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BlackRock

BlackRock Sustainable American Income 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 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 30 April 2022

210.00p[1]
Ordinary share price
▲8.0%[2,3]

214.41p
NAV per ordinary share
▲6.0%[2,3]

£172.0m
Net assets

4.00p
Total interim dividends per share

3.8%[3]
Yield

1.82p
Revenue earnings per ordinary share
▼28.9%

Percentage comparisons are against 31 October 2021, apart from revenue earnings per ordinary share which are against the six month period ended 30 April 2021.

1 Mid-market.
2 Performance figures are calculated in British Pound Sterling terms with dividends reinvested.
3 Alternative Performance Measures. See Glossary on pages 36 to 39.

← U.S. east coast railroad operator Norfolk Southern provides the portfolio with exposure to a consolidated industry with pricing power that emits roughly one third as much CO2 as trucks in moving an equivalent amount of cargo.

Why BlackRock Sustainable American Income Trust plc?

Investment objective and approach

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

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

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 resurfaces 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 U.S. 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.

aic
The Association of Investment Companies

A member of the Association of Investment Companies

Further details about the Company, including the latest Annual and Half Yearly Financial Reports, fact sheets and stock exchange announcements, are available on the website at www.blackrock.com/uk/brsa

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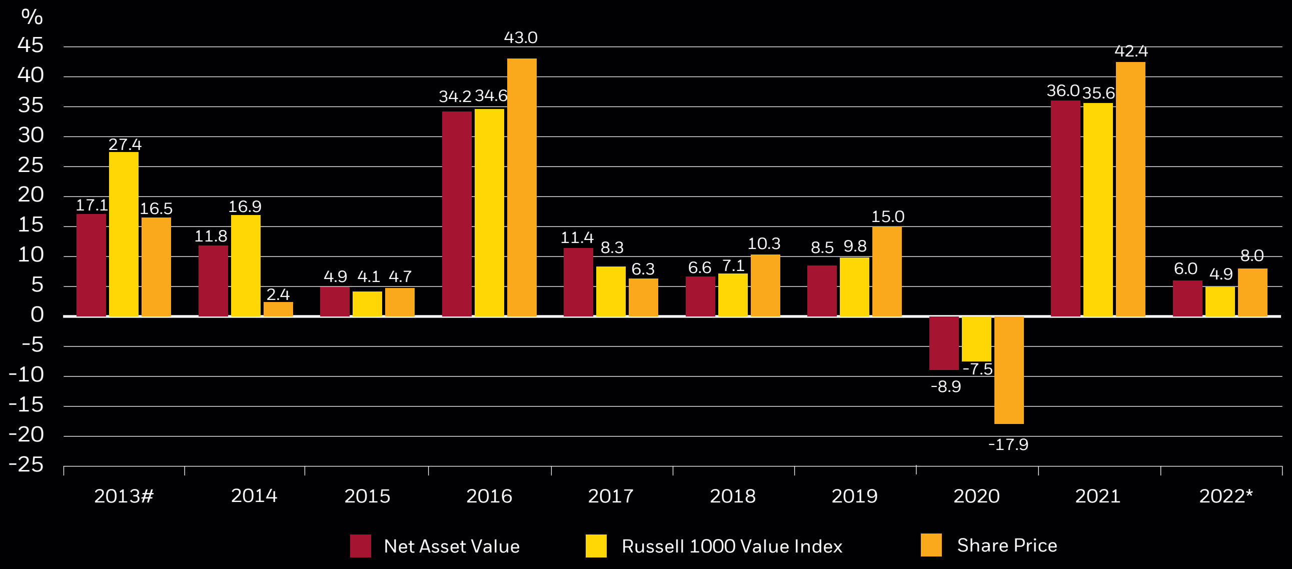
Performance record

	As at 30 April 2022	As at 31 October 2021
Net assets (£'000)[1]	172,021	165,334
Net asset value per ordinary share (pence)	214.41	206.08
Ordinary share price (mid-market) (pence)	210.00	198.25
Discount to cum income net asset value[2]	2.1%	3.8%
Russell 1000 Value Index	1728.34	1647.89
Performance (with dividends reinvested)		
Net asset value per share[2]	6.0%	36.0%
Ordinary share price[2]	8.0%	42.4%
Russell 1000 Value Index	4.9%	35.6%

	For the six months ended 30 April 2022	For the six months ended 30 April 2021	Change %
Revenue			
Net profit on ordinary activities after taxation (£'000)	1,463	2,042	-28.4
Revenue earnings per ordinary share (pence)[3]	1.82	2.56	-28.9
Dividends per ordinary share (pence)			
1st interim	2.00	2.00	–
2nd interim	2.00	2.00	–
Total dividends paid/payable	4.00	4.00	–

Annual performance since launch on 24 October 2012 to 30 April 2022



Since launch on 24 October 2012 to 31 October 2013.
* Six month performance.
[1] The change in net assets reflects market movements and dividends paid during the period.
[2] Alternative Performance Measures, see Glossary on pages 36 to 39.
[3] Further details are given in the Glossary on page 38.

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

Chairman's Statement

Dear Shareholder

Simon Miller
Chairman

A new investment approach and performance

These are the first set of half yearly results that fully reflect the Company's new sustainable approach, first adopted on 29 July 2021. While we are only just under a year in, we are encouraged by the performance of the Company since the change. We have been able to adhere the fundamental tenets of the Company – to provide an attractive level of income together with capital appreciation over the long term - but in a manner consistent with the principles of sustainable investing.

The Company has also benefited from a shift in the market, away from growth stocks and in favour of value stocks. These combined have helped deliver strong relative performance over the six months to 30 April 2022. Amid some turbulent market conditions, the Company's net asset value per share (NAV) returned 6.0% compared with a return of 4.9% in the Russell 1000 Value Index. The Company's share price returned 8.0% over the same period (all figures are in British Pound Sterling terms with dividends reinvested). Further information on investment performance is given in the Investment Manager's Report.

Since the period end and up to close of business on 27 June 2022, the Company's NAV has decreased by 3.1% and the share price has fallen by 6.9% (both percentages in British Pound Sterling with dividends reinvested).

Market overview

Overall, 2021 was a positive year for the U.S. stock market with a solid recovery from the broader economy. Steady upward earnings revisions from the corporate sector supported market gains, while the Federal Reserve kept interest rates near zero and continued its asset purchase plan, thereby adding liquidity into markets.

However, the skies darkened at the start of 2022. Although the year started with great promise, ultimately, rising interest rates, higher inflation and a slowing economy have led to increased uncertainty. The Russia-Ukraine war, combined with renewed lockdowns in China (to combat COVID-19 outbreaks) dented global growth expectations. This has been a source of significant volatility in financial markets. Both bond and equity markets have struggled in the early months of the year.

Earnings and dividends

The Company's earnings per share for the six months ended 30 April 2022 were 1.82p compared with 2.56p for the corresponding period in 2021. The changes to the investment mandate and our decision to stop writing covered call options have impacted the Company's underlying income level. On 22 March 2022, the Board declared the first quarterly dividend of 2.00p per share which was paid on 29 April 2022. A second quarterly dividend of 2.00p per share has been declared and will be paid on 1 July 2022 to shareholders on the register on 20 May 2022. These are in line with payments made in prior years.

BlackRock, our Manager, pays particular attention to the prospective earnings and dividends from our portfolio companies. The Company continues to retain a bias to high yielding stocks. It has been a more fertile period for income seekers with many companies resuming or increasing dividend payouts with the uncertainty of the pandemic behind them.

Ongoing charges

Following the change in investment mandate, management fees were lowered from 0.75% to 0.70% of the Company's net assets, effective from 30 July 2021. The ongoing charges for the year ended 31 October 2021 were 1.06% of net assets and these are expected to fall below 1.0% for the current year.

Shares and shareholders

There is a gradual but noticeable change in our shareholder base in favour of retail investors, often via share-dealing platforms and away from wealth managers, which nevertheless still represent the largest body of shareholders. This trend is common throughout the investment trust world and, unsurprisingly, it presents both opportunities and challenges. We are exploring new ways to engage with investors and looking at how to best communicate with them. Approximately 61% of our share register is owned by wealth managers and 25% by retail investors.

Share issues and buybacks

During the six months to 30 April 2022, the Company's share price to NAV ranged between a discount of 0.5% and 8.9%. During the period and up to the date of this report, no ordinary shares have been reissued or bought back. The Board will continue to use its authorities to issue and buy back shares when it considers it in shareholders' interests to do so.

Board changes

Following the retirement of Andrew Irvine, we are delighted to welcome David Barron to the Board. David was appointed on 22 March 2022 and brings a wealth of experience, having spent 25 years working in the investment management sector and was until November 2019 chief executive of Miton Group PLC. Prior to this he was head of investment trusts at J.P. Morgan Asset Management and, until 2014, a director of The Association of Investment Companies. 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.

As mentioned in the Annual Report, I will be retiring at the end of the Company's financial year on 31 October and I am delighted that Alice Ryder will succeed me as Chairman. It has been an honour and privilege to be Chairman of your Company. I would like to thank my Board and management colleagues who have provided unstinting support throughout my tenure and I wish them well for the future.

Outlook

The global economy had been in the middle of an uneven recovery from the COVID-19 pandemic, but the Russia-Ukraine war has cast a shadow over the longer-term outlook. There are many variables today and this is creating volatility in financial markets. The immediate threat comes from higher energy prices, rising food prices and disrupted supply chains, which has left households and businesses under strain, but there are also longer-term pressures.

The conflict has changed the outlook for inflation, which remains the key risk to the market cycle in 2022. The Federal Reserve is currently on a path to increase interest rates to levels that could clearly slow the economy and create a worsening environment for the rest of the year and into 2023. However, the U.S. should be among the more resilient economies globally, given its energy independence.

This new environment of elevated volatility has crucial implications for stock selection. The Company's portfolio is weighted towards higher-quality companies, which should be in a better position to weather higher inflation and tighter monetary conditions. We believe this environment is likely to favour value and dividend stocks, as investors increasingly prioritise predictable, stable cash flows. The Company is well-positioned to take advantage of the investment opportunities ahead, despite the market disruption.

Simon Miller
29 June 2022

Investment Manager's Report

Tony DeSpirito

David Zhao

Lisa Yang

Market overview

For the six-month period ended 30 April 2022, the Company returned 6.0% and 8.0% on a net asset value and share price basis, respectively. This compares to a 4.9% return for the reference index, the Russell 1000 Value Index. In the same period, U.S. large cap stocks, as represented by the S&P 500 Index, declined by 9.6% in US Dollar terms. In British Pound Sterling terms, U.S. stocks depreciated by 1.4% for the performance period (unless otherwise stated, all percentages in British Pound Sterling terms with dividends reinvested). We highlight below some of the key market events during the semi-annual period.

U.S. large-cap stocks rallied during the rest of the third quarter of 2021 driven primarily by better-than-expected corporate earnings results. This trend continued into the fourth quarter, even as the Federal Reserve's (the Fed) plan to begin tapering was announced and the Omicron variant began to spread. By late December, concerns regarding the COVID-19 variant 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 will slow its bond purchases at a quicker pace and that it has "pencilled in the potential for three rate hikes next year."

Markets encountered bouts of volatility in the beginning stages of 2022 as rising interest rates, high inflation and human tragedy in Europe were of the utmost concern. U.S. equities, as represented by the S&P 500 Index, declined 4.6% in the first quarter of 2022. 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 to close out the 3-month period. 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, the first since 2018, and Fed projections indicate that the federal funds rate could reach 3.8% by the end of 2023. Equities lagged in April as tighter monetary policy, geopolitical tensions in Europe and lockdowns in China unfolded. The S&P 500 Index dropped 8.7% during the month of April – the largest monthly decline since March 2020. In terms of style, value stocks outperformed growth stocks as the Russell 1000 Value Index declined 3.9% and the Russell 1000 Growth Index declined 17.8% during the semi-annual period.

Portfolio overview

The largest contributor to relative performance was stock selection and allocation decisions in communication services. Within the sector, stock selection and an overweight to the wireless telecom services industry accounted for the majority of relative outperformance. In information technology (IT), stock selection in the software and IT services industries boosted relative returns. Furthermore, stock selection in energy proved beneficial mainly due to our investment decisions in the oil, gas and consumable fuels industry.

The largest detractor from relative performance was in the consumer discretionary sector. Within the sector, our overweight allocation and stock selection in the automobiles industry accounted for the majority of underperformance. Allocation decisions in the household durables industry also proved costly within the sector. In financials, our stock selection in the insurance industry proved detrimental, as did our decision not to invest in the diversified financial services industry. Lastly, performance in the consumer staples sector detracted from relative results, mainly due to investment decisions in the household products industry.

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

Information Technology: 5.7% overweight (14.9% of the portfolio)

The portfolio's largest overweight allocation is to the information technology sector and we are finding ample investment opportunities due to the strong need for tech. 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. Our preferred exposures in the sector include communications equipment and IT services companies with sticky revenue streams such as Cisco Systems (3.1% 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 (2.1% of the portfolio) and SS&C Technologies Holdings (2.0% 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 and SS&C Technologies).

Consumer Discretionary: 4.5% overweight (9.6% of the portfolio)

While there are concerns around higher inflation, higher wages and higher shipping costs, the current market environment is unique as U.S. household balance sheets are strong. Within the sector, our preferred areas of investment include apparel, retail 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 Ralph Lauren (2.3% of the portfolio) and General Motors (1.7% of the portfolio) offer investors exposure to underappreciated franchises at discounted valuations. Furthermore, retailers such as Dollar General (1.4% 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 (2.0% of the portfolio), as well as ESG improvers with clear roadmaps for better ESG adherence and disclosures (i.e. Ralph Lauren's Global Citizen initiative and General Motors' commitment to electric vehicles).

Financials: 0.5% overweight (20.3% 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. Secondly, we continue to like insurers and insurance brokers, including American International Group, Willis Towers Watson, First American and Fidelity National, as these companies operate relatively stable businesses and trade at attractive valuations.

We categorise most of our holdings in this space as ESG improvers, with opportunities for company management teams 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 (1.3% of the portfolio) and Charles Schwab (1.3% of the portfolio) stand out from peers due to their differentiated investment platforms, proximity to end customers and runways for long-term growth.

Materials: 2.7% overweight (6.8% of the portfolio)

Our exposure to the materials sector is stock specific. In the metals & mining industry we have positions in Newmont (1.8% of the portfolio), an advantaged gold miner that operates on the lower end of the cost curve, and in Steel Dynamics (1.6% of the portfolio), the fifth largest U.S. steel producer. Both are ESG leaders in their respective disciplines. Steel Dynamics is an EAF (electric arc furnace) “clean” steel producer and EAF mills use a lower-cost, less carbon-intensive process for manufacturing steel than conventional blast furnaces. Meanwhile, Newmont stands above its gold mining peers due to its strong governance, safety record and environmental management commitments. We also recently initiated a position in Sealed Air (1.7% 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 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: 0.9% overweight (19.4% 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 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 as we like Alcon (1.4% of the portfolio), a leading eye care company that serves more than 140 countries, and Dentsply Sirona (2.1% of the portfolio), a dental manufacturer focused on both equipment and consumables. 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 their members receive. Fundamentally, we believe our holdings in the space can benefit from downward pressure on cost-trend, new membership growth and further industry consolidation over time. Furthermore, they trade at meaningfully discounted valuations versus peers, offering us an attractive risk versus reward opportunity.

Utilities: 0.5% underweight (5.0% of the portfolio)

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 dioxide emissions (CO2) and maintain significant exposure to renewables or generate power through cleaner means such as natural gas.

Energy: 0.2% overweight (7.6% of the portfolio)

The Company currently invests in four 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% to 60% less carbon-intensive to produce and combust versus coal and oil. We have a bullish outlook on U.S. natural gas due to the imposed Russian sanctions. We view natural gas as a key “bridge fuel” and like companies such as Woodside Petroleum (2.0% of the portfolio) and EQT (2.0% of the portfolio). Fundamentally, we generally seek to invest in attractively priced operators with good resource assets that have the opportunity to improve upon environmental issues or demonstrate clear leadership in sustainability (i.e. through their exposure to renewables or commitments to net zero/carbon neutral outcomes). We also prefer to target companies with experienced management teams, low financial leverage and disciplined capex spending plans, as these elements can contribute to positive free cash flow generation over time.

Communication Services: 0.6% underweight (6.1% 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 telecommunication services and wireless telecom services industries. Notable portfolio holdings include Verizon Communications (diversified telecom; 3.1% of the portfolio) and Rogers Communications (wireless telecom; 2.2% 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: 3.0% underweight (5.1% 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 (2.4% of the portfolio) and Lamb Weston Holdings (0.8% of the portfolio). We view each of these businesses as ESG leaders: PepsiCo stands out for reducing its water usage and product carbon footprint; and Lamb Weston Holdings is at the forefront of implementing strong corporate governance practices.

Real Estate: 4.2% underweight (0.9% 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 one portfolio holding is SL Green Realty (0.9% of the portfolio), an office REIT with a knowledgeable management team that has successfully navigated the New York City real estate cycle and, in our view, made astute capital allocation decisions over time. SL Green Realty is the largest New York City (NYC) landlord and over 90% of its office footprint is Leadership in Energy and Environmental Design (LEED) Gold or Silver certified, well above the NYC and U.S. averages. LEED is a leading rating system for sustainable and “green” buildings and the certification is administered by the U.S. Green Building Council, a private non-profit organisation.

Industrials: 6.2% underweight (4.3% 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 (2.6% 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 CO2 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 CO2 as trucks (the main shipping alternative), in moving an equivalent amount of cargo.

Market outlook

A fast-paced economic cycle, one born in the depths of the pandemic and shaped by coordinated monetary and fiscal policy stimulus, continued its forward charge in the first quarter. A grievous war has applied new pressures to a global financial system that is looking to normalise interest rates and process the effects of the highest inflation seen in decades. The investing backdrop is mired in uncertainty, but one matter we feel relatively confident about is that U.S. markets are going through a regime change. The post-global financial crisis (post-GFC) era marked by low to moderate economic growth, low inflation and lower interest rates, is over. In its place is an environment still taking form, but one that will undoubtedly entail higher inflation and rates than we experienced from 2008 to 2020. Although we do not see inflation sustaining at the current decades-high level over the long term, we do expect it to settle into a range higher than the sub-2% seen in the post-GFC period. The culprits, among others, are a tight U.S. labour market and a shortage of entry-level homes, which could apply persistent upward pressure on the costs for services and shelter. This form of “sticky” inflation can be more enduring than other inflation pressures where a rebalance of supply and demand can more quickly restore price stability. From an investment standpoint, higher inflation will challenge companies' cost structures, and investors must discern which businesses are most impacted by rising costs and which have the pricing power to maintain their profit margins.

Volatile markets can test investors' fortitude and we believe these are the moments when active, bottom-up stock selection and thoughtful portfolio construction can provide a steady hand in pursuit of long-term financial goals. In the Company, we continue to use a barbell approach in pursuit of portfolio resilience. We are identifying companies in health care and technology with good stability characteristics and companies in financials and energy with cheaper valuations that are well-positioned for a Fed hiking cycle. Another overarching theme in the portfolio is a focus on quality – particularly stocks of companies with strong balance sheets and healthy free cash flow characteristics. This posture has served us well in recent years and we continue to view it as prudent in navigating today's unique market backdrop.

Tony DeSpirito, David Zhao and Lisa Yang
BlackRock Investment Management LLC
29 June 2022

Ten largest investments

1 ▲ AstraZeneca (2021: 2nd)

Sector: Health Care

Market value: £6,613,000
Share of investments: 3.7% (2021: 3.5%)
ESG Leader

AstraZeneca is a diversified pharmaceutical group that conducts research & development (R&D) in high growth areas including oncology, cardiovascular diseases and immunology. It is also a leader in increasing access to health care in the developing world and we are encouraged by the aggressive stance it has taken on addressing its carbon footprint. AstraZeneca has improved its R&D productivity and cost control in recent years.

2 ▲ Sanofi (2021: 12th)

Sector: Health Care

Market value: £5,868,000
Share of investments: 3.3% (2021: 2.3%)
ESG Leader

Sanofi is a multinational health care group that operates in pharmaceuticals, vaccines and consumer health. The group is a leader in diabetes, immunology and branded generics. Additionally, the group has a wide portfolio of vaccines and maintains strong consumer brands such as Allegra, Gold Bond and Icy Hot. The group is a leader in various initiatives aimed at addressing global health inequality issues. The group is strongly committed to eradicating various diseases including polio and sleeping sickness by 2030 and aims to develop innovative therapies to address childhood cancers.

3 ▼ Cisco Systems (2021: 1st)

Sector: Information Technology

Market value: £5,567,000
Share of investments: 3.1% (2021: 4.0%)
ESG Leader

Cisco Systems (Cisco) 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's products help customers to enhance data security and privacy. Despite market concerns regarding competition and cloud migration, we believe it can still deliver sustainable revenue and earnings growth due to better than feared market positions, a diversified portfolio and a large existing installed base.

4 ▲ Verizon Communications (2021: 14th)

Sector: Communication Services

Market value: £5,541,000
Share of investments: 3.1% (2021: 2.3%)
ESG Leader

Verizon Communications (Verizon) is the leading wireless group in the United States. Verizon trades at a reasonable price relative to the quality and stability of its business. The group's leadership has also continuously shown interest in key social issues. For example, Verizon took pro-active measures to survey and help improve employee mental health during the pandemic. The group also incorporates metrics such as diversity and carbon intensity into compensation.

5 ▲ Anthem (2021: 11th)

Sector: Health Care

Market value: £5,156,000
Share of investments: 2.9% (2021: 2.5%)
ESG Leader

Anthem operates as the second largest managed care organisation under the recognisable Blue Cross & Blue Shield brand. The group services members across commercial, Medicare and Medicaid markets, while also operating a health care services business. Under the leadership of Anthem's new CEO, we believe the group is well-positioned to accelerate growth through various initiatives. Managed care companies play a substantial role in improving access and quality of health care to its members and in driving down costs to make health insurance affordable to more people. Anthem provides exposure to the favourable HMO growth trends at an attractive valuation.

6 ▲ Sempra (2021: 37th)

Sector: Utilities

Market value: £5,129,000
Share of investments: 2.9% (2021: 1.4%)
ESG Leader

Sempra is a North American energy infrastructure group where 75% of the business is a regulated utility with exposure to Southern California and Texas. The remaining 25% is Sempra's Infrastructure Partners business, which includes various assets including gas, pipelines, renewable generation and small regulated gas utility. Sempra's gas investments are driven by safety and emissions. The group also has a strong focus on electric transmissions and distribution assets which reduces Sempra's risk exposure associated with greenhouse gas emissions.

7 ▼ Cognizant Technology Solutions (2021: 5th)

Sector: Information Technology

Market value: £4,635,000
Share of investments: 2.6% (2021: 3.2%)
ESG Leader

Cognizant Technology Solutions (Cognizant) is an IT Services group with a diversified revenue base across industry verticals and geographies. As a service provider, they help enterprise small and medium business clients to transition to cloud infrastructure, which is more efficient versus sub-scale in-house data centers. The group 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 is structurally impaired. Rather, we see an attractive turnaround opportunity under CEO Brian Humphries (who joined the firm in April 2019).

ESG Leaders: best-in-class companies that effectively manage ESG factors to benefit all stakeholders.

ESG Improvers: companies showing demonstrable progress in their ESG journey.

8 ▼ Comerica (2021: 3rd)

Sector: Financials

Market value: £4,581,000
Share of investments: 2.6% (2021: 3.4%)
ESG Leader

Comerica is one of the 20 largest U.S. banks and most of their business is in commercial loans. It has a strong independent risk management committee that focuses on detecting unethical behaviour and has established processes to attract and retain talent, including a focus on diversity. We see Comerica as offering us access to higher growth geographies in the US and believe its significant excess capital above regulatory minimums can help them execute on their long-term goals.

9 ▼ Komatsu (2020: 6th)

Sector: Industrials

Market value: £4,579,000
Share of investments: 2.6% (2021: 3.0%)
ESG Leader

Komatsu is a Japanese manufacturer of construction and mining equipment and a provider of aftermarket parts and services. Lax management has left Komatsu underperforming its potential, but we believe sales are at a cyclical trough and that forward estimates are too low (i.e. the sales recovery following the pandemic is underappreciated). From a sustainability standpoint, the group is a leader in incorporating a broad range of power sources (i.e. hybrids, hydrogen, trolley, battery-electric) in its product portfolio. Furthermore, the group's management has set targets to reduce CO2 emissions from its products by 50% by 2030 and to achieve carbon neutrality by 2050.

10 ▼ Wells Fargo (2021: 4th)

Financials

Market value: £4,560,000
Share of investments: 2.6% (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. The group 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 premier 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 group as underappreciated today in an environment characterised by low credit losses and ample access to liquidity.

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.

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

Together, the ten largest investments represent 29.4% of the Company's portfolio (31 October 2021: 31.7%).

Portfolio analysis

as at 30 April 2022

Sectors	% Canada	% France	% Switzerland	% United Kingdom	% United States	% Japan	% Australia	% Denmark	% Norway	30.04.22 Total %	31.10.21 Total %
Financials	–	–	–	–	20.3	–	–	–	–	20.3	25.4
Health Care	–	3.3	1.4	3.7	10.5	–	–	0.5	–	19.4	18.6
Information Technology	–	–	–	–	14.9	–	–	–	–	14.9	14.9
Consumer Discretionary	–	–	–	–	7.6	2.0	–	–	–	9.6	11.3
Energy	–	–	–	–	5.6	–	2.0	–	–	7.6	5.3
Materials	–	–	–	–	6.8	–	–	–	–	6.8	3.8
Communication Services	2.2	–	–	–	3.9	–	–	–	–	6.1	5.8
Consumer Staples	–	–	–	1.9	3.2	–	–	–	–	5.1	3.9
Utilities	–	–	–	–	5.0	–	–	–	–	5.0	5.2
Industrials	–	–	–	–	1.7	2.6	–	–	–	4.3	4.9
Real Estate	–	–	–	–	0.9	–	–	–	–	0.9	0.9
% Portfolio 30.04.22	**2.2**	**3.3**	**1.4**	**5.6**	**80.4**	**4.6**	**2.0**	**0.5**	**–**	**100.0**	
% Portfolio 31.10.21	2.7	3.2	1.9	3.5	79.5	4.8	1.3	1.3	1.8		100.0

Investments

as at 30 April 2022

Company	Country	Sector	Market value £'000	% of total portfolio
AstraZeneca	United Kingdom	Health Care	6,613	3.7
Sanofi	France	Health Care	5,868	3.3
Cisco Systems	United States	Information Technology	5,567	3.1
Verizon Communications	United States	Communication Services	5,541	3.1
Anthem	United States	Health Care	5,156	2.9
Sempra	United States	Utilities	5,129	2.9
Cognizant Technology Solutions	United States	Information Technology	4,635	2.6
Comerica	United States	Financials	4,581	2.6
Komatsu	Japan	Industrials	4,579	2.6
Wells Fargo	United States	Financials	4,560	2.6
Cigna	United States	Health Care	4,513	2.6
Willis Towers Watson	United States	Financials	4,509	2.6
American International Group	United States	Financials	4,427	2.5
PepsiCo	United States	Consumer Staples	4,286	2.4
Laboratory Corporation of America	United States	Health Care	4,162	2.4
Ralph Lauren	United States	Consumer Discretionary	4,070	2.3
Citigroup	United States	Financials	4,046	2.3
Rogers Communications	Canada	Communication Services	3,910	2.2
Fidelity National Information Services	United States	Information Technology	3,781	2.1
Public Service Enterprise Group	United States	Utilities	3,762	2.1
Hess	United States	Energy	3,713	2.1
Microsoft	United States	Information Technology	3,691	2.1
Dentsply Sirona	United States	Health Care	3,624	2.1
EQT	United States	Energy	3,598	2.0
CDK Global	United States	Information Technology	3,582	2.0
Panasonic	Japan	Consumer Discretionary	3,494	2.0
SS&C Technologies Holdings	United States	Information Technology	3,473	2.0
Woodside Petroleum	Australia	Energy	3,458	2.0
Reckitt Benckiser Group	United Kingdom	Consumer Staples	3,284	1.9
Newmont	United States	Materials	3,249	1.8
General Motors	United States	Consumer Discretionary	3,035	1.7
Sealed Air	United States	Materials	2,983	1.7
PPG Industries	United States	Materials	2,933	1.7
Norfolk Southern	United States	Industrials	2,930	1.7
Steel Dynamics	United States	Materials	2,886	1.6
Bank of America	United States	Financials	2,765	1.6
ConocoPhillips	United States	Energy	2,625	1.5
Alcon	Switzerland	Health Care	2,543	1.4
Dollar General	United States	Consumer Discretionary	2,461	1.4
Newell Brands	United States	Consumer Discretionary	2,458	1.4
Morgan Stanley	United States	Financials	2,334	1.3
Charles Schwab	United States	Financials	2,282	1.3
Invesco	United States	Financials	2,270	1.3
Visa	United States	Information Technology	1,700	1.0

Investments

continued

Company	Country	Sector	Market value £'000	% of total portfolio
SL Green Realty	United States	Real Estate	1,616	0.9
First American	United States	Financials	1,609	0.9
Warner Bros. Discovery	United States	Communication Services	1,481	0.8
Lear	United States	Consumer Discretionary	1,435	0.8
Lamb Weston Holdings	United States	Consumer Staples	1,399	0.8
Fidelity National	United States	Financials	1,314	0.7
JPMorgan Chase	United States	Financials	993	0.6
Novo Nordisk	Denmark	Health Care	897	0.5
AmerisourceBergen	United States	Health Care	855	0.5
Portfolio			**176,665**	**100.0**

All investments are in ordinary shares. The number of holdings as at 30 April 2022 was 53 (31 October 2021: 54).

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

Principal risks and uncertainties

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

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

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 31 October 2021. A detailed explanation can be found in the Strategic Report on pages 35 to 38 and in note 14 on pages 91 to 100 of the Annual Report and Financial Statements which are available on the website maintained by BlackRock at www.blackrock.com/uk/brsa.

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 10.

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

Going concern

The 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. 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 its liabilities from its assets and income generated from these assets. Accounting revenue and expense forecasts are maintained and reported to the Board regularly and it is expected that the Company will be able to meet all its obligations. Borrowings under the overdraft facility shall at no time exceed 20% of the Company's net assets (calculated at the time of draw down), although the Board intends only to utilise borrowings representing 10% of net assets at the time of draw down, and this covenant was complied with during the period. Ongoing charges for the year ended 31 October 2021 were 1.06% of net assets and are expected to fall modestly going forward.

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

Related party disclosure and transactions with the Manager

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the fees payable are set out in note 4 on page 24 and note 11 on page 29.

The related party transactions with the Directors are set out in note 12 on page 30.

Directors' responsibility statement

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

Interim Management Report and Responsibility Statement continued

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the Half Yearly Financial Report has been prepared in accordance with applicable International Accounting Standard 34 – 'Interim Financial Reporting'; and

- the Interim Management Report, together with the 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.

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

The Half Yearly Financial Report was approved by the Board on 29 June 2022 and the above responsibility statement was signed on its behalf by the Chairman.

Simon Miller
For and on behalf of the Board
29 June 2022

Statement of Comprehensive Income

for the six months ended 30 April 2022

		Six months ended 30 April 2022 (unaudited)			Six months ended 30 April 2021 (unaudited)			Year ended 31 October 2021 (audited)		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments held at fair value through profit or loss	3	1,961	47	2,008	1,777	2	1,777	3,617	2	3,619
Other income	3	–	–	–	939	–	939	897	–	897
Total revenue		**1,961**	**47**	**2,008**	**2,716**	**2**	**2,716**	**4,514**	**2**	**4,516**
Net profit on investments and options held at fair value through profit or loss		–	9,038	9,038	–	33,953	33,955	–	42,989	42,989
Net loss on foreign exchange		–	(199)	(199)	–	(596)	(596)	–	(653)	(653)
Total		**1,961**	**8,886**	**10,847**	**2,716**	**33,359**	**36,075**	**4,514**	**42,338**	**46,852**
Expenses										
Investment management fee	4	(148)	(444)	(592)	(138)	(414)	(552)	(284)	(853)	(1,137)
Other operating expenses	5	(153)	2	(151)	(242)	(5)	(247)	(547)	(13)	(560)
Total operating expenses		**(301)**	**(442)**	**(743)**	**(380)**	**(419)**	**(799)**	**(831)**	**(866)**	**(1,697)**
Net profit on ordinary activities before finance costs and taxation		**1,660**	**8,444**	**10,104**	**2,336**	**32,940**	**35,276**	**3,683**	**41,472**	**45,155**
Finance costs		(4)	(11)	(15)	–	–	–	–	–	–
Net profit on ordinary activities before taxation		**1,656**	**8,433**	**10,089**	**2,336**	**32,940**	**35,276**	**3,683**	**41,472**	**45,155**
Taxation (charge)/credit		(193)	–	(193)	(294)	79	(215)	(435)	14	(421)
Net profit on ordinary activities after taxation		**1,463**	**8,433**	**9,896**	**2,042**	**33,019**	**35,061**	**3,248**	**41,486**	**44,734**
Earnings per ordinary share (pence)	**7**	**1.82**	**10.51**	**12.33**	**2.56**	**41.36**	**43.92**	**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 period. All income is attributable to the equity holders of the Company.

The Company does not have any other comprehensive income. The net profit for the period disclosed above represents the Company's total comprehensive income.

The notes on pages 23 to 30 form part of these financial statements.

Contents

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	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
For the six months ended 30 April 2022 (unaudited)								
At 31 October 2021		1,004	44,873	1,460	38,090	79,369	538	165,334
Total comprehensive income:								
Net profit for the period		–	–	–	–	8,433	1,463	9,896
Transactions with owners, recorded directly to equity:								
Dividends paid[1]	6	–	–	–	–	(1,394)	(1,815)	(3,209)
At 30 April 2022		**1,004**	**44,873**	**1,460**	**38,090**	**86,408**	**186**	**172,021**
For the six months ended 30 April 2021 (unaudited)								
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 period		–	–	–	–	33,019	2,042	35,061
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[2]		–	–	–	–	–	(3,192)	(3,192)
At 30 April 2021		**1,004**	**44,873**	**1,460**	**38,090**	**71,241**	**2,202**	**158,870**
For the year ended 31 October 2021 (audited)								
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]		–	–	–	–	(339)	(6,062)	(6,401)
At 31 October 2021		**1,004**	**44,873**	**1,460**	**38,090**	**79,369**	**538**	**165,334**

[1] 4th interim dividend of 2.00p per share for the year ended 31 October 2021, declared on 3 November 2021 and paid on 4 January 2022 and 1st interim dividend of 2.00p per share for the year ending 31 October 2022, declared on 22 March 2022 and paid on 29 April 2022.

[2] 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 and 1st interim dividend of 2.00p per share for the year ending 31 October 2021, declared on 23 March 2021 and paid on 29 April 2021.

[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 9 on page 27.

The notes on pages 23 to 30 form part of these financial statements.

Statement of Financial Position

as at 30 April 2022

	Notes	30 April 2022 (unaudited) £'000	30 April 2021 (unaudited) £'000	31 October 2021 (audited) £'000
Non current assets				
Investments held at fair value through profit or loss	10	176,665	148,432	164,971
Current assets				
Current tax asset		99	83	96
Other receivables		332	2,185	2,243
Cash and cash equivalents		60	10,681	1,240
Total current assets		**491**	**12,949**	**3,579**
Total assets		**177,156**	**161,381**	**168,550**
Current liabilities				
Current tax liability		–	(35)	–
Other payables		(1,389)	(1,591)	(3,216)
Derivative financial liabilities held at fair value through profit or loss		–	(885)	–
Bank overdraft		(3,746)	–	–
Total current liabilities		**(5,135)**	**(2,511)**	**(3,216)**
Net assets		**172,021**	**158,870**	**165,334**
Equity attributable to equity holders				
Called up share capital	8	1,004	1,004	1,004
Share premium account		44,873	44,873	44,873
Capital redemption reserve		1,460	1,460	1,460
Special reserve		38,090	38,090	38,090
Capital reserves		86,408	71,241	79,369
Revenue reserve		186	2,202	538
Total equity		**172,021**	**158,870**	**165,334**
Net asset value per ordinary share (pence)	**7**	**214.41**	**198.02**	**206.08**

The financial statements on pages 19 to 30 were approved and authorised for issue by the Board of Directors on 29 June 2022 and signed on its behalf by Simon Miller, Chairman.

BlackRock Sustainable American Income Trust plc

Registered in England and Wales, No. 8196493

The notes on pages 23 to 30 form part of these financial statements.

Cash Flow Statement

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	10,089	35,276	45,155
Add back finance costs	15	–	–
Net profit on investments and options held at fair value through profit or loss (including transaction costs)	(9,038)	(33,955)	(42,989)
Net loss on foreign exchange	199	596	653
Sales of investments held at fair value through profit or loss	50,798	66,354	199,237
Purchases of investments held at fair value through profit or loss	(53,454)	(60,860)	(202,133)
(Increase)/decrease in other receivables	(116)	(365)	35
Increase in other payables	173	269	143
Decrease/(increase) in amounts due from brokers	2,021	(1,056)	(1,514)
(Decrease)/increase in amounts due to brokers	(2,000)	(95)	1,656
Net cash (outflow)/inflow from operating activities before taxation	**(1,313)**	**6,164**	**243**
Taxation paid	(190)	(355)	(609)
Net cash (outflow)/inflow from operating activities	**(1,503)**	**5,809**	**(366)**
Financing activities			
Interest paid	(15)	–	–
Net cash proceeds from ordinary shares reissued from treasury	–	886	886
Net cash outflow from ordinary shares bought back into treasury	–	(295)	(295)
Dividends paid	(3,209)	(3,192)	(6,401)
Net cash outflow from financing activities	**(3,224)**	**(2,601)**	**(5,810)**
(Decrease)/increase in cash and cash equivalents	**(4,727)**	**3,208**	**(6,176)**
Effect of foreign exchange rate changes	(199)	(596)	(653)
Change in cash and cash equivalents	**(4,926)**	**2,612**	**(6,829)**
Cash and cash equivalents at start of period/year	1,240	8,069	8,069
Cash and cash equivalents at end of period/year	**(3,686)**	**10,681**	**1,240**
Comprised of:			
Cash at bank	60	10,681	666
Bank overdraft	(3,746)	–	–
Cash Fund[1]	–	–	574
	(3,686)	**10,681**	**1,240**

[1] Cash Fund represents funds invested in the BlackRock Institutional Cash Series plc – US Dollar Liquid Environmentally Aware Fund.

The notes on pages 23 to 30 form part of these financial statements.

Notes to the financial statements

for the six months ended 30 April 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.

2. Basis of presentation

The half yearly financial statements for the period ended 30 April 2022 have been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority and with the UK-adopted International Accounting Standard 34 (IAS 34), 'Interim Financial Reporting'. The half yearly financial statements should be read in conjunction with the Company's Annual Report and Financial Statements for the year ended 31 October 2021, which have been prepared in accordance with International Accounting Standards (IASs) in conformity with the requirements of the Companies Act 2006.

Insofar as the Statement of Recommended Practice (SORP) for investment trust companies and venture capital trusts, issued by the Association of Investment Companies (AIC) in October 2019 and updated in April 2021, is compatible with UK-adopted IASs, the financial statements have been prepared in accordance with guidance set out in the SORP.

Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform Phase 2 (effective 1 January 2021). The Phase 2 amendments address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues).

The objectives of the Phase 2 amendments are to assist companies in:

- applying IFRS Standards when changes are made to contractual cash flows or hedging relationships because of the interest rate benchmark reform; and
- providing useful information to users of financial statements.

In Phase 2 of its project, the Board amended requirements in IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases relating to:

- changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities;
- hedge accounting; and
- disclosures.

The Phase 2 amendments apply only to changes required by the interest rate benchmark reform to financial instruments and hedging relationships.

These amendments have been adopted by the UK. The adoption of these amendments did not have any significant impact on the Company.

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 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.

Notes to the financial statements
continued

3. 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	148	168	297
Overseas dividends	1,764	1,536	3,228
Overseas special dividends	8	73	73
Overseas REIT dividends	41	–	19
Total investment income	**1,961**	**1,777**	**3,617**
Other income:			
Option premium income	–	939	897
	–	**939**	**897**
Total income	**1,961**	**2,716**	**4,514**

During the period, the Company received no option premium income in cash (six months ended 30 April 2021: £1,017,000; year ended 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. During the period, no option premiums (six months ended 30 April 2021: £939,000; year ended 31 October 2021: £897,000) were amortised to revenue.

At 30 April 2022, there were no open positions or associated liability (six months ended 30 April 2021: 174 open positions with an associated liability of £885,000; year ended 31 October 2021: no open positions or associated liability).

All derivative transactions were based on constituent stocks in the Russell 1000 Value Index.

Dividends and interest received in cash during the period amounted to £1,659,000 and £nil (six months ended 30 April 2021: £1,526,000 and £nil; year ended 31 October 2021: £3,127,000 and £nil).

Special dividends of £47,000 have been recognised in capital during the period (six months ended 30 April 2021: £2,000; year ended 31 October 2021: £2,000).

4. 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	148	444	592	138	414	552	284	853	1,137
Total	**148**	**444**	**592**	**138**	**414**	**552**	**284**	**853**	**1,137**

Up to 29 July 2021, the investment management fee was payable in quarterly arrears, calculated at the rate of 0.75% of the Company's net assets. 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. 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.

5. 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 fee	1	3	3
Auditors' remuneration – audit services[1]	19	19	38
Registrar's fee	15	15	32
Directors' emoluments	82	83	164
Broker fees	20	20	75
Depositary fees	8	7	14
Printing fees	16	18	44
Legal and professional fees	17	19	63
Marketing fees	17	18	37
AIC fees	5	4	9
FCA fees	4	4	8
Write back of prior year expenses[2]	(87)	–	–
Other administration costs	36	32	60
	153	**242**	**547**
Allocated to capital:			
Custody transaction charges[3]	5	5	13
Write back of prior year expenses[3,4]	(7)	–	–
	151	**247**	**560**

[1] No non-audit services were provided by the Company's auditors.
[2] Relates to prior year accruals for Directors' fees, directors' expenses and legal fees written back during the period.
[3] For the six month period ended 30 April 2022, an expense of £5,000 and a write back of prior year accruals of £7,000 (six months ended 30 April 2021: expense of £5,000; year ended 31 October 2021: expense of £13,000) was credited to the capital account of the Statement of Comprehensive Income. This relates to transaction costs charged by the custodian on sale and purchase trades.
[4] Relates to prior year accruals for custody transaction charges written back during the period.

The transaction costs incurred on the acquisition of investments amounted to £26,000 for the six months ended 30 April 2022 (six months ended 30 April 2021: £40,000; year ended 31 October 2021: £103,000). Costs relating to the disposal of investments amounted to £8,000 for the six months ended 30 April 2022 (six months ended 30 April 2021: £18,000; year ended 31 October 2021: £39,000). All transaction costs have been included within capital reserves.

Notes to the financial statements
continued

6. Dividends
On 11 May 2022, the Directors declared a second quarterly interim dividend of 2.00p per share. The dividend will be paid on 1 July 2022 to shareholders on the Company's register on 20 May 2022. This dividend has not been accrued in the financial statements for the six months ended 30 April 2022 as, under IAS, interim dividends are not recognised until paid. Dividends are debited directly to reserves.

Dividends paid on equity shares during the period were:

	Six months ended 30 April 2022 (unaudited) £'000
Fourth interim dividend for the year ended 31 October 2021 of 2.00p per ordinary share paid on 4 January 2022	1,605
First interim dividend for the year ended 31 October 2022 of 2.00p per ordinary share paid on 29 April 2022	1,605
	3,210
Second interim dividend for the year ended 31 October 2022 of 2.00p per ordinary share payable on 1 July 2022[1]	1,605
	4,815

[1] Based on 80,229,044 ordinary shares in issue on 19 May 2022 (the ex-dividend date).

7. Earnings and net asset value per ordinary share
Total revenue return, capital return 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)	1,463	2,042	3,248
Net capital profit attributable to ordinary shareholders (£'000)	8,433	33,019	41,486
Total profit attributable to ordinary shareholders (£'000)	**9,896**	**35,061**	**44,734**
Equity shareholders' funds (£'000)	**172,021**	**158,870**	**165,334**
The weighted average number of ordinary shares in issue during the period on which the earnings per ordinary share was calculated was:	80,229,044	79,829,958	80,031,140
The actual number of ordinary shares in issue at the period end on which the net asset value per ordinary share was calculated was:	80,229,044	80,229,044	80,229,044
Earnings per ordinary share			
Revenue earnings per share (pence) – basic and diluted	1.82	2.56	4.06
Capital earnings per share (pence) – basic and diluted	10.51	41.36	51.84
Total earnings per share (pence) – basic and diluted	**12.33**	**43.92**	**55.90**

There were no dilutive securities at the period end (six months ended 30 April 2021: nil; year ended 31 October 2021: nil).

	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)	214.41	198.02	206.08
Ordinary share price (pence)	210.00	198.00	198.25

8. Called up share capital

(unaudited)	Ordinary shares in issue number	Treasury shares number	Total shares number	Nominal value £'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 1 pence each:				
At 31 October 2021	80,229,044	20,132,261	100,361,305	1,004
At 30 April 2022	**80,229,044**	**20,132,261**	**100,361,305**	**1,004**

During the six months ended 30 April 2022, no ordinary shares were reissued from treasury (six months ended 30 April 2021 and year ended 31 October 2021: 445,000 shares were reissued for a total consideration including costs of £886,000).

During the six months ended 30 April 2022, no shares were bought back and transferred into treasury (six months ended 30 April 2021 and year ended 31 October 2021: 190,000 shares were bought back and transferred into treasury for a total consideration including costs of £295,000).

Since 30 April 2022 and up to the date of this report, no ordinary shares have been reissued from treasury and no ordinary shares have been bought back and transferred into treasury.

9. Reserves

The share premium and capital redemption reserve are not distributable profits 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 reserves and the revenue reserve may be distributed by way of dividend. The capital reserve arising on the revaluation of investments of £19,243,000 (30 April 2021: gain of £18,671,000; year ended 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 it may not be entirely distributable. The investments are subject to financial risks, as such capital reserves (arising on investments sold) and the revenue reserve may not be entirely distributable if a loss occurred during the realisation of these investments.

10. 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 adversely affect the economies of many nations across the globe and this impact may be greater where vaccination rates are lower, such as in certain emerging markets. Although 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 Statement of Financial Position at their fair value (investments and derivatives) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and bank overdrafts). IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note 2(g) as set out on pages 83 and 84 of the Company's Annual Report and Financial Statements for the year ended 31 October 2021.

Notes to the financial statements
continued

10. Valuation of financial instruments continued
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 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.

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.

Over-the-counter derivative option contracts have been classified as Level 2 investments as their valuation has been based on market observable inputs represented by the underlying quoted securities to which these contracts expose the Company.

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

This category also includes all 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 IFRS 13 fair value hierarchy.

Financial assets at fair value through profit or loss at 30 April 2022 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	176,665	–	–	176,665
	176,665	**–**	**–**	**176,665**

Financial assets/(liabilities) at fair value through profit or loss at 30 April 2021 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets:				
Equity investments	148,432	–	–	148,432
Liabilities:				
Derivative financial instruments – written options	–	(885)	–	(885)
	148,432	**(885)**	**–**	**147,547**

Financial assets at fair value through profit or loss at 31 October 2021 (audited)	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 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 did not hold any Level 3 securities throughout the financial period under review or as at 30 April 2022, 30 April 2021 and 31 October 2021.

11. Related party disclosure

Directors' emoluments

The Board consists of five non-executive Directors, all of whom are considered to be independent of the Manager by the Board. None of the Directors has a service contract with the Company. The Chairman receives an annual fee of £42,000, the Audit and Management Committee Chairman receives an annual fee of £35,000 and each of the Directors receives an annual fee of £29,000. At 30 April 2022, an amount of £14,000 (six months ended 30 April 2021: £14,000; year ended 31 October 2021: £14,000) was outstanding in respect of Directors' fees.

At 30 April 2022, interests of the Directors in the ordinary shares of the Company are as set out below:

	Six months ended 30 April 2022 (unaudited)	Six months ended 30 April 2021 (unaudited)	Year ended 31 October 2021 (audited)
Simon Miller (Chairman)	38,094	38,094	38,094
Christopher Casey	19,047	19,047	19,047
Andrew Irvine[1]	n/a	38,094	38,094
Alice Ryder	9,047	9,047	9,047
Melanie Roberts	–	–	–
David Barron[2]	–	n/a	n/a

[1] Retired on 22 March 2022.
[2] Appointed on 22 March 2022.

Since the period end and up to the date of this report there have been no changes in Directors' holdings.

Notes to the financial statements

continued

12. Transactions with the Investment Manager and AIFM

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed on pages 46 and 47 of the Directors' Report in the Company's 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 £592,000 (six months ended 30 April 2021: £552,000; year ended 31 October 2021: £1,137,000). At the period end £1,177,000 was outstanding in respect of the investment management fee (six months ended 30 April 2021: £528,000; year ended 31 October 2021: £876,000).

In addition to the above services, BlackRock has provided the Company with marketing services. The total fees paid or payable for these services to 30 April 2022 amounted to £17,000 excluding VAT (six months ended 30 April 2021: £18,000; year ended 31 October 2021: £37,000). Marketing fees of £46,000 excluding VAT (30 April 2021: £50,000; 31 October 2021: £29,000) were outstanding as at 30 April 2022.

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

13. Contingent liabilities

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

14. Publication of non statutory accounts

The financial information contained in this half yearly financial report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the six months ended 30 April 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 auditors on those financial statements contained no qualifications or statement under Sections 498(2) or 498(3) of the Companies Act 2006.

15. Annual results

The Board expects to announce the annual results for the year ending 31 October 2022 in early February 2023.

Copies of the annual results announcement can be obtained from the Secretary on 0207 743 3000 or cosec@blackrock.com. The Annual Report and Financial Statements should be available by the beginning of February 2023 with the Annual General Meeting being held in March 2023.

Management and other service providers

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

Alternative Investment Fund Manager
BlackRock Fund Managers Limited*
12 Throgmorton Avenue
London EC2N 2DL

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

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

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

Depositary, Custodian, Banker and Fund Accountant
The Bank of New York Mellon
(International) Limited*
One Canada Square
Canary Wharf
London E14 5AJ

Stockbroker
Cenkos Securities plc*
6.7.8 Tokenhouse Yard
London EC2R 7AS

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

* Authorised and regulated by the Financial Conduct Authority.

Directors

Simon Miller
Chairman
Appointed 7 September 2012

Alice Ryder
Senior Independent Director
Appointed 12 June 2013

Christopher Casey
Audit and Management Engagement Committee Chair
Appointed 7 September 2012

Melanie Roberts
Appointed 1 October 2019

David Barron
Appointed 22 March 2022

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:

February
Annual results announced and Annual Report and Financial Statements published.

March
Annual General Meeting.

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

Quarterly dividends
Dividends are paid quarterly as follows:

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

Payment of dividends

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

Dividend reinvestment scheme (DRIP)

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

Share prices

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

ISIN/SEDOL numbers

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

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

Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio is £2,000. 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.

Nominee code

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

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

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

Publication of net asset value/portfolio analysis

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

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

Individual savings accounts (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 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.

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

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

General enquiries

Enquiries about the Company should be directed to:

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

Glossary

Alternative Performance Measure (APM)

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

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

Closed-end company

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

Discount and premium*

Investment trust shares can frequently trade at a discount to NAV. This occurs when the share price (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 210.00p (30 April 2021: 198.00p; 31 October 2021: 198.25p) and the NAV 214.41p (30 April 2021: 198.02p; 31 October 2021: 206.08p); the discount was 2.1% (30 April 2021: 0.0%; 31 October 2021: 3.8% (please see note 7 of the financial statements).

A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 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.

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

Net gearing calculation	**Page**	**30 April 2022 £'000 (unaudited)**	**30 April 2021 £'000 (unaudited)**	**31 October 2021 £'000 (audited)**	
Net assets	21	172,021	158,870	165,334	(a)
Borrowings	21	3,746	–	–	(b)
Total assets (a + b)		175,767	158,870	165,334	(c)
Current assets[1]	21	491	12,949	3,579	(d)
Current liabilities (excluding borrowings)	21	(1,389)	(2,511)	(3,216)	(e)
Cash and cash equivalents (d + e)		(898)	10,438	363	(f)
Net gearing (g = (c – f – a)/ a)		**2.7%**	**nil**	**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.

* Alternative Performance Measure.

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 7 of the financial statements for the inputs to the calculations).

NAV total return	**Page**	**Six months to 30 April 2022 £'000 (unaudited)**	**Six months to 30 April 2021 £'000 (unaudited)**	**Year ended 31 October 2021 £'000 (audited)**	
Closing NAV per share (pence)	26	214.41	198.02	206.08	
Add back quarterly dividends (pence)	20	4.00	4.00	8.00	
Effect of dividend reinvestment (pence)		0.04	0.33	0.83	
Adjusted closing NAV (pence)		218.45	202.35	214.91	(a)
Opening NAV per share (pence)	26	206.08	158.06	158.06	(b)
NAV total return (c = ((a – b)/b)) (%)		**6.0**	**28.0**	**36.0**	**(c)**

Share price total return	**Page**	**Six months to 30 April 2022 £'000 (unaudited)**	**Six months to 30 April 2021 £'000 (unaudited)**	**Year ended 31 October 2021 £'000 (audited)**	
Closing share price (pence)	26	210.00	198.00	198.25	
Add back quarterly dividends (pence)	20	4.00	4.00	8.00	
Effect of dividend reinvestment (pence)		0.12	0.56	0.94	
Adjusted closing share price (pence)		214.12	202.56	207.19	(a)
Opening share price (pence)	26	198.25	145.50	145.50	(b)
Share price total return (c = ((a – b)/b)) (%)		**8.0**	**39.2**	**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 30 April 2022, equity shareholders' funds were worth £172,021,000 (30 April 2021: £158,870,000; 31 October 2021: £165,334,000) and there were 80,229,044 (30 April 2021: 80,229,044; 31 October 2021: 80,229,044) ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 214.41p (30 April 2021: 198.02p; 31 October 2021: 206.08p) per ordinary share (please see note 7 of the financial statements for the inputs to the calculations).

Equity shareholders' funds are calculated by deducting from the Company's total assets, its current and long-term liabilities and any provision for liabilities and charges.

* Alternative Performance Measure.

Glossary
continued

Net asset value per share (capital only NAV)*

The capital only NAV focuses on the value of the Company's assets disregarding the current period revenue income, on the basis that most trusts will distribute substantially all of their income in any financial period. It is calculated by dividing 'equity shareholders' funds' (excluding current period revenue) by the total number of ordinary shares in issue.

As at 30 April 2022, equity shareholders' funds (excluding current year net revenue) amounted to £171,834,000 (30 April 2021: £158,277,000; 31 October 2021: £164,796,000) and there were 80,229,044 (30 April 2022: 80,229,044; 31 October 2021: 80,229.044) ordinary shares in issue (excluding treasury shares); therefore the capital only NAV was 214.18p (30 April 2021: 197.28p; 31 October 2021: 205.41p).

Equity shareholders' funds (excluding current period revenue) of £171,834,000 (30 April 2021: £158,277,000; 31 October 2021: £164,796,000) are calculated by deducting from the Company's net assets £172,021,000 (30 April 2021: £158,870,000; 31 October 2021: £165,334,000) its current period revenue £1,463,000 (30 April 2021: £2,042,000; 31 October 2021: £3,248,000) and adding back the interim dividends paid from revenue £1,276,000 (30 April 2021: £1,449,000; 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, 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 (audited)	31 October 2020 £'000 (audited)	
Management fee	24	1,137	1,001	
Other operating expenses[1]	25	482	451	
Total management fee and other operating expenses		1,619	1,452	(a)
Average daily net assets in the year		152,303	137,506	(b)
Ongoing charges (c = a/b)		**1.06%**	**1.06%**	**(c)**

[1] 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.

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 British Pound Sterling terms with dividends reinvested.

Revenue profit and revenue reserve

Revenue profit is the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the Company. 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.

* Alternative Performance Measure.

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.

Yield	Page	30 April 2022	30 April 2021	31 October 2021	
Interim and final dividends paid/payable (pence)[1]	20	8.00	8.00	8.00	(a)
Ordinary share price (pence)	26	210.00	198.00	198.25	(b)
Yield (c = a/b) (%)		**3.8**	**4.0**	**4.0**	**(c)**

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

* Alternative Performance Measure.

Share fraud warning

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

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

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

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

Report a scam

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

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

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

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

SGN001

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