rules concerning the appointment, retirement and rotation of Directors are set out in more detail in the Directors' Report on page 53. The Board has considered the position of each of the Directors as part of the evaluation process and believes it would be in the best interests of the Company for those Directors retiring to be proposed for re-election at the forthcoming Annual General Meeting given their material level of contribution and commitment to the Company.

The Board recognises the value of progressive renewing of, and succession planning, for company boards. As part of the process for continual refreshment, the Board has appointed Cornforth Consulting Ltd, an independent external recruitment consultancy firm, to assist in the search for a new Director if the continuation vote is passed.

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

Directors' induction, training and development
When a new Director is appointed to the Board, he or she is provided with all relevant information regarding the Company and their duties and responsibilities as a Director. In addition, a new Director will also spend some time with the portfolio managers, the Company Secretary and other key employees of the Manager whereby he or she will become familiar with the workings and processes of the Company.

The Company's policy is to encourage Directors to keep up to date and attend training courses on matters which are directly relevant to their involvement with the Company. The Directors also receive regular briefings from, amongst others, the auditors and the Company Secretary regarding any proposed developments or changes in laws or regulations that could affect them or the Company. Directors' training and development needs are reviewed by the Chair on an annual basis.

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

The Board's responsibilities
The Board is responsible to shareholders for the overall management of the Company. It decides upon matters relating to the Company's investment objective, policy and strategy and monitors the Company's performance towards achieving that objective through its agreed policy and strategy. The Board has also adopted a schedule of matters reserved for its decision. The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

Strategic issues and all operational matters of a material nature are determined by the Board. The Board has responsibility for ensuring that the Company keeps adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with the Companies Act 2006. It is the Board's responsibility to present a balanced and understandable assessment, which extends to interim and other price-sensitive reports. The Board is also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Performance evaluation

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

The appraisal process is considered by the Board to be constructive in terms of identifying areas for improving the functioning and the performance of the Board and its Committees and the contribution of individual Directors, as well as building on and developing individual and collective strengths. The review concluded that the Board oversees the management of the Company effectively and has the skills and expertise to safeguard shareholders' interests. The Board, the portfolio managers and representatives of the Manager were found to operate in a cooperative and open environment. Each Director made a valuable contribution to the Board and its discussions, brought different qualities to the Board, challenged the Investment Manager and Manager constructively, remained independent in character and judgement and dedicated sufficient time to their respective role on the Board. Board composition, dynamics and structure worked well. The appraisal did not identify any areas of material weakness or concern, but found areas for enhancement, including succession planning for the recruitment of a new non-executive Director to replace Ms Ryder who will not be seeking re-election at the Annual General Meeting in 2025. It was agreed that the current composition of the Board and its Committees reflected a suitable mix of skills and experience and that the Board as a whole, the individual Directors and its Committees, were functioning effectively.

Delegation of responsibilities

Management and administration

The management of the investment portfolio and the administration of the Company have been contractually delegated to BlackRock Fund Managers Limited (BFM), as the Company's AIFM, and BFM (with the permission of the Company) has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (BIM (UK) or the Investment Manager). The contractual arrangements with BFM (the Manager) are summarised on page 54.

The Manager, operating under guidelines determined by the Board, has direct responsibility for the decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment, financial and operating performance of the Company. The review of the Manager's performance is an ongoing duty and responsibility of the Board which is carried out at each Board meeting. In addition, a formal review is undertaken annually, details of which are set out in the Directors' Report.

The Manager has delegated the portfolio valuation and fund accounting services to The Bank of New York Mellon (International) Limited (BNY). The assets of the Company have been entrusted to the Depositary for safekeeping. The Depositary is BNY. The address at which this business is conducted is given on page 113.

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

Corporate Governance Statement
continued

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

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

Audit Committee
A separately chaired Audit Committee comprises the whole Board and is currently chaired by Mr Barron. Further details are given in the Report of the Audit Committee on pages 69 to 73.

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

Remuneration Committee
The Remuneration Committee is currently chaired by Ms Ryder. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report and Directors' Remuneration Policy on pages 57 to 61.

Internal controls and risk management
The Board is responsible for establishing and maintaining the internal controls of the Company and for reviewing their effectiveness, for ensuring that financial information published or used within the business is reliable, and for regularly monitoring compliance with regulations governing the operation of investment trusts.

The Board, through the Audit Committee (the Committee), regularly reviews the effectiveness of the internal control systems to identify, evaluate and manage the Company's significant risks. If any significant failings or weaknesses are identified, the Manager and the Board ensure that necessary action is taken to remedy the failings. The Board is not aware of any significant failings or weaknesses arising in the year under review.

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

The Company's risk register sets out the risks relevant to the Company and describes, where relevant, the internal controls that are in place at the AIFM, the Investment Manager and other third-party service providers to mitigate these risks. The Committee formally reviews this register on a semi-annual basis and the Manager as the Company's AIFM reports on any significant issues that have been identified in the period. In addition, BlackRock's internal audit department provides an annual presentation to the Audit Committee chairs of the BlackRock investment trusts on the results of testing performed in relation to BlackRock's internal control processes. The Depositary also reviews the control processes in place at the Custodian, the Fund Accountant and the AIFM, and reports formally to the Committee twice yearly. Both the AIFM and the Depositary will escalate issues and report to the Committee outside of these meetings on an ad hoc basis to the extent this is required. The Committee also receives annual and quarterly internal control reports respectively from BlackRock and BNY on the internal controls of their respective operations, together with the opinion of their reporting accountant.

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

The Company does not have its own internal audit function, as all the administration is delegated to the Manager and other third-party service providers. The Board monitors the controls in place through the internal control reports and the Manager's internal audit department and feels that there is currently no need for the Company to have its own internal audit function, although this matter is kept under review.

Financial reporting

The Statement of Directors' Responsibilities in respect of the Financial Statements is set out on pages 74 and 75, the Independent Auditors' Report on pages 78 to 83 and the Statement of Going Concern on pages 51 to 53.

Bribery prevention policy

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

Criminal Finances Act 2017

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

Communications with shareholders

All shareholders have the opportunity to attend and vote at the Annual General Meeting. The Notice of Annual General Meeting which is sent out 20 working days in advance of the meeting sets out the business of the Meeting which is explained in the Directors' Report. Separate resolutions are proposed for substantive issues.

Proxy voting figures will be announced to shareholders at the Annual General Meeting and will be made available on the BlackRock website shortly after the meeting. In accordance with Provision 4 of the UK Code, when 20% of votes have been cast against a resolution at any general meeting, the Board will explain, when announcing the results of voting, what actions it intends to take to understand the reasons behind the vote result. An interim action statement will also be published within six months of the vote, setting out the views received from shareholders and the actions the Company has taken, and will include a summary of the feedback and actions in the next Annual Report.

The Board discusses with the Investment Manager at each Board meeting any feedback from meetings with shareholders and also receives reports from its corporate broker. The Investment Manager has met and offered to present to a range of institutional shareholders and has also participated at events available for retail investors. The Chair is available to meet directly with shareholders periodically. If any shareholder wishes to contact the Chair directly, they should contact the Secretary whose details are given on page 113.

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

Corporate Governance Statement
continued

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

For and on behalf of the Board

ALICE RYDER
Chair
27 February 2025

Report of the Audit Committee

As Chairman of the Audit Committee (the Committee) I am pleased to present the Committee's report to shareholders for the year ended 31 October 2024.

Composition

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

The Directors' biographies are given on pages 29 and 30 and the Board considers that at least one member of the Committee has recent and relevant financial experience and specific competence in accounting and/or auditing and the Committee as a whole has competence relevant to the sector in which the Company operates.

Performance evaluation

Details of the evaluation of the Committee are set out in the Corporate Governance Statement on page 65.

Role and responsibilities

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

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

Internal controls, financial reporting and risk management system

- reviewing the adequacy and effectiveness of the Company's internal financial controls and the internal control and risk management systems;
- reasonably satisfying itself that such systems meet relevant legal and regulatory requirements;
- monitoring the integrity of the financial statements;
- reviewing the consistency of, and any changes to, accounting policies;
- reviewing the Half Yearly Report and Financial Statements to ensure that the Company's results and financial position are represented accurately and fairly to shareholders;
- reviewing the content of the Annual Report and Financial Statements and advising the Board on whether, taken as a whole, they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy;
- evaluating the need for an internal audit function;
- reviewing semi-annual reports from the Manager on its activities as AIFM; and
- reviewing half yearly reports from the Depositary on its activities.

External audit

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

Report of the Audit Committee continued

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

Third-party service providers

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

Reporting

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

Internal controls

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

Whistleblowing policy

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

Internal audit

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

Audit Committee Standard

The Financial Reporting Council's Audit Committee Standard 'Audit Committees and the External Audit: Minimum Standard' was published in May 2024. It is applicable to FTSE 350 companies with a premium listing on the London Stock Exchange (although is noted as representing good practice for more general application) and will operate on a comply or explain basis until the creation of the Audit, Reporting and Governance Authority (ARGA), at which time compliance will be mandated. This standard is not anticipated to have a significant impact on the Company, but the Audit Committee will be reviewing its current practices against the standard to avoid any non compliance when ARGA is formed.

Significant issues considered regarding the Annual Report and Financial Statements

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

Significant issue

The accuracy of the valuation of the investment portfolio

How the issue was addressed

Listed investments are valued using stock exchange prices from third party vendors. The Board reviews detailed portfolio valuations at each of its Board meetings and receives confirmation from the Manager that the pricing basis is appropriate and in line with relevant accounting standards as adopted by the Company and that the carrying values are materially correct. The Board also relies on the Manager's and Fund Accountant's controls which are documented in their internal controls report which is reviewed by the Committee.

Significant issue

The risk of misappropriation of assets and unsecured ownership of investments

How the issue was addressed

The Depositary is responsible for financial restitution for loss of financial investments held in custody. The Depositary reports to the Committee on a twice yearly basis. The Committee reviews reports from its service providers on key controls over the assets of the Company and will take action to address any significant issues that are identified in these reports, which may include direct discussions with representatives of the relevant service providers to obtain more detailed information surrounding any matters of concern and gaining assurance that appropriate remediation action has been taken. Any significant issues are reported by the Manager to the Committee.

The Manager has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company's assets.

Significant issue

The accuracy of the calculation of the management fee

How the issue was addressed

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

Significant issue

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

How the issue was addressed

The Committee reviews income forecasts, including special dividends, and receives explanations from the Manager for any variations or significant movements from previous forecasts and prior year figures. The Committee also reviews the facts and circumstances of all special dividends to determine the revenue/capital treatment. The Directors also review a detailed schedule of dividends received from portfolio holdings at each meeting which sets out current and historic dividend rates and the amounts accrued. Any significant movements or unusual items are discussed with the Manager.

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

Report of the Audit Committee continued

External audit and tender process

The Committee is mindful of the regulations on mandatory auditor rotation which require the appointment of a new auditor or perform an audit tender every ten years. As a result, the Company carried out a formal tender process in July 2023 and Deloitte LLP was selected as the Company's new independent auditors for the year ended 31 October 2024. The Committee, in conjunction with the Board, will continue to review the auditors' appointment each year to ensure that the Company is receiving an optimal level of service. There are no contractual obligations that restrict the Company's choice of auditors.

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

Assessment of the effectiveness of the external audit process

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

- the quality of the audit engagement partner and the audit team;
- the expertise of the audit firm and the resources available to it;
- identification of areas of audit risk;
- planning, scope and execution of the audit;
- consideration of the appropriateness of the level of audit materiality adopted;
- the role of the Committee, the Manager and third-party service providers in an effective audit process;
- communications by the auditors with the Committee;
- how the auditors support the work of the Committee and how the audit contributes added value;
- policies and procedures to pre-approve and monitor non-audit services including gifts and hospitality;
- the independence and objectivity of the audit firm; and
- the quality of the formal audit report to shareholders.

Feedback in relation to the audit process and the effectiveness of the Manager in performing its role is also sought from relevant involved parties, notably the audit partner and team. The external auditors are invited to attend the Committee meetings at which the Half Yearly and Annual Financial Statements are considered and at which they have the opportunity to meet with the Committee without representatives of the Manager or Investment Manager being present.

The effectiveness of the Committee and the Manager in the external audit process is assessed principally in relation to the timely identification and resolution of any process errors or control breaches that might impact the Company's net asset values and accounting records. It is also assessed by reference to how successfully any issues in respect of areas of accounting judgement are identified and resolved, the quality and timeliness of papers analysing these judgements, the Board and the Manager's approach to the value of independent audit and the booking of any audit adjustments arising, and the timely provision of draft public documents for review by the auditors and the Committee.

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

The Company's policy on permitted audit related and non-audit services is set out in full in the Committee's terms of reference which are available on BlackRock's website at www.blackrock.com/uk/brai. In the years to 31 October 2023 and 31 October 2024, the auditors did not provide any audit related or non-audit services to the Company.

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

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

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

Conclusions in respect of the Annual Report and Financial Statements

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

- the comprehensive control framework over the production of the Annual Report and Financial Statements, including the verification processes in place to deal with the factual content;
- the extensive levels of review that are undertaken in the production process by the Manager, the Depositary and other third-party service providers responsible for accounting services and the Committee;
- the controls that are in place at the Manager and other third-party service providers to ensure the completeness and accuracy of the Company's financial records and the security of the Company's assets; and
- the existence of satisfactory Service Organisation Control reports that have been reviewed and reported on by external auditors to verify the effectiveness of the internal controls of the Manager, Custodian and Fund Accountant.

In addition to the work outlined above, the Committee has reviewed the Annual Report and Financial Statements and is satisfied that, taken as a whole, they are fair, balanced and understandable. The Committee has reported on these findings to the Board who affirm the Committee's conclusions in the Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements.

DAVID BARRON
Chairman
Audit Committee
27 February 2025

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements under UK-adopted International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006. Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company as at the end of each financial year and of the profit or loss of the Company for that period.

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

- present fairly the financial position, financial performance and cash flows of the Company;
- select suitable accounting policies in accordance with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors,' and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IAS in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements in IAS in conformity with the requirements of the Companies Act 2006 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the Directors, whose names are listed on pages 29 and 30, confirm to the best of their knowledge that:

- the financial statements, which have been prepared in accordance with IAS in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and net profit of the Company; and
- the Strategic Report contained in the Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The 2018 UK Corporate Governance Code also requires Directors to ensure that the Annual Report and Financial Statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit Committee advise on whether it considers that the Annual Report and Financial Statements fulfil these requirements. The process by which the Committee has reached these conclusions is set out in the Audit Committee's report on pages 69 to 73. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 31 October 2024, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

For and on behalf of the Board

ALICE RYDER
Chair
27 February 2025

Contents

Financial statements

Within health care, we look to invest in companies with a proven ability to generate high research and development productivity, such as Ozempic and Wegovy manufacturer Novo-Nordisk.

PHOTO COURTESY OF NOVO-NORDISK

Independent Auditors' Report

to the members of BlackRock American Income Trust plc

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BlackRock American Income Trust plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 October 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and the Statement of Recommended Practice issued by the Association of Investment Companies in July 2022 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of financial position;
- the cash flow statement; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

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

Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: • Valuation and existence of investments.
Materiality	The materiality that we used in the current year was £1,550,000 which was determined on the basis of 1% of net assets as at 31 October 2024.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	We have concluded that accuracy, occurrence and completeness of income is no longer a key audit matter.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the Board's process for evaluating the company's ability to continue as a going concern;
- Reviewing the Board's proposed changes to the company's strategy, including the impact that may have on shareholder intentions;
- Assessing the likely outcome of the continuation vote on the ongoing viability of the company by reviewing shareholder analysis and holding discussions with the Board and the company's broker;
- Assessing the performance of the company, including its cash position, dividend income and management fee expenses;
- Assessing whether the company has complied with the covenant tests for its borrowings facility in order to assess the continued availability of that facility;
- Assessing the risks to the investment portfolio of market altering factors such as stock volatility and illiquidity;
- Assessing the company's ability to cover its expenses for the 12-month period from the date of signing the financial statements, including the ability of the company to exit underperforming investments, if needed;
- Reviewing the output of management's assessment of the company's ability to remain an Investment Trust; and
- Assessing the appropriateness of the disclosures in the financial statements relating to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

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

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation and existence of investments

Key audit matter description

The company held investments of £155.6m as at 31 October 2024 (2023: £154.2m). These represent the most significant element of the net asset value as disclosed in the statement of financial position.

There is a risk that investments may not be valued correctly or may not exist. This may result in a material misstatement within the investments held at fair value through profit or loss and we consider that there is a potential area for fraud since investment return is a key performance indicator for the company.

The accounting policy on investments can be found in note 2g and details of the investments are disclosed in note 10 to the financial statements. The valuation and existence of investments is included in the Audit Committee Report as a significant reporting matter on page 71.

How the scope of our audit responded to the key audit matter

We performed the following procedures to address the valuation and existence of the investment portfolio:

- We obtained an understanding of relevant controls over the valuation and existence of investments. We have tested the controls over the valuation of investments;
- Using an independent pricing source we evaluated the accuracy of management's valuation of 100% of the investment portfolio; and
- We have obtained an independent confirmation of the existence of 100% of the investment portfolio at the year-end date.

Key observations

Based on the work performed, we concluded that the valuation and existence of investments was appropriate.

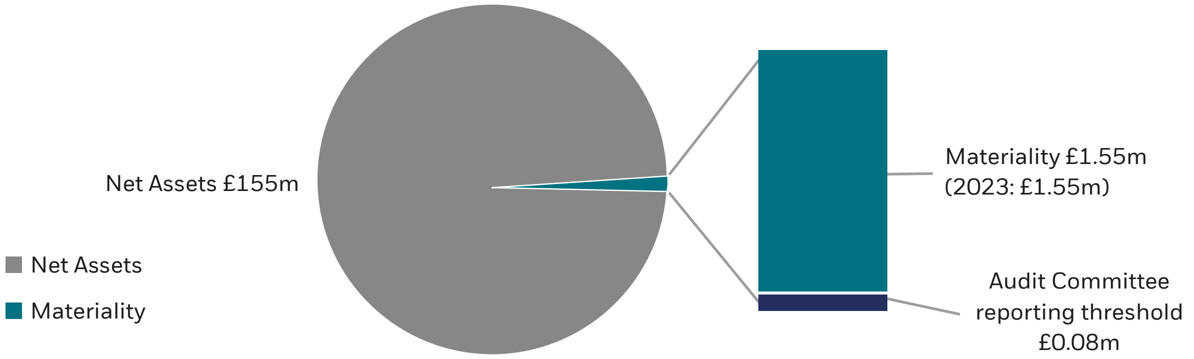
Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

Materiality	£1,550,000 (2023: £1,550,000)
Basis for determining materiality	1% of net assets (1% of net assets)
Rationale for the benchmark applied	Net assets has been chosen as we concluded that it represented the most relevant benchmark for investors and is a key driver of shareholder value.

Independent Auditors' Report
continued



Performance materiality
We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2024 audit (2023: 75%). In determining performance materiality, we considered the following factors:

a. there have been no significant changes in the business structure and operations;

b. our experience from review of the previous auditor's file has indicated a low number of corrected and uncorrected misstatements identified in prior periods; and

c. there were no significant changes in the company's operating environment caused by the uncertainty and volatility brought about by inflation and increased interest rates.

Error reporting threshold
We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £77,500, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit
Scoping
Our audit was scoped by obtaining an understanding of the company and its environment, including internal controls and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Our consideration of the control environment
The Bank of New York Mellon (International) Limited ("BNYM"), provides day to day administration of the company and is also responsible for the company's general administrative functions, including the calculation and publication of the net asset value and maintenance of the company's accounting and statutory records.

In assessing the company's control environment, we considered controls in place at the administrator. As part of this we reviewed BNYM's Service Organisation Controls ("SOC 1") report and gained an understanding of the relevant controls relating to valuation and existence of investments. We also reviewed the SOC 1 report in respect of general IT controls. Further, we obtained an understanding of relevant business processes and controls including those relevant to the company's financial reporting.

Our consideration of climate-related risks
In planning our audit, we have considered the potential impact of climate change on the company's business and its financial statements. The company continues to develop its assessment of the potential impacts of environmental, social and governance factors ("ESG") on the company, including climate change, as outlined on page 24. As part of our audit, we held discussions with management to understand the process of identifying climate-related risks, management's determination of mitigating actions and the impact on the company's financial statements. We performed our own qualitative risk assessment of the potential impact of climate change on the company's account balances and classes of transactions. We have read the disclosures in relation to climate change made in the other information within the annual report to ascertain whether the disclosures are materially consistent with the financial statements and our knowledge from our audit. Management has identified there to be no material impact arising from climate change on the judgements and estimates made in the financial statements, as disclosed in note 2 (n).

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: valuation and existence of investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Independent Auditors' Report

continued

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, tax legislation, and the statement of Recommended Practice issued by the Association of Investment Companies 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the requirements of the United Kingdom's Financial Conduct Authority ("FCA") and Alternative Investment Fund Managers Directive.

Audit response to risks identified

As a result of performing the above, we identified the valuation and existence of investments as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the Audit Committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing correspondence with HMRC and FCA; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

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

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 52;
- the directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 43;
- the directors' statement on fair, balanced and understandable set out on page 73;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 35;

- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 66 and 67; and
- the section describing the work of the Audit Committee set out on pages 69 to 71.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Other matters which we are required to address

Auditor tenure

Following the recommendation of the Audit Committee, we were appointed at the Annual General Meeting on 14 March 2024 to audit the financial statements for the year ending 31 October 2024 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 1 year, covering the year ending 31 October 2024.

Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Caullay (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom

27 February 2025

Statement of Comprehensive Income

for the year ended 31 October 2024

	Notes	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Income from investments held at fair value through profit or loss	3	3,842	–	3,842	4,252	–	4,252
Other income	3	13	–	13	11	–	11
Total income		**3,855**	**–**	**3,855**	**4,263**	**–**	**4,263**
Net profit/(loss) on investments and options held at fair value through profit or loss	10	–	20,909	20,909	–	(11,550)	(11,550)
Net (loss)/gain on foreign exchange		–	(67)	(67)	–	50	50
Total		**3,855**	**20,842**	**24,697**	**4,263**	**(11,500)**	**(7,237)**
Expenses							
Investment management fee	4	(286)	(860)	(1,146)	(286)	(858)	(1,144)
Other operating expenses	5	(534)	(10)	(544)	(521)	(4)	(525)
Total operating expenses		**(820)**	**(870)**	**(1,690)**	**(807)**	**(862)**	**(1,669)**
Net profit/(loss) on ordinary activities before finance costs and taxation		**3,035**	**19,972**	**23,007**	**3,456**	**(12,362)**	**(8,906)**
Finance costs	6	(2)	(4)	(6)	(13)	(39)	(52)
Net profit/(loss) on ordinary activities before taxation		**3,033**	**19,968**	**23,001**	**3,443**	**(12,401)**	**(8,958)**
Taxation	7	(429)	–	(429)	(498)	–	(498)
Profit/(loss) for the year		**2,604**	**19,968**	**22,572**	**2,945**	**(12,401)**	**(9,456)**
Earnings/(loss) per ordinary share (pence)	**9**	**3.39**	**25.97**	**29.36**	**3.67**	**(15.46)**	**(11.79)**

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

The Company does not have any other comprehensive income/(loss) (2023: £nil). The net profit/(loss) for the year disclosed above represents the Company's total comprehensive income.

The notes on pages 88 to 104 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 October 2024

	Notes	Called up share capital £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the year ended 31 October 2024							
At 31 October 2023		1,004	1,460	82,540	69,201	584	154,789
Total comprehensive income:							
Net profit for the year		–	–	–	19,968	2,604	22,572
Transactions with owners, recorded directly to equity:							
Ordinary shares bought back into treasury	13,14	–	–	(16,067)	–	–	(16,067)
Share buyback costs	13,14	–	–	(61)	–	–	(61)
Dividends paid	8	–	–	–	(3,477)	(2,689)	(6,166)
At 31 October 2024		**1,004**	**1,460**	**66,412**	**85,692**	**499**	**155,067**
For the year ended 31 October 2023							
At 31 October 2022		1,004	1,460	82,963	84,940	719	171,086
Total comprehensive (loss)/income:							
Net (loss)/profit for the year		–	–	–	(12,401)	2,945	(9,456)
Transactions with owners, recorded directly to equity:							
Ordinary shares bought back into treasury	13,14	–	–	(421)	–	–	(421)
Share buyback costs	13,14	–	–	(2)	–	–	(2)
Dividends paid	8	–	–	–	(3,338)	(3,080)	(6,418)
At 31 October 2023		**1,004**	**1,460**	**82,540**	**69,201**	**584**	**154,789**

For information on the Company's distributable reserves please refer to note 14 on pages 97 and 98.

The notes on pages 88 to 104 form part of these financial statements.

Statement of Financial Position

as at 31 October 2024

	Notes	2024 £'000	2023 £'000
Non current assets			
Investments held at fair value through profit or loss	10	155,578	154,212
Current assets			
Current tax asset		97	130
Other receivables	11	212	2,614
Cash and cash equivalents	15	1,075	1,092
Total current assets		**1,384**	**3,836**
Total assets		**156,962**	**158,048**
Current liabilities			
Current tax liability		–	(6)
Other payables	12	(1,895)	(3,253)
Total current liabilities		**(1,895)**	**(3,259)**
Net assets		**155,067**	**154,789**
Equity			
Called up share capital		1,004	1,004
Capital redemption reserve	14	1,460	1,460
Special reserve	14	66,412	82,540
Capital reserves	14	85,692	69,201
Revenue reserve	14	499	584
Total shareholders' funds		**155,067**	**154,789**
Net asset value per ordinary share (pence)	**9**	**216.24**	**193.51**

The financial statements on pages 84 to 104 were approved and authorised for issue by the Board of Directors on 27 February 2025 and signed on its behalf by Alice Ryder, Chair.

BlackRock American Income Trust plc

Registered in England and Wales, No. 8196493

The notes on pages 88 to 104 form part of these financial statements.

Cash Flow Statement

for the year ended 31 October 2024

	2024 £'000	2023 £'000
Operating activities		
Net profit/(loss) on ordinary activities before taxation	23,001	(8,958)
Add back finance costs	6	52
Net (profit)/loss on investments and options held at fair value through profit or loss (including transaction costs)	(20,909)	11,550
Net loss/(gain) on foreign exchange	67	(50)
Sales of investments held at fair value through profit or loss	133,284	98,933
Purchases of investments held at fair value through profit or loss	(113,741)	(89,270)
Decrease in other receivables	17	61
Increase in other payables	208	195
Decrease in amounts due from brokers	2,385	612
Decrease in amounts due to brokers	(1,918)	(911)
Net cash inflow from operating activities before taxation	**22,400**	**12,214**
Taxation paid	(402)	(483)
Net cash inflow from operating activities	**21,998**	**11,731**
Financing activities		
Interest paid	(6)	(52)
Payments for ordinary shares bought back into treasury	(15,776)	(423)
Dividends paid	(6,166)	(6,418)
Net cash outflow from financing activities	**(21,948)**	**(6,893)**
Increase in cash and cash equivalents	**50**	**4,838**
Effect of foreign exchange rate changes	(67)	50
Change in cash and cash equivalents	**(17)**	**4,888**
Cash and cash equivalents at start of year	1,092	(3,796)
Cash and cash equivalents at end of year	**1,075**	**1,092**
Comprised of:		
Cash at bank	274	213
Cash Fund[1]	801	879
	1,075	**1,092**

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

The notes on pages 88 to 104 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 October 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 Company was incorporated in England and Wales on 30 August 2012 and this is the eleventh Annual Report.

2. Accounting policies

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

(a) Basis of preparation

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

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

Substantially, all of the assets of the Company consist of securities that are readily realisable and, accordingly, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future for the period to 28 February 2026, being a period of at least twelve months from the date of approval of the financial statements and therefore consider the going concern assumption to be appropriate. (See pages 51 to 53 for further details on going concern.) The Directors have reviewed the income and expense projections, the continuation vote coming up at the forthcoming AGM and the nature, liquidity and stock volatility of the investment portfolio in making their assessment.

The Directors have considered the impact of climate change on the value of the investments included in the Financial Statements and have concluded there was no further impact of climate change to be considered as the investments are valued based on market pricing as required by IFRS 13.

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

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

Adoption of new and amended International Accounting Standards and interpretations:

IFRS 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.

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

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

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

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

The amendment of these standards did not have any significant impact on the Company.

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.

IAS 21 – Lack of exchangeability (effective 1 January 2025). The IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

IFRS 18 – Presentation and disclosure in financial statements (effective 1 January 2027). The IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

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

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

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

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

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

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

Notes to the Financial Statements
continued

2. Accounting policies continued

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

- expenses which are incidental to the acquisition or sale of an investment are charged to the capital account of the Statement of Comprehensive Income. Details of transaction costs on the purchases and sales of investments are disclosed within note 10 to the financial statements on page 96;
- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated;
- the investment management fee and finance costs have been allocated 25% to the revenue account and 75% to the capital account of the Statement of Comprehensive Income in line with the Board’s expected long-term split of returns, in the form of capital gains and income, respectively, from the investment portfolio.

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

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

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

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

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

The fair value of the financial investments is based on their quoted bid price at the financial reporting date, without deduction for the estimated selling costs. This policy applies to all current and non-current asset investments held by the Company.

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

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

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

(i) Dividends payable

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

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

(j) Foreign currency translation

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

(k) Cash and cash equivalents

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

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

(l) Bank borrowings

Bank overdrafts and loans are recorded as the proceeds received. Finance charges, including any premium payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(m) Share repurchases

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

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

(n) Critical accounting estimates and judgements

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

Notes to the Financial Statements
continued

3. Income

	2024 £'000	2023 £'000
Investment income:		
UK dividends	518	334
Overseas dividends	3,107	3,839
Overseas special dividends	12	–
Overseas REIT[1] dividends	176	34
Interest from Cash Fund	29	45
Total investment income	**3,842**	**4,252**
Deposit interest	13	11
Total	**3,855**	**4,263**

1 Real Estate Investment Trust.

Dividends and interest received in cash during the year amounted to £3,363,000 and £43,000 (2023: £3,724,000 and £51,000).

Special dividends of £nil have been recognised in capital (2023: £nil).

4. Investment management fee

		2024			2023	
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	286	860	1,146	286	858	1,144
Total	**286**	**860**	**1,146**	**286**	**858**	**1,144**

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

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

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

5. Other operating expenses

	2024 £'000	2023 £'000
Allocated to revenue:		
Custody fee	2	2
Auditors' remuneration – audit services[1]	47	39
Registrar's fee	30	28
Directors' emoluments[2]	145	142
Broker fees	40	40
Depositary fees	16	16
Printing fees	43	31
Legal and professional fees	16	14
Marketing fees	87	94
AIC fees	12	13
FCA fees	12	11
Write back of prior year expenses[3]	(43)	(11)
Other administrative costs	127	102
Total revenue expenses	**534**	**521**
Allocated to capital:		
Custody transaction charges	10	4
Total	**544**	**525**
The Company's ongoing charges[4], calculated as a percentage of average daily net assets and using the management fee and all other operating expenses excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items were:	1.06%	1.03%

[1] No non-audit services were provided by the Company's auditor (2023: none).

[2] Further information on Directors' emoluments can be found in the Directors' Remuneration Report on page 57. The Company has no employees.

[3] Relates to Directors' expenses and legal fees written back during the year (2023: Directors' expenses).

[4] Alternative Performance Measure, see Glossary on page 120.

6. Finance costs

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest paid on bank overdraft	2	4	6	13	39	52
Total	**2**	**4**	**6**	**13**	**39**	**52**

Notes to the Financial Statements

continued

7. Taxation

(a) Analysis of charge in year

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Current taxation:						
Corporation tax	(6)	–	(6)	–	–	–
Overseas tax	435	–	435	498	–	498
Total taxation charge (note 7(b))	**429**	**–**	**429**	**498**	**–**	**498**

(b) Factors affecting total taxation charge for the year

The taxation assessed for the year is lower (2023: higher) than the standard rate of corporation tax used of 25.00% (2023: blended rate of corporation tax of 22.52% based on a rate of 19.00% up to 31 March 2023 and a rate of 25.00% from 1 April 2023). The differences are explained below.

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) on ordinary activities before taxation	3,033	19,968	23,001	3,443	(12,401)	(8,958)
Profit/(loss) on ordinary activities multiplied by standard rate of 25.00% (2023: blended rate of 22.52%)	758	4,992	5,750	775	(2,793)	(2,018)
Effects of:						
Non-taxable UK dividends	(130)	–	(130)	(75)	–	(75)
Non-taxable overseas dividends	(781)	–	(781)	(865)	–	(865)
Net (profit)/loss on investments and options held at fair value through profit or loss	–	(5,227)	(5,227)	–	2,601	2,601
Foreign exchange loss/(profit)	–	17	17	–	(11)	(11)
Overseas tax suffered	436	–	436	498	–	498
Disallowed expenses	–	2	2	–	1	1
Current period management expenses not utilised	158	216	374	166	201	367
Expense relief for overseas withholding tax	(6)	–	(6)	(1)	–	(1)
Movement in non-trade loan relationship deficit	–	–	–	–	1	1
UK corporation tax prior period adjustment	(6)	–	(6)	–	–	–
	(329)	(4,992)	(5,321)	(277)	2,793	2,516
Total taxation charge for the year (note 7(a))	**429**	**–**	**429**	**498**	**–**	**498**

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

At 31 October 2024, the Company had net surplus management expenses of £5,365,000 (2023: £3,869,000) and a non-trade loan relationship deficit of £76,000 (2023: £76,000). A deferred tax asset has not been recognised in respect of these losses because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus management expenses. Accordingly, the deferred tax asset of £1,360,000 (2023: £986,000) has not been recognised as at 31 October 2024 which has been calculated based on the corporation tax rate in effect from 1 April 2023 of 25%, as enacted by the Finance Act 2021.

8. Dividends

Dividends paid on equity shares	Record date	Payment date	2024 £'000	2023 £'000
4th interim dividend of 2.00p per share for the year ended 31 October 2023 (2022: 2.00p)	24 November 2023	2 January 2024	1,597	1,604
1st interim dividend of 2.00p per share for the year ended 31 October 2024 (2023: 2.00p)	29 March 2024	26 April 2024	1,560	1,605
2nd interim dividend of 2.00p per share for the year ended 31 October 2024 (2023: 2.00p)	7 June 2024	5 July 2024	1,521	1,605
3rd interim dividend of 2.00p per share for the year ended 31 October 2024 (2023: 2.00p)	16 August 2024	1 October 2024	1,488	1,604
Accounted for in the financial statements			**6,166**	**6,418**

The total dividends payable in respect of the year ended 31 October 2024 which form the basis of Section 1158 of the Corporation Tax Act 2010 and Section 833 of the Companies Act 2006, and the amounts declared, meet the relevant requirements as set out in this legislation.

Dividends paid or declared on equity shares	2024 £'000	2023 £'000
1st interim dividend of 2.00p per share for the year ended 31 October 2024 (2023: 2.00p)	1,560	1,605
2nd interim dividend of 2.00p per share for the year ended 31 October 2024 (2023: 2.00p)	1,521	1,605
3rd interim dividend of 2.00p per share for the year ended 31 October 2024 (2023: 2.00p)	1,488	1,604
4th interim dividend of 2.00p per share payable on 2 January 2025 for the year ended 31 October 2024[1] (2023: 2.00p)	1,410	1,597
	5,979	**6,411**

[1] Based on 70,524,781 ordinary shares in issue on 21 November 2024 (the ex-dividend date).

9. Earnings and net asset value per ordinary share

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

	Year ended 31 October 2024	Year ended 31 October 2023
Net revenue profit attributable to ordinary shareholders (£'000)	2,604	2,945
Net capital profit/(loss) attributable to ordinary shareholders (£'000)	19,968	(12,401)
Total profit/(loss) attributable to ordinary shareholders (£'000)	**22,572**	**(9,456)**
Equity shareholders' funds (£'000)	**155,067**	**154,789**
The weighted average number of ordinary shares in issue during the year on which the earnings per ordinary share was calculated was:	76,877,643	80,225,591
The actual number of ordinary shares in issue at the year end on which the net asset value per ordinary share was calculated was:	71,708,970	79,989,044
Earnings/(loss) per ordinary share		
Revenue earnings per share (pence) – basic and diluted	3.39	3.67
Capital earnings/(loss) per share (pence) – basic and diluted	25.97	(15.46)
Total earnings/(loss) per share (pence) – basic and diluted	**29.36**	**(11.79)**

	As at 31 October 2024	As at 31 October 2023
Net asset value per ordinary share (pence)	216.24	193.51
Ordinary share price (pence)	190.00	174.00

There were no dilutive securities at the year end.

Notes to the Financial Statements
continued

10. Investments held at fair value through profit or loss

	2024 £'000	2023 £'000
UK listed equity investments held at fair value through profit or loss	5,332	7,416
Overseas listed equity investments held at fair value through profit or loss	150,246	146,796
Total value of financial asset investments at 31 October	**155,578**	**154,212**
Opening book cost of investments	160,628	163,587
Investment holding (losses)/gains	(6,416)	11,838
Opening fair value	**154,212**	**175,425**
Analysis of transactions made during the year:		
Purchases at cost	113,741	89,270
Sales proceeds received	(133,284)	(98,933)
Gains/(losses) on investments	20,909	(11,550)
Closing fair value	**155,578**	**154,212**
Closing book cost of investments	152,353	160,628
Closing investment holding gains/(losses)	3,225	(6,416)
Closing fair value	**155,578**	**154,212**
Comprising of:		
– Equity investments	155,578	154,212
Total	**155,578**	**154,212**

The Company received £133,284,000 (2023: £98,933,000) from investments sold in the year. The book cost of these investments when they were purchased was £122,016,000 (2023: £92,229,000). These investments have been revalued over time and until they were sold any unrealised gains/(losses) were included in the fair value of the investments.

During the year, transaction costs of £17,000 (2023: £18,000) were incurred on the acquisition of investments. Costs relating to the disposal of investments during the year amounted to £18,000 (2023: £13,000). All transaction costs have been included within the capital reserves.

11. Other receivables

	2024 £'000	2023 £'000
Amounts due from brokers	45	2,430
Prepayments and accrued income	167	184
Total	**212**	**2,614**

12. Other payables

	2024 £'000	2023 £'000
Amounts due to brokers	–	1,918
Share buybacks awaiting settlement	458	–
Accruals for expenses and interest payable	1,437	1,335
Total	**1,895**	**3,253**

13. Share capital

	Ordinary shares in issue number	Treasury shares number	Total shares number	Nominal value £'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 1 pence each:				
At 31 October 2023	79,989,044	20,372,261	100,361,305	1,004
Ordinary shares bought back into treasury	(8,280,074)	8,280,074	–	–
At 31 October 2024	**71,708,970**	**28,652,335**	**100,361,305**	**1,004**

During the year ended 31 October 2024, the Company bought back and transferred 8,280,074 (2023: 240,000) shares into treasury for a total consideration including costs of £16,128,000 (2023: £423,000).

Since 31 October 2024 and up to the date of this report, 3,136,986 shares have been bought back into treasury for a total consideration including costs of £6,449,000.

14. Reserves

		Distributable reserves			
	Capital redemption reserve	Special reserve	Capital reserve arising on investments sold	Capital reserve arising on revaluation of investments held	Revenue reserve
	£'000	£'000	£'000	£'000	£'000
At 31 October 2023	1,460	82,540	75,840	(6,639)	584
Movement during the year:					
Total comprehensive income:					
Net profit for the year	–	–	10,333	9,635	2,604
Transactions with owners, recorded directly to equity:					
Ordinary shares bought back into treasury	–	(16,067)	–	–	–
Share buyback costs	–	(61)	–	–	–
Dividends paid	–	–	(3,477)	–	(2,689)
At 31 October 2024	**1,460**	**66,412**	**82,696**	**2,996**	**499**

Notes to the Financial Statements
continued

14. Reserves continued

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

The capital redemption reserve is not a distributable reserve under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable profits under the Companies Act 2006, the special reserve and capital reserves may be used as distributable reserves for all purposes and, in particular, the repurchase by the Company of its ordinary shares and for payments such as dividends. In accordance with the Company's Articles of Association, the special reserve, capital reserves and the revenue reserve may be distributed by way of dividend. At 31 October 2024, the gain on the capital reserve arising on the revaluation of investments was £2,996,000 (2023: no gain). The gains on revaluation of investments are subject to fair value movements and may not be readily realisable at short notice, as such any gains may not be entirely distributable. The investments are subject to financial risks, as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

15. Financial risk management

The Directors have adopted a risk matrix which identifies the key risks for the Company and covers strategy, investment management, operations, shareholders, regulatory and financial obligations and third party service providers. This risk matrix is reviewed formally every six months. The Board has in place a robust process to identify, assess and monitor the principal risks and uncertainties facing the Company. A summary of the principal risks together with their mitigating action is set on pages 35 to 38. The Company's investment activities expose it to various types of risks which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and shareholders should refer to the 'AIFMD FUND Disclosures' which can be found at www.blackrock.com/uk/brai for a more detailed discussion of the risks inherent in investing in the Company.

Risk management framework

As disclosed in the Corporate Governance Statement on pages 66 and 67 and in the Statement of Directors' Responsibilities on pages 74 and 75, it is the ultimate responsibility of the Board to ensure that the Company's risks are appropriately monitored, and to the extent that elements of this are delegated to third party service providers, the Board is responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of the relevant agreements and taking appropriate action to the extent issues are identified.

The Directors review quarterly investment performance reports and receive semi-annual presentations in person from the Investment Manager covering the Company's performance and risk profile during the year. The AIFM has delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager is also responsible for ensuring that the Company is managed within the terms of its investment guidelines and limits set out in the investment management agreement.

Risk Exposures
The risk exposures of the Company are set out as follows:

(a) Market risk
Market risk arises mainly from uncertainty about future values of financial instruments influenced by other price, currency and interest rate movements. It represents the potential loss the Company may suffer through holding market positions in financial instruments in the face of market movements.

A key metric used to measure market risk is Value-at-Risk (VaR) which encompasses price, currency and interest rate risk. VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables unlike a traditional sensitivity analysis.

The VaR calculations are based on a confidence level of 99% with a holding period of not greater than one day and a historical observation period of not less than one year (250 days). A VaR number is defined at a specified probability and a specified time horizon. A 99% one day VaR means that the expectation is that 99% of the time over a one day period the Company will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk. It is noted that the use of VaR methodology has limitations, namely assumptions that risk factor returns are normally distributed and that the use of historical market data as a basis for estimating future events does not encompass all possible scenarios, particularly those that are of an extreme nature and that the use of a specified confidence level (e.g. 99%) does not take into account losses that occur beyond this level. There is some probability that the loss could be greater than the VaR amounts. These limitations, and the nature of the VaR measure, mean that the Company can neither guarantee that losses will not exceed the VaR amounts indicated, nor that losses in excess of the VaR amounts will not occur more frequently.

The one-day VaR as of 31 October 2024 and 31 October 2023 (based on a 99% confidence level) was 1.73% and 1.69%, respectively.

(i) Market risk arising from other price risk
Exposure to other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, climate change, or other events could have a significant impact on the Company and the market price of its investments and could result in increased premiums or discounts to the Company’s net asset value.

Other price risk sensitivity has been covered by the VaR analysis under the market risk section above.

The Company’s exposure to other changes in market prices at 31 October 2024 on its equity investments was £155,578,000 (2023: £154,212,000).

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

Concentration of exposure to market risks
An analysis of the Company’s investment portfolio is shown on pages 21 to 23. At 31 October 2024, this shows that the majority of the portfolio is invested in the United States. Accordingly, there is a concentration of exposure to this country, though it is recognised that an investment’s country of domicile or its listing does not necessarily equate to its exposure to the economic conditions in that country.

(ii) Market risk arising from foreign currency risk
Exposure to foreign currency risk
The fair values of the Company’s monetary items which have foreign currency exposure at 31 October 2024 and 31 October 2023 are shown below. Foreign currency sensitivity risk has been covered by the VaR analysis under the market risk section.

Notes to the Financial Statements
continued

15. Financial risk management continued

	2024 US Dollar £'000	2024 Other £'000	2023 US Dollar £'000	2023 Other £'000
Receivables (due from brokers, withholding tax receivable, dividends and other income receivable)	90	69	2,574	148
Cash and cash equivalents	154	–	125	29
Payables (due to brokers and other payables)	–	(18)	(1,971)	–
Total foreign currency exposure on net monetary items	**244**	**51**	**728**	**177**
Investments at fair value through profit or loss	145,339	4,908	136,898	9,898
Total net foreign currency exposure	**145,583**	**4,959**	**137,626**	**10,075**

Management of foreign currency risk

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

(iii) Market risk arising from interest rate risk

Exposure to interest rate risk

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

Interest rate exposure

	2024 Within one year £'000	2023 Within one year £'000
Exposure to floating interest rates:		
Cash and cash equivalents	1,075	1,092
Total exposure to interest rates	**1,075**	**1,092**

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

2024	Interest received %	Interest paid %
US Dollar	5.066	6.233
Sterling	4.774	8.241

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

Management of interest rate risk

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

(b) Counterparty credit risk

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

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

There were no past due or impaired assets as of 31 October 2024 (2023: none).

Depositary

The Company's Depositary is The Bank of New York Mellon (International) Limited (BNY or the Depositary) (S&P long-term credit rating as at 31 October 2024: AA- (2023: AA-)). The Company's listed investments are held on its behalf by The Bank of New York Mellon (International) Limited (BNY) as the Company's Custodian (as sub-delegated by the Depositary). All of the equity assets and cash of the Company are held within the custodial network of the global custodian appointed by the Depositary. Bankruptcy or insolvency of the Depositary/Custodian may cause the Company's rights with respect to its investments held by the Depositary/Custodian to be delayed or limited. The maximum exposure to this risk at 31 October 2024 is the total value of equity investments held with the Depositary/Custodian and cash and cash equivalents in the Statement of Financial Position.

Counterparties/Brokers

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

	Total number of counterparties	Maximum exposure to any one counterparty[1] £'000	Total exposure to all other counterparties[1] £'000	Lowest credit rating of any one counterparty[2] £'000
2024	2	274	45	BBB+
2023	2	2,430	213	A+

[1] Calculated on a net basis.

[2] Standard & Poor's Ratings.

Receivables

In summary, the gross exposure to credit risk at 31 October 2024 and 31 October 2023 was as follows:

	2024 3 months or less £'000	2023 3 months or less £'000
Cash and cash equivalents	1,075	1,092
Other receivables (amounts due from brokers, dividends and interest receivable)	212	2,614
Total	**1,287**	**3,706**

Management of counterparty credit risk

The counterparty/credit risk is managed as follows:

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

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

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

Notes to the Financial Statements
continued

15. Financial risk management continued

(c) Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. At the year end, the Company had an overdraft facility of the lower of £20.0 million or 20% of the Company's net assets (2023: lower of £20.0 million or 20% of the Company's net assets).

Liquidity risk exposure
The remaining undiscounted gross cash outflows of the financial liabilities as at 31 October 2024 and 31 October 2023, based on the earliest date on which payment can be required, were as follows:

	2024 3 months or less £'000	2023 3 months or less £'000
Amounts due to brokers, accruals and provisions	1,895	3,253
Total	**1,895**	**3,253**

Management of liquidity risk
Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands.

(d) Valuation of financial instruments
Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value (investments) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and bank overdrafts). IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note 2(g) to the Financial Statements on page 90.

Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset.

The fair value hierarchy has the following levels:

Level 1 – Quoted market price for identical instruments in active markets
A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs
This category includes instruments valued using quoted prices for similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs
This category includes all instruments where the valuation technique includes inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market.

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 climate change 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 at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments at 31 October 2024	155,578	–	–	155,578
Equity investments at 31 October 2023	154,212	–	–	154,212

There were no transfers between levels of financial assets and financial liabilities during the year recorded at fair value as at 31 October 2024 and 31 October 2023. The Company did not hold any Level 3 securities throughout the financial year or as at 31 October 2023 (2023: nil).

For exchange listed equity investments, the quoted price is the bid price. Substantially, all investments are valued based on unadjusted quoted market prices. Where such quoted prices are readily available in an active market, such prices are not required to be assessed or adjusted for any price related risks, including climate risk, in accordance with the fair value related requirements of the Company's financial reporting framework.

(e) Capital management policies and procedures
The Company's capital management objectives are:

- to ensure it will be able to continue as a going concern; and
- to provide an attractive level of income together with capital appreciation over the long term, whilst incorporating the Environmental, Social and Governance (ESG) commitments described in the Company's investment policy.

The Company's total capital at 31 October 2024 was £155,067,000 (2023: £154,789,000), comprising equity shares, capital and reserves of £155,067,000 (2023: £154,789,000).

The Board, with the assistance of the Investment Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Investment Manager's view on the market; and
- the need to buy back equity shares, either for cancellation or to be held in treasury, or the reissue of shares held in treasury which takes account of the difference between the NAV per share and the share price (i.e. the level of share price discount or premium).

The Company is subject to externally imposed capital requirements:

- as a public company, the Company has a minimum share capital of £50,000; and
- in order to be able to pay dividends out of profits available for distribution, the Company has to be able to meet one of the two capital restrictions tests imposed on investment companies by law.

During the year, the Company complied with the externally imposed capital requirements to which it was subject.

16. Related party disclosure

Directors' Emoluments
At the date of this report, the Board consists of four non-executive Directors, all of whom are considered to be independent of the Manager by the Board.

Disclosures of the Directors' interests in the ordinary shares of the Company and fees and expenses payable to the Directors are set out in the Directors' Remuneration Report on pages 57 to 59. At 31 October 2024, £12,000 (2023: £12,000) was outstanding in respect of Directors' fees.

Notes to the Financial Statements
continued

16. Related party disclosure continued
Significant Holdings
The following investors are:

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

b. investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are, as a result, considered to be related parties to the Company (Significant Investors).

	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 October 2024	**0.9**	**n/a**	**n/a**
As at 31 October 2023	0.8	n/a	n/a

17. Transactions with the Investment Manager and AIFM
BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed in the Directors' Report on page 50.

The investment management fee due for the year ended 31 October 2024 amounted to £1,146,000 (2023: £1,144,000). At the year end, £1,128,000 was outstanding in respect of the management fee (2023: £837,000).

In addition to the above services, BIM (UK) has provided the Company with marketing services. The total fees paid or payable for these services for the year ended 31 October 2024 amounted to £87,000 excluding VAT (2023: £94,000). Marketing fees of £35,000 excluding VAT (2023: £123,000) were outstanding as at the year end.

The Company has an investment in the BlackRock Institutional Cash Series plc – US Dollar Liquid Environmentally Aware Fund of £801,000 (2023: £879,000) at the year end, which is a fund managed by a company within the BlackRock Group. The Company's investment in the Cash Fund is held in a share class on which no management fees are paid to BlackRock to avoid double dipping.

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

18. Contingent liabilities
There were no contingent liabilities at 31 October 2024 (2023: none).

19. Subsequent events
There are no subsequent events to be disclosed (2023: none).

Contents


CHANCE
CLEAN SWEEP
COMMUNITY CHEST
INCOME TAX
LUXURY TAX
BOARDWALK
PARK PLACE
MEDITERRANEAN AVENUE
BALTIC AVENUE
READING RAILROAD
VERMONT AVENUE
CONNECTICUT AVENUE
JUST VISITING
MONOPOLY
TITLE DEED
NORTH CAROLINA AVENUE
PACIFIC AVENUE
PENNSYLVANIA AVENUE
REMINDERS
Hasbro GAMES
COLLECT
AS YOU PASS

Additional information

Toy and game company Hasbro has a wide portfolio of strong franchises ranging from Dungeons and Dragons to Monopoly. Based on its valuation, we see significant upside potential.

PHOTO COURTESY OF HASBRO, INC.

Shareholder information

Financial calendar

The timing of the announcement and publication of the Company's results may normally be expected in the months shown below:

January/February
Annual results and Annual Report and Financial Statements published.

March
Annual General Meeting.

June
Half Yearly figures announced and Half Yearly Financial Report published.

Quarterly dividends

Dividends are paid quarterly as follows:

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

Payment of dividends

Cash dividends will be sent by cheque to the first-named shareholder at their registered address. Dividends may also be paid direct into a shareholder's bank account via BACSTEL-IP (Bankers' Automated Clearing Service – Telecom Internet Protocol). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC, through their secure website www.investorcentre.co.uk, or by telephone on 0370 873 5879, or by completing the Mandate Instructions section on the reverse of your dividend counterfoil and sending this to the Company's registrar, Computershare. Dividend confirmations will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

Dividend reinvestment plan

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

Share prices

The Company's mid-market share price is quoted daily in The Financial Times and The Times under 'Investment Companies' and in The Daily Telegraph under 'Investment Trusts'. The share price is also available on the BlackRock website at www.blackrock.com/uk/brai.

ISIN/SEDOL numbers

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

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

Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio is currently £500. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances.

The Company continues to provide registered shareholders with a confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

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

Share dealing

Investors wishing to purchase more shares in the Company or sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service. Alternatively, please go to www.computershare.com/dealing/uk for a range of dealing services made available by Computershare.

CREST

The Company's shares may be held in CREST, an electronic system for uncertificated securities trading.

Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

Risk factors

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

Electronic proxy voting

Shareholders are able to submit their proxy votes electronically via Computershare's internet site at www.eproxyappointment.com using their shareholder reference number, control number and a unique identification PIN which will be provided with voting instructions and the Notice of Annual General Meeting.

CREST members who wish to appoint one or more proxies or give an instruction through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. More details are set out in the notes on the Form of Proxy and the Notice of Annual General Meeting.

Nominee code

Where shares are held in a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Nominee companies are encouraged to provide the necessary authority to underlying shareholders to attend the Company's general meetings.

Publication of net asset value/portfolio analysis

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

The daily NAV and monthly information are released through the London Stock Exchange's Regulatory News Service and are available on the BlackRock website at www.blackrock.com/uk/brai through the Reuters News Service under the code 'BLRKINDEX', on page 8800 on Topic 3 (ICV terminals) and under 'BLRK' on Bloomberg (monthly information only).

Individual Saving Account (ISA)

ISAs are a tax-efficient method of investment and the Company's shares are eligible investments for inclusion within stocks and shares Individual Savings Accounts. In the 2025/2026 tax year investors have an annual ISA allowance of £20,000 (2024/2025: £20,000) which can be invested in either cash or shares.

Shareholder information

continued

Online access

Other details about the Company are available on the BlackRock website at www.blackrock.com/uk/brai. The financial statements and other literature are published on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Shareholders can also manage their shareholding online by using Investor Centre, Computershare's secure website, at www.investorcentre.co.uk. To access Computershare's website you will need your shareholder reference number (SRN) which can be found on paper or electronic communications you have previously received from Computershare. Listed below are the most frequently used features of the website.

- Holding enquiry – view balances, values, history, payments and reinvestments.
- Payments enquiry – view your dividends and other payment types.
- Address change – change your registered address.
- Bank details update – choose to receive your dividend payment directly into your bank account instead of by cheque.
- e-Comms sign-up – choose to receive email notification when your shareholder communications become available instead of paper communications.
- Outstanding payments – reissue payments using the online replacement service.
- Downloadable forms – including dividend mandates, stock transfer, dividend reinvestment and change of address forms.

Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information needs to be input accurately to gain access to an individual's account. This includes your shareholder reference number, available from your share certificate, dividend confirmation statement or other electronic communications you have previously received from Computershare. The address of the Computershare website is www.investorcentre.co.uk. Alternatively, please contact the registrar on 0370 873 5879.

Changes of name or address must be notified in writing either through Computershare's website, or to the registrar at:

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

General enquiries

Enquiries about the Company should be directed to:

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

Analysis of ordinary shareholders

(unaudited) as at 31 October 2024

By type of holder

	Number of holders[1]	% of total 2024[1]	% of total 2023[2]	Number of shares[1]	% of total 2024[1]	% of total 2023[2]
Individuals	43	16.7	18.0	1,090,553	1.5	1.4
Bank or Nominees	199	77.1	78.7	68,727,986	95.5	96.7
Investment Trust	4	1.5	0.7	1,549,681	2.2	1.3
Insurance Company	0	0.0	0.0	0	0.0	0.0
Other Company	7	2.7	2.2	309,935	0.4	0.6
Pension Trust	1	0.4	0.4	1	0.0	0.0
Other Corporate Body	4	1.6	0.0	270,814	0.4	0.0
	258	**100.0**	**100.0**	**71,948,970**	**100.0**	**100.0**

By size of holding

Range	Number of holders[1]	% of total 2024[1]	% of total 2023[2]	Number of shares[1]	% of total 2024[1]	% of total 2023[2]
1-10,000	81	31.4	29.0	269,578	0.4	0.4
10,001-100,000	94	36.4	39.2	3,881,067	5.4	5.0
100,001-1,000,000	66	25.6	24.9	23,699,716	32.9	6.9
1,000,001-5,000,000	16	6.2	6.2	35,782,559	49.7	50.8
5,000,000 and above	1	0.4	0.7	8,316,050	11.6	36.9
	258	**100.0**	**100.0**	**71,948,970**	**100.0**	**100.0**

[1] Excludes treasury shares of 28,412,335 and unsettled share buybacks of 240,000 shares into treasury as at 31 October 2024.

[2] Excludes treasury shares of 20,372,261.

Historical record

Year ended 31 October	Ordinary shares in issue ex. Treasury	Treasury shares	Net assets attributable to ordinary shareholders £'000	Net asset value per ordinary share – undiluted p	Ordinary share price p	Revenue attributable to ordinary shareholders £'000	Revenue earnings per share p	Dividend per share p
2013	99,361,305	–	111,289	112.00	112.50	3,254	4.28	4.00
2014	100,361,305	–	121,199	120.76	112.00	4,256	4.25	4.00
2015	80,039,044	20,322,261	98,046	122.50	113.00	3,833	4.54	4.30
2016	68,949,044	31,412,261	109,479	158.78	155.75	3,730	5.17	4.70
2017	68,874,044	31,487,261	118,295	171.76	160.50	3,731	5.41	4.95
2018	68,874,044	31,487,261	120,945	175.60	169.50	3,556	5.16	8.00
2019	78,399,044	21,962,261	142,786	182.13	186.50	4,338	5.96	8.00
2020	79,974,044	20,387,261	126,410	158.06	145.50	5,367	6.65	8.00
2021	80,229,044	20,132,261	165,334	206.08	198.25	3,248	4.06	8.00
2022	80,229,044	20,132,261	171,086	213.25	197.50	3,081	3.84	8.00
2023	79,989,044	20,372,261	154,789	193.51	174.00	2,945	3.67	8.00
2024	**71,708,970**	**28,652,335**	**155,067**	**216.24**	**190.00**	**2,604**	**3.39**	**8.00**

Management and other service providers

Registered Office

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

Investment Manager and Company Secretary

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

Alternative Investment Fund Manager

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

Depositary, Custodian, Banker and Fund Accountant

The Bank of New York Mellon (International) Limited[1]
160 Queen Victoria Street
London EC4V 4LA

Registrar

Computershare Investor Services PLC[1]
The Pavilions
Bridgwater Road
Bristol BS99 6ZY
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Independent Auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
110 Queen Street
Glasgow
G1 3BX

Stockbroker

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

Solicitor

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

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

AIFMD disclosures

(unaudited)

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

The below disclosures are made in respect of the remuneration policies of the BlackRock group (BlackRock), as they apply to BlackRock Fund Managers Limited (the Manager). The disclosures are made in accordance with the provisions in the UK implementing the Alternative Investment Fund Managers Directive (the AIFMD), the European Commission Delegated Regulation supplementing the AIFMD (the Delegated Regulation) and the Guidelines on sound remuneration policies under the AIFMD issued by the European Securities and Markets Authority.

The BlackRock AIFM Remuneration Policy (the AIFM Remuneration Policy) will apply to the EEA entities within the BlackRock group authorised as a manager of alternative investment funds in accordance with the AIFMD, and will ensure compliance with the requirements of Annex II of the AIFMD and to UK entities within the BlackRock group authorised as a manager of a UK alternative investment fund in accordance with the UK version of the Directive.

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

Quantitative Remuneration Disclosure

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

Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; (c) staff who have the ability to materially affect the risk profile of the Company; and (d) staff of companies to which portfolio management and risk management has been formally delegated.

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Manager is included in the aggregate figures disclosed.

Members of staff and senior management of the Manager typically provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. Conversely, members of staff and senior management of the broader BlackRock group may provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the broader BlackRock group and of the Manager. Therefore, the figures disclosed are a sum of individuals' portion of remuneration attributable to the Manager according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager and the broader BlackRock group. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded to the Manager's staff in respect of the Manager's financial year ending 31 December 2023 is US$171.29 million. This figure is comprised of fixed remuneration of US$98.27 million and variable remuneration of US$73.02 million. There were a total of 3,683 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager in respect of the Manager's financial year ending 31 December 2023, to its senior management was US$6.11 million, and to other members of its staff whose actions potentially have a material impact on the risk profile of the Manager or its funds was US$4.20 million. These figures relate to the entire Manager and not to the Company.

Leverage

The Company may employ leverage and borrow cash in accordance with its stated investment policy or investment strategy. The Company may also employ leverage in its investment programme through foreign exchange forward contracts. The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject.

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

For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means. The AIFMD requires that each leverage ratio be expressed as the ratio between a Company's exposure and its NAV, and prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure.

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

	Commitment leverage as at 31 October 2024	**Gross leverage as at 31 October 2024**
Leverage ratio	1.00	1.00

Other risk disclosures

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

Pre investment disclosures

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the Annual Report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management fees, conflicts of interest and other shareholder information is available on the website at www.blackrock.com/uk/brai.

There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
27 February 2025

Information to be disclosed in accordance with Listing Rule 9.8.4

The disclosures below are made in compliance with the requirements of Listing Rule 9.8.4.

9.8.4 (1) The Company has not capitalised any interest in the period under review.

9.8.4 (2) The Company has not published any unaudited financial information in a class 1 circular or prospectus or any profit forecast or profit estimate.

9.8.4 (3) This provision has been deleted.

9.8.4 (4) The Company does not have any long-term incentive schemes in operation.

9.8.4 (5) and (6) No Director of the Company has waived or agreed to waive any current or future emoluments from the Company.

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

The Company is a stand-alone entity therefore Listing Rules 9.8.4 (8) and 9.8.4 (9) are not applicable.

9.8.4 (10) There were no contracts of significance subsisting during the period under review to which the Company is a party and in which a Director of the Company is or was materially interested; or between the Company and a controlling shareholder.

9.8.4 (11) This provision is not applicable to the Company.

9.8.4 (12) and (13) There were no arrangements under which a shareholder has waived or agreed to waive any dividends or future dividends.

9.8.4 (14) This provision is not applicable to the Company.

For and on behalf of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
27 February 2025

Glossary

Alternative Performance Measure (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements.

The Company's APMs are set out below and are cross-referenced where relevant to the financial inputs used to derive them as contained in other sections of the Annual Report.

Closed-end company

An investment trust works along the same lines as a unit trust, in that it pools money from investors which is then managed on a collective basis. The main difference is that an investment trust is a company listed on the Stock Exchange and, in most cases, trading takes place in shares which have already been issued, rather than through the creation or redemption of units. As the number of shares which can be issued or cancelled at any one time is limited, and requires the approval of existing shareholders, investment trusts are known as closed end funds or companies. This means that investment trusts are not subject to the same liquidity constraints as open ended funds and can therefore invest in less liquid investments.

Discount and premium*

Investment trust shares can frequently trade at a discount to NAV. This occurs when the share price (based on the mid-market share price) is less than the NAV and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV.

As at 31 October 2024, the share price was 190.00 pence (2023: 174.00 pence) and the NAV was 216.24 pence (2023: 193.51 pence); therefore, the discount was 12.1% (2023: 10.1%) (please see note 9 of the financial statements for the audited inputs to the calculation).

A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 180.00 pence and the NAV 178.00 pence, the premium would be 1.1%. Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

Gearing and borrowings

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

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

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

Net gearing/(cash) calculation	**Page**	**31 October 2024 £'000**	**31 October 2023 £'000**	
Net assets	86	155,067	154,789	(a)
Borrowings	86	–	–	(b)
Total assets (a + b)		**155,067**	**154,789**	**(c)**
Current assets[1]	86	1,384	3,836	(d)
Current liabilities (excluding borrowings)	86	(1,895)	(3,259)	(e)
Cash and cash equivalents (d + e)		(511)	577	(f)
Net gearing/(cash) figure (g = (c – f – a)/a) (%)		**0.3**	**(0.4)**	**(g)**

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

* Alternative Performance Measure.

Glossary
continued

Leverage
Leverage is defined in the AIFM Directive as 'any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means'.

Leverage is measured in terms of 'exposure' and is expressed as a ratio of net asset value:

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

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

NAV and share price return (with dividends reinvested)*
Performance statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The performance measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/share price (please see note 9 of the financial statements for the audited inputs to the calculations).

NAV total return	Page	For the year ended 31 October 2024	For the year ended 31 October 2023	
Closing NAV per share (pence)	95	216.24	193.51	
Add back quarterly dividends (pence)	95	8.00	8.00	
Effect of dividend reinvestment (pence)		0.22	(0.14)	
Adjusted closing NAV (pence)		224.46	201.37	(a)
Opening NAV per share (pence)	95	193.51	213.25	(b)
NAV total return (c = ((a – b)/b)) (%)		**16.0**	**(5.6)**	**(c)**

Share price total return	Page	For the year ended 31 October 2024	For the year ended 31 October 2023	
Closing share price (pence)	95	190.00	174.00	
Add back quarterly dividends (pence)	95	8.00	8.00	
Effect of dividend reinvestment (pence)		(0.07)	(0.50)	
Adjusted closing share price (pence)		197.93	181.50	(a)
Opening share price (pence)	95	174.00	197.50	(b)
Share price total return (c = ((a – b)/b)) (%)		**13.8**	**(8.1)**	**(c)**

* Alternative Performance Measure.

NAV total return since inception	Page	For the period since inception to 31 October 2024	For the period since inception to 31 October 2023	
Closing NAV per share (cents)	95	216.24	193.51	
Add back quarterly dividends (cents)		75.95	67.95	
Effect of dividend reinvestment (cents)		48.29	31.99	
Adjusted closing NAV (cents)		340.48	293.45	(a)
Opening NAV per share (cents)		98.25	98.25	(b)
NAV total return (c=((a-b)/b)) (%)		**246.5**	**198.7**	**(c)**

Share price total return since inception	Page	For the period since inception to 31 October 2024	For the period since inception to 31 October 2023	
Closing share price (pence)	95	190.00	174.00	
Add back quarterly dividends (pence)		75.95	67.95	
Effect of dividend reinvestment (pence)		38.70	25.86	
Adjusted closing share price (pence)		304.65	267.81	(a)
Opening share price (pence)		100.00	100.00	(b)
Share price total return (c=((a-b)/b)) (%)		**204.7**	**167.8**	**(c)**

Net asset value per share (cum income NAV)

This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing 'equity shareholders' funds' by the total number of ordinary shares in issue (excluding treasury shares). For example, as at 31 October 2024, equity shareholders' funds were worth £155,067,000 (2023: £154,789,000) and there were 71,708,970 (2023: 79,989,044) ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 216.24 pence (2023: 193.51 pence) per ordinary share (please see note 9 of the financial statements for the audited inputs to the calculations).

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

Net asset value per share (capital only NAV)*

The capital only NAV is a popular point of reference when comparing a range of investment trusts. This NAV focuses on the value of the Company's assets disregarding the current period revenue income, on the basis that most trusts will distribute substantially all of their income in any financial year. It is also the measure adopted by the Association of Investment Companies for preparation of statistical data. It is calculated by dividing 'equity shareholders' funds' (excluding current period revenue) by the total number of ordinary shares in issue.

As at 31 October 2024, equity shareholders' funds (excluding current year net revenue) amounted to £154,567,000 (2023: £154,205,000) and there were 71,708,970 (2023: 79,989,044) ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 215.55 pence (2023: 192.78 pence).

Equity shareholders' funds (excluding current period revenue) of £154,567,000 (2023: £154,205,000) are calculated by deducting from the Company's net assets £155,067,000 (2023: £154,789,000) its current period revenue £2,604,000 (2023: £2,945,000) and adding back the interim dividends paid from current year revenue £2,104,000 (2023: £2,361,000).

* Alternative Performance Measure.

Glossary
continued

Ongoing charges ratio*

$$\text{Ongoing charges (\%)} = \frac{\text{Annualised ongoing charges}}{\text{Average undiluted net asset value in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management charge.

As recommended by the AIC in its guidance, ongoing charges are calculated using the Company's annualised recurring revenue and capital expenses (excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items) expressed as a percentage of the average daily net assets of the Company during the year.

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

Ongoing charges calculation	Page	31 October 2024 £'000	31 October 2023 £'000	
Management fee	92	1,146	1,144	
Other operating expenses[1]	93	587	532	
Total management fee and other operating expenses		1,733	1,676	(a)
Average daily net assets in the year		163,203	163,202	(b)
Ongoing charges (c = a/b) (%)		**1.06**	**1.03**	**(c)**

[1] Excluding the write back of prior year expenses totalling £43,000 and non-recurring expenses of £10,000 in the year ended 31 October 2024 (2023: £11,000 and £nil).

Quoted securities and unquoted securities
Quoted securities are securities that trade on an exchange for which there is a publicly quoted price. Unquoted securities are financial securities that do not trade on an exchange and for which there is not a publicly quoted price.

Reference index
The Company's reference index, used for performance comparative purposes is the Russell 1000 Value Index – net total return, calculated in Sterling terms with dividends reinvested. The Company's performance reference index (the Russell 1000 Value Index) may be calculated on either a gross or a net total return basis. Net total return (NR) indices calculate the reinvestment of dividends net of withholding taxes using the tax rates applicable to non-resident institutional investors, and hence give a lower total return than indices where calculations are on a gross total return basis. As the Company is subject to the same withholding tax rates for the countries in which it invests, the NR basis is felt to be the most accurate, appropriate, consistent and fair comparison for the Company.

Revenue profit and revenue reserves
Revenue profit is the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the Company. Revenue reserves is the undistributed income that the Company keeps as reserves. Investment trusts do not have to distribute all the income they generate after expenses. They may retain up to 15% of revenue generated which will be held in a revenue reserve. This reserve can be used at a later date to supplement dividend payments to shareholders.

Treasury shares
Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares do not pay dividends, have no voting rights and are not included in a company's total issued share capital amount for calculating percentage ownership. Treasury stock may have come from a repurchase or buy back from shareholders, or it may never have been issued to the public in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

* 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.

	Page	31 October 2024	31 October 2023	
Interim and final dividends payable/paid (pence)[1]	95	8.00	8.00	(a)
Ordinary share price (pence)	95	190.00	174.00	(b)
Yield (c = a/b) (%)		**4.2**	**4.6**	**(c)**

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


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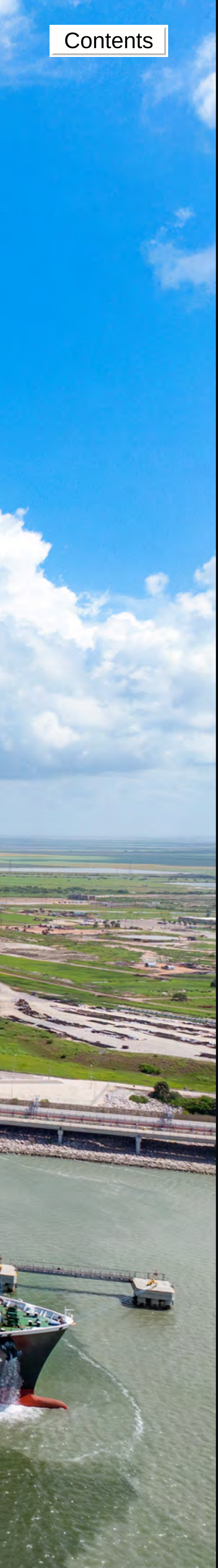


Contents

Annual General Meeting

We view natural gas as a key “bridge fuel” in the energy transition. Cheniere Energy is the largest producer of liquefied natural gas in the United States and the second largest operator globally.

PHOTO COURTESY OF CHENIERE ENERGY

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of BlackRock American Income Trust plc will be held at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Wednesday, 16 April 2025 at 12.00 noon to consider and, if thought fit, pass Resolutions 1 to 10 inclusive as Ordinary Resolutions and Resolutions 11 and 12 as Special Resolutions.

Ordinary business

1. To receive the report of the Directors of the Company and the financial statements for the year ended 31 October 2024, together with the report of the auditors thereon.

2. To approve the Directors' Remuneration Report for the year ended 31 October 2024, excluding any content relating to the remuneration policy of the Company.

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

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

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

6. To re-elect Solomon Soquar as a Director.

7. To re-appoint Deloitte LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

8. To authorise the Audit Committee to determine the auditors' remuneration.

Special business

Ordinary resolution.

9. That the Company shall continue in being as an investment trust.

10. That, in substitution for all existing authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the Company to allot relevant securities in the Company (as described in that section) up to an aggregate nominal amount of £68,571 (being 10% of the aggregate nominal amount of the issued ordinary share capital, excluding treasury shares, of the Company at the date of this notice), provided this authority shall (unless previously revoked) expire at the conclusion of the Annual General Meeting to be held in 2026, but the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot such securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Special resolutions

11. That, in substitution for all existing authorities and subject to the passing of resolution numbered 10 above, the Directors of the Company be and are hereby empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the Act) to allot equity securities (as defined in Section 560 of the Act) and to sell equity securities held by the Company as treasury shares (as defined in Section 724 of the Act) for cash pursuant to the authority granted by the resolution numbered 10 above, as if Section 561(1) of the Act did not apply to any such allotments and sales of equity securities, provided that this power:

    (a) shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2026, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or sold after such expiry and notwithstanding such expiry the Directors may allot and sell equity securities in pursuance of such offer or agreements;

    (b) shall be limited to the allotment of equity securities and/or the sale of equity securities held in treasury for cash up to an aggregate nominal amount of £68,571 (representing 10% of the aggregate nominal amount of the issued share capital, excluding treasury shares, of the Company at the date of this notice); and

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

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

(a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 10,278,940 or, if less, that number of Ordinary Shares which is equal to 14.99% of the Company's issued ordinary share capital (excluding treasury shares) at the date of the Annual General Meeting;

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

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

(d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2026 save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under the authority hereby conferred and may make a purchase of Ordinary Shares pursuant to any such contract notwithstanding such expiry.

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

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

(ii) cancelled immediately upon completion of the purchase.

By order of the Board

CAROLINE DRISCOLL
For and on behalf of the Board
BlackRock Investment Management (UK) Limited
Company Secretary
27 February 2025

Registered Office:
12 Throgmorton Avenue
London EC2N 2DL

Notice of Annual General Meeting
continued

Notes:

1. A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.
2. To appoint a proxy, you may use the Form of Proxy enclosed with this Notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions thereon as soon as possible and in any event by not later than 12.00 noon on 14 April 2025. Amended instructions must also be received by the Company's registrar by the deadline for receipt of Forms of Proxy. Alternatively, you can vote or appoint a proxy electronically by visiting www.eproxyappointment.com. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the Form of Proxy. The latest time for the submission of proxy votes electronically is 12.00 noon on 14 April 2025.
3. Completion and return of the Form of Proxy will not prevent you from attending the meeting and voting in person.
4. Proxymity Voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12.00 noon on 14 April 2025 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
5. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only ordinary shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting.
6. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from the Nominated Person.
7. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only ordinary shareholders registered in the register of members of the Company by not later than 6.00 p.m. on 14 April 2025 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. two days prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
9. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's Registrar not later than 12.00 noon on 14 April 2025. Instructions on how to vote through CREST can be found by accessing the following website: www.euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.
10. If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 12.00 noon on 14 April 2025. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. If the Chair, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chair, result in the Chair holding such number of voting rights that she has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chair will make the necessary notifications to the Company and the Financial Conduct Authority. As a

result, any member holding 3% or more of the voting rights in the Company, who grants the Chair a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

12. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under Section 319A of the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.
14. Under Section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

    (i) the audit of the Company's financial statements (including the auditors' report and the conduct of the audit) that are laid before the meeting; or

    (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006.

    The Company may not require the members requesting such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
15. Further information regarding the meeting which the Company is required by Section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at www.blackrock.com/uk/brai.
16. As at 27 February 2025 (being the last practicable date prior to the publication of this Notice of Annual General Meeting), the Company's issued share capital comprised 68,571,984 ordinary shares of 1p each, excluding shares in treasury. Each ordinary share carries the right to one vote and therefore the total number of voting rights in the Company as at 27 February 2025 is 68,571,984.
17. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

Sustainability-related disclosures
(unaudited)

The following regulatory disclosure is being made as the Company is registered for marketing in the Republic of Ireland.

Glossary and key definitions

The periodic report disclosures set out below are presented for the year ended 31 October 2024, the "reference period". Comparative information is presented for the financial year ended 31 October 2023 and 31 October 2022, the "previous reference period".

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

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

The term "Assets" shall be deemed to mean the total value of investments held by the Fund throughout the reference period. The total value of investments shall include net short positions (including net short positions achieved through derivatives). BlackRock has taken a proportionate approach to the calculation of taxonomy alignment of its funds, by excluding any exposures achieved through derivatives (including both long and short positions) from the calculation of the degree to which investments made by a fund is in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

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

Sustainable Investments: BlackRock defines Sustainable Investments as investments in issuers or securities that contribute to an environmental or social objective, do not significantly harm any of those objectives and where investee companies follow good governance practices. BlackRock refers to relevant sustainability frameworks to identify the alignment of the investment to environmental or social objectives.

Do no significant harm ("DNSH"): The assessment undertaken by BlackRock to determine whether an investment does no significant harm to any environmental or social objective under SFDR. BlackRock has developed a set of criteria across all Sustainable Investments to assess whether an investment does significant harm, which considers both third party data points as well as fundamental insights. Investments are screened against these criteria using system-based controls and any which are considered to be causing significant harm do not qualify as Sustainable Investments.

Sustainability Factors: Environmental, social and employee matters, respect for human rights, anti-corruption and antibribery matters.

Disclaimer

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

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

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

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

Product name:	**Legal entity identifier:**
BlackRock American Income Trust plc	549300WWOCXSC241W468

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

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

Sustainability-related disclosures
(unaudited) continued

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

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

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

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

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

Sustainability Indicator	Metric	Performance for 2024	Performance for 2023	Performance for 2022
Improvement of ESG Adjusted Score relative to the Index	ESG score % improvement relative to the Index	14.62%	14.55%	14.97%
Reduction of carbon emissions intensity (emissions per $1 million of sales revenue across the Fund's holdings) relative to the Index	Carbon emissions intensity relative to the Index	(61.71)%	(57.86)%	(49.80)%
Exclusion of issuers based on exclusionary criteria as defined in table above "Environmental and social characteristics promoted by the Fund"	# of active breaches	No active breaches	No active breaches	No active breaches

Sustainability-related disclosures

(unaudited) continued

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

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

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

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

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

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

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

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

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

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

The following table provides information about the impact of the principal adverse sustainability indicators taken into consideration by this Company. The Company considered the impact of the principal adverse sustainability indicators through the promotion of environmental and social characteristics (“E&S criteria”) set out above (see To what extent were the environmental and/or social characteristics promoted by this financial product met?). The Investment Manager has determined that these PAIs have been considered as part of the investment selection criteria. The Company’s specific sustainability indicator may not align with the full scope of the regulatory definition of the corresponding PAI outlined in Annex 1 supplementing Regulation (EU) 2019/2088 Regulatory Technical Standards (“RTS”).

Adverse Sustainability Indicator	Sustainability indicators
Greenhouse gas (GHG) Emissions	Reduction of carbon emissions intensity (emissions per $1 million of sales revenue across the Fund’s holdings) relative to Russell 1000 Value Index
GHG Intensity of Investee Companies	Reduction of carbon emissions intensity (emissions per $1 million of sales revenue across the Fund’s holdings) relative to Russell 1000 Value Index
Exposure to companies active in the fossil fuel sector	Exclusion of issuers deriving more than 5% of their revenue from the production and generation of tar sands (also known as oil sands)
Exposure to companies active in the fossil fuel sector	Exclusion of issuers deriving more than 5% of their revenue from thermal coal extraction and/or thermal coal-based power generation, with the exception of “green bonds”, that are considered to comply with the International Capital Markets Association’s Green Bond Principles
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Exclusion of issuers which have been deemed to have failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anticorruption)
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Exclusion of issuers which are engaged in, or are otherwise exposed to, the production of controversial weapons (including, but not limited to, cluster munitions, biological-chemical, landmines, depleted uranium, blinding laser, non-detectable fragments and/or incendiary weapons)

Sustainability-related disclosures

(unaudited) continued

What were the top investments of this financial product?

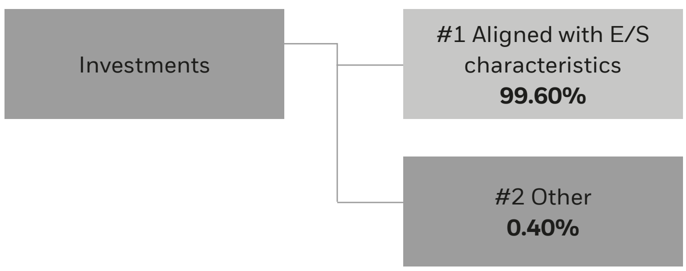
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: From 1 November 2023 to 31 October 2024.

Largest investments	Sector	% Assets	Country
Citigroup Inc	Financials	3.38%	United States
American International Group Inc	Financials	2.65%	United States
Cardinal Health Inc	Health Care	2.59%	United States
Shell Plc	Energy	2.52%	United Kingdom
Kraft Heinz	Consumer Staples	2.48%	United States
Willis Towers Watson Plc	Financials	2.35%	United Kingdom
Comcast Corp Class A	Communication	2.30%	United States
Baxter International Inc	Health Care	2.25%	United States
Sony Group Adr Representing Corp	Consumer Discretionary	2.18%	Japan
Cheniere Energy Inc	Energy	2.12%	United States
Sanofi Sa	Health Care	2.10%	France
Wells Fargo	Financials	2.09%	United States
First Citizens Bancshares Inc Clas	Financials	2.08%	United States
Johnson Controls International Plc	Industrials	2.05%	Ireland
Hasbro Inc	Consumer Discretionary	2.01%	United States

What was the proportion of sustainability-related investments?

- **What was the asset allocation?**

Asset allocation describes the share of investments in specific assets.



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

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

The Fund did not commit to holding Sustainable Investments and therefore the Fund's exposure to Sustainable Investments has not been assessed, however, during the reference period, a percentage of the Fund's investments were aligned with the EU Taxonomy (see the section "To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?" below).

The following table details the asset allocation of the Fund for the current and previous reference period.

	% Investments		
Asset allocation	**2024**	**2023**	**2022**
#1 Aligned with E/S characteristics	99.60%	99.60%	100.00%
#2 Other	0.40%	0.40%	0.00%

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

Sector	Sub-Sector	% of Investments
Health Care	Health Care Equipment & Services	10.49%
Financials	Banks	8.36%
Information Technology	Tech Hardware & Equipment	8.34%
Industrials	Capital Goods	7.86%
Health Care	Pharma, Biotech & Life Sciences	7.10%
Financials	Insurance	6.90%
Financials	Financial Services	5.69%
Communication	Media & Entertainment	5.14%
Materials	Materials	5.00%
Utilities	Utilities	4.80%
Consumer Discretionary	Consumer Durables	4.43%
Consumer Staples	Food Beverage Tobacco	4.42%
Information Technology	Software & Services	3.34%
Consumer Discretionary	Autos & Components	3.32%
Energy	Oil & Gas Exploration & Production	2.53%
Energy	Integrated Oil & Gas	2.52%
Consumer Staples	Consumer Staples Distribution & Retail	2.22%
Energy	Oil & Gas Storage & Transportation	2.12%
Real Estate	Equity Real Estate Investment Trusts (REITs)	1.88%
Communication	Telecommunications	1.34%
Consumer Staples	Household & Personal Products	1.30%

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

Sustainability-related disclosures

(unaudited) continued

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

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

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes:

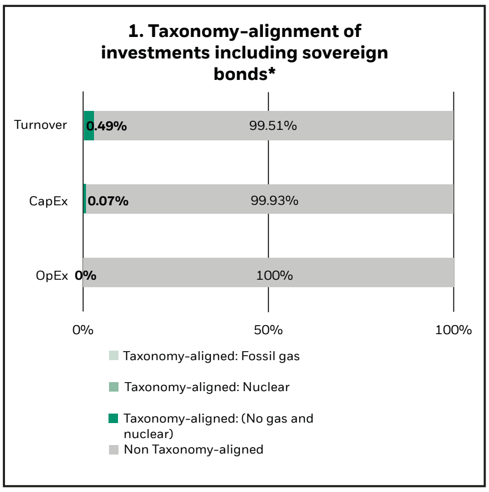
☐ In fossil gas ☐ In nuclear energy

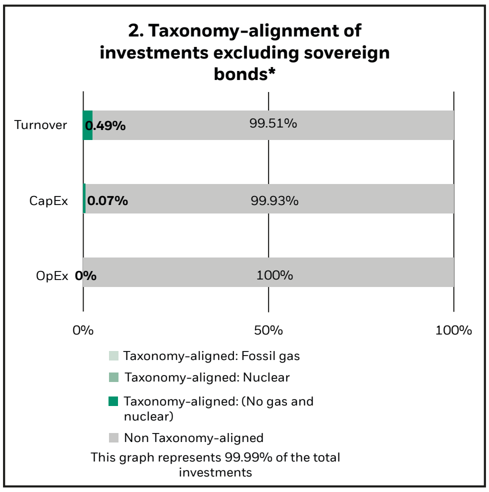
☒ No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.





* For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures.

For the reference period, 0.01% of the Fund's total investments were held in sovereign exposures. Taxonomy alignment of these exposures could not be determined due to limited data availability.

The investments held by the Fund during the reference period contributed to the following EU Taxonomy environmental objectives:

Environmental objectives	% of investments
Climate Change Mitigation	0.62%

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **What was the share of investments made in transitional and enabling activities?**
  For the reference period, the Company's investments in transitional and enabling activities were as follows:

	% of investments
Transitional activities	0.02%
Enabling activities	0.00%

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  For the previous reference period, 0% of the Company's investments were aligned with EU Taxonomy.

*Sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments* with an environmental objective not aligned with the EU Taxonomy?

This section is not applicable for this Company as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Company's investment portfolio.

What was the share of socially sustainable investments?

This section is not applicable for this Company as it did not commit to holding Sustainable Investments during the reference period, however, certain Sustainable Investments may form part of the Company's investment portfolio.

What investments were included under "Other", what was their purpose and were there any minimum environmental or social safeguards?

Investments included under "#2 Other" included cash and near cash instruments, however such holdings did not exceed 20%. Such investments were used only for investment purposes in pursuit of the Company's (non-ESG) investment objective, for the purposes of liquidity management and/or hedging. No other investments held by the Company were assessed against minimum environmental or social safeguards.

Sustainability-related disclosures
(unaudited) continued

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Investment Manager has implemented internal quality controls such as compliance rule coding to ensure compliance with the environmental and social characteristics promoted by the Company. The Investment Manager regularly reviews the environmental and social characteristics promoted by the Company to ensure that they are still appropriate relative to the Company's investment universe.

Where issuers are identified as potentially having issues with regards to good governance, the issuers are reviewed to ensure that, where the Investment Manager agrees with this external assessment, the Investment Manager is satisfied that the issuer has either taken remediation actions or will take remedial actions within a reasonable time frame based on the Investment Manager's direct engagement with the issuer. The Investment Manager may also decide to reduce exposure to such issuers.

The Shareholders Rights Directive II aims to strengthen the position of shareholders, enhance transparency and reduce excessive risk within companies traded on regulated EU marketplaces. Further details regarding the Shareholders Rights Directive II are available on BlackRock's website.

Reference benchmarks are indexes to measure whether the financial products attain the environmental or social characteristics that they promote.

How did this financial product perform compared to the reference benchmark?

For the reference period, an index has not been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Company, therefore this section is not applicable.

- **How does the reference benchmark differ from a broad market index?**
  Not applicable.
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  Not applicable.
- **How did this financial product perform compared with the reference benchmark?**
  Not applicable.
- **How did this financial product perform compared with the broad market index?**
  Not applicable.

Share fraud warning

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

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

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

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

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at **www.fca.org.uk/consumers**. You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at **www.fca.org.uk/scamsmart**

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

SGN001

Contents

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

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