

BlackRock American Income Trust plc

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Half Yearly Financial Report for the six months ended 30 April 2025

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Performance record

	As at 30 April 2025	As at 31 October 2024	
Net assets (Â£â€™000) ¹	114,252	155,067	
Net asset value per ordinary share (pence)	201.81	216.24	
Ordinary share price (mid-market) (pence)	191.25	190.00	
Discount to cum income net asset value ²	5.2%	12.1%	
Russell 1000 Value Index â€” net total return ³	2389.73	2533.77	
	=====	=====	
	For the six months ended 30 April 2025	For the year ended 31 October 2024	
	Â	Â	
Performance (with dividends reinvested)			
Net asset value per share ²	-4.9%	16.0%	
Ordinary share price ²	2.7%	13.8%	
Russell 1000 Value Index â€” net total return ³	-5.7%	23.2%	
	=====	=====	
	For the period since inception to 30 April 2025	For the period since inception to 31 October 2024	
	Â	Â	
Performance since inception (with dividends reinvested)			
Net asset value per share ²	229.5%	246.5%	
Ordinary share price ²	213.0%	204.7%	
Russell 1000 Value Index â€” net total return ³	291.5%	315.1%	
	=====	=====	
	For the six months ended 30 April 2025	For the six months ended 30 April 2024	Change %
Revenue	Â	Â	Â
Net profit on ordinary activities after taxation (Â£â€™000)	961	1,254	-23.4
Revenue earnings per ordinary share (pence) ⁴	1.39	1.59	-12.6
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Interim dividends (pence)	Â	Â	Â
1st interim	2.00	2.00	â€”
2nd interim	3.03	2.00	51.5
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Total dividends payable/paid	5.03	4.00	25.8
	=====	=====	=====

Sources: BlackRock and LSEG Datastream.

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

¹ The change in net assets reflects portfolio movements, shares repurchased into treasury, shares tendered and dividends paid during the period.

² Alternative Performance Measures, see Glossary in the half yearly report and financial statements.

³ The Companyâ€™s performance benchmark (the Russell 1000 Value Index) may be calculated on either a gross or a net total return basis. Net total return (NR) indices calculate the reinvestment of dividends net of withholding taxes using the tax rates applicable to non-resident institutional investors, and hence give a lower total return than indices where calculations are on a gross total return basis. As the Company is subject to the same withholding tax rates for the countries in which it invests, the NR basis is felt to be the most accurate, appropriate, consistent and fair comparison for the Company.

⁴ Further details are given in the Glossary in the half yearly report and financial statements.

Chairmanâ€™s Statement

Dear Shareholder

This is my first statement as Chairman of your Company and I am pleased to present the Half Yearly Financial Report to shareholders for the period ended 30 April 2025.

Highlights:

Compelling change of mandate: Adoption of a modern systematic active equity investment process effective 17 April 2025.

Enhanced dividend policy: Dividends are now calculated and paid quarterly based on 1.5% of the NAV as at close of business on the last working day of January, April, July and October (being equivalent to 6% of NAV annually).

Reduced management fees and OCR: The Company will benefit from improved management fee terms and a more competitive OCR, including a six-month management fee holiday from 1 May to 31 October 2025.

Outlook: The Company continues to focus on investing in value stocks in the US market, which differentiates it from much of the sector. The Board believes there are good grounds to be optimistic about the future prospects for the Company.

Changes to investment objective and investment policy

I am delighted to report that the amendments to the Company's investment objective and investment policy were approved following the General Meeting held on 16 April 2025. The proposals to change the investment strategy were set out in the Annual Report and Financial Statements for the year ended 31 October 2024, as well as a Circular dated 27 February 2025. The Board recognised that the Company's investment performance relative to the Russell 1000 Value Index had been challenged for some time and sought to offer shareholders active investment management at a lower cost. Importantly, the Board also sought to provide a differentiated, compelling and innovative investment strategy to attract investor demand and better enable the Company to scale, whilst retaining its value investment style which contrasts with many other US focused investment trusts.

The result is the adoption of a Systematic Active Equity investment process which combines the power of big data, artificial intelligence and human expertise to modernise the way investing is done and exploit market inefficiencies. The new strategy is run by BlackRock's Systematic Active Equity team which comprises over 90 investment professionals and has nearly four decades of research and practical experience of adding value to clients' portfolios through the application of advanced portfolio management techniques. The new mandate commenced on 17 April 2025 and the Company is believed to be the first and only way to access a Systematic Active Equity strategy in a closed-ended investment trust structure in the UK.

This report therefore covers a period during which the portfolio was managed under the previous investment approach for all but about two weeks. The transition to the new strategy was undertaken efficiently with the portfolio realignment complete ahead of market opening on 22 April 2025. There were no costs to remaining shareholders in re-aligning the portfolio due to the combination of the cost contribution from BlackRock and the 2% discount applied to the Company's cum-income net asset value per share (NAV) at the tender offer calculation date.

Tender offer

As part of the change in investment mandate, shareholders were given the opportunity to tender some or all of their shares in the Company. The tender offer was for up to 20% of the existing shares in issue on the record date, being 17 April 2025. The tender offer was undersubscribed with 10,910,252 shares, representing approximately 16.15% of the Company's issued share capital, excluding treasury shares, being validly tendered. As the tender offer was undersubscribed there was no scale back exercise and shareholders who tendered more than their basic entitlement received both their basic entitlement and excess application in full.

The tender price was 98% of the NAV at the close of business on 17 April 2025, adjusted for the estimated related portfolio realisation costs. On that basis, the tender price was 192.05p per share and payments to shareholders were made on 29 April 2025. The 10,910,252 tendered shares were placed in treasury. The 2% discount resulted in a NAV uplift of around 14 basis points for remaining shareholders.

Reduced management fees and OCR

Following the introduction of the Systematic Active Equity mandate, the Company is currently benefiting from a six-month management fee holiday for the period 1 May 2025 to 31 October 2025. The Company also has improved management fee terms and a more competitive ongoing charges ratio (OCR) estimated to be approximately 0.80% compared to the previous OCR of 1.06%. The revised management fee terms, which were previously charged at 0.70% of the net asset value (NAV) per annum are 0.35% of the NAV up to and including £350 million and 0.30% of the NAV in excess of £350 million.

Overview

Over the six-months to 30 April 2025, the Company's net asset value per share (NAV) decreased by 4.9%, marginally outperforming its benchmark, the Russell 1000 Value Index, which returned -5.7%. Over the same period, your Company's share price rose by 2.7% (all figures are in Sterling terms with dividends reinvested).

The period under review saw the world enter another period of geopolitical uncertainty with the US now at its centre. The new administration under President Trump, elected on a platform of change, has taken aggressive and early measures to address trade deficits, downsize the federal government and reduce immigration. As tariff barriers have risen, global uncertainty has been increasing, particularly for export-dependent economies. Share valuations and volatility have therefore been unusually elevated.

Since the period end and up to close of business on 30 June 2025, the Company's NAV has increased by 4.3% and the share price has risen by 3.1% (both percentages in Sterling with dividends reinvested). Whilst it is very early in the process, it is encouraging that the Board's expectations in terms of relative performance to our benchmark were met and the retention of the Company's value style is being validated.

Earnings, dividends and enhanced dividend policy

The Company's earnings per share for the six-month period ended 30 April 2025 amounted to 1.39p compared with 1.59p for the corresponding period in 2024. On 1 April 2025 the Board declared the first quarterly dividend of 2.00p per share which was paid on 2 May 2025.

At the General Meeting on 16 April 2025, at the same time shareholders approved the amendments to the Company's investment objective and investment policy, the Company adopted a new enhanced dividend policy. The new policy calculates and pays a dividend quarterly, based on 1.5% of the Company's NAV at close of business on the last working day of January, April, July and October.

The second quarterly dividend has been calculated based on 1.5% of the Company's NAV at close of business on 30 April 2025 (being the last business day of the calendar quarter) which was 201.81p per share. A second quarterly dividend of 3.03p per share has been declared and will be paid on 4 July 2025 to shareholders on the register on 6 June 2025. This is the first such dividend under the new policy which will represent circa 6% of NAV annually.

Management of share rating

The Board monitors the Company's share rating closely and receives regular updates from the Manager and Company's corporate broker, Cavendish Securities. It is important to consider the discount in the context of wider market conditions, with investor sentiment and discounts being influenced by several external factors, including the wars in Ukraine and the Middle East, US politics, US exceptionalism and trade war fears. Over the six-month period the Company's shares traded at an average discount of 7.3% and it was determined that it was in shareholders' interests to buy back shares with the objective that an excessive discount did not arise.

As part of this programme, the Company repurchased 4,184,846 shares at an average price of 204.12p per share for a total cost of £854,200. All shares were bought back at a discount to the prevailing NAV and the buybacks were therefore accretive to existing shareholders. Since the period end up to 30 June 2025, a further 182,730 ordinary shares have been bought back at an average price of 191.54p per share for a total cost of £350,000. All shares were placed in treasury and in February 2025 five million shares were cancelled from treasury. No shares were issued during the period.

Overall, the Board believes that the share buyback activity undertaken in the period has been beneficial in reducing the volatility of the share rating. The Company's discount on 30 June 2025 was 6.5%. The Board will continue to use its authorities to issue and buy back shares when it considers it in shareholders' interests to do so.

The BlackRock Active Systematic Equity team manages over US 256 billion of which US 46.6 billion is invested in US equities. This is a tried and tested approach and the Board is aware that this type of actively managed equity strategy is less well-adopted in the investment trust and wider UK market. The Board is working closely with BlackRock to ensure the new approach and its benefits to shareholders and potential shareholders are well-understood in the UK market with the aim of broadening the shareholder base. Together with the good investment performance, the Board believes this can provide a basis for the narrowing of the discount and, in due course, the growth of the Company.

Board composition

As mentioned in the Annual Report, Alice Ryder did not seek re-election at the Company's Annual General Meeting in April. The Board wishes to thank Alice for her wise counsel and valuable contribution to the Company over her tenure as a Director and then as Chair.

At the same time we advised that the Board had appointed an external recruitment firm to undertake a search and selection process to identify a new Director. I am now delighted to announce that Gaynor Coley was appointed to the Board with effect from 25 June 2025. Gaynor brings over thirty years of experience in private and public sector finance, with extensive experience in governance, compliance and risk management, both strengthening and complementing the skills of the existing Board. She is a chartered accountant and will chair the Audit Committee.

Outlook

This period has seen turbulence from strong geopolitical factors which have inevitable knock-on effects and the outlook for the US economy remains uncertain. The Trump administration's tariff policies remain a significant factor impacting markets and while some tariffs have been paused and others reduced, there is still uncertainty surrounding future trade negotiations and trade deals which continue to weigh on investor sentiment and led to a decline in the US Dollar. The Federal Reserve has begun to lower interest rates but indicated a cautious approach to further cuts due to inflation concerns and trade policy uncertainty. However, the de-escalation in the trade war between the US and China in mid-May, with a mutual reduction in their respective tariff rates for an initial period of ninety days, has provided some relief to financial markets which had begun to reflect concerns that a collapse in US-China trade flows could cause disruption to supply-chains.

Against this backdrop, our new portfolio managers will seek to generate consistent returns across a wide range of diversified holdings by avoiding concentrated bets. The Board believes a systematic active equity strategy can offer a differentiated, cost-efficient, risk-controlled solution with a focus on delivering intended investment outcomes.

Your Company is now managed with an innovative, actively managed investment approach, offers an attractive quarterly dividend yield, competitive fees and a fee waiver until 31 October 2025. It continues to focus on investing in value stocks in the US market, which differentiates it from much of the sector. The Board believes there are good grounds to be optimistic about the future prospects for the Company.

DAVID BARRON

Chairman

3 July 2025

Investment Manager's Report

Market overview

Over the period to 30 April 2025, the Company's net asset value per share (NAV) returned -4.9% and the share price returned +2.7%. This compares with a return of -5.7% in the Russell 1000 Value Index's net total return¹ (all percentages calculated in Sterling terms with dividends reinvested net of withholding taxes). For the six-month period ended 30 April 2025, US large cap stocks, as represented by the S&P 500 Index, returned -1.9% in US Dollar terms. In Sterling, the S&P 500 Index returned -5.6% for the period. The following discussion highlights some of the key market events during the fiscal year. As mentioned in the Chairman's Statement, for most of the reporting period the Company's portfolio was managed in accordance with the previous approach. The Investment Manager's Report gives further details below on the new investment objective and policy and the Systematic Active Equity approach that has been adopted.

2024: a year of political shifts

While not as exciting as the previous nine months, US equities, as defined by the S&P 500 Index, once again closed out the fourth quarter of 2024 positive, rising 2.4% and finishing the year up by 25.0%. From an economic standpoint, the economy remained supportive to markets: Gross Domestic Product (GDP) rose 3.1% in third quarter of 2024, the year-on-year inflation stayed reasonable at 2.7%, and unemployment continued to be well-behaved, sitting at 4.2%.

The dominating news for the fourth quarter was the US presidential elections, which saw Donald Trump win the presidency, along with Republicans picking up control of both the House of Representatives and the Senate. Markets moved higher on the news based on expectations for less regulation and more business-friendly policies. This also contributed to the wide style dispersion during the quarter, which saw US Growth, as defined by the Russell 1000 Growth Index, rise 7.1% compared to US Value, as defined by the Russell 1000 Value Index, which fell, returning -2.0%.

2025: a stark reversal and market turmoil

The first quarter of 2025 marked a stark reversal for equity markets, with stocks posting their worst start to a year since 2022. After two years of strong returns and a growing consensus around a 'soft landing', markets were rattled by a resurgence in trade tensions. This led to heightened concerns over inflationary pressures, diminishing consumer confidence and increasing recession risks. Amid these trade tensions, the Federal Reserve maintained the federal funds rate at 4.25% to 4.50% in its January and March meetings. However, officials expressed caution regarding future rate decisions, acknowledging the potential for tariffs to exacerbate inflation and hinder economic growth.

The market hit record highs in mid-February before retreating sharply, with major indices entering correction territory by mid-March. Growth stocks, particularly those at the center of the artificial intelligence (AI) boom that led markets in 2024, bore the brunt of the sell-off. The Russell 1000 Growth Index declined 10.0%, while Value stocks outperformed, with the Russell 1000 Value Index rising by 2.1%. This in itself highlights the importance that value stocks can play in a balanced portfolio, when markets reverse.

Sector performance saw a sharp rotation as investors sought safety amid the turmoil. The energy and health care sectors, which had lagged in the previous quarter, emerged as leaders. In contrast, technology stocks tumbled, with mega-cap and AI-levered names posting significant losses after dominating the market for the better part of the last two years. Consumer cyclicals were the worst-performing sector, as concerns over tariffs, economic weakness and higher interest rates weighed on sentiment.

Portfolio attribution

The Company's NAV returned -4.9% compared to the return of -5.7% in the benchmark during the period.

During this period the largest detractor to relative performance was an underweight allocation and security selection in the consumer staples sector, most notably in the food products industry. Investment decisions in materials also negatively impacted the strategy's relative performance, notably within containers and packaging. Lastly, the overweight allocation and stock selection in information technology adversely influenced returns. Within the sector, the overweight allocation in technology hardware storage and peripherals was a drag on relative performance.

The largest contributor to relative performance was an underweight allocation along with stock selection in the industrials sector, specifically selection decisions within the machinery sub-sector were beneficial. Furthermore, selection decisions in the health care sector, notably the overweight position along with stock

selection in the health care providers and services, had a beneficial impact. Lastly, stock selection in consumer discretionary also positively influenced relative performance, namely within the household durables industry.

Change of investment objective and investment policy

Following the change of investment objective and investment policy effective from 17 April 2025, the Manager has implemented the systematic active equity investment process which is summarised below. The systematic active equity approach relies on human insight and investment oversight but harnesses big data, machine learning and the power of artificial intelligence to construct portfolios and exploit market inefficiencies.

The Systematic Active Equity (SAE) investment process

By combining the power of big data, data science and human expertise to modernise the way investing is done, systematic active equity investing is unlocking new ways to seek consistent portfolio outcomes.

An overview of the systematic active equity investment process is illustrated below:

1 Research

Researchers discover innovative signals and insights

2 Build

Portfolio Managers build investment models using a diversified range of signals

3 Model

Signals score and rank stocks daily

4 Forecast

Signal scores are aggregated to provide a final score

5 Optimise

Optimise for the best return, risk and cost, with exclusions

6 Monitor

Monitor markets and signal efficacy

Research

Systematic active equity investing begins with data-driven insights. In the digital age, we have access to vast amounts of data from traditional sources like company financial statements and economic reports to more complex unstructured sources like company news stories, web traffic, social media sentiment, consumer geo-location data and even satellite imagery.

By harnessing highly sophisticated analytics techniques like machine learning and artificial intelligence, we can transform this raw data into useful investment information, providing insights faster, at greater scale and with more granularity than traditional methods.

After receiving research, the SAE team deploys rigorous scientific testing to learn if these investment insights actually have the potential to help forecast future returns. This process includes a comprehensive examination of empirical evidence by seasoned investment experts, testing different combinations of variables and comparing the results to known outcomes. This ability to validate insights means portfolio decisions are firmly evidence-based and not dependent on human conviction alone.

Build

Finally, when an insight is shown to be valuable, the SAE team employs a disciplined portfolio construction process to implement it. We use computers to model the many complex trade-offs involved, finding a balance between expected return, risk, correlation and cost, to guide any allocation decisions.

Model

Our systematic active equity investment process leverages vast sets of data, both traditional and alternative, to provide investment insights faster, at greater scale and with more granularity. It scores and ranks thousands of securities daily to help make investment decisions in real time, based on company fundamentals, market sentiment and macroeconomic themes.

Our fundamental signals perform the same analysis a traditional security analyst might, and its models leverage data and technology to evaluate systematically thousands of securities. Using alternative data, such as internet search, transaction activity and geolocation data, the SAE team scores the attractiveness of investment opportunities against more traditional accounting measures.

Our sentiment signals recognise factors other than fundamental strength can influence returns over shorter time frames. Sentiment signals analyse a broad range of market views from sell side analysts, company management and other investors. By analysing at scale electronically the language and precise words used by analysts and company management in their communications, this enables our models to identify where analysts and management are more positive (or negative) on a company's outlook.

Our macroeconomic signals seek to form a view across groups of securities rather than individual companies. For example, the team analyses the impact of positive hiring trends or adverse inflationary pressures across a universe of securities. The team also evaluates the impact of macroeconomic data among countries, industries and equity styles, such as value and growth.

Forecast

The final score for every security is a weighted combination of all signals, blending the views across these insights.

The final "alpha" score represents our assessment of the return potential of each security relative to all the others within the investible universe.

Optimise

The SAE team's investment process seeks to capture systematically the drivers of future returns, to create a portfolio that seeks to maximise exposure to its signal views. We construct portfolios starting with the final alpha scores referred to above and size positions aligned with these scores.

However, alpha scores do not provide any information about risk and implementation frictions such as transaction costs and constraints. To account for this, we take into consideration the expected return of a position, alongside an assessment of its potential risk using a multifactor risk model.

The final output is intended to capture the broadest possible opportunity set within the target market, as we seek to achieve the best possible trade-off between risk and return net of transaction costs.

Monitor

The SAE team continually look to develop new ideas and review the live performance of existing investment insights and strategies. A continuous feedback loop connects portfolio results to the research process, providing an avenue for constant improvement and innovation.

We aim to maintain a Beta of 1, meaning the risk and volatility within the portfolio should be equal to the Russell 1000 Value Index. We seek to add value in a risk controlled, consistent manner by constructing a diversified portfolio of 150-250 securities.

Portfolio overview

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

Health Care: 1.2% overweight (15.5% of the portfolio)

Our largest overweight position within Health Care is device manufacturer Boston Scientific (1.4% of the portfolio). From a top-down perspective, one major driver of the overweight is our factor timing model, which favours defensive and higher quality stocks based on the current economic outlook, where sentiment regarding global trade and consumption remains fragile. Analysis of broker research also suggests a positive earnings outlook from a stock-specific perspective.

Information Technology: 0.5% overweight (9.2% of the portfolio)

Within Information Technology, our most favoured stock is Corning (0.7% of the portfolio), a manufacturer of fibre optic cables, lenses and glass panels. The rate at which the company has been advertising job vacancies online suggests positive momentum in their business, while data on trading activity suggests hedge funds have been buying rather than shorting the stock, another indicator of a positive outlook.

Consumer Discretionary: 0.2% overweight (6.0% of the portfolio)

The largest overweight in the Consumer Discretionary sector is a small holding in Amazon (0.5% of the portfolio). Although the stock appears expensive according to traditional ratios, when the value of the company's research and development spending and recent price moves relative to peers during the market sell-off are taken into account, the stock looks more attractive. It also scores highly across all other bottom-up signal groups: market sentiment, momentum in fundamentals and quality. Thematic analysis of broker research also points to the company having the potential to cope well in an uncertain economic environment due to its diversified business and dominant position in various markets.

Industrials: 0.1% overweight (14.5% of the portfolio)

In the Industrials sector, the highest conviction position is an overweight in Pentair (0.7% of the portfolio), a manufacturer of water treatment equipment such as pumps and filters. This is another company for which analysis of broker research suggests strong business momentum, supported by elevated activity in terms of investors meeting with management, another sign of positive market sentiment. Finally, data on staff turnover suggests stability in the business and management confidence.

Consumer Staples: 0.1% overweight (8.7% of the portfolio)

Walmart (2.4% of the portfolio) is our top pick within the Consumer Staples sector. Analysis of management comments from the most recent earnings call and broker research suggests that those within the company or those that follow it closely are feeling confident. Meanwhile the company's track record of dividend increases imply that increased payouts could be on the cards.

Communication Services: benchmark weight (4.5% of the portfolio)

The largest overweight in the Communication Services sector is the cable television and internet provider Comcast (0.9% of the portfolio). After persistent share price weakness over the past few months, the stock looks very cheap based on both earnings and cash flows. The relatively long maturity of the company's debt may also give it a better ability to weather any economic storms, while investor meeting activity is also supportive.

Energy: benchmark weight (6.3% of the portfolio)

An overweight in gas storage and transmission firm Williams (0.8% of the portfolio) is offset by an underweight in oil & gas producer Chevron (0.5% of the portfolio). Online job posting volumes and hedge fund trading activity are sending bullish signals for Williams, while Chevron scores poorly on a variety of quality metrics, including the number of independent board members and predicted sales growth.

Utilities: 0.3% underweight (4.7% of the portfolio)

The largest contributor to the underweight in the Utilities sector comes from a lower than benchmark holding in renewable energy producer NextEra Energy (0.1% of the portfolio). This is a top-down driven view, coming from both style and sector timing insights. From a sector perspective, analysis of both news stories and broker reports suggest that more informed sources (brokers) are less bullish on renewables than is the case in the media, based on recent news stories. The style timing models noted above prefer more traditionally defensive utility companies.

Real Estate: 0.3% underweight (4.5% of the portfolio)

The portfolio has no holding in global logistics real estate firm Prologis which is the Real Estate sector's largest weighting in the benchmark. This mostly reflects a negative top-down view from the model. Analysis of the economic regime, where rates remain relatively high with signs of weakening growth, are not favourable for real estate companies.

Financials: 0.4% underweight (23.0% of the portfolio)

Despite a strong multi-year run for the companies in the Financials sector, it still looks relatively attractive in terms of valuation but analysis of trading data from exchanges and prime brokers show signs that the sentiment may be turning.

Materials: 1.1% underweight (3.1% of the portfolio)

The portfolio has no holding in the chemicals firm Linde, which specialises in gases and is a substantial contributor to the underweight in the Materials sector. This stock scores negatively everywhere, bottom-up to top-down and across valuation, quality, fundamental, momentum and investor sentiment insights. Signals informed by macro data really do not prefer chemical companies, which tend to be quite cyclical, while weak job postings and broker sentiment suggest company-specific weakness in the outlook.

Outlook

At the time of writing, geopolitical events loom large and trade tensions remain. Surveys of US consumer sentiment have rebounded from recent lows but remain depressed. Forward looking measures of business activity continue to point to an expansion in activity and our analysis of on-line job postings points to a slowdown in wage growth - but this could create room for interest rate cuts. Against this very mixed picture, it is worth returning to the discussion of the portfolio's sector and underlying stock positioning above. The portfolio holds overweight positions in a variety of firms, some of which have highly diversified businesses or dominant market positions, or produce specialised goods, or show signs of financial resilience. Many of these companies are displaying positive momentum in their fundamentals. At the same time, there are sectors and firms where top-down views suggest that they may be vulnerable in the current economic environment, informing underweight positions. Uncertainty is often a source of discomfort, but it can also create compelling investment opportunities. We believe a data-driven, diversified and risk-controlled approach should be well placed to capture those opportunities.

TRAVIS COOKE AND MUZO KAYACAN

Co-portfolio managers

3 July 2025

¹ Return on net total return index is calculated including the reinvestment of dividends net of withholding taxes.

Ten largest investments

Together, the Company's ten largest investments represented 20.0% of the Company's portfolio as at 30 April 2025 (31 October 2024: 26.9%)

1 ▲ Berkshire Hathaway (2024: n/a)
Sector: Financials
Market value: **Â£3,281,000**
Share of investments: **2.9%**(2024: n/a)

Berkshire Hathaway is a holding company engaged in a wide range of business activities. The company's main operations include insurance, freight rail transportation and utility and energy generation and distribution. Its major products and services encompass property and casualty insurance, life and health insurance and reinsurance, as well as manufacturing of industrial, building and consumer products.

2 ▲ JPMorgan Chase (2024: n/a)
Sector: Financials
Market value: **Â£3,100,000**
Share of investments: **2.7%**(2024: n/a)

JPMorgan Chase is a banking services company that offers consumer and commercial banking, investment banking, financial transaction processing and asset management solutions. The bank provides asset management, treasury services, investment banking, wealth management, private banking, the US consumer and commercial banking operations and brokerage services.

3 ▲ Walmart (2024: n/a)
Sector: Consumer Staples
Market value: **Â£2,705,000**
Share of investments: **2.4%**(2024: n/a)

Walmart is a US-based omni-channel retailer. It sells groceries, consumables, health & wellness products, office products, apparel, fuel and home furnishings, among others, through grocery stores, supermarkets, hypermarkets, department and discount stores, e-commerce portals and neighborhood markets.

4 ▲ Bank of America (2024: n/a)
Sector: Financials
Market value: **Â£2,496,000**
Share of investments: **2.2%**(2024: n/a)

Bank of America is a banking services company offering a wide range of financial products and services to retail customers, companies and institutions through its eight lines of business. The bank serves retail customers through its retail, preferred, wealth management, business banking, global commercial banking and global corporate and investment banking lines of business.

5 ▲ Exxon Mobil (2024: n/a)
Sector: Energy
Market value: **Â£2,093,000**
Share of investments: **1.8%**(2024: n/a)

Exxon Mobil is an integrated oil and gas company that discovers, explores for, develops and produces crude oil, natural gas and natural gas liquids. The company carries out the refining of crude oil, produces, transports, trades and sells petroleum products and manufactures lube base stocks and finished lubricants.

6 ▲ UnitedHealth Group (2024: n/a)
Sector: Health Care
Market value: **Â£1,985,000**
Share of investments: **1.7%**(2024: n/a)

UnitedHealth Group is an American multinational company specialising in health insurance and health care services. The company focuses on improving health care systems through technology, data and comprehensive health services. Its major services include health benefits, pharmacy care services and health care management solutions.

7 ▲ Morgan Stanley (2024: n/a)
Sector: Financials
Market value: **Â£1,938,000**
Share of investments: **1.7%**(2024: n/a)

Morgan Stanley is one of the largest providers of financial services. The company provides institutional securities, wealth management and investment management services. Solutions under institutional securities and wealth management consist of lending, investment banking, sales and trading, brokerage and investment advisory, wealth and financial planning, banking and retirement planning and insurance.

8 ▼ Citigroup (2024: 1st)
Sector: Financials
Market value: **Â£1,788,000**
Share of investments: **1.6%**(2024: 3.5%)

Citigroup (Citi) is a multinational investment bank and financial services corporation with a larger international footprint and smaller US retail footprint compared to its large US bank peers. Citi generates returns significantly below its peers due to numerous issues, including higher funding costs, business mix and weak operating performance. However, we believe there is a multi-year opportunity to close the gap over time, as they continue to cut costs. Citi also scores similarly to its large US bank peers with a strong score in Financing Environmental Impact, which will be increasingly important.

9 ▲ Cisco Systems (2024: 19th)
Sector: Information Technology
Market value: **Â£1,693,000**
Share of investments: **1.6%**(2024: 1.9%)

Cisco Systems is an American multinational digital communications technology corporation. The company develops, manufactures, and sells networking hardware, software, telecommunications equipment and other high-technology services and products.

10 ▲ Boston Scientific (2024: n/a)
Sector: Health Care
Market value: **Â£1,658,000**
Share of investments: **1.4%**(2024: n/a)

Boston Scientific is an American medical technology company that develops, manufactures and commercialises devices for a range of interventional medical specialities. The company serves hospitals, clinics, outpatient facilities and medical offices across the world. The company has manufacturing facilities in the US, Ireland, Costa Rica, Brazil, Malaysia and Puerto Rico.

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

Percentages in brackets represent the value of the holdings as at 31 October 2024.

Arrows indicate the change in relative ranking of the position in the portfolio compared to its ranking as at 31 October 2024.

Portfolio analysis as at 30 April 2025

Sector Exposure

Â	2025 portfolio ¹	2024 portfolio ²	2025 reference index ³
Communication Services	4.5%	7.8%	4.5%
Consumer Discretionary	6.0%	10.2%	5.8%
Consumer Staples	8.7%	5.8%	8.6%
Energy	6.3%	6.0%	6.3%
Financials	23.0%	16.1%	23.4%
Health Care	15.5%	18.0%	14.3%
Industrials	14.5%	5.8%	14.4%
Information Technology	9.2%	16.5%	8.7%
Materials	3.1%	6.6%	4.2%
Real Estate	4.5%	2.1%	4.8%
Utilities	4.7%	5.1%	5.0%

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¹ Portfolio exposure at 30 April 2025.

² Portfolio exposure at 31 October 2024.

³ Exposure of the Russell 1000 Value Index at 30 April 2025.

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Geographic Exposure¹

As at 30 April 2025

United States	100%
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As at 31 October 2024

United States	90.2%
United Kingdom	3.4%
Other ²	2.3%
France	2.2%
South Korea	1.9%

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¹ Based on the principal place of operation of each investment.

² Consists of Ireland and Canada.

Fifty largest investments as at 30 April 2025

Company	Sector	Market value Â£â€™000	% of total portfolio
Berkshire Hathaway	Financials	3,281	2.9
JPMorgan Chase	Financials	3,100	2.7
Walmart	Consumer Staples	2,705	2.4
Bank of America	Financials	2,496	2.2
Exxon Mobil	Energy	2,093	1.8
UnitedHealth Group	Health Care	1,985	1.7
Morgan Stanley	Financials	1,938	1.7
Citigroup	Financials	1,788	1.6
Cisco Systems	Information Technology (IT)	1,693	1.6
Boston Scientific	Health Care	1,658	1.4
S&P Global	Financials	1,643	1.4
Pfizer	Health Care	1,590	1.4
Johnson & Johnson	Health Care	1,557	1.4
Entergy	Utilities	1,534	1.3
Philip Morris International	Consumer Staples	1,494	1.3
Nsource	Utilities	1,414	1.2
Travelers	Financials	1,413	1.2
Medtronic	Health Care	1,364	1.2
PNC Financial Services	Financials	1,312	1.1
Abbvie	Health Care	1,293	1.1
Equinix	Real Estate	1,277	1.1
RTX	Industrials	1,220	1.1
Walt Disney	Communication Services	1,160	1.0
Charles Schwab	Financials	1,120	1.0
Intercontinental Exchange	Financials	1,110	1.0
Honeywell International	Industrials	1,099	1.0
Comcast	Communication Services	1,080	0.9
Procter & Gamble	Consumer	1,069	0.9

Gilead Sciences	Staples		
Verizon Communications	Health Care	1,033	0.9
	Communication	997	0.9
	Services		
ACN	Financials	930	0.8
Williams	Energy	927	0.8
Home Depot	Consumer	905	0.8
	Discretionary		
Lockheed Martin	Industrials	904	0.8
AMETEK	Industrials	896	0.8
Regeneron Pharmaceuticals	Health Care	840	0.7
Pentair	Industrials	814	0.7
Colgate-Palmolive	Consumer	814	0.7
	Staples		
UPS	Industrials	812	0.7
Moody	Financials	811	0.7
Corning	IT	807	0.7
Salesforce	IT	798	0.7
Bristol-Myers Squibb	Health Care	782	0.7
Packaging Corp	Materials	768	0.7
Newmont	Materials	754	0.7
Consolidated Edison	Utilities	749	0.7
Simon Property	Real Estate	738	0.6
Visa	Financials	699	0.6
Mastec	Industrials	695	0.6
Fidelity National	Financials	690	0.6
50 largest investments		64,649	56.5
Remaining 183 investments		49,751	43.5
Total		114,400	100.0

Details of the full portfolio are available on the Company's website at www.blackrock.com/uk/brai.

All investments are listed in the US and ordinary shares unless otherwise stated. The number of holdings as at 30 April 2025 was 233 (31 October 2024: 60).

At 30 April 2025, 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 and the Investment Manager's Report above give details of the important events which have occurred during the period and their impact on the financial statements.

Principal risks and uncertainties

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

- Market;
- Geopolitical;
- Investment performance;
- Operational;
- Legal & Regulatory Compliance;
- 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 2024. A detailed explanation can be found in the Strategic Report on pages 35 to 43 and in note 15 on pages 98 to 103 of the Annual Report and Financial Statements which are available on the website maintained by BlackRock at www.blackrock.com/uk/brai.

In the view of the Board, geopolitical risks have altered the nature of the risks reported in the Annual Report and Financial Statements. The Board is mindful of the continuing uncertainty surrounding the current environment of heightened political risk given the war in Ukraine and conflicts in the Middle East and has reclassified geopolitical risk, previously included under market risk, as a standalone principal risk.

Going concern

The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and is financially sound. The Board believes that the Company and its key third-party service providers have in place appropriate business continuity plans and these services have continued to be supplied without interruption.

The Company has a portfolio of investments which are predominantly readily realisable and is able to meet all its liabilities from its assets and income generated from these assets. Accounting revenue and expense forecasts are maintained and reported to the Board regularly and it is expected that the Company will be able to meet all its obligations. Borrowings under the overdraft facility shall at no time exceed £20 million or 20% of the Company's net assets (calculated at the time of draw down) although the Board intends only to utilise borrowings representing 10% of net assets at the time of draw down and this covenant was complied with during the period. Ongoing charges for the year ended 31 October 2024 were 1.06% of average daily net assets.

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

Related party disclosure and transactions with the Manager

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. BFM

has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM(UK)). Both BFM and BIM(UK) are regarded as related parties under the Listing Rules. Details of the fees payable are set out in note 4 and note 12 below.

The related party transactions with the Directors are set out in note 11 below.

Directors' responsibility statement

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

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the Half Yearly Financial Report has been prepared in accordance with applicable International Accounting Standard 34 "Interim Financial Reporting"; and
- the Interim Management Report, together with the 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 3 July 2025 and the above responsibility statement was signed on its behalf by the Chairman.

DAVID BARRON
FOR AND ON BEHALF OF THE BOARD
3 July 2025

Statement of Comprehensive Income for the six months ended 30 April 2025

		Six months ended 30 April 2025 (unaudited)			Six months ended 30 April 2024 (unaudited)			Year ended 31 October 2024 (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	3A	1,499		1,499	1,855		1,855	3,842		3,842
Other income	3A	10		10	5		5	13		13
Total income		1,509		1,509	1,860		1,860	3,855		3,855
Net (loss)/profit on investments and options held at fair value through profit or loss			(8,881)	(8,881)		21,487	21,487		20,909	20,909
Net loss on foreign exchange			(39)	(39)		(19)	(19)		(67)	(67)
Total		1,509	(8,920)	(7,411)	1,860	21,468	23,328	3,855	20,842	24,697
Expenses										
Investment management fee	4A	(120)	(361)	(481)	(145)	(436)	(581)	(286)	(860)	(1,146)
Other operating expenses	5A	(264)	(5)	(269)	(240)	(3)	(243)	(534)	(10)	(544)
Total operating expenses		(384)	(366)	(750)	(385)	(439)	(824)	(820)	(870)	(1,690)
Net profit/(loss) on ordinary activities before finance costs and taxation		1,125	(9,286)	(8,161)	1,475	21,029	22,504	3,035	19,972	23,007
Finance costs						(1)	(1)	(2)	(4)	(6)
Net profit/(loss) on ordinary activities before taxation		1,125	(9,286)	(8,161)	1,475	21,028	22,503	3,033	19,968	23,001
Taxation		(164)		(164)	(221)		(221)	(429)		(429)
Profit/(loss) for the period/year		961	(9,286)	(8,325)	1,254	21,028	22,282	2,604	19,968	22,572
Earnings/(loss) per ordinary share (pence)	7A	1.39	(13.41)	(12.02)	1.59	26.63	28.22	3.39	25.97	29.36

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

The Company does not have any other comprehensive income/(loss) (30 April 2024: Â£nil; 31 October 2024: Â£nil). The net profit/(loss) for the period disclosed above represents the Company's total comprehensive income/(loss).

Statement of Changes in Equity for the six months ended 30 April 2025

	Note	Called up share capital Â£â€™000Â	Capital redemption reserve Â£â€™000Â	Special reserve Â£â€™000Â	Capital reserves Â£â€™000Â	Revenue reserve Â£â€™000Â	Total Â£â€™000Â
For the six months ended 30 April 2025 (unaudited)							
At 31 October 2024		1,004	1,460	66,412	85,692	499	155,067
Total comprehensive (loss)/income:							
Net (loss)/profit for the period		â€	â€	â€	(9,286)	961	(8,325)
Transactions with owners, recorded directly to equity:							
Ordinary shares repurchased into treasury		â€	â€	(8,491)	â€	â€	(8,491)
Treasury shares cancelled		(50)	50	â€	â€	â€	â€
Share repurchase costs		â€	â€	(51)	â€	â€	(51)
Ordinary shares repurchased into treasury â€ tender offer		â€	â€	(20,953)	â€	â€	(20,953)
Tender offer and other costs relating to the proposals ¹		â€	â€	(350)	â€	â€	(350)
BlackRock contribution to costs of the proposals:		â€	â€	118	â€	â€	118
Dividends paid	6	â€	â€	â€	(1,359)	(1,404)	(2,763)
At 30 April 2025		<u>954</u>	<u>1,510</u>	<u>36,685</u>	<u>75,047</u>	<u>56</u>	<u>114,252</u>
For the six months ended 30 April 2024 (unaudited)							
At 31 October 2023		1,004	1,460	82,540	69,201	584	154,789
Total comprehensive income:							
Net profit for the period		â€	â€	â€	21,028	1,254	22,282
Transactions with owners, recorded directly to equity:							
Ordinary shares repurchased into treasury		â€	â€	(5,560)	â€	â€	(5,560)
Share repurchase costs		â€	â€	(21)	â€	â€	(21)
Dividends paid	6	â€	â€	â€	(1,508)	(1,649)	(3,157)
At 30 April 2024		<u>1,004</u>	<u>1,460</u>	<u>76,959</u>	<u>88,721</u>	<u>189</u>	<u>168,333</u>
For the year ended 31 October 2024 (audited)							
At 31 October 2023		1,004	1,460	82,540	69,201	584	154,789
Total comprehensive income:							
Net profit for the year		â€	â€	â€	19,968	2,604	22,572
Transactions with owners, recorded directly to equity:							
Ordinary shares repurchased into treasury		â€	â€	(16,067)	â€	â€	(16,067)
Share repurchase costs		â€	â€	(61)	â€	â€	(61)
Dividends paid		â€	â€	â€	(3,477)	(2,689)	(6,166)
At 31 October 2024		<u>1,004</u>	<u>1,460</u>	<u>66,412</u>	<u>85,692</u>	<u>499</u>	<u>155,067</u>

¹ Costs relating to the implementation of the proposals set out in the Circular dated 27 February 2025 and the tender offer and other costs relating to the portfolio transition amounted to Â£350,000. The Manager has agreed to make a contribution to the costs of the proposals that do not relate to the tender offer of Â£118,000 such that the proposals are cost-neutral to the continuing shareholders. The tender price was at a 2% discount to the NAV at 17 April 2025 adjusted for the estimated portfolio realisation costs. The 2% discount resulted in a NAV uplift of around 14 basis points for existing shareholders. The costs relating to the proposals and the contribution from the Manager are adjusted against capital reserves. The Manager has also agreed a six-month management fee holiday for the period 1 May 2025 to 31 October 2025.

For information on the Company's distributable reserves, please refer to note 9 below.

Statement of Financial Position as at 30 April 2025

		30 April 2025 (unaudited) Â£â€™000Â	30 April 2024 (unaudited) Â£â€™000Â	31 October 2024 (audited) Â£â€™000Â
Non current assets	Notes			
Investments held at fair value through profit or loss	10	114,400	168,828	155,578
Current assets				
Current tax asset			92	97
Other receivables		1,710	233	212
Cash and cash equivalents â€ cash at bank		630	671	1,075
Total current assets		<u>2,461</u>	<u>996</u>	<u>1,384</u>
Total assets		<u>116,861</u>	<u>169,824</u>	<u>156,962</u>

Current liabilities	Â	Â	Â	Â
Other payables	Â	(2,609)	(1,491)	(1,895)
Total current liabilities	Â	(2,609)	(1,491)	(1,895)
Â	Â	Â	Â	Â
Net assets	Â	114,252Â	168,333Â	155,067Â
Â	Â	Â	Â	Â
Equity	Â	Â	Â	Â
Called up share capital	8Â	954Â	1,004Â	1,004Â
Capital redemption reserve	Â	1,510Â	1,460Â	1,460Â
Special reserve	Â	36,917Â	76,959Â	66,412Â
Capital reserves	Â	74,815Â	88,721Â	85,692Â
Revenue reserve	Â	56Â	189Â	499Â
Â	Â	Â	Â	Â
Total shareholders' funds	Â	114,252Â	168,333Â	155,067Â
Â	Â	Â	Â	Â
Net asset value per ordinary share (pence)	7Â	201.81Â	218.40Â	216.24Â
Â	Â	Â	Â	Â

Cash Flow Statement for the six months ended 30 April 2025

	Six months ended 30 April 2025 (unaudited) Â£â€™000Â	Six months ended 30 April 2024 (unaudited) Â£â€™000Â	Year ended 31 October 2024 (audited) Â£â€™000Â
Â	Â	Â	Â
Operating activities	Â	Â	Â
Net (loss)/profit on ordinary activities before taxation	(8,161)	22,503	23,001
Add back finance costs	â€"Â	1	6
Net loss/(profit) on investments and options held at fair value through profit or loss (including transaction costs)	8,881	(21,487)	(20,909)
Net loss on foreign exchange	39	19	67
Sale of investments held at fair value through profit or loss	174,945	74,765	133,284
Purchase of investments held at fair value through profit or loss	(142,648)	(67,890)	(113,741)
(Increase)/decrease in other receivables	(117)	(28)	17
(Decrease)/increase in other payables	(265)	82	208
(Increase)/decrease in amounts due from brokers	(1,381)	2,409	2,385
Increase/(decrease) in amounts due to brokers	1,437	(1,918)	(1,918)
Â	Â	Â	Â
Net cash inflow from operating activities before taxation	32,730	8,456	22,400
Â	Â	Â	Â
Taxation paid	(188)	(189)	(402)
Â	Â	Â	Â
Net cash inflow from operating activities	32,542	8,267	21,998
Â	Â	Â	Â
Financing activities	Â	Â	Â
Interest paid	â€"Â	(1)	(6)
Payments for ordinary shares repurchased into treasury	(9,000)	(5,511)	(15,776)
Payments for shares repurchased into treasury â€" tender offer	(20,953)	â€"Â	â€"Â
Tender offer costs	(350)	â€"Â	â€"Â
BlackRock contribution to tender offer costs	118	â€"Â	â€"Â
Dividends paid	(2,763)	(3,157)	(6,166)
Â	Â	Â	Â
Net cash outflow from financing activities	(32,948)	(8,669)	(21,948)
Â	Â	Â	Â
(Decrease)/increase in cash and cash equivalents	(406)	(402)	50
Effect of foreign exchange rate changes	(39)	(19)	(67)
Â	Â	Â	Â
Change in cash and cash equivalents	(445)	(421)	(17)
Cash and cash equivalents at start of period/year	1,075	1,092	1,092
Â	Â	Â	Â
Cash and cash equivalents at end of period/year	630	671	1,075
Â	Â	Â	Â
Comprised of:	Â	Â	Â
Cash at bank	630	95	274
Cash Fund	â€"Â	576	801
Â	Â	Â	Â
Â	630	671	1,075
Â	Â	Â	Â

¹Â Dividends and interest received in cash during the year amounted to Â£1,258,000 and Â£21,000 (six months ended 30 April 2024: Â£1,567,000 and Â£24,000; year ended 31 October 2024: Â£3,363,000 and Â£43,000).

²Â Cash Fund represents funds held on deposit with the BlackRock Institutional Cash Series plc â€" US Dollar Liquid Environmentally Aware Fund.

Notes to the Financial Statements for the six months ended 30 April 2025

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 preparation

The half yearly financial statements for the period ended 30 April 2025 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 2024, which have been prepared in accordance with UK-adopted International Accounting Standards (IAS).

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

Adoption of new and amended International Accounting Standards and interpretations:

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

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

The amendment of these standards did not have any significant impact on the Company.

Relevant International Accounting Standards that have yet to be adopted:

IAS 21 – “Lack of exchangeability” (effective 1 January 2025). The IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

IFRS 18 – “Presentation and disclosure in financial statements” (effective 1 January 2027). The IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of two new defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified “roles” of the primary financial statements and the notes.

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

3. Income

	Six months ended 30 April 2025 (unaudited) £'000	Six months ended 30 April 2024 (unaudited) £'000	Year ended 31 October 2024 (audited) £'000
Investment income:			
UK dividends	104	206	518
Overseas dividends	1,281	1,557	3,107
Overseas special dividends	–	–	12
Overseas REIT dividends	98	77	176
Interest from Cash Fund	16	15	29
	<u>1,499</u>	<u>1,855</u>	<u>3,842</u>
Total investment income	<u>1,499</u>	<u>1,855</u>	<u>3,842</u>
Deposit interest	10	5	13
	<u>1,509</u>	<u>1,860</u>	<u>3,855</u>
Total	<u>1,509</u>	<u>1,860</u>	<u>3,855</u>

Real Estate Investment Trust.

Dividends and interest received in cash during the period amounted to £1,258,000 and £21,000 (six months ended 30 April 2024: £1,567,000 and £24,000; year ended 31 October 2024: £3,363,000 and £43,000).

No special dividends have been recognised in capital during the period (six months ended 30 April 2024: £nil; year ended 31 October 2024: £nil).

4. Investment management fee

	Six months ended 30 April 2025			Six months ended 30 April 2024			Year ended 31 October 2024		
	(unaudited) Revenue £'000	Capital £'000	Total £'000	(unaudited) Revenue £'000	Capital £'000	Total £'000	(audited) Revenue £'000	Capital £'000	Total £'000
Investment management fee	120	361	481	145	436	581	286	860	1,146
	<u>120</u>	<u>361</u>	<u>481</u>	<u>145</u>	<u>436</u>	<u>581</u>	<u>286</u>	<u>860</u>	<u>1,146</u>
Total	<u>120</u>	<u>361</u>	<u>481</u>	<u>145</u>	<u>436</u>	<u>581</u>	<u>286</u>	<u>860</u>	<u>1,146</u>

Up to 16 April 2025, the investment management fee was payable quarterly in arrears, calculated at the rate of 0.70% per annum of the Company’s net assets.

From 17 April 2025, the investment management fee is payable quarterly in arrears, calculated on a tiered basis: 0.35% of the net asset value per annum up to and including £350 million and 0.30% of the net asset value in excess of £350 million.

The investment management fee is allocated 25% to the revenue account and 75% to the capital account.

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

5. Other operating expenses

	Six months ended	Six months ended	Year ended
--	------------------	------------------	------------

	30 April 2025 (unaudited) £'000	30 April 2024 (unaudited) £'000	31 October 2024 (audited) £'000
Allocated to revenue:			
Custody fee	1	1	2
Auditors' remuneration for audit services ¹	21	26	47
Registrar's fee	18	9	30
Directors' emoluments	74	69	145
Broker fees	25	20	40
Depository fees	7	8	16
Printing fees	20	27	43
Legal and professional fees	7	9	16
Marketing fees	21	21	87
AIC fees	6	6	12
FCA fees	6	5	12
Write back of prior year expenses ²	(1)	(3)	(43)
Other administrative costs	59	42	127
Total revenue expenses	264	240	534
Allocated to capital:			
Custody transaction charges ³	5	3	10
Total	269	243	544

- ¹ No non-audit services were provided by the Company's auditors for the six months ended 30 April 2025 (six months ended 30 April 2024: none; year ended 31 October 2024: none).
- ² Relates to miscellaneous fee accruals written back during the period (six months ended 30 April 2024: Directors' expenses; year ended 31 October 2024: Directors' expenses and legal fees).
- ³ For the six month period ended 30 April 2025, an expense of £5,000 (six months ended 30 April 2024: £3,000; year ended 31 October 2024: £10,000) was charged to the capital account of the Statement of Comprehensive Income. This relates to transaction costs charged by the custodian on sale and purchase trades.

The transaction costs incurred on the acquisition of investments amounted to £26,000 for the six months ended 30 April 2025 (six months ended 30 April 2024: £13,000; year ended 31 October 2024: £17,000). Costs relating to the disposal of investments amounted to £25,000 for the six months ended 30 April 2025 (six months ended 30 April 2024: £10,000; year ended 31 October 2024: £18,000). All transaction costs have been included within capital reserves.

6. Dividends

On 15 May 2025 the Directors declared a second quarterly interim dividend of 3.03p per share. The dividend will be paid on 4 July 2025 to shareholders on the Company's register on 6 June 2025. This dividend has not been accrued in the financial statements for the six months ended 30 April 2025 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 2025 (unaudited) £'000
Fourth interim dividend for the year ended 31 October 2024 of 2.00p per ordinary share paid on 2 January 2025	1,412
First interim dividend for the year ending 31 October 2025 of 2.00p per ordinary share paid on 2 May 2025	1,351
Accounted for in the financial statements	2,763
Second interim dividend for the year ending 31 October 2025 of 3.03p per ordinary share payable on 4 July 2025 ¹	1,715
Total	4,478

¹ Based on 56,613,872 ordinary shares in issue on 5 June 2025 (the ex-dividend date).

7. Earnings and net asset value per ordinary share

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

	Six months ended 30 April 2025 (unaudited)	Six months ended 30 April 2024 (unaudited)	Year ended 31 October 2024 (audited)
Net revenue profit attributable to ordinary shareholders (£'000)	961	1,254	2,604
Net capital (loss)/profit attributable to ordinary shareholders (£'000)	(9,518)	21,028	19,968
Total (loss)/profit attributable to ordinary shareholders (£'000)	(8,557)	22,282	22,572
Total shareholders' funds (£'000)	114,252	168,333	155,067
The weighted average number of ordinary shares in issue during the period on which the earnings per ordinary share was calculated was:	69,255,294	78,970,614	76,877,643
The actual number of ordinary shares in issue at the period end on which the net asset value per ordinary share was calculated was:	56,613,872	77,076,813	71,708,970

(Loss)/earnings per ordinary share	Â	Â	Â
Revenue earnings per share (pence) â€" basic and diluted	1.39Â	1.59Â	3.39Â
Capital (loss)/earnings per share (pence) â€" basic and diluted	(13.74)	26.63Â	25.97Â
Total (loss)/earnings per share (pence) â€" basic and diluted	(12.35)	28.22Â	29.36Â
Â	Â	Â	Â
Â	As atÂ	As atÂ	As atÂ
	30 AprilÂ	30 AprilÂ	31 OctoberÂ
	2025Â	2024Â	2024Â
	(unaudited)Â	(unaudited)Â	(audited)Â
Â	Â	Â	Â
Net asset value per ordinary share (pence)	201.81Â	218.40Â	216.24Â
Ordinary share price (pence)	191.25Â	197.50Â	190.00Â
Â	Â	Â	Â
Â	Â	Â	Â

There were no dilutive securities at the period end (six months ended 30 April 2024: none; year ended 31 October 2024: none).

8. Share capital

	OrdinaryÂ sharesÂ in issueÂ numberÂ	TreasuryÂ sharesÂ numberÂ	TotalÂ sharesÂ numberÂ	NominalÂ valueÂ Â£â€"000Â
Â	Â	Â	Â	Â
Allotted, called up and fully paid share capital comprised:	Â	Â	Â	Â
Ordinary shares of 1 pence each:	Â	Â	Â	Â
At 31 October 2023 (audited)	79,989,044Â	20,372,261Â	100,361,305Â	1,004Â
Ordinary shares repurchased into treasury	(2,912,231)	2,912,231Â	â€"Â	â€"Â
At 30 April 2024 (unaudited)	77,076,813Â	23,284,492Â	100,361,305Â	1,004Â
Ordinary shares repurchased into treasury	(5,367,843)	5,367,843Â	â€"Â	â€"Â
At 31 October 2024 (audited)	71,708,970Â	28,652,335Â	100,361,305Â	1,004Â
Ordinary shares repurchased into treasury	(4,184,846)	4,184,846Â	â€"Â	â€"Â
Ordinary shares repurchased into treasury â€" tender offer	(10,910,252)	10,910,252Â	â€"Â	â€"Â
Treasury shares cancelled	â€"Â	(5,000,000)	(5,000,000)	(50)
Â	Â	Â	Â	Â
At 30 April 2025 (unaudited)	56,613,872Â	38,747,433Â	95,361,305Â	954Â
Â	Â	Â	Â	Â
Â	Â	Â	Â	Â

During the six months ended 30 April 2025, the Company bought back and transferred 4,184,846 (six months ended 30 April 2024: 2,912,231; year ended 31 October 2024: 8,280,074) shares into treasury for a total consideration including costs of Â£8,542,000 (six months ended 30 April 2024: Â£5,581,000; year ended 31 October 2024: Â£16,128,000).

During the six months ended 30 April 2025, the Company also repurchased 10,910,252 shares into treasury for a total consideration of Â£20,953,000 following the implementation of the tender offer.

During the six months ended 30 April 2025, the Company cancelled 5,000,000 treasury shares (six months ended 30 April 2024: none; year ended 31 October 2024: none).

Since 30 April 2025 and up to the date of this report, 182,730 shares have been bought back and transferred into treasury for a total consideration including costs of Â£350,000.

9. Reserves

The capital redemption reserve of Â£1,510,000 (30 April 2024: Â£1,460,000, 31 October 2024: Â£1,460,000) is not a distributable reserve under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the special reserve and capital reserves may be used as distributable reserves for all purposes and, in particular, the repurchase by the Company of its ordinary shares and for payments such as dividends. In accordance with the Companyâ€™s Articles of Association, the special reserve, capital reserves and revenue reserve may be distributed by way of dividend. The gain on the capital reserves arising on the revaluation of investments of Â£6,110,000 (30 April 2024: Â£8,780,000; 31 October 2024: Â£2,996,000) 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.

As at 30 April 2025, distributable reserves (excluding capital reserves on the revaluation of investments) amounted to Â£105,678,000 (30 April 2024: Â£157,089,000; 31 October 2024: Â£149,607,000).

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

10. Financial risks and valuation of financial instruments

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

Market risk arising from price risk

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

Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Statement of Financial Position at their fair value (investments and derivatives) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash at bank and bank overdrafts). IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note 2(g) as set out on page 90 of the Companyâ€™s Annual Report and Financial Statements for the year ended 31 October 2024.

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 than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs

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

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

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

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

Fair values of financial assets and financial liabilities

The table below sets out fair value measurements using the IFRS 13 fair value hierarchy.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Equity investments at 30 April 2025 (unaudited)	114,400			114,400
Equity investments at 30 April 2024 (unaudited)	168,828			168,828
Equity investments at 31 October 2024 (audited)	155,578			155,578

There were no transfers between levels for financial assets and financial liabilities recorded at fair value as at 30 April 2025, 30 April 2024 and 31 October 2024. The Company did not hold any Level 3 securities throughout the financial period under review or as at 30 April 2024 and 31 October 2024.

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

11. Related party disclosure

Directors' emoluments

The Board consists of three 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 £45,000, the Audit Committee Chair receives an annual fee of £39,000 and each of the Directors receives an annual fee of £32,500. At 30 April 2025, an amount of £9,000 (30 April 2024: £12,000; 31 October 2024: £12,000) was outstanding in respect of Directors' fees.

The interests of the Directors in the ordinary shares of the Company are as set out below:

	30 April 2025 (unaudited)	30 April 2024 (unaudited)	31 October 2024 (audited)
David Barron (Chairman)	11,500	5,000	11,500
Solomon Soquar	10,000	n/a	10,000
Melanie Roberts	10,000	10,000	10,000
Alice Ryder ¹	n/a	9,047	9,047

¹ Alice Ryder retired as a Director following the Annual General Meeting on 16 April 2025.

Gaynor Coley was appointed as a Director and Audit Committee Chair on 25 June 2025, which was after the period end, and she has therefore not been included in the table above.

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

The transactions with the Investment Manager and AIFM are stated in note 12.

Significant Holdings

The following investors are:

- funds managed by the BlackRock Group or are affiliates of BlackRock Inc. (Related BlackRock Funds); or
- investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are, as a result, considered to be related parties to the Company (Significant Investors).

Total % of shares held	Total % of shares held by Significant Investors who are	Number of Significant Investors who are not affiliates of
------------------------	---	---

As at 30 April 2025	by Related BlackRock Funds	not affiliates of BlackRock Group or BlackRock, Inc.	BlackRock Group or BlackRock, Inc.
As at 31 October 2024	nil	n/a	n/a
As at 30 April 2024	0.9	n/a	n/a
	nil	n/a	n/a

12. Transactions with the Investment Manager and AIFM

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM(UK)). Further details of the investment management contract are disclosed on page 50 of the Directors' Report in the Company's Annual Report and Financial Statements for the year ended 31 October 2024.

The investment management fee due for the six months ended 30 April 2025 amounted to £481,000 (six months ended 30 April 2024: £581,000; year ended 31 October 2024: £1,146,000). At the period end, £481,000 was outstanding in respect of the investment management fee (30 April 2024: £854,000; 31 October 2024: £1,128,000).

In addition to the above services, BIM(UK) has provided the Company with marketing services. The total fees paid or payable for these services to 30 April 2025 amounted to £21,000 excluding VAT (six months ended 30 April 2024: £21,000; year ended 31 October 2024: £87,000). Marketing fees of £56,000 excluding VAT (30 April 2024: £144,000; 31 October 2024: £35,000) were outstanding as at 30 April 2025.

The Company has an investment in the BlackRock Institutional Cash Series plc "US Dollar Liquid Environmentally Aware Fund" of £nil (30 April 2024: £576,000; 31 October 2024: £801,000) as at 30 April 2025, which is a fund managed by a company within the BlackRock Group. The Company's investment in the Cash Fund is held in a share class on which no management fees are paid to BlackRock to avoid double dipping.

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 2025 (six months ended 30 April 2024: none; year ended 31 October 2024: none).

14. Publication of non statutory accounts

The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the six months ended 30 April 2025 and 30 April 2024 has not been audited.

The information for the year ended 31 October 2024 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 2025 in late January 2026.

Copies of the annual results announcement can be obtained from the Secretary on 0207 743 3000 or cossec@blackrock.com. The Annual Report and Financial Statements should be available by the beginning of February 2026 with the Annual General Meeting being held in March 2026.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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3 July 2025

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