

## Key risk factors

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

Overseas investments will be affected by currency exchange rate fluctuations.

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

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

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

### Options

The Company writes options for income generation and efficient portfolio management. Any use of derivatives for efficient portfolio management and options for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments. A fuller definition of the options strategy is given in the glossary.

The latest performance data can be found on the BlackRock Investment Management (UK) Limited website at:

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

The information contained in this release was correct as at 31 July 2021. Information on the Company's up to date net asset values can be found on the London Stock Exchange Website at: <https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>

## Company objective

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

### Fund information (as at 31/07/21)

Net asset value – capital only:	98.59p
Net asset value cum income <sup>1</sup> :	99.21p
Share price:	90.00p
Discount to NAV (cum income):	9.3%
Net yield:	4.4%
Gearing - cum income:	5.5%
Total assets:	£115.3m
Ordinary shares in issue <sup>2</sup> :	116,270,349
Gearing range (as a % of net assets):	0-20%
Ongoing charges <sup>3</sup> :	1.25%

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

<sup>1</sup> Includes net revenue of 0.62p.

<sup>2</sup> Excluding 2,695,651 ordinary shares held in treasury.

<sup>3</sup> Calculated as a percentage of average net assets and using expenses, excluding any interest costs and excluding taxation for the year ended 30 November 2020. The Company's Ongoing Charges for each financial year to 30 November are capped at 1.25% of average daily net asset value for that period.

A full disclosure of portfolio investments for the Company as at 31 December 2020 has been made available on the Company's website at the link given below:

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

## Annual performance to the last quarter end (as at 30 June 2021)

	30/06/20 30/06/21 %	30/06/19 30/06/20 %	30/06/18 30/06/19 %	30/06/17 30/06/18 %	30/06/16 30/06/17 %
Net asset value	54.5	-12.1	-0.3	28.8	5.8
Share price	73.1	-19.1	-7.2	29.1	11.0

## Cumulative performance (as at 31/07/21)

Sterling	1M%	3M%	6M%	1Y%	3Y%	5Y%
Net asset value	-2.2	2.5	18.2	49.2	31.0	72.7
Share price	-2.1	-6.7	18.9	48.7	29.1	71.2

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

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

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

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

Sources: BlackRock, Datastream.

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

## Ten largest investments (in % total assets order as at 31/07/21)

Company	Region of Risk	% of Total Assets
Vale	Latin America	
Equity		6.5
Bond		3.1
Glencore	Global	4.3
BHP	Global	4.3
Anglo American	Global	3.9
Chevron	Global	3.8
Rio Tinto	Global	3.0
Enel	Global	2.9
ConocoPhillips	Global	2.9
Vestas Wind	Global	2.8
First Quantum Minerals	Global	
Equity		1.1
Bond		1.3

**Risk:** The specific companies identified and described above do not represent all of the companies purchased or sold, and no assumptions should be made that the companies identified and discussed were or will be profitable.

## Sector allocations (as at 31/07/21)

Sector allocations (as at 31/07/21)	% of Total Assets
<b>Mining:</b>	
Diversified	25.1
Copper	4.4
Industrial Minerals	4.3
Gold	3.9
Steel	2.9
Iron	1.4
Diamonds	1.3
Platinum	1.2
Nickel	0.7
<b>Subtotal Mining:</b>	<b>45.2</b>
<b>Traditional Energy:</b>	
E&P	13.7
Integrated	11.5
Refining & Marketing	3.4
Distribution	1.1
Oil Services	0.4
<b>Subtotal Traditional Energy:</b>	<b>30.1</b>
<b>Energy Transition:</b>	
Electrification	8.1
Energy Efficiency	7.2
Renewables	6.1
Transport	0.9
Storage	0.8
<b>Subtotal Energy Transition:</b>	<b>23.1</b>
Net Current Assets <sup>^</sup>	1.6
<b>Total</b>	<b>100.0</b>

<sup>^</sup> Total Assets for the purposes of these calculations exclude bank overdrafts, and the net current assets figure shown in the tables above therefore exclude bank overdrafts equivalent to 7.2% of the Company's net asset value.

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

## Comments from the Portfolio Managers

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

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

Commenting on the markets, Mark Hume and Tom Holl, representing the Investment Manager noted:

The Company's Net Asset Value (NAV) per share decreased by 2.2% during the month of July (in Sterling terms with dividends reinvested).

Broader equity markets continued to recover in July, with the MSCI ACWI TR Index rising by 0.7%, as COVID-19 vaccination rollouts made steady progress. Despite concerns over the delta variant, some COVID-related restrictions were eased further around the world, and there are signs that activity levels are picking up.

The mining sector saw recovery in July, outperforming broader equity markets. Mined commodity performance was varied, with copper rising by 3.7% and iron ore (62% Fe(iron)) falling by 14.2%, hit by the sector's sell-off. Economic data from China remained resilient, with its manufacturing Purchasing Manager Index (PMI) at 50.3 (a reading over 50 indicates growth or expansion), and credit tightening came to an end. The period also saw a sell-off across precious metals, with the exception of gold which rose 3.3%. Q2 financial reporting showed some minor cost inflation, still modest relative to margins. It was also a strong earnings season for Anglo and Rio, amidst dividend hikes and share buybacks.

Traditional energy stocks were impacted by concerns around the increase in spread of the delta variant of COVID-19 and whether this may reduce the strength of economic growth as economies reopen. OPEC announced an agreement on quotas out to 2022 to continue to raise oil supply (by 0.4 million barrels each month) as economies recover and oil demand increases and to support oil prices. Physical indicators suggest the oil market remains tight. With global oil demand standing around 95mbpd at present and expected to recover to c.100mbpd by the end of 2022, if realised, this would exhaust OPEC+'s spare production within 18 months. Oil prices ended the month almost flat, however, this masked significant volatility during the month where oil prices moved sharply lower before recovering, leading the energy equities, particularly the higher beta exploration and production companies, to

underperform the commodity over the month. Brent and WTI (West Texas Intermediate) increased by 1.0% and 0.4%, ending the month at \$74/bbl and \$71/bbl respectively, whilst natural gas prices increased 5%. Recent quarterly results by the energy companies have shown a trend of using the higher cash flows following the recovery in oil prices to raise dividend payments, initiate share buybacks and accelerate deleveraging plans. In our view, this focus on shareholder returns suggests continued capital discipline by energy company management.

In the energy transition sector, there was news during the month that an international consortium wants to build the world's biggest renewable energy hub in Australia, to convert wind and solar power into green fuels like hydrogen. The group of energy companies announced the proposal over a 15,000 sq km area that could have a 50 gigawatt (GW) capacity and cost \$100bn. The area would be the size of greater Sydney and has consistently high levels of wind and solar energy. The project's 50GW capacity compares to the 54 GW of generation capacity of all the coal, gas and renewables plants currently in the national energy market.

Commodity price moves sourced from Thomson Reuters Datastream as of 31 July 2021.

Unless otherwise stated all data is sourced from BlackRock as at 31 July 2021. All data points in US Dollar terms unless otherwise specified.

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

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

Sector Allocation (as at 31/07/2021)	% of Total Assets <sup>^</sup>
Mining	45.2
Traditional Energy	30.1
Energy Transition	23.1
Net Current Liabilities	1.6
<b>Total</b>	<b>100.0</b>

<sup>^</sup> Total Assets for the purposes of these calculations exclude bank overdrafts, and the net current assets figure shown in the tables above therefore exclude bank overdrafts equivalent to 7.2% of the Company's net asset value.

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

Country allocations (as at 31/07/2021)	% of Total Assets
Global	53.0
USA	15.8
Canada	11.9
Latin America	9.6
Australia	2.4
South Africa	2.0
Germany	1.8
France	0.9
Ireland	0.8
Africa	0.2
Net Current Assets <sup>^</sup>	1.6
<b>Total</b>	<b>100.0</b>

## Key company details

### Fund characteristics:

Launch date	13 December 2005
Dealing currency	Sterling
Association of Investment Companies sector (AIC)	Commodities and natural resources
Benchmark	n/a
Traded	London Stock Exchange

### Management

Alternative Investment Fund Manager (with effect from 2 July 2014)	BlackRock Fund Managers Limited
Portfolio managers	Mark Hume & Tom Holl
Annual management fee	0.8% of gross assets per annum. The Company is also entitled to a rebate of the management fee in the event that the Company's Ongoing Charges exceed 1.25% of net assets per annum.

### Financial calendar:

Year end	30 November
Results announced	July (half yearly) January/February (final)
Annual General Meeting	March
Dividends paid	April/July/October and January (quarterly)

### Fund codes:

ISIN	GB00B0N8MF98
Sedol	B0N8MF9
Bloomberg	BERI:LN
Reuters	BERI.L
Ticker	BERI/LON

### Non-Mainstream Pooled Investments status

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

### Want to know more?

[blackrock.com/uk/beri](https://blackrock.com/uk/beri) | General Enquiries: 0207 743 3000 | [cosec@blackrock.com](mailto:cosec@blackrock.com)

## Glossary of Terms

### Discount/premium

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

Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

### Gearing

Investment companies can borrow to purchase additional investments. This is called 'gearing'. It allows investment companies to take advantage of a long-term view on a sector or to take advantage of a favourable situation or a particularly attractive stock without having to sell existing investments.

Gearing works by magnifying the company's performance. If a company 'gears up' and then markets rise and the returns on the investments outstrip the costs of borrowing, the overall returns to investors will be even greater. But if markets fall and the performance of the assets in the portfolio is poor, then losses suffered by the investor will also be magnified.

### Net yield

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

### NAV (Net Asset Value)

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

The aim is to ensure that shareholders have a full understanding of the potential impact on the Company's NAV if these instruments had been exercised on a particular date.

### Ongoing charges ratio

Ongoing charges (%) =

$$\frac{\text{Annualised ongoing charges}}{\text{Average undiluted net asset value in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management fee.

### Options

An option is a contract that offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date) for a fee (the premium). The sale of call or put options on stocks that are believed to be overpriced or underpriced, based on the assumption that the options will not be exercised, is referred to as an 'options overwriting' strategy. The seller of the option collects a premium but if the option subsequently expires without being exercised, there will be no downside for the seller. However, if the stock rises above the exercise price the holder of the option is likely to exercise the option and this strategy can reduce returns in a rising market.

The Company writes options to generate income and for efficient portfolio management. Risk is mitigated by ensuring that any call options are covered (meaning that call options are only written in respect of stocks already owned within the Company's portfolio such that, if the options are exercised, the Company does not need to purchase stock externally at fluctuating market prices to meet its obligations under the options contract). Any use of derivatives for efficient portfolio management and options for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Company's direct investments.

### Share buyback

Share buyback is when a company buys back its own shares from investors. Once shares are repurchased they may either be cancelled or held in treasury for redistribution at a future point in time. A company will typically use share buyback powers to increase demand for its shares when its stock is undervalued in the market. Share buybacks reduce the number of shares in circulation, which can increase the share value and the earnings per share (EPS).

## Risk Warnings

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

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

Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time.

### Trust specific risks:

**Gearing risk.** Investment strategies, such as borrowing, used by the Trust can result in even larger losses suffered when the value of the underlying investments fall.

**Emerging markets.** Emerging market investments are usually associated with higher investment risk than developed market investments. Therefore, the value of these investments may be unpredictable and subject to greater variation.

**Mining investments.** Mining shares typically experience above average volatility when compared to other investments. Trends which occur within the general equity market may not be mirrored within mining securities.

**Exchange rate risk.** The return of your investment may increase or decrease as a result of currency fluctuations.

## Important Information

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

BlackRock Energy and Resources Income Trust plc currently conducts its affairs so that its securities can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to nonmainstream investment products and intend to continue to do so for the foreseeable future. The securities are excluded from the Financial Conduct Authority's restrictions which apply to non-mainstream investment products because they are securities issued by investment trusts.

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

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