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BlackRock Sustainable American Income Trust plc

Half Yearly Financial Report 30 April 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.

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

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

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

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Financial highlights

as at 30 April 2024

218.40p
Net asset value (NAV) per ordinary share
▲15.0%[1,2]

1989.40
Reference index
▲14.8%[1]

197.50p
Ordinary share price
▲15.9%[1,2]

£168.3m
Net assets
▲8.7%

4.00p
Total interim dividends per share

4.1%[2,3]
Yield

1.59p
Revenue earnings per ordinary share
▼20.5%[2]

9.6%[2]
Discount

Portfolio: AA
MSCI ESG rating[4]

Portfolio: 7.4
Reference index: 6.4
MSCI ESG adjusted score[4]

Portfolio: 55.3
Reference index: 179.3
MSCI carbon intensity score[5]

The above financial highlights are at 30 April 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.
[2] Alternative Performance Measures, see Glossary on pages 38 to 42.
[3] Based on dividends paid and declared for the twelve months to 30 April 2024 and share price as at 30 April 2024.
[4] ESG ratings and definitions on page 13.
[5] CO_2 in tons/sales.

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

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Why BlackRock Sustainable American Income Trust plc?

Investment objective and approach

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

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

[1] Please see the section 'Investment philosophy and process' in the Annual Report and Financial Statements for the year ended 31 October 2023 for further information on how these categories have been defined.

Reasons to invest

US multi-cap value

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

Sustainability

The Company seeks to deliver a superior ESG outcome versus the Russell 1000 Value Index (the Company's current reference index) by aiming for the Company's portfolio to achieve a better ESG score than the reference index and a lower carbon emissions intensity relative to the reference index (see page 1 and page 27 in the Annual Report and Financial Statements for the year ended 31 October 2023 for ESG metrics).

Income

The Company offers a consistent income stream with a yield of 4.1%. While capital appreciation is an important component of long-term total return, income can help to serve as a buffer during periods of high volatility.

Focus on quality

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

Expertise

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

Closed-end structure

Investment trusts have an independent board of directors elected to protect shareholders' interests and enhance shareholder value. The closed-end structure means the Company does not have to sell assets to meet redemptions and can also make distributions from capital reserves. It can also invest for the long term in a more diverse portfolio of assets.

Gearing

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

A member of the Association of Investment Companies

Further details about the Company, including the latest annual and half yearly financial reports, factsheets and stock exchange announcements, are available on the website at www.blackrock.com/uk/brsa.

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Performance record

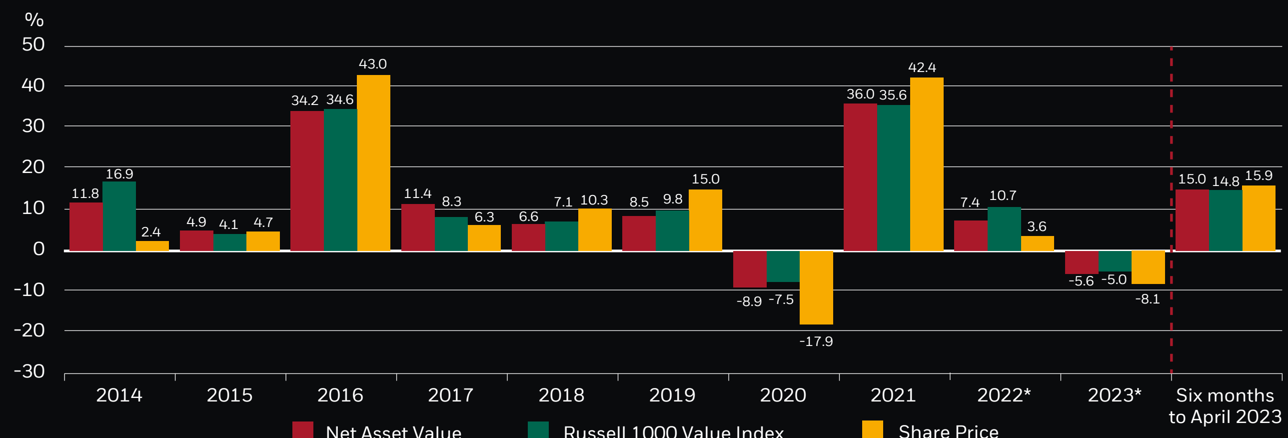
	As at 30 April 2024	As at 31 October 2023
Net assets (£'000)[1]	168,333	154,789
Net asset value per ordinary share (pence)	218.40	193.51
Ordinary share price (mid-market) (pence)	197.50	174.00
Discount to cum income net asset value[2]	9.6%	10.1%
Russell 1000 Value Index	1989.40	1733.58

	For the six months ended 30 April 2024	For the year ended 31 October 2023
Performance (with dividends reinvested)		
Net asset value per share[2]	15.0%	-5.6%
Ordinary share price[2]	15.9%	-8.1%
Russell 1000 Value Index	14.8%	-5.0%

	For the period since inception to 30 April 2024	For the period since inception to 31 October 2023
Performance since inception (with dividends reinvested)		
Net asset value per share[2]	243.5%	198.7%
Ordinary share price[2]	210.4%	167.8%
Russell 1000 Value Index	302.5%	250.7%

	For the six months ended 30 April 2024	For the six months ended 30 April 2023	Change %
Revenue			
Net profit on ordinary activities after taxation (£'000)	1,254	1,604	-21.8
Revenue earnings per ordinary share (pence)[3]	1.59	2.00	-20.5
Dividends (pence)			
1st interim	2.00	2.00	–
2nd interim	2.00	2.00	–
Total dividends payable/paid	**4.00**	**4.00**	**–**

Annual performance since 1 November 2013 to 30 April 2024



[1] The change in net assets reflects portfolio movements, shares bought back into treasury and dividends paid during the period.

[2] Alternative Performance Measures, see Glossary on pages 38 to 42.

[3] Further details are given in the Glossary on page 42.

Sources: BlackRock and Datastream.

Performance figures have been calculated in Sterling terms with dividends reinvested.

Chair's Statement

Dear Shareholder

Alice Ryder
Chair

Market overview

I am pleased to report that our portfolio delivered a strong positive return over the six months to 30 April 2024. During 2023 inflation across developed markets fell from its previous highs as economies avoided recession which had been predicted by many leading economists to restore price stability. Instead, financial markets confounded gloomy expectations with stocks rallying as recession fears were replaced by growing confidence that US policymakers would achieve an economic soft landing.

Although markets were volatile throughout 2023, with geopolitics casting a shadow, they closed the year on a high note with a stock market rally which began in November as falling inflation spurred hopes of interest rate cuts on both sides of the Atlantic. In December, investors were further buoyed by a signal from the Federal Reserve that borrowing costs had peaked and it planned to cut interest rates in 2024. During the first part of this year, the US economy continued expanding but at a more restrained pace than in 2023. Despite this, the S&P 500 Index surpassed its previous all-time highs once again on the back of continued investor optimism regarding the impact of artificial intelligence (AI). The fact that markets have been driven by a small number of mega-cap technology companies has remained a headwind for income investors.

Performance

Over the six-months under review to 30 April 2024, the Company's net asset value per share (NAV) increased by 15.0%, marginally outperforming its reference index, the Russell 1000 Value Index, which returned 14.8%. Over the same period, your Company's share price rose by 15.9% (all figures are in Sterling terms with dividends reinvested). The S&P 500 Index increased by 17.2% during the period.

Since the period end and up to close of business on 26 June 2024, the Company's NAV has increased by 0.1% and the share price has risen by 1.0% (both percentages in Sterling terms with dividends reinvested).

Earnings and dividends

The Company's earnings per share for the six-month period ended 30 April 2024 amounted to 1.59p compared with 2.00p for the corresponding period in 2023. This reflects the changing mix in the underlying portfolio selection, as the portfolio managers see more opportunities in lower yielding stocks. On 14 March 2024 the Board declared the first quarterly dividend of 2.00p per share which was paid on 26 April 2024. A second quarterly dividend of 2.00p per share has been declared and will be paid on 5 July 2024 to shareholders on the register on 7 June 2024. These are in line with payments made in prior years.

Gearing

The Board's view is that 5% of NAV is the neutral level of gearing over the longer term and that gearing should be used in an approximate range of 0% to 10% of NAV. The Board has encouraged the portfolio managers to be more active in using gearing but over the period they remained cautious and gearing remained below 1%. This is due to their view that the US economy is in the late phase of the business cycle with slower economic growth, a tight labour market and recessionary risks.

Management of share rating

Investor sentiment and discounts have been influenced by various external factors and uncertainties, including rising interest rates, and discounts have widened generally across the closed-end funds sector. The Company's discount was not immune to market pressures, with the shares trading at a discount to NAV ranging from 6.3% to 13.6% over the period under review. The Board monitors the Company's share rating closely and, as the discount widened and following consultation with the Manager and Company's corporate broker, Cavendish Securities, determined that it was in shareholders' interests to buy back shares with the objective of ensuring that an excessive discount to NAV did not arise.

Over the six-month period to 30 April 2024, the Company purchased 2,912,231, 3.6% of the ordinary shares, at an average price of 191.64p per share for a total cost of £5,581,000. All shares were bought back at a discount to NAV, delivering an uplift to the NAV per share of 0.4% for continuing shareholders. Since the period end up to 26 June 2024, a further 1,580,148 ordinary shares have been bought back at an average price of 198.89p per share for a total cost of £3,151,000. All shares have been placed in treasury. No shares were issued during the period.

The Company's discount on 26 June 2024 was 8.9%. The Board will continue to use its authorities to issue and buy back shares when it considers it is in shareholders' interests to do so.

Sustainability Disclosure Requirements (SDR)

The SDR regime introduced by the Financial Conduct Authority comprises a comprehensive package of measures including rules addressing fund naming and marketing, fund labelling, anti-greenwashing and disclosure requirements. The new labelling regime is different from the European Union Sustainable Finance Disclosure Regulation which was the relevant regulatory regime when the Company adopted its sustainability mandate in July 2021. In summary, as one of the few investment trusts with 'Sustainable' in its name, the Company will either have to adopt an investment approach that enables us to apply one of the four sustainable labels under SDR or change the Company's name. In considering whether to adopt a sustainable label under SDR, the Board has, with the Investment Manager, analysed the implications for the current investment approach whilst at the same time considering the potential restrictions that compliance with the SDR labelling regime may place on our investable universe.

The Board continues to believe that embedding an environmental, social and governance approach in the investment process, as part of an actively managed US income and value strategy, remains attractive. We continue to engage with the Investment Manager, on what is a complex and evolving area, and will make a further announcement before 2 December 2024 which is the deadline for implementing (if any) one of the four sustainability labels under SDR.

Outlook

The US stock market continues to outstrip broader global markets and economic activity remains resilient. US consumer spending has held up remarkably well despite higher prices, and tight labour markets continue to support employment and therefore income levels. It is good news that inflation on both a headline and core basis moderated significantly in 2023 despite not falling as fast as some investors expected. It appears that the hiking cycle is now over, leaving interest rates on hold and, if inflation continues on its moderating trajectory, it should allow the Federal Reserve to start gradually transitioning rate policy back to a more normal setting over time.

The market outlook remains mixed. The main upside potential stems from non-inflationary growth supported by a robust labour market and stronger productivity from efficiency improvements and generative artificial intelligence. Downside risks include elevated tensions in the Middle East which could make an energy price shock more likely and could bring a combination of higher inflation and lower growth. Meanwhile the risks of renewed supply chain disruptions remain significant. With these factors in mind, your portfolio managers continue to position the portfolio in high quality but attractively priced companies that are well placed to weather short-term market volatility and provide good returns for shareholders over the long term.

Alice Ryder
Chair
1 July 2024

Investment Manager's Report

Tony DeSpirito

David Zhao

Lisa Yang

Market overview

Over the six months to 30 April 2024, the Company's NAV returned 15.0% and the share price returned 15.9%. This compares with a return of 14.8% in the Russell 1000 Value Index (all percentages in Sterling terms with dividends reinvested). Over the same period, US large cap stocks as represented by the S&P 500 Index, advanced by 20.9% in US Dollar terms. In Sterling terms, US stocks returned 17.2% for the period.

The final quarter of 2023 began with relatively low expectations as rising interest rates remained. By October, US equity markets reached new lows as investor sentiment and confidence continued to wane. Inflation data softened faster than expected, keeping the Federal Reserve quite neutral on monetary policy and simultaneously increasing investor confidence. Slowly but surely, as positive economic data and better-than expected corporate earnings were released, the markets began to turn. Consumer spending and economic growth remained strong in the fourth quarter thanks to a resilient jobs market, indicating the US consumer remains relatively healthy. The majority of 2023 was certainly difficult to navigate with inflation, recession fears and heightened volatility, yet in the end, we experienced a powerful rally in the US equity market to close out the year. In terms of style, growth stocks outperformed value stocks as the Russell 1000 Growth Index returned 14.2% and the Russell 1000 Value Index returned 9.5% during the fourth quarter.

After a banner year in 2023, US markets, defined as the S&P 500 Index, continued their momentum in 2024 returning 10.6% during the first quarter, the best Q1 since 2019. 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. Gross domestic product (GDP) grew at 3.4%[1] while employment remained stable. However, sticky inflation led to falling rate cut expectations, with consensus for cuts in 2024 falling from 6.5% in December to 3% at the end of March[2]. This supportive macro environment has translated into strong earnings for most sectors in the S&P 500 Index, with the median company posting 3.8% earnings growth year-over-year during Q4 2023. Cyclical sectors led the way including energy, consumer discretionary and real estate[3].

Looking to the “Magnificent 7”[4], it is worth noting that while Nvidia[5] has continued its strong run, the others have seen a high degree of performance divergence. For example, Tesla was one of the worst performers in the S&P 500 Index during Q1, while Apple struggled as well. Lastly, the first quarter was notably strong when compared to other election years, when markets typically rally as policy clarity increases. This year’s unusual set up with each candidate having a presidential track record adds a degree of perceived clarity not usually found this early in election years. While the market rally broadened, growth outperformed value in the first quarter of 2024 with the Russell 1000 Growth Index returning 11.4% versus 9.0% for the Russell 1000 Value Index.

Portfolio overview

The largest contributor to relative performance was stock selection in health care. Within the sector, our investment decisions within the pharmaceuticals industry accounted for the majority of relative outperformance. In industrials, an overweight allocation to the building products industry boosted relative returns. Furthermore, stock selection in consumer discretionary proved beneficial mainly due to stock selection within the automobiles industry.

The largest detractor from relative performance was stock selection in energy, a sector to which we allocate selectively, where companies demonstrate strong transition/sustainability credentials. Our selection decisions in the oil, gas and consumable fuels industry accounted for the majority of underperformance. In utilities, stock selection within the electric utilities industry proved costly. Other detractors from relative results included selection decisions within materials and the average cash allocation of 0.56% during a broadly strong period for equities.

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

Consumer Discretionary: 5.7% overweight (10.5% 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 (2.2% 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 (1.9% of the portfolio) and Aptiv (1.7% 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.

Information Technology (IT): 4.5% overweight (13.5% of the portfolio)

An increasing number of companies in the technology sector are what we refer to as “industrial tech”. These firms are competitively insulated from disruptors, well-positioned to take advantage of long-term secular tailwinds and exhibit growth in earnings and free cash flow (FCF). Strong earnings growth and FCF generation is also translating to an increasing number of companies paying growing dividends to shareholders. This is in stark contrast to the dot-com era where growth was often prioritised over shareholder return. We believe this trend is poised to continue. Our preferred exposures in the sector include technology hardware, storage and peripherals and communications equipment companies with sticky revenue streams such as Cisco Systems (1.5% of the portfolio). We also continue to invest in IT services like long-term holding Cognizant Technology Solutions (1.5% of the portfolio). IT broadly scores well on ESG metrics given the generally lower environmental impact than other sectors, with our selection of companies including a mix of ESG leaders and ESG improvers.

Health Care: 3.3% overweight (17.3% of the portfolio)

Secular growth opportunities in health care are a by-product 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 and supplies industry. We prefer to invest in pharma companies with a proven ability to generate high research and development productivity versus those that focus on one or two key drugs and rely upon raising their prices to drive growth. Outside of pharma, our search for attractively priced innovators is more stock specific; we recently initiated a position in 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 poised to do well as margin pressures from temporary inflation (logistics and shipping) suppress and the economy continues to reopen. From a cost perspective, health maintenance organisations (HMOs) have an economic incentive to drive down costs as they provide health insurance coverage to constituents. These efforts ultimately help to make health care insurance affordable to more people and the HMOs also play a substantial role in improving the access to and quality of health care its members receive. Fundamentally, we believe our holdings in the space can benefit from downward pressure on cost-trend, new membership growth and further industry consolidation over time. Furthermore, they trade at meaningfully discounted valuations versus peers, offering us an attractive risk versus reward opportunity.

Communication Services: 2.4% overweight (6.9% of the portfolio)

The portfolio has an overweight to communication services, particularly the media and diversified telecom services industries. Notable portfolio holdings include Verizon Communications (2.2% of the portfolio) and Comcast (1.8% of the portfolio). Verizon Communications trades at a reasonable price relative to the quality and stability of its business and acts as a key enabler for smart cities, with potential to reduce energy consumption, increase safety and provide other social benefits. Comcast also trades at a very reasonable valuation due to competition in broadband and in media. As the leading broadband provider in the US, Comcast is a key enabler of digital interactions and provides some of the key infra-structure that enables remote work (which reduces commuting related emissions).

Utilities: 0.4% overweight (5.4% of the portfolio)

The portfolio currently invests in only two 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.

Materials: 0.7% underweight (4.1% of the portfolio)

Our exposure to the materials sector is stock specific as we are only invested in the containers and packaging and chemicals industries. Within the containers and packaging industry, our position in Sealed Air (1.4% of the portfolio) offers a relatively stable growth outlook. Sealed Air operates a high return business and has good pricing power. From a sustainability standpoint, plastic packagers generally score poorly on waste and water stress. The key issue for plastic is how to improve circularity and management has pledged to have 100% recyclable/reusable solutions and 50% average recycled/renewable content by 2025, which is well ahead of peers. 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: 0.9% underweight (7.5% 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 sustainability places a high hurdle for energy companies to be included in the portfolio, but we believe the sector remains investable as more traditional oil and gas operators are critical in the energy transition towards less carbon intensive sources. For example, natural gas is 40-60% less carbon intensive to produce and combust versus coal and oil. We view natural gas as a key "bridge fuel" and like companies such as Shell (2.9% of the portfolio) and Cheniere Energy (2.0% of the portfolio). Fundamentally, we generally seek to invest in attractively priced operators with good resource assets that have the opportunity to improve upon environmental issues or demonstrate clear leadership in sustainability (i.e. through their exposure to renewables or commitments to net zero/carbon neutral outcomes). We also prefer to target companies with experienced management teams, low financial leverage and disciplined capex spending plans, as these elements can contribute to positive FCF generation over time.

Consumer Staples: 2.5% underweight (5.5% 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 (2.7% of the portfolio) and Dollar Tree (2.6% 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. Kraft Heinz is an ESG improver as the company has committed to a 50% reduction in GHG emissions across all 3 scopes by 2030 and net zero by 2050.

Real Estate: 2.8% underweight (1.6% 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 Real Estate Investment Trusts (REIT) are facing challenges due to e-commerce and its negative impact on traditional brick and mortar retailers. Meanwhile, data center and logistics companies have strong fundamentals, but we view their valuations as unattractive. Our lone recent holding is a specialised REIT company, Crown Castle (1.6% of the portfolio). The company owns cell towers, fibre, 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.

Financials: 3.1% underweight (19.5% of the portfolio)

Financials represent our portfolio's largest absolute sector allocation and we prefer companies in the 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 American Express (1.5% of the portfolio) whose business is geared to high-net-worth consumer spending, which is a much more stable business as the clientele is generally more insulated to economic cycles relative to other consumer segments.

Industrials: 6.3% underweight (8.2% 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 International (2.5% of the portfolio) and Allegion (1.7% 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

While the economy and stock market are not always linked, the strong run of economic data has led to renewed optimism for the US economy in 2024 which has translated into strong stock returns. While our team believes that the US economy can continue to be resilient and grow, we also see a narrow path for sustained growth at the current pace. In our view, the key measure to consider is "productivity". If new technologies, such as generative artificial intelligence (AI) can help increase productivity at both the personnel and business level, this may help the US economy maintain its growth prospects barring other factors. However, if productivity growth expectations are not met or AI adoption proves volatile, we think the economy could struggle to maintain its strong growth.

This helps drive conviction in our view that we continue to be "late-cycle" in the US. Additionally, many indicators remain indicative of a "late-cycle" economy such as: unemployment remaining generationally low and set to rise over time, savings rates among consumers continuing to be near all-time lows and the yield curve[6] continuing to be inverted. We continue to believe this is an environment best suited for "quality" companies, i.e. those which demonstrate consistent earnings, have strong balance sheets and have savvy management teams among other characteristics. These companies should be well positioned to manage through the economic cycle, especially compared to companies with financially difficult positions, such as levered balance sheets. In addition to seeking out quality companies, we feel valuation discipline is key given higher than average forward price-to-earnings ratios for equity markets. Lastly, while the election will get more airtime as the campaigns heat up, our team prefers to focus on more secular themes which may offer more attractive investment opportunities, such as reshoring and AI/digitalisation.

Tony DeSpirito, David Zhao and Lisa Yang
BlackRock Investment Management LLC
1 July 2024

Source: BlackRock Fundamental Equities, as of 30 April 2024.

1 Bureau of Economic Analysis.

2 Federal Reserve of Atlanta.

3 S&P Global Market Intelligence.

4 Magnificent 7 defined as Meta, Amazon, Apple, Nvidia, Microsoft, Tesla, Alphabet.

5 Reference of the company names mentioned is merely for explaining the market and should not be construed as investment advice or investment recommendation of the company.

Source: BlackRock Fundamental Equities, as of 31 March 2024.

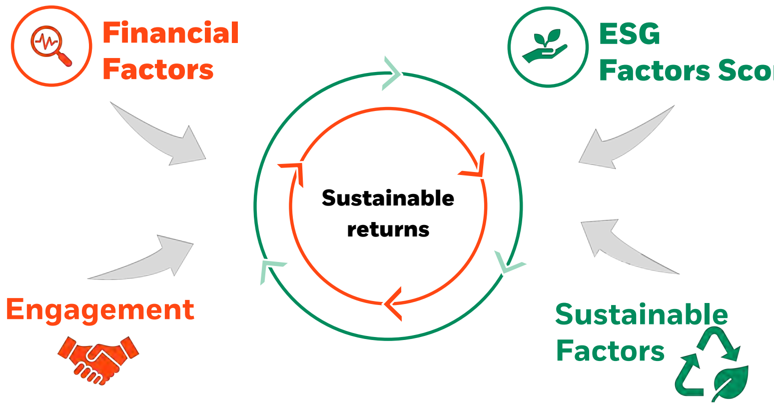
6 As defined as the spread between the yields of 2 year and 10 year US Treasury Bonds.

Responsible Investing

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

Core Sustainable Philosophy

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



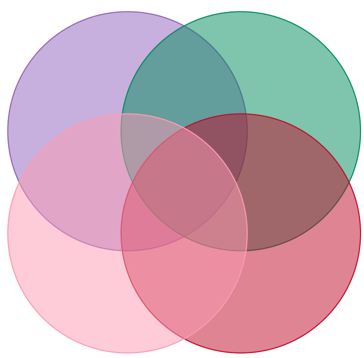
Sustainable business models focus on all their stakeholders and align their interest with common goals

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

ESG Investment Framework

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

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



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

Low Carbon
Carbon intensity below the reference index

For illustrative purposes only.

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

Climate-related Financial Disclosure

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

Key Sustainability Characteristics of the Company

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

ESG Rating and ESG Adjusted Scores included in Financial Highlights on page 1 are sourced from Morgan Stanley Capital International (MSCI) ESG Research Manager as of 30 April 2024. Underlying data is sourced from MSCI as of 30 April 2024. (1) GICS is the Global Industry Classification Standard (GICS). Carbon Intensity (Tons CO2/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 MSCI and Standard & Poor's (S&P), a division of The McGraw-Hill Companies, Inc. and is licensed for use by BlackRock Inc. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. The metrics above have been provided for transparency purposes only. The existence of an ESG rating is not indicative of how or whether ESG factors will be integrated into a portfolio. The metrics are based on MSCI portfolio Ratings and, unless otherwise stated in portfolio documentation and included within a portfolio's investment objective. ESG integration does not change a portfolio's investment objective or constrain the Investment Manager's investable universe, and exclusionary screens have been adopted by the portfolio (see page 40). For more information regarding a portfolio's investment strategy, please see the Company's circular.

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

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

Ten largest investments

Together, the ten largest investments represent 26.0% of the Company's portfolio as at 30 April 2024 (31 October 2023: 28.0%)

1 ▲ Citigroup (2023: 8th)

Sector: Financials

Market value: £5,733,000
Share of investments: 3.4% (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. We believe there is a multi-year opportunity to close the gap over time, as they continue to cut costs. Citi scores similarly to its large US bank peers with a strong score in Financing Environmental Impact, which will be increasingly important.

2 ▼ Shell (2023: 1st)

Sector: Energy

Market value: £4,922,000
Share of investments: 2.9% (2023: 3.3%)

Shell is one of the largest integrated energy companies globally with five main operating segments: Integrated Gas, Upstream, Marketing, Chemicals and Products and Renewables and Energy Solutions. The company has a high-quality, gas/liquefied natural gas (LNG)-weighted portfolio with marketing and optimisation opportunities superior to most of its oil major peers. With better fundamentals the name still trades at a significant relative discount to its US peers, making this a nice opportunity for long-term appreciation. Shell is an ESG leader, having adopted an internal net-zero strategy by 2050 to be Paris-aligned, which is not adopted by most US-based oil major peers. Shell also owns the largest portfolio of LNG supplies (equity and marketing) in the world, which is a critical long-term bridge to help the world abate from highly polluting coal power generation. Under its 'Powering Progress' strategy, Shell is committing more than a third of its capital expenditure into renewables and energy solutions including electrical charging platforms, wind power generation and nature-based carbon offsetting.

3 ▲ American International Group (2023: 5th)

Sector: Financials

Market value: £4,813,000
Share of investments: 2.8% (2023: 2.8%)

American International Group (AIG) is a diversified insurance company with half the book value allocated to P&C (property & casualty) and the other half to life insurance. AIG has experienced challenges, but management has spent the last few years addressing the issues by expanding margins, improving reserves, lowering expenses, managing catastrophe losses and more recently working on separating their life business. Despite the improvements, the business continues to trade at a discount to book value. AIG's business model revolves around pooling and diversifying risk which includes key issues such as climate change and impacted risks like hurricanes.

4 ▲ Kraft Heinz (2023: 9th)

Sector: Consumer Staples

Market value: £4,521,000
Share of investments: 2.7% (2023: 2.6%)

Kraft Heinz is a leading US packaged food manufacturer with brands including Oscar Mayer, Kraft, Lunchables, Philadelphia and more. The company trades at a large discount to US packaged food peers despite similar return and long-term growth rates. Kraft Heinz has also committed to a 50% reduction in its greenhouse gas emissions across all three scopes by 2030 and net zero by 2050.

5 ▲ Dollar Tree (2023: 28th)

Sector: Consumer Discretionary

Market value: £4,316,000
Share of investments: 2.6% (2023: 1.7%)

Dollar Tree runs two dollar stores, the eponymous Dollar Tree brand and the Family Dollar brand. The company is generally positioned well to weather economic downturns as they offer affordable merchandise that low-income individuals can rely on. The company also offers a turnaround opportunity as there have been execution errors in the last few years. As a result, the stock trades at a discount valuation even as they show improvement in their Family Dollar business specifically.

6 ▲ Johnson Controls International (2023: n/a)

Sector: Industrials

Market value: £4,189,000
Share of investments: 2.5% (2023: n/a)

Johnson Controls International (JCI) is a leading global provider of heating, ventilation and air conditioning (HVAC), building controls and fire and security equipment. As a dominant force in many of the spaces they compete in, JCI offers a solid outlook for consistent growth over the long run. Relative to HVAC companies, the firm is also trading at a 5-year discount, marking nice upside moving forward. JCI is an ESG leader, as they are on the front end of optimising building energy efficiency.

7 ▲ Baxter International (2023: 16th)

Sector: Health Care

Market value: £4,003,000
Share of investments: 2.4% (2023: 2.2%)

Baxter International markets devices and drugs used to treat kidney disease and other chronic and acute medical conditions. The company 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.

8 ▲ Cardinal Health (2023: 12th)

Sector: Health Care

Market value: £3,892,000
Share of investments: 2.3% (2023: 2.4%)

Cardinal Health 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 Health gives the best opportunity to capture this secular tailwind.

9 ▲ Hasbro (2023: n/a)

Sector: Consumer Discretionary

Market value: £3,674,000
Share of investments: 2.2% (2023: n/a)

Hasbro is a global designer and distributor of traditional toys and games, television programming, motion pictures, digital gaming and licensed products. The company offers products in four principal categories: Boys, Games, Girls and Preschool, through its various owned and third-party franchises. Long term, we like the prospects with a strong entertainment slate and continued innovation across its owned brand portfolio driving enhanced bottom line performance.

10 ▼ Verizon Communications (2023: 6th)

Sector: Communication Services

Market value: £3,647,000
Share of investments: 2.2% (2023: 2.7%)

Verizon Communications (Verizon) is the leading wireless company in the United States. We believe the company trades at a reasonable price relative to the quality and stability of the business due to competitive dynamics that have somewhat abated, as T-Mobile has pivoted to a margin growth strategy (from a share gain strategy). Verizon also has some optionality on new types of revenue enabled by 5th generation networks with telecommunication networks being key enablers for smart cities, with the potential to reduce energy consumption, increase safety and provide other social benefits.

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

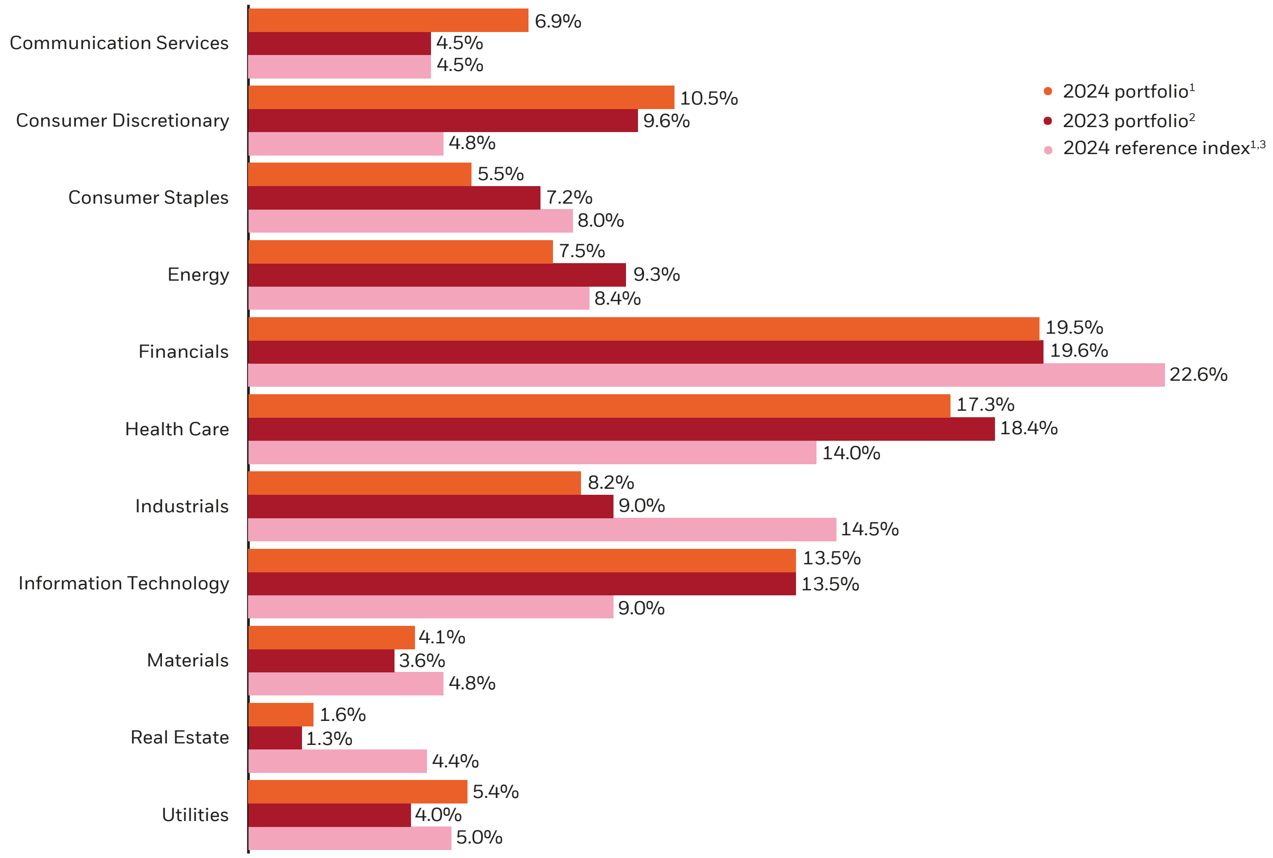
Percentages in brackets represent the value of the holdings as at 31 October 2023.

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 30 April 2024

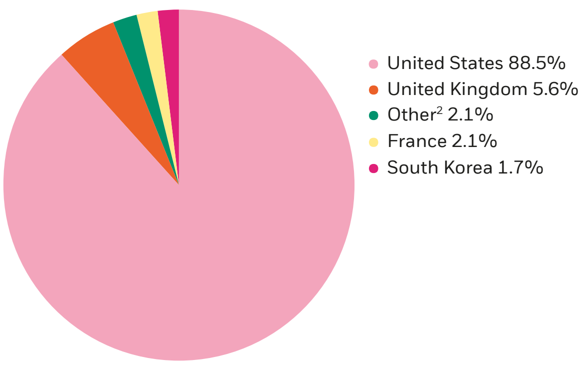
Sector Exposure



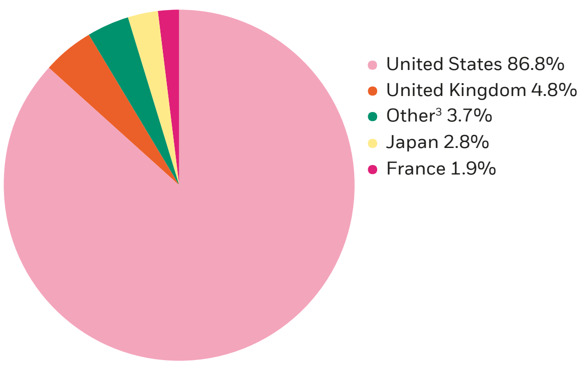
[1] Represents exposure as at 30 April 2024.
[2] Represents exposure as at 31 October 2023.
[3] Russell 1000 Value Index as at 30 April 2024.

Geographic Exposure[1]

As at 30 April 2024



As at 31 October 2023



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

Investments

as at 30 April 2024

Company	Country	Sector	Securities	Market value £'000	% of total portfolio
Citigroup	United States	Financials	Ordinary shares	5,733	3.4
Shell	United Kingdom	Energy	Ordinary shares	4,922	2.9
American International Group	United States	Financials	Ordinary shares	4,813	2.8
Kraft Heinz	United States	Consumer Staples	Ordinary shares	4,521	2.7
Dollar Tree	United States	Consumer Discretionary	Ordinary shares	4,316	2.6
Johnson Controls International	United States	Industrials	Ordinary shares	4,189	2.5
Baxter International	United States	Health Care	Ordinary shares	4,003	2.4
Cardinal Health	United States	Health Care	Ordinary shares	3,892	2.3
Hasbro	United States	Consumer Discretionary	Ordinary shares	3,674	2.2
Verizon Communications	United States	Communication Services	Ordinary shares	3,647	2.2
Fidelity National Information Services	United States	Information Technology (IT)	Ordinary shares	3,611	2.1
Wells Fargo	United States	Financials	Ordinary shares	3,602	2.1
Sony	United States	Consumer Discretionary	Ordinary shares	3,574	2.1
Willis Towers Watson	United States	Financials	Ordinary shares	3,536	2.1
Sanofi	France	Health Care	Ordinary shares	3,501	2.1
Western Digital	United States	IT	Ordinary shares	3,417	2.0
Cheniere Energy	United States	Energy	Ordinary shares	3,400	2.0
Thermo Fisher Scientific	United States	Health Care	Ordinary shares	3,361	2.0
First Citizens BancShares	United States	Financials	Ordinary shares	3,258	1.9
General Motors	United States	Consumer Discretionary	Ordinary shares	3,169	1.9
Wabtec	United States	Industrials	Ordinary shares	3,147	1.9
Fortrea Holdings	United States	Health Care	Ordinary shares	3,108	1.8
Comcast	United States	Communication Services	Ordinary shares	3,041	1.8
Raymond James	United States	Financials	Ordinary shares	3,028	1.8
Allegion	United States	Industrials	Ordinary shares	2,884	1.7
Cigna	United States	Health Care	Ordinary shares	2,877	1.7
Samsung Electronics	South Korea	IT	Ordinary shares	2,823	1.7
Aptiv	United States	Consumer Discretionary	Ordinary shares	2,819	1.7
Crown Castle	United States	Real Estate	Ordinary shares	2,756	1.6
Elevance Health	United States	Health Care	Ordinary shares	2,627	1.6
Exelon	United States	Utilities	Ordinary shares	2,626	1.6
Cognizant Technology Solutions	United States	IT	Ordinary shares	2,616	1.5
Cisco Systems	United States	IT	Ordinary shares	2,604	1.5
American Express	United States	Financials	Ordinary shares	2,563	1.5
Sempra	United States	Utilities	Ordinary shares	2,552	1.5
Electronic Arts	United States	Communication Services	Ordinary shares	2,538	1.5
Diageo	United States	Consumer Staples	Ordinary shares	2,510	1.5
WPP	United Kingdom	Communication Services	Ordinary shares	2,418	1.4
Sealed Air	United States	Materials	Ordinary shares	2,406	1.4

Investments

continued

Company	Country	Sector	Securities	Market value £'000	% of total portfolio
Microsoft	United States	IT	Ordinary shares	2,370	1.4
Kosmos Energy	United States	Energy	Ordinary shares	2,352	1.4
International Flavors & Fragrances	United States	Materials	Ordinary shares	2,323	1.4
Crown Holdings	United States	Materials	Ordinary shares	2,235	1.3
Public Service Enterprise Group	United States	Utilities	Ordinary shares	2,233	1.3
Unilever	United States	Consumer Staples	Ordinary shares	2,229	1.3
Prudential	United Kingdom	Financials	Ordinary shares	2,162	1.3
Humana	United States	Health Care	Ordinary shares	2,150	1.3
Woodside Energy Group	Australia	Energy	Ordinary shares	1,983	1.2
Avnet	United States	IT	Ordinary shares	1,964	1.2
Avantor	United States	Health Care	Ordinary shares	1,932	1.1
CNH Industrial	United States	Industrials	Ordinary shares	1,820	1.1
Texas Instruments	United States	IT	Ordinary shares	1,811	1.1
Eli Lilly	United States	Health Care	Ordinary shares	1,746	1.0
HP	United States	IT	Ordinary shares	1,706	1.0
Sensata Technologies	United States	Industrials	Ordinary shares	1,682	1.0
PG&E	United States	Utilities	Ordinary shares	1,662	1.0
Citizens Financial Group	United States	Financials	Ordinary shares	1,614	1.0
UBS	Switzerland	Financials	Ordinary shares	1,594	0.9
Fidelity National	United States	Financials	Ordinary shares	1,178	0.7
Portfolio				**168,828**	**100.0**

All investments are in ordinary shares unless otherwise stated. The number of holdings as at 30 April 2024 was 59 (31 October 2023: 60).

At 30 April 2024, the Company did not hold any equity interests comprising more than 3% of any company's share capital.

Interim Management Report and Responsibility Statement

The Chair's Statement on pages 5 and 6 and the Investment Manager's Report on pages 7 to 11 give details of the important events which have occurred during the period and their impact on the financial statements.

Principal risks and uncertainties

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

- Market;
- Investment performance;
- Operational;
- Legal & Regulatory Compliance;
- Counterparty;
- Financial; and
- Marketing.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 31 October 2023. A detailed explanation can be found in the Strategic Report on pages 43 to 46 and in note 15 on pages 102 to 108 of the Annual Report and Financial Statements which are available on the website maintained by BlackRock at www.blackrock.com/uk/brsa.

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

Going concern

The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound. The Board is mindful of the continuing uncertainty surrounding the current environment of heightened geopolitical risk given the war in Ukraine and conflict in the Middle East. The Board believes that the Company and its key third-party service providers have in place appropriate business continuity plans and these services have continued to be supplied without interruption.

The Company has a portfolio of investments which are predominantly readily realisable and is able to meet all its liabilities from its assets and income generated from these assets. Accounting revenue and expense forecasts are maintained and reported to the Board regularly and it is expected that the Company will be able to meet all its obligations. Borrowings under the overdraft facility shall at no time exceed £20 million or 20% of the Company's net assets (calculated at the time of draw down) although the Board intends only to utilise borrowings representing 10% of net assets at the time of draw down and this covenant was complied with during the period. Ongoing charges for the year ended 31 October 2023 were 1.03% of net assets.

Based on the above, the Board is satisfied that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Related party disclosure and transactions with the Manager

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. 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)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the fees payable are set out in note 4 on page 26 and note 12 on page 32.

The related party transactions with the Directors are set out in note 11 on page 31.

Interim Management Report and Responsibility Statement continued

Directors' responsibility statement

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

The Directors confirm to the best of their knowledge that:

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

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

The Half Yearly Financial Report was approved by the Board on 1 July 2024 and the above responsibility statement was signed on its behalf by the Chair.

Alice Ryder
For and on behalf of the Board
1 July 2024

Statement of Comprehensive Income

for the six months ended 30 April 2024

		Six months ended 30 April 2024 (unaudited)			Six months ended 30 April 2023 (unaudited)			Year ended 31 October 2023 (audited)		
	Notes	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Income from investments held at fair value through profit or loss	3	1,855	–	1,855	2,265	–	2,265	4,252	–	4,252
Other income	3	5	–	5	3	–	3	11	–	11
Total income		**1,860**	**–**	**1,860**	**2,268**	**–**	**2,268**	**4,263**	**–**	**4,263**
Net profit/(loss) on investments and options held at fair value through profit or loss		–	21,487	21,487	–	(8,581)	(8,581)	–	(11,550)	(11,550)
Net (loss)/profit on foreign exchange		–	(19)	(19)	–	6	6	–	50	50
Total		**1,860**	**21,468**	**23,328**	**2,268**	**(8,575)**	**(6,307)**	**4,263**	**(11,500)**	**(7,237)**
Expenses										
Investment management fee	4	(145)	(436)	(581)	(145)	(435)	(580)	(286)	(858)	(1,144)
Other operating expenses	5	(240)	(3)	(243)	(238)	(1)	(239)	(521)	(4)	(525)
Total operating expenses		**(385)**	**(439)**	**(824)**	**(383)**	**(436)**	**(819)**	**(807)**	**(862)**	**(1,669)**
Net profit/(loss) on ordinary activities before finance costs and taxation		**1,475**	**21,029**	**22,504**	**1,885**	**(9,011)**	**(7,126)**	**3,456**	**(12,362)**	**(8,906)**
Finance costs		–	(1)	(1)	(13)	(38)	(51)	(13)	(39)	(52)
Net profit/(loss) on ordinary activities before taxation		**1,475**	**21,028**	**22,503**	**1,872**	**(9,049)**	**(7,177)**	**3,443**	**(12,401)**	**(8,958)**
Taxation		(221)	–	(221)	(268)	–	(268)	(498)	–	(498)
Profit/(loss) for the period/year		**1,254**	**21,028**	**22,282**	**1,604**	**(9,049)**	**(7,445)**	**2,945**	**(12,401)**	**(9,456)**
Earnings/(loss) per ordinary share (pence)	**7**	**1.59**	**26.63**	**28.22**	**2.00**	**(11.28)**	**(9.28)**	**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 period. All income is attributable to the equity holders of the Company.

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

The notes on pages 25 to 32 form part of these financial statements.

Statement of Changes in Equity

for the six months ended 30 April 2024

	Note	Called up share capital £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the six months ended 30 April 2024 (unaudited)							
At 31 October 2023		1,004	1,460	82,540	69,201	584	154,789
Total comprehensive income:							
Net profit for the period		–	–	–	21,028	1,254	22,282
Transactions with owners, recorded directly to equity:							
Ordinary shares bought back into treasury		–	–	(5,560)	–	–	(5,560)
Share buyback costs		–	–	(21)	–	–	(21)
Dividends paid	6	–	–	–	(1,508)	(1,649)	(3,157)
At 30 April 2024		**1,004**	**1,460**	**76,959**	**88,721**	**189**	**168,333**
For the six months ended 30 April 2023 (unaudited)							
At 31 October 2022		1,004	1,460	82,963	84,940	719	171,086
Total comprehensive (loss)/income:							
Net (loss)/profit for the period		–	–	–	(9,049)	1,604	(7,445)
Transactions with owners, recorded directly to equity:							
Dividends paid	6	–	–	–	(1,195)	(2,015)	(3,210)
At 30 April 2023		**1,004**	**1,460**	**82,963**	**74,696**	**308**	**160,431**
For the year ended 31 October 2023 (audited)							
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		–	–	(421)	–	–	(421)
Share buyback costs		–	–	(2)	–	–	(2)
Dividends paid		–	–	–	(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 9 on page 29.

The notes on pages 25 to 32 form part of these financial statements.

Statement of Financial Position

as at 30 April 2024

	Notes	30 April 2024 (unaudited) £'000	30 April 2023 (unaudited) £'000	31 October 2023 (audited) £'000
Non current assets				
Investments held at fair value through profit or loss	10	168,828	158,000	154,212
Current assets				
Current tax asset		92	132	130
Other receivables		233	348	2,614
Cash and cash equivalents		671	3,450	1,092
Total current assets		**996**	**3,930**	**3,836**
Total assets		**169,824**	**161,930**	**158,048**
Current liabilities				
Current tax liability		–	(6)	(6)
Other payables		(1,491)	(1,493)	(3,253)
Total current liabilities		**(1,491)**	**(1,499)**	**(3,259)**
Net assets		**168,333**	**160,431**	**154,789**
Equity attributable to equity holders				
Called up share capital	8	1,004	1,004	1,004
Capital redemption reserve		1,460	1,460	1,460
Special reserve		76,959	82,963	82,540
Capital reserves		88,721	74,696	69,201
Revenue reserve		189	308	584
Total equity		**168,333**	**160,431**	**154,789**
Net asset value per ordinary share (pence)	**7**	**218.40**	**199.97**	**193.51**

The financial statements on pages 21 to 32 were approved and authorised for issue by the Board of Directors on 1 July 2024 and signed on its behalf by Alice Ryder, Chair.

BlackRock Sustainable American Income Trust plc

Registered in England and Wales, No. 8196493

The notes on pages 25 to 32 form part of these financial statements.

Cash Flow Statement

for the six months ended 30 April 2024

	Six months ended 30 April 2024 (unaudited) £'000	Six months ended 30 April 2023 (unaudited) £'000	Year ended 31 October 2023 (audited) £'000
Operating activities			
Net profit/(loss) on ordinary activities before taxation	22,503	(7,177)	(8,958)
Add back finance costs	1	51	52
Net (profit)/loss on investments and options held at fair value through profit or loss (including transaction costs)	(21,487)	8,581	11,550
Net loss/(profit) on foreign exchange	19	(6)	(50)
Sale of investments held at fair value through profit or loss	74,765	52,732	98,933
Purchase of investments held at fair value through profit or loss	(67,890)	(43,888)	(89,270)
(Increase)/decrease in other receivables	(28)	(103)	61
Increase in other payables	82	353	195
Decrease in amounts due from brokers	2,409	3,042	612
Decrease in amounts due to brokers	(1,918)	(2,829)	(911)
Net cash inflow from operating activities before taxation	**8,456**	**10,756**	**12,214**
Taxation paid	(189)	(255)	(483)
Net cash inflow from operating activities	**8,267**	**10,501**	**11,731**
Financing activities			
Interest paid	(1)	(51)	(52)
Payments for ordinary shares bought back into treasury	(5,511)	–	(423)
Dividends paid	(3,157)	(3,210)	(6,418)
Net cash outflow from financing activities	**(8,669)**	**(3,261)**	**(6,893)**
(Decrease)/increase in cash and cash equivalents	**(402)**	**7,240**	**4,838**
Effect of foreign exchange rate changes	(19)	6	50
Change in cash and cash equivalents	**(421)**	**7,246**	**4,888**
Cash and cash equivalents at start of period/year	1,092	(3,796)	(3,796)
Cash and cash equivalents at end of period/year	**671**	**3,450**	**1,092**
Comprised of:			
Cash at bank	95	273	213
Cash Fund[1]	576	3,177	879
	671	**3,450**	**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 25 to 32 form part of these financial statements.

Notes to the Financial Statements

for the six months ended 30 April 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.

2. Basis of presentation

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

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

Adoption of new and amended International Accounting Standards and interpretations:
IFRS 17 – Insurance contracts (effective 1 January 2023). This standard replaced IFRS 4 and applies to all types of insurance contracts. IFRS 17 provides a consistent and comprehensive model for insurance contracts covering all relevant accounting aspects.

This standard is unlikely to have any impact on the Company as it has no insurance contracts.

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

The amendment of this standard is unlikely to have any significant impact on the Company.

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

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

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

Relevant International Accounting Standards that have yet to be adopted:
IAS 1 – Classification of liabilities as current or non current (effective 1 January 2024). The IASB has amended IAS 1 Presentation of Financial Statements to clarify its requirement for the presentation of liabilities depending on the rights that exist at the end of the reporting period. The amendment requires liabilities to be classified as non current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment no longer refers to unconditional rights.

Notes to the Financial Statements
continued

2. Basis of presentation continued

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

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

3. Income

	Six months ended 30 April 2024 (unaudited) £'000	Six months ended 30 April 2023 (unaudited) £'000	Year ended 31 October 2022 (audited) £'000
Investment income:			
UK dividends	206	196	334
Overseas dividends	1,557	2,048	3,839
Overseas REIT[1] dividends	77	–	34
Interest from Cash Fund	15	21	45
Total investment income	**1,855**	**2,265**	**4,252**
Deposit interest	5	3	11
Total income	**1,860**	**2,268**	**4,263**

[1] Real Estate Investment Trust.

Dividends and interest received in cash during the period amounted to £1,567,000 and £24,000 (six months ended 30 April 2023: £1,888,000 and £12,000; year ended 31 October 2023: £3,724,000 and £51,000).

No special dividends have been recognised in capital during the period (six months ended 30 April 2023: £nil; year ended 31 October 2023: £nil).

4. Investment management fee

	Six months ended 30 April 2024 (unaudited)			Six months ended 30 April 2023 (unaudited)			Year ended 31 October 2023 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	145	436	581	145	435	580	286	858	1,144
Total	**145**	**436**	**581**	**145**	**435**	**580**	**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

	Six months ended 30 April 2024 (unaudited) £'000	Six months ended 30 April 2023 (unaudited) £'000	Year ended 31 October 2023 (audited) £'000
Allocated to revenue:			
Custody fee	1	1	2
Auditors' remuneration – audit services[1]	26	17	39
Registrar's fee	9	11	28
Directors' emoluments	69	68	142
Broker fees	20	20	40
Depositary fees	8	8	16
Printing fees	27	18	31
Legal and professional fees	9	18	14
Marketing fees	21	26	94
AIC fees	6	6	13
FCA fees	5	5	11
Write back of prior year expenses[2]	(3)	(11)	(11)
Other administration costs	42	51	102
	240	**238**	**521**
Allocated to capital:			
Custody transaction charges[3]	3	1	4
	243	**239**	**525**

[1] No non-audit services were provided by the Company's auditors for the six months ended 30 April 2024 (six months ended 30 April 2023: none; year ended 31 October 2023: none).

[2] Relates to Directors' expense accruals written back during the period.

[3] For the six month period ended 30 April 2024, an expense of £3,000 (six months ended 30 April 2023: £1,000; year ended 31 October 2023: £4,000) was charged to the capital account of the Statement of Comprehensive Income. This relates to transaction costs charged by the custodian on sale and purchase trades.

The transaction costs incurred on the acquisition of investments amounted to £13,000 for the six months ended 30 April 2024 (six months ended 30 April 2023: £7,000; year ended 31 October 2023: £18,000). Costs relating to the disposal of investments amounted to £10,000 for the six months ended 30 April 2024 (six months ended 30 April 2023: £6,000; year ended 31 October 2023: £13,000). All transaction costs have been included within capital reserves.

Notes to the Financial Statements

continued

6. Dividends

On 29 May 2024 the Directors declared a second quarterly interim dividend of 2.00p per share. The dividend will be paid on 5 July 2024 to shareholders on the Company's register on 7 June 2024. This dividend has not been accrued in the financial statements for the six months ended 30 April 2024 as, under IAS, interim dividends are not recognised until paid. Dividends are debited directly to reserves.

Dividends paid on equity shares during the period were:

	Six months ended 30 April 2024 (unaudited) £'000
Fourth interim dividend for the year ended 31 October 2023 of 2.00p per ordinary share paid on 2 January 2024	1,597
First interim dividend for the year ending 31 October 2024 of 2.00p per ordinary share paid on 26 April 2024	1,560
	3,157
Second interim dividend for the year ending 31 October 2024 of 2.00p per ordinary share payable on 5 July 2024[1]	1,519
	4,676

[1] Based on 75,966,247 ordinary shares in issue on 6 June 2024 (the ex-dividend date).

7. Earnings and net asset value per ordinary share

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

	Six months ended 30 April 2024 (unaudited)	**Six months ended 30 April 2023 (unaudited)**	**Year ended 31 October 2023 (audited)**
Net revenue profit attributable to ordinary shareholders (£'000)	1,254	1,604	2,945
Net capital profit/(loss) attributable to ordinary shareholders (£'000)	21,028	(9,049)	(12,401)
Total profit/(loss) attributable to ordinary shareholders (£'000)	**22,282**	**(7,445)**	**(9,456)**
Equity shareholders' funds (£'000)	**168,333**	**160,431**	**154,789**
The weighted average number of ordinary shares in issue during the period on which the earnings per ordinary share was calculated was:	78,970,614	80,229,044	80,225,591
The actual number of ordinary shares in issue at the period end on which the net asset value per ordinary share was calculated was:	77,076,813	80,229,044	79,989,044
Earnings per ordinary share			
Revenue earnings per share (pence) – basic and diluted	1.59	2.00	3.67
Capital earnings/(loss) per share (pence) – basic and diluted	26.63	(11.28)	(15.46)
Total earnings/(loss) per share (pence) – basic and diluted	**28.22**	**(9.28)**	**(11.79)**

	As at 30 April 2024 (unaudited)	**As at 30 April 2023 (unaudited)**	**As at 31 October 2023 (audited)**
Net asset value per ordinary share (pence)	218.40	199.97	193.51
Ordinary share price (pence)	197.50	193.50	174.00

There were no dilutive securities at the period end (six months ended 30 April 2023: none; year ended 31 October 2023: none).

8. Called up share capital

(unaudited)	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	(2,912,231)	2,912,231	–	–
At 30 April 2024	**77,076,813**	**23,284,492**	**100,361,305**	**1,004**

During the six months ended 30 April 2024, the Company bought back and transferred 2,912,231 (six months ended 30 April 2023: none; year ended 31 October 2023: 240,000) shares into treasury for a total consideration including costs of £5,581,000 (six months ended 30 April 2023: £nil; year ended 31 October 2023: £423,000).

Since 30 April 2024 and up to the date of this report, 1,580,148 shares have been bought back and transferred into treasury for a total consideration including costs of £3,151,000.

9. Reserves

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 reserve 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 reserve and revenue reserve may be distributed by way of dividend. The gain on the capital reserve arising on the revaluation of investments of £8,780,000 (six months ended 30 April 2023: no gain; year ended 31 October 2023: no gain) is subject to fair value movements and may not be readily realisable at short notice; as such it may not be entirely distributable. The investments are subject to financial risks; as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

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

10. Financial risks and valuation of financial instruments

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

Market risk arising from price risk
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, climate change or other events could have a significant impact on the Company and the market price of its investments and could result in increased premiums or discounts to the Company's net asset value.

Valuation of financial instruments
Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value (investments and derivatives) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and bank overdrafts). IFRS 13 requires the 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) as set out on page 94 of the Company's Annual Report and Financial Statements for the year ended 31 October 2023.

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

Notes to the Financial Statements
continued

10. Financial risks and valuation of financial instruments continued
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.

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

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

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

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

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

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

Financial assets at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments at 30 April 2024 (unaudited)	168,828	–	–	168,828
Equity investments at 30 April 2023 (unaudited)	158,000	–	–	158,000
Equity investments at 31 October 2023 (audited)	154,212	–	–	154,212

There were no transfers between levels for financial assets and financial liabilities recorded at fair value as at 30 April 2024, 30 April 2023 and 31 October 2023. The Company did not hold any Level 3 securities throughout the financial period under review or as at 30 April 2023 and 31 October 2023.

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

11. Related party disclosure

Directors' emoluments

The Board consists of four non-executive Directors, all of whom are considered to be independent of the Manager by the Board. None of the Directors has a service contract with the Company. The Chair receives an annual fee of £44,000, the Audit Committee Chairman receives an annual fee of £38,000 and each of the Directors receives an annual fee of £31,500. At 30 April 2024, an amount of £12,000 (30 April 2023: £14,000; 31 October 2023: £12,000) was outstanding in respect of Directors' fees.

At 30 April 2024, interests of the Directors in the ordinary shares of the Company are as set out below:

	Six months ended 30 April 2024 (unaudited)	Six months ended 30 April 2023 (unaudited)	Year ended 31 October 2023 (audited)
Alice Ryder (Chair)	9,047	9,047	9,047
David Barron	5,000	5,000	5,000
Melanie Roberts	10,000	10,000	10,000
Solomon Soquar	nil	nil	nil

Since the period end and up to the date of this report, Mr Soquar has purchased 10,000 ordinary shares in the Company. There have been no other changes in Directors' holdings.

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 30 April 2024	nil	n/a	n/a
As at 31 October 2023	0.8	n/a	n/a
As at 30 April 2023	0.9	n/a	n/a

Notes to the Financial Statements
continued

12. 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 on page 53 of the Directors' Report in the Company's Annual Report and Financial Statements for the year ended 31 October 2023.

The investment management fee due for the six months ended 30 April 2024 amounted to £581,000 (six months ended 30 April 2023: £580,000; year ended 31 October 2023: £1,144,000). At the period end, £854,000 was outstanding in respect of the investment management fee (six months ended 30 April 2023: £1,186,000; year ended 31 October 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 to 30 April 2024 amounted to £21,000 excluding VAT (six months ended 30 April 2023: £26,000; year ended 31 October 2023: £94,000). Marketing fees of £144,000 excluding VAT (30 April 2023: £56,000; 31 October 2023: £123,000) were outstanding as at 30 April 2024.

The Company has an investment in the BlackRock Institutional Cash Series plc – US Dollar Liquid Environmentally Aware Fund of £576,000 (30 April 2023: £3,177,000; 31 October 2023: £879,000) as at 30 April 2024, which is a fund managed by a company within the BlackRock Group.

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

13. Contingent liabilities
There were no contingent liabilities at 30 April 2024 (six months ended 30 April 2023: none; year ended 31 October 2023: none).

14. Publication of non statutory accounts
The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the six months ended 30 April 2024 and 30 April 2023 has not been audited.

The information for the year ended 31 October 2023 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditors on those financial statements contained no qualifications or statement under Sections 498(2) or 498(3) of the Companies Act 2006.

15. Annual results
The Board expects to announce the annual results for the year ending 31 October 2024 in late January 2025.

Copies of the annual results announcement can be obtained from the Secretary on 0207 743 3000 or cosec@blackrock.com. The Annual Report and Financial Statements should be available by the beginning of February 2025 with the Annual General Meeting being held in March 2025.

Management and other service providers

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

Alternative Investment Fund Manager
BlackRock Fund Managers Limited[1]
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

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

Independent Auditor
Deloitte LLP
110 Queen Street
Glasgow G1 3BX

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

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

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

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

Contents

Directors

Alice Ryder
Chair
Appointed 12 June 2013

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

David Barron
Audit Committee and Management Engagement Committee Chairman and Senior Independent Director
Appointed 22 March 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.

Melanie Roberts
Appointed 1 October 2019

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

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.

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 announced 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	February	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. Confirmation of dividends paid will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

Dividend reinvestment scheme (DRIP)

Shareholders may request that their dividends be used to purchase further shares in the Company. Dividend reinvestment forms may be obtained from Computershare Investor Services PLC 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 prices are quoted daily in The Financial Times and The Times under 'Investment Companies' and in The Daily Telegraph under 'Investment Trusts'. The share price is also available on the BlackRock website at www.blackrock.com/uk/brsa.

ISIN/SEDOL numbers

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

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

Shareholder information

continued

Dividend tax allowance

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

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

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.

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 net asset value (NAV) per share of the Company is calculated daily, with details of the Company's investments and performance being published monthly.

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

Individual Savings Accounts (ISAs)

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 2024/2025 tax year investors have an annual ISA allowance of £20,000 (2023/2024: £20,000) which can be invested in either cash or shares.

Online access

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

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

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

Shareholder enquiries

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

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

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

General enquiries

Enquiries about the Company should be directed to:

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

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 Half Yearly Financial Report.

Closed-end company
An investment trust works along the same lines as a unit trust, in that it pools money from investors which is then managed on a collective basis. The main difference is that an investment trust is a company listed on the Stock Exchange and, in most cases, trading takes place in shares which have already been issued, rather than through the creation or redemption of units. As the number of shares which can be issued or cancelled at any one time is limited, and requires the approval of existing shareholders, investment trusts are known as closed end funds or companies. This means that investment trusts are not subject to the same liquidity constraints as open ended funds and can therefore invest in less liquid investments.

Discount and premium*
Investment trust shares can frequently trade at a discount to NAV. This occurs when the share price 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 30 April 2024 the share price was 197.50 pence (30 April 2023: 193.50 pence; 31 October 2023: 174.00 pence) and the NAV was 218.40 pence (30 April 2023: 199.97 pence; 31 October 2023: 193.51 pence); therefore, the discount was 9.6% (30 April 2023: 3.2%; 31 October 2023: 10.1% (please see note 7 of the financial statements)).

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 was 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.

* Alternative Performance Measure.

Gearing is calculated in line with AIC guidelines and represents net gearing. This is defined as total assets of the Company less current liabilities (excluding bank overdrafts), less any cash or cash equivalents held minus total shareholders' funds, divided by total shareholders' funds. Cash and cash equivalents are defined by the AIC as net current assets or net current liabilities (as relevant). To the extent that the Company has net current liabilities, the net current liabilities total is added back to the total assets of the Company to calculate the numerator in this equation. The calculation and the various inputs are set out in the following table.

Net gearing/(cash) calculation	**Page**	**30 April 2024 £'000 (unaudited)**	**30 April 2023 £'000 (unaudited)**	**31 October 2023 £'000 (audited)**	
Net assets	23	168,333	160,431	154,789	(a)
Borrowings	23	–	–	–	(b)
Total assets (a + b)		**168,333**	**160,431**	**154,789**	**(c)**
Current assets[1]	23	996	3,930	3,836	(d)
Current liabilities (excluding borrowings)	23	(1,491)	(1,499)	(3,259)	(e)
Cash and cash equivalents (d + e)		(495)	2,431	577	(f)
Net gearing/(cash) (g = (c – f – a)/ a) (%)		**0.3**	**(1.5)**	**(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.

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 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.

Glossary
continued

NAV and share price return (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 7 of the financial statements for the inputs to the calculations).

NAV total return	Page	Six months to 30 April 2024 (unaudited)	Six months to 30 April 2023 (unaudited)	Year ended 31 October 2023 (audited)	
Closing NAV per share (pence)	28	218.40	199.97	193.51	
Add back quarterly dividends (pence)	28	4.00	4.00	8.00	
Effect of dividend reinvestment (pence)		0.18	(0.05)	(0.14)	
Adjusted closing NAV (pence)		222.58	203.92	201.37	(a)
Opening NAV per share (pence)	28	193.51	213.25	213.25	(b)
NAV total return (c = ((a – b)/b)) (%)		**15.0**	**(4.4)**	**(5.6)**	**(c)**

Share price total return	Page	Six months to 30 April 2024 (unaudited)	Six months to 30 April 2023 (unaudited)	Year ended 31 October 2023 (audited)	
Closing share price (pence)	28	197.50	193.50	174.00	
Add back quarterly dividends (pence)	28	4.00	4.00	8.00	
Effect of dividend reinvestment (pence)		0.14	0.02	(0.50)	
Adjusted closing share price (pence)		201.64	197.52	181.50	(a)
Opening share price (pence)	28	174.00	197.50	197.50	(b)
Share price total return (c = ((a – b)/b)) (%)		**15.9**	**0.0**	**(8.1)**	**(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 30 April 2024, equity shareholders' funds were worth £168,333,000 (30 April 2023: £160,431,000; 31 October 2023: £154,789,000) and there were 77,076,813 (30 April 2023: 80,229,044; 31 October 2023: 79,989,044) ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 218.40 pence (30 April 2023: 199.97 pence; 31 October 2023: 193.51 pence) per ordinary share (please see note 7 of the financial statements for the 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 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 period. It is calculated by dividing 'equity shareholders' funds' (excluding current period revenue) by the total number of ordinary shares in issue.

As at 30 April 2024, equity shareholders' funds (excluding current year net revenue) amounted to £168,143,000 (30 April 2023: £160,123,000; 31 October 2023: £154,205,000) and there were 77,076,813 (30 April 2023: 80,229,044; 31 October 2023: 79,989,044) ordinary shares in issue (excluding treasury shares); therefore, the capital only NAV was 218.15 pence (30 April 2023: 199.58 pence; 31 October 2023: 192.78 pence) per ordinary share.

* Alternative Performance Measure.

Equity shareholders' funds (excluding current period revenue) of £168,143,000 (30 April 2023: £160,123,000; 31 October 2023: £154,205,000) are calculated by deducting from the Company's net assets of £168,333,000 (30 April 2023: £160,431,000; 31 October 2023: £154,789,000) its current period revenue of £1,254,000 (30 April 2023: £1,604,000; 31 October 2023: £2,945,000) and adding back the interim dividends paid from revenue of £1,064,000 (30 April 2023: £1,296,000; 31 October 2023: £2,361,000).

Ongoing charges ratio*

$$\text{Ongoing charges (\%)} = \frac{\text{Annualised ongoing charges}}{\text{Average undiluted net asset value in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management charge.

As recommended by the AIC in its guidance, ongoing charges are calculated using the Company's annualised recurring revenue and capital expenses (excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items) expressed as a percentage of the average daily net assets of the Company during the year.

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

Ongoing charges calculation	Page	31 October 2023 £'000 (audited)	31 October 2022 £'000 (audited)	
Management fee	26	1,144	1,197	
Other operating expenses[1]	27	532	513	
Total management fee and other operating expenses		1,676	1,710	(a)
Average daily net assets in the year		163,202	169,755	(b)
Ongoing charges (c = a/b) (%)		**1.03**	**1.01**	**(c)**

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

Quoted securities and unquoted securities

Quoted securities are securities that trade on an exchange for which there is a publicly quoted price. Unquoted securities are financial securities that do not trade on an exchange and for which there is not a publicly quoted price.

Reference index

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

* Alternative Performance Measure.

Glossary
continued

Revenue profit and revenue reserve
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. The revenue reserve 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.

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

Yield	Page	30 April 2024	30 April 2023	31 October 2023	
Interim and final dividends payable/paid (pence)[1]	28	8.00	8.00	8.00	(a)
Ordinary share price (pence)	28	197.50	193.50	174.00	(b)
Yield (c = a/b) (%)		**4.1**	**4.1**	**4.6**	**(c)**

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

* Alternative Performance Measure.

Share fraud warning

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

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

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

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

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at **www.fca.org.uk/consumers**. 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!

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