Contents

BlackRock Income and Growth Investment Trust plc

Half Yearly Financial Report 30 April 2022

Keeping in touch

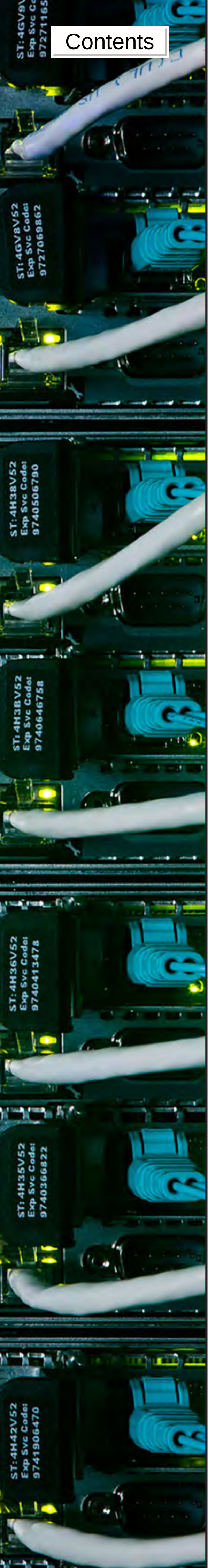
We know how important it is to receive up-to-date information about the Company.

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 to the relevant section on the Company's website. You can also visit the Company's website at: www.blackrock.com/uk/brig. 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.

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

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

Contents



Financial highlights

187.00p[1]

Ordinary share price

▲0.3%[2,3]

207.67p

NAV per ordinary share

▲4.5%[2,3]

2.60p

Interim dividend

No Change

3.9%[3,4]

Yield

£44.0m

Net assets

Percentage comparisons are against 31 October 2021.

1 Mid-market.

2 Performance figures are calculated in Sterling terms with dividends reinvested.

3 Alternative Performance Measures. See Glossary on pages 32 to 35.

4 Based on dividends paid and declared for the twelve months to 30 April 2022 and share price as at 30 April 2022.

Despite the impact of the pandemic on its exhibitions division, accelerated growth in its Risk, STM and Legal businesses helped RELX report excellent interim results.

PHOTO COURTESY OF RELX

Why BlackRock Income and Growth Investment Trust plc?

Investment objective

The Company's objective is to provide growth in capital and income over the long-term through investment in a diversified portfolio of principally UK listed equities.

Reasons to invest

Strong and differentiated portfolio

The majority of holdings are companies which generate high returns and sustainable free cash flow growth. We also buy companies with strong long-term growth potential where there are high barriers to entry. Up to 10% of the portfolio is in turnaround companies where we see significant recovery and return potential.

Long-term focus

We aim to look through the daily noise which impacts the market to identify the best long-term opportunities. We wish to be owners of companies, not traders of shares. We look to align ourselves with the best company management teams in the markets which we believe have the ability to create value for shareholders over the long-term.

Closed-end structure

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 use gearing with the aim of increasing returns over time, and can invest for the long-term. Investment trusts also have an independent Board of Directors elected to protect shareholders' interests and enhance shareholder value.

Expertise and idea generation

The Company is managed by Adam Avigdori and David Goldman who sit on BlackRock's Fundamental Active Equity team and benefit from its expertise and global reach. The team has the resources to undertake extensive, proprietary, on-the-ground research to get to know the management of the companies in which it invests. The team also generates investment ideas using a diverse range of sources, including BlackRock's research platform.

Flexible investment strategy

The portfolio managers are unconstrained by any investment style, making stock selection flexible and dynamic and are therefore able to adapt to changes in the market and to take advantage of opportunities as they may arise.

High conviction approach

A concentrated, high conviction portfolio which aims to provide a growing income and ensures the portfolio managers' best ideas contribute significantly to returns. Approximately 70% of the portfolio is invested in high cash flow generating companies which we believe can grow their dividends over time.

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 BlackRock website www.blackrock.com/uk/brig

Contents

Performance record

	As at 30 April 2022	As at 31 October 2021	Change %
Net assets (£'000)[1]	44,028	43,468	+1.3
Net asset value per ordinary share (pence)	207.67	203.13	+2.2
Ordinary share price (mid-market) (pence)	187.00	191.00	-2.1
Discount to net asset value[2]	10.0%	6.0%	
FTSE All-Share Index	8430.58	8173.30	+3.1
Performance (with dividends reinvested)			
Net asset value per share[2]	4.5%	30.4%	
Ordinary share price[2]	0.3%	22.2%	
FTSE All-Share Index	3.1%	35.4%	

	For the six months ended 30 April 2022	For the six months ended 30 April 2021	Change %
Revenue			
Net profit after taxation (£'000)	752	699	+7.6
Revenue earnings per ordinary share (pence)[3]	3.53	3.15	+12.1
Dividends (pence)			
Interim	2.60	2.60	–

Performance from 30 April 2017 to 30 April 2022

Performance with dividends reinvested in Sterling terms, rebased to 100 as at April 2017.

[1] The change in net assets reflects the market movements during the period, the purchase of the Company's own shares and dividends paid.
[2] Alternative Performance Measures, see Glossary on pages 32 to 35.
[3] Further details are given in the Glossary on page 34.

Sources: BlackRock and Datastream.

Chairman's statement

Dear Shareholder

Graeme Proudfoot
Chairman

"Our portfolio managers continue to seek exposure to macro trends and growth through those companies best placed to thrive in the current environment, whilst applying a degree of caution as powerful macroeconomic drivers play out through the remainder of the year and beyond."

Overview

Recent reports to shareholders were, inevitably, dominated by the COVID-19 pandemic and its impacts on markets and economies. Direct impacts, lockdowns and the like have reduced over the recent months, although the receding pandemic has left behind it a number of related supply constraints, causing inflation to rise sharply as demand for goods outstripped supply as economic activity restarted. These effects were then compounded by Russia's invasion of Ukraine and the resulting humanitarian crisis. Market volatility spiked and sentiment has been firmly orientated towards fear not greed, with market participants reducing exposure and seeking safe havens. The West's response to Russia's invasion has been decisive, applying unprecedented sanctions on Russian companies and financial institutions, freezing assets and even the announcement by the UK and the US of a total ban on the import of Russian oil and gas.

Although many would argue these severe actions have been entirely appropriate, they have not been without significant cost to Western economies. The resulting energy supply shock has seen energy prices skyrocket and this, coupled with the existing post-COVID-19 supply constraints mentioned above, has pushed inflation to levels not seen in decades in the UK, hitting a 40 year high of 9.1% in May 2022. This has left central banks walking a delicate tightrope act between intervening to address soaring inflation, while running the risk of curtailing economic growth. The Bank of England raised interest rates by 0.25 percentage points to 1% in May 2022 and by a further 0.25 percentage points in June 2022, with further rate hikes likely later this year, which along with other policy tightening, points to a likely drop in the rate of inflation over the next half year or so. Looking into the future though, equity markets have given back much of the gains made from the economic restart, reflecting the anticipation of further interest rate hikes, the rapidly rising cost of living and lower consumer spending, higher operational costs for companies as the price of commodities and energy rise and, ultimately, lower overall levels of growth for UK public companies.

Against the turmoil described above, I am pleased to report that our portfolio has been resilient, outperforming many of its sector peers and the benchmark return during the period. In addition, it is also positive to see that the revenue generated by our investment portfolio has risen versus the prior year, despite the challenges during the period.
As you will read in the Investment Manager's report which follows, our portfolio saw strong performance from our exposure to commodities and energy. Our financial holdings also performed well as interest rates rose, and our portfolio managers have added several new holdings which are well placed to benefit from rising energy prices and the UK Government's focus on energy security.

Performance

During the period, the Company's net asset value per share (NAV) returned 4.5%, compared with the Company's benchmark, the FTSE All-Share Index (total return), which returned 3.1%. The Company's share price returned 0.3% (all percentages in Sterling with dividends reinvested).

Subsequent to the period end and as at 20 June 2022, the net asset value per share of the Company has decreased by 6.5% from 207.67 pence per share to 194.27 pence per share and the Company's share price has fallen by 5.3% from 187.00 pence to 177.00 pence per share. The Company's Benchmark Index has decreased by 5.6% over the same period.

Further information on the significant components of overall performance and the changes to portfolio composition are set out in the Investment Manager's Report on pages 8 to 11.

Revenue Profit and Dividends

Revenue profit for the period was 3.53 pence per share (six months to 30 April 2021: 3.15 pence per share), an increase of 12.1% year-on-year. The Board is pleased to declare an interim dividend of 2.60 pence per share (2021: 2.60 pence per share). This dividend will be paid on 1 September 2022 to shareholders on the Company's register at the close of business on 22 July 2022 (the ex-dividend date is 21 July 2022).

I am pleased to report that our interim dividend is fully covered by the revenue generated during the period. After the payment of this year's interim dividend, the Company will have approximately one year's dividend cover in revenue reserves.

Share Capital

The Directors recognise the importance to investors that the Company's share price should not trade at a significant discount to NAV, and therefore, in normal market conditions, may use the Company's share buy back, sale of shares from treasury and share issuance powers to seek to ensure that the share price does not differ excessively from the underlying NAV. Buying back shares at a discount is accretive to NAV and can help narrow the discount to NAV at which the Company's shares trade. It can also help to provide additional liquidity. During the period the Company's shares traded at an average discount of 8.9% and ended the period at 10.0%. At the close of business on 20 June 2022 the discount had narrowed to 8.9%.

A total of 198,206 ordinary shares were bought back and cancelled during the period at an average price of 183.65 pence and for a total consideration of £364,000. No shares were issued or sold from treasury during the period under review. As at 20 June 2022, 32.3% of the Company's issued ordinary share capital is held in treasury and may be issued to satisfy any demand for the Company's shares that may arise.

Gearing

The Company operates a flexible gearing policy which depends on prevailing conditions and the outlook for the market. Gearing is subject to a maximum level of 20% of net assets at the time of investment. The Company reduced levels of gearing during the period under review and at 30 April 2022 the Company had net gearing of 1.4%. Gearing levels and sources of funding are reviewed regularly to ensure that the Company has access to the most competitive borrowing rates available to it. The Company currently has a two-year unsecured Sterling revolving credit facility of £4,000,000 with ING Bank (Luxembourg) S.A., which is fully drawn down and is scheduled to mature in November 2023.

Shareholder Communication

The Board appreciates how important access to regular information is to our shareholders. To supplement our Company website, we now offer shareholders the ability to sign up to the Trust Matters newsletter which includes information on the Company as well as news, views and insights. Further information on how to sign up is included on the inside cover of this report.

Outlook

As you will read in their report which follows on pages 8 to 11, your investment managers continue to seek out companies that can generate strong, consistent cash flow, from robust business models which have favourable industry characteristics or scope for management driven self-help. They are focused on bottom-up stock selection and are emboldened by the attractive stock-specific opportunities on offer.

Given the ongoing market volatility our portfolio managers continue to apply prudent balance to the portfolio which has resulted in resilience and the protection of shareholder capital during these most challenging times. However, they also continue to seek exposure to macro trends and growth through those companies best placed to thrive in the current environment, whilst applying a degree of caution as the powerful macroeconomic drivers described above play out through the remainder of the year and beyond.

As we move into an economic and policy environment which is more than usually changeable, your Board remains fully supportive of our portfolio managers' approach and to their aim of positioning the portfolio to deliver on the Company's investment objective.

Graeme Proudfoot
Chairman
22 June 2022

Investment Manager's report

"The mining sector performed strongly during the period reflecting strength in commodity markets and continued capital discipline from the miners as demonstrated by further large shareholder returns. As a result, the holdings in Rio Tinto and BHP were top positive contributors to the returns of the Company during the period."

Adam Avigdori

David Goldman

Performance

For the six month period since 31 October 2021, the Company's NAV returned 4.5%, outperforming its benchmark, the FTSE All-Share Index (the Benchmark Index), which returned 3.1% over the same period (all percentages in Sterling with dividends reinvested).

Investment approach

In assembling the Company's portfolio, we adopt a concentrated investment approach to ensure that our best ideas contribute significantly to returns. We believe that it is the role of the portfolio overall to generate an attractive and growing yield alongside capital growth rather than every individual company within the portfolio. This gives the Company increased flexibility to invest where returns are most attractive. This approach results in a portfolio which differs substantially from the index and in any individual year the returns will vary, sometimes significantly from those of the index. The foundation of the portfolio, approximately 70%, is in high free cash flow companies that can sustain cash generation and pay a growing dividend whilst aiming to deliver a double-digit total return. Additionally, we look to identify and invest 20% of the portfolio in 'growth' companies that have significant barriers to entry and scalable business models that enable them to grow consistently. We also look for turnaround companies, at around 10% of portfolio value, which represent those companies that are out of favour with the market offering attractive recovery potential.

Market review

The Benchmark Index rose 3.1% over the six months to 30 April 2022 with Oil & Gas, Utilities and Basic Materials as top outperformers. The Benchmark Index was a notable outperformer versus other developed markets indices where a number of emerging and strengthening headwinds served to put pressure on risk assets globally. These headwinds include the Omicron COVID-19 variant, Russia's invasion of

Ukraine as well as a general increase in geopolitical tensions, rising inflation, weakening consumer sentiment and record high energy prices.

The Omicron variant created a ripple effect in developed markets early in the period and although its impact faded as 2022 has progressed, it continues to disrupt economic activity, most notably in China where stringent lockdowns are still enforced affecting global supply chains.

Prior to Russia's invasion of Ukraine, markets had been impacted by the steep rise in bond yields as investors rapidly repriced the scale and speed of interest rate rises in response to high and persistent inflation. Supply constraints have been widespread with the shortage of semiconductors perhaps the highest profile.

The war has only served to exacerbate those inflationary concerns with key commodities across energy and agricultural markets rising sharply in price; security of energy supply becoming a key focus as countries seek to reduce their dependence on Russia. Market performance was dominated by the strength in commodities prices which benefitted the Mining and Oil & Gas sectors. These are relatively large weights in the Benchmark Index contributing to its relative resilience over this period. Defensive sectors, such as Tobacco and Pharmaceuticals, also benefitted from greater economic uncertainty. Meanwhile, long-duration assets were negatively impacted by rising interest rates which reduce the present value of their growth.

Contributors to and detractors from performance

Positive contributors to performance included stock selection in the Consumer Services, Basic Materials and Consumer Goods sectors and the overweight positioning to the Health Care sector.

The mining sector performed strongly during the period reflecting strength in commodity markets and continued capital discipline from the miners as demonstrated by further large shareholder returns. As a result, the holdings in **Rio Tinto** and **BHP** were significant contributors to the returns of the Company during the period.

Standard Chartered was also a top contributor to performance benefitting from increases in interest rates and a return to revenue growth. **Mastercard** also contributed to performance after the company reported solid results with strong payment volumes and an encouraging acceleration in cross-border volume linked to increased travel. This supports our thesis that growth will accelerate as the continued structural shift towards digital payments is boosted by a normalisation in consumer activity post COVID-19.

As economic uncertainty boosted defensive holdings, **British American Tobacco** and nutrition ingredients business, **Tate & Lyle** rose and performed well during the period. Other positive contributors to performance during the period included education business, **Pearson** which received a takeover approach even though the bid has subsequently fallen away, and **Drax Group**, the power generator, benefitting from the disruption in oil and gas markets. Both **Tate & Lyle** and **Drax Group** were recent additions to the Company having been purchased during the second half of 2021.

Detractors from performance included the underweight positioning to Oil & Gas given the strength in the oil price and the sector. Holdings in the Industrials sector also detracted, impacted by the rotation away from growth stocks, concerns regarding the risk of supply chain shocks and as recessionary fears emerged.
We remain confident that we have invested in franchises that have built durable competitive advantages, are cash generative and boast strong balance sheets that are well placed to navigate this challenging operating environment.

Notable detractors included **Hays** and **Moonpig Group** which reflected concerns of a deterioration in the economic backdrop and consumer weakness given rising inflationary pressures. **Taylor Wimpey** was impacted by fears of further costs associated with the cladding removal bill as well as the impact of rising inflation and interest rates on their customers and their profitability. **Adobe Systems** also fell despite robust operational performance given the increase in the interest rates which has reduced the premium at which high growth, technology companies are valued.

Transactions

We purchased a new holding in **BT Group** which is building out the UK's national fibre network, targeting more than 25 million homes, providing consumers and businesses with access to high-speed internet. We believe that the regulatory landscape for the UK telecom industry is improving and that the market participants are behaving more rationally. We are seeing price rises of Consumer Prices Index (CPI) +4%, with limited backlash so far and all operators are following suit. The company has the ability to put through in-contract price rises in their contract wording, limiting any sticker shock. The average telecoms bill represents

0.4% of UK household's bills such that the currently expected 9% price rise equates to a c.£50 increase in the annual bill. There is a high drop through from these price rises to the company's profits and cash flow, while the capex investment phase around fibre slows in around 4 years, at which point we expect a meaningful uplift in free cash flow generation. We also purchased a new holding in **Centrica**, the British gas company, as we view it as a beneficiary of rising energy costs and of the increased focus on security of supply.

During the period we continued to reduce our Consumer exposure by selling **Next** and **Tesco** and reduced the US exposure with the sale of **Analog Devices**. We sold our holding in **Oxford Nanopore** following the strong share price performance post Initial Public Offering. We also sold the position in **Smiths Group**. After the successful sale of the company's medical division and recent strength in the share price, the investment case required an acceleration in organic growth which we believe may prove more challenging given the difficult economic backdrop. We also materially reduced our position in **BP Group** given its large stake in **Rosneft**, continuing to favour a larger position in **Shell**.

Ferguson's strong logistics enabled the company to thrive during this period of disrupted supply chains while high commodity prices boosted revenues and margins. The strong share price combined with our concern over the sustainability of this performance prompted us to sell the holding. We used some of the proceeds of the Ferguson sale to purchase a new holding in **Ashtead Group**, the US focused equipment rental company offering attractive structural growth from continued outsourcing trends in this fragmented industry following recent share price weakness.

Gearing

Our general approach to gearing is that we aim to run the Company with a modest and consistent level of gearing to enhance income generation and capital growth; accordingly, the Company is typically 5-10% geared, however, at 30 April 2022, the Company had employed net gearing of 1.4% to reflect our more cautious views on markets.

Outlook

We are conscious that, at the time of writing, there is a significant conflict and human suffering. Whilst we continue to reference the investment implications of this, we recognise there are also tremendous implications for humanity. The Russian invasion of Ukraine has contributed not just to the volatility of 2022, but also to the range of outcomes. The backdrop for global equities therefore, in our view, is mixed. Although demand remains strong, the outlook for corporate revenue and earnings growth is likely to worsen over the course of 2022 as the potential negative jaws of rising oil prices and rates raise the spectre once again of stagflation. It is still likely that despite the emerging cost of living crisis, government stimulus continues to be retracted, and monetary policy is tightened in the face of more persistent inflationary pressures. It will be incredibly important to focus on companies with strong, competitive positions that can deliver in this environment and that trade at attractive valuations.

Central banks, universally across the developed world, have entered 2022 in a far more hawkish manner and as a result, market expectations for higher rates and faster quantitative tightening have risen considerably. Time will tell whether the conflict impacts the growth outlook and therefore the hawkishness of central banks. It is also more likely we will see increasingly divergent regional monetary approaches with the US being somewhat more insulated from the impact of the conflict, than for example, Europe. We still do not know whether the current inflationary trends are temporary or structural. Within this calculation one must consider the impact from the significant COVID-19 stimulus, the unwinding of extreme COVID-19 behaviours, a more structural shift in the cost of labour and the impact on costs from the decarbonisation agenda or, indeed, a combination of the above. It is difficult to have a high degree of confidence in the outcome, but we would note, given the uncertainty, there is a rising risk of a policy mistake; either being too late to tighten and/or tightening too hard. We expect this, and the geopolitical ramifications of the Ukraine war, to be the prevailing debate of 2022 and beyond.

The strain on supply chains, caused by strong economic activity overwhelming COVID-19 afflicted capacity and restricted labour availability, will continue to provide inflationary pressures which can squeeze companies' margins. As a reminder, we continue to concentrate the portfolio on businesses with pricing power and durable, competitive advantages as we see these as best placed to protect margins and returns over the medium and long term. However, a notable feature of our conversations with a wide range of corporates in 2021 was the ease with which they were able to pass on cost increases and protect or expand margins. Management teams have pointed to robust demand, prioritisation of security of supply as well as well-publicised supply chain disruption and cost pressures. However, we believe that as some of the transitory inflationary pressures start to fade (e.g., commodity prices, supply chain disruption) then pricing conversations will become more challenging. We are also increasingly focused on wage inflation which may be more structural and yet, in our experience, harder to pass on. Corporates have already pointed to wages picking up, the introduction of bonuses and growing pressure on employee retention rates as competition for labour intensifies. We therefore believe that employee retention will be an important differentiator in 2022 given the productivity benefits of a stable workforce as labour markets tighten further.

The UK stock market has started the year far better than any other developed market indices, benefitting from a far lower, and thus more attractive, starting valuation. The Benchmark Index has benefitted from the lack of a widespread re-rating seen in many other markets as well as its relatively high exposure to commodities. We continue to see appetite to acquire great market positions, real assets and/or unlevered free cash flow as highlighted by takeover approaches for two portfolio holdings – Oxford Instruments and Pearson. While most companies are paying dividends once more, we note the large contribution from special dividends that may not persist. That said, as the highest dividend yielding market in the developed world, we see the fundamental valuation of the UK as attractive. We also view the outlook for ordinary dividends for the UK market with optimism as most companies have emerged from the COVID-19 crisis with appropriate dividend policies.

We continue to have conviction in cash generative companies with durable competitive advantages, exceptional management teams and underappreciated growth potential. At present, whilst we are excited by the attractive stock-specific opportunities on offer, we continue to approach the year with balance in the portfolio.

Adam Avigdori and David Goldman
BlackRock Investment Management (UK) Limited
22 June 2022

Ten largest investments

1 ▶ AstraZeneca (2021: 1st)

Sector: Pharmaceuticals & Biotechnology

Market value: £3,637,000
Percentage of portfolio: 8.2% (2021: 7.2%)

AstraZeneca is an Anglo-Swedish multinational pharmaceutical group with its headquarters in the UK. It is a science-led biopharmaceutical business with a portfolio of products for major disease areas including cancer, cardiovascular infection, neuroscience and respiration.

2 ▲ Shell (2021: 3rd)

Sector: Oil & Gas Producers

Market value: £3,161,000
Percentage of portfolio: 7.1% (2021: 4.7%)

Shell is a global oil and gas group. The group operates in both Upstream and Downstream industries. The Upstream division is engaged in searching for and recovering crude oil and natural gas, the liquefaction and transportation of gas. The Downstream division is engaged in manufacturing, distribution and marketing activities for oil products and chemicals.

3 ▲ Rio Tinto (2021: 7th)

Sector: Mining

Market value: £2,408,000
Percentage of portfolio: 5.4% (2021: 3.7%)

Rio Tinto is a metals and mining group operating in about 36 countries around the world, producing iron ore, copper, diamonds, gold and uranium.

4 ▼ RELX (2021: 2nd)

Sector: Media

Market value: £2,394,000
Percentage of portfolio: 5.4% (2021: 5.2%)

RELX is a global provider of professional information solutions that includes publication of scientific, medical, technical and legal journals. It also has the world's leading exhibitions, conference and events business.

5 ▼ Reckitt Benckiser (2021: 4th)

Sector: Household Goods & Home Construction

Market value: £2,085,000
Percentage of portfolio: 4.7% (2021: 4.5%)

Reckitt Benckiser is a global leader in consumer health, hygiene and home products. Its products are sold in 200 countries and its 19 most profitable brands are responsible for 70% of net revenues.

6 ▲ British American Tobacco (2021: 8th)

Sector: Tobacco

Market value: £1,653,000
Percentage of portfolio: 3.7% (2021: 3.7%)

British American Tobacco is one of the world's leading tobacco groups, with more than 200 brands in the portfolio selling in approximately 180 markets worldwide.

7 ▼ 3i Group (2021: 6th)

Sector: Financial Services

Market value: £1,534,000
Percentage of portfolio: 3.4% (2021: 3.8%)

3i Group is a leading international investor focused on mid-market Private Equity and Infrastructure. 3i Group invests in mid-market buyouts, growth capital and infrastructure. Sectors invested in are business and financial services, consumer, industrials and energy and health care.

8 ▲ Phoenix Group (2021: 21st)

Sector: Life Insurance

Market value: £1,504,000
Percentage of portfolio: 3.4% (2021: 2.1%)

Phoenix Group is one of the largest providers of insurance services in the United Kingdom. The group offers a broad range of pensions and savings products to support people across all stages of the savings life cycle.

9 ► Electrocomponents (2021: 9th)

Sector: Support Services

Market value: £1,480,000
Percentage of portfolio: 3.3% (2021: 3.4%)

Electrocomponents is a British-based distributor of industrial and electronics products. Operating in 80 countries, the group is a global omni-channel provider of product and service solutions for designers, builders and maintainers of industrial equipment and operations.

10 ▲ Standard Chartered (2021: 12th)

Sector: Banks

Market value: £1,409,000
Percentage of portfolio: 3.2% (2021: 3.1%)

Standard Chartered is a British multinational banking and financial services group headquartered in London. It operates a network of more than 1,200 branches and outlets across more than 70 countries; working across some of the world's most dynamic markets including Asia, Africa and the Middle East.

Arrows indicate the change in the relative ranking of the position in the portfolio compared to its ranking as at 31 October 2021.

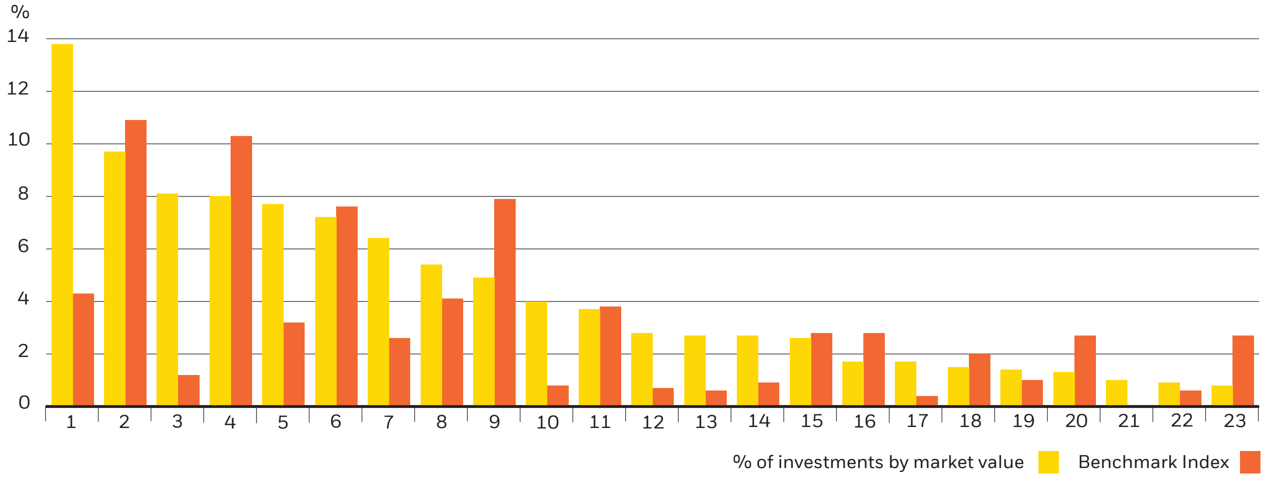
All percentages reflect the value of the holding as a percentage of total investments as at 30 April 2022.

Together, the ten largest investments represent 47.8% of total investments (31 October 2021: 43.5%).

Distribution of investments

as at 30 April 2022

Analysis of portfolio by sector



1 Support Services
2 Pharmaceuticals & Biotechnology
3 Household Goods & Home Construction
4 Oil & Gas Producers
5 Media
6 Mining
7 Life Insurance
8 Financial Services
9 Banks
10 Non-Life Insurance
11 Tobacco
12 Health Care Equipment & Services
13 Food Producers
14 Electronic & Electrical Equipment
15 Travel & Leisure
16 General Retailers
17 Personal Goods
18 Fixed Line Telecommunications
19 Electricity
20 Gas, Water & Multiutilities
21 Software & Computer Services
22 Industrial Engineering
23 Real Estate Investment Trusts

Sources: BlackRock and Datastream.

Investment size

Source: BlackRock.

Investments

as at 30 April 2022

	Market value £'000	% of investments
Support Services		
Electrocomponents	1,480	3.3
Rentokil Initial	1,287	2.9
Hays	1,220	2.8
Mastercard[1]	1,158	2.6
Ashtead Group	593	1.3
Grafton Group	409	0.9
	6,147	**13.8**
Pharmaceuticals & Biotechnology		
AstraZeneca	3,637	8.2
Sanofi[1]	680	1.5
	4,317	**9.7**
Household Goods & Home Construction		
Reckitt Benckiser	2,085	4.7
Taylor Wimpey	959	2.1
Berkeley Group	578	1.3
	3,622	**8.1**
Oil & Gas Producers		
Shell	3,161	7.1
BP Group	404	0.9
	3,565	**8.0**
Media		
RELX	2,394	5.4
Pearson	1,041	2.3
	3,435	**7.7**
Mining		
Rio Tinto	2,408	5.4
BHP	809	1.8
	3,217	**7.2**
Life Insurance		
Phoenix Group	1,504	3.4
Legal & General Group	1,340	3.0
	2,844	**6.4**
Financial Services		
3i Group	1,534	3.4
Premier Asset Management Group	526	1.2
IntegraFin	353	0.8
	2,413	**5.4**
Banks		
Standard Chartered	1,409	3.2
Lloyds Banking Group	778	1.7
	2,187	**4.9**

Investments

continued

	Market value £'000	% of investments
Non-Life Insurance		
Direct Line Group	1,088	2.4
Hiscox	728	1.6
	1,816	**4.0**
Tobacco		
British American Tobacco	1,653	3.7
	1,653	**3.7**
Health Care Equipment & Services		
Smith & Nephew	1,268	2.8
	1,268	**2.8**
Food Producers		
Tate & Lyle	1,231	2.7
	1,231	**2.7**
Electronic & Electrical Equipment		
Schneider Electric[1]	613	1.4
Oxford Instruments	585	1.3
	1,198	**2.7**
Travel & Leisure		
Whitbread	806	1.8
Fuller Smith & Turner - A Shares	355	0.8
Patisserie Holdings[2]	–	–
	1,161	**2.6**
General Retailers		
Moonpig Group	388	0.9
WH Smith	363	0.8
	751	**1.7**
Personal Goods		
Unilever	745	1.7
	745	**1.7**
Fixed Line Telecommunications		
BT Group	656	1.5
	656	**1.5**
Electricity		
Drax Group	619	1.4
	619	**1.4**
Gas, Water & Multiutilities		
Centrica	558	1.3
	558	**1.3**
Software & Computer Services		
Adobe Systems[1]	431	1.0
	431	**1.0**

	Market value £'000	% of investments
Industrial Engineering		
Chart Industries[1]	425	0.9
	425	**0.9**
Real Estate Investment Trusts		
Big Yellow Group	365	0.8
	365	**0.8**
Total investments	**44,624**	**100.0**

[1] Non-UK listed investments.
[2] Company under liquidation.

All investments are in ordinary shares unless otherwise stated. The total number of investments held at 30 April 2022 was 43 (31 October 2021: 48).

As at 30 April 2022, the Company did not hold any equity interests comprising more than 3% of any company's share capital.

Interim management report and responsibility statement

The Chairman's Statement on pages 5 to 7 and the Investment Manager's Report on pages 8 to 11 give details of the important events which have occurred during the period and their impact on the financial statements.

Principal risks and uncertainties

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

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

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 31 October 2021. A detailed explanation can be found in the Strategic Report on pages 32 to 35 and in note 16 on pages 85 to 91 of the Annual Report and Financial Statements which are available on the website maintained by BlackRock at: www.blackrock.com/uk/brig.

The ongoing COVID-19 pandemic has had a profound impact on all aspects of society in recent years. The impact of this significant event on the Company's financial risk exposure is disclosed in note 9.

The Directors have assessed the impact of market conditions arising from the COVID-19 outbreak on the Company's ability to meet its investment objective. Based on the latest available information, the Company continues to be managed in line with its investment objective, with no disruption to its operations.

Certain financial markets have fallen towards the end of the financial period due primarily to geo-political tensions arising from Russia's invasion of Ukraine and the impact of the subsequent range of sanctions, regulations and other measures which impaired normal trading in Russian securities. The Board and the Investment Manager continue to monitor investment performance in line with the Company's investment objectives, and the operations of the Company and the publication of net asset values are continuing.

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

Going concern

The Board remains mindful of the ongoing uncertainty surrounding the potential duration of the COVID-19 pandemic and its longer term effects on the global economy and the current heightened geo-political risk. Nevertheless, the Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound.

For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Company has a portfolio of investments which are considered to be readily realisable and is able to meet all of its liabilities from its assets and income generated from these assets. Ongoing charges (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 and certain non-recurring items) for the year ended 31 October 2021 were approximately 1.21%.

Related party disclosure and transactions with the Manager

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. BFM has, with the Company's consent, delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the management fee payable are set out in note 3 on page 24 and note 11 on page 29. The related party transactions with the Directors are set out in note 10 on page 28.

Directors' responsibility statement

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

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the Half Yearly Financial Report has been prepared in accordance with the applicable UK Accounting Standard FRS 104 'Interim Financial Reporting'; and
- the Interim Management Report, together with the Chairman's Statement and Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

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

The Half Yearly Financial Report was approved by the Board on 22 June 2022 and the above responsibility statement was signed on its behalf by the Chairman.

Graeme Proudfoot
For and on behalf of the Board
22 June 2022

Income statement

for the six months ended 30 April 2022

	Notes	Six months ended 30 April 2022 (unaudited) Revenue £'000	Capital £'000	Total £'000	Six months ended 30 April 2021 (unaudited) Revenue £'000	Capital £'000	Total £'000	Year ended 31 October 2021 (audited) Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss		–	1,259	1,259	–	8,714	8,714	–	8,980	8,980
(Losses)/gains on foreign exchange		–	(1)	(1)	–	4	4	–	(3)	(3)
Income from investments held at fair value through profit or loss	2	902	–	902	877	303	1,180	1,919	303	2,222
Other income	2	4	–	4	5	–	5	8	–	8
Total income		**906**	**1,258**	**2,164**	**882**	**9,021**	**9,903**	**1,927**	**9,280**	**11,207**
Expenses										
Investment management fee	3	(30)	(89)	(119)	(29)	(87)	(116)	(60)	(180)	(240)
Other operating expenses	4	(129)	(3)	(132)	(146)	(3)	(149)	(284)	(6)	(290)
Total operating expenses		**(159)**	**(92)**	**(251)**	**(175)**	**(90)**	**(265)**	**(344)**	**(186)**	**(530)**
Net profit on ordinary activities before finance costs and taxation		**747**	**1,166**	**1,913**	**707**	**8,931**	**9,638**	**1,583**	**9,094**	**10,677**
Finance costs		(4)	(13)	(17)	(5)	(15)	(20)	(10)	(30)	(40)
Net profit on ordinary activities before taxation		**743**	**1,153**	**1,896**	**702**	**8,916**	**9,618**	**1,573**	**9,064**	**10,637**
Taxation credit/(charge)		9	–	9	(3)	–	(3)	(16)	–	(16)
Net profit on ordinary activities after taxation	6	**752**	**1,153**	**1,905**	**699**	**8,916**	**9,615**	**1,557**	**9,064**	**10,621**
Earnings per ordinary share (pence)	6	**3.53**	**5.41**	**8.94**	**3.15**	**40.15**	**43.30**	**7.10**	**41.35**	**48.45**

The total column of this statement represents the Company's profit and loss account. The supplementary revenue and capital accounts are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period. All income is attributable to the equity holders of the Company.

The net profit on ordinary activities for the period disclosed above represents the Company's total comprehensive income.

The notes on pages 24 to 29 form part of these financial statements.

Statement of changes in equity

for the six months ended 30 April 2022

	Note	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Special reserve £'000	Revenue reserve £'000	Total £'000
For the six months ended 30 April 2022 (unaudited)								
At 31 October 2021		315	14,819	234	11,870	13,843	2,387	43,468
Total comprehensive income:								
Net profit for the period		–	–	–	1,153	–	752	1,905
Transactions with owners, recorded directly to equity:								
Ordinary shares purchased for cancellation		(2)	–	2	–	(362)	–	(362)
Share purchase costs		–	–	–	–	(2)	–	(2)
Dividends paid[1]	5	–	–	–	–	–	(981)	(981)
At 30 April 2022		**313**	**14,819**	**236**	**13,023**	**13,479**	**2,158**	**44,028**
For the six months ended 30 April 2021 (unaudited)								
At 31 October 2020		326	14,819	223	2,806	15,816	2,411	36,401
Total comprehensive income:								
Net profit for the period		–	–	–	8,916	–	699	9,615
Transactions with owners, recorded directly to equity:								
Ordinary shares purchased for cancellation		(6)	–	6	–	(1,071)	–	(1,071)
Share purchase costs		–	–	–	–	(6)	–	(6)
Dividends paid[2]		–	–	–	–	–	(1,015)	(1,015)
At 30 April 2021		**320**	**14,819**	**229**	**11,722**	**14,739**	**2,095**	**43,924**
For the year ended 31 October 2021 (audited)								
At 31 October 2020		326	14,819	223	2,806	15,816	2,411	36,401
Total comprehensive income:								
Net profit for the year		–	–	–	9,064	–	1,557	10,621
Transactions with owners, recorded directly to equity:								
Ordinary shares purchased for cancellation		(11)	–	11	–	(1,961)	–	(1,961)
Share purchase costs		–	–	–	–	(12)	–	(12)
Dividends paid[3]		–	–	–	–	–	(1,581)	(1,581)
At 31 October 2021		**315**	**14,819**	**234**	**11,870**	**13,843**	**2,387**	**43,468**

[1] Final dividend paid in respect of the year ended 31 October 2021 of 4.60p per share, declared on 13 January 2022 and paid on 17 March 2022.
[2] Final dividend paid in respect of the year ended 31 October 2020 of 4.60p per share, declared on 1 February 2021 and paid on 17 March 2021.
[3] Interim dividend paid in respect of the six months ended 30 April 2021 of 2.60p per share was declared on 23 June 2021 and paid on 1 September 2021. Final dividend paid in respect of the year ended 31 October 2020 of 4.60p per share was declared on 1 February 2021 and paid on 17 March 2021.

For information on the Company's distributable reserves, please refer to note 8 on page 27.

The notes on pages 24 to 29 form part of these financial statements.

Balance sheet

as at 30 April 2022

	Notes	30 April 2022 (unaudited) £'000	30 April 2021 (unaudited) £'000	31 October 2021 (audited) £'000
Fixed assets				
Investments held at fair value through profit or loss	9	44,624	47,598	46,080
Current assets				
Current tax asset		4	–	11
Debtors		441	380	324
Cash and cash equivalents		3,724	806	1,362
Total current assets		**4,169**	**1,186**	**1,697**
Creditors – amounts falling due within one year				
Bank loan		(4,000)	(4,000)	(4,000)
Other creditors		(765)	(860)	(309)
Total current liabilities		**(4,765)**	**(4,860)**	**(4,309)**
Net current liabilities		**(596)**	**(3,674)**	**(2,612)**
Net assets		**44,028**	**43,924**	**43,468**
Capital and reserves				
Called up share capital	7	313	320	315
Share premium account		14,819	14,819	14,819
Capital redemption reserve		236	229	234
Capital reserve		13,023	11,722	11,870
Special reserve		13,479	14,739	13,843
Revenue reserve		2,158	2,095	2,387
Total shareholders' funds	**6**	**44,028**	**43,924**	**43,468**
Net asset value per ordinary share (pence)	**6**	**207.67**	**200.63**	**203.13**

The financial statements on pages 20 to 29 were approved and authorised for issue by the Board of Directors on 22 June 2022 and signed on its behalf by Mr G Proudfoot, Chairman.

BlackRock Income and Growth Investment Trust plc

Registered in England, No. 4223927

The notes on pages 24 to 29 form part of these financial statements.

Statement of cash flows

for the six months ended 30 April 2022

	Six months ended 30 April 2022 (unaudited) £'000	Six months ended 30 April 2021 (unaudited) £'000	Year ended 31 October 2021 (audited) £'000
Operating activities			
Net profit on ordinary activities before taxation	1,896	9,618	10,637
Add back finance costs	17	20	40
Gains on investments held at fair value through profit or loss	(1,259)	(8,714)	(8,980)
Losses/(gains) on foreign exchange	1	(4)	3
Sales of investments held at fair value through profit or loss	10,711	12,841	22,755
Purchases of investments held at fair value through profit or loss	(7,459)	(12,212)	(21,084)
Increase in other debtors	(257)	(285)	(89)
(Decrease)/increase in other creditors	(3)	9	60
Taxation on investment income	16	(3)	(27)
Net cash generated from operating activities	**3,663**	**1,270**	**3,315**
Financing activities			
Ordinary shares purchased for cancellation	(300)	(1,071)	(1,961)
Share purchase costs paid	(2)	(6)	(12)
Interest paid	(17)	(20)	(40)
Dividends paid	(981)	(1,015)	(1,581)
Net cash used in financing activities	**(1,300)**	**(2,112)**	**(3,594)**
Increase/(decrease) in cash and cash equivalents	**2,363**	**(842)**	**(279)**
Cash and cash equivalents at beginning of period/year	1,362	1,644	1,644
Effect of foreign exchange rate changes	(1)	4	(3)
Cash and cash equivalents at end of period/year	**3,724**	**806**	**1,362**
Comprised of:			
Cash at bank	89	424	63
Cash Fund[1]	3,635	382	1,299
	3,724	**806**	**1,362**

[1] Cash Fund represents investment in BlackRock Institutional Cash Series plc - Sterling Liquid Environmentally Aware Fund.

The notes on pages 24 to 29 form part of these financial statements.

Notes to the financial statements

for the six months ended 30 April 2022

1. Principal activity and basis of preparation

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 financial statements of the Company are prepared on a going concern basis in accordance with Financial Reporting Standard 104 Interim Financial Reporting (FRS 104) applicable in the United Kingdom and Republic of Ireland and the revised Statement of Recommended Practice – 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP) issued by the Association of Investment Companies (AIC) in October 2019 and updated in April 2021 and the provisions of the Companies Act 2006.

The accounting policies and estimation techniques applied for the condensed set of financial statements are as set out in the Company's Annual Report and Financial Statements for the year ended 31 October 2021.

2. Income

	Six months ended 30 April 2022 (unaudited) £'000	Six months ended 30 April 2021 (unaudited) £'000	Year ended 31 October 2021 (audited) £'000
Investment income:			
UK dividends	794	749	1,503
UK scrip dividends	–	19	19
UK special dividends	33	45	226
UK REIT dividends	5	4	9
Overseas dividends	70	60	162
Total investment income	**902**	**877**	**1,919**
Other income:			
Interest from Cash Fund	4	–	1
Underwriting commission	–	5	7
Total income	**906**	**882**	**1,927**

Dividends and interest received in cash during the period amounted to £725,000 and £2,000 respectively (six months ended 30 April 2021: £606,000 and £nil; year ended 31 October 2021: £1,771,000 and £1,000).

No special dividends have been recognised in capital (six months ended 30 April 2021: £303,000; year ended 31 October 2021: £303,000).

3. Investment management fee

	Six months ended 30 April 2022 (unaudited)			Six months ended 30 April 2021 (unaudited)			Year ended 31 October 2021 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	30	89	119	29	87	116	60	180	240
Total	**30**	**89**	**119**	**29**	**87**	**116**	**60**	**180**	**240**

Under the terms of the investment management agreement, BFM is entitled to a fee of 0.6% per annum of the Company's market capitalisation. The investment management fee is allocated 75% to capital reserves and 25% to the revenue reserve. There is no additional fee for company secretarial and administration services.

4. Other operating expenses

	Six months ended 30 April 2022 (unaudited) £'000	Six months ended 30 April 2021 (unaudited) £'000	Year ended 31 October 2021 (audited) £'000
Allocated to revenue:			
Custody fees	–	1	1
Depositary fees	2	2	5
Audit fees[1]	15	15	29
Registrars' fee	12	12	24
Directors' emoluments	49	53	100
Marketing fees	7	7	11
Printing and postage fees	20	20	32
Legal and professional fees	3	4	32
London Stock Exchange fee	5	5	10
FCA fee	3	3	7
Other administration costs	13	24	33
	129	**146**	**284**
Allocated to capital:			
Custody transaction costs[2]	3	3	6
	132	**149**	**290**

[1] No non-audit services were provided by the auditors.

[2] For the six month period ended 30 April 2022, expenses of £3,000 (six months ended 30 April 2021: £3,000; year ended 31 October 2021: £6,000) were charged to the capital account of the Income Statement. These relate to transaction costs charged by the custodian on sale and purchase trades.

The transaction costs incurred on the acquisition of investments amounted to £42,000 for the six months ended 30 April 2022 (six months ended 30 April 2021: £48,000; year ended 31 October 2021: £86,000). Costs relating to the disposal of investments amounted to £6,000 for the six months ended 30 April 2022 (six months ended 30 April 2021: £7,000; year ended 31 October 2021: £14,000). All transaction costs have been included within capital reserves.

5. Dividend

The Directors have declared an interim dividend of 2.60p per share for the period ended 30 April 2022 payable on 1 September 2022 to shareholders on the register on 22 July 2022. The total cost of the dividend based on 21,175,164 ordinary shares in issue at 15 June 2022 was £551,000 (30 April 2021: £566,000).

In accordance with FRS102, Section 32, Events After the End of the Reporting Period, the interim dividend payable on the ordinary shares has not been included as a liability in the financial statements, as interim dividends are only recognised when they have been paid.

Notes to the financial statements

continued

6. Earnings and net asset value per ordinary share

Revenue and capital returns per share and net asset value per share are shown below and have been calculated using the following:

	Six months ended 30 April 2022 (unaudited)	Six months ended 30 April 2021 (unaudited)	Year ended 31 October 2021 (audited)
Net revenue profit attributable to ordinary shareholders (£'000)	752	699	1,557
Net capital profit attributable to ordinary shareholders (£'000)	1,153	8,916	9,064
Total profit attributable to ordinary shareholders (£'000)	**1,905**	**9,615**	**10,621**
Total shareholders' funds (£'000)	**44,028**	**43,924**	**43,468**
Earnings per share			
The weighted average number of ordinary shares in issue during the period, on which the earnings per ordinary share was calculated was:	21,315,326	22,206,362	21,920,081
The actual number of ordinary shares in issue at the period end, on which the net asset value per ordinary share was calculated was:	21,200,636	21,892,990	21,398,842
Calculated on weighted average number of ordinary shares:			
Revenue earnings per share (pence) – basic and diluted	3.53	3.15	7.10
Capital earnings per share (pence) – basic and diluted	5.41	40.15	41.35
Total earnings per share (pence) – basic and diluted	**8.94**	**43.30**	**48.45**

	As at 30 April 2022 (unaudited)	As at 30 April 2021 (unaudited)	As at 31 October 2021 (audited)
Net asset value per ordinary share (pence)	207.67	200.63	203.13
Ordinary share price (mid-market) (pence)	187.00	184.00	191.00

There were no dilutive securities at 30 April 2022 (30 April 2021: nil; 31 October 2021: nil).

7. Called up share capital

	Ordinary shares 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	21,398,842	10,081,532	31,480,374	315
Shares purchased for cancellation	(198,206)	–	(198,206)	(2)
At 30 April 2022	**21,200,636**	**10,081,532**	**31,282,168**	**313**

During the period to 30 April 2022, 198,206 ordinary shares (six months ended 30 April 2021: 618,635; year ended 31 October 2021: 1,112,783) were purchased and subsequently cancelled for a total consideration including costs of £364,000 (six months ended 30 April 2021: £1,077,000; year ended 31 October 2021: £1,973,000).

Since the period end and up to 20 June 2022, a further 25,472 ordinary shares have been bought back and cancelled for a total consideration of £45,600.

8. Reserves

The share premium account and capital redemption reserve are not distributable reserves under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the special reserve and capital reserve may be used as distributable profits 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 reserve and the revenue reserve may be distributed by way of dividend. The capital reserve arising on the revaluation of investments of £4,735,000 (30 April 2021: gain of £6,138,000; 31 October 2021: gain of £4,762,000) is subject to fair value movements and may not be readily realisable at short notice, as such it may not be entirely distributable. The investments are subject to financial risks; as such the capital reserve (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

9. Valuation of financial instruments

Market risk arising from price risk

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

The infectious respiratory illness caused by a novel coronavirus known as COVID-19 has had a profound impact on all aspects of society over the last two years. While there is a growing consensus in developed economies that the worst of the impact is now over, there is an expectation that travel restrictions, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, cancellations, supply chain disruptions, and lower consumer demand will create ongoing challenges. While widescale vaccination programmes are now in place in many countries and are having a positive effect, the impact of COVID-19 continues to affect adversely the economies of many nations across the entire global economy and this impact may be greater where vaccination rates are lower, such as in certain emerging markets. While it is difficult to make timing predictions, it is expected that the economic effects of COVID-19 will continue to be felt for a period after the virus itself has moved from being pandemic to endemic in nature and this in turn may continue to impact investments held by the Company.

Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Balance Sheet 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 and cash equivalents, bank overdrafts and bank loans). Section 34 of FRS 102 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 on page 78 of the Annual Report and Financial Statements for the year ended 31 October 2021.

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

The fair value hierarchy has the following levels:

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily 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 active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs

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

Notes to the financial statements
continued

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

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

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

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

The table below sets out fair value measurements using the FRS 102 fair value hierarchy.

Financial assets at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments at 30 April 2022 (unaudited)	44,624	–	–	44,624
Equity investments at 30 April 2021 (unaudited)	47,598	–	–	47,598
Equity investments at 31 October 2021 (audited)	46,080	–	–	46,080

There were no transfers between levels for financial assets and financial liabilities during the period/year recorded at fair value as at 30 April 2022, 30 April 2021 and 31 October 2021. The Company held no Level 3 securities during the period to 30 April 2022 (period to 30 April 2021: nil; year to 31 October 2021: nil).

10. Related party disclosure
The Board consists of four non-executive Directors, all of whom are considered to be independent by the Board. None of the Directors has a service contract with the Company. With effect from 1 November 2021, the Chairman receives an annual fee of £30,750, the Chairman of the Audit Committee receives an annual fee of £25,000 and each of the other Directors receives an annual fee of £21,500.

At the period end and as at 21 June 2022 members of the Board held ordinary shares in the Company as set out below:

	Ordinary shares 21 June 2022	Ordinary shares 30 April 2022	Ordinary shares 31 October 2021
Graeme Proudfoot (Chairman)	60,000	60,000	60,000
Nicholas Gold	20,000	20,000	20,000
Charles Worsley[1]	987,539	987,539	987,539
Win Robbins	12,106	12,106	12,106

[1] Including a non-beneficial interest of 655,500 ordinary shares.

11. Transactions with the manager and the Investment Manager

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 43 to 48 in the Annual Report and Financial Statements for the year ended 31 October 2021.

The investment management fee due for the six months ended 30 April 2022 amounted to £119,000 (six months ended 30 April 2021: £116,000; year ended 31 October 2021: £240,000). At the period end, £180,000 was outstanding in respect of the investment management fee (as at 30 April 2021: £116,000; as at 31 October 2021: £180,000).

In addition to the above services, BIM (UK) provided the Company with marketing services. The total fees paid or payable for these services for the six months ended 30 April 2022 amounted to £7,000 including VAT (six months ended 30 April 2021: £7,000; year ended 31 October 2021: £11,000). Marketing fees of £17,000 including VAT were outstanding at 30 April 2022 (as at 30 April 2021: £20,000; as at 31 October 2021: £11,000).

The Company holds an investment in the BlackRock Institutional Cash Series plc - Sterling Liquid Environmentally Aware Fund of £3,635,000 (30 April 2021: £382,000; 31 October 2021: £1,299,000) which has been presented in the financial statements as a cash equivalent.

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

12. Contingent liabilities

There were no contingent liabilities at 30 April 2022 (30 April 2021: nil; 31 October 2021: nil).

13. Publication of non statutory accounts

The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the six months ended 30 April 2022 and 30 April 2021 has not been audited.

The information for the year ended 31 October 2021 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the auditor on those accounts contained no qualification or statement under Sections 498 (2) or (3) of the Companies Act 2006.

14. Annual results

The Board expects to announce the annual results for the year ended 31 October 2022, in December 2022. Copies of the results announcement can be obtained from the Secretary on 020 7743 3000 or by email at cosec@blackrock.com. The Annual Report and Financial Statements should be available in December 2022, with the Annual General Meeting being held in March 2023.

Directors, management and other service providers

Directors
Graeme Proudfoot (Chairman)
Nicholas Gold (Chairman of the Audit Committee)
Win Robbins
Charles Worsley

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Canary Wharf
London E14 5JP

Solicitors
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* Authorised and regulated by the Financial Conduct Authority.

Shareholder information

Contact information

General enquiries about the Company should be directed to:

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BlackRock Income and Growth Investment Trust plc
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Website

www.blackrock.com/uk/brig

Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information will be required to gain access to your account, including your shareholder reference number, available from your most recent dividend voucher or other communication received from the registrar. Computershare's website address is investorcentre.co.uk. Alternatively, please contact the registrar on 0370 703 0076.

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

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

Stocks and Shares New Individual Savings Accounts ("NISA")

NISAs are a tax-efficient method of investment and the Company's shares are eligible investments within a Stocks and Shares NISA. Shares can be purchased through a stockbroker or alternatively via a share dealing platform.

Dividend Tax Allowance

An annual £2,000 tax-free allowance will apply to dividend income across an individual's entire share portfolio. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue 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.

Results

Full year announced in December

Half year announced in June

Annual General Meeting

March

Glossary

Alternative performance measure (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements.

The Company's APMs are set out below and are cross-referenced where relevant to the financial inputs used to derive them as contained in other sections of the Half Yearly Financial report.

Benchmark

The Company's benchmark index, used for performance comparative purposes is the FTSE All-Share Index calculated in Sterling terms with dividends reinvested.

Benchmark Index outperformance/underperformance is measured by comparing the Company's net asset value return (NAV) total return with the performance of the benchmark index on a total return basis.

As at 30 April 2022 the Company's NAV total return was 4.5% (30 April 2021: 27.1%; 31 October 2021: 30.4%) and the total return of the Benchmark Index was 3.1% (30 April 2021: 28.5%; 31 October 2021: 35.4%), therefore the Company's outperformance of the Benchmark Index was 1.4% (30 April 2021: underperformance of 1.4%; 31 October 2021: underperformance of 5.0%).

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 30 April 2022, the share price was 187.00p (30 April 2021: 184.00p; 31 October 2021: 191.00p) and the NAV was 207.67p (30 April 2021: 200.63p; 31 October 2021: 203.13p), therefore the discount was 10.0% (30 April 2021: 8.3%; 31 October 2021: 6.0%) (please see note 6 of the financial statements for the 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 365p and the NAV 370p, the discount would be 1.4%.

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.

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

* Alternative performance measures.

Net gearing calculation	Page	30 April 2022 (unaudited) £'000	30 April 2021 (unaudited) £'000	31 October 2021 (audited) £'000	
Net assets	22	44,028	43,924	43,468	(a)
Borrowings	22	4,000	4,000	4,000	(b)
Total assets (a + b)		**48,028**	**47,924**	**47,468**	**(c)**
Current assets[1]	22	4,169	1,186	1,697	(d)
Current liabilities (excluding borrowings)	22	(765)	(860)	(309)	(e)
Cash and cash equivalents (d + e)		3,404	326	1,388	(f)
Net gearing figure (g = (c – f – a)/ a)		**1.4%**	**8.4%**	**6.0%**	**(g)**

[1] Includes cash at bank and the Company's investment in the BlackRock Institutional Cash Series plc – Sterling Liquid Environmentally Aware Fund.

Leverage

Leverage is defined in the AIFM Directive as "any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means".

Leverage is measured in terms of 'exposure' and is expressed as a ratio of net asset value:

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

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

NAV and share price return (Return with dividends reinvested)*

Performance statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The performance measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/Share price (please see note 6 of the financial statements for the inputs to the calculations).

NAV total return	Page	Six months to 30 April 2022 (unaudited) £'000	Six months to 30 April 2021 (unaudited) £'000	Year ended 31 October 2021 (audited) £'000	
Closing NAV per share (pence)	26	207.67	200.63	203.13	
Add back quarterly dividends (pence)	25	4.60	4.60	7.20	
Effect of dividend reinvestment (pence)		0.08	0.34	0.51	
Adjusted closing NAV (pence)		212.35	205.57	210.84	(a)
Opening NAV per share (pence)	26	203.13	161.70	161.70	(b)
NAV total return (c = ((a – b)/b)) (%)		**4.5**	**27.1**	**30.4**	**(c)**

* Alternative performance measures.

Glossary
continued

Share price total return	Page	Six months to 30 April 2022 (unaudited) £'000	Six months to 30 April 2021 (unaudited) £'000	Year ended 31 October 2021 (audited) £'000	
Closing share price (pence)	26	187.00	184.00	191.00	
Add back quarterly dividends (pence)	25	4.60	4.60	7.20	
Effect of dividend reinvestment (pence)		(0.07)	0.24	0.44	
Adjusted closing share price (pence)		191.53	188.84	198.64	(a)
Opening share price (pence)	26	191.00	162.50	162.50	(b)
Share price total return (c = ((a – b)/b)) (%)		**0.3**	**16.2**	**22.2**	**(c)**

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 period.

As at 30 April 2022, equity shareholders' funds less the current period net revenue return amounted to £43,276,000 (30 April 2021: £43,225,000; 31 October 2021: £42,477,000) and there were 21,200,636 (30 April 2021: 21,892,990; 31 October 2021: 21,398,842) ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 204.13 pence (30 April 2021: 197.44 pence; 31 October 2021: 198.50 pence).

Equity shareholders' funds (excluding current period revenue) of £43,276,000 (30 April 2021: £43,225,000; 31 October 2021: £42,477,000) are calculated by deducting from the Company's net assets (£44,028,000) (30 April 2021: £43,924,000; 31 October 2021: £43,468,000) its current period revenue (£752,000) (30 April 2021: £699,000; 31 October 2021: £1,557,000) and adding back the interim dividend paid of £nil (30 April 2021: £nil; 31 October 2021: £566,000).

Net asset value per share (CUM income NAV)

This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing 'equity shareholders' funds' by the total number of ordinary shares in issue (excluding treasury shares). For example, as at 30 April 2022, equity shareholders' funds were worth £44,028,000 (30 April 2021: £43,924,000; 31 October 2021: £43,468,000) and there were 21,200,636 (30 April 2021: 21,892,990; 31 October 2021: 21,398,842) ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 207.67 pence (30 April 2021: 200.63 pence; 31 October 2021: 203.13 pence) per ordinary share (please see note 6 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.

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 fees.

As recommended by the AIC in its guidance, ongoing charges are the Company's management fee and all other operating expenses (excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation 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 2021 £'000	31 October 2020 £'000	
Management fee	24	240	237	
Other operating expenses	25	284	259	
Total management fee and other operating expenses		524	496	(a)
Average net assets in the year		43,153	41,631	(b)
Ongoing charges (c = a/b)		**1.21%**	**1.19%**	**(c)**

* Alternative performance measures.

Quoted Securities And Unquoted Securities

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

Revenue profit and revenue reserves

Revenue profit is the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the 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, as a percentage of share price. Normally, it does not include the price variations, distinguishing it from performance (with dividends reinvested).

	Page	30 April 2022 (unaudited)	30 April 2021 (unaudited)	31 October 2021 (audited)	
Interim and final dividends paid/payable (pence)[1]	25	7.20	7.20	7.20	(a)
Ordinary share price (pence)	26	187.00	184.00	191.00	(b)
Yield (c = a/b) (%)		**3.9**	**3.9**	**3.8**	**(c)**

[1] Comprising dividends declared/paid for the twelve months to 30 April 2022, 30 April 2021 and 31 October 2021 respectively.

Share fraud warning

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

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

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

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

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at **www.fca.org.uk/consumers.** You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at **www.fca.org.uk/scamsmart**

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

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Contents

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Contents

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