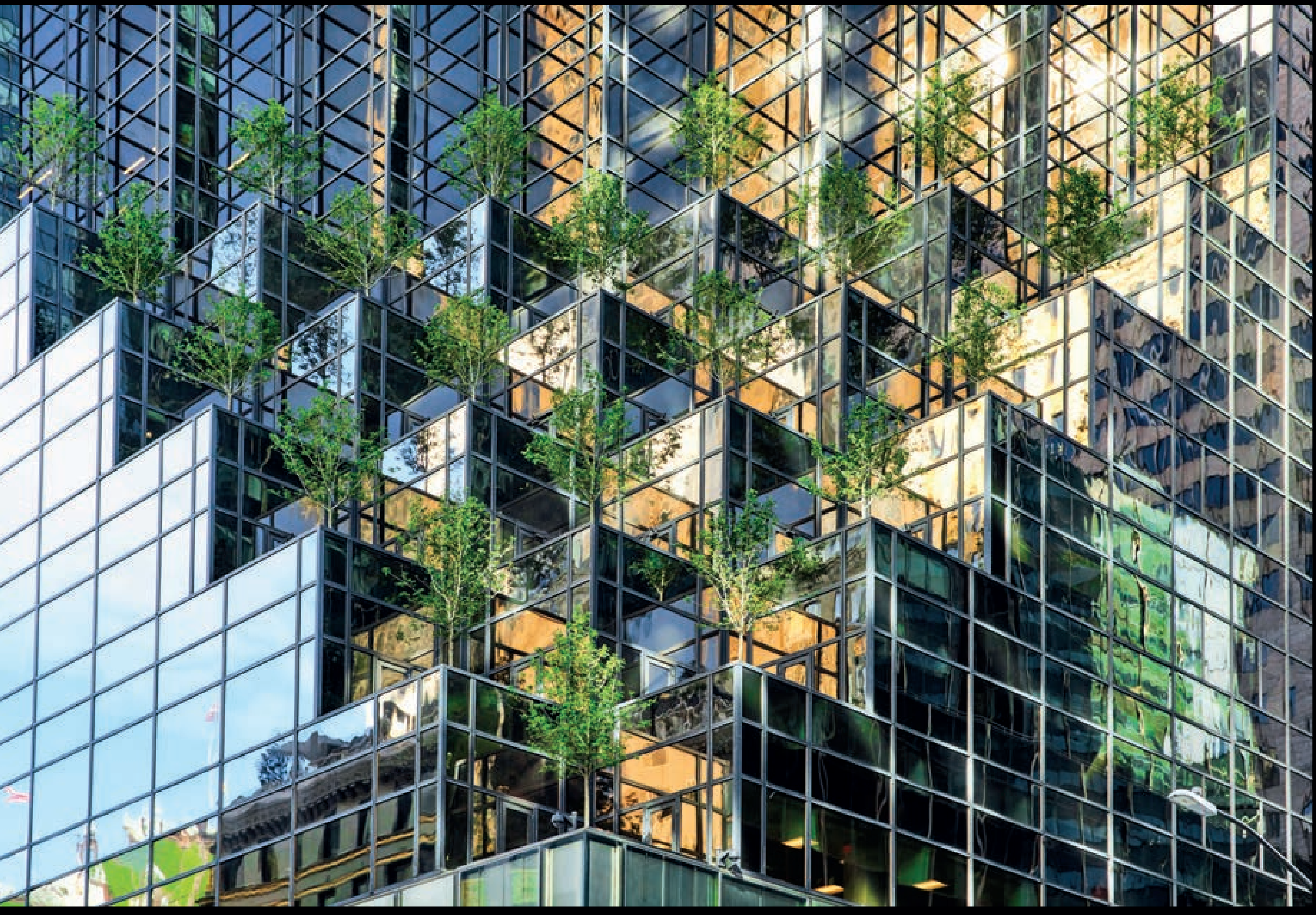
Contents

BlackRock

BlackRock Sustainable American Income Trust plc

Annual Report and Financial Statements 31 October 2022

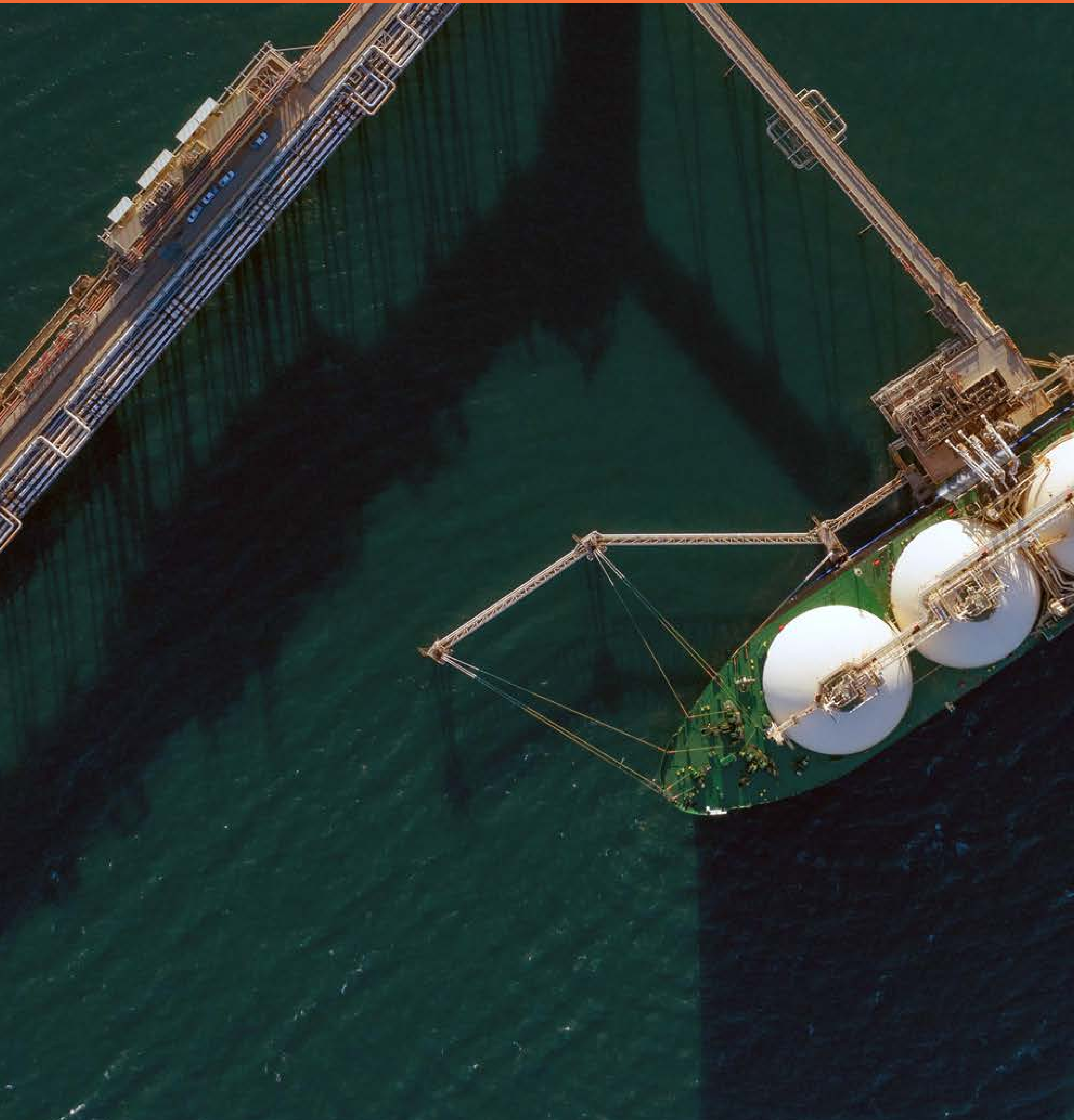


Keeping in touch

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 on 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, 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.

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

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



Financial highlights

as at 31 October 2022

197.50p[1]
Ordinary share price
+3.6%[2,3]

213.25p
NAV per ordinary share
+7.4%[2,3]

1824.64
Reference Index
+10.7%

£171.1m
Net assets
+3.5%

8.00p
Total dividends per share
No change

4.1%[3,4]
Yield

3.84p
Revenue earnings per ordinary share
-5.4%[3]

The above financial highlights are at 31 October 2022 and percentage comparisons are year-on-year against 31 October 2021.

[1] Mid-market.
[2] Share price and NAV performance are calculated in Sterling terms with dividends reinvested.
[3] Alternative Performance Measures. See Glossary on pages 128 to 130.
[4] Yield based on dividends paid and declared for the year ended 31 October 2022 and share price as at 31 October 2022.

Within the energy sector, Woodside Energy provides liquefied natural gas through its existing facilities whilst seeking to develop lower- and zero-carbon energy sources.

PHOTO COURTESY OF WOODSIDE ENERGY

Contents

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 we view as Environmental, Social and Governance (ESG) Leaders, ESG Improvers or Sustainability Enablers[1] that trade at attractive prices.

1 Please see the section 'About BlackRock Sustainable American Income Trust' for further information on how these categories have been defined.

Reasons to invest

U.S. multi-cap value

The Company offers investors access to a U.S. multi-cap value portfolio with an attractive dividend yield and a sustainable investment approach. We believe targeting companies with quality characteristics, such as clean 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.

Income

The Company offers a consistent income stream. While capital appreciation is an important component of long-term total return, income can help to serve as a buffer when volatility returns in the market.

Focus on quality

The strategy has generated a record of strong 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 Pillar, which is responsible for the management of one of the longest tenured equity income franchises 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 retain a proportion of its income to help smooth dividend payments. 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

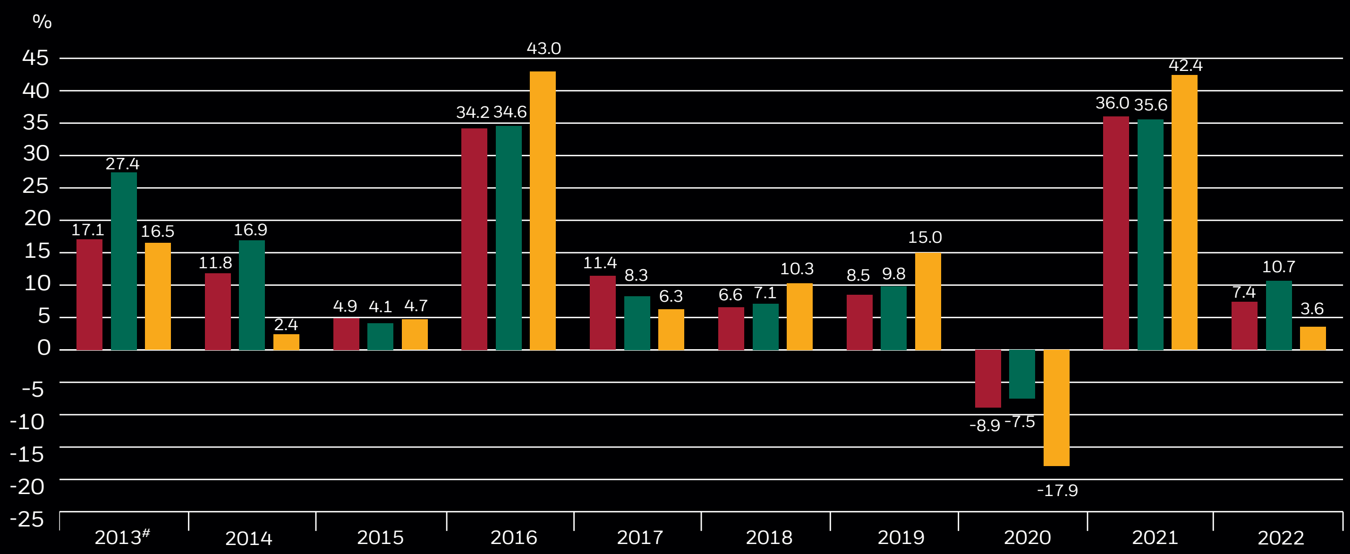
Contents

Performance record

	As at 31 October 2022	As at 31 October 2021
Net assets (£'000)[1]	171,086	165,334
Net asset value per ordinary share (pence)	213.25	206.08
Ordinary share price (mid-market) (pence)	197.50	198.25
Discount to cum income net asset value[2]	7.4%	3.8%
Russell 1000 Value Index[3]	1824.64	1647.89
Performance (with dividends reinvested)		
Net asset value per share[2]	7.4%	36.0%
Ordinary share price[2]	3.6%	42.4%
Russell 1000 Value Index	10.7%	35.6%
Performance since inception (with dividends reinvested)		
Net asset value per share[2]	216.3%	194.4%
Ordinary share price[2]	191.4%	181.4%
Russell 1000 Value Index	269.2%	233.4%

	Year ended 31 October 2022	Year ended 31 October 2021	Change %
Revenue			
Net profit after taxation (£'000)	3,081	3,248	-5.1
Revenue earnings per ordinary share (pence)[3]	3.84	4.06	-5.4
Interim dividends (pence)			
1st interim	2.00	2.00	–
2nd interim	2.00	2.00	–
3rd interim	2.00	2.00	–
4th interim	2.00	2.00	–
Total dividends paid/payable	8.00	8.00	–

Annual performance since launch on 24 October 2012 to 31 October 2022



Since launch on 24 October 2012 to 31 October 2013.

[1] The change in net assets reflects portfolio movements and dividends paid during the year.

[2] Alternative Performance Measures, see Glossary on pages 128 to 130.

[3] Further details are given in the Glossary on page 130.

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

Chair’s Statement

Dear Shareholder

Alice Ryder
Chair

This is my first year as Chair of your Company and I am delighted to present the Annual Report to shareholders for the year ended 31 October 2022.

Market overview

The period under review has proved highly volatile, with economic uncertainty peaking in the first half of 2022 and remaining high. Equity markets initially appeared to be driven by concerns around high inflation and the response by the Federal Reserve (the Fed). However, they then sold off heavily following Russia’s invasion of Ukraine, as the market was quick to price in potential commodity and food disruptions resulting from the conflict. China’s continuing zero tolerance approach to COVID-19 and subsequent lockdowns has also made it harder to predict global economic trends, contributing to market volatility.

The U.S. economy and stock market struggled as it faced a multi-decade high in inflation and aggressive monetary tightening by the Fed. Following the start of the COVID-19 pandemic in March 2020, the U.S. economy greatly benefited from the Fed’s supportive fiscal and monetary policy which bolstered savings and supercharged asset prices, but with that liquidity drying up and the hikes in interest rates, the risk of recession is growing.

Compared to the wider US market, the Company has benefited from two particular market developments during the year. First, the increase in interest rates (and rise in the discount rate used to value future earnings growth) has meant that value stocks have had a resurgence in performance compared to growth stocks which has favoured our Investment Manager’s style of investing. Secondly, the strength of the US Dollar compared to Sterling and other currencies over the period has meant that returns have been positive in absolute terms for Sterling-based investors.

Performance

Against this backdrop and over the year to 31 October 2022, the Company’s net asset value per share (NAV) returned 7.4%[1] and the share price returned 3.6%[1]. This compares with a rise of 10.7%[1] in the Russell 1000 Value Index, the Company’s reference index. September and October 2022 were two of the toughest months for the Company since the change in strategy at the end of July 2021, as the value style underperformed and

[1] All percentages calculated in Sterling terms with dividends reinvested. Alternative Performance Measures, see Glossary on pages 128 to 130.

Performance to 31 October 2022

	1 Year change %	2 Years change %	3 Years change %	5 Years change %	Since inception %
Net asset value[1]	7.4%	46.0%	33.1%	54.0%	216.3%
Share price[1]	3.6%	47.5%	21.0%	53.5%	191.4%
Russell 1000 Value Index	10.7%	50.1%	38.9%	63.3%	269.2%

1 Alternative Performance Measures. Further details of the calculation of performance with dividends reinvested are given in the Glossary on page 129.
2 The Company was launched on 24 October 2012.

The Board believes that the Company now offers a more attractive investment strategy and the incorporation of explicit ESG objectives underpins this.

the Company faced a combination of headwinds including the outperformance of uninvestable sectors (such as aerospace, defence and tobacco), portfolio gearing and poor sector allocation and stock selection in medical technology, consumer discretionary and financials. It is worth noting that the wider market as measured by the S&P 500 Index reached bear market territory in mid-June (a drop of 20% or more from a previous peak) and then finished the year to 31 October 2022 up by 1.7% in Sterling terms.

At the close of business on 23 January 2023, the Company's NAV had increased by 0.7% compared to a decrease of 1.4% in the reference index (both in Sterling terms with dividends reinvested) since the year end.

Revenue earnings and dividends

The Company's revenue earnings per share (EPS), based on the weighted average number of shares in issue for the year, amounted to 3.84p (2021: 4.06p), a decrease of 5.4%. As the Company stopped writing option contracts since 31 July 2021, the Company's revenue EPS has increased on a like-to-like basis by 29.7% after excluding the impact of option premium income earned in the year ended 31 October 2021. Four quarterly interim dividends of 2.00p per share were paid on 29 April 2022, 1 July 2022, 3 October 2022 and 3 January 2023. This is in line with the payments made in the previous financial year. The dividend paid represents a yield of 4.1% on the share price at the year end.

Your Board considers that it remains appropriate to continue with the current dividend policy for the new financial year, which will be supported through both revenue and other distributable reserves. The Company's distributable reserves at 31 October 2022 were £168.6 million. The Board sought shareholder authority at the previous Annual General Meeting to cancel the Company's share premium account, effectively converting it into a distributable reserve, and this became effective in August 2022. The Board continues to believe that this dividend policy provides an attractive option for current and prospective shareholders who wish to achieve exposure to the U.S. equity market, whilst at the same time receiving a competitive dividend.

Discount/premium

The Directors recognise the importance to investors that the market price of the Company's shares should not trade at a significant premium or discount to the underlying NAV. Accordingly, in normal market conditions, the Board may use the Company's share buy back and share issuance powers to ensure that the share price does not go to an excessive discount or premium.

Over the year to 31 October 2022, the Company's shares have traded at an average discount of 5.3%. The Board considered that the market volatility caused by the geo-political issues referred to above and the associated sell-off of equities has given rise to the discount and therefore it was not in shareholders' interests to buy back shares at this point in the cycle. Consequently, no shares were bought back during the year under review and up to the date of this report. Neither were any shares reissued during the same period. Resolutions to renew the authorities to issue and buy back shares will be put to shareholders at the forthcoming Annual General Meeting.

Board composition

As previously announced in last year's Annual Report and Half Yearly Financial Report, Simon Miller retired as

Chairman at the end of the Company's financial year on 31 October 2022. On behalf of the Board and shareholders, I would like to thank Simon for his outstanding contribution as Chairman of the Company since its inception.

Christopher Casey has also informed the Board of his intention to retire as a Director of the Company following the Annual General Meeting in March 2023 and, accordingly, will not be seeking re-election. The Board would like to express its strong appreciation for Christopher's wise counsel and invaluable contribution to the Company since its formation in 2012. The Board has commenced a search and selection process to identify a new Director and a further announcement will be made in due course.

The Board was pleased to appoint David Barron as a new non-executive Director with effect from 22 March 2022 and it is the intention that David, a chartered accountant, will replace Mr Casey as Audit and Management Engagement Chairman. Upon Mr Miller's retirement and my appointment as Chair effective from 1 November 2022, I retired from the role as the Company's Senior Independent Director and Mr Barron replaced me and also became Chairman of the Nomination Committee.

Outlook

High inflation and tighter monetary policy are two important reasons why the world economy is slowing down. Since recognising the urgent need for policy tightening to combat inflationary pressures, the Fed has raised interest rates at the fastest pace in more than three decades. Most other major developed market central banks have followed suit and the scale and speed of subsequent rate rises have surprised markets.

A resilient labour market in the U.S. and excess savings have so far protected the economy from a more severe slowdown, but have given rise to more persistent inflationary trends and sustained pressure on the Fed to continue to tighten fiscal policy. In turn, higher financing costs and declining real disposable income (driven by fiscal normalisation and high inflation) will be a headwind for the economy. The odds have now shifted towards a recession in 2023, driven by a Fed that is laser focused on bringing down inflation. While inflation has peaked, it is coming down slowly and is still well above the Fed's 2% inflation target.

It has been a difficult decade for the 'value' approach to investing but one of the defining characteristics of financial markets in 2022, aside from the volatility, has been the rotation from high growth stocks to 'value' areas of the market. Historically, value has tended to do best in periods of higher and rising rates and higher and rising inflation, so this is likely to continue to be supportive of our Portfolio Managers' value investing approach in the near term.

Annual General Meeting (AGM)

The AGM of the Company will be held at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Tuesday, 21 March 2023 at 12 noon. Details of the business of the meeting are set out in the Notice of Annual General Meeting on pages 134 to 137.

Shareholders who intend to attend the AGM should ensure that they have read and understood the venue requirements for entry to the AGM. These requirements, along with further information on the arrangements for the AGM, can be found in the Directors' Report on page 52. In the absence of any reimposition of COVID-19 restrictions, the Board very much looks forward to meeting with shareholders at the AGM.

Alice Ryder
Chair
26 January 2023

Investment Manager’s Report

Tony DeSpirito

David Zhao

Lisa Yang

Market Overview

Over the year to 31 October 2022, the Company’s net asset value per share (NAV) returned 7.4% and the share price returned 3.6%. This compares with a return of 10.7% in the Russell 1000 Value Index (all percentages calculated in Sterling terms with dividends reinvested). For the same period, U.S. large cap stocks, as represented by the S&P 500® Index, declined by 14.6% in US Dollar terms and advanced by 1.7% in Sterling terms due to the strength of the dollar.

Following the adoption of the new investment strategy on 29 July 2021 to incorporate explicit Environmental, Social and Governance objectives, and the repositioning of the portfolio to reflect the changes, the Company’s NAV returned 15.0% and the share price returned 13.1%, compared with a return in the Russell 1000 Value Index of 16.2%. All percentages are calculated in Sterling terms with dividends reinvested. The following highlights some of the key market events during the fiscal year.

U.S. equities rallied in the fourth quarter of 2021 as strong gains in October were propelled by better-than-expected corporate earnings results. Investors began to digest the Federal Reserve’s (the Fed) plans to begin asset purchase tapering and weighed Omicron variant uncertainty. By December 2021, Omicron worries dissipated due in part to studies that suggested the variant was less severe than past strains. Fed policy also continued to evolve in the closing weeks of the year, as the U.S. central bank signalled it would slow its bond purchases at a quicker pace and that it had pencilled in the potential for multiple rate hikes in 2022.

Newmont is the world’s largest gold mining corporation. The company’s strong governance, safety record and environmental management commitments help make it an ESG leader.

PHOTO COURTESY OF NEWMONT CORPORATION

A confluence of negative factors set U.S. stocks up for a difficult start to the year, including rising interest rates, high inflation and unthinkable violence and human tragedy in Europe. The S&P 500 recorded its worst January since 2009 and officially hit correction territory (a 10%+ decline) in February, before rallying higher in March. The Fed struck an increasingly aggressive tone during the quarter, as inflation figures hit 40-year highs, and Russian sanctions intensified supply-driven price pressures across oil & gas, industrial metals and various agricultural commodities. The U.S. central bank officially began its hiking cycle with a quarter-point increase in March 2022, the first since 2018.

In the second quarter, U.S. equities remained under immense pressure as investors priced in further interest rate rises and increased recession fears. Unsurprisingly, annual inflation accelerated to 8.6% in May, the highest reading since December 1981. To combat rising inflation, the Fed was forced to take increasingly aggressive measures with rate hikes: a 0.50% increase in early May followed by a 0.75% increase in mid-June. While the U.S. economy has remained resilient in the face of these rate hikes, signs of an economic slowdown have emerged. As a result, the focus on high inflation shifted towards a potential economic recession as interest rates rose and stock markets remained volatile.

In the second half of 2022, persistently high inflation spurred the Fed to continue hiking interest rates aggressively, including 0.75% increases in July and September, respectively. Fed Chair Jerome Powell also spoke harshly about fighting inflation during his late August Jackson Hole speech, stating "we must keep at it until the job is done". Despite central bank policy efforts, weakening housing data and a general decline in commodity prices, inflation remained firmly embedded in the U.S. economy amid a tightly supplied labour market. This backdrop, combined with anticipation of further rate hikes, stoked recessionary fears and weighed on market sentiment.

Portfolio overview

The largest contributor to relative performance was stock selection and allocation decisions in communication services. Within the sector, an underweight to the media industry and our decision not to invest in the interactive media & services industry accounted for the majority of relative outperformance. In energy, investment decisions in the oil, gas, & consumable fuels industry boosted relative returns. Furthermore, stock selection in utilities proved beneficial due to stock selection and an overweight allocation to the multi-utilities industry.

The largest detractor from relative performance was stock selection and allocation decisions in consumer discretionary. Stock selection within the sector accounted for the majority of underperformance, although allocation decisions in the household durables industry proved costly as well. In financials, stock selection within the insurance industry proved detrimental, as did our decision of not investing in diversified financial services companies. Other modest detractors from relative results included stock selection within health care, mainly in the health care equipment & supplies and pharmaceuticals industries.

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

Information Technology (IT): 5.3% overweight (13.9% 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 IT services and communications equipment companies with sticky revenue streams such as Cisco Systems (2.8% of the portfolio), Cognizant Technology Solutions (2.6% of the portfolio), and Fidelity National Information Services (2.1% of the portfolio). We also continue to invest in software companies with capital-light business models such as Microsoft (1.9% of the portfolio). IT broadly scores well on Environmental, Social and Governance (ESG) metrics given the generally lower environmental impact than other sectors, with our selection of companies including a mix of ESG leaders (Microsoft and Cisco Systems) and ESG improvers (Fidelity National Information Services).

Consumer Discretionary: 3.9% overweight (10.0% of the portfolio)
Within the sector, our preferred areas of investment include household durables, textiles and apparel, and firms with auto-related exposure. 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 somewhat insulated from disruptive pressures. For example, we believe companies such as General Motors (autos; 2.3% of the portfolio) and Ralph Lauren (apparel; 2.2% of the portfolio) offer investors exposure to underappreciated franchises at discounted valuations. Furthermore, retailers such as Dollar Tree (dollar store; 1.8% of the portfolio) provide us with access to businesses that can potentially compound earnings and are more immune to disruptive forces. From a sustainability standpoint, our selection of companies includes a mix of ESG leaders such as Panasonic (1.7% of the portfolio), as well as ESG improvers with clear roadmaps for better ESG adherence and disclosures

Contents

Fashion company Ralph Lauren's Global Citizenship & Sustainability initiative includes measures such as seeking to extend the life of its products by enabling consumers in selected cities to rent, repair and recirculate them by 2025.

PHOTO COURTESY OF RALPH LAUREN

(i.e. General Motors' commitment to electric vehicles and Ralph Lauren's Global Citizen initiative).

Financials: 1.6% overweight (21.9% of the portfolio)
Financials represent our portfolio's largest absolute sector allocation and we remain particularly bullish on companies in the banks, insurance, and wealth management industries. The U.S. 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. We believe the current credit cycle is in its early stages as loan growth is starting to pick up and consumer balance sheets remain quite healthy. In our view this setup could result in upside surprise versus consensus expectations on both growth and credit expectations over the next several years. 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 sector 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 wealth management as companies such as Morgan Stanley (1.4% of the portfolio) and Charles Schwab (1.2% of the portfolio) stand out from peers due to their differentiated investment platforms, proximity to end customers and runways for long-term growth.

Materials: 0.2% overweight (4.3% of the portfolio)
Our exposure to the materials sector is stock specific. In the metals & mining industry we have a single position in Newmont (1.3% of the portfolio), an advantaged gold miner that operates on the lower end of the cost curve and we view as an ESG leader. We sold our position in Steel Dynamics, the fifth largest U.S. steel producer, in August 2022 based on valuation. Meanwhile, Newmont stands above its gold mining peers due to its strong governance, safety record and environmental management commitments. Within the containers & packaging industry, we have a position in Sealed Air (1.6% of the portfolio), a manufacturer of film packaging for perishable food and industrials/e-commerce. Sealed Air operates a high return business, has good pricing power and in our view offers a relatively stable growth outlook. 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.

Health Care: 3.4% overweight (20.4% of the portfolio)
Secular growth opportunities in health care are a byproduct of demographic trends. Older populations spend more on health care than younger populations. In the United States, a combination of greater demand for health care services and rising costs facilitates a need for increased

We believe innovation and strong cost control can work together to address the need for increased efficiency within the health care ecosystem and companies that can contribute to this outcome may be poised to benefit.

efficiency within the health care ecosystem. We believe innovation and strong cost control can work together to address this need and companies that can contribute to this outcome may be poised to benefit. On the innovation front, we are finding opportunities in pharmaceuticals and among companies in the health care equipment & supplies industry. We prefer to invest in pharma companies with a proven ability to generate high research & 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 (1.9% 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 sector 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.

Energy: 0.1% underweight (8.7% of the portfolio)

The portfolio currently invests in five energy stocks and we have a neutral weight 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 & 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 Woodside Energy Group (2.0% of the portfolio) and EQT (1.3% 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 capital expenditure spending plans, as these elements can contribute to positive free cash flow generation over time.

Utilities: 1.4% underweight (4.2% of the portfolio)

The portfolio currently invests in only two utility stocks and we have a slight underweight in the sector relative to the reference index. Portfolio exposures are stock specific as we are finding pockets of investment opportunity among U.S. 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.

Communication Services: 2.9% underweight (4.4% of the portfolio)

The portfolio has an underweight to communication services. Our underweight is driven by expensive valuations and a lack of dividend payers in the entertainment and interactive media & services industries. Meanwhile, the portfolio is overweight to the diversified telecom services and

Contents

New health care holding Baxter International focuses on products to treat kidney disease and other chronic medical conditions.

wireless telecom services industries. Notable portfolio holdings include Verizon Communications (diversified telecom; 2.8% of the portfolio) and Rogers Communications (wireless telecom; 1.6% of the portfolio). Verizon Communications and Rogers Communications trade at reasonable valuations, boast strong competitive positions and rank well on ESG metrics versus peers. We also like that their core businesses, operating telecom networks, can be a key enabler of smart cities of the future, with potential to reduce energy consumption and provide other social benefits.

Consumer Staples: 1.9% underweight (5.4% 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 free cash flow and growing dividends for shareholders. In recent years, some of these secular advantages have become challenged, in our view, due to changing consumer preferences, greater end market competition from local brands and disruption from the rapid adoption of online shopping. These challenges, combined with higher than historical valuations, have facilitated our underweight positioning in the sector. Notable portfolio holdings include PepsiCo (2.6% of the portfolio). We held Lamb Weston Holdings during the year and exited the position before the year end. We view each of these businesses as ESG leaders: PepsiCo stands out for reducing its water usage and product carbon footprint and Lamb Weston is at the forefront of implementing strong corporate governance practices.

Real Estate: 3.2% underweight (1.3% of the portfolio)
The portfolio has an underweight allocation to real estate, as we are finding few companies in the sector with both attractive valuations and strong or improving fundamentals. For example, retail REITs are facing challenges due to e-commerce and its negative impact on traditional brick and mortar retailers. Meanwhile, data center and logistics companies have strong fundamentals, but we view their valuations as unattractive. Our only portfolio holding is CBRE Group (1.3% of the portfolio), the world’s largest commercial real estate services firm. The company is trading at a wide discount relative to peers and ranks well on ESG metrics versus peers. CBRE Group signed the Climate Pledge in 2021 to reach net zero by 2040.

Industrials: 4.9% underweight (5.5% 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 U.S. equity market. Notable positions include Komatsu (1.9% of the portfolio), a Japanese manufacturer of construction and mining equipment,

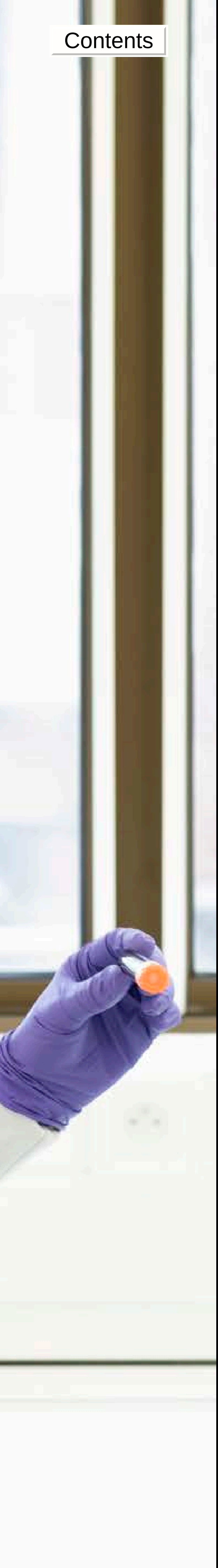
and Norfolk Southern (1.7% of the portfolio), a major U.S. east coast railroad operator. We view both companies as ESG leaders in their respective domains. Komatsu has set meaningful targets for reduced CO_2 emissions from its products by 2030 and to achieve carbon neutrality by 2050. Furthermore, Norfolk Southern provides us with exposure to a consolidated industry with pricing power that emits roughly one-third as much CO_2 as trucks (the main shipping alternative), in moving an equivalent amount of cargo.

Market outlook

Investors and policymakers alike are finding themselves in quite an unusual and uncertain market environment. Over the past twelve months we have seen geopolitical tensions rise, rapid inflation, increased market volatility and the fastest pace of central bank tightening in decades. We believe elevated core inflation will linger for a while longer and a recession is to be expected across developed markets. In this vein, central banks are in a difficult position as they must address inflation but remain cognisant of growth at risk. While inflation seems to have finally stopped rising, it remains stubbornly elevated, but we believe inflation will inevitably drop in 2023 as commodity prices decline and energy and food inflation falls. Core goods inflation will decline as supply shortages decrease and shipping costs continue to fall. However, risks remain around price pressures in the service sector and central banks must stay ahead to curb long-term, high inflation.

Now, more than ever, is a time to be very cautious and strategic in portfolios. As a shallow recession is more likely than not, we can expect U.S. GDP to contract and unemployment to rise slightly. Further rate hikes are to be expected as the year progresses and as policymakers struggle with inflation running well above central bank targets. All told, we see potential downside risk for equity markets as companies will have to navigate a tumultuous market environment with slowing demand and cost pressures, ultimately leading to margin reduction. While we are conscious of the risks, we continue to favour high quality companies with strong balance sheets at reasonable valuations.

Tony DeSpirito, David Zhao and Lisa Yang
BlackRock Investment Management LLC
26 January 2023



Portfolio

French pharmaceutical and healthcare multinational Sanofi was the portfolio's largest holding at year end. The company is a leader in diabetes, immunology and cardiovascular management and also has a wide portfolio of vaccines.

PHOTO COURTESY OF SANOFI / © VINCENT FOURNIER

About BlackRock Sustainable American Income Trust

The BlackRock Sustainable American Income Trust plc is a differentiated offering in the Investment Trust landscape. It provides investors with exposure to a portfolio of attractively priced companies that consists of ESG Leaders, ESG Improvers and Sustainability Enablers (as defined below) primarily within the North American universe of stocks.

Investment objective

The Company's investment objective is to provide an attractive level of income with capital appreciation over the long term in a manner consistent with the principles of sustainable investing adopted by the Company. The Investment Manager believes the dual aim of delivering outperformance versus a benchmark and specific, measurable ESG outcomes, is best achieved through an investment approach driven by fundamental research and ESG analysis. Philosophically, we seek to build a high conviction portfolio of attractively priced, high-quality dividend-paying companies that are classified as either ESG Leaders, ESG Improvers or Sustainability Enablers.

ESG Leaders are best in class companies that effectively manage environmental, social and governance factors to benefit all stakeholders. ESG Improvers are companies showing demonstrable progress on their ESG journey, where active engagements may lead to improving ESG practices and more sustainable outcomes. Finally, Sustainability Enablers are companies advancing the transition to sustainable solutions. For example, companies contributing to greater energy efficiency and a lower carbon footprint.

Investment team

Tony DeSpirito is the lead Portfolio Manager for the Company, together with David Zhao and Lisa Yang, co-Portfolio Managers. They are supported by a team of approximately 20 fundamental research analysts that are responsible for conducting deep research on the companies under their coverage. The team believes that ESG research is most powerful when it is embedded within the work of the team's fundamental analysts, as this approach tightly integrates an assessment of ESG issues into the investment research process. Furthermore, the team believes that their sector and industry experts are best positioned to identify and analyse ESG factors, as well as engage with company management teams on these important issues.

Investment Process

The Company's investment process has three elements including idea generation, investment research and portfolio construction. The investment process is continuous and is built to ensure the team's best investment ideas are always reflected in the portfolio.

Idea Generation:

The portfolio's investment universe primarily includes large and medium-cap companies in North America. New investment ideas are sourced from bottom-up fundamental research conducted by the Investment Manager's research analysts and from the results of their quantitative screens. ESG exclusionary screens also help to focus and narrow the investment universe. The Manager believes these sources are complementary and help to ensure that the best ESG and investment opportunities in the market are detected and are consistent with its investment philosophy. The Manager also believes a robust backlog of new investment ideas is critical to achieving the Company's investment objective because it creates a healthy and persistent competition for investment capital within the portfolio.

Fundamental Research:

The goal of the Investment Manager's fundamental research process is to develop differentiated investment insights through proprietary analysis. The team's research analysts are expected to understand the materiality of ESG and sustainability factors, as well as identify the key drivers of the investment case. Evaluating all relevant information on the company under review, the industry in which it operates, and its key competitors is critical at this stage. Meeting with the senior management of a company is also an important part of the research process as the Investment Manager seeks to engage with them on business and ESG issues. Ultimately, the analyst must independently develop an informed data-driven view on each of the key drivers, translate those views into a financial model and calculate an estimated fair value for the company's stock. The research process is exhaustive by design and culminates in a formal deep dive research pack that is presented at one of the Investment Manager's team investment review meetings.

Portfolio Construction:

The Investment Manager seeks to construct a fundamentally driven, high conviction portfolio of 30 to 60 companies that can meet the Company's fundamental and sustainability investment objectives. Dividend-paying companies that are attractively valued and offer positive risk versus reward potential are preferred and portfolio management aims to take a long-term view in directing capital aggressively towards its strongest investment ideas.

One advantage of the investment trust structure is the permitted use of gearing, in which money can be borrowed for investment purposes. The Investment Manager has the flexibility to gear up to 10% of NAV, with 5% viewed a neutral level within a 0-10% range. Specific to the Company's ESG objectives, the Company seeks to achieve a premium overall ESG score, in addition to premium scores for individual environmental, social and governance factors versus the Russell 1000 Value Index, using metrics from MSCI. The portfolio also seeks to have a superior carbon footprint, as measured by the greenhouse gas emissions intensity relative to the reference index.

The Investment Manager's investment process is illustrated in more detail below.

Idea Generation

- Investment universe: Primarily North American large and medium-cap equities, with flexibility to invest a portion of the portfolio in non-North American companies
- ESG exclusionary screens are utilised to focus and narrow the investment universe
- Leverage the best fundamental and thematic ideas from BlackRock's US Income & Value research platform
- Generate a pipeline and prioritise the research agenda

Identify ESG and alpha opportunities in the North American market

Fundamental Research

- Assess the materiality of ESG & sustainability factors
- Evaluate key earnings drivers
- Engage with company managements on business & ESG issues
- Prepare research document with investment thesis
- Integrate the perspectives of peers across BlackRock
- Evaluate how, and over what time horizon, our insights will be reflected in the share price

Focus research on key ESG issues and share price drivers

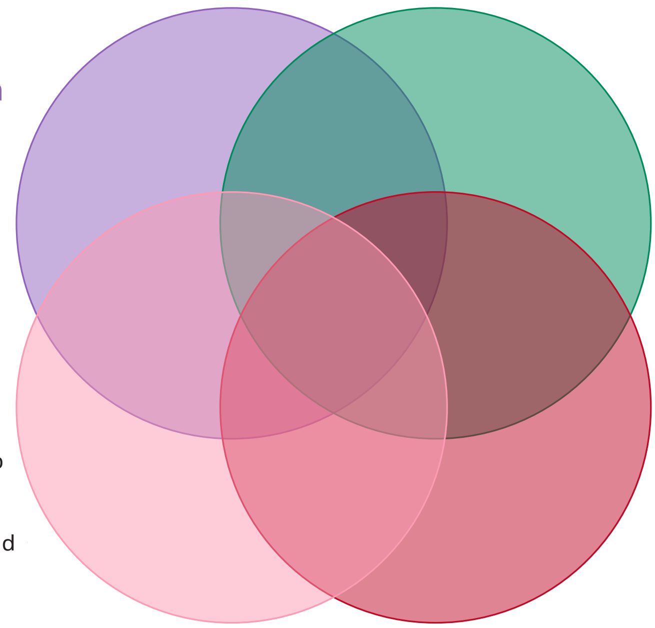
Portfolio Construction

- Typically 30 – 60 holdings
- Portfolio gearing permitted (5% typical neutral level; 0 - 10% typical range; 20% permitted)
- Clear buy and sell disciplines for both fundamental and ESG considerations
- Monitor risks and exposures
- Emphasise stock specific risk to drive return
- Seek diversification across sector, industry, and style factors

Direct capital aggressively towards our strongest ideas

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.

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

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

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 a benchmark over time.

PHOTOS COURTESY OF SANOFI (© SANOFI PASTEUR / ALEXIS CHEZIÈRE), WELLS FARGO, VERIZON, LABORATORY CORPORATION OF AMERICA, PEPSICO, AMERICAN INTERNATIONAL GROUP.

Ten largest investments

1 ▲ Sanofi (2021: 12th)

Health Care

Market value: £5,175,000
Share of investments: 2.9% (2021: 2.3%)
ESG Leader

Sanofi is a French multinational pharmaceutical and health care company, and it operates in three segments including pharmaceuticals, vaccines and consumer health. Sanofi is a leader in diabetes, immunology and cardiovascular management and also maintains strong consumer brands such as Allegra, IcyHot, GoldBond and Rolaids. The company also has a wide portfolio of vaccines including a leading influenza vaccine business. While Sanofi has been subject to various inquiries around insulin pricing, this represents a diminishing part of the overall business as many of these drugs have seen rapidly declining prices due to generic competition. We believe Sanofi trades at a discount relative to peers with low exposure to US regulatory reform. With the newly appointed CEO who we know well from Novartis, we believe the company's research & development and innovation track record can be turned around.

2 ▲ Wells Fargo (2021: 4th)

Financials

Market value: £5,138,000
Share of investments: 2.9% (2021: 3.3%)
ESG Improver

Wells Fargo (WFC) is one of the largest U.S. banks and it operates in three segments including community banking, wholesale banking and wealth & investment management. WFC has a strong deposit franchise and we like its history of strong investment returns and prudent credit risk management. While WFC has a chequered history, we believe its current management team, led by CEO Charlie Scharf (hired in October 2019), can restore the firm's reputation as a premiere community bank. Operational improvements require patience, but we believe that risk and control remediation as well as time-passed can ultimately improve WFC's low social and governance scores. In summary, we view shares of the company as underappreciated today in an environment characterised by low credit losses and ample access to liquidity.

3 ▲ Willis Towers Watson (2021: 29th)

Financials

Market value: £5,117,000
Share of investments: 2.9% (2021: 1.7%)
ESG Improver

Willis Towers Watson (WLTW) is a British-American multinational insurance advisor company. WLTW's revenue breakdown is approximately 55% consulting related and 45% insurance brokerage related. Historically, WLTW has lagged its peers on margins and has had higher restructuring costs. We believe there is a margin improvement opportunity on the horizon, specifically in their insurance brokering related businesses. Additionally, WLTW's valuation relative to peers is at historically wide levels. The board has seen many positive changes since late 2021 and we believe this will improve WLTW's sustainability rating over time.

4 ▲ Verizon Communications (2021: 14th)

Communication Services

Market value: £4,967,000
Share of investments: 2.8% (2021: 2.3%)
ESG Leader

Verizon Communications 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). The company also has some optionality on new types of revenue enabled by 5th generation networks. Telecommunication networks can be key enablers for smart cities, with the potential to reduce energy consumption, increase safety and provide other social benefits.

Ten largest investments

continued

5 ▼ Cisco Systems (2021: 1st)

Information Technology

Market value: £4,935,000
Share of investments: 2.8% (2021: 4.0%)
ESG Leader

Cisco Systems is the world's largest networking equipment vendor, with leading positions in most of its core end markets. As one of the largest suppliers of network security solutions, Cisco System's products help customers to enhance data security and privacy. Despite market concerns regarding competition and Cloud migration, we believe they can still deliver sustainable revenue and earnings growth due to better than feared market positions, a diversified portfolio and a large existing installed base.

6 ▲ Laboratory Corporation of America (2021: N/A)

Health Care

Market value: £4,909,000
Share of investments: 2.8% (2021: N/A)
ESG Leader

Laboratory Corporation of America, commonly known as LabCorp, operates in two segments including a low-cost, high quality national provider of laboratory services and a contract research organisation, which supports clinical research through administering trials and lab testing. LabCorp is able to offer high quality service at a materially lower cost due to scale. We believe LabCorp's drug development business is underearning peers, which allows management to drive cost savings. Lastly, diagnostic testing is vital to generating positive health outcomes and LabCorp supports low-cost testing services, helping drive testing accessibility nationally.

7 ▲ PepsiCo (2021: 18th)

Consumer Staples

Market value: £4,595,000
Share of investments: 2.6% (2021: 2.1%)
ESG Leader

PepsiCo is a multinational food, snack and beverage corporation with the majority of the profits stemming from their snacks business (75%). PepsiCo's key brands include Lays, Doritos, Pepsi, Gatorade and Mountain Dew. Frito-Lay, a subsidiary of PepsiCo that manufactures corn chips, potato chips and other snack foods is one of the best assets in the packaged food industry. We believe Frito-Lay has the ability to sustainably grow ~5% in North America and ~8% in international markets where it remains underpenetrated. Lastly, PepsiCo is a leader within the consumer staples industry in managing its water and product carbon footprint, targeting a reduction in its carbon footprint across its value chain by 20% by 2030 and water use by 15% by 2025.

8 ▲ Cigna (2021: 16th)

Health Care

Market value: £4,563,000
Share of investments: 2.6% (2021: 2.2%)
ESG Leader

Cigna is a multinational company that operates in two main segments including a traditional managed care business which operates a primarily fee-based commercial insurance business and a pharmacy benefit managers/health care services segment that provides pharmacy benefits and broader health care services to a wide variety of customers. We believe managed care companies play a substantial role in improving access and quality in health care to its members and in driving down costs to make health insurance affordable to more people. In 2015, Cigna became the first health services company to sign on to and commit to the UN Global Compact principles, which is a pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies and to report on their implementation. Currently, Cigna is trading at a meaningful discount to peers and offers an attractive entry point to gain exposure to a high quality, double digits earnings compounder at a reasonable valuation.

9 ▼ Cognizant Technology Solutions (2021: 5th)

Information Technology

Market value: £4,525,000
Share of investments: 2.6% (2021: 3.2%)
ESG Leader

Cognizant Technology Solutions is an IT Services company with a diversified revenue base across industry verticals and geographies. As a service provider, they help enterprise and small and medium business clients to transition to cloud infrastructure, which is more efficient versus sub-scale in-house data centers. The company also exhibits strong governance as evidenced by an independent chairman, an independent majority and a gender diverse board. After a period of market share loss and earnings guide-downs, we do not believe Cognizant Technology Solutions is structurally impaired. Rather, we see an attractive turnaround opportunity under CEO Brian Humphries who joined the firm in April 2019.

10 ▼ American International (2021: 8th)

Financials

Market value: £4,474,000
Share of investments: 2.5% (2021: 2.9%)
ESG Leader

American International (AIG) is a diversified insurance company with exposure to both property & casualty and life insurance. AIG's business model entails pooling and diversifying risk and this includes insuring against adverse events related to climate change such as floods, hurricanes, etc. New management at AIG has spent the past several years fixing a variety of operational issues at the firm. Notably, AIG has expanded margins, increased reserves, lowered expenses and better managed catastrophe losses via improved use of reinsurance. Despite these developments, the stock still trades at an underappreciated valuation.

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

Percentages in brackets represent the value of the holding as of 31 October 2021.

Together, the ten largest investments represent 27.4% of the Company's portfolio (31 October 2021: 31.7%).

Investments

as at 31 October 2022

Company	Country	Sector	Securities	Market value £'000	% of total portfolio
Sanofi	France	Health Care	Ordinary shares	5,175	2.9
Wells Fargo	United States	Financials	Ordinary shares	5,138	2.9
Willis Towers Watson	United States	Financials	Ordinary shares	5,117	2.9
Verizon Communications	United States	Communication Services	Ordinary shares	4,967	2.8
Cisco Systems	United States	Information Technology	Ordinary shares	4,935	2.8
Laboratory Corporation of America	United States	Health Care	Ordinary shares	4,909	2.8
PepsiCo	United States	Consumer Staples	Ordinary shares	4,595	2.6
Cigna	United States	Health Care	Ordinary shares	4,563	2.6
Cognizant Technology Solutions	United States	Information Technology	Ordinary shares	4,525	2.6
American International	United States	Financials	Ordinary shares	4,474	2.5
Shell	United Kingdom	Energy	Ordinary shares	4,466	2.5
AstraZeneca	United Kingdom	Health Care	Ordinary shares	4,412	2.5
Citigroup	United States	Financials	Ordinary shares	4,137	2.4
General Motors	United States	Consumer Discretionary	Ordinary shares	3,956	2.3
Ralph Lauren	United States	Consumer Discretionary	Ordinary shares	3,793	2.2
Sempra	United States	Utilities	Ordinary shares	3,685	2.1
Fidelity National Information Services	United States	Information Technology	Ordinary shares	3,659	2.1
Cardinal Health	United States	Health Care	Ordinary shares	3,623	2.1
Public Service Enterprise Group	United States	Utilities	Ordinary shares	3,617	2.1
Humana	United States	Health Care	Ordinary shares	3,565	2.0
Anthem	United States	Health Care	Ordinary shares	3,556	2.0
Woodside Energy Group	Australia	Energy	Ordinary shares	3,461	2.0
Baxter International	United States	Health Care	Ordinary shares	3,341	1.9
Cheniere Energy	United States	Energy	Ordinary shares	3,306	1.9
Komatsu	Japan	Industrials	Ordinary shares	3,293	1.9
Microsoft	United States	Information Technology	Ordinary shares	3,251	1.9
Dollar Tree	United States	Consumer Discretionary	Ordinary shares	3,244	1.8
Comerica	United States	Financials	Ordinary shares	3,145	1.8
Norfolk Southern	United States	Industrials	Ordinary shares	3,050	1.7
JPMorgan Chase	United States	Financials	Ordinary shares	3,026	1.7
Panasonic	Japan	Consumer Discretionary	Ordinary shares	2,926	1.7
Western Digital	United States	Information Technology	Ordinary shares	2,923	1.7
Reckitt Benckiser Group	United Kingdom	Consumer Staples	Ordinary shares	2,893	1.6
Rogers Communications	Canada	Communication Services	Ordinary shares	2,893	1.6
Sealed Air	United States	Materials	Ordinary shares	2,817	1.6
Morgan Stanley	United States	Financials	Ordinary shares	2,546	1.4
Citizens Financial Group	United States	Financials	Ordinary shares	2,478	1.4
PPG Industries	United States	Materials	Ordinary shares	2,476	1.4
CBRE Group	United States	Real Estate	Ordinary shares	2,258	1.3

Investments

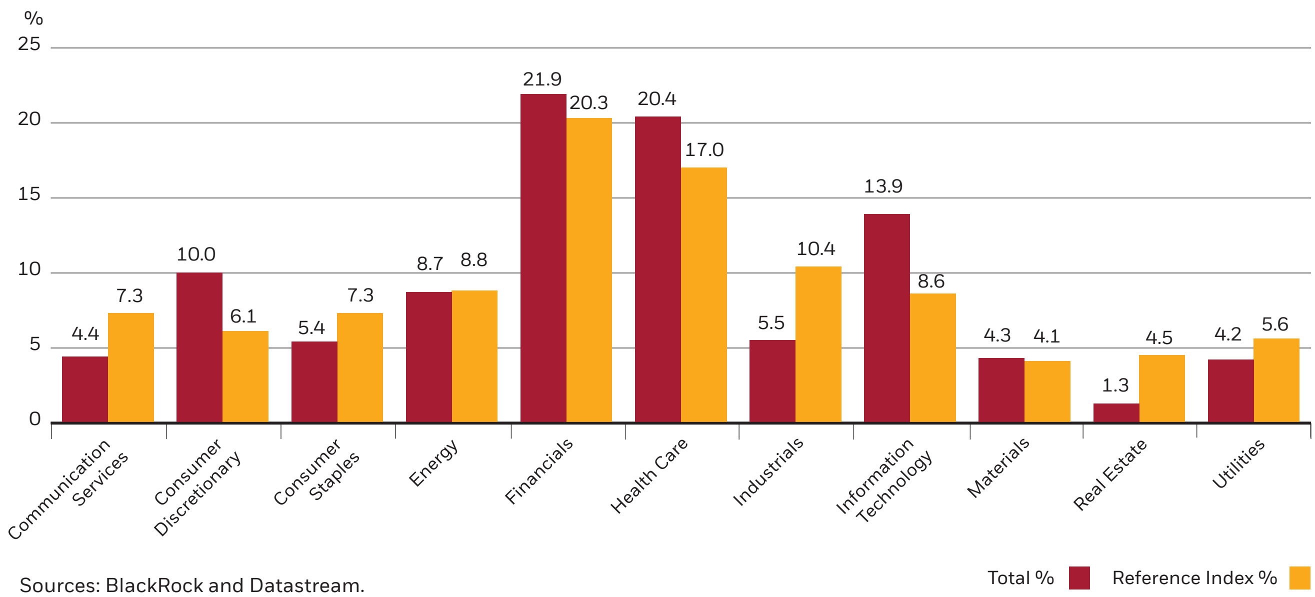
continued

Company	Country	Sector	Securities	Market value £'000	% of total portfolio
EQT	United States	Energy	Ordinary shares	2,257	1.3
Newmont	United States	Materials	Ordinary shares	2,224	1.3
Zebra Technologies	United States	Information Technology	Ordinary shares	2,049	1.2
Charles Schwab	United States	Financials	Ordinary shares	2,047	1.2
Kraft Heinz	United States	Consumer Staples	Ordinary shares	2,036	1.2
Prudential	United Kingdom	Financials	Ordinary shares	1,978	1.1
Newell Brands	United States	Consumer Discretionary	Ordinary shares	1,909	1.1
L3Harris Technologies	United States	Industrials	Ordinary shares	1,830	1.0
Visa	United States	Information Technology	Ordinary shares	1,751	1.0
Invesco	United States	Financials	Ordinary shares	1,710	1.0
Hess	United States	Energy	Ordinary shares	1,699	1.0
Novo Nordisk	Denmark	Health Care	Ordinary shares	1,698	1.0
Lear	United States	Consumer Discretionary	Ordinary shares	1,641	0.9
Robert Half	United States	Industrials	Ordinary shares	1,639	0.9
First American	United States	Financials	Ordinary shares	1,448	0.8
Fidelity National	United States	Financials	Ordinary shares	1,351	0.8
Ciena	United States	Information Technology	Ordinary shares	989	0.6
Eli Lilly	United States	Health Care	Ordinary shares	975	0.6
Portfolio				**175,425**	**100.0**

All investments are in ordinary shares unless otherwise stated. The number of holdings as at 31 October 2022 was 57 (31 October 2021: 54).

At 31 October 2022, the Company did not hold any equity interests comprising more than 3% of any company's share capital.

Distribution of investments as at 31 October 2022



Sources: BlackRock and Datastream.

Environmental, Social and Governance issues and approach

The Board's approach to ESG

The Board believes that responsible investment and sustainability are integral to the longer-term delivery of the Company's success. The Board works closely with the Investment Manager regularly to review the Company's performance, investment strategy 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.

The Board has been mindful of the increase in demand for investment products that place a sustainable investment philosophy at their core, a trend that has accelerated in recent years. Accordingly, the Company's investment objective and investment policy incorporates a sustainable investment approach into the investment policy so that the Company is managed in a way which is compatible with the principles of sustainable investment adopted by the Company. In addition, one of the Company's non-executive Directors has responsibility for sustainability, working alongside the rest of the Board and the Investment Manager.

The Company promotes environmental or social characteristics under the EU Sustainable Finance Disclosure Regulation (SFDR) and is classified as an Article 8 product. Further detail around how the Company has achieved these characteristics and objectives, is included in the sustainability-related disclosures supplementary section to the Annual Report.

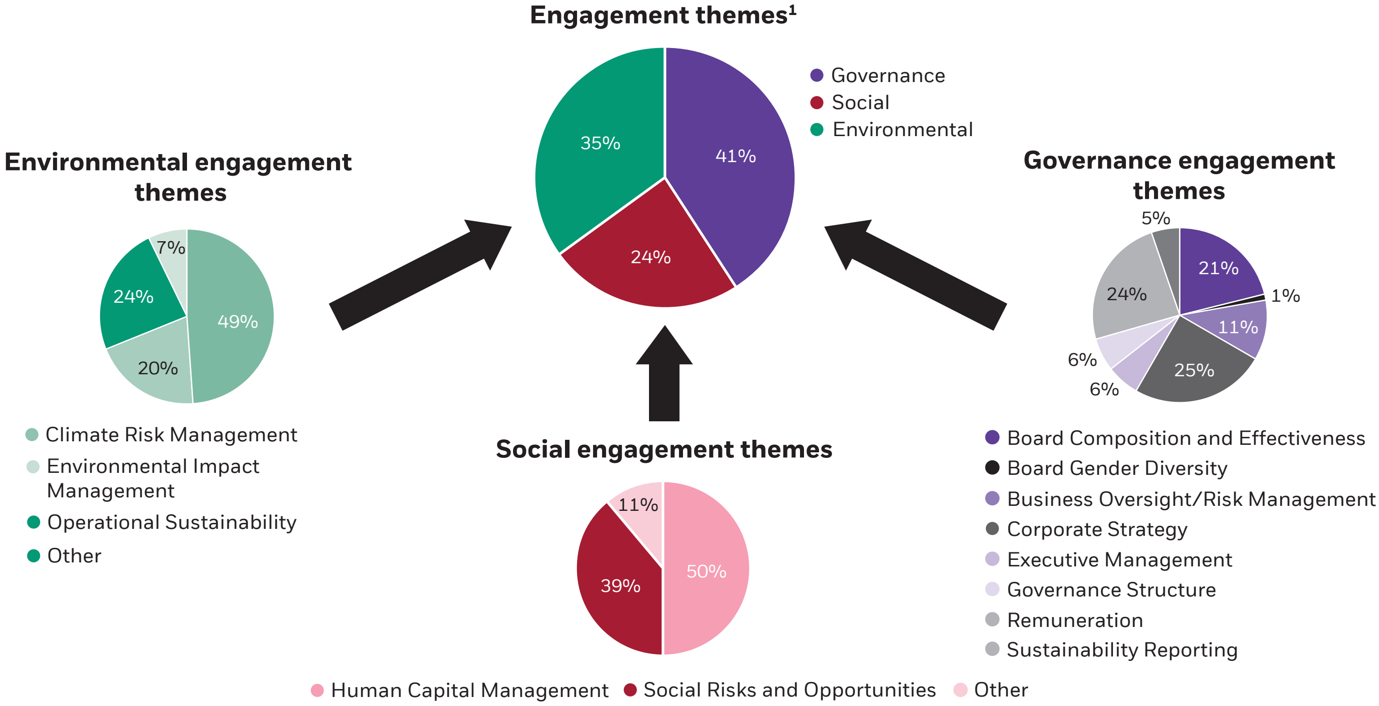
BlackRock Sustainable American Income Trust plc – BlackRock Investment Stewardship Engagement with portfolio companies for the year ended 31 October 2022

The Company's portfolio is managed by the Fundamental Equities division of BlackRock's Portfolio Management Group which consists of 28 investment professionals. The team engages with company management teams and undertakes company meetings to identify the best management teams in the region with the ability to create value for shareholders over the long term. In addition, BlackRock also has a separate BlackRock Investment Stewardship (BIS) team. Consistent with BlackRock's fiduciary duty as an asset manager, BIS seeks to support investee companies in their efforts to deliver long-term durable financial performance on behalf of BlackRock's clients. BIS engages with investee companies to build its understanding of these companies' approach to addressing material business risks and opportunities. For the year to 31 October 2022, BIS held 86 company engagements on a range of governance issues with the management teams of 43 companies in the BlackRock Sustainable American Income Trust plc portfolio, representing 74% of the portfolio by value at 31 October 2022. Additional information is set out in the table and charts below, as well as the key engagement themes for the meetings held in respect of the Company's portfolio holdings.

	Year ended 31 October 2022
Number of engagements held[1]	86
Number of companies met[1]	43
% of equity investments covered[2]	74.0
Shareholder meetings voted at[1]	50
Number of proposals voted on[1]	715
Number of votes against management[1]	64
% of total items voted represented by votes against management	1.7

[1] Source: Institutional Shareholder Services as at 31 October 2022.
[2] Source: BlackRock. Company valuation as included in the portfolio at 31 October 2022 as a percentage of the total portfolio value.

Environmental, Social and Governance issues and approach continued



[1] Engagements are with investee companies. Sources: ISS Proxy Exchange and BlackRock Investment Stewardship.

Engagements with investee companies

Case study: Integration of sustainability-related criteria in compensation policies

General Motors

Following the 2021 AGM of General Motors, a U.S. automobile manufacturer, at which the BlackRock Investment Stewardship team (BIS) supported management on pay, we discussed with management how they might enhance their compensation disclosures. In BIS's view, there was an opportunity for the company to articulate better their strategic pivot to electric vehicles (EV) and how it was being factored into future compensation decisions. Per the company's 2022 proxy statement, General Motors responded to shareholder feedback and provided additional detail on the goal setting process for the short-term incentive plan. The company also made changes to the design of the long-term plan, adding "Electric Vehicle financial performance measures that reward performance" among other adjustments. BIS subsequently supported the company's Say on Pay proposal at the June 2022 AGM, which received 92.3% shareholder support.

Case study: Voting on climate-related shareholder proposals

Woodside

Woodside Petroleum Ltd. (Woodside) is an Australian oil and natural gas company. At the company's May 2022 AGM, BIS supported two management proposals, among others, seeking shareholder approval of a merger with BHP Petroleum and of the company's 2021 Climate Report which outlines the company's view of climate risk and their energy transition strategy. The merger with BHP's oil and gas business would increase the likelihood of further development of natural gas projects in Australia, which have been scrutinised by activist groups. BIS discussed these issues with Woodside and sought to understand their long-term views on climate risk management, particularly as it relates to these projects. BIS had concerns in 2021 about the comprehensiveness of the company's climate risk management and target setting. This year's engagement reassured us that the company is focused on meeting its energy transition commitments even with this gas project expansion. At the 2022 AGM, BIS did not support several shareholder proposals that it felt were overly prescriptive and risked unduly restricting management's ability to make business decisions. BIS will continue to engage with Woodside and will discuss management's views on the role that the company plays in the transition to a decarbonised economy, among other issues that we believe contribute to Woodside's ability to deliver durable, long-term shareholder returns.

Case study: Supporting management proposals to approve the company's climate action plans

Shell

At Shell Plc's (Shell) May 2022 AGM, management proposed an advisory, non-binding shareholder vote on the progress made to date against the company's Energy Transition Strategy. BIS supported this proposal in recognition of the company's disclosed energy transition plan to manage climate-related risks and opportunities and the company's progress against this strategy. BIS did not support a shareholder proposal requesting that the company set and publish targets that are consistent with the goal of the Paris Climate Agreement to limit global warming to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C. BIS believed that it was not additive to Shell's Energy Transition Strategy and that the company's ability to set absolute short- and medium-term scope 3 emissions reduction targets was impeded by the current uncertainty around the pace of declines in oil and gas demand as well as energy security considerations.

Sustainable investing: BlackRock's approach

BlackRock believes that sustainability risk – and climate risk in particular - equates to investment risk, and this will drive a profound reassessment of risk and asset values as investors seek to react to the impact of climate policy changes. This in turn, in BlackRock's view, is likely to drive a significant reallocation of capital away from traditional carbon intensive industries over the next decade. BlackRock believes that carbon-intensive companies will play an integral role in unlocking the full potential of the energy transition, and to do this, they must be prepared to adapt, innovate and pivot their strategies towards a low carbon economy.

As part of BlackRock's structured investment process, ESG risks and opportunities (including sustainability/climate risk) are considered within the portfolio management team's fundamental analysis of companies and industries and the Company's portfolio managers work closely with BIS to assess the governance quality of companies and understand any potential issues, risks or opportunities.

As part of their approach to ESG integration, the portfolio managers use ESG information when conducting research and due diligence on new investments and again when monitoring investments in the portfolio. In particular, portfolio managers at BlackRock now have access to 1,200 key ESG performance indicators in Aladdin (BlackRock's proprietary trading system) from third-party data providers. BlackRock's internal sustainability research framework scoring is also available alongside third-party ESG scores in core portfolio management tools. BlackRock's analysts' sector expertise and local market knowledge allows it to engage with companies through direct interaction with management teams and conducting site visits. In conjunction with the portfolio management team, BIS meets with boards of companies frequently to evaluate how they are strategically managing their longer-term issues, including those surrounding ESG and the potential impact these may have on company financials. BIS's and the portfolio management team's understanding of ESG issues is further supported by BlackRock's Sustainable and Transition Solutions (STS) function. STS looks to advance ESG research and integration, active engagement and the development of sustainable investment solutions across the firm.

Investment stewardship

Consistent with BlackRock's fiduciary duty as an asset manager, BIS seeks to support investee companies in their efforts to deliver long-term durable financial performance on behalf of our clients. These clients include public and private pension plans, governments, insurance companies, endowments, universities, charities and, ultimately, individual investors, among others. BIS serves as an important link between BlackRock's clients and the companies they invest in. Clients depend on BlackRock to help them meet their investment goals; the business and governance decisions that companies make will have a direct impact on BlackRock's clients' long-term investment outcomes and financial well-being.

Global principles

BlackRock's approach to corporate governance and stewardship is comprised in BIS' Global Principles and market-specific voting guidelines. BIS' policies set out the core elements of corporate governance that guide its investment stewardship activities globally and within each regional market, including when voting at shareholder meetings for those clients who have authorised BIS to vote on their behalf. Each year, BIS reviews its policies and updates them as necessary to reflect changes in market standards and regulations, insights gained over the year through third-party and its own research, and feedback from clients and companies. BIS' Global Principles are available on its website at www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf.

Market-specific proxy voting guidelines

BIS' voting guidelines are intended to help clients and companies understand its thinking on key governance matters. They are the benchmark against which it assesses a company's approach to corporate governance and the items on the agenda to be voted on at a shareholder meeting. BIS applies its guidelines pragmatically, taking into account a company's unique circumstances where relevant. BlackRock informs voting decisions through research and engages as necessary. BIS reviews its voting guidelines annually and updates them as necessary to reflect changes in market standards, evolving governance practice and insights gained from engagement over the prior year. BIS' market-specific voting guidelines are available on its website at www.blackrock.com/corporate/about-us/investment-stewardship#stewardship-policies.

BlackRock is committed to transparency in terms of disclosure on its stewardship activities on behalf of clients. BIS publishes its stewardship policies – such as the Global Principles, engagement priorities, and voting guidelines – to help BlackRock's clients understand its work to advance their interests as long-term investors in public companies. Additionally, BIS publishes both annual and quarterly reports detailing its stewardship activities, as well as vote bulletins that describe its rationale for certain votes at high profile shareholder meetings. More detail in respect of BIS reporting can be found at www.blackrock.com/corporate/about-us/investment-stewardship.

Environmental, Social and Governance issues and approach continued

BlackRock's reporting and disclosures

In terms of its own reporting, BlackRock believes that the Sustainability Accounting Standards Board provides a clear set of standards for reporting sustainability information across a wide range of issues, from labour practices to data privacy to business ethics. For evaluating and reporting climate-related risks, as well as the related governance issues that are essential to managing them, the Task Force on Climate-related Financial Disclosures (TCFD) provides a valuable framework.

BlackRock recognises that reporting to these standards requires significant time, analysis, and effort. BlackRock's 2021 TCFD report can be found at www.blackrock.com/corporate/literature/continuous-disclosure-and-important-information/tcfd-report-2021-blkinc.pdf.

Contents

Governance

U.S. east coast railroad operator and ESG leader Norfolk Southern provides us with exposure to a consolidated industry with pricing power that emits roughly one third as much CO_2 as trucks in moving an equivalent amount of cargo.

PHOTO COURTESY OF NORFOLK SOUTHERN CORPORATION

Governance structure

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

The Board

5 scheduled meetings per annum

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

Chair: Alice Ryder

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

Audit and Management Engagement Committee

3 scheduled meetings per annum

Membership: All NEDs

Chairman: Christopher Casey

Key objectives:
- To oversee financial reporting;
- To consider the adequacy of the control environment and review the Company's risk register;
- To review the reporting of the auditors and form an opinion on the effectiveness of the external audit process;
- To review the provisions relating to whistleblowing and fraud;
- To ensure that the provisions of the investment management agreement follow industry practice, remain competitive and are in the best interests of shareholders;
- To review the performance of the Manager and Investment Manager; and
- To review other service providers.

Nomination Committee

1 scheduled meeting per annum

Membership: All NEDs

Chairman: David Barron

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

Remuneration Committee

1 scheduled meeting per annum

Membership: All NEDs

Chair: Alice Ryder

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

Directors' biographies

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

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

Attendance record:
Board: 5/5
Audit and Management Engagement Committee: 3/3
Nomination Committee: 1/1
Remuneration Committee: 1/1

Christopher Casey FCA
Audit and Management Engagement Committee Chairman
Appointed 7 September 2012

Christopher Casey was previously a partner of KPMG LLP and its predecessor firms from 1992, having joined Peat Marwick & Mitchell in 1977. He is chairman of The European Smaller Companies Trust PLC and a director of CQS Natural Resources Growth and Income plc, Mobius Investment Trust plc and Life Settlement Assets plc.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee: 3/3
Nomination Committee: 1/1
Remuneration Committee: 1/1

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

Directors' biographies

continued

Melanie Roberts
Appointed 1 October 2019

Melanie Roberts has responsibility for sustainability, working alongside the rest of the Board and the Investment Manager. She is a partner at Sarasin & Partners LLP. She has 27 years of investment experience and joined Sarasin & Partners in 2011 where she is primarily responsible for the management of charity and pension fund portfolios. Prior to joining Sarasin & Partners, she spent 16 years at Newton Investment Management as a fund manager of charity, private client and pension fund portfolios.

Attendance record:
Board: 5/5
Audit and Management Engagement Committee: 3/3
Nomination Committee: 1/1
Remuneration Committee: 1/1

David Barron
Appointed 22 March 2022
Senior Independent Director and Nomination Committee Chairman with effect from 1 November 2022

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

Attendance record:
Board: 3/3[1]
Audit and Management Engagement Committee: 2/2[1]
Nomination Committee: 1/1
Remuneration Committee: 1/1

[1] Appointed with effect from 22 March 2022 and has attended all available meetings since that date.

Strategic Report

The Directors present the Strategic Report of the Company for the year ended 31 October 2022. The aim of the Strategic Report is to provide shareholders with the information to assess how the Directors have performed their duty to promote the success of the Company for the collective benefit of shareholders.

The Chair's Statement together with the Investment Manager's Report form part of this Strategic Report. The Strategic Report was approved by the Board at its meeting on 26 January 2023.

Principal activity

The Company carries on business as an investment trust and has a premium listing on the London Stock Exchange. Its principal activity is portfolio investment. Investment trusts are pooled investment vehicles which allow exposure to a diversified range of assets through a single investment, thus spreading investment risk.

Investment objective

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

Strategy, business model and investment policy

Strategy

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

Business model

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

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

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

Investment policy

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

To achieve the Company's investment objective, the Investment Manager adopts a stock specific approach in managing the Company's portfolio, selecting investments that it believes will both increase in value over the long term and provide income. The Company does not invest in companies which are not listed, quoted or traded on an exchange at the time of investment, although it may have exposure to such companies where, following investment, the relevant securities cease to be listed, quoted or traded on an exchange. Typically, it is expected that the investment portfolio will comprise between 30 and 60 equity securities. As at 31 October 2022, there were 57 holdings in the Company's portfolio.

The Company may invest in derivatives for efficient portfolio management and in options for investment purposes and may, for investment purposes, write covered call options in respect of its portfolio. Any use of derivatives for efficient portfolio management and/or options for investment purposes is made based on the same principles of risk

Strategic Report
continued

spreading and diversification that apply to the Company's direct investments. For the avoidance of doubt, the Company does not enter into physical or synthetic short positions or write any uncovered options.

Portfolio risk is mitigated by investing in a diversified spread of investments. In particular, the Company observes the following investment restrictions: no single investment (including for the avoidance of doubt, any single derivative instrument) at the time of investment, shall account for more than 10% of the gross asset value of the Company; no more than 25% of the gross asset value of the Company, at the time of investment, shall be invested in securities which are not deemed to be North American* securities; no more than 35% of the gross asset value of the Company, at the time of investment, shall be exposed to any one sector; no more than 20% of the gross asset value of the Company, at the time of investment, shall be invested in Other Securities; and no more than 20% of the Company's portfolio will be under option at any given time. (*Securities may be deemed to be North American securities if: (i) the company's principal operations are conducted from North America; or (ii) the company's equity securities are listed, quoted or traded on a North American stock exchange; or (iii) the company does a substantial amount of business in North America; or (iv) the issuer of securities is included in the Company's reference index.)

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

The Investment Manager also applies a screening policy (currently the BlackRock EMEA Baseline Screens policy) at the time of investment through which it seeks to limit and/or exclude direct investment (as applicable) in companies which, in the opinion of the Investment Manager, have exposure to, or ties with, certain sectors (in some cases subject to specific revenue thresholds) including but not limited to: (i) the production of certain types of controversial weapons; (ii) the distribution or production of firearms or small arms ammunition intended for retail civilians; (iii) the extraction of certain types of fossil fuel and/or the generation of power from them; (iv) the production of tobacco products or certain activities in relation to tobacco-related products; and (v) issuers which have been deemed to have failed to comply with United Nations Global Compact Principles.

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

Should holdings which are compliant with the screening policy applied by the Investment Manager outlined above at the time of investment subsequently become ineligible, they will be divested within a reasonable period of time. The Company may gain limited exposure (including, but not limited to, through investment in other listed closed-ended investment funds and derivatives) to issuers with exposures that do not meet the sustainable investment principles described above. Circumstances in which such exposure may arise include, but are not limited to, where a counterparty to a derivative in which the Company invests posts collateral which is inconsistent with the Company's sustainable investment principles or where a fund in which the Company invests does not apply any or the same sustainable investment principles as the Company and so provides exposure to securities which are inconsistent with the Company's sustainable investment principles. The Investment Manager may take corrective action in such circumstances.

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

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

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

Information regarding the Company's investment exposures is contained within the schedule of investments on pages 23 and 24. Further information regarding investment risk and activity throughout the year can be found in the Investment Manager's Report.

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

Environmental impact

The direct impact of the Company's activities is minimal as it has no employees, premises, physical assets or operations either as a producer or a provider of goods or services. Neither does it have customers. Its indirect impact occurs through the investments that it makes and this is mitigated through BlackRock's environmental, social and governance policies.

Performance

Over the year ended 31 October 2022, the Company's net asset value returned +7.4% compared with a return of +10.7% in the Russell 1000 Value Index. The ordinary share price returned +3.6% (all percentages are calculated in Sterling terms with dividends reinvested). The Investment Manager's Report includes a review of the main developments during the year, together with information on investment activity within the Company's portfolio.

Results and dividends

The results for the Company are set out in the Statement of Comprehensive Income. The total return for the year, after taxation, was a profit of £12,170,000 (2021: profit of £44,734,000) of which the revenue return amounted to a profit of £3,081,000 (2021: £3,248,000) and the capital return amounted to a profit of £9,089,000 (2021: profit of £41,486,000).

The Company pays dividends quarterly. Four quarterly interim dividends of 2.00p per share were paid on 29 April 2022, 1 July 2022, 3 October 2022 and 3 January 2023. Total dividends of 8.00p per share were paid or declared in the year ended 31 October 2022 (2021: 8.00p).

Future prospects

The Board's main focus is to provide an attractive level of income together with capital appreciation over the long term in a manner consistent with the principles of sustainable investing. The future of the Company is dependent upon the success of the investment strategy. The outlook for the Company in the next twelve months is discussed in both the Chair's Statement and in the Investment Manager's Report.

Social, community and human rights issues

As an investment trust, the Company has no direct social or community responsibilities or impact on the environment. However, the Directors believe that it is important and in shareholders' interests to consider human rights issues and environmental, social and governance factors when selecting and retaining investments. Details of the Company's approach on socially responsible investment are set out on page 64.

Modern Slavery Act

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

Directors, gender representation and employees

The Directors of the Company on 31 October 2022 are set out in the Directors' Biographies on pages 33 and 34. The Board consists of two male Directors and two female Directors. The Company does not have any executive employees.

Key performance indicators

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators (KPIs) used to measure the progress and performance of the Company over time, and which are comparable to other investment trusts, are set out in the following table. As indicated in the footnote to the table, some of these KPIs fall within the definition of 'Alternative Performance Measures' under guidance issued by the European Securities and Markets Authority (ESMA) and additional information explaining how these are calculated is set out in the Glossary on pages 128 to 130.

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

Strategic Report

continued

	Year ended 31 October 2022	Year ended 31 October 2021
Net asset value per ordinary share	213.25p	206.08p
Ordinary share price (mid-market)	197.50p	198.25p
Net asset value total return[1]	+7.4%	+36.0%
Reference index[2]	+10.7%	+35.6%
Share price total return[1]	+3.6%	+42.4%
Dividends per share	8.00p	8.00p
Discount to cum income net asset value[3]	7.4%	3.8%
Revenue return per share	3.84p	4.06p
Ongoing charges[4]	1.01%	1.06%

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

[2] Russell 1000 Value Index, total return basis.

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

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

Principal risks

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

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

The Board has undertaken a robust assessment of both the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The COVID-19 pandemic has given rise to unprecedented challenges for businesses across the globe. Additionally, the risk that unforeseen or unprecedented events including (but not limited to) heightened geo-political tensions such as the war in Ukraine, high inflation and the current cost of living crisis has had a significant impact on global markets. The Board has taken into consideration the risks posed to the Company by these events and incorporated these into the Company's risk register. The threat of climate change has also reinforced the importance of more sustainable practices and environmental responsibility.

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

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

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

Principal Risk	Mitigation/Control
Counterparty	
The potential loss that the Company could incur if a counterparty is unable (or unwilling) to perform on its commitments.	Due diligence is undertaken before contracts are entered into and exposures are diversified across a number of counterparties. The Depositary is liable for restitution for the loss of financial instruments held in custody unless able to demonstrate the loss was a result of an event beyond its reasonable control.
Investment performance	
Returns achieved are reliant primarily upon the performance of the portfolio. The Board is responsible for: • deciding the investment strategy to fulfil the Company's objective; and • monitoring the performance of the Investment Manager and the implementation of the investment strategy. An inappropriate investment policy may lead to: • underperformance compared to the reference index; • a reduction or permanent loss of capital; and • dissatisfied shareholders and reputational damage.	To manage this risk the Board: • regularly reviews the Company's investment mandate and long-term strategy; • has set investment restrictions and guidelines which the Investment Manager monitors and regularly reports on; • receives from the Investment Manager a regular explanation of stock selection decisions, portfolio exposure, gearing and any changes in gearing and the rationale for the composition of the investment portfolio; • monitors and maintains an adequate spread of investments in order to minimise the risks associated with particular countries or factors specific to particular sectors, based on the diversification requirements inherent in the investment policy; and • receives and reviews regular reports showing an analysis of the Company's performance against the Russell 1000 Value Index and other similar indices.
Legal & Regulatory Compliance	
The Company has been approved by HM Revenue & Customs as an investment trust, subject to continuing to meet the relevant eligibility conditions, and operates as an investment trust in accordance with Chapter 4 of Part 24 of the Corporation Tax Act 2010. As such, the Company is exempt from corporation tax on capital gains on the profits realised from the sale of its investments. Any breach of the relevant eligibility conditions could lead to the Company losing investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio. In such event, the investment returns of the Company may be adversely affected. A serious regulatory breach could result in the Company and/or the Directors being fined or the subject of criminal proceedings, or the suspension of the Company's shares which would in turn lead to a breach of the Corporation Tax Act 2010. Amongst other relevant laws, the Company is required to comply with the provisions of the Companies Act 2006, the Alternative Investment Fund Managers' Directive, the UK Listing Rules, Disclosure Guidance and Transparency Rules, the Sanctions and Anti-Money Laundering Act 2018 and the Market Abuse Regulation.	The Investment Manager monitors investment movements, the level of forecast income and expenditure and the amount of proposed dividends to ensure that the provisions of Chapter 4 of Part 24 of the Corporation Tax Act 2010 are not breached. The results are reported to the Board at each meeting. Compliance with the accounting rules affecting investment trusts is also carefully and regularly monitored. The Company Secretary, Manager and the Company's professional advisers provide regular reports to the Board in respect of compliance with all applicable rules and regulations. The Board and Manager also monitor changes in government policy and legislation which may have an impact on the Company.

Strategic Report
continued

Principal Risk	Mitigation/Control
Market	
Market risk arises from volatility in the prices of the Company's investments. It represents the potential loss the Company might suffer through realising investments in the face of negative market movements. Changes in general economic and market conditions, such as currency exchange rates, interest rates, rates of inflation, industry conditions, tax laws, political events and trends can also substantially and adversely affect the securities and, as a consequence, the Company's prospects and share price. Market risk includes the potential impact of events which are outside the Company's control, including (but not limited to) heightened geo-political tensions and military conflict, a global pandemic and high inflation. Companies operating in sectors in which the Company invests may be impacted by new legislation governing climate change and environmental issues, which may have a negative impact on their valuation and share price.	The Board considers the diversification of the portfolio, asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines which are monitored and reported on by the Investment Manager. The Board monitors the implementation and results of the investment process with the Investment Manager. The Board also recognises the benefits of a closed-end fund structure in extremely volatile markets such as those experienced as a consequence of the COVID-19 pandemic, and more recently the conflict in Ukraine. Unlike open-ended counterparts, closed-end funds are not obliged to sell-down portfolio holdings at low valuations to meet liquidity requirements for redemptions. During times of elevated volatility and market stress, the ability of a closed-end fund structure to remain invested for the long term enables the Portfolio Managers to adhere to disciplined fundamental analysis from a bottom-up perspective and be ready to respond to dislocations in the market as opportunities present themselves. The Portfolio Managers spend a considerable amount of time understanding the ESG risks and opportunities facing investee companies and conduct research and due diligence on new investments and when monitoring investments in the portfolio.
Operational	
In common with most other investment trust companies, the Company has no employees. The Company therefore relies on the services provided by third parties and is dependent on the control systems of the Manager, the Depositary and Fund Accountant, which maintain the Company's assets, dealing procedures and accounting records. The security of the Company's assets, dealing procedures, accounting records and adherence to regulatory and legal requirements depend on the effective operation of the systems of these other third-party service providers. There is a risk that a major disaster, such as floods, fire, a global pandemic, or terrorist activity, renders the Company's service providers unable to conduct business at normal operating effectiveness. Failure by any service provider to carry out its obligations could have a material adverse effect on the Company's performance. Disruption to the accounting, payment systems or custody records (including cyber security risk) could prevent the accurate reporting and monitoring of the Company's financial position.	Due diligence is undertaken before contracts are entered into with third-party service providers. Thereafter, the performance of the provider is subject to regular review and reported to the Board. The Board reviews on a regular basis an assessment of the fraud risks that the Company could potentially be exposed to and also a summary of the controls put in place by the Manager, Depositary, Custodian, Fund Accountant and Registrar specifically to mitigate these risks. Most third-party service providers produce Service Organisation Control (SOC 1) reports to provide assurance regarding the effective operation of internal controls as reported on by their reporting accountants. These reports are provided to the Audit and Management Engagement Committee for review. The Committee would seek further representations from service providers if not satisfied with the effectiveness of their control environment. The Company's financial instruments held in custody are subject to a strict liability regime and, in the event of a loss of such financial instruments held in custody, the Depositary must return financial instruments of an identical type or the corresponding amount, unless able to demonstrate the loss was a result of an event beyond its reasonable control. The Board reviews the overall performance of the Manager, Investment Manager and all other third-party service providers on a regular basis and compliance with the Investment Management Agreement annually. The Board also considers the business continuity arrangements of the Company's key service providers on an ongoing basis and reviews these as part of its review of the Company's risk register.

Principal Risk	Mitigation/Control
Financial	
The Company’s investment activities expose it to a variety of financial risks which include market risk, counterparty credit risk, liquidity risk and the valuation of financial instruments.	Details of these risks are disclosed in note 15 to the Financial Statements, together with a summary of the policies for managing these risks.
Marketing	
Marketing efforts are inadequate or do not comply with relevant regulatory requirements. There is a failure to communicate adequately with shareholders or reach out to potential new shareholders resulting in reduced demand for the Company’s shares and a widening of the discount.	The Board reviews marketing strategy and initiatives and the Manager is required to provide regular updates on progress. BlackRock has a dedicated investment trust sales team visiting both existing and potential clients on a regular basis. The Manager also devotes considerable resources marketing to self-directed private investors. Data on client meetings and issues raised are provided to the Board on a regular basis. All investment trust marketing documents are subject to appropriate review and authorisation.

Strategic Report
continued

Section 172 statement: Promoting the success of the Company

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

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

Stakeholders

Shareholders	Manager and Investment Manager	Other key service providers	Investee companies
Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy. The Board is focused on fostering good working relationships with shareholders and on understanding the views of shareholders in order to incorporate them into the Board's strategy and objectives in delivering an attractive level of income return together with capital appreciation over the long term in a manner consistent with the principles of sustainable investing adopted by the Company.	The Board's main working relationship is with the Manager, who is responsible for the Company's portfolio management (including asset allocation, stock and sector selection) and risk management, as well as ancillary functions such as administration, secretarial, accounting and marketing services. The Manager has sub-delegated portfolio management to the Investment Manager. Successful management of shareholders' assets by the Investment Manager is critical for the Company to successfully deliver its investment strategy and meet its objective. The Company is also reliant on the Manager as AIFM to provide support in meeting relevant regulatory obligations under the AIFMD and other relevant legislation.	In order for the Company to function as an investment trust with a listing on the premium segment of the official list of the Financial Conduct Authority and trade on the London Stock Exchange's (LSE) main market for listed securities, the Board relies on a diverse range of advisors for support in meeting relevant obligations and safeguarding the Company's assets. For this reason, the Board considers the Company's Custodian, Depositary, Registrar and Broker to be stakeholders. The Board maintains regular contact with its key external service providers and receives regular reporting from them through the Board and Committee meetings, as well as outside of the regular meeting cycle.	Portfolio holdings are ultimately shareholders' assets and the Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy. The Board monitors the Manager's stewardship arrangements and receives regular feedback from the Manager in respect of meetings with the management.

Areas of Engagement	Issue	Engagement	Impact
Investment mandate and objective	The Board has responsibility to shareholders to ensure that the Company's portfolio of assets is invested in line with the stated investment objective and in a way that ensures an appropriate balance between spread of risk and portfolio returns.	The Board worked closely with the Investment Manager throughout the year in further developing investment strategy and underlying policies in the interests of shareholders and future investors. The Manager's approach to the consideration of ESG factors in respect of the Company's portfolio, as well as its engagement with investee companies, is to encourage the adoption of sustainable business practices which support long-term value creation.	The Company's investment 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. The Board believes that it offers an attractive investment strategy with the additional alpha potential the ESG integration provides.

Areas of Engagement	Issue	Engagement	Impact
Shareholders	Continued shareholder support and engagement are critical to the continued existence of the Company and the successful delivery of its long-term strategy.	The Board is committed to maintaining open channels of communication and to engage with shareholders. The Company welcomes and encourages attendance and participation from shareholders at its Annual General Meetings. Shareholders will have the opportunity to meet the Directors and Investment Manager and to address questions to them directly. The Investment Manager will also provide a presentation on the Company's performance and outlook. The Annual Report and Half Yearly Financial Report are available on the BlackRock website and are also circulated to shareholders. In addition, regular updates on performance, monthly factsheets, the daily NAV and other information are also published on the Manager's website at www.blackrock.com/uk/brsa. The Board also works closely with the Manager to develop the Company's marketing strategy. Unlike trading companies, one-to-one shareholder meetings normally take the form of a meeting with the Investment Manager as opposed to members of the Board. The Company's willingness to enter into discussions with institutional shareholders is also demonstrated by the programmes of institutional presentations by the Portfolio Managers. If shareholders wish to raise issues or concerns with the Board, they are welcome to do so at any time. The Chair is available to meet directly with shareholders periodically to understand their views on governance and the Company's performance where they wish to do so. She may be contacted via the Company Secretary whose details are given on page 111.	The Board values any feedback and questions from shareholders ahead of and during Annual General Meetings in order to gain an understanding of their views and will take action when and as appropriate. Feedback and questions will also help the Company evolve its reporting, aiming to make reports more transparent and understandable. Feedback from all substantive meetings between the Investment Manager and shareholders will be shared with the Board. The Directors will also receive updates from the Company's Broker on any feedback from shareholders, as well as share trading activity, share price performance and an update from the Investment Manager. Portfolio holdings are ultimately shareholders' assets and the Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy. The Board monitors the Manager's stewardship arrangements and receives regular feedback from the Investment Manager in respect of meetings with the management of portfolio companies.

Strategic Report
continued

Areas of Engagement	Issue	Engagement	Impact
Responsible investing	More than ever, the importance of good governance and consideration of sustainable investment are key factors in making investment decisions. Climate change is becoming a defining factor in companies' long-term prospects across the investment spectrum, with significant and lasting implications for economic growth and prosperity.	The Board believes that responsible investment and sustainability are important to the longer-term delivery of the Company's success. The Board works closely with the Investment Manager to regularly review the Company's performance, investment strategy and underlying policies to ensure that the Company's investment objective continues to be met in an effective and responsible way in the interests of shareholders and future investors. The Investment Manager's approach to the consideration of ESG factors in respect of the Company's portfolio, as well as the Investment Manager's engagement with investee companies to encourage the adoption of sustainable business practices which support long-term value creation, are kept under review by the Board. The Board also expects to be informed by the Manager of any sensitive voting issues involving the Company's investments. The Investment Manager reports to the Board in respect of its ESG policies and how these are integrated into the investment process; a summary of BlackRock's approach to ESG and sustainability is set out on pages 25 to 28. The Investment Manager's engagement and voting policy is detailed on page 50 and on the BlackRock website.	The Board and Investment Manager believe there is likely to be a positive correlation between strong ESG practices and investment performance over time.

Areas of Engagement	Issue	Engagement	Impact
Management of share rating	The Board recognises that it is in the long-term interests of shareholders that shares do not trade at a significant discount (or premium) to their prevailing NAV. The Board believes this may be achieved by the use of share buy back powers and the issue of shares.	The Board monitors the Company's share rating on an ongoing basis and receives regular updates from the Manager and the Company's Broker regarding the level of discount/premium. The Board believes that the best way of maintaining the share rating at an optimal level over the long term is to create demand for the shares in the secondary market. To this end, the Investment Manager is devoting considerable effort to broadening the awareness of the Company, particularly to wealth managers and to the wider retail market. In addition, the Board has worked closely with the Manager to develop the Company's marketing strategy, with the aim of ensuring effective communication with existing shareholders and to attract new shareholders to the Company in order to improve liquidity in the Company's shares and to sustain the share rating of the Company.	The Board continues to monitor the Company's premium/ discount to NAV and will look to buy back or issue shares if it is deemed to be in the interests of shareholders as a whole. During the financial year the Company did not buy back or reissue any shares. The Company's average discount for the year to 31 October 2022 was 5.3% and the discount at 23 January 2023 stood at 5.8%.
Service levels of third-party providers	The Board acknowledges the importance of ensuring that the Company's principal suppliers are providing a suitable level of service, including the Manager in respect of investment performance and delivering on the Company's investment mandate; the Custodian and Depositary in respect of their duties towards safeguarding the Company's assets; the Registrar in its maintenance of the Company's share register and dealing with investor queries; and the Company's Broker in respect of the provision of advice and acting as a market maker for the Company's shares.	The Manager reports to the Board on the Company's performance on a regular basis. The Board carries out a robust annual evaluation of the Manager's performance, their commitment and available resources. The Board performs an annual review of the service levels of all third-party service providers and concludes on their suitability to continue in their role. The Board receives regular updates from the AIFM, Depositary, Registrar and Broker on an ongoing basis. The ongoing COVID-19 pandemic continued to pose challenges to the operation of businesses across the globe. The Board has continued to work closely with the Manager to gain comfort that relevant business continuity plans are operating effectively for all of the Company's key service providers.	All performance evaluations were performed on a timely basis and the Board concluded that all key third-party service providers, including the Manager, were operating effectively and providing a good level of service. The Board has received updates in respect of business continuity planning from the Company's Manager, Custodian, Depositary, Fund Accountant, Registrar and Printer and is confident that arrangements are in place to ensure a good level of service will continue to be provided.

Strategic Report
continued

Areas of Engagement	Issue	Engagement	Impact
Board composition	The Board is committed to ensuring that its own composition brings an appropriate balance of knowledge, experience and skills and that it is compliant with best corporate governance practice under the UK Code, including guidance on tenure and the composition of the Board's committees.	During the year, the Board appointed a new Director. The Nomination Committee agreed the selection criteria and the method of selection, recruitment and appointment. The services of an external search consultant, Cornforth Consulting Ltd, were used to identify potential candidates. All Directors are subject to a formal evaluation process on an annual basis (more details and the conclusions of the 2022 evaluation process are given on page 62). All Directors stand for re-election by shareholders annually. Shareholders may attend the Annual General Meeting and raise any queries in respect of Board composition or individual Directors in person or may contact the Company Secretary or the Chair using the details provided on page 111 with any issues. The Board is currently undertaking another review of succession planning arrangements having identified the need for a new Director following the retirement of the Chairman, Mr Miller, and the forthcoming retirement of Mr Casey. The services of Cornforth Consulting Ltd, are being used again to identify potential candidates.	As a result of the recruitment process, Mr Barron was appointed as a Director of the Company with effect from 22 March 2022. As at the date of this report, the Board was comprised of two men and two women. Two Directors have a tenure in excess of nine years. Details of each Director's contribution to the success and promotion of the Company are set out in the Directors' Report on page 53 and details of Directors' biographies can be found on pages 33 and 34. The Directors are not aware of any issues that have been raised directly by shareholders in respect of Board composition in the year under review. Details of the proxy voting results in favour and against individual Directors' re-election at the 2022 Annual General Meeting are given on the Manager's website at www.blackrock.com/uk/brsa.

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the twelve months referred to by the 'Going Concern' guidelines. The Company is an investment trust with the objective of providing an attractive level of income return together with capital appreciation over the long term.

The Directors expect the Company to continue for the foreseeable future and have therefore conducted this review for a period up to the Annual General Meeting in 2026. The Directors assess viability over a rolling three-year period as they believe it best balances the Company's long-term objective, its financial flexibility and scope with the difficulty in forecasting economic conditions which could affect both the Company and its shareholders. The Company also undertakes a continuation vote every three years with the next one taking place at the Annual General Meeting in 2025.

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

- the impact of a significant fall in U.S. equity markets on the value of the Company's investment portfolio;
- the ongoing relevance of the Company's investment objective, business model and investment policy in the prevailing market;
- the principal and emerging risks and uncertainties, as set out above, and their potential impact;
- the level of ongoing demand for the Company's shares;
- the Company's share price discount/premium to NAV;
- the liquidity of the Company's portfolio; and
- the level of income generated by the Company and future income and expenditure forecasts.

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

- the Investment Manager's compliance with the investment objective and policy, its investment strategy and asset allocation;
- the portfolio mainly comprises readily realisable assets which continue to offer a broad range of investment opportunities for shareholders as part of a balanced investment portfolio;
- the operational resilience of the Company and its key service providers and their ability to continue to provide a good level of service for the foreseeable future;
- the effectiveness of business continuity plans in place for the Company and its key service providers;
- the ongoing processes for monitoring operating costs and income which are considered to be reasonable in comparison to the Company's total assets;
- the Board's discount management policy; and
- the Company is a closed-end investment company and therefore does not suffer from the liquidity issues arising from unexpected redemptions.

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

By order of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
26 January 2023

Directors' Report

The Directors present the Annual Report and audited Financial Statements of the Company for the year ended 31 October 2022.

Status of the Company

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

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

As an investment company that is managed and marketed in the United Kingdom, the Company is an Alternative Investment Fund (AIF) falling within the scope of, and subject to the requirements of, the Alternative Investment Fund Managers' Directive (AIFMD). The Company is governed by the provisions of the European Union (Alternative Investment Fund Managers) Regulations 2013 (the Regulations) and must comply with a number of obligations, including the appointment of an Alternative Investment Fund Manager (AIFM) and a depositary to carry out certain functions. The AIFM must also comply with the Regulations in respect of leverage, outsourcing, conflicts of interest, risk management, valuation, remuneration and capital requirements and must also make additional disclosures to both shareholders and the FCA. Further details are set out on the Company's website at www.blackrock.com/uk/brsa, the Regulatory Disclosures section on pages 112 to 127 and in the notes to the Financial Statements.

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

Information to be disclosed in accordance with Listing Rule 9.8.4

Disclosures in respect of how the Company has complied with Listing Rule 9.8.4 are set out on page 127.

Facilitating retail investments

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by independent financial advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments and intends to continue to do so for the foreseeable future. The shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investments because they are shares in an investment trust.

The Common Reporting Standard

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

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

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

GDPR

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

Shareholder Rights Directive II

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

Dividends

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

Investment management and administration

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

BlackRock Investment Management (UK) Limited (BIM (UK)) continues to act as the Company's Investment Manager under a delegation agreement with BFM. BIM (UK) also acted as the Secretary of the Company throughout the year. The Manager receives an investment management fee which is calculated based on 0.70% of net assets per annum. Where the Company invests in other investment or cash funds managed by BlackRock, any underlying fee charged is rebated. Further details in relation to the management fee are given in note 4 to the Financial Statements on page 87.

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

The Company contributes to a focused investment trust sales and marketing initiative operated by BIM (UK) on behalf of the investment trusts under its management. The Company's contribution to the consortium element of the initiative, which enables the trusts to achieve efficiencies by combining certain sales and marketing activities, represents a budget of up to 0.025% per annum of its net assets (£168.0 million) as at 31 December 2021 and this contribution is matched by BIM (UK). Total fees paid or payable for the year ended 31 October 2022 amounted to £49,000 (excluding VAT) (31 October 2021: £37,000). The purpose of the programme overall is to ensure effective communication with existing shareholders and to attract new shareholders to the Company. This has the benefit of improving liquidity in the Company's shares and helps sustain the stock market rating of the Company.

Appointment of the Manager

The Board considers the arrangements for the provision of investment management and other services to the Company on an ongoing basis and a formal review is conducted annually. As part of this review, the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

In line with the Company's objective, the Board places most importance on the Investment Manager's ability to deliver long-term performance. In the Board's view, this is best served by the Fundamental Equities division of BlackRock's Portfolio Management Group which is responsible for the discretionary management of the Company's portfolio and has successfully steered the U.S.$19.0 billion Representative Account through bull and bear markets, outperforming its value style benchmark and the Morningstar Large Value peer group average to preserve and grow investors' capital over the longer term.

Additionally, the Board has noted that the Investment Manager continues the process of evolving and enhancing the Equity Dividend platform which commenced over six years ago. During this time, the US Income & Value team has invested in both people and processes and is expected to do so moving forward. Over the last six years, the team supporting the Company has grown in size from ten investment professionals to 20, including the three portfolio managers and 17 research analysts.

The US Income & Value team is well resourced and highly experienced in U.S. fundamental active equity and the Board has concluded that it is in shareholders' interests as a whole that BFM should continue as Manager of the Company. The continued appointment of BFM was approved on 22 September 2022.

The principal contents of the agreement with the Manager have been set out in the previous section. Having considered the terms of this agreement, and those of other investment trust companies, the Board considers that the terms of the agreement represent an appropriate balance between cost and incentivisation of the Manager.

Depositary and Custodian

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

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

Under the depositary agreement, custody services in respect of the Company's assets have been delegated to The Bank of New York Mellon (International) Limited (BNYM). BNYM receives a custody fee payable by the Company at rates depending on the number of trades effected and the location of securities held. The depositary agreement is subject to 90 days' notice of termination by any party.

Directors' Report
continued

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

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

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

Exercise of voting rights in investee companies
The exercise of voting rights attached to the Company's portfolio has been delegated to the Investment Manager, whose policy is set out below. BlackRock's approach to voting at shareholder meetings, engagement with companies and corporate governance is framed within an investment context. BlackRock believes that sound corporate governance and sustainable business models contribute to companies' long-term financial performance and thus to better risk-adjusted returns.

BlackRock's proxy voting process is led by the BlackRock Investment Stewardship (BIS) team, located in ten offices around the world. Collectively within BIS, 18 languages are spoken and 31 academic disciplines are represented. The team's globally-coordinated, local presence and breadth of experience enables more frequent and better-informed dialogue with companies. The BIS team draws upon its own expertise, as well as other internal and external resources globally, to represent the long-term economic interests of clients. Close collaboration takes place between BIS and active portfolio managers. Active portfolio managers with positions in a company can vote their shares independently of BIS based on their views of what is best for their specific fund and client base.

BIS' Global Principles and market-specific proxy voting guidelines, updated every year, form the foundation of the team's engagement with companies and voting decisions at shareholder meetings on behalf of clients. The voting guidelines are principles-based and not prescriptive because BlackRock believes that each voting situation needs to be assessed on its merits. Voting decisions are taken to support the outcome that BlackRock believes is in the best economic interests of clients. The Global Principles are published on BlackRock's website at: https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-engprinciples-global.pdf

During the year under review, the Investment Manager voted on 715 proposals at 50 general meetings on behalf of the Company. At these meetings the Investment Manager voted in favour of most resolutions, as should be expected when investing in well run companies, but voted against 64 (9.0%) resolutions, abstained on 1 (0.1%) and withheld 3 votes (0.4%). Most of the votes against were in respect of resolutions relating to Directors' remuneration arrangements, independence and time commitments, or to elect or remove directors, and to amend articles, which were deemed by the Investment Manager as not being in the best interests of shareholders.

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

Political donations
The Company does not make political donations.

Going concern
The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective, the triennial continuation vote and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements and is financially sound. The Board is mindful of the continuing uncertainty surrounding the potential duration of the COVID-19 pandemic and its longer-term effects on the global economy and recovery of economies, and the current environment of heightened geo-political risk given the war in Ukraine. 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 throughout the COVID-19 pandemic.

The Company has a portfolio of investments which are predominantly readily realisable and is able to meet all of its liabilities from its assets and income generated from these assets. The portfolio mainly comprises readily realisable assets which can be sold to meet funding requirements if necessary. As at 23 January 2023, 100% of the portfolio was estimated as being capable of being liquidated within one day. Accounting revenue and expense forecasts are maintained and reported to the Board regularly 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 asset value (whichever is lower) and this covenant was complied with during the year. 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 and that the Company has adequate resources to continue in operational existence for the period to 31 January 2024, being a period of at least 12 months from the date of approval of these financial statements.

Ongoing charges for the year ended 31 October 2022 were approximately 1.01% (year ended 31 October 2021: 1.06%) of net assets.

A statement on the longer-term viability of the Company is considered in the viability statement on page 47.

Directors

The Directors of the Company as at 31 October 2022 and their biographies are set out on pages 33 and 34. Details of their interests in the shares of the Company are set out in the Directors' Remuneration Report on page 57. All of the Directors, apart from Mr Barron and Mr Irvine, held office throughout the year under review and up to the date of signing the financial statements.

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

Having considered the Directors' performance within the annual Board performance evaluation process, further details of which are provided on page 62, the Board believes that it continues to be effective and the Directors bring extensive knowledge and commercial experience and demonstrate a range of valuable business, financial and asset management skills. The Board therefore recommends that shareholders vote in favour of each Director's proposed re-election/election. More details in respect of the skills and experience each Director brings to the Board are set out on page 53.

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

Directors' indemnity

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

Conflicts of interest

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

Directors' Remuneration Report and Policy

The Directors' Remuneration Report is set out on pages 55 to 57. An advisory ordinary resolution to approve this report will be put to shareholders at the Company's Annual General Meeting. The Company is also required to put the Director's Remuneration Policy to a binding shareholder vote every three years. The Company's Remuneration Policy was last put to shareholders at the Annual General Meeting in 2020. Accordingly, an ordinary resolution to approve the remuneration policy as set out in the Directors' Remuneration Policy on pages 58 and 59, will be put to shareholders at the Company's forthcoming Annual General Meeting.

Notifiable interests in the Company's voting rights

As at 31 October 2022, the following investors had declared a notifiable interest in the Company's voting rights.

Shareholder	Number of Ordinary shares	% of issued share capital
Rathbone Investment Management Limited	4,307,027	5.4
Evelyn Partners	3,671,320	4.6

Directors' Report
continued

As at 17 January 2023, the following had declared a notifiable interest in the Company's voting rights.

Shareholder	Number of Ordinary shares	% of issued share capital
Rathbone Investment Management Limited	4,310,267	5.4
Evelyn Partners	3,776,064	4.7

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

Share repurchases
The Company has the authority to purchase ordinary shares in the market to be held in treasury or for cancellation and to issue new shares or sell shares from treasury for cash. During the year and up to the date of this report, the Company has not repurchased any shares. The Company holds 20,132,261 ordinary shares in treasury (20.1% of the Company's issued share capital).

At the 2022 Annual General Meeting, the Company was authorised to repurchase ordinary shares into treasury for reissue or cancellation at a future date. The latest authority to repurchase shares was granted to Directors on 22 March 2022 and the Directors are proposing that their authority to buy back shares be renewed at the forthcoming Annual General Meeting.

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

Streamlined Energy and Carbon Reporting (SECR) statement: Greenhouse gas (GHG) emissions and energy consumption disclosure
As an externally managed investment company, the Company has no greenhouse gas emissions to report from its operations, nor does it have any responsibility for any other emissions producing sources under the Companies Act (Strategic Report and Directors' Reports) Regulations 2013. Consequently, the Company consumed less than 40,000 kwh of energy during the year in respect of which the Directors' Report is prepared and is therefore exempt from the disclosures required under SECR.

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

Business of the Annual General Meeting (AGM)
UK government restrictions on public gatherings are no longer in force in connection with COVID-19 and we therefore intend to hold the AGM in the normal way with physical attendance by shareholders. However, shareholders should be aware that it is possible that restrictions could be reimposed prior to the date of the AGM.

BlackRock requests that shareholders intending to attend should comply with their COVID-19 safety protocols before entering the venue. At the time of writing, visitors are not permitted in BlackRock's offices if they have tested positive for COVID-19 in the past 10 days, are experiencing COVID-19 related symptoms, or are subject to government requirements for self-isolation or quarantine.

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

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

The business of this year's AGM consists of 12 resolutions. Resolutions 1 to 10 are proposed as ordinary resolutions and 11 and 12 are being proposed as special resolutions.

Resolution 1 – Approval of the Annual Report and Financial Statements
This resolution seeks shareholder approval of the Annual Report and Financial Statements for the year ended 31 October 2022 and the auditors' report thereon.

Resolution 2 – Approval of the Directors' Remuneration Report

This resolution is an advisory vote on the Directors' Remuneration Report, excluding any content relating to the remuneration policy as set out on pages 58 and 59.

Resolution 3 – Approval of the Directors' Remuneration Policy

This resolution is to approve the Directors' Remuneration Policy as set out on pages 58 and 59.

Resolution 4 – Approval of dividends

Resolution 4 seeks shareholder approval of the Company's dividend policy to continue to pay four quarterly dividends, which in the year under review have totalled 8.00p per share.

Resolutions 5 to 7 – Re-election/election of Directors

Resolutions 5 to 7 relate to the re-election and election of the Directors. The Board has undertaken a formal performance evaluation during the year and confirms that the performance of the Directors standing for re-election/election continues to be effective and that each Director demonstrates commitment to their role. The biographies of the Directors are set out on pages 33 and 34. The skills and experience each Director bring to the Board for the long-term sustainable success of the Company are set out below. The Directors will stand for re-election by shareholders at the meeting in accordance with the requirements of the UK Code.

Resolution 5 relates to the re-election of Alice Ryder who was appointed in June 2013. Ms Ryder who acts as Chair, brings leadership skills and much in-depth knowledge, expertise and experience to the Board. She is head of Stanhope Consulting where she is responsible for a number of substantial clients and a member of the Chartered Institute for Securities and Investment. She has more than 30 years' investment experience and holds another non-executive position on an investment trust board.

Resolution 6 relates to the re-election of Melanie Roberts who was appointed in October 2019. She joined Sarasin & Partners in 2011 having previously spent her fund management career at Newton Investment Management. She has over 27 years of investment experience and is now primarily responsible for the management of charity and pension fund portfolios.

Resolution 7 relates to the election of David Barron who was appointed in March 2022. He has a strong background in the closed end funds sector with 20+ years' experience in all aspects of the listed funds market. He is a former CEO of a listed asset management business and a non-executive director on three investment trust boards with different mandates. He is also a chartered accountant, audit and finance committee chair and will bring this skill set to his new role as Chairman of the Company's Audit and Management Engagement Committee when Mr Casey retires.

Resolutions 8 and 9 – Re-appointment of the external auditors and auditors' remuneration

These resolutions relate to the re-appointment and remuneration of the Company's auditors. The Company, through its Audit and Management Engagement Committee, has considered the independence and objectivity of the external auditors and is satisfied that the auditors remain independent. Further information in relation to the assessment of the auditors' independence can be found on page 69.

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

Resolution 10 – Authority to allot shares

The Directors may only allot shares for cash if authorised to do so by shareholders in general meeting. This resolution seeks authority for the Directors to allot shares for cash up to an aggregate nominal amount of £80,229 which is equivalent to 8,022,904 ordinary shares of 1 pence each and represents 10% of the current issued ordinary share capital excluding treasury shares. The Directors will use this authority when it is in the best interests of the Company to issue shares for cash. This authority will expire at the conclusion of the Annual General Meeting to be held in 2024, unless renewed prior to that date at an earlier general meeting.

Resolution 11 – Authority to disapply pre-emption rights

By law, Directors require specific authority from shareholders before allotting new shares or selling shares out of treasury for cash without first offering them to existing shareholders in proportion to their holdings.

Resolution 11 empowers the Directors to allot new shares for cash or to sell shares held by the Company in treasury, otherwise than to existing shareholders on a pro rata basis, up to an aggregate nominal amount of £80,229 which is equivalent to 8,022,904 ordinary shares of 1 pence each and represents 10% of the Company's issued ordinary share capital, excluding treasury shares, at the date of this notice. Unless renewed at a general meeting prior to such time, this authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2024.

Resolution 12 – Authority to buy back ordinary shares

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

Directors' Report
continued

The Directors are seeking authority to purchase up to 12,026,333 shares (being 14.99% of the shares in issue, excluding treasury shares, at the date of this report or, if less, 14.99% of the ordinary shares in issue at 21 March 2023). This authority will expire at the conclusion of the next Annual General Meeting of the Company in 2024, unless renewed at an earlier general meeting.

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

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

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

Independent auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and resolutions proposing their reappointment and authorising the Directors to determine their remuneration for the ensuing year will be submitted at the Annual General Meeting.

The Directors' Report was approved by the Board at its meeting on 26 January 2023.

By order of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
26 January 2023

Directors' Remuneration Report

Introduction

The Board presents the Directors' Remuneration Report for the year ended 31 October 2022 which has been prepared in accordance with Sections 420-422 of the Companies Act 2006.

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

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in their report on pages 74 to 79.

Statement by the Chair

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

The Board's remuneration is considered annually and was last reviewed in September 2022. Following this review, it was agreed that effective from 1 November 2022, the fees of the Chair would increase from £42,000 to £43,000, the Chairman of the Audit and Management Engagement Committee from £35,000 to £36,000 and for the other Directors from £29,000 to £30,000. Prior to this increase, Directors' fees were last increased on 1 April 2019.

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

Remuneration Committee

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

Remuneration implementation report

A single figure for the total remuneration of each Director is set out in the table below for the years ended 31 October 2022 and 31 October 2021.

Directors	2022 Fees	2022 Taxable benefits[1]	2022 Total	2021 Fees	2021 Taxable benefits[1]	2021 Total
	£	£	£	£	£	£
Simon Miller (Chairman to 31 October 2022)	42,000	1,143	43,143	42,000	–	42,000
Christopher Casey (Chairman of the Audit and Management Engagement Committee)	35,000	–	35,000	35,000	–	35,000
Alice Ryder (Chair w.e.f. 1 November 2022)	29,000	238	29,238	29,000	–	29,000
Andrew Irvine[2]	11,200	–	11,200	29,000	–	29,000
David Barron[3]	17,800	–	17,800	n/a	n/a	n/a
Melanie Roberts	29,000	–	29,000	29,000	–	29,000
Total	**164,000**	**1,381**	**165,381**	**164,000**	**–**	**164,000**

[1] Taxable benefits relate to travel and subsistence costs.
[2] Mr Irvine retired as a Director effective 22 March 2022.
[3] Mr Barron was appointed as a Director on 22 March 2022.

The information in the above table has been audited.

The amounts paid by the Company to the Directors were for services as non-executive Directors. As at 31 October 2022, fees of £14,000 (31 October 2021: £14,000) were outstanding to Directors in respect of their annual fees. The Directors received no variable remuneration. No discretionary fees have been paid to Directors in the year to 31 October 2022 (2021: nil). No payments for loss of office were made and no payments were made to former directors.

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

Directors' Remuneration Report

continued

Relative importance of spend on remuneration

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

	2022 £'000	2021 £'000	Change £'000
Directors' total remuneration	165	164	+1
Total revenue	4,258	4,514	-256
Dividends paid and payable	6,417	6,410	+7
Shares issued from treasury after costs	nil	886	-886
Buy back of ordinary shares after costs	nil	295	-295

Annual percentage change in Directors' remuneration

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

Directors	31 October 2018	31 October 2019	31 October 2020	31 October 2021	31 October 2022
Simon Miller[1]	0.0%	+9.8%	+6.3%	0.0%	0.0%
Christopher Casey[2]	0.0%	+9.8%	+6.3%	0.0%	0.0%
Andrew Irvine	0.0%	+9.4%	+6.1%	0.0%	0.0%
Alice Ryder	0.0%	+9.4%	+6.1%	0.0%	0.0%
Melanie Roberts	n/a	0.0%[3]	+6.1%	0.0%	0.0%
David Barron	n/a	n/a	n/a	n/a	0.0%[4]

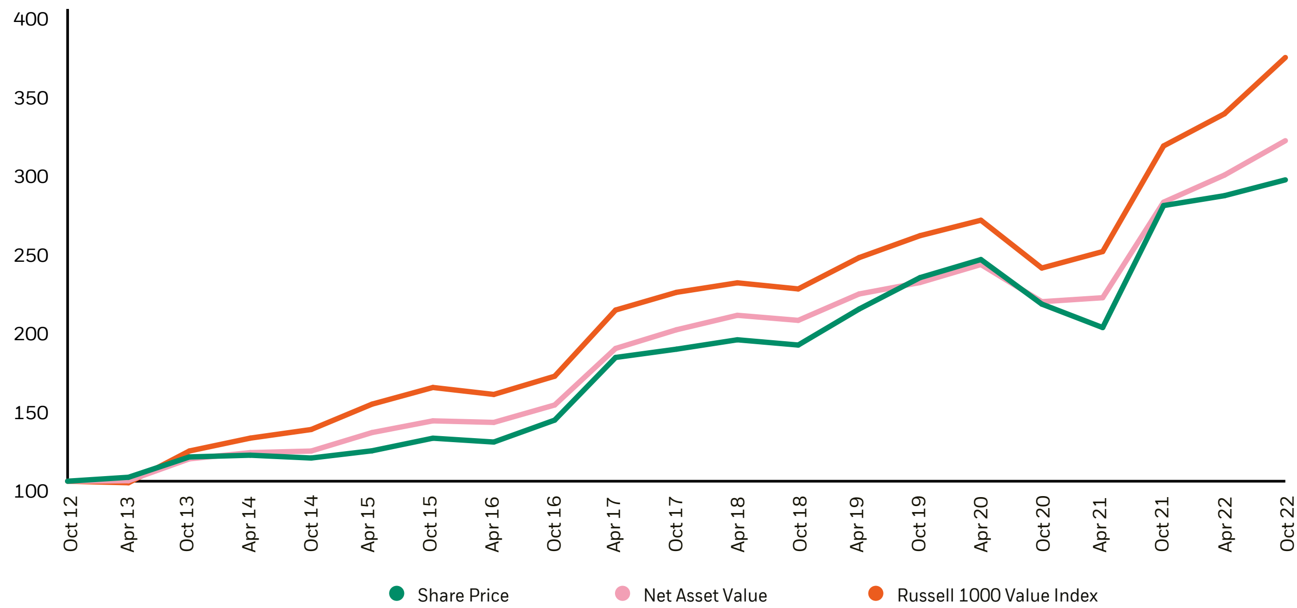
[1] Chairman.
[2] Chairman of the Audit and Management Engagement Committee.
[3] As Melanie Roberts was appointed as a Director on 1 October 2019, the percentage change in her annual fixed fee has been annualised.
[4] As David Barron was appointed as a Director on 22 March 2022, the percentage change in his annual fixed fee has been annualised.

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

Performance

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

Performance since launch to 31 October 2022



Sources: BlackRock and Datastream.
Performance figures have been calculated in Sterling terms with dividends reinvested, rebased to 100 at 24 October 2012.

Shareholdings

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

	31 October 2022 Ordinary shares	31 October 2021 Ordinary shares
Alice Ryder	9,047	9,047
Christopher Casey	19,047	19,047
Melanie Roberts	10,000	–
David Barron	5,000	n/a
Simon Miller	38,094	38,094

The information in the above table has been audited.

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

Implementation of the remuneration policy in 2022/2023 financial year

The Directors intend that the Directors' Remuneration Policy, which forms part of this report, will be implemented as set out on pages 58 and 59. Directors' fees have increased with effect from 1 November 2022 as outlined on page 55.

Retirement of directors

Details are given in the Directors' Report on page 51.

By order of the Board

ALICE RYDER
Chair
26 January 2023

Directors' Remuneration Policy

Directors' remuneration policy

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

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

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

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

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

Consideration of shareholders' views

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

In accordance with the Companies Act 2006, the Company is required to seek shareholder approval of its remuneration policy on a triennial basis. Consequently, an ordinary resolution for the approval of the remuneration policy as set out on pages 58 and 59 will be put to members at the forthcoming Annual General Meeting. It is the intention of the Board that the policy on remuneration will continue to apply for the next three years.

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

Shareholder voting

At the Company's previous Annual General Meeting held on 22 March 2022, 99.69% of votes cast (including votes cast at the Chairman's discretion) were in favour of the resolution to approve the Directors' Remuneration Report in respect of the year ended 31 October 2021 and 0.31% were against. 13,489 votes were withheld.

At the Company's Annual General Meeting held on 20 March 2020, 99.80% (including votes cast at the Chairman's discretion) were in favour of the resolution to approve the remuneration policy and 0.20% of votes cast were against. 6,136 votes were withheld.

Future policy table

Purpose and link to strategy	Fees payable to Directors should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience. Those chairing the Board and key Committees should be paid higher fees than other Directors in recognition of their more demanding roles. Fees should reflect the time spent by Directors on the Company's affairs and the responsibilities borne by the Directors.
Description	Current levels of fixed annual fee (effective from 1 November 2022): Chair – £43,000 Audit and Management Engagement Committee Chairman – £36,000 Directors – £30,000
Maximum levels	Fixed fees are set each year in accordance with the stated policies and as such there is no set maximum threshold; however, any increase granted must be in line with the stated policies. The Company's Articles of Association set an aggregate limit of £300,000 in respect of the remuneration that may be paid to Directors in any financial year. These ceilings have been set at a level to provide flexibility in respect of the recruitment of additional Board members and inflation.
Policy on share ownership	Directors are not required to own shares in the Company.

Operation

Fees	The Board reviews the quantum of Directors' pay each year to ensure that this is in line with the level of Directors' remuneration for other investment trusts of a similar size. When making recommendations for any changes in fees, the Board will consider wider factors such as the average rate of inflation over the period since the previous review and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements).
Discretionary fees	The Company's Articles of Association authorise the payment of discretionary fees to Directors for any additional work undertaken on behalf of the Company which is outside of their normal duties. Any such work and the fees payable are subject to the prior approval of the Chairman or, in the case of the Chairman undertaking the extra work, subject to the prior approval of the Chairman of the Audit and Management Engagement Committee. Any discretionary fees paid will be disclosed in the Directors' remuneration implementation report within the Annual Report. The level of discretionary fees shall be determined by the Directors and will be subject to a maximum of £10,000 per annum per Director.
Benefits	The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them in or about the performance of their duties as Directors, including any expenses incurred in attending meetings of the Board or Committees of the Board, Annual General Meetings or General Meetings. Some expenses incurred by Directors are required to be treated as taxable benefits. Taxable benefits include (but are not limited to) travel expenses incurred by the Directors in the course of travel to attend Board and Committee meetings which are held at the Company's registered office in London and which are reimbursed by the Company and therefore treated as a benefit in kind and are subject to tax and national insurance. The Company's policy in respect of this element of remuneration is that all reasonable costs of this nature will be reimbursed as they are incurred, including the tax and national insurance costs incurred by the Director on such expenses. No more than £20,000 per annum may be paid in respect of taxable benefits.

Corporate Governance Statement

Chair's introduction

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

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

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

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

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

Compliance

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

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

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

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

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

The Board

As at 31 October 2022, the Board consisted of five non-executive Directors, all of whom were independent of the Company's Manager. As at the date of this report, and following the retirement of Mr Miller on 31 October 2022, the Board currently consists of four non-executive Directors. Provision 9 of the UK Code which relates to the combination of the roles of the chair and chief executive does not apply as the Company has no executive directors. With effect from 1 November 2022, Ms Ryder became Chair of the Board and Mr Barron was appointed as the Company's Senior Independent Director and Chair of the Nomination Committee.

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

Board structure and management

Details of the Board's structure, roles and responsibilities and management are set out in the summary of Governance Structure on page 32. The Directors' biographies on pages 33 and 34 demonstrate a breadth of investment knowledge, business and financial skills which enables them to provide effective strategic leadership and proper governance of the Company. Details of the Chair's other significant time commitments can also be found on page 33.

The Company does not have a chief executive as day-to-day management of the Company's affairs is delegated to the

Manager as AIFM, with investment management and other ancillary services delegated to the Investment Manager. Representatives of the Manager, Investment Manager and Company Secretary attend each Board meeting. The Board, the AIFM, the Investment Manager and the Company Secretary operate in a supportive and co-operative manner.

Board independence and tenure

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

The Board is of the view that length of service will not necessarily compromise the independence or contribution of directors of an investment trust company, where continuity and experience can add significantly to the strength of the Board. Following the formal performance evaluation process, the Board has concluded that, notwithstanding that Mr Casey has served as a Director for just over nine years, he continues to be independent in character and judgement and his range of skills and experience has been beneficial for the Board. Mr Casey will not be seeking re-election at the forthcoming Annual General Meeting.

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

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

Diversity

The Board's policy on diversity, including age, gender, educational and professional background and other forms of diversity, is to take these into account during the recruitment and appointment process. This policy has been implemented during the recruitment and appointment processes undertaken during this reporting period. However, the Board is committed to an objective of appointing the most appropriate candidate, regardless of gender or other forms of diversity, and therefore no targets have been set against which to report. As at the date of this report, the Board consists of two men and two women.

Directors' appointment, retirement and rotation

The rules concerning the appointment, retirement and rotation of Directors are set out in more detail in the Directors' Report on page 51. The Board has considered the position of each of the Directors as part of the evaluation process and believes it would be in the best interests of the Company for those Directors retiring to be proposed for re-election/election at the forthcoming Annual General Meeting given their material level of contribution and commitment to the Company. Mr Casey will be retiring and will not be seeking re-election.

The Board recognises the value of progressive renewing of, and succession planning, for company boards. As part of the process for continual refreshment, the Board commenced a search for a new Director and appointed Cornforth Consulting Ltd, an independent external recruitment consultancy firm, to assist which resulted in the appointment of Mr Barron. The Company has engaged Cornforth Consulting again to identify another suitable Board candidate to replace Mr Casey. Cornforth Consulting do not undertake any other services for the Company and has no formal connection with any of the Directors.

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

Directors' induction, training and development

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

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

Directors' liability insurance

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

Corporate Governance Statement
continued

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

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

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

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

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

The appraisal process is considered by the Board to be constructive in terms of identifying areas for improving the functioning and the performance of the Board and its Committees and the contribution of individual Directors, as well as building on and developing individual and collective strengths. The review concluded that the Board oversees the management of the Company effectively and has the skills and expertise to safeguard shareholders' interests. The Board, the Portfolio Managers and representatives of the Manager were found to operate in a cooperative and open environment. Each Director made a valuable contribution to the Board and its discussions, brought different qualities to the Board, challenged the Investment Manager and Manager constructively, remained independent in character and judgement, and dedicated sufficient time to their respective role on the Board. Board composition, dynamics and structure worked well. The appraisal did not identify any areas of material weakness or concern, but found areas for enhancement, including succession planning with the recruitment of a new non-executive Director during 2023, as well as an internal successor to the Audit and Management Engagement Committee Chairman who will be retiring at the conclusion of the forthcoming Annual General Meeting of the Company. It was agreed that the current composition of the Board and its Committees reflected a suitable mix of skills and experience and that the Board as a whole, the individual Directors and its Committees, were functioning effectively.

Delegation of responsibilities
Management and administration
The management of the investment portfolio and the administration of the Company have been contractually delegated to BlackRock Fund Managers Limited (BFM), as the Company's AIFM, and BFM (with the permission of the Company) has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited (BIM (UK) or the Investment Manager). The contractual arrangements with BFM (the Manager) are summarised on pages 48 and 49.

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

The Manager has delegated the portfolio valuation and fund accounting services to The Bank of New York Mellon (International) Limited (BNYM). The assets of the Company have been entrusted to the Depositary for safekeeping. The Depositary is The Bank of New York Mellon (International) Limited. The address at which this business is conducted is given on page 111.

The Board has delegated the exercise of voting rights attaching to the securities held in the portfolio to the Investment Manager. Details of the Investment Manager's voting policy are set out on page 50.

The Company Secretary
The Board has direct access to company secretarial advice and services of the Manager which, through its nominated

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

Committees of the Board

Nomination Committee

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

Audit and Management Engagement Committee

A separately chaired Audit and Management Engagement Committee comprises the whole Board and is currently chaired by Mr Casey. Further details are given in the Report of the Audit and Management Engagement Committee on pages 66 to 69.

Remuneration Committee

The Remuneration Committee is currently chaired by Ms Ryder. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is detailed in the Directors' Remuneration Report and Directors' Remuneration Policy on pages 55 to 59.

Internal controls

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

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

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

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

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

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

Financial reporting

The Statement of Directors' Responsibilities in respect of the Financial Statements is set out on page 70, the Independent Auditors' Report on pages 74 to 79 and the Statement of Going Concern on pages 50 and 51.

Corporate Governance Statement
continued

Socially responsible investment
Generally, investment trusts do not employ staff and accordingly have no direct impact on social matters but can be significant investors in the economies of the regions in which they invest. The Company invests predominantly in securities quoted in North America. The Board believes that it is important to invest in companies whose boards act responsibly in respect of environmental, ethical and social issues. The Investment Manager's evaluation procedures and financial analysis of the companies within the portfolio includes research and appraisal, and considers environmental policies, social, ethical and other business issues. In this regard, the U.S. team works closely with colleagues in the BlackRock Investment Stewardship team.

Further details on ESG and Socially Responsible Investing can be found on pages 25 to 28.

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

Criminal Finances Act 2017
The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

Communications with shareholders
All shareholders have the opportunity to attend and vote at the Annual General Meeting. The Notice of Annual General Meeting which is sent out 20 working days in advance of the meeting sets out the business of the Meeting which is explained in the Directors' Report. Separate resolutions are proposed for substantive issues. In addition, regular updates are available to shareholders on the BlackRock website and the Portfolio Managers will review the Company's portfolio and performance at the Annual General Meeting, where the Chair of the Board and the Chairman of the Audit and Management Engagement Committee and representatives of the Manager will be available to answer shareholders' queries.

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

The Company's willingness to enter into discussions with institutional shareholders is also demonstrated by the programme of institutional presentations made by the Investment Manager. The Board discusses with the Investment Manager at each Board meeting any feedback from meetings with shareholders and it also receives reports from its corporate broker. The Chair is available to meet directly with shareholders periodically without the Investment Manager being present. If any shareholder wishes to contact the Chair directly, they should contact the Secretary whose details are given on page 111. The dialogue with shareholders provides a two-way forum for canvassing the views of shareholders and enabling the Board to become aware of any issues of concern, including those relating to performance, strategy and corporate governance.

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

Packaged Retail and Insurance-Based Investment Products (PRIIPs) Regulation (the Regulation)
This Regulation (as onshored in the UK and amended) requires that anyone manufacturing, advising on, or selling a PRIIP to retail investors in the UK must comply with the Regulation. Shares issued by investment trusts fall into the scope of the Regulation.

Investors should be aware that the Regulation requires the AIFM, as PRIIPs manufacturer, to prepare a key information document (KID) in respect of the Company. This KID must be made available, free of charge, to UK retail investors prior to them making any investment decision and have been published on BlackRock's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by the Regulation. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

The PRIIPs KID in respect of the Company can be found at: www.blackrock.com/uk/brsa.

Disclosure Guidance and Transparency Rules

Other information required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules has been placed in the Directors' Report on pages 48 to 54 because it is information which refers to events that have taken place during the course of the year.

For and on behalf of the Board

ALICE RYDER
Chair
26 January 2023

Report of the Audit and Management Engagement Committee

As Chairman of the Audit and Management Engagement Committee (the Committee) I am pleased to present the Committee's report to shareholders for the year ended 31 October 2022.

Composition

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

The Directors' biographies are given on pages 33 and 34 and the Board considers that at least one member of the Committee has recent and relevant financial experience and specific competence in accounting and/or auditing and the Committee as a whole has competence relevant to the sector in which the Company operates.

Performance evaluation

Details of the evaluation of the Committee are set out in the Corporate Governance Statement on page 62.

Role and responsibilities

The Committee meets three times a year. Two of the planned meetings are held prior to the Board meetings to approve the half yearly and annual results and the Committee receives information from the Manager's corporate audit and compliance departments.

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

Internal controls, financial reporting and risk management system

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

External audit

- making recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting in relation to the appointment, re-appointment and removal of the Company's external auditors;
- reviewing the scope, execution, results, cost effectiveness, independence and objectivity of the external auditors and the efficiency of the external audit process;
- reviewing and approving the audit and non-audit fees payable to the external auditors and the terms of their engagement;
- reviewing and approving the external auditors' plan for the financial year, with a focus on the identification of areas of audit risk and consideration of the appropriateness of the level of audit materiality adopted;
- reviewing the quality of the audit engagement partner and the audit team, and making a recommendation with respect to the reappointment of the auditors;
- reviewing the role of the Manager and third-party service providers in an effective audit process;
- considering the quality of the formal audit report to shareholders; and
- overseeing the relationship with the external auditors.

Management engagement

- reviewing the performance of the Manager in terms of investment management, company secretarial services and fund accounting and thereby reviewing the investment management agreement to ensure the terms remain competitive; and
- satisfying itself that the continuing appointment of the Manager is in the interests of shareholders as a whole.

Third-party service providers

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

Reporting

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

Internal controls

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

Whistleblowing policy

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

Internal audit

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

United Kingdom Single Electronic Format Regulatory Technical Standard (UKSEF)

We paid special attention to the preparation of our financial statements in digital form under the UKSEF taxonomy and regulatory technical standard. As this was the first report in this format, we made sure the necessary procedures had been completed by all parties, including the technical accounting team of the Manager, our fund accountants, The Bank of New York Mellon and a specialist information technology provider.

Significant issues considered regarding the Annual Report and Financial Statements

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

Significant issue	How the issue was addressed
The accuracy of the valuation of the investment portfolio	Listed investments are valued using stock exchange prices from third party vendors. The Board reviews detailed portfolio valuations at each of its Board meetings and receives confirmation from the Manager that the pricing basis is appropriate and in line with relevant accounting standards as adopted by the Company and that the carrying values are materially correct. The Board also relies on the Manager’s and Fund Accountant’s controls which are documented in their internal controls report which is reviewed by the Committee.
The risk of misappropriation of assets and unsecured ownership of investments	The Depositary is responsible for financial restitution for loss of financial investments held in custody. The Depositary reports to the Committee on a twice yearly basis. The Committee reviews reports from its service providers on key controls over the assets of the Company and will take action to address any significant issues that are identified in these reports, which may include direct discussions with representatives of the relevant service providers to obtain more detailed information surrounding any matters of concern and gaining assurance that appropriate remediation action has been taken. Any significant issues are reported by the Manager to the Committee. The Manager has put in place procedures to ensure that investments can only be made to the extent that the appropriate contractual and legal arrangements are in place to protect the Company’s assets.

Report of the Audit and Management Engagement Committee continued

Significant issue	How the issue was addressed
The accuracy of the calculation of management fees	The management fee is calculated in accordance with the contractual terms in the investment management agreement by the fund accountant and is reviewed in detail by the Committee.
The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income	The Committee reviews income forecasts, including special dividends, and receives explanations from the Manager for any variations or significant movements from previous forecasts and prior year figures. The Committee also reviews the facts and circumstances of all special dividends to determine the revenue/capital treatment. The Directors also review a detailed schedule of dividends received from portfolio holdings at each meeting which sets out current and historic dividend rates and the amounts accrued. Any significant movements or unusual items are discussed with the Manager. The Committee also reviews SOC 1 Reports from its service providers, including the Company's Fund Accountant and Custodian, The Bank of New York Mellon (International) Limited. These reports include information on the control processes in place to ensure the accurate recording of income and any exceptions are highlighted to the Committee and will be investigated further to ensure that appropriate remediation action has been taken where relevant.

Auditors and audit tenure

The Committee reviews the performance of the auditors on an annual basis, taking into consideration the services and advice provided to the Company and the fees charged for these services. The Committee appointed the Company's current auditors, PricewaterhouseCoopers LLP, on 1 October 2014 following the result of a tender process. Mr Allan McGrath has been the Company's audit partner since 1 November 2018.

The Committee, in conjunction with the Board, is committed to reviewing the auditors' appointment each year to ensure that the Company is receiving an optimal level of service. In addition, even if no change is made to the audit firm appointed, the audit partner changes at least every five years.

There are no contractual obligations that restrict the Company's choice of auditors. The regulations on mandatory 'firm' rotation require the appointment of new auditors every ten years, although this can be extended up to an additional ten years if tenders are carried out at the decade mark or another firm is appointed to do a joint audit. The Company will be required to put its audit contract out to tender again by no later than 2024.

The Committee is satisfied that the Company has complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014, published by the Competition and Markets Authority on 26 September 2014. In recognition of underlying audit rotation requirements, the Committee currently intends that an audit tender process will be undertaken during the year to 31 October 2023 to appoint either the incumbent or a new audit firm for the financial year ending 31 October 2024 onwards.

The Committee will continue to review the Auditor's appointment each year to ensure that the Company is receiving an optimal level of service.

Assessment of the effectiveness of the external audit process

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

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

- the independence and objectivity of the audit firm; and
- the quality of the formal audit report to shareholders.

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

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

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

The Company's policy on permitted audit related and non-audit services is set out in full in the Committee's terms of reference which are available on BlackRock's website at www.blackrock.com/uk/brsa. In the years to 31 October 2022 and 31 October 2021, the auditors did not provide any audit related or non-audit services to the Company.

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

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

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

Conclusions in respect of the Annual Report and Financial Statements

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

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

In addition to the work outlined above, the Committee has reviewed the Annual Report and Financial Statements and is satisfied that, taken as a whole, they are fair, balanced and understandable. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report and Financial Statements would have a reasonable level of knowledge of the investment trust industry in general and of investment trusts in particular. The Committee has reported on these findings to the Board who affirm the Committee's conclusions in the Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements.

CHRISTOPHER CASEY
Chairman
Audit and Management Engagement Committee
26 January 2023

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

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

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

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

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

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

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

Each of the Directors, whose names are listed on pages 33 and 34, confirm to the best of their knowledge that:

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

The 2018 UK Corporate Governance Code also requires Directors to ensure that the Annual Report and Financial Statements are fair, balanced and understandable. In order to reach a conclusion on this matter, the Board has requested that the Audit and Management Engagement Committee advise on whether it considers that the Annual Report and Financial Statements fulfil these requirements. The process by which the Committee has reached these conclusions is set out in the Audit and Management Engagement Committee's report on pages 66 to 69. As a result, the Board has concluded that the Annual Report and Financial Statements for the year ended 31 October 2022, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

For and on behalf of the Board

ALICE RYDER
Chair
26 January 2023

Contents

Financial statements

Canadian communications and media company Rogers Communications ranks well on ESG metrics against its peers. Telecom networks can be a key enabler of smart cities of the future, with potential to reduce energy consumption and provide other social benefits.

Independent Auditors' Report

to the members of BlackRock Sustainable American Income Trust plc

Report on the audit of the financial statements

Opinion

In our opinion, BlackRock Sustainable American Income Trust plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 October 2022; the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Management Engagement Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Our audit approach

Overview

Audit scope	• The Company is a standalone Investment Trust Company and engages BlackRock Fund Managers Limited (the 'Manager') to manage its assets and Bank of New York Mellon (International) Limited (the 'Fund Accountant') to provide administrative functions. • We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the third parties, the accounting processes and controls, and the industry in which the Company operates.
Key audit matters	• Valuation and existence of investments. • Accuracy, occurrence and completeness of investment income.
Materiality	• Overall materiality: £1.71 million (2021: £1.65 million) based on approximately 1% of Net Assets. • Performance materiality: £1.28 million (2021: £1.23 million).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Ability to continue as a going concern (Continuation Vote), which was a key audit matter last year, is no longer included because of the absence of a Continuation Vote within the next 12 months. The Company's Continuation Vote is required once every three years with the next Continuation Vote required after the year ending 31 October 2024. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of investments Refer to the Report of the Audit and Management Engagement Committee (page 67), Accounting policies (page 84) and Notes to the financial statements (page 84). The investment portfolio at the year-end comprised of listed equity investments valued at £175.4 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed on the Statement of Financial Position in the financial statements.	Our audit work on the Valuation and existence of the investments included the following: • We tested the valuation of 100% of the listed investments by agreeing the valuation to independent third party sources. • We tested existence of all of the listed investments by agreeing the Company's holdings to an independent custodian confirmation as at 31 October 2022. We have no matters to report as a result of this testing.
Accuracy, occurrence and completeness of investment income Income from investments consists primarily of dividend income. Within dividend income there is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an inappropriate accounting treatment. In addition, the Directors are required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Statement of Comprehensive Income.	We responded to this risk by performing the following audit procedures: • We obtained an understanding of the processes and controls around revenue recognition and classification of special dividends by reviewing the internal controls reports of the Fund Accountant. • We assessed the appropriateness of the classification of special dividends as revenue or capital by the Directors with reference to publicly available information. For all dividends recorded by the Company, we performed our audit procedures through the use of our proprietary testing tool Halo. • Halo tested the accuracy of their receipts by agreeing the dividend rates from investments to independent market data. • Halo tested occurrence by examining for each investment holding, that all dividends recorded in the year had been declared in the market. • To test for completeness, Halo investigated that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all investment holdings held within the year. As stipulated by the requirements set out in the AIC SORP, we tested the allocation and presentation of dividend income between the revenue and capital return columns of the Statement of Comprehensive Income by determining reasons behind dividend distributions. We have no matters to report as a result of this testing.

Independent Auditors' Report

continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

All audit procedures were conducted remotely by a UK audit team. We tested and examined information using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to form our own judgements.

The impact of climate risk on our audit

In planning our audit, we made enquiries of the Directors and the Investment Manager to understand the extent of the potential impact of climate change risk on the Company's financial statements. The Directors and Investment Manager concluded that the impact on the measurement and disclosures within the financial statements is not material because the Company's investment portfolio is made up of Level 1 quoted securities which are valued at fair value based on market prices. We found this to be consistent with our understanding of the Company's investment activities. We also considered the consistency of the Climate change disclosures included in the Strategic Report and Investment Manager Report with the financial statements and our knowledge from our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

Overall company materiality	£1.71 million (2021: £1.65 million).
How we determined it	approximately 1% of Net Assets
Rationale for benchmark applied	We believe that net assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark. This benchmark provides an appropriate and consistent year on year basis for our audit.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £1.28 million (2021: £1.23 million) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Management Engagement Committee that we would report to them misstatements identified during our audit above £85,000 (2021: £82,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

- evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats, including Russia's invasion of Ukraine, rise of inflation and the wider macroeconomic uncertainty;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and

- assessing the implication of significant reductions in NAV as a result of a severe but plausible downside scenarios in the market's performance on the ongoing ability of the Company to operate.

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 October 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate Governance Statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the Corporate Governance Statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;

- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;

- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;

- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and

Independent Auditors' Report

continued

- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

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

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;

- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and

- The section of the Annual Report describing the work of the Audit and Management Engagement Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of Section 1158 of the Corporation Tax Act 2010 (see page 48 of the Annual Report), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase net asset value. Audit procedures performed by the engagement team included:

- discussions with the Manager and the Audit and Management Engagement Committee, including consideration of known or suspected instances of non compliance with laws and regulation and fraud;

- understanding the controls implemented by the Company and the Fund Accountant designed to prevent and detect irregularities;

- assessment of the Company's compliance with the requirements of Section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;

- identifying and testing journal entries, in particular year end journal entries posted by the Fund Accountant during the preparation of the financial statements;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing for example, targeting transactions that otherwise would be immaterial; and
- reviewing relevant meeting minutes, including those of the Audit and Management Engagement Committee.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Management Engagement Committee, we were appointed by the Directors on 1 October 2014 to audit the financial statements for the year ended 31 October 2014 and subsequent financial periods. The period of total uninterrupted engagement is nine years, covering the years ended 31 October 2014 to 31 October 2022.

Allan McGrath (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

26 January 2023

Statement of Comprehensive Income

for the year ended 31 October 2022

		2022			2021		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments held at fair value through profit or loss	3	4,255	55	4,310	3,617	2	3,619
Other income	3	3	–	3	897	–	897
Total income		**4,258**	**55**	**4,313**	**4,514**	**2**	**4,516**
Net profit on investments and options held at fair value through profit or loss	10	–	10,423	10,423	–	42,989	42,989
Net loss on foreign exchange		–	(433)	(433)	–	(653)	(653)
Total		**4,258**	**10,045**	**14,303**	**4,514**	**42,338**	**46,852**
Expenses							
Investment management fee	4	(299)	(898)	(1,197)	(284)	(853)	(1,137)
Other operating expenses	5	(412)	2	(410)	(547)	(13)	(560)
Total operating expenses		**(711)**	**(896)**	**(1,607)**	**(831)**	**(866)**	**(1,697)**
Net profit on ordinary activities before finance costs and taxation		**3,547**	**9,149**	**12,696**	**3,683**	**41,472**	**45,155**
Finance costs	6	(17)	(52)	(69)	–	–	–
Net profit on ordinary activities before taxation		**3,530**	**9,097**	**12,627**	**3,683**	**41,472**	**45,155**
Taxation (charge)/credit	7	(449)	(8)	(457)	(435)	14	(421)
Profit for the year		**3,081**	**9,089**	**12,170**	**3,248**	**41,486**	**44,734**
Earnings per ordinary share (pence)	**9**	**3.84**	**11.33**	**15.17**	**4.06**	**51.84**	**55.90**

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

The Company does not have any other comprehensive income (31 October 2021: £nil). The net profit for the year disclosed above represents the Company's total comprehensive income.

The notes on pages 84 to 102 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 October 2022

	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the year ended 31 October 2022								
At 31 October 2021		1,004	44,873	1,460	38,090	79,369	538	165,334
Total comprehensive income:								
Net profit for the year		–	–	–	–	9,089	3,081	12,170
Transactions with owners, recorded directly to equity:								
Transfer of share premium to special reserve[1]		–	(44,873)	–	44,873	–	–	–
Dividends paid[2]	8	–	–	–	–	(3,518)	(2,900)	(6,418)
At 31 October 2022		**1,004**	**–**	**1,460**	**82,963**	**84,940**	**719**	**171,086**

	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the year ended 31 October 2021								
At 31 October 2020		1,004	44,533	1,460	37,839	38,222	3,352	126,410
Total comprehensive income:								
Net profit for the year		–	–	–	–	41,486	3,248	44,734
Transactions with owners, recorded directly to equity:								
Ordinary shares reissued from treasury		–	340	–	548	–	–	888
Share issue costs		–	–	–	(2)	–	–	(2)
Ordinary shares bought back into treasury		–	–	–	(294)	–	–	(294)
Share purchase costs		–	–	–	(1)	–	–	(1)
Dividends paid[3]	8	–	–	–	–	(339)	(6,062)	(6,401)
At 31 October 2021		**1,004**	**44,873**	**1,460**	**38,090**	**79,369**	**538**	**165,334**

1 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.

2 4th interim dividend of 2.00p per share for the year ended 31 October 2021, declared on 3 November 2021 and paid 4 January 2022; 1st interim dividend of 2.00p per share for the year ended 31 October 2022, declared on 22 March 2022 and paid on 29 April 2022; 2nd interim dividend of 2.00p per share for the year ended 31 October 2022, declared on 11 May 2022 and paid on 1 July 2022; and 3rd interim dividend of 2.00p per share for the year ended 31 October 2022, declared on 4 August 2022 and paid on 3 October 2022.

3 4th interim dividend of 2.00p per share for the year ended 31 October 2020, declared on 4 November 2020 and paid on 4 January 2021; 1st interim dividend of 2.00p per share for the year ended 31 October 2021, declared on 23 March 2021 and paid on 29 April 2021; 2nd interim dividend of 2.00p per share for the year ended 31 October 2021, declared on 5 May 2021 and paid on 2 July 2021; and 3rd interim dividend of 2.00p per share for the year ended 31 October 2021, declared on 5 August 2021 and paid on 1 October 2021.

For information on the Company's distributable reserves please refer to note 14 on pages 92 and 93.

The notes on pages 84 to 102 form part of these financial statements.

Statement of Financial Position

as at 31 October 2022

	Notes	2022 £'000	2021 £'000
Non current assets			
Investments held at fair value through profit or loss	10	175,425	164,971
Current assets			
Current tax asset		145	96
Other receivables	11	3,287	2,243
Cash and cash equivalents	15	58	1,240
Total current assets		**3,490**	**3,579**
Total assets		**178,915**	**168,550**
Current liabilities			
Current tax liability		(6)	–
Other payables	12	(3,969)	(3,216)
Bank overdraft	15	(3,854)	–
Total current liabilities		**(7,829)**	**(3,216)**
Net assets		**171,086**	**165,334**
Equity attributable to equity holders			
Called up share capital	13	1,004	1,004
Share premium account	14	–	44,873
Capital redemption reserve	14	1,460	1,460
Special reserve	14	82,963	38,090
Capital reserves	14	84,940	79,369
Revenue reserve	14	719	538
Total equity		**171,086**	**165,334**
Net asset value per ordinary share (pence)	**9**	**213.25**	**206.08**

The financial statements on pages 80 to 102 were approved and authorised for issue by the Board of Directors on 26 January 2023 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 84 to 102 form part of these financial statements.

Cash Flow Statement

for the year ended 31 October 2022

	2022 £'000	2021 £'000
Operating activities		
Net profit on ordinary activities before taxation	12,619	45,155
Add back finance costs	69	–
Net profit on investments and options held at fair value through profit or loss (including transaction costs)	(10,423)	(42,989)
Net loss on foreign exchange	433	653
Sales of investments held at fair value through profit or loss	107,169	199,237
Purchases of investments held at fair value through profit or loss	(107,200)	(202,133)
(Increase)/decrease in other receivables	(23)	35
(Decrease)/increase in other payables	(76)	143
Increase in amounts due from brokers	(1,021)	(1,514)
Increase in amounts due to brokers	829	1,656
Net cash inflow from operating activities before taxation	**2,376**	**243**
Taxation paid	(492)	(609)
Net cash inflow/(outflow) from operating activities	**1,884**	**(366)**
Financing activities		
Interest paid	(69)	–
Net cash proceeds from ordinary shares reissued from treasury	–	886
Net cash outflow from ordinary shares bought back into treasury	–	(295)
Dividends paid	(6,418)	(6,401)
Net cash outflow from financing activities	**(6,487)**	**(5,810)**
Decrease in cash and cash equivalents	**(4,603)**	**(6,176)**
Effect of foreign exchange rate changes	(433)	(653)
Change in cash and cash equivalents	**(5,036)**	**(6,829)**
Cash and cash equivalents at start of year	1,240	8,069
Cash and cash equivalents at end of year	**(3,796)**	**1,240**
Comprised of:		
Cash at bank	58	666
Bank overdraft	(3,854)	–
Cash Fund[1]	–	574
	(3,796)	**1,240**

[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 84 to 102 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 October 2022

1. Principal activity

The principal activity of the Company is that of an investment trust company within the meaning of Section 1158 of the Corporation Tax Act 2010. The Company was incorporated in England and Wales on 30 August 2012, and this is the tenth Annual Report.

2. Accounting policies

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

(a) Basis of preparation

On 31 December 2020, International Financial Reporting Standards (IFRS) as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The Company transitioned to UK-adopted International Accounting Standards in its financial statements with effect from 1 November 2021. There was no impact or changes in accounting policies from the transition.

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

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

Substantially, all of the assets of the Company consist of securities that are readily realisable and, accordingly, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future for the period to 31 January 2024, being a period of at least twelve months from the date of approval of the financial statements and therefore consider the going concern assumption to be appropriate. The Directors have reviewed the income and expense projections and the liquidity of the investment portfolio in making their assessment.

The Directors have considered the impact of climate change on the value of the investments included in the Financial Statements and have concluded that:

- there was no further impact of climate change to be considered as the investments are valued based on market pricing as required by IFRS 13; and
- the risk is adequately captured in the assumptions and inputs used in measurement of Level 3 assets, as noted in Note 15 of the Financial Statements.

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

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

Relevant International Accounting Standards that have yet to be adopted:

IFRS 17 – Insurance contracts (effective 1 January 2023). This standard replaces IFRS 4, which currently permits a wide range of accounting practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

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

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

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

(b) Presentation of the Statement of Comprehensive Income

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

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

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

Options may be purchased or written over securities held in the portfolio for generating or protecting capital returns, or for generating or maintaining revenue returns. Where the purpose of the option is the generation of income, the premium is treated as a revenue item. Where the purpose of the option is the maintenance of capital, the premium is treated as a capital item.

Option premium income is recognised as revenue evenly over the life of the option contract and included in the revenue account of the Statement of Comprehensive Income unless the option has been written for the maintenance and enhancement of the Company's investment portfolio and represents an incidental part of a larger capital transaction, in which case any premia arising are allocated to the capital account of the Statement of Comprehensive Income.

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

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

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

- expenses which are incidental to the acquisition or sale of an investment are charged to the capital account of the Statement of Comprehensive Income. Details of transaction costs on the purchases and sales of investments are disclosed within note 10 to the financial statements on page 91;

- expenses are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated;

- the investment management fee and finance costs have been allocated 75% to the capital account and 25% to the revenue account of the Statement of Comprehensive Income in line with the Board's expected long-term split of returns, in the form of capital gains and income, respectively, from the investment portfolio.

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

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

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

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

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

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

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

Notes to the Financial Statements

continued

2. Accounting policies continued

For all financial instruments not traded in an active market, the fair value is determined by using various valuation techniques. Valuation techniques include market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data where possible). See note 2(o) below.

(h) Options

Options are held at fair value through profit or loss based on the bid/offer prices of the options written to which the Company is exposed. The value of the option is subsequently marked-to-market to reflect the fair value through profit or loss of the option based on traded prices. Where the premium is taken to revenue, an appropriate amount is shown as capital return such that the total return reflects the overall change in the fair value of the option. When an option is exercised, the gain or loss is accounted for as a capital gain or loss. Any cost on closing out an option is transferred to revenue along with any remaining unamortised premium.

(i) Other receivables and other payables

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

(j) Dividends payable

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

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

(k) Foreign currency translation

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

(l) Cash and cash equivalents

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

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

(m) Bank borrowings

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

(n) Share repurchases and reissues

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

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

Where treasury shares are subsequently re-issued:

- amounts received to the extent of the repurchase price are credited to the special reserve and capital reserves based on a weighted average basis of amounts utilised from these reserves on repurchases; and

- any surplus received in excess of the repurchase price is taken to the share premium account.

Where new shares are issued, amounts received to the extent of any surplus received in excess of the par value are taken to the share premium account.

Share issue costs are charged to the share premium account. Costs on share reissues are charged to the special reserve and capital reserves.

(o) Critical accounting estimates and judgements

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

3. Income

	2022 £'000	2021 £'000
Investment income:		
UK dividends	234	297
Overseas dividends	3,926	3,228
Overseas special dividends	27	73
Overseas REIT dividends	68	19
Total investment income	**4,255**	**3,617**
Deposit interest	3	–
Option premium income	–	897
Total income	**4,258**	**4,514**

During the year, the Company received no option premium income in cash (31 October 2021: £585,000) for writing covered call options for the purposes of revenue generation.

Option premium income is amortised evenly over the life of the option contract and, accordingly, during the year no option premium (31 October 2021: £897,000) was amortised to revenue.

At 31 October 2022, there were no open positions or associated liability (31 October 2021: no open positions or associated liability).

There were no derivative transactions in 2022. All derivative transactions in 2021 were based on constituent stocks in the Russell 1000 Value Index.

Dividends and interest received in cash during the year amounted to £3,662,000 and £3,000 (31 October 2021: £3,127,000 and £nil).

Special dividends of £55,000 have been recognised in capital (31 October 2021: £2,000).

4. Investment management fee

		2022			2021	
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	299	898	1,197	284	853	1,137
Total	**299**	**898**	**1,197**	**284**	**853**	**1,137**

With effect from 30 July 2021, the investment management fee is payable in quarterly arrears, calculated at the rate of 0.70% of the Company's net assets. Up to 29 July 2021, the investment management fee was payable quarterly in arrears, calculated at the rate of 0.75% of the Company's net assets. The investment management fee is allocated 75% to the capital account and 25% to the revenue account.

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

Notes to the Financial Statements

continued

5. Other operating expenses

	2022 £'000	2021 £'000
Allocated to revenue:		
Custody fee	3	3
Auditors' remuneration – audit services[1]	38	38
Registrar's fee	32	32
Directors' emoluments[2]	165	164
Broker fees[3]	40	75
Depositary fees	16	14
Printing fees	32	44
Legal and professional fees	35	63
Marketing fees	49	37
AIC fees	11	9
FCA fees	9	8
Write back of prior year expenses[4]	(101)	–
Other administrative costs	83	60
	412	**547**
Allocated to capital:		
Custody transaction charges[5]	5	13
Write back of prior year expenses[5, 6]	(7)	–
	410	**560**
The Company's ongoing charges[7], calculated as a percentage of average daily net assets and using the management fee and all other operating expenses excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items were:	1.01%	1.06%

1 No non-audit services were provided by the Company's auditors (31 October 2021: none).

2 Further information on Directors' emoluments can be found in the Directors' Remuneration Report on page 53. The Company has no employees.

3 Relates to prior year printing fees, legal fees, Directors' emoluments, Employers' NI and Directors' expenses written back during the year (31 October 2021: no expenses were written back).

4 Broker fees for 2021 include a one off fee of £35,000 for advice on the change in the investment policy.

5 For the year ended 31 October 2022, an expense of £5,000 and write back of prior year accruals of £7,000 (31 October 2021: expense of £13,000) were charged to the capital account of the Statement of Comprehensive Income. These relate to transaction costs charged by the custodian on sale and purchase trades.

6 Relates to prior year accruals for custody transaction charges written back during the year.

7 Alternative Performance Measure, see Glossary on pages 129 and 130.

6. Finance costs

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest payable - bank overdraft	17	52	69	-	-	-
Total	**17**	**52**	**69**	**-**	**-**	**-**

7. Taxation

(a) Analysis of charge/(credit) in year

	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000
Current tax:						
Corporation tax	–	–	–	21	(21)	–
Double tax relief	–	–	–	(7)	7	–
Overseas tax	449	8	457	421	–	421
Total taxation charge/(credit) (note 6(b))	**449**	8	**457**	**435**	**(14)**	**421**

(b) Factors affecting total taxation charge/(credit) for the year

The taxation assessed for the year is lower (31 October 2021: lower) than the standard rate of corporation tax in the UK of 19.00% (31 October 2021: 19.00%). The differences are explained below:

	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000	2021 Revenue £'000	2021 Capital £'000	2021 Total £'000
Profit on ordinary activities before taxation	3,530	9,097	12,627	3,683	41,472	45,155
Tax on profit on ordinary activities at standard rate of corporation tax of 19.00% (2021: 19.00%)	671	1,728	2,399	700	7,880	8,580
Effects of:						
Non taxable UK dividend income	(44)	–	(44)	(57)	–	(57)
Non taxable overseas dividend income	(751)	–	(751)	(621)	–	(621)
Net profit on investments and options held at fair value through profit or loss	–	(1,986)	(1,986)	–	(8,167)	(8,167)
Foreign exchange loss	–	87	87	–	123	123
Double tax relief	–	–	–	(8)	7	(1)
Overseas tax	449	8	457	421	-	421
Disallowed expenses	–	–	–	–	2	2
Current period management expenses not utilised	122	161	283	–	141	141
Expense relief for overseas withholding tax	(2)	–	(2)	–	–	–
Movement in non-trade loan relationship deficit	4	10	14	–	–	–
	(222)	(1,720)	(1,942)	(265)	(7,894)	(8,159)
Total taxation charge/(credit) for the year (note 6(a))	**449**	**8**	**457**	**435**	**(14)**	**421**

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

At 31 October 2022 the Company had net surplus management expenses of £2,239,000 (31 October 2021: £743,000) and a non-trade loan relationship deficit of £73,000 (31 October 2021: £nil). A deferred tax asset has not been recognised in respect of these losses because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus management expenses. Accordingly, the deferred tax asset of £578,000 (31 October 2021: £186,000) has not been recognised as at 31 October 2022 which has been calculated based on a prospective corporation tax rate from 1 April 2023 of 25%, as enacted by the Finance Act 2021.

Notes to the Financial Statements
continued

8. Dividends

Dividends paid on equity shares	Record date	Payment date	2022 £'000	2021 £'000
4th interim dividend of 2.00p per share paid for the year ended 31 October 2021 (2020: 2.00p)	26 November 2021	4 January 2022	1,605	1,596
1st interim dividend of 2.00p per share paid for the year ended 31 October 2022 (2021: 2.00p)	1 April 2022	29 April 2022	1,605	1,596
2nd interim dividend of 2.00p per share paid for the year ended 31 October 2022 (2021: 2.00p)	20 May 2022	1 July 2022	1,604	1,605
3rd interim dividend of 2.00p per share paid for the year ended 31 October 2022 (2021: 2.00p)	19 August 2022	3 October 2022	1,604	1,604
Accounted for in the financial statements			**6,418**	**6,401**

The total dividends payable in respect of the year ended 31 October 2022 which form the basis of Section 1158 of the Corporation Tax Act 2010 and Section 833 of the Companies Act 2006, and the amounts declared, meet the relevant requirements as set out in this legislation.

Dividends paid or declared on equity shares:	2022 £'000	2021 £'000
1st interim dividend of 2.00p per share paid for the year ended 31 October 2022 (2021: 2.00p)	1,605	1,596
2nd interim dividend of 2.00p per share paid for the year ended 31 October 2022 (2021: 2.00p)	1,604	1,605
3rd interim dividend of 2.00p per share paid for the year ended 31 October 2022 (2021: 2.00p)	1,604	1,604
4th interim dividend of 2.00p per share payable on 3rd January 2023 for the year ended 31 October 2022[1] (2021: 2.00p)	1,604	1,605
	6,417	**6,410**

[1] Based on 80,229,044 ordinary shares in issue on 24 November 2022 (the ex-dividend date).

9. Earnings and net asset value per ordinary share

Total revenue, capital earnings and net asset value per ordinary share are shown below and have been calculated using the following:

	Year ended 31 October 2022	Year ended 31 October 2021
Net revenue profit attributable to ordinary shareholders (£'000)	3,081	3,248
Net capital profit attributable to ordinary shareholders (£'000)	9,089	41,486
Total profit attributable to ordinary shareholders (£'000)	**12,170**	**44,734**
Equity shareholders' funds (£'000)	**171,086**	**165,334**
The weighted average number of ordinary shares in issue during the year on which the earnings per ordinary share was calculated was:	80,229,044	80,031,140
The actual number of ordinary shares in issue at the year end on which the net asset value per ordinary share was calculated was:	80,229,044	80,229,044
Earnings per ordinary share		
Revenue earnings per share (pence) – basic and diluted	3.84	4.06
Capital earnings per share (pence) – basic and diluted	11.33	51.84
Total earnings per share (pence) – basic and diluted	**15.17**	**55.90**

	As at 31 October 2022	As at 31 October 2021
Net asset value per ordinary share (pence)	213.25	206.08
Ordinary share price (pence)	197.50	198.25

There were no dilutive securities at the year end.

10. Investments held at fair value through profit or loss

	2022 £'000	2021 £'000
UK listed equity investments held at fair value through profit or loss	13,750	5,716
Overseas listed equity investments held at fair value through profit or loss	161,675	159,255
Total value of financial asset investments at 31 October	**175,425**	**164,971**
Opening book cost of investments	147,994	128,244
Investment holding gains/(losses)	16,977	(9,158)
Opening fair value	164,971	119,086
Analysis of transactions made during the year:		
Purchases at cost	107,200	202,133
Sales proceeds received	(107,169)	(199,237)
Gain on investments	10,423	42,989
Closing fair value	175,425	164,971
Closing book cost of investments	163,587	147,994
Closing investment holding gains	11,838	16,977
Closing fair value	**175,425**	**164,971**
Comprising of:		
– Equity investments	175,425	164,971
Total	**175,425**	**164,971**

The Company received £107,169,000 (31 October 2021: £199,237,000) from investments sold in the year. The book cost of these investments when they were purchased was £91,607,000 (31 October 2021: £182,383,000). These investments have been revalued over time and until they were sold any unrealised gains/(losses) were included in the fair value of the investments.

During the year, transaction costs of £66,000 (31 October 2021: £103,000) were incurred on the acquisition of investments. Costs relating to the disposal of investments during the year amounted to £16,000 (31 October 2021: £39,000). All transaction costs have been included within the capital reserves.

11. Other receivables

	2022 £'000	2021 £'000
Amounts due from brokers	3,042	2,021
Prepayments and accrued income	245	222
	3,287	**2,243**

12. Other payables

	2022 £'000	2021 £'000
Amounts due to brokers	2,829	2,000
Accruals for expenses and interest payable	1,140	1,216
	3,969	**3,216**

Notes to the Financial Statements
continued

13. Called up share capital

	Ordinary shares in issue number	Treasury shares number	Total shares number	Nominal value £'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 1 pence each:				
At 31 October 2021	80,229,044	20,132,261	100,361,305	1,004
At 31 October 2022	**80,229,044**	**20,132,261**	**100,361,305**	**1,004**

During the year ended 31 October 2022, the Company reissued no (31 October 2021: 445,000) shares from treasury for a total consideration including costs of £nil (31 October 2021: £886,000).

The Company bought back and transferred no (31 October 2021: 190,000) shares into treasury for a total consideration including costs of £nil (31 October 2021: £295,000).

Since 31 October 2022 and up to the date of this report, no shares have been reissued from treasury and no shares have been bought back into treasury.

14. Reserves

			Distributable reserves			
	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve arising on investments sold £'000	Capital reserve arising on revaluation of investments held £'000	Revenue reserve £'000
At 31 October 2021	44,873	1,460	38,090	62,624	16,745	538
Movement during the year:						
Total comprehensive income/(loss):						
Net profit/(loss) for the year	–	–	–	14,154	(5,065)	3,081
Transactions with owners, recorded directly to equity:						
Transfer of share premium to special reserve[1]	(44,873)	–	44,873	–	–	–
Dividends paid	–	–	–	(3,518)	–	(2,900)
At 31 October 2022	**–**	**1,460**	**82,963**	**73,260**	**11,680**	**719**

1 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.

			Distributable reserves			
	Share premium account	Capital redemption reserve	Special reserve	Capital reserve arising on investments sold	Capital reserve arising on revaluation of investments held	Revenue reserve
	£'000	£'000	£'000	£'000	£'000	£'000
At 31 October 2020	44,533	1,460	37,839	47,280	(9,058)	3,352
Movement during the year:						
Total comprehensive income:						
Net profit for the year	–	–	–	15,683	25,803	3,248
Transactions with owners, recorded directly to equity:						
Ordinary shares reissued from treasury	340	–	548	–	–	–
Share issue costs	–	–	(2)	–	–	–
Ordinary shares bought back into treasury	–	–	(294)	–	–	–
Share purchase costs	–	–	(1)	–	–	–
Dividends paid	–	–	–	(339)	–	(6,062)
At 31 October 2021	**44,873**	**1,460**	**38,090**	**62,624**	**16,745**	**538**

The share premium account and capital redemption reserve are not distributable reserves under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable profits under the Companies Act 2006, the special reserve and capital reserves may be used as distributable reserves for all purposes and, in particular, the repurchase by the Company of its ordinary shares and for payments as dividends. In accordance with the Company's Articles of Association, the special reserve, capital reserves and the revenue reserve may be distributed by way of dividend. The gain on capital reserve arising on the revaluation of investments of £11,680,000 (31 October 2021: gain of £16,745,000) is subject to fair value movements and may not be readily realisable at short notice; as such any gains may not be entirely distributable. The investments are subject to financial risks; as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

15. Risk management policies and procedures

The Company's investment activities expose it to various types of risks which are associated with the financial instruments and markets in which it invests. The following information is not intended to be a comprehensive summary of all risks and shareholders should refer to the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at www.blackrock.com/uk/brsa for a more detailed discussion of the risks inherent in investing in the Company.

Risk management framework

The following information refers to the risk management framework of the Alternative Investment Fund Manager (AIFM). However, as disclosed in the Corporate Governance Statement on page 63 and in the Statement of Directors' Responsibilities on page 70, it is the ultimate responsibility of the Board to ensure that the Company's risks are appropriately monitored, and to the extent that elements of this are delegated to third party service providers, the Board is responsible for ensuring that the relevant parties are discharging their duties in accordance with the terms of the relevant agreements and taking appropriate action to the extent issues are identified.

The Directors of the AIFM review quarterly investment performance reports and receive semi-annual presentations in person from the Investment Manager covering the Company's performance and risk profile during the year. The AIFM has delegated the day-to-day administration of the investment programme to the Investment Manager. The Investment Manager is also responsible for ensuring that the Company is managed within the terms of its investment guidelines and limits set out in the Alternative Investment Fund Managers' Directive FUND 3.2.2R Disclosures which can be found at www.blackrock.com/uk/brsa.

Notes to the Financial Statements
continued

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

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

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

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

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

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

The one-day VaR as of 31 October 2022 and 31 October 2021 (based on a 99% confidence level) was 3.37% and 2.13%, respectively.

(i) Market risk arising from other price risk
Exposure to other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), 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.

The current environment of heightened geo-political risk given the war in Ukraine has undermined investor confidence and market direction. In addition to the tragic and devastating events in Ukraine, the war has constricted supplies of key commodities, pushing prices up and creating a level of market uncertainty and volatility which is likely to persist for some time.

The impact of the coronavirus outbreak was profound across all aspects of society. In developed economies, it is clear that the worst of the impact is now over. However, there is an expectation that seasonal peaks and new variants could give rise to renewed travel restrictions, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery and supply chain disruptions which will create ongoing challenges. Widescale and comprehensive vaccination programmes have been put in place by many countries which have had a positive effect. Nevertheless, the impact of COVID-19 continues to adversely affect the economies of many nations across the globe and this in turn may continue to impact investments held by the Company.

The Company is exposed to market price risk arising from its equity investments. The movements in the prices of these investments result in movements in the performance of the Company. Other price risk sensitivity has been covered by the VaR analysis under the market risk section above.

The Company's exposure to other changes in market prices at 31 October 2022 on its equity investments was £175,425,000 (31 October 2021: £164,971,000).

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

Use of derivatives
The Company may utilise both exchange traded and over-the-counter derivatives, including, but not limited to, options, as part of its investment policy. Options written by the Company provide the purchaser with the opportunity to purchase from or sell the Company the underlying asset at an agreed-upon value either on or before the expiration of the option. Options are generally settled on a net basis.

Concentration of exposure to market risks
An analysis of the Company's investment portfolio is shown on pages 23 and 24. At 31 October 2022, this shows that the majority of the portfolio is invested in the United States. Accordingly, there is a concentration of exposure to this country, though it is recognised that an investment's country of domicile or its listing does not necessarily equate to its exposure to the economic conditions in that country.

(ii) Market risk arising from foreign currency risk
Exposure to foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency sensitivity risk has been covered by the VaR analysis under the market risk section.

The fair values of the Company's monetary items which have foreign currency exposure at 31 October 2022 and 31 October 2021 are shown below. Where the Company's equity investments which are not monetary items are denominated in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	2022 US Dollar £'000	**2022 Other £'000**	**2021 US Dollar £'000**	**2021 Other £'000**
Receivables (due from brokers, dividends and other income receivable)	3,193	197	2,174	129
Cash and cash equivalents	–	–	606	–
Payables	(2,829)	–	(2,000)	–
Bank overdraft	(3,854)	–	–	–
Total foreign currency exposure on net monetary items	**(3,490)**	**197**	**780**	**129**
Investments at fair value through profit or loss	143,928	17,747	135,591	24,239
Total net foreign currency exposure	**140,438**	**17,944**	**136,371**	**24,368**

Notes to the Financial Statements
continued

15. Risk management policies and procedures continued

Management of foreign currency risk

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

The Investment Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the exchange rate to which the Company's assets, liabilities, income and expenses are exposed.

The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt. Derivative contracts are not used to hedge against exposure to foreign currency risk.

Consequently, the Company is exposed to risks that the exchange rate of its reporting currencies relative to other currencies may change in a manner which has an adverse effect on the value of the portion of the Company's assets which are denominated in currencies other than their own currencies.

(iii) Market risk arising from interest rate risk

Exposure to interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk specifically through its cash holdings and its borrowing facility for investment purposes. Interest rate movements may affect the level of income receivable from any cash at bank and on deposits. The effect of interest rate changes on the earnings of the companies held within the portfolio may have a significant impact on the valuation of the Company's investments. Interest rate sensitivity risk has been covered by the VaR analysis under the market risk section.

Interest rate exposure

The exposure at 31 October 2022 and 31 October 2021 of financial assets and liabilities to interest rate risk is shown by reference to:

- floating interest rates – when the interest rate is due to be re-set; and
- fixed interest rates – when the financial instrument is due for repayment.

	2022 Within one year £'000	2021 Within one year £'000
Exposure to floating interest rates:		
Cash and cash equivalents	58	1,240
Bank overdraft	(3,854)	-

The Company does not have any fixed rate exposure at 31 October 2022 or 31 October 2021.

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

2022	Interest received %	Interest paid %
US Dollar	0.881	2.087
Sterling	0.658	3.658

2021	Interest received %	Interest paid %
US Dollar	0.000	2.000
Sterling	0.000	1.000

Management of interest rate risk
The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions and borrowings under the overdraft facility.

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

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

The Company is exposed to counterparty credit risk from the parties with which it trades and will bear the risk of settlement default. Counterparty credit risk to the Company arises from transactions to purchase or sell equity investments.

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

Depositary
The Company's Depositary is The Bank of New York Mellon (International) Limited (BNYM or the Depositary) (S&P long-term credit rating as at 31 October 2022: AA- (31 October 2021: AA-)). The Company's listed investments are held on its behalf by The Bank of New York Mellon (International) Limited (BNYM) as the Company's custodian (as sub-delegated by the Depositary). All of the equity assets and cash of the Company are held within the custodial network of the global custodian appointed by the Depositary. Bankruptcy or insolvency of the Depositary/Custodian may cause the Company's rights with respect to its investments held by the Depositary/Custodian to be delayed or limited. The maximum exposure to this risk at 31 October 2022 is the total value of equity investments held with the Depositary/Custodian and cash and cash equivalents in the Statement of Financial Position.

In accordance with the requirements of the depositary agreement, the Depositary will ensure that any agents it appoints to assist in safekeeping the assets of the Company will segregate the assets of the Company. Thus, in the event of insolvency or bankruptcy of the Depositary, the Company's non-cash assets are segregated and this reduces counterparty credit risk. The Company will, however, be exposed to the counterparty credit risk of the Depositary in relation to the Company's cash held by the Depositary. In the event of the insolvency or bankruptcy of the Depositary, the Company will be treated as a general creditor of the Depositary in relation to cash holdings of the Company. The Board monitors the Company's risk by reviewing the custodian's internal control reports.

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

For a few markets that the Company invests in from time to time, although they operate on a delivery versus payment basis, there may be a very short time gap between stock delivery and payment, giving a potential rise to counterparty credit risk with the broker in relation to transactions awaiting settlement. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used for those markets. The Company monitors the credit rating and financial position of the broker used to further mitigate this risk.

Cash held by a counterparty is subject to the credit risk of the counterparty. The following table details the total number of counterparties to which the Company is exposed, the maximum exposure to any one counterparty, any collateral held by the Company against this exposure, the total exposure to all other counterparties and the lowest long-term credit rating of any one counterparty (or its ultimate parent if unrated).

	Total number of counterparties	Maximum exposure to any one counterparty[1] £'000	Total exposure to all other counterparties[1] £'000	Lowest credit rating of any one counterparty[2] £'000
2022	5	1,548	1,553	A-
2021	3	666	2,595	A-

1 Calculated on a net basis.
2 Standard & Poor's Ratings.

Notes to the Financial Statements
continued

15. Risk management policies and procedures continued
Receivables
Amounts due from brokers are disclosed on the Statement of Financial Position as receivables. The counterparties included in receivables are the same counterparties discussed previously under counterparty credit risk and subject to the same scrutiny by the BlackRock RQA Counterparty and Concentration Risk Team (RQA CCR). The Company monitors the ageing of receivables to mitigate the risk of debtor balances becoming overdue.

In summary, the exposure to credit risk at 31 October 2022 and 31 October 2021 was as follows:

	2022 3 months or less £'000	2021 3 months or less £'000
Cash and cash equivalents	58	1,240
Other receivables (amounts due from brokers, accrued income, dividends and interest receivable)	3,287	2,243
	3,345	**3,483**

Management of counterparty credit risk
Credit risk is monitored and managed by RQA CCR. The team is headed by BlackRock's Chief Credit Officer who reports to the Global Head of RQA. Credit authority resides with the Chief Credit Officer and selected team members to whom specific credit authority has been delegated. As such, counterparty approvals may be granted by the Chief Credit Officer, or by identified RQA Credit Risk Officers who have been formally delegated authority by the Chief Credit Officer.

The counterparty/credit risk is managed as follows:

- transactions are only entered into with those counterparties approved by RQA CCR, with a formal review carried out for each new counterparty and with counterparties selected by RQA CCR on the basis of a number of risk mitigation criteria designed to reduce the risk to the Company of default;

- the creditworthiness of financial institutions with whom cash is held is reviewed regularly by the RQA CCR team; and

- the RQA CCR team reviews the credit standard of the Company's brokers on a periodic basis and set limits on the amount that may be due from any one broker.

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

- the semi-annual report from the Depositary, which includes the results of periodic site visits to the Company's custodian where controls are reviewed and tested;

- the custodian's Service Organisation Control (SOC 1) reports which include a report by the custodian's auditors. This report sets out any exceptions or issues noted as a result of the auditors' review of the custodian's processes;

- the Manager's internal control reports which include a report by the Manager's auditors. This report sets out any exceptions or issues noted as a result of the auditors' review of the Manager's control processes; and

- in addition, the Depositary and the Manager report any significant breaches or issues arising to the Board as soon as these are identified.

There were no past due or impaired assets as of 31 October 2022 (31 October 2021: nil). The major counterparties engaged with the Company are all widely recognised and regulated entities.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. At the year end, the Company had an overdraft facility of the lower of £20.0 million or 20% of the Company's net assets (31 October 2021: lower of £20.0 million or 20% of the Company's net assets).

Liquidity risk exposure

The remaining undiscounted gross cash outflows of the financial liabilities as at 31 October 2022 and 31 October 2021, based on the earliest date on which payment can be required, were as follows:

	2022 3 months or less £'000	2021 3 months or less £'000
Amounts due to brokers, accruals and provisions	3,969	3,216
Bank overdraft	3,854	–
	7,823	**3,216**

Management of liquidity risk

Liquidity risk is minimised by holding sufficient liquid investments which can be readily realised to meet liquidity demands. Asset disposals may also be required to meet liquidity needs. However, the timely sale of trading positions can be impaired by many factors including decreased trading volume and increased price volatility. As a result, the Company may experience difficulties in disposing of assets to satisfy liquidity demands. Liquidity risk is not significant as the Company's assets are investments in listed securities that are readily realisable.

The Company's liquidity risk is managed on a daily basis by the Investment Manager in accordance with established policies and procedures in place. The Investment Manager reviews daily forward-looking cash reports which project cash obligations. These reports allow them to manage their obligations.

For the avoidance of doubt, none of the assets of the Company are subject to special liquidity arrangements.

(d) Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value (investments) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and bank overdrafts). IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note 2(g) to the Financial Statements on pages 83 and 84.

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

The fair value hierarchy has the following levels:

Level 1 – Quoted market price for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly 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.

Notes to the Financial Statements
continued

15. Risk management policies and procedures continued

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

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

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

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager.

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 at 31 October 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	175,425	–	–	175,425
	175,425	**–**	**–**	**175,425**

Financial assets at fair value through profit or loss at 31 October 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	164,971	–	–	164,971
	164,971	**–**	**–**	**164,971**

There were no transfers between levels of financial assets and financial liabilities during the year recorded at fair value as at 31 October 2022 and 31 October 2021. The Company did not hold any Level 3 securities throughout the financial year or as at 31 October 2022 (31 October 2021: nil).

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

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

- to ensure it will be able to continue as a going concern; and
- to provide an attractive level of income together with capital appreciation over the longer term in a manner consistent with the principles of sustainable investing.

This is to be achieved through an appropriate balance of equity capital and gearing. The Company operates a flexible gearing policy which depends on prevailing conditions.

The Company's total capital at 31 October 2022 was £171,086,000 (31 October 2021: £165,334,000), comprising a bank overdraft of £3,854,000 (31 October 2021: £nil) and equity shares, capital and reserves of £174,940,000 (31 October 2021: £165,334,000).

Under the terms of the overdraft facility agreement, the Company's total indebtedness shall at no time exceed 20% of the Company's net asset value.

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

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

The Company is subject to externally imposed capital requirements:

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

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

16. Related party disclosure

Directors' Emoluments

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

Disclosures of the Directors' interests in the ordinary shares of the Company and fees and expenses payable to the Directors are set out in the Directors' Remuneration Report on pages 55 and 57. At 31 October 2022, £14,000 (31 October 2021: £14,000) was outstanding in respect of Directors' fees.

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).

As at 31 October 2022

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.
1.8	n/a	n/a

As at 31 October 2021

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.
1.6	n/a	n/a

Notes to the Financial Statements
continued

17. Transactions with the Investment Manager and AIFM
BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed in the Directors' Report on pages 48 and 49.

The investment management fee due for the year ended 31 October 2022 amounted to £1,197,000 (31 October 2021: £1,137,000). At the year end, £899,000 was outstanding in respect of the management fee (31 October 2021: £876,000).

In addition to the above services, BIM (UK) has provided the Company with marketing services. The total fees paid or payable for these services for the year ended 31 October 2022 amounted to £49,000 excluding VAT (31 October 2021: £37,000). Marketing fees of £29,000 excluding VAT (31 October 2021: £29,000) were outstanding as at the year end.

The Company has no investment in the BlackRock Institutional Cash Series plc – US Dollar Liquid Environmentally Aware Fund (31 October 2021: £574,000) at the year end, 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.

18. Contingent liabilities
There were no contingent liabilities at 31 October 2022 (31 October 2021: nil).


PREMIUM QUALITY
FARMBRAND
GROUND BEEF
PATTIES
SEE
FARMBRAND
About Your Product
16 oz (1lb) Ground Beef
93% Lean / 7% Fat
Best By: March 22, 2022
Keep refridgerated
Always cook to 165 F
No Artificial Ingredients
Minimally Processed
Inspired Recipes
BURGER

Contents

Additional information

Within our materials holdings, packaging manufacturer Sealed Air has pledged to have 100% recyclable/ reusable solutions and 50% average recycled/renewable content by 2025, which is well ahead of peers.

PHOTO COURTESY OF SEALED AIR CORPORATION

Shareholder information

Financial calendar

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

January/February	Annual results and Annual Report and Financial Statements published.
March	Annual General Meeting.
June	Half Yearly figures announced and Half Yearly Financial Report published.

Quarterly dividends

Dividends are paid quarterly as follows:

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

Payment of dividends

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

Dividend reinvestment plan (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 investorcentre.co.uk, or by telephone on 0370 873 5879. Shareholders who have already opted to have their dividends reinvested do not need to reapply.

Share prices

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

Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio is currently £2,000, reducing to £1,000 from 6 April 2023 and then £500 from 6 April 2024. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances.

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

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

Share dealing

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

CREST

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

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

Risk factors

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

Electronic proxy voting

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

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

Nominee code

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

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

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

Publication of net asset value/portfolio analysis

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

The daily NAV and monthly information are released through the London Stock Exchange's Regulatory News Service and are available on the BlackRock website at www.blackrock.com/uk/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 Saving Account (ISA)

ISAs are a tax-efficient method of investment and the Company's shares are eligible investments for inclusion within stocks and shares Individual Savings Accounts. In the 2022/2023 tax year investors have an annual ISA allowance of £20,000 (2021/2022: £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 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 investorcentre.co.uk. Alternatively, please contact the registrar on 0370 873 5879.

Shareholder information
continued

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

Analysis of ordinary shareholders

as at 31 October 2022

By type of holder

	Number of holders	% of total 2022	% of total 2021	Number of shares	% of total 2022	% of total 2021
Individuals	56	19.7	9.4	1,222,959	1.5	1.6
Bank or Nominees	215	75.7	88.3	77,401,700	96.5	96.4
Investment Trust	2	0.7	0.3	1,073,073	1.3	1.4
Insurance Company	1	0.4	0.2	152,445	0.2	0.1
Other Company	7	2.5	1.1	333,286	0.4	0.4
Pension Trust	1	0.3	0.2	1	0.0	0.0
Other Corporate Body	2	0.7	0.5	45,580	0.1	0.1
	284	**100.0**	**100.0**	**80,229,044**	**100.0**	**100.0**

By size of holding

Range	Number of holders	% of total 2022	% of total 2021	Number of shares	% of total 2022	% of total 2021
1-10,000	86	30.3	56.7	311,111	0.4	1.9
10,001-100,000	108	38.0	29.0	4,097,802	5.1	6.7
100,001-1,000,000	71	25.0	11.5	26,665,517	33.2	34.3
1,000,001-5,000,000	18	6.3	2.6	39,825,846	49.7	45.4
5,000,000 and above	1	0.4	0.2	9,328,768	11.6	11.7
	284	**100.0**	**100.0**	**80,229,044**	**100.0**	**100.0**

Excludes treasury shares of 20,132,261.

Historical record

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

Management and other service providers

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

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

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

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

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

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Stockbroker
Cenkos Securities plc[1]
6.7.8 Tokenhouse Yard
London EC2R 7AS

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

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

AIFM Report on Remuneration

(unaudited)

The below disclosures are made in respect of the remuneration policies of the BlackRock group (BlackRock), as they apply to BlackRock Fund Managers Limited (the Manager). The disclosures are made in accordance with the provisions in the UK implementing the Alternative Investment Fund Managers Directive (the AIFMD), the European Commission Delegated Regulation supplementing the AIFMD (the Delegated Regulation) and the "Guidelines on sound remuneration policies under the AIFMD" issued by the European Securities and Markets Authority.

The BlackRock AIFM Remuneration Policy (the AIFM Remuneration Policy) will apply to the EEA entities within the BlackRock group authorised as a manager of alternative investment funds in accordance with the AIFMD and will ensure compliance with the requirements of Annex II of the AIFMD and to UK entities within the BlackRock group authorised as a manager of a UK alternative investment fund in accordance with the AIFMD as implemented, retained and onshored in the UK.

The Manager has adopted the AIFM Remuneration Policy, a summary of which is set out below.

Remuneration Governance

BlackRock's remuneration governance in EMEA operates as a tiered structure which includes: (a) the Management Development and Compensation Committee (MDCC) (which is the global, independent remuneration committee for BlackRock, Inc.) and (b) the Manager's board of directors (the Manager's Board). These bodies are responsible for the determination of BlackRock's remuneration policies.

(a) MDCC

The MDCC's purposes include:

- providing oversight of:
  - BlackRock's executive compensation programmes;
  - BlackRock's employee benefit plans; and
  - such other compensation plans as may be established by BlackRock from time to time for which the MDCC is deemed as administrator;
- reviewing and discussing the compensation discussion and analysis included in the BlackRock, Inc. annual proxy statement with management and approving the MDCC's report for inclusion in the proxy statement;
- reviewing, assessing and making reports and recommendations to the BlackRock, Inc. Board of Directors (the BlackRock, Inc. Board) as appropriate on BlackRock's talent development and succession planning, with the emphasis on performance and succession at the highest management levels; and
- supporting the boards of the Company's EMEA regulated entities in meeting their remuneration-related obligations by overseeing the design and implementation of EMEA remuneration policy in accordance with applicable regulations.

The MDCC directly retains its own independent compensation consultant, Semler Brossy Consulting Group LLC, who has no relationship with BlackRock Inc. or the BlackRock, Inc. Board that would interfere with its ability to provide independent advice to the MDCC on compensation matters.

The BlackRock, Inc. Board has determined that all of the members of the MDCC are "independent" within the meaning of the listing standards of the New York Stock Exchange (NYSE), which requires each meet a "non-employee director" standard.

The MDCC held 8 meetings during 2021. The MDCC charter is available on BlackRock, Inc.'s website (www.blackrock.com).

(b) The Manager's Board

The Manager's Board has the task of supervising and providing oversight of the AIFM Remuneration Policy as it applies to the Manager and its Identified Staff.

Decision-making process

Remuneration decisions for employees are made once annually in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for remuneration decision-making is tied to financial performance, significant discretion is used to determine individual variable remuneration based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual remuneration amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award. The variable remuneration awarded to any individual(s) for a particular performance year may also be zero.

Annual incentive awards are paid from a bonus pool.

The size of the projected bonus pool, including cash and equity awards, is reviewed throughout the year by the MDCC and the final total bonus pool is approved after year-end. As part of this review, the MDCC receives actual and projected financial information over the course of the year as well as final year-end information. The financial information that the MDCC receives and considers includes the current year projected income statement and other financial measures compared with prior year results and the current year budget. The MDCC additionally reviews other metrics of BlackRock's financial performance (e.g., net inflows of AUM and investment performance) as well as information regarding market conditions and competitive compensation levels.

The MDCC regularly considers management's recommendation as to the percentage of preincentive operating income that will be accrued and reflected as a compensation expense throughout the year for the cash portion of the total annual bonus pool (the accrual rate). The accrual rate of the cash portion of the total annual bonus pool may be modified by the MDCC during the year based on its review of the financial information described above. The MDCC does not apply any particular weighting or formula to the information it considers when determining the size of the total bonus pool or the accruals made for the cash portion of the total bonus pool.

Following the end of the performance year, the MDCC approves the final bonus pool amount.

As part of the year-end review process the Enterprise Risk and Regulatory Compliance departments report to the MDCC on any activities, incidents or events that warrant consideration in making compensation decisions.

Individuals are not involved in setting their own remuneration.

Control functions

Each of the control functions (Enterprise Risk, Legal & Compliance, and Internal Audit) has its own organisational structure which is independent of the business units. The head of each control function is either a member of the Global Executive Committee (GEC), the global management committee, or has a reporting obligation to the board of directors of BlackRock Group Limited, the parent company of all of BlackRock's EMEA regulated entities, including the Manager.

Functional bonus pools are determined with reference to the performance of each individual function. The remuneration of the senior members of control functions is directly overseen by the MDCC.

Link between pay and performance

There is a clear and well defined pay-for-performance philosophy and compensation programmes which are designed to meet the following key objectives as detailed below:

- appropriately balance BlackRock's financial results between shareholders and employees;
- attract, retain and motivate employees capable of making significant contributions to the long-term success of the business;
- align the interests of senior employees with those of shareholders by awarding BlackRock Inc.'s stock as a significant part of both annual and long-term incentive awards;
- control fixed costs by ensuring that compensation expense varies with profitability;
- link a significant portion of an employee's total compensation to the financial and operational performance of the business;
- promote sound and effective risk management across all risk categories, including sustainability risk;
- discourage excessive risk-taking (sustainability related or otherwise); and
- ensure that client interests are not negatively impacted by remuneration awarded on a short-term, mid-term and/or long-term basis.

Driving a high-performance culture is dependent on the ability to measure performance against objectives, values and behaviours in a clear and consistent way. Managers use a 5-point rating scale to provide an overall assessment of an employee's performance, and employees also provide a self-evaluation. The overall, final rating is reconciled during each employee's performance appraisal. Employees are assessed on the manner in which performance is attained as well as the absolute performance itself.

In keeping with the pay-for-performance philosophy, ratings are used to differentiate and reward individual performance – but don't pre-determine compensation outcomes. Compensation decisions remain discretionary and are made as part of the year-end compensation process.

When setting remuneration levels other factors are considered, as well as individual performance, which may include:

- the performance of the Manager, the funds managed by the Manager and/or the relevant functional department;
- factors relevant to an employee individually; relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business;
- the management of risk within the risk profiles appropriate for BlackRock's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

AIFM Report on Remuneration

continued

A primary product tool is risk management and, while employees are compensated for strong performance in their management of client assets, they are required to manage risk within the risk profiles appropriate for their clients. Therefore, employees are not rewarded for engaging in high-risk transactions outside of established parameters. Remuneration practices do not provide undue incentives for short-term planning or short-term financial rewards, do not reward unreasonable risk and provide a reasonable balance between the many and substantial risks inherent within the business of investment management, risk management and advisory services.

BlackRock operates a total compensation model for remuneration which includes a base salary, which is contractual, and a discretionary bonus scheme.

BlackRock operates an annual discretionary bonus scheme. Although all employees are eligible to be considered for a discretionary bonus, there is no contractual obligation to make any award to an employee under its discretionary bonus scheme. In exercising discretion to award a discretionary bonus, the factors listed above (under the heading "Link between pay and performance") may be taken into account in addition to any other matters which become relevant to the exercise of discretion in the course of the performance year.

Discretionary bonus awards for all employees, including executive officers, are subject to a guideline that determines the portion paid in cash and the portion paid in BlackRock, Inc. stock and subject to additional vesting/clawback conditions. Stock awards are subject to further performance adjustment through variation in BlackRock, Inc.'s share price over the vesting period. As total annual compensation increases, a greater portion is deferred into stock. The MDCC adopted this approach in 2006 to substantially increase the retention value and shareholder alignment of the compensation package for eligible employees, including the executive officers. The portion deferred into stock vests into three equal instalments over the three years following grant.

Supplementary to the annual discretionary bonus as described above, equity awards may be made to select individuals to provide greater linkage with future business results. These long-term incentive awards have been established individually to provide meaningful incentive for continued performance over a multi-year period recognising the scope of the individual's role, business expertise and leadership skills.

Selected senior leaders are eligible to receive performance-adjusted equity-based awards from the "BlackRock Performance Incentive Plan" (BPIP). Awards made from the BPIP have a three-year performance period based on a measurement of As Adjusted Operating Margin[1] and Organic Revenue Growth[2]. Determination of pay-out will be made based on the firm's achievement relative to target financial results at the conclusion of the performance period. The maximum number of shares that can be earned is 165% of the award in those situations where both metrics achieve pre-determined financial targets. No shares will be earned where the firm's financial performance in both of the above metrics is below a pre-determined performance threshold. These metrics have been selected as key measures of shareholder value which endure across market cycles.

A limited number of investment professionals have a portion of their annual discretionary bonus (as described above) awarded as deferred cash that notionally tracks investment in selected products managed by the employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products. Clients and external evaluators have increasingly viewed more favourably those products where key investors have "skin in the game" through significant personal investments.

Identified Staff

The AIFM Remuneration Policy sets out the process that will be applied to identify staff as Identified Staff, being categories of staff of the Manager, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages.

The list of Identified Staff will be subject to regular review, being formally reviewed in the event of, but not limited to:

- organisational changes;
- new business initiatives;
- changes in significant influence function lists;
- changes in role responsibilities; and
- revised regulatory direction.

Quantitative Remuneration Disclosure

The Manager is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with BlackRock's interpretation of currently available regulatory guidance on quantitative remuneration disclosures. As market or regulatory practice develops BlackRock may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made, this may result in disclosures in relation to a fund not being comparable to the disclosures made in the prior year, or in relation to other BlackRock fund disclosures in that same year.

[1] As Adjusted Operating Margin: As reported in BlackRock's external filings, reflects adjusted Operating Income divided by Total Revenue net of distribution and servicing expenses and amortisation of deferred sales commissions.

[2] Organic Revenue Growth: Equal to net new base fees plus net new Aladdin revenue generated in the year (in dollars).

Disclosures are provided in relation to (a) the staff of the Manager; (b) staff who are senior management; and (c) staff who have the ability to materially affect the risk profile of the Fund, including individuals who, although not directly employed by the Manager, are assigned by their employer to carry out services directly for the Manager.

All individuals included in the aggregated figures disclosed are rewarded in line with BlackRock's remuneration policy for their responsibilities across the relevant BlackRock business area. As all individuals have a number of areas of responsibilities, only the portion of remuneration for those individuals' services attributable to the Fund is included in the aggregate figures disclosed.

Members of staff and senior management of the Manager typically provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of the Manager and across the broader BlackRock group. Therefore, the figures disclosed are a sum of each individual's portion of remuneration attributable to the Manager according to an objective apportionment methodology which acknowledges the multiple-service nature of the Manager. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Manager's AIFMD-related business in respect of the Manager's financial year ending 31 December 2021 is £79.7 million. This figure is comprised of fixed remuneration of £1.6 million and variable remuneration of £78.1 million. There were a total of 67 beneficiaries of the remuneration described above.

The amount of the aggregate remuneration awarded by the Manager, which has been attributed to the Manager's AIFMD-related business in respect of the Manager's financial year ending 31 December 2021, to its senior management was £0.1 million, and to members of its staff whose actions have a material impact on the risk profile of the Manager's AIFMD-related business was £79.6 million.

Other AIFMD disclosures
(unaudited)

Quantitative remuneration disclosures
Disclosures in accordance with FUND 3.3.5, Article 22(2) e and 22(2)f of the AIFMD and Article 107 of the Delegated Regulation are disclosed on the previous pages.

Leverage
The Company may employ leverage and borrow cash in accordance with its stated investment policy or investment strategy. The Company may also employ leverage in its investment programme through foreign exchange forward contracts. The use of borrowings and leverage has attendant risks and can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject.

Consistent with its investment objectives and policy, the Company may utilise a variety of exchange traded and over-the-counter (OTC) derivative instruments such as covered call options as part of its investment policy. The use of derivatives may expose the Company to a higher degree of risk. No derivatives were used for leverage purposes during the year.

For the purposes of this disclosure, leverage is any method by which the Company's exposure is increased, whether through borrowing of cash or securities, or leverage embedded in foreign exchange forward contracts or by any other means. The AIFMD requires that each leverage ratio be expressed as the ratio between a Company's exposure and its NAV, and prescribes two required methodologies, the gross methodology and the commitment methodology (as set out in AIFMD Level 2 Implementation Guidance), for calculating such exposure.

Using the methodologies prescribed under the AIFMD, the leverage of the Company is disclosed in the table below:

	Commitment leverage as at 31 October 2022	**Gross leverage as at 31 October 2022**
Leverage ratio	1.00	1.00

Other risk disclosures
The financial risk disclosures relating to risk framework and liquidity risk are set out in note 15 to the Notes to the Financial Statements.

Pre investment disclosures
The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the Annual Report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management fees, conflicts of interest and other shareholder information is available on the website at www.blackrock.com/uk/brsa.

There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
26 January 2023

Sustainability-related disclosures
(unaudited)

Glossary and key definitions
The periodic report disclosures set out below are presented for the year ended 31 October 2022, the “reference period”.

All data presented for the Company’s investments and other quantitative measures disclosed has been calculated based on an average of the value of investments traded and held at each quarter end date within the reference period for which the Company met the criteria of an Article 8 Fund. For metrics that are presented with sustainability indicators, the relevant metric calculation relates to the investments for which the underlying ESG data is available, rather than all investments held by the Company.

All such data presented is unaudited and was not subject to an assurance provided by the Company’s auditor or a review by a third party.

The term “Assets” shall be deemed to mean the total value of investments held by the Company throughout the reference period.

Investments shall include cash and cash equivalents as set out by Article 53 of the regulatory technical standards under the Delegated Regulation (EU) 2022/1288. However, IFRS requires such cash and cash equivalents to be treated separately. Therefore, there will be a difference in presentation for the purposes of the overall annual report.

SFDR Reporting Disclaimer
Certain information set out below (the “Information”) has been provided by vendors of market data to BlackRock (some of whom may be Registered Investment Advisors under the Investment Advisers Act of 1940), each, an “Information Provider”, and it may not be reproduced or disseminated in whole or in part without prior written permission of such Information Provider. The Information has not been submitted to, nor received approval from, the US SEC or any other regulatory body. The Information may not be used to create any derivative works, or in connection with, nor does it constitute, an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. The Information is provided “as is” and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. The Information Provider’s makes no representations or express or implied warranties (which are expressly disclaimed), nor shall they incur liability for any errors or omissions in the Information, or for any damages related thereto. The foregoing shall not exclude or limit any liability that may not be excluded or limited by applicable law. Information Providers shall be deemed to be third party beneficiaries with respect to the terms of this paragraph, entitled to enforce such terms against any third party.

Sustainability-related disclosures (unaudited) continued

Periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:
BlackRock Sustainable American Income Trust plc

Legal entity identifier:
549300WWOCXSC241W468

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ Yes	☑ No
☐ It made **sustainable investments with an environmental objective:___%**	☐ It **promoted Environmental/ Social (E/S)** characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:___%**	☑ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The following table lists the environmental and social characteristics which were promoted by the Company throughout the reference period. Further information on these environmental and social characteristics is outlined in the Company's prospectus. Please refer to the section below, "How did the sustainability indicators perform?", which provides information about the extent that the Company met such environmental and social characteristics.

Environmental and social characteristics promoted by the Company
Exclusion of issuers which are engaged in, or are otherwise exposed to, the production of controversial weapons (including, but not limited to, cluster munitions, biological chemical, landmines, depleted uranium, blinding laser, non-detectable fragments and/or incendiary weapons).
Exclusion of issuers deriving any revenue from direct involvement in the production of nuclear weapons or nuclear weapon components or delivery platforms, or the provision of auxiliary services related to nuclear weapons.
Exclusion of issuers deriving more than 5% of their revenue from thermal coal extraction and/or thermal coal-based power generation, with the exception of "green bonds", that are considered to comply with the International Capital Markets Association's Green Bond Principles, from such issuers.
Exclusion of issuers deriving more than 5% of their revenue from the production and generation of tar sands (also known as oil sands).
Exclusion of issuers which produce tobacco products.
Exclusion of issuers which derive more than 5% of their revenue from the production, distribution, retail and supply of tobacco-related products.
Exclusion of issuers which produce firearms and/or small arms ammunition intended for retail to civilians.
Exclusion of issuers which derive more than 5% of their revenue from the distribution (wholesale or retail) of firearms and/or small arms ammunition intended for civilian use.
Exclusion of issuers which have been deemed to have failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anticorruption).
Improvement of ESG Adjusted Score relative to the Russell 1000 Value Index
Reduction of Carbon Emission Intensity relative to the Russell 1000 Value Index

Sustainability-related disclosures
(unaudited) continued

- **How did the sustainability indicators perform?**
  The following table provides information about the performance of the sustainability indicators used to measure the attainment of each of the environmental and social characteristics promoted by the Company, as further detailed in the Company's prospectus.

Sustainability Indicator	Metric	Performance for the period under review
Exclusion of issuers which are engaged in, or are otherwise exposed to, the production of controversial weapons (including, but not limited to, cluster munitions, biological chemical, landmines, depleted uranium, blinding laser, non-detectable fragments and/or incendiary weapons).	# of Active Breaches reported	No Active Breaches
Exclusion of issuers deriving any revenue from direct involvement in the production of nuclear weapons or nuclear weapon components or delivery platforms, or the provision of auxiliary services related to nuclear weapons.	# of Active Breaches reported	No Active Breaches
Exclusion of issuers deriving more than 5% of their revenue from thermal coal extraction and/or thermal coal-based power generation, with the exception of "green bonds", that are considered to comply with the International Capital Markets Association's Green Bond Principles, from such issuers.	# of Active Breaches reported	No Active Breaches
Exclusion of issuers deriving more than 5% of their revenue from the production and generation of tar sands (also known as oil sands).	# of Active Breaches reported	No Active Breaches
Exclusion of issuers which produce tobacco products.	# of Active Breaches reported	No Active Breaches
Exclusion of issuers which derive more than 5% of their revenue from the production, distribution, retail and supply of tobacco-related products.	# of Active Breaches reported	No Active Breaches
Exclusion of issuers which produce firearms and/or small arms ammunition intended for retail to civilians.	# of Active Breaches reported	No Active Breaches
Exclusion of issuers which derive more than 5% of their revenue from the distribution (wholesale or retail) of firearms and/or small arms ammunition intended for civilian use.	# of Active Breaches reported	No Active Breaches
Exclusion of issuers which have been deemed to have failed to comply with UN Global Compact Principles (which cover human rights, labour standards, the environment and anticorruption).	# of Active Breaches reported	No Active Breaches
Improvement of ESG Adjusted Score relative to the Russell 1000 Value Index	ESG Adjusted Score relative to the Russell 1000 Value Index	14.97%
Reduction of Carbon Emission Intensity relative to the Russell 1000 Value Index	% reduction of Carbon Emissions Intensity (estimated Scope 1 and Scope 2 greenhouse gas emissions per US$1 million of sales revenue) relative to the Russell 1000 Value Index	(49.80)%

- **…and compared to previous periods?**
  As this is the first reference period that the periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 are effective, no comparatives are presented.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**
  This section is not applicable for this Company as it did not commit to holding sustainable investments during the reference period, however, certain sustainable investments may form part of the Company's investments portfolio.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**
  This section is not applicable for this Company as it did not commit to holding sustainable investments during the reference period, however, certain sustainable investments may form part of the Company's investment portfolio.

Principal adverse impacts (PAI) are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

– **How were the indicators for adverse impacts on sustainability factors taken into account?**
  This section is not applicable for this Company as it did not commit to holding sustainable investments during the reference period, however, certain sustainable investments may form part of the Company's investment portfolio. Please refer to the section below, "How did this financial product consider principal adverse impacts on sustainability factors?", which describes how the Company considered PAIs on sustainability factors.

– **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**
  This section is not applicable for this Company as it did not commit to holding sustainable investments during the reference period, however, certain sustainable investments may form part of the Company's investment portfolio.

The EU Taxonomy sets out a "do not significantly harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significantly harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Sustainability-related disclosures
(unaudited) continued

How did this financial product consider principal adverse impacts on sustainability factors?

The following table provides information about the impact of the principal adverse sustainability indicators taken into consideration by this Company. The Company considered the impact of the principal adverse sustainability indicators through the application of these minimum ESG and exclusionary criteria. The Investment Manager has determined that those PAIs marked in the table below as “F” are fully considered or “P” are partially considered, as part of the investment selection criteria.

	Sustainability indicators				
Adverse Sustainability Indicator	**Exclusion of issuers which are exposed to the production of controversial weapons (nuclear, cluster munitions, biological-chemical, landmine, depleted uranium, or incendiary weapons)**	**Exclusion of issuers deriving more than 5% of their revenue from the production and generation of tar sands (also known as oil sands)**	**Exclusion of issuers deriving more than 5% of their revenue from thermal coal extraction and/or thermal coal-based power generation, with the exception of “green bonds”, that are considered to comply with the International Capital Markets Association’s Green Bond Principles, from such issuers**	**Exclusion of issuers have been involved in violations of the UN Global Compact as determined by MSCI or such other external ESG research provider used by the Investment Manager from time to time**	**Reduction of Carbon Emission Intensity relative to the Russell 1000 Value Index**
Greenhouse gas (GHG) emissions					P
GHG intensity of investee companies					P
Exposure to companies active in the fossil fuel sector		P	P		
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises				P	
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	F				

What were the top investments of this financial product?

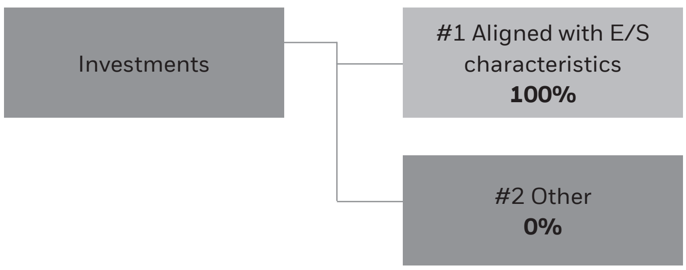
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: From 1 November 2021 to 31 October 2022.

Largest investments	Sector	% Assets	Country
Cisco Systems Inc.	Information Technology	3.12%	United States
Astrazeneca plc	Health Care	3.11%	United Kingdom
Sanofi SA	Health Care	3.00%	France
Verizon Communications Inc.	Communication	2.97%	United States
Wells Fargo	Financials	2.82%	United States
Laboratory Corporation of America	Health Care	2.60%	United States
Cognizant Technology Solutions	Info Tech	2.58%	United States
Cigna Corp	Health Care	2.54%	United States
Pepsico Inc.	Consumer Staples	2.52%	United States
American International Group Inc.	Financials	2.47%	United States
Willis Towers Watson plc.	Financials	2.46%	United Kingdom
Sempra	Utilities	2.45%	United States
Citigroup Inc.	Financials	2.44%	United States
Komatsu Ltd.	Industrials	2.41%	Japan
Comerica Inc.	Financials	2.36%	United States

What was the proportion of sustainability-related investments?

- **What was the asset allocation?**

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Sustainability-related disclosures

(unaudited) continued

- **In which economic sectors were the investments made?**
  The following table details the economic sectors that the Company was exposed to during the reference period.

Sector	Sub-Sector	% of Investments
Health Care	Health Care Equipment & Services	12.36%
Financials	Banks	10.20%
Information Technology	Software & Services	9.78%
Financials	Insurance	7.49%
Health Care	Pharma, Biotech & Life Sciences	6.75%
Energy	Oil & Gas Exploration & Production	6.32%
Materials	Materials	5.71%
Consumer Discretionary	Consumer Durables	5.29%
Communication	Telecom	5.01%
Utilities	Utilities	4.88%
Financials	Diversified Financials	4.37%
Consumer Staples	Food Beverage & Tobacco	3.43%
Industrials	Capital Goods	2.92%
Consumer Discretionary	Autos & Components	2.84%
Consumer Discretionary	Retailing	1.85%
Industrials	Transportation	1.78%
Consumer Staples	Household & Personal Prod	1.68%
Information Technology	Tech Hardware & Equipment	1.30%
Real Estate	Real Estate	1.13%
Energy	Integrated Oil & Gas	0.64%
Energy	Oil & Gas Storage & Transportation	0.47%

During the reference period, none of the Company's investments were held in the following sub-sectors (as defined by the Global Industry Classification System): oil and gas drilling, oil and gas equipment services, oil and gas refining and marketing, oil and gas equipment services or coal and consumable fuels.

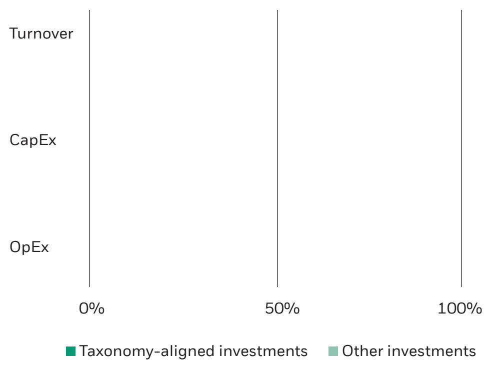
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

For the reference period, 0% of the Company's investments were aligned with EU Taxonomy.

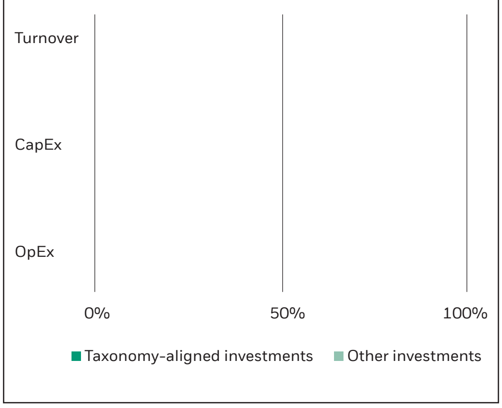
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



* For the purpose of these graphs, 'sovereigns bonds' consist of all sovereign exposures.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **What was the share of investments made in transitional and enabling activities?**
  For the reference period, 0% of the Company's investments in transitional and enabling activities.

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
  As this is the first reference period that the periodic disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 are effective, no comparatives are presented.

*Sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments* with an environmental objective not aligned with the EU Taxonomy?

This section is not applicable for this Company as it did not commit to holding sustainable investments during the reference period, however, certain sustainable investments may form part of the Company's investment portfolio.

What was the share of socially sustainable investments?

This section is not applicable for this Company as it did not commit to holding sustainable investments during the reference period, however, certain sustainable investments may form part of the Company's investment portfolio.

What investments were included under "Other", what was their purpose and were there any minimum environmental or social safeguards?

This section is not applicable for this Company as it did not hold any investments under "#2 Other".

Sustainability-related disclosures

(unaudited) continued

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Investment Manager has implemented internal quality controls such as compliance rule coding to ensure compliance with the environmental and social characteristics promoted by the Company. The Investment Manager regularly reviews the environmental and social characteristics of the Company to ensure that they are still appropriate.

Where issuers are identified as potentially having issues with regards to good governance, the issuers are reviewed to ensure that, where the Investment Manager agrees with this external assessment, the Investment Manager is satisfied that the issuer has either taken remediation actions or will take remedial actions within a reasonable time frame based on the Investment Manager's direct engagement with the issuer. The Investment Manager may also decide to reduce exposure to such issuers.

The Shareholders Rights Directive II aims to strengthen the position of shareholders, enhance transparency and reduce excessive risk within companies traded on regulated EU marketplaces. Further details regarding the Shareholders Rights Directive II are available on BlackRock's website at: https://www.blackrock.com/uk/professionals/solutions/shareholder-rights-directive.

Reference benchmarks are indexes to measure whether the financial products attain the environmental or social characteristics that they promote.

How did this financial product perform compared to the reference benchmark?

For the reference period, an index has not been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the Company, therefore this section is not applicable. Please note that the Russell 1000 Value Index is used to compare certain ESG characteristics promoted by the Company.

- **How does the reference benchmark differ from a broad market index?**
  Not applicable.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**
  Not applicable.

- **How did this financial product perform compared with the reference benchmark?**
  Not applicable.

- **How did this financial product perform compared with the broad market index?**
  Not applicable.

Information to be disclosed in accordance with Listing Rule 9.8.4

The disclosures below are made in compliance with the requirements of Listing Rule 9.8.4.

9.8.4 (1) The Company has not capitalised any interest in the period under review.

9.8.4 (2) The Company has not published any unaudited financial information in a class 1 circular or prospectus or any profit forecast or profit estimate.

9.8.4 (3) This provision has been deleted.

9.8.4 (4) The Company does not have any long-term incentive schemes in operation.

9.8.4 (5) and (6) No Director of the Company has waived or agreed to waive any current or future emoluments from the Company.

9.8.4 (7) The Company has not allotted any ordinary shares during the year.

The Company is a stand-alone entity therefore Listing Rules 9.8.4 (8) and 9.8.4 (9) are not applicable.

9.8.4 (10) There were no contracts of significance subsisting during the period under review to which the Company is a party and in which a Director of the Company is or was materially interested; or between the Company and a controlling shareholder.

9.8.4 (11) This provision is not applicable to the Company.

9.8.4 (12) and (13) There were no arrangements under which a shareholder has waived or agreed to waive any dividends or future dividends.

9.8.4 (14) This provision is not applicable to the Company.

For and on behalf of the Board

CAROLINE DRISCOLL
For and on behalf of
BlackRock Investment Management (UK) Limited
Company Secretary
26 January 2023

Glossary

Alternative performance measure (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements.

The Company's APMs are set out below and are cross-referenced where relevant to the financial inputs used to derive them as contained in other sections of the Annual Report.

Closed-end company

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

Discount and premium*

Investment trust shares can frequently trade at a discount to NAV. This occurs when the share price (based on the mid-market share price) is less than the NAV and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. As at 31 October 2022 the share price was 197.50p (31 October 2021: 198.25p) and the NAV 213.25p (31 October 2021: 206.08p); the discount was 7.4% (31 October 2021: 3.8%) (please see note 9 of the financial statements for the audited inputs to the calculation).

A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 180p and the NAV 178p, the premium would be 1.1%.

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

Gearing and borrowings

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

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

The Company may achieve gearing through borrowings or the effect of gearing through an appropriate balance of equity capital and borrowings.

Net gearing calculation	Page	31 October 2022 £'000	31 October 2021 £'000	
Net assets	82	171,086	165,334	(a)
Borrowings	82	3,854	–	(b)
Total assets (a + b)		**174,940**	**165,334**	**(c)**
Current assets[1]	82	3,490	3,579	(d)
Current liabilities (excluding borrowings)	82	(3,975)	(3,216)	(e)
Cash and cash equivalents (d + e)		(485)	363	(f)
Net gearing figure (g = (c – f – a)/a)		**2.5%**	**nil**	**(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 the AIFMD differs for these two methods. The definitions for calculating the Gross Method exposures require that 'the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the AIF,

* Alternative performance measure.

that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond' should be excluded from exposure calculations.

NAV and share price return (with dividends reinvested)*

Performance statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The performance measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/Share price (please see note 9 of the financial statements for the audited inputs to the calculations).

NAV total return	Page	31 October 2022	31 October 2021	
Closing NAV per share (pence)	90	213.25	206.08	
Add back quarterly dividends (pence)	90	8.00	8.00	
Effect of dividend reinvestment (pence)		0.12	0.83	
Adjusted closing NAV (pence)		221.37	214.91	(a)
Opening NAV per share (pence)	90	206.08	158.06	(b)
NAV total return (c = ((a – b)/b)) (%)		**7.4**	**36.0**	**(c)**

Share price total return	Page	31 October 2022	31 October 2021	
Closing share price (pence)	90	197.50	198.25	
Add back quarterly dividends (pence)	90	8.00	8.00	
Effect of dividend reinvestment (pence)		(0.17)	0.94	
Adjusted closing share price (pence)		205.33	207.19	(a)
Opening share price (pence)	90	198.25	145.50	(b)
Share price total return (c = ((a – b)/b)) (%)		**3.6**	**42.4**	**(c)**

Net asset value per share (Cum income NAV)

This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing 'equity shareholders' funds' by the total number of ordinary shares in issue (excluding treasury shares). For example, as at 31 October 2022, equity shareholders' funds were worth £171,086,000 (31 October 2021: £165,334,000) and there were 80,229,044 (31 October 2021: 80,229,044) ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 213.25p (31 October 2021: 206.08p) per ordinary share (please see note 9 of the financial statements for the audited inputs to the calculations).

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

Net asset value per share (Capital only NAV)*

The capital only NAV is a popular point of reference when comparing a range of investment trusts. This NAV focuses on the value of the Company's assets disregarding the current period revenue income, on the basis that most trusts will distribute substantially all of their income in any financial year. It is also the measure adopted by the Association of Investment Companies for preparation of statistical data. It is calculated by dividing 'equity shareholders' funds' (excluding current period revenue) by the total number of ordinary shares in issue.

As at 31 October 2022, equity shareholders' funds (excluding current year net revenue) amounted to £170,367,000 (31 October 2021: £164,796,000) and there were 80,229,044 (31 October 2021: 80,229,044) ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 212.35p (31 October 2021: 205.41p).

Equity shareholders' funds (excluding current period revenue) of £170,367,000 are calculated by deducting from the Company's net assets (£171,086,000) (31 October 2021: £165,334,000) its current period revenue (£3,081,000) (31 October 2021: £3,248,000) and adding back the interim dividends paid from current year revenue (£2,362,000) (31 October 2021: £2,710,000).

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,

* Alternative performance measure.

Glossary

continued

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 2022 £'000	31 October 2021 £'000	
Management fee	87	1,197	1,137	
Other operating expenses[1,2]	88	513	482	
Total management fee and other operating expenses		1,710	1,619	(a)
Average daily net assets in the year		169,755	152,303	(b)
Ongoing charges (c = a/b)		**1.01%**	**1.06%**	**(c)**

1 Excluding the write back of prior year expenses totalling £101,000 in the year ended 31 October 2022 (31 October 2021: £nil).

2 Excluding non-recurring expenses relating to the change of name of the Company and the update of the Company's investment objective and investment policy of £65,000 incurred during the year ended 31 October 2021.

Options and options overwriting strategy

An option is a contract that offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date) for a fee (the premium). The sale of call or put options on stocks that are believed to be overpriced or underpriced, based on the assumption that the options will not be exercised, is referred to as an 'options overwriting' strategy.

The seller of the option collects a premium but, if the option subsequently expires without being exercised, there will be no 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 seeks to mitigate risk by utilising predominantly covered call options (meaning that call options are only written in respect of stocks already owned within the 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.

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.

Revenue profit and revenue reserves

Revenue profit is the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the Company. Revenue reserves is the undistributed income that the Company keeps as reserves. Investment trusts do not have to distribute all the income they generate after expenses. They may retain up to 15% of revenue generated which will be held in a revenue reserve. This reserve can be used at a later date to supplement dividend payments to shareholders.

Treasury shares

Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares do not pay dividends, have no voting rights and are not included in a company's total issued share capital amount for calculating percentage ownership. Treasury stock may have come from a repurchase or buy back from shareholders, or it may never have been issued to the public in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

Yield*

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 price variations, distinguishing it from the total return.

	Page	31 October 2022	31 October 2021	
Dividends paid/payable (pence)[1]	90	8.00	8.00	(a)
Ordinary share price (pence)	90	197.50	198.25	(b)
Yield (c = a/b) (%)		**4.1**	**4.0**	**(c)**

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

* Alternative performance measure.

Contents

Contents

Annual General Meeting

Retailer Dollar Tree has the potential to compound earnings and is more immune to disruptive forces within the Consumer Discretionary sector.

PHOTO COURTESY OF DOLLAR TREE

Notice of Annual General Meeting

Notice is hereby given that the tenth Annual General Meeting of BlackRock Sustainable American Income Trust plc will be held at the offices of BlackRock at 12 Throgmorton Avenue, London EC2N 2DL on Tuesday, 21 March 2023 at 12.00 noon to consider and, if thought fit, pass Resolutions 1 to 10 inclusive as Ordinary Resolutions and Resolutions 11 and 12 as Special Resolutions.

Ordinary business

1. To receive the report of the Directors of the Company and the financial statements for the year ended 31 October 2022, together with the report of the auditors thereon.

2. To approve the Directors' Remuneration Report for the year ended 31 October 2022, excluding any content relating to the remuneration policy of the Company.

3. To approve the Directors' Remuneration Policy as set out on pages 58 and 59.

4. That shareholders approve the Company's dividend policy to continue to pay four quarterly interim dividends, which in the year under review have totalled 8.00p per share.

5. To re-elect Alice Ryder as a Director.

6. To re-elect Melanie Roberts as a Director.

7. To elect David Barron as a Director.

8. To reappoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

9. To authorise the Audit and Management Engagement Committee to determine the auditors' remuneration.

Special business

Ordinary resolutions.

10. That, in substitution for all existing authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the Company to allot relevant securities in the Company (as described in that section) up to an aggregate nominal amount of £80,229 (being 10% of the aggregate nominal amount of the issued ordinary share capital, excluding treasury shares, of the Company at the date of this notice), provided this authority shall (unless previously revoked) expire at the conclusion of the Annual General Meeting to be held in 2024, but the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot such securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Special resolutions

11. That, in substitution for all existing authorities and subject to the passing of resolution numbered 10 above, the Directors of the Company be and are hereby empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the Act) to allot equity securities (as defined in Section 560 of the Act) and to sell equity securities held by the Company as treasury shares (as defined in Section 724 of the Act) for cash pursuant to the authority granted by the resolution numbered 10 above, as if Section 561(1) of the Act did not apply to any such allotments and sales of equity securities, provided that this power:

    (a) shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2024, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted or sold after such expiry and notwithstanding such expiry the Directors may allot and sell equity securities in pursuance of such offer or agreements;

    (b) shall be limited to the allotment of equity securities and/or the sale of equity securities held in treasury for cash up to an aggregate nominal amount of £80,229 (representing 10% of the aggregate nominal amount of the issued share capital, excluding treasury shares, of the Company at the date of this notice); and

    (c) shall be limited to the allotment of equity securities at a price of not less than the net asset value per share as close as practicable to the allotment or sale.

12. That in substitution for the Company's existing authority to make market purchases of ordinary shares of 1p each in the Company (Ordinary Shares), the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the Act) to make market purchases of Ordinary Shares (within the meaning of Section 693 of the Act) provided that:

    (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 12,026,333 or, if less, that number of Ordinary Shares which is equal to 14.99% of the Company's issued ordinary share capital (excluding treasury shares) at the date of the Annual General Meeting;

    (b) the minimum price (exclusive of expenses) which may be paid for any such Ordinary Share shall be 1p being the nominal value per share;

    (c) the maximum price (exclusive of expenses) which may be paid for any such Ordinary Share shall be the higher of (i) 105% of the average of the middle market quotations (as derived from the Official List) of the Ordinary Shares for the five dealing days prior to the date on which the market purchase is made and (ii) the higher of the price quoted for (a) the last independent trade of and (b) the highest independent bid for, any number of Ordinary Shares on the trading venue where the purchase is carried out; and

(d) unless renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2024 save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under the authority hereby conferred and may make a purchase of Ordinary Shares pursuant to any such contract notwithstanding such expiry.

All Ordinary Shares purchased pursuant to the above authority shall be either:

(i) held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act; or

(ii) cancelled immediately upon completion of the purchase.

By order of the Board

CAROLINE DRISCOLL
For and on behalf of the Board
BlackRock Investment Management (UK) Limited
Company Secretary
26 January 2023

Registered Office:
12 Throgmorton Avenue
London EC2N 2DL

Notice of Annual General Meeting

continued

Notes:

1. A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his place. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.
2. To appoint a proxy, you may use the Form of Proxy enclosed with this Notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be completed and returned to the office of the Company's registrar in accordance with the instructions thereon as soon as possible and in any event by not later than 12.00 noon on 17 March 2023 (Saturdays, Sundays and public holidays excepted). Amended instructions must also be received by the Company's registrar by the deadline for receipt of Forms of Proxy. Alternatively, you can vote or appoint a proxy electronically by visiting eproxyappointment.com. You will be asked to enter the Control Number, the Shareholder Reference Number and PIN which are printed on the Form of Proxy. The latest time for the submission of proxy votes electronically is 12.00 noon on 17 March 2023 (Saturdays, Sundays and public holidays excepted).
3. Completion and return of the Form of Proxy will not prevent you from attending the meeting and voting in person.
4. Proxymity Voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12.00 noon on 17 March 2023 (Saturdays, Sundays and public holidays excepted) in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
5. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only ordinary shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such agreement to give instructions to the member as to the exercise of voting rights at the meeting.
6. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy the information rights (or perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from the Nominated Person.
7. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only ordinary shareholders registered in the register of members of the Company by not later than 6.00 p.m. on 17 March 2023 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. two days prior to the time of the adjournment. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
9. Shareholders who hold their shares electronically may submit their votes through CREST, by submitting the appropriate and authenticated CREST message so as to be received by the Company's Registrar not later than 12.00 noon on 17 March 2023 (Saturdays, Sundays and public holidays excepted). Instructions on how to vote through CREST can be found by accessing the following website: euroclear.com/CREST. Shareholders are advised that CREST and the internet are the only methods by which completed proxies can be submitted electronically.
10. If you are a CREST system user (including a CREST personal member) you can appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare (ID number 3RA50) not later than 12.00 noon on 17 March 2023 (Saturdays, Sundays and public holidays excepted). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Computershare is able to retrieve the message. CREST personal members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. If the Chair, as a result of any proxy appointments, is given discretion as to how the votes subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interest in the Company's securities already held by the Chair, result in the Chair holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chair will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company, who grants the Chair a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
12. Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the Company's registered office. Under Section 319A of

the Companies Act 2006, the Company must answer any question a shareholder asks relating to the business being dealt with at the meeting, unless (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer had already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

14. Under Section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

    (i) the audit of the Company's financial statements (including the auditors report and the conduct of the audit) that are laid before the meeting; or

    (ii) any circumstance connected with an auditors of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006.

    The Company may not require the members requesting such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

15. Further information regarding the meeting which the Company is required by Section 311A of the Companies Act 2006 to publish on a website in advance of the meeting (including this Notice), can be accessed at www.blackrock.com/uk/brsa.

16. As at 26 January 2023 (being the last practicable date prior to the publication of this Notice of Annual General Meeting), the Company's issued share capital comprised 80,229,044 ordinary shares of 1p each, excluding shares in treasury. Each ordinary share carries the right to one vote and therefore the total number of voting rights in the Company as at 26 January 2023 is 80,229,044.

17. No service contracts exist between the Company and any of the Directors, who hold office in accordance with letters of appointment and the Articles of Association.

Share fraud warning

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

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

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

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

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at **www.fca.org.uk/consumers.** You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at **www.fca.org.uk/scamsmart**

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

SGN001

Printed by Park Communications on FSC® certified paper.

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

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

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

This document is printed on paper made of material from well-managed FSC®-certified forests and other controlled sources.

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C001785

Contents

BlackRock®

www.blackrock.com/uk/brsa