BlackRock Throgmorton Trust plc

Half Yearly Financial Report 31 May 2023

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

To ensure that you are kept abreast, please scan the QR code to the right of this page to visit our website. If you have a smartphone, you can activate the QR code by opening the camera on your device and pointing it at the QR code. This will then open a link to the relevant section on the Company's website. By visiting our website, you will have the opportunity to sign up to our monthly newsletter which includes our latest factsheets and 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. Further information about the Company can be found at www.blackrock.com/uk/thrg.

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

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

Financial highlights

as at 31 May 2023

£620.4m
Total net assets
-2.0%

8.46p
Revenue earnings per share
+38.2%

587.00p[1]
Ordinary share price
0.0%[1,2]

2.4 percentage points[2]
Share price outperformed Benchmark Index[1]

618.58p
NAV per share
+0.1%[1,2]

2.5 percentage points[2,3]
NAV per share outperformed Benchmark Index[1]

3.30p
Interim dividend
26.9%

The above financial highlights are as at 31 May 2023 and percentage comparisons are against 30 November 2022.

1 Mid-market share price, NAV performance and Benchmark Index are calculated in Sterling terms with dividends reinvested. The Benchmark Index is the Numis Smaller Companies plus AIM (excluding Investment Companies) Index.
2 Alternative Performance Measure, see Glossary on pages 40 to 44.
3 Calculated on NAV per ordinary share performance versus the Benchmark Index performance, both with dividends reinvested.

Why BlackRock Throgmorton Trust plc?

Investment objective

The Company's objective is to provide shareholders with long-term capital growth and an attractive total return through investment primarily in UK smaller and mid-capitalisation companies traded on the London Stock Exchange.

Reasons to invest

Outperforming asset class

The Company offers investors exposure to primarily UK smaller and mid-capitalisation companies, an asset class that has historically outperformed larger companies by 3.9%[1] per annum.

Active management

Smaller and mid-capitalisation companies operate in a less efficient and under-researched area of the market, which makes it an attractive environment for active managers.

Additional alpha opportunities

We are able to increase our long exposure where we see opportunity, and can also short companies that we find unattractive, enabling the Company to profit if their share prices rise or fall in each case. This provides a differentiated source of alpha.

Flexible market exposure

The Company has an enhanced toolkit for generating outperformance. Leverage enables us to increase overall gross market exposure whilst varying the net exposure through time, with the aim of enhancing returns over the long-term.

Broader exposure

The Company is able to invest without restriction in AIM listed companies, has the ability to invest 15% of gross assets in companies listed overseas and 2.5% of net assets in unquoted companies. This further expands our investment universe and provides differentiation from other trusts in the market.

Proven track record

Proven strategy with a long-term track record of over 5.0% annualised outperformance over our Benchmark Index.[2]

[1] Source: Datastream. For the period 1955 to 2023, Numis Smaller Companies Index plus AIM (excluding Investment Companies) Total Return Index (previously known as Hoare Govett). Barclays Equity Total Return (December 1955 to December 2006), representative of smaller company performance. FTSE All-Share Total Return (January 2008 to May 2023), representative of larger company performance.

[2] Since BlackRock was appointed as Manager on 1 July 2008.

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/thrg

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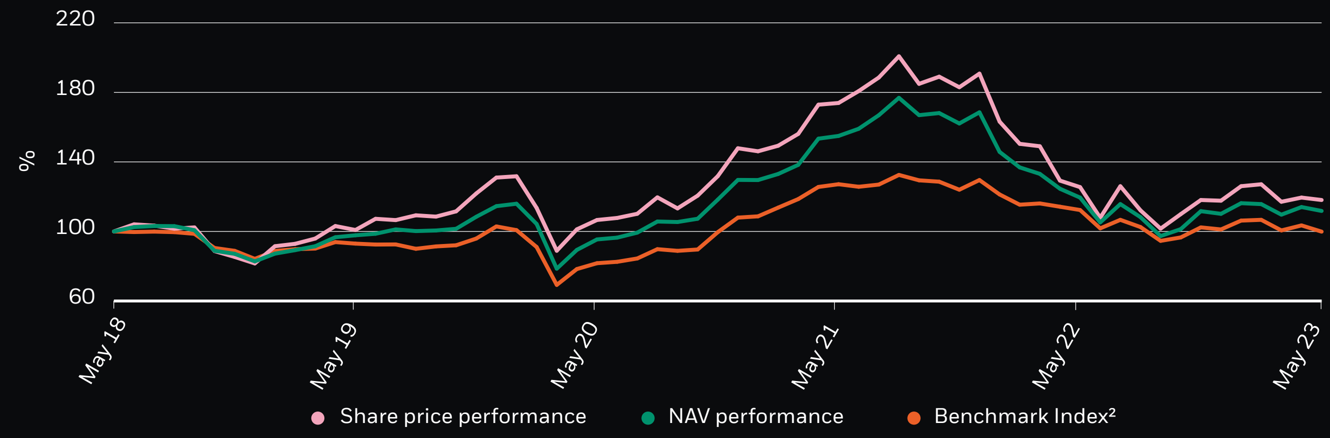
Performance record

	As at 31 May 2023	As at 30 November 2022
Net assets (£'000)[1]	620,407	633,357
Net asset value per ordinary share (pence)	618.58	626.10
Ordinary share price (mid-market) (pence)	587.00	595.00
Benchmark Index[2]	15,277.98	15,652.96
Discount to cum income net asset value[3]	5.1%	5.0%

	For the six months ended 31 May 2023	For the year ended 30 November 2022
Performance (with dividends reinvested)		
NAV per share[3]	0.1%	(31.1)%
Ordinary share price[3]	0.0%	(35.5)%
Benchmark Index[2]	(2.4)%	(17.5)%
Average discount to cum income net asset value for the period/year[3]	4.3%	3.5%

	For the six months ended 31 May 2023	For the six months ended 31 May 2022	Change %
Revenue			
Net revenue profit on ordinary activities after taxation (£'000)	8,544	6,303	+35.6
Revenue earnings per ordinary share (pence)[4]	8.46	6.12	+38.2
Dividends per ordinary share (pence)			
Interim	3.30	2.60	+26.9

Performance for the five years to 31 May 2023



Total return performance record, rebased to 100 at 31 May 2018.
Sources: BlackRock and Datastream.

[1] The change in net assets reflects portfolio movements, the purchase of the Company's own shares and dividends paid during the period.

[2] The Company's Benchmark Index is the Numis Smaller Companies plus AIM (excluding Investment Companies) Index. With effect from 22 March 2018, the Numis Smaller Companies plus AIM (excluding Investment Companies) Index replaced the Numis Smaller Companies excluding AIM (excluding Investment Companies) Index as the Company's Benchmark Index. From 1 December 2013 to 21 March 2018, the Company's Benchmark Index was the Numis Smaller Companies excluding AIM (excluding Investment Companies) Index. Prior to 1 December 2013, the Company's Benchmark Index was the Numis Smaller Companies plus AIM (excluding Investment Companies) Index. The performance of the Benchmark Indices during these periods has been blended to reflect these changes.

[3] Alternative Performance Measures, see Glossary on pages 40 to 44.

[4] Further details are given in the Glossary on page 44.

Chairman's statement

Dear Shareholder

Period highlights

- **NAV per ordinary share increased by 0.1%, versus the decrease in the Benchmark Index of 2.4%, an outperformance of 2.5 percentage points**
- **Share price return flat at 0.0%**
- **Earnings per share increased by 38.2% year-on-year**
- **Interim dividend declared of 3.30p per share (31 May 2022: 2.60p)**
- **Share rating remained stable ending the period at 5.1% (30 November 2022: 5.0%). Average discount during the period of 4.3%, compared with the weighted average discount for the rest of the peer group of 11.3%**
- **A total of 863,079 ordinary shares were repurchased into treasury for a total consideration of £5,076,000**

Christopher Samuel
Chairman

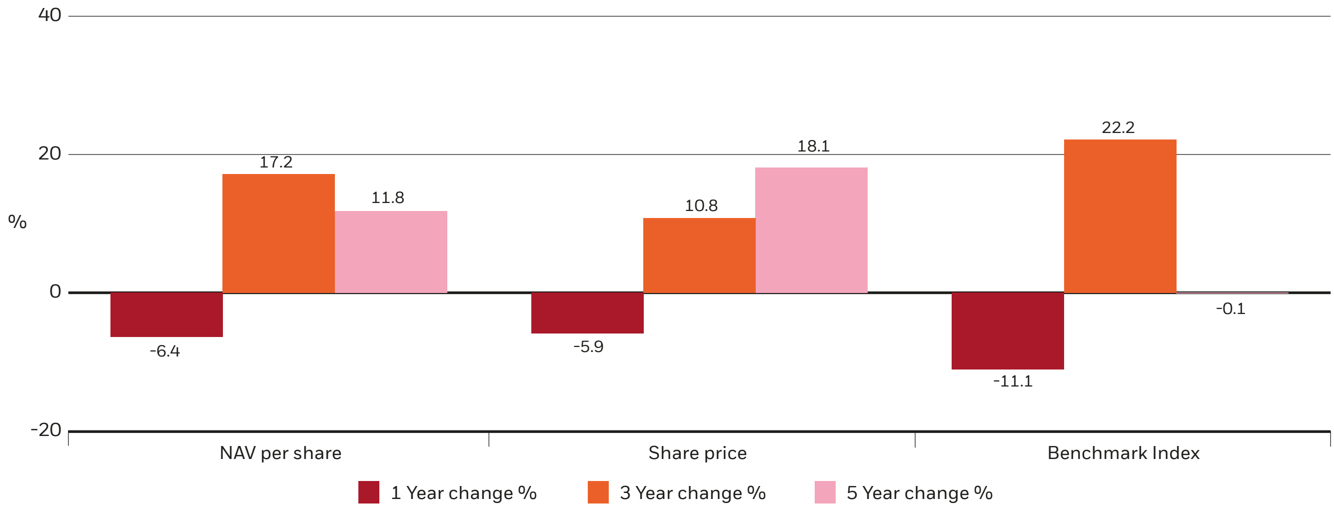
Overview

The six months to 31 May 2023 were once again dominated by powerful macroeconomic drivers. High inflation coupled with the threat of contagion from the US banking crisis acted to exacerbate an already nervous UK market. Stubborn inflation and persistent wage growth data saw the Bank of England (BoE) implement a 50-basis point rise in the base interest rate in June raising interest rates to 5.0%, the highest level since 2008. However, UK inflation rose by 7.9% in the 12 months to 30 June 2023, a fall from 8.7% in May, and down from the recent peak of 11.1% in October 2022. This is the lowest inflation figure for over twelve months and is indeed positive news, although it remains significantly above the BoE's 2% target. As the BoE wrestled with the conundrum of bringing down inflation whilst avoiding an economic recession, the negative sentiment towards UK assets reported in the 2022 Annual Report continued to weigh heavily on our asset class. Our Portfolio Manager's high-quality growth style remained firmly out of favour throughout the period under review as rising interest rates adversely impacted company valuations of growth shares.

Against this challenging economic backdrop, our Portfolio Manager, Dan Whitestone, remains optimistic about the longer-term prospects for the companies within our portfolio, and for the asset class more broadly. While the market continues to express a pessimistic view of the outlook in company valuations, he highlights that trading and, importantly, earnings remain strong for many of the companies within his portfolio. Despite the negative sentiment around the outlook, the UK economy has displayed notable resilience, with household balance sheets and corporate earnings in better shape than many anticipated. A much-feared UK recession in 2023 is now expected to be avoided and a return to modest levels of growth in 2024 is forecast by the BoE.

As you will read in the Portfolio Manager's Report which follows, our portfolio is constructed of differentiated and innovative companies, with strong balance sheets, consistent cash flow and the financial resilience to weather the storm. Our Portfolio Manager believes the challenging macroeconomic conditions described above will expose weaker competitors who will flounder against a backdrop of demand weakness, wage inflation and margin pressure. He trusts that his portfolio of 'best of breed' companies will prosper and consolidate their market position.

Performance record to 31 May 2023 (with dividends reinvested)



Performance

Over the six months to 31 May 2023, the Company's Net Asset Value (NAV) return was +0.1% compared to a return of -2.4% from the Company's Benchmark Index, an outperformance of 2.5 percentage points. The Company's share price was flat over the period, returning 0.0% and outperforming the Benchmark Index by 2.4 percentage points. Since the period end and up to the close of business on 21 July 2023, the Company's NAV has risen by 1.6%, and the Benchmark Index has risen by 2.4% (all figures with dividends reinvested). Over the five and ten-year periods to 31 May 2023, the Company's NAV returned +11.8% and +150.9%, and the share price returned +18.1% and +185.2%, versus the Benchmark Index returns of -0.1% and +66.0% over the same period.

As I reported in the annual report for the year to 30 November 2022, the Company's relative underperformance for that financial year was largely a result of the impact of a higher than usual gross and net exposure as we entered the first quarter of 2022. The outbreak of the war in Ukraine coupled with an acute market rotation from Growth to Value resulted in a broad derating across the stocks within our portfolio, despite generally good corporate trading results. Our Portfolio Manager believes there is now, more than ever, a disconnect between the underlying fundamentals (sales growth, cash flow and earnings) and the valuations ascribed through the prevailing share price.

The Board continues to believe that the Company's investment philosophy and approach remain compelling and will, in time, enable the Company to resume the delivery of consistent strong absolute and relative returns to our shareholders.

Further information on the Company's performance and the factors that contributed to performance during the period and the outlook for the second half of the financial year are set out in the Investment Manager's Report on pages 9 to 13.

Revenue return and dividends

The revenue return per share for the period amounted to 8.46 pence per share, compared to 6.12 pence per share earned during the same six-month period last year, an increase of 38.2%. It is positive to see that despite the broader market turmoil, the income generated from our investment portfolio has increased significantly.

The Board recognises that, although the Company's objective is capital growth, shareholders value consistency of dividends paid by the Company; an interim dividend of 3.30p per share has therefore been declared (2022: 2.60p per share), payable on 1 September 2023 to shareholders on the register on 4 August 2023 (the ex-dividend date is 3 August 2023). The interim dividend is fully covered by revenue generated by the portfolio during the period.

Share rating

During the six months to 31 May 2023, the Company's share rating ranged between a discount to NAV of 1.0% and a discount to NAV of 6.7%, ending the period at a discount of 5.1% (30 November 2022: 5.0%). This compares very favourably with the weighted average discount of the UK Smaller Companies peer group which ended the period at an average discount of 13.0%.

The Board believes that the best way of addressing any discount to NAV over the longer term is to generate good performance and to create demand for the Company's shares in the secondary market through broadening awareness of the Company's unique structure and other attractions. In determining whether the premium/discount to NAV (the share rating) at which the Company's shares trade is excessive or otherwise, the Board considers several factors. These may include but are not limited to whether the share rating is commensurate with the current demand for UK Smaller Companies and whether the Company's shares were trading in normal market conditions; the ongoing attractiveness of the investment proposition, in particular the strength of the portfolio management team and process; and the strong long-term performance delivered for shareholders, both in absolute and relative terms.

During the period the Company bought back a total of 863,079 ordinary shares for a total consideration of £5,076,000 to be held in treasury. The advantage of holding shares in treasury over cancelling them is that they remain listed. This means that where there is an opportunity to re-issue these shares, the Company does not have to pay additional fees for admission to trading as would be required with an issue of new shares. It is the Board's policy that it will generally only take shares into treasury where it believes there is a reasonable likelihood of re-issue in the future. All shares were bought back at a discount to the prevailing NAV and were therefore accretive to existing shareholders. Since 31 May 2023 and up to the latest practicable date of 21 July 2023, a further 653,500 shares have been bought back for a total consideration of £3,729,000. As at 21 July 2023, the Company's shares were trading at a discount of 6.8% versus an average discount for the rest of the peer group of 13.1%.

The Board believes that the share buy back activity undertaken has helped reduce the volatility in our share rating, as evidenced by a consistently tighter discount relative to the peer group average. As we navigate these more volatile and uncertain markets, your Board will continue to monitor the Company's share rating and may deploy its powers to issue or buy back the Company's shares where it believes that it is in shareholders' long-term best interests to do so.

Corporate governance

The Board takes its governance responsibilities very seriously and follows best practice requirements as closely as possible. As I reported in last year's Annual Report, we have complied with all applicable regulation and guidance with regard to matters of board diversity such as the FTSE Women Leaders Review and the recommendations of the Parker Review, now enshrined in the UK Listing Rules. More recently, the Board has sought assurances from our Manager that it has made suitable arrangements for its compliance with the FCA's new Consumer Duty regulation, which comes into force on 31 July 2023.

However, the corporate governance environment in which the Company operates continues to evolve: the FRC has recently published revised minimum standards for FTSE 350 audit committees and is currently consulting on proposed changes to the UK Code, which include, amongst other matters, a focus on internal control, audit committees, ESG consideration and Directors' time commitment and the concept of overboarding. The Board remains committed to exercising the highest standards of good governance and, as we do each year, will report to shareholders in the Annual Report on our compliance with the UK Code of Corporate Governance and other matters of good governance.

Shareholder communication

We appreciate how important access to regular information is to our shareholders. To supplement our Company website, we offer shareholders the ability to sign up to the BlackRock Trust Matters newsletter which includes information on the Company as well as news, views and insights on the investment trust market. Information on how to sign up is included on the inside cover of this report.

Chairman’s Statement
continued

Outlook
As you will read in his report which follows, our Portfolio Manager describes the macroeconomic factors which have impacted upon performance, sentiment towards our asset class generally, and on his high-quality growth style in particular. Nonetheless, he is optimistic about the future and is encouraged by what he believes is a mispricing within UK small and mid-caps, as evidenced by the disconnect between earnings and valuations seen in P/E ratios and the divergence between UK small cap and large cap, the largest for many years. UK smaller companies also look very good value, with the twelve month forward price-earnings ratio for FTSE UK Small-Cap Index averaging 9.4x[1] and the FTSE 250 Index averaging 10.8x[1]. This compares favourably with other developed markets such as the US and Europe, with the twelve month forward price-earnings ratio for the S&P 500 Index averaging 19.3x[1] and the Eurozone (as measured by the Eurostoxx Index) averaging 12.2x[1]. There are of course headwinds for UK growth stocks, most notably further interest rate increases anticipated during 2023. There are also indications that we may be reaching the peak of the current interest rate hiking cycle, which may be the catalyst for a change in sentiment towards UK smaller companies and in turn a potential re-rating of our asset class. This, he believes, presents a compelling investment opportunity for the medium to long-term investor.

Our Portfolio Manager’s focus on financially strong companies with innovative and disruptive business models and market leading offerings should, over time, see a return of the strong and consistent investment performance to which our shareholders have become accustomed. Your Board therefore remains fully supportive of our Portfolio Manager, his investment philosophy and the investment approach. On behalf of the Board, I would like to thank shareholders for their loyalty and patience.

Christopher Samuel
Chairman
27 July 2023

[1] Source: Refinitiv Datastream.

Investment Manager’s Report

For the six months ended 31 May 2023

Dan Whitestone
Portfolio Manager

“Despite the challenging and volatile environment, high-quality companies with market leading positions can continue to grow impressively and deliver better-than-expected results.”

Market review and overall investment performance

The first six months of the financial year bore witness to a continuation of the macro volatility to which we have become accustomed. This has resulted in a somewhat challenging market environment to navigate, with stock markets grappling with macro-economic news, the latest inflation reports, and second guessing the monetary response from central bankers and its implications for economic growth. Despite the general bearish rhetoric about an inevitable recession and an implosion in corporate earnings, the results and outlook statements from corporates in developed markets has proved far more resilient. In the US, 81% of companies beat earnings expectations for quarter one and in Europe the figure is 74%. In many ways this is a continuation of the theme of the last nine months, i.e. many reasons to be concerned about the macro, offset by broadly positive corporate news flow and profitability. This tension continues to create volatile market conditions and few discernible trends, with the notable exceptions of artificial intelligence (“AI”) related shares and the diverging performance of US and UK stock markets this year, particularly pronounced in the absolute and relative underperformance of UK small and medium sized companies.

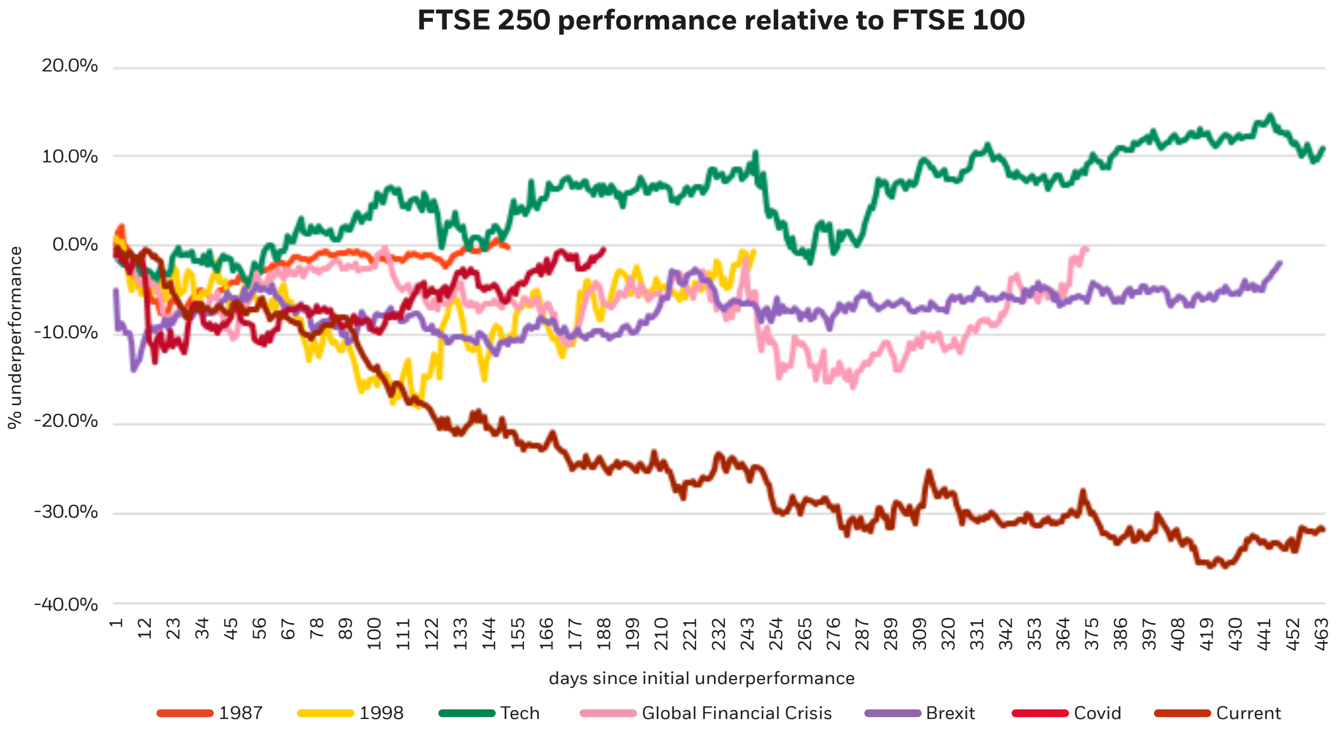
Equity markets made a strong start to the year, fuelled by a combination of China reopening, falling headline and core inflation in the US, as well as several positive corporate updates which highlighted a more resilient consumer outlook which all contributed to the increased optimism that a soft landing is not out of reach. However, optimism was short-lived, and markets sold off after a series of worse than expected inflation statistics and more hawkish noises from central banks. Further turbulence came when markets were hit by fears of a banking crisis following the collapse of Silicon Valley Bank, First Republic and Credit Suisse. Thankfully, the main issues were largely confined to US regional banks who had not adequately managed their interest rate risk or had an unusual concentration in non-insured deposits rather than a global systemic issue. Most recently, the rise of generative AI has been a hot topic running through markets, with investors digesting its implications, both positive and negative, across almost all industries and geographies.

On a global scale, markets have recouped some of the negative performance of 2022, driven heavily by the strength of US technology stocks on the back of the generative AI phenomenon. This is even more pronounced when comparing the returns of the technology stock-heavy Nasdaq to the more balanced S&P 500 (respectively returning 24.5% and 9.3% for the year to 31 May 2023). Within the UK market, concerns over the outlook for Chinese demand and global growth, the lack of any notable tech exposure, coupled with a large bias towards resources and

Investment manager's report

continued

financials has resulted in the UK underperforming most global developed markets. The underperformance of UK small and mid-caps versus the FTSE 100 has continued; since the initial underperformance which began in 2021, the mid-cap FTSE 250 has underperformed the FTSE 100 by around 30 percentage points, which is the largest underperformance on record.



Critics of the UK will highlight the myriad challenges facing the UK to explain this underperformance, ranging from stubbornly high inflation (versus our European and US counterparts), and weak productivity and growth. Brexit has not, in our view, helped many of these issues, particularly workforce related problems such as staff shortages/availability and wage inflation. However, for all these woes, the financial performance from UK listed companies, both domestic and internationally focused, is far more robust. There is a growing disconnect between strong company fundamentals and falling share prices, driven in part by persistent outflows as investors move on to other areas. Indeed, UK mid-cap funds saw a -21% reduction in AUM from outflows over the last 12 months, compared to -4% from UK large cap funds. Currently, the only buyers of note for UK listed companies are the companies themselves and private equity firms.

Performance review

The Company's NAV per share increased by +0.1% during the first half of the financial year, outperforming the benchmark which returned -2.4% (in Sterling terms with income reinvested). Whilst the relative return during the first half was positive, we feel this is not fully reflective of the strength in trading across the portfolio. We consider that a mispricing within UK small and mid cap listed companies, is evidenced not only in the low price-to-earnings ratio for the small and mid cap universe but also the extent of relative underperformance versus the FTSE 100. To put this into context, the FTSE 250 has underperformed the FTSE 100 in 17 of the last 24 months, with this now being the largest and longest period of underperformance on record, far exceeding that witnessed during the 2008 global financial crisis.

This Investment Manager's report focuses on the long holdings within the portfolio as these are the drivers of the Company's outperformance during the period and where the major contributors and detractors to performance lie. However, before turning to those holdings, we should note that the short book's contribution for the period includes the negative performance from one of our largest shorts (**a software company**). This rose in the period before abruptly being suspended on the discovery of "significant, sophisticated and potentially fraudulent irregularities". Since the suspension, the company in question has appointed an external investigator who has clarified that revenues for 2022 were overstated by 150% and bookings for 2022 were overstated by 1014% i.e. over 90% of bookings were fake. The board hope to be able to re-list the shares but we struggle to see any value in a business with a circa US$10 million revenue run rate and US$40 million of costs. Even assuming a lofty multiple of 10x sales on this new base, this would imply 90% downside to the valuation at suspension. Since the period end, the shares resumed trading after a four-month suspension and we closed our short, locking in a 96% share price fall which the Company will benefit from in the second half of the year.

Positive contributors to performance over the last six months have come from a broad range of companies, with no one company or theme driving an outsized portion of the overall Company return. The largest contributor to performance was the position in **Games Workshop**, which continued to deliver strong results through the period. Only recently described by some as nothing more than a “work-from-home winner” which caused their shares to halve in early 2022, Games Workshop has continued to grow revenues and profits ahead of expectations and indeed looks likely to close out their fiscal 2023 (May year-end) with sales and profits considerably higher than those achieved during the work-from-home era. In a year of limited new product launches (this is ahead of us) and rising costs, the strength of these results should not be underestimated. The recent news of a potential deal with Amazon to develop a TV series (specific details still unknown) should create a significant positive halo effect on marketing for the brand, in addition to the possible cash flow benefit from licensing.

Shares in **Oxford Instruments** strengthened further as the company maintained its record of beating expectations and raising guidance. We have commented in the past on the attractions of the long-term secular growth prospects of many of Oxford Instruments’ end markets, such as life science, compound semi-conductors, advanced materials and quantum technology. The strength of these markets, with robust funding across academia, corporates and governments, has contributed to the ongoing strength of their order books and revenue generation. While broad comparisons in sectors like Industrials or Consumer Services are generally best avoided, as no two companies are the same, but in this case, we think it is important to observe that Oxford Instrument’s results exemplify three key investor debates within the Industrials sector. First, Oxford Instruments have been successful in achieving price increases to offset their own cost pressures (easier to do when you are a small percentage of a customer’s overall cost, and are delivering genuine value-add). Second, Oxford Instruments did not achieve the levels of growth that were possible in their last two years due to supply chain challenges (now easing); this in our view reduces their own specific risk of a sharp slowdown amidst customer destocking (the same cannot be said of all companies in the sector). Third, there is already emerging evidence in their order books of the “reshoring” programmes we think will be long-term drivers of Industrial demand in the US.

Dechra Pharmaceuticals rose on the news it has received a cash offer from private equity group EQT, albeit only at a modest premium to where they raised money at the end of last year to acquire a pipeline of veterinary drugs which will accelerate growth in the 2024 financial year and beyond. Recent trading has proved more challenging than management anticipated, amidst destocking within the US wholesale channel. The more volatile trading conditions have also depressed Dechra Pharmaceuticals’ share price. In our view these issues are only transitory and a compelling long-term growth dynamic remains, but it is exactly this type of tension (near-term transient issues versus long-term compound growth) that private equity have capitalised on.

Stepping back, a clear theme to us is that despite the challenging and volatile environment, high-quality companies with market leading positions can continue to grow and deliver better-than-expected results. **4imprint Group**, one of our top performers last year, once again reported impressive results showing 45% revenue growth year-on-year, while profits before tax rose by more than 240%. These results demonstrate the company’s ability to win share within a highly fragmented end market due to their recent marketing efforts to grow brand awareness, whilst they have a long track record of growing the revenues from their existing customer base through high service levels and product innovation. Shares in **Dunelm Group** rose after the company reported positive growth in both online and in-store sales, with upgrades to full-year profits guidance. To us, Dunelm Group is a well-invested and differentiated consumer company that has emerged from COVID-19 with an even stronger business model (post several years of digital investment and 2-man home delivery) and market position (capturing share across all demographics as people seek better value-for-money). Shares in **Breedon** moved higher after the company reported better than expected results, achieving margin expansion despite a circa 10% reduction in volumes and significant cost headwinds. We think Breedon has an enviable market position in the UK and is well placed to prosper when volumes recover.

Turning to the detractors, the biggest was **Watches of Switzerland**, where shares have continued to fall despite extremely robust sales growth. Fears continue that demand will erode sharply as the luxury watch category normalises after a period of over-earning (working-from-home, crypto millionaires, or Russian oligarchs) yet wait-lists remain robust and demand still far exceeds supply. The company did experience a recent small earnings downgrade attributable to margin pressure in the coming financial year from the rising cost of interest-free credit products in a higher interest rate environment. However, while this is disappointing, we do not consider it a threat to the investment case. The company is still growing strongly and we believe it has a good market position as a key route to market for luxury watch brands globally. Recent feedback from industry conferences suggests demand for the category remains strong. Valuation, at under 12x price to earnings for this current financial year with a net cash balance sheet looks extremely attractive to us given the runway of growth to take market share in both the US and Europe, and management’s stated desire to do value accretive acquisitions.

The second largest detractor was our long position in specialist pharmaceuticals business **Ergomed**, which suffered with the broader sell-off in UK small & mid-cap growth shares and specific fears over a slowdown in biotech funding. Ergomed specialises in drug development and drug safety, operating across two businesses (Clinical Research and Pharmacovigilance), focusing on high growth markets in oncology, rare diseases and drug safety, which we believe offer a long runway of future growth. Ergomed reported very strong trading across all divisions for the 12 months to 31 December 2022, with a positive outlook as its order book continues to grow, providing a high level of revenue visibility in the coming years, and therefore our investment case for the share remains unchanged. Ergomed updated the market in June, confirming a strong start to 2023 with solid revenue growth. Other detractors include **Spirent** which warned that their customers have been delaying their investment decisions as a result of the ongoing challenging economic backdrop, and direct-to-consumer retailer of swimming pool supplies in the US, **Leslie's**, which fell in response to soft results impacted by the challenging backdrop and rising costs.

Portfolio Positioning & Outlook

To date, 2023 has seen a continuation of the themes of uncertainty; the impacts of the Russia/Ukraine war, China, supply chain disruption and inflation. However, despite the recent inflation figures and the subsequent Bank of England's 50 basis points interest rate hike, we believe we are closer to the end of monetary tightening and that inflation is now falling, albeit slower than previously thought. As the year-on-year impact of inflation starts to roll over, the impending fall in utility bills will offer some meaningful shelter to those still to re-mortgage into a new fixed deal in the current climate. With 40% of home owners being mortgage free, and a large percentage of the mortgage book having remortgaged earlier this year, there are many who will benefit from strong employment, falling utility costs and higher interest on cash. Indeed many banks have upgraded their household cash-flow forecasts as a consequence and consumer confidence continues to remain robust. This is not to say that the outlook is positive in all ways, far from it. However, there are in our view some factors that run counter to the general tone of recent reporting on the UK economy. Generally speaking, we consider that financial conditions may not be as stretched as this reporting current suggests. Corporates and consumers are reasonably well capitalised, and banks have plenty of capital. The path of employment will dictate the consumer outlook but we continue to believe that the trough will be shallower than in previous downturns.

For UK domestic focused public limited companies ("PLCs"), 2023 will likely see growing dispersion in financial returns. Those with strong market share stories (digital, trading down, new product verticals etc.) will outperform and grow despite a more challenging backdrop. Input costs will (we expect) reverse for many. Financial stability will also be a key contributor to performance, with rising interest costs further eroding profitability in a more challenged consumer backdrop.

Industrial activity is likely to moderate as excess inventory works through the system (we can see evidence of destocking impacting the Chemicals companies for instance). However, given major markets such as automotive and aerospace were already seeing choked demand through supply chain issues, again we expect a shallower trough. Reshoring in the US, as well as several government programmes (such as measures in relation to semiconductor (chip) research and production and the Inflation Reduction Act) will provide additional tailwinds of growth for quite a few US focused UK listed small and mid-caps. Housebuilding and RMI (Repair, Maintenance and Improvement) have had a tough first half of the year, but we still believe the outlook is not as bad as it was in September 2022, and consensus forecasts are already conservatively struck. As such we think valuations are already pricing in a lot of bad news.

Whilst there is much that can be debated about the economic outlook, we think the valuation of UK small and mid cap companies is compelling. It is therefore disappointing to us to see the continuing de-equitisation of the UK listed market continues writ large, with non-market participants seemingly taking a very different view on the value of company equity and their associated cash flows, as evidenced by i) corporate share buy-backs (the majority of our investments are buying back their equity), ii) corporate mergers and acquisitions ("M&A") (i.e. Deutsche's cash-bid for Numis), and iii) Private Equity (i.e. EQT's cash bid for Dechra Pharmaceuticals). This is a trend we expect to continue. Private Equity is sitting on near record levels of cash (we estimate circa US$438 billion in Europe) which they are keen to deploy. We note that this de-equitisation trend may pose a challenge if a significant disconnect of company valuations from strong fundamentals drives a pick-up in M&A activity and results in companies that would otherwise provide compelling long-term investment opportunities being taken off the market. On the positive side, an increased market focus on the opportunities available in the UK small-cap space may catalyse a positive re-rating.

The portfolio's positioning has not changed materially over the period. This reflects our preference for differentiated growth companies with an ability to win market share. Consumer Discretionary and Industrials tend to be our two biggest sector areas, and have increased marginally. The Company owns many long-standing positions such as Breedon, Grafton Group, Gamma Communications, Ergomed, Morgan Sindall, that have delivered successive positive updates but have continued to de-rate despite upgrades. We continue to add to these positions as we consider that they have a compelling risk/reward profile. New additions to the portfolio in recent months include Intermediate Capital Group, Permanent TSB, SIG, Future, MJ Gleeson and Crest Nicholson.

Whilst the backdrop is still tough overall, we believe there are reasons for optimism. The recent round of trading updates from our investments have generally been in-line with or better than expectations. However, with oil and gas prices lower year-on-year, China re-opening, USD weakening, and shipping/logistics/factory gate prices dropping, much of the inflation pressure of last year could become deflationary during the course of this year. The picture we see is one of a gradual recovery and in our view, this is not reflected in valuations so remains the biggest risk/reward opportunity for us. The underperformance of UK small and mid-cap companies is not something that we think can persist. We see similar dynamics in the US, with the Russell 2000 versus the Nasdaq back to levels last seen in the 2000 tech bubble. The portfolio now includes many companies on single digit price to earnings ratios, with double digit free cash flow yields, but unlike so many archetypical “value” sectors, have far superior growth prospects. As a result, the net market exposure of the Company is slowly increasing and is now around 106%, while the gross exposure is c.115%.

We thank shareholders for their ongoing support.

Dan Whitestone
BlackRock Investment Management (UK) Limited
27 July 2023

Portfolio of investments

1 ▲ Gamma Communications* (2022: 7th)

Mobile Telecommunications

Market value: £18,766,000
Share of net assets: 3.0% (2022: 2.8%)

Provider of communication services to UK businesses.

2 ▲ WH Smith (2022: 9th)

General Retailers

Market value: £18,687,000
Share of net assets: 3.0% (2022: 2.6%)

Retailer of books, stationery, magazines, newspapers and confectionary.

3 ▲ Breedon (2022: 12th)

Construction & Materials

Market value: £17,506,000
Share of net assets: 2.8% (2022: 2.4%)

Supplier of construction materials.

4 ▼ 4imprint Group (2022: 3rd)

Media

Market value: £17,311,000
Share of net assets: 2.8% (2022: 3.1%)

Supplier of promotional merchandise in the US.

5 ▶ CVS Group* (2022: 5th)

General Retailers

Market value: £17,309,000
Share of net assets: 2.8% (2022: 2.9%)

Operator of veterinary surgeries.

6 ▲ YouGov* (2022: 11th)

Media

Market value: £17,149,000
Share of net assets: 2.8% (2022: 2.4%)

Provider of survey data and specialist data analytics.

7 ▲ Diploma* (2022: 8th)

Support Services

Market value: £16,695,000[1]
Share of net assets: 2.7% (2022: 2.7%)

Supplier of specialised technical products and services.

8 ▲ Grafton Group (2022: 13th)

Support Services

Market value: £16,219,000
Share of net assets: 2.6% (2022: 2.1%)

Builders' merchants in the UK, Ireland and Netherlands.

9 ▼ Watches of Switzerland (2022: 1st)

Personal Goods

Market value: £15,569,000
Share of net assets: 2.5% (2022: 3.3%)

Retailer of luxury watches.

10 ▼ Ergomed* (2022: 6th)

Pharmaceuticals & Biotechnology

Market value: £15,515,000[1]
Share of net assets: 2.5% (2022: 2.9%)

Provider of pharmaceutical services.

* Traded on the Alternative Investment Market (AIM) of the London Stock Exchange.

[1] Includes long derivative positions.

Percentages shown are the share of net assets.

The market value shown is the gross exposure to the shares through equity investments and long derivative positions. For equity investments, the market value is the fair value of the shares. For long derivative positions, it is the market value of the underlying shares to which the portfolio is exposed via the contract.

Percentages in brackets represent the portfolio holding as at 30 November 2022. Arrows indicate the change in relative ranking of the position in the portfolio compared to its ranking as at 30 November 2022.

Portfolio of investments

continued

#	Company	£'000^	%	Description
11	**Rotork** Electronic & Electrical Equipment	15,091	2.4	Manufacturer of industrial flow equipment
12	**Computacenter** Software & Computer Services	14,992[1]	2.4	Computer services
13	**SigmaRoc*** Construction & Materials	14,464	2.3	Buy-and-build group targeting construction materials assets in the UK and Northern Europe
14	**Oxford Instruments** Electronics & Electrical Equipment	13,784	2.2	Designer and manufacturer of tools and systems for industry and research
15	**Qinetiq Group** Aerospace & Defence	12,229	2.0	Provider of scientific and technological services to the defence, security and aerospace markets
16	**Bytes Technology** Software & Computer Services	10,909	1.8	Specialist in software, security and cloud services
17	**Games Workshop** Leisure Goods	10,220	1.6	Developer, publisher and manufacturer of miniature war games
18	**Tatton Asset Management*** Financial Services	10,156	1.6	Provider of discretionary fund management services to the IFA market
19	**Moneysupermarket.com** Software & Computer Services	9,893[1]	1.6	Provider of price comparison website specialising in financial services
20	**Dechra Pharmaceuticals** Pharmaceuticals & Biotechnology	9,840	1.6	Developer and supplier of pharmaceutical and other products focused on the veterinary market
21	**Dunelm Group** General Retailers	9,772	1.6	Retailer of homeware products
22	**Boku*** Support Services	9,482	1.5	Digital payments platform
23	**Mattioli Woods*** Financial Services	9,462	1.5	Provider of wealth management services
24	**Hill & Smith Holdings** Industrial Metals & Mining	9,399	1.5	Supplier of infrastructure products and galvanizing services
25	**Impax Asset Management*** Financial Services	9,394	1.5	Provider of asset management services
26	**Auction Technology Group** General Retailers	9,297	1.5	Operator of marketplaces for curated online auctions
27	**IntegraFin** Financial Services	8,955	1.4	UK savings platform for financial advisors
28	**Baltic Classifieds Group** Software & Computer Services	8,844[1]	1.4	Operator of online classified businesses in the Baltics
29	**Morgan Sindall** Construction & Materials	8,546[1]	1.4	Supplier of office fit out, construction and urban regeneration services
30	**TT Electronics** Electronic & Electrical Equipment	8,290[1]	1.3	Global manufacturer of electronic components
31	**Workspace Group** Real Estate Investment Trusts	7,824	1.3	Supply of flexible workspace to businesses in London
32	**Jet2*** Travel & Leisure	7,684	1.2	Low cost tour operator and airline
33	**OSB Group** Financial Services	7,645	1.2	Specialist lending business
34	**Chemring Group** Aerospace & Defence	7,486	1.2	Provider of technology products and services to aerospace, defence and security markets
35	**GlobalData*** Media	6,759[1]	1.1	Data analytics and consulting
36	**Intermediate Capital Group** Investment Banking & Brokerage	6,692	1.1	Private equity business
37	**Future** Media	6,596	1.1	Multi-platform media business covering technology, entertainment, creative arts, home interest and education
38	**Next Fifteen Communications*** Media	6,504	1.0	Provider of digital communication products and services
39	**Alfa Financial Software** Software & Computer Services	6,462	1.0	Provider of software to the finance industry
40	**Robert Walters** Support Services	6,442	1.0	Provider of specialist recruitment services
41	**Hiscox** Non-life Insurance	6,411[1]	1.0	Provision of insurance services
42	**Vesuvius*** Industrial Engineering	6,307[1]	1.0	British engineered ceramics company
43	**Euronext*** Financial Services	6,129[1]	1.0	European stock exchange

^ The market value shown is the gross exposure to the shares through equity investments and long derivative positions. For equity investments, the market value is the fair value of the shares. For long derivative positions, it is the market value of the underlying shares to which the portfolio is exposed via the contract.

#	Company	£'000^	%	Description
44	**SIG** Industrial Support Services	6,102	1.0	Supplier of building, roofing and insulation products
45	**Deliveroo** Software & Computer Services	6,089	1.0	Online food delivery business
46	**Londonmetric Property** Real Estate Investment Trusts	5,784[1]	0.9	Investor in, and developer of property
47	**Lok'nStore*** Real Estate Investment & Services	5,773	0.9	Provider of self-storage space in the UK
48	**Safestore** Real Estate Investment Trusts	5,538	0.9	Provider of self-storage units
49	**Young & Co's Brewery*** Travel & Leisure	5,516	0.9	Owner and operator of pubs mainly in the London area
50	**RS Group** Support Services	5,307	0.9	Distributor of industrial and electronic products
51	**Bellway** Household Goods & Home Construction	5,120	0.8	UK housebuilder
52	**Xero*** Software & Computer Services	4,974[1]	0.8	Software company specialising in accounting for small businesses
53	**Porvair** Industrial Engineering	4,915	0.8	Specialist filtration and environmental technology
54	**Herc Holdings*** Industrial Transportation	4,882[1]	0.8	Equipment rental business
55	**Judges Scientific*** Electronic & Electrical Equipment	4,855	0.8	Designer and producer of scientific instruments
56	**Cranswick** Food Producers	4,792	0.8	Producer of premium, fresh and added-value food products
57	**Kier Group** Support Services	4,718	0.8	UK construction, services and property group
58	**AB Dynamics*** Industrial Engineering	4,683	0.8	Developer and supplier of specialist automotive testing systems
59	**Ashmore Group** Financial Services	4,599[1]	0.7	Emerging market focused investment manager
60	**Spectris** Electronic & Electrical Equipment	4,571	0.7	Supplier of productivity enhancing instrumentation and controls
61	**Polar Capital Holdings*** Financial Services	4,553	0.7	Provider of investment management services
62	**Zotefoams** Chemicals	4,510[1]	0.7	Manufacturer of polyolefin foams used in sport, construction, marine, automation, medical equipment and aerospace
63	**Permanent TSB** Banks	4,354	0.7	Irish bank
64	**Ascential** Software & Computer Services	4,299	0.7	Specialist information and data analytics company
65	**Accesso Technology*** Software & Computer Services	4,281[1]	0.7	Provider of ticketing and virtual queuing solutions
66	**Clarkson** Industrial Transportation	4,216	0.7	Provider of shipping services
67	**The Pebble Group*** Media	4,181	0.7	Designer and manufacturer of promotional goods
68	**Numis*** Investment Banking & Brokerage	4,171	0.7	UK broker
69	**Spirent** Technology Hardware & Equipment	4,130	0.7	Multinational telecommunications testing
70	**Kainos Group** Software & Computer Services	4,047[1]	0.7	Provider of digital technology solutions
71	**Hunting** Oil Equipment & Services	3,931[1]	0.6	Oil services business
72	**DiscoverIE** Electronic & Electrical Equipment	3,874	0.6	International designer, manufacturer and supplier of customised electronics
73	**Redrow** Household Goods & Home Construction	3,843	0.6	UK housebuilder
74	**Leslie's** Leisure Goods	3,786[1]	0.6	US direct to consumer retailer of swimming pool maintenance products
75	**Serica Energy*** Oil, Gas & Coal	3,770	0.6	Oil and gas producer

^ The market value shown is the gross exposure to the shares through equity investments and long derivative positions. For equity investments, the market value is the fair value of the shares. For long derivative positions, it is the market value of the underlying shares to which the portfolio is exposed via the contract.

Portfolio of investments

continued

#	Company	£'000^	%	Description
76	**Luceco** Electronic & Electrical Equipment	3,763	0.6	Supplier & manufacturer of high quality LED lighting products
77	**Howden Joinery Group** General Retailers	3,745[1]	0.6	Kitchen and joinery product supplier
78	**Restore*** Support Services	3,698	0.6	Provider of records management services
79	**Sirius Real Estate** Real Estate Investment & Services	3,354	0.6	Owner and operator of business parks, offices and industrial complexes in Germany
80	**Halfords** Specialty Retailers	3,293	0.5	Retailer of motoring and cycling products
81	**Victorian Plumbing*** Home Improvement Retailers	3,261[1]	0.5	Online retailer of bathroom products
82	**MJ Gleeson** Household Goods & Home Construction	3,159	0.5	UK housebuilder
83	**Renishaw** Electronic & Electrical Equipment	3,135	0.5	Engineering and scientific technology company
84	**Babcock International Group** Aerospace & Defence	3,122	0.5	British aerospace, defence and nuclear engineering services company
85	**Eckoh*** Software & Computer Services	3,075	0.5	Global provider of secure payments products
86	**TP ICAP** Investment Banking & Brokerage	3,056	0.5	Inter-dealer broker
87	**Crest Nicholson** Household Goods & Home Construction	3,036	0.5	UK housebuilder
88	**SThree** Support Services	3,004	0.5	Provider of specialist professional recruitment services
89	**Ashtead*** Oil, Gas & Coal	2,931	0.5	International equipment rental business
90	**Team17*** Leisure Goods	2,833	0.5	Video game developer and publisher
91	**Cerillion*** Software & Computer Services	2,816	0.5	Provider of billing, charging and customer management systems
92	**AJ Bell** Financial Services	2,732	0.5	UK savings platform for financial advisors & individual investors
93	**Advanced Medical Solutions*** Healthcare Equipment & Services	2,669[1]	0.4	Developer and manufacturer of advanced wound care solutions
94	**Big Technologies*** Software & Computer Services	2,526	0.4	Provider of remote personal monitoring products
95	**Learning Technologies*** Software & Computer Services	2,402	0.4	Provider of e-learning services
96	**Animalcare Group*** Pharmaceuticals & Biotechnology	2,095	0.4	Veterinary pharmaceuticals business
97	**XP Power** Electronic & Electrical Equipment	1,689	0.3	Leading provider of power solutions
98	**Gooch & Housego*** Electronic & Electrical Equipment	1,643	0.3	Designer and manufacturer of advanced photonic systems
99	**MaxCyte*** Pharmaceuticals & Biotechnology	1,595	0.3	Clinical-stage global cell-based therapies and life sciences company
100	**Close Brothers Group** Banks	1,590	0.3	UK merchant banking group providing lending, deposit taking, wealth management services and securities trading
101	**NCC Group** Software & Computer Services	917	0.1	Cyber security business
	Long investment positions (excluding BlackRock's Institutional Cash Series plc – Sterling Liquidity Environmentally Aware Fund)	**693,989**	**111.9**	
	Short investment positions	**(22,364)**	**(3.6)**	

[1] Includes long derivative positions.

* Traded on the Alternative Investment Market (AIM) of the London Stock Exchange.

^ The market value shown is the gross exposure to the shares through equity investments and long derivative positions. For equity investments, the market value is the fair value of the shares. For long derivative positions, it is the market value of the underlying shares to which the portfolio is exposed via the contract.

Percentages shown as a % of net assets.

At 31 May 2023, the Company held equity interests in four companies comprising more than 3% of a company's share capital as follows: Tatton Asset Management: 3.8%; SigmaRoc: 3.5%; Eckoh: 3.1%; and Ergomed: 3.0%.

Fair value and gross market exposure of investments

as at 31 May 2023

	Fair value[1]	Gross market exposure[2,3]	Gross market exposure as a % of net assets[2]		
	£'000	£'000	31 May 2023	31 May 2022	30 November 2022
Long investment positions (excluding BlackRock's Institutional Cash Series plc – Sterling Liquidity Environmentally Aware Fund)	609,814	693,989	111.9	108.8	106.8
Short investment positions	1,005	(22,364)	(3.6)	(6.3)	(2.5)
Subtotal	**610,819**	**671,625**	**108.3**	**102.5**	**104.3**
Cash and cash equivalents	12,983	(47,823)	(7.8)	(1.2)	(3.5)
Other net current liabilities	(3,395)	(3,395)	(0.5)	(1.3)	(0.8)
Net assets	**620,407**	**620,407**	**100.0**	**100.0**	**100.0**

The Company uses gearing through the use of long and short derivative positions. Gross and Net Gearing as at 31 May 2023 were 115.5% and 108.3% respectively (31 May 2022: 115.1% and 102.5%; year ended 30 November 2022: 109.3% and 104.3% respectively). Gross and Net Gearing are Alternative Performance Measures, see Glossary on pages 40 to 44.

1 Fair value is determined as follows:
- Long equity investment positions are valued at bid prices where available, otherwise at latest market traded quoted prices.
- The sum of the fair value column for the derivative contracts totaling £84,547,000 represents the net fair valuation of all derivative contracts, which is determined based on the difference between the notional transaction price and market value of the underlying shares in the contract (in effect the unrealised gains/(losses) on the exposed long and short derivative positions).
- The exposure to securities held through long derivative positions directly in the market would have amounted to £84,175,000 at the time of purchase, and subsequent movement in market prices have resulted in unrealised losses on the long derivative positions of £(633,000) resulting in the value of the total long derivative market exposure to the underlying securities decreasing to £83,542,000 as at 31 May 2023. If the long positions had been closed on 31 May 2023, this would have resulted in a loss of £(633,000) for the Company.
- The notional exposure of selling the securities gained via the short derivative positions would have been £(23,369,000) at the time of entering into the contract, and subsequent movement in market prices have resulted in unrealised gains on the short derivative positions of £1,005,000 resulting in the value of the total short derivative market exposure of these investments increasing to £(22,364,000) as at 31 May 2023. If the short positions had been closed on 31 May 2023, this would have resulted in a gain of £1,005,000 for the Company.

2 Gross market exposure for equity investments is the same as fair value; bid prices are used where available and, if unavailable, latest market traded quoted prices are used. For both long and short derivative positions, the gross market exposure is the market value of the underlying shares to which the portfolio is exposed via the contract.

3 The gross market exposure column for cash and cash equivalents has been adjusted to assume the Company traded direct holdings, rather than exposure being gained through long and short derivative positions.

Distribution of investments

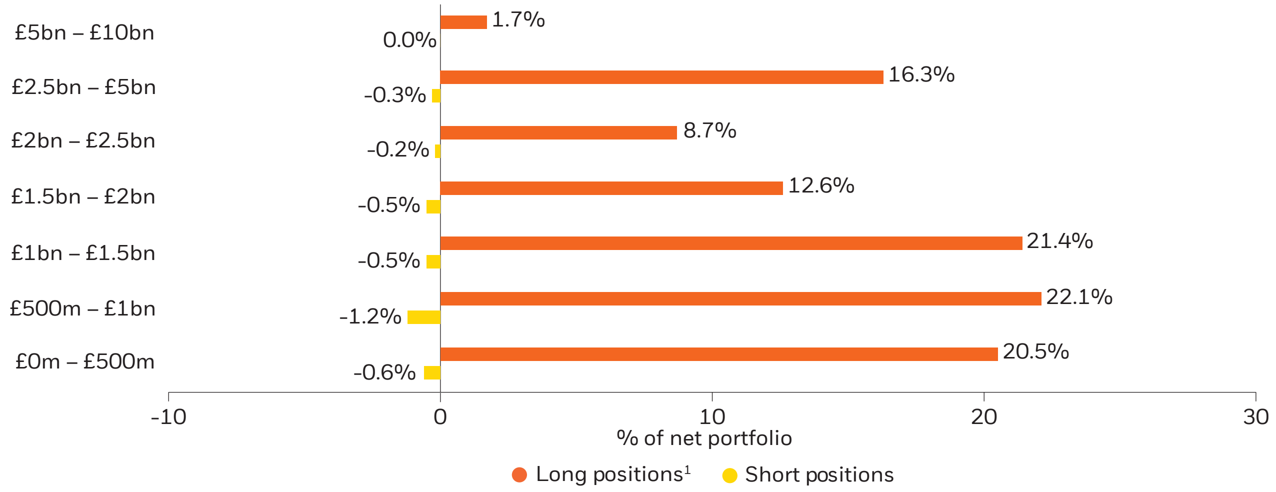
as at 31 May 2023

Sector	% of long portfolio	% of short portfolio	% of net portfolio
Oil, Gas & Coal	1.0	0.0	1.0
Oil Equipment & Services	0.6	0.0	0.6
Oil & Gas	**1.6**	**0.0**	**1.6**
Chemicals	0.7	0.0	0.7
Industrial Metals & Mining	1.4	0.0	1.4
Basic Materials	**2.1**	**0.0**	**2.1**
Aerospace & Defence	3.4	0.0	3.4
Construction & Materials	6.0	(0.3)	5.7
Electronic & Electrical Equipment	9.0	0.0	9.0
Industrial Engineering	2.4	0.0	2.4
Industrial Support Services	0.9	(0.4)	0.5
Industrial Transportation	1.3	(0.1)	1.2
Support Services	9.8	(0.2)	9.6
Industrials	**32.8**	**(1.0)**	**31.8**
Food Producers	0.7	0.0	0.7
Personal Goods	2.3	0.0	2.3
Consumer Staples	**3.0**	**0.0**	**3.0**
Healthcare Equipment & Services	0.4	0.0	0.4
Pharmaceuticals & Biotechnology	4.3	(0.3)	4.0
Health Care	**4.7**	**(0.3)**	**4.4**
General Retailers	8.8	(0.2)	8.6
Home Improvement Retailers	0.5	0.0	0.5
Household Goods & Home Construction	2.3	0.0	2.3
Leisure Goods	2.5	0.0	2.5
Media	8.7	0.0	8.7
Specialty Retailers	0.5	0.0	0.5
Travel & Leisure	2.0	(0.2)	1.8
Consumer Discretionary	**25.3**	**(0.4)**	**24.9**
Banks	0.9	0.0	0.9
Closed End Investments	0.0	(0.3)	(0.3)
Financial Services	9.5	0.0	9.5
Investment Banking & Brokerage	2.1	(0.3)	1.8
Non-life Insurance	0.9	0.0	0.9
Financials	**13.4**	**(0.6)**	**12.8**
Real Estate Investment & Services	1.3	0.0	1.3
Real Estate Investment Trusts	2.8	(0.4)	2.4
Real Estate	**4.1**	**(0.4)**	**3.7**
Software & Computer Services	12.9	(0.6)	12.3
Technology Hardware & Equipment	0.6	0.0	0.6
Technology	**13.5**	**(0.6)**	**12.9**
Mobile Telecommunications	2.8	0.0	2.8
Telecommunications	**2.8**	**0.0**	**2.8**
Total Investments	**103.3**	**(3.3)**	**100.0**

The above percentages are calculated on the net portfolio as at 31 May 2023. The net portfolio is calculated as long equity and derivative positions, less short derivative positions as at 31 May 2023.

Analysis of the portfolio

Market capitalisation as at 31 May 2023



[1] The above investments may comprise exposures to long equity and long derivative positions.

Source: BlackRock.

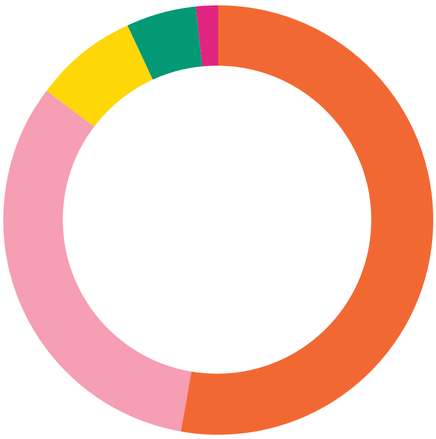
Position size as at 31 May 2023

[1] The above investments may comprise exposures to long equity and long derivative positions.

Source: BlackRock.

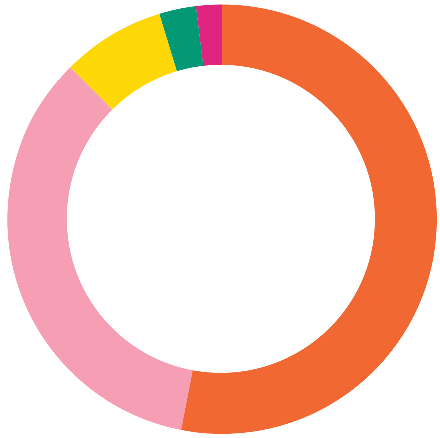
Portfolio holdings within Key Benchmark Indices

Gross Basis[1]



- FTSE 250 **52.9%**
- FTSE AIM **32.4%**
- FTSE Small Cap **8.0%**
- Other **5.1%**
- FTSE 100 **1.6%**

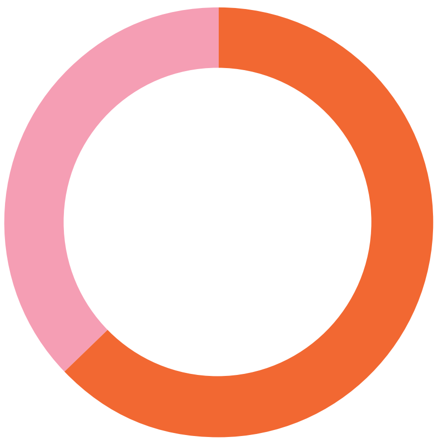
Net Basis[2]



- FTSE 250 **53.2%**
- FTSE AIM **34.5%**
- FTSE Small Cap **7.6%**
- Other **2.9%**
- FTSE 100 **1.8%**

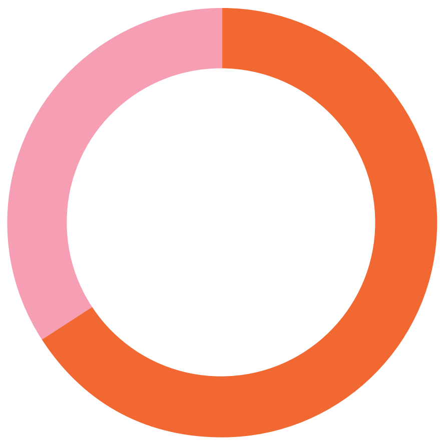
Portfolio holdings within Benchmark Index (the Numis Smaller Companies plus AIM (excluding Investment companies) index)

Gross Basis[1,3]



- Within Benchmark **62.9%**
- Off-Benchmark **37.1%**

Net Basis[2,3]



- Within Benchmark **66.1%**
- Off-Benchmark **33.9%**

Source: BlackRock.

[1] Long exposure plus short exposure as a percentage of the portfolio in aggregate excluding investment in BlackRock's Institutional Cash Series plc – Sterling Liquid Environmentally Aware Fund.

[2] Long exposure less short exposure as a percentage of the portfolio excluding investment in BlackRock's Institutional Cash Series plc – Sterling Liquid Environmentally Aware Fund.

[3] Holdings included within the Benchmark Index as at 30 November 2022 were 58.6% on a Gross Basis and 56.8% on a Net Basis.

Interim Management Report and Responsibility Statement

The Chairman's Statement on pages 5 to 8 and the Investment Manager's Report on pages 9 to 13 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:

- Performance;
- Market;
- Income/dividend;
- Financial;
- Operational; and
- Regulatory.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 30 November 2022. A detailed explanation can be found in the Strategic Report on pages 40 to 43 and in note 16 on pages 103 to 115 of the Annual Report and Financial Statements which are available on the website maintained by BlackRock at www.blackrock.com/uk/thrg.

The Directors have also assessed the impact of market conditions arising from the conflict in Ukraine 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.

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.

Related party disclosure and transactions with the Investment 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 11 of the financial statements.

The related party transactions with the Directors are set out in note 12 of the financial statements.

Going concern

The Board remains mindful of the ongoing uncertainty surrounding the potential duration of the conflict in Ukraine and its longer-term effects on the global economy and the current heightened geopolitical 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 Company has a portfolio of investments which are predominantly readily realisable and is able to meet all its liabilities 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. Ongoing charges for the year ended 30 November 2022 were 0.54% of net assets and it is expected that this is unlikely to change significantly 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.

Interim Management Report and Responsibility Statement continued

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 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.

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

The Half Yearly Financial Report was approved by the Board on 27 July 2023 and the above responsibility statement was signed on its behalf by the Chairman.

Christopher Samuel
For and on behalf of the Board
27 July 2023

Statement of Comprehensive Income

for the six months ended 31 May 2023

		Six months ended 31 May 2023 (unaudited)			Six months ended 31 May 2022 (unaudited)			Year ended 30 November 2022 (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	7,869	–	7,869	5,966	91	6,057	12,585	91	12,676
Net income from derivatives	3	655	–	655	1,119	–	1,119	1,526	–	1,526
Other income	3	754	–	754	76	–	76	749	–	749
Total income		**9,278**	**–**	**9,278**	**7,161**	**91**	**7,252**	**14,860**	**91**	**14,951**
Net loss on investments held at fair value through profit or loss		–	(4,300)	(4,300)	–	(200,574)	(200,574)	–	(250,583)	(250,583)
Net loss on foreign exchange		–	(42)	(42)	–	(507)	(507)	–	(676)	(676)
Net loss from derivatives		–	(980)	(980)	–	(53,754)	(53,754)	–	(55,673)	(55,673)
Total		**9,278**	**(5,322)**	**3,956**	**7,161**	**(254,744)**	**(247,583)**	**14,860**	**(306,841)**	**(291,981)**
Expenses										
Investment management fee and performance fees	4	(325)	(2,461)	(2,786)	(438)	(1,315)	(1,753)	(756)	(2,269)	(3,025)
Other operating expenses	5	(405)	(10)	(415)	(418)	(10)	(428)	(843)	(20)	(863)
Total operating expenses		**(730)**	**(2,471)**	**(3,201)**	**(856)**	**(1,325)**	**(2,181)**	**(1,599)**	**(2,289)**	**(3,888)**
Net profit/(loss) on ordinary activities before finance costs and taxation		**8,548**	**(7,793)**	**755**	**6,305**	**(256,069)**	**(249,764)**	**13,261**	**(309,130)**	**(295,869)**
Finance costs		(10)	(30)	(40)	(2)	(7)	(9)	(5)	(15)	(20)
Net profit/(loss) on ordinary activities before taxation		**8,538**	**(7,823)**	**715**	**6,303**	**(256,076)**	**(249,773)**	**13,256**	**(309,145)**	**(295,889)**
Taxation credit		6	–	6	–	–	–	1	–	1
Net profit/(loss) on ordinary activities after taxation		**8,544**	**(7,823)**	**721**	**6,303**	**(256,076)**	**(249,773)**	**13,257**	**(309,145)**	**(295,888)**
Earnings/(loss) per ordinary share (pence)	**7**	**8.46**	**(7.75)**	**0.71**	**6.12**	**(248.72)**	**(242.60)**	**12.95**	**(302.05)**	**(289.10)**

The total columns of this statement represent 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/(loss). The net profit/(loss) for the period disclosed above represents the Company's total comprehensive income/(loss).

The notes on pages 29 to 37 form part of these financial statements.

Statement of Changes in Equity

for the six months ended 31 May 2023

	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 31 May 2023 (unaudited)								
At 30 November 2022		5,160	242,122	11,905	33,038	327,883	13,249	633,357
Total comprehensive (loss)/income:								
Net (loss)/profit for the period		–	–	–	–	(7,823)	8,544	721
Transactions with owners, recorded directly to equity:								
Ordinary shares bought back into treasury		–	–	–	(5,053)	–	–	(5,053)
Share purchase costs		–	–	–	(23)	–	–	(23)
Dividends paid[1]	6	–	–	–	–	–	(8,595)	(8,595)
At 31 May 2023		**5,160**	**242,122**	**11,905**	**27,962**	**320,060**	**13,198**	**620,407**
For the six months ended 31 May 2022 (unaudited)								
At 30 November 2021		5,072	225,660	11,905	44,582	637,028	10,901	935,148
Total comprehensive (loss)/income:								
Net (loss)/profit for the period		–	–	–	–	(256,076)	6,303	(249,773)
Transactions with owners, recorded directly to equity:								
Ordinary shares issued		89	16,479	–	–	–	–	16,568
Share issue costs		–	(17)	–	–	–	–	(17)
Ordinary shares bought back into treasury		–	–	–	(3,482)	–	–	(3,482)
Share purchase costs		–	–	–	(16)	–	–	(16)
Dividends paid[2]	6	–	–	–	–	–	(8,255)	(8,255)
At 31 May 2022		**5,161**	**242,122**	**11,905**	**41,084**	**380,952**	**8,949**	**690,173**
For the year ended 30 November 2022 (audited)								
At 30 November 2021		5,072	225,660	11,905	44,582	637,028	10,901	935,148
Total comprehensive (loss)/income:								
Net (loss)/profit for the year		–	–	–	–	(309,145)	13,257	(295,888)
Transactions with owners, recorded directly to equity:								
Ordinary shares issued		88	16,479	–	–	–	–	16,567
Share issue costs		–	(17)	–	–	–	–	(17)
Ordinary shares bought back into treasury		–	–	–	(11,487)	–	–	(11,487)
Share purchase costs		–	–	–	(57)	–	–	(57)
Dividends paid[3]		–	–	–	–	–	(10,909)	(10,909)
At 30 November 2022		**5,160**	**242,122**	**11,905**	**33,038**	**327,883**	**13,249**	**633,357**

[1] Final dividend of 8.50p per share for the year ended 30 November 2022, declared on 10 February 2023 and paid on 31 March 2023.

[2] Final dividend of 8.00p per share for the year ended 30 November 2021, declared on 7 February 2022 and paid on 31 March 2022.

[3] Final dividend of 8.00p per share for the year ended 30 November 2021, declared on 7 February 2022 and paid on 31 March 2022 and interim dividend of 2.60p per share for the year ended 30 November 2022, declared on 20 July 2022 and paid on 26 August 2022.

For information on the Company's distributable reserves, please refer to note 9 on page 34.

The notes on pages 29 to 37 form part of these financial statements.

Statement of Financial Position

as at 31 May 2023

	Notes	31 May 2023 (unaudited) £'000	31 May 2022 (unaudited) £'000	30 November 2022 (audited) £'000
Non current assets				
Investments held at fair value through profit or loss	10	610,447	623,283	576,771
Current assets				
Current tax asset		315	141	174
Other receivables		3,169	3,529	3,131
Derivative financial assets held at fair value through profit or loss	10	1,460	8,448	4,800
Cash collateral pledged with brokers		1,060	4,730	–
Cash and cash equivalents		12,983	67,873	58,793
Total current assets		**18,987**	**84,721**	**66,898**
Total assets		**629,434**	**708,004**	**643,669**
Current liabilities				
Other payables		(5,629)	(14,904)	(2,240)
Derivative financial liabilities held at fair value through profit or loss	10	(1,088)	(527)	(2,202)
Liability for cash collateral received		(2,310)	(2,400)	(5,870)
Total current liabilities		**(9,027)**	**(17,831)**	**(10,312)**
Net assets		**620,407**	**690,173**	**633,357**
Equity attributable to equity holders				
Called up share capital	8	5,160	5,161	5,160
Share premium account		242,122	242,122	242,122
Capital redemption reserve		11,905	11,905	11,905
Special reserve		27,962	41,084	33,038
Capital reserves		320,060	380,952	327,883
Revenue reserve		13,198	8,949	13,249
Total equity		**620,407**	**690,173**	**633,357**
Net asset value per ordinary share (pence)	**7**	**618.58**	**672.58**	**626.10**

The financial statements on pages 25 to 37 were approved and authorised for issue by the Board of Directors on 27 July 2023 and signed on its behalf by Mr Christopher Samuel, Chairman.

BlackRock Throgmorton Trust plc
Registered in England, No. 00594634

The notes on pages 29 to 37 form part of these financial statements.

Cash Flow Statement

for the six months ended 31 May 2023

	Six months ended 31 May 2023 (unaudited) £'000	Six months ended 31 May 2022 (unaudited) £'000	Year ended 30 November 2022 (audited) £'000
Operating activities			
Net profit/(loss) on ordinary activities before taxation	715	(249,773)	(295,889)
Add back finance costs	40	9	20
Loss on investments held at fair value through profit or loss (including transaction costs)	4,300	200,574	250,583
Loss from derivatives (including transaction costs)	980	53,754	55,673
Financing costs on derivatives	(1,218)	(405)	(1,101)
Net loss on foreign exchange	42	507	676
Sales of investments held at fair value through profit or loss	96,831	217,580	325,600
Purchases of investments held at fair value through profit or loss	(134,807)	(120,232)	(231,750)
Net receipts/(payments) on closure of derivatives	2,464	(69,987)	(65,886)
(Increase)/decrease in other receivables	(721)	637	(279)
Increase/(decrease) in other payables	2,301	3,780	(8,169)
Decrease/(increase) in amounts due from brokers	683	(2,312)	(998)
Increase/(decrease) in amounts due to brokers	208	(2,367)	(2,599)
Net cash collateral (pledged)/received	(4,620)	5,050	13,250
Net cash (outflow)/inflow from operating activities before taxation	**(32,802)**	**36,815**	**39,131**
Taxation paid	(135)	(60)	(92)
Net cash (outflow)/inflow from operating activities	**(32,937)**	**36,755**	**39,039**
Financing activities			
Interest paid	(40)	(9)	(20)
Cash proceeds from ordinary shares issued	–	17,681	17,680
Cash paid for ordinary shares bought back into treasury	(4,196)	(3,015)	(11,544)
Dividends paid	(8,595)	(8,255)	(10,909)
Net cash (outflow)/inflow from financing activities	**(12,831)**	**6,402**	**(4,793)**
(Decrease)/increase in cash and cash equivalents	**(45,768)**	**43,157**	**34,246**
Effect of foreign exchange rate changes	(42)	(507)	(676)
Change in cash and cash equivalents	**(45,810)**	**42,650**	**33,570**
Cash and cash equivalents at start of period	58,793	25,223	25,223
Cash and cash equivalents at end of the period	**12,983**	**67,873**	**58,793**
Comprised of:			
Cash at bank	129	228	103
Cash Fund[1]	12,854	67,645	58,690
	12,983	**67,873**	**58,793**

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

The notes on pages 29 to 37 form part of these financial statements.

Notes to the financial statements
for the six months ended 31 May 2023

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 six month period ended 31 May 2023 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 30 November 2022, which have been prepared in accordance with UK-adopted 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 July 2022, is compatible with UK-adopted IASs, the financial statements have been prepared in accordance with guidance set out in the SORP.

Relevant International Accounting Standards that have yet to be adopted:

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

This standard is unlikely to have any impact on the Company as it does not issue insurance contracts.

IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (effective 1 January 2023). The International Accounting Standards Board (IASB) has amended IAS 12 Income Taxes to require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. According to the amended guidance, a temporary difference that arises on initial recognition of an asset or liability is not subject to the initial recognition exemption if that transaction gave rise to equal amounts of taxable and deductible temporary differences. These amendments might have a significant impact on the preparation of financial statements by companies that have substantial balances of right-of-use assets, lease liabilities, decommissioning, restoration and similar liabilities. The impact for those affected would be the recognition of additional deferred tax assets and liabilities.

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

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

Notes to the financial statements
continued

3. Income

	Six months ended 31 May 2023 (unaudited) £'000	Six months ended 31 May 2022 (unaudited) £'000	Year ended 30 November 2022 (audited) £'000
Investment income:			
UK dividends	5,121	4,244	9,654
UK special dividends	1,175	576	839
UK stock dividends	–	44	68
UK REIT dividends	293	210	509
Overseas special dividends	1,280	892	1,515
Total investment income[1]	**7,869**	**5,966**	**12,585**
Net income from derivatives	655	1,119	1,526
Other income:			
Deposit interest	3	10	111
Interest from Cash Fund	718	66	594
Collateral interest	33	–	44
	754	**76**	**749**
Total income	**9,278**	**7,161**	**14,860**

[1] UK and overseas dividends are presented based on the country of domicile of the respective underlying portfolio company.

Dividends and interest received in cash in the six months ended 31 May 2023 amounted to £7,007,000 and £835,000 (six months ended 31 May 2022: £6,069,000 and £50,000; year ended 30 November 2022: £12,223,000 and £615,000).

No special dividends have been recognised in capital in the six months ended 31 May 2023 (six months ended 31 May 2022: £91,000; year ended 30 November 2022: £91,000).

4. Investment management and performance fees

	Six months ended 31 May 2023 (unaudited)			Six months ended 31 May 2022 (unaudited)			Year ended 30 November 2022 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	325	974	1,299	438	1,315	1,753	756	2,269	3,025
Performance fee	–	1,487	1,487	–	–	–	–	–	–
Total	**325**	**2,461**	**2,786**	**438**	**1,315**	**1,753**	**756**	**2,269**	**3,025**

Investment Management fees
The investment management fee is calculated at the rate of 0.35% per annum on month end Gross Assets. For the purposes of this note, Gross Assets are defined as the value of the portfolio of the Company, including uninvested cash, with the portfolio valuation based on value at risk (with value at risk being the gross asset value of the long-only portfolio plus the gross value of the underlying equities, long and short, to which the Company is exposed through derivatives including CFDs and index futures). The management fee is charged 25% to the revenue account and 75% to the capital account of the Statement of Comprehensive Income. There is no additional fee for company secretarial and administration services.

Performance fees
The performance fee is calculated at the rate of 15% of the Outperformance of the Company. For the purpose of this note, Outperformance is defined as the amount by which the annualised percentage Net Asset Value total return of the Company arithmetically exceeds the annualised percentage return of the Benchmark Index, measured over a rolling two-year performance period. This rate is applied to the average Gross Assets, in that rolling two-year performance period. Outperformance is the amount by which the Net Asset Value total return arithmetically exceeds the Benchmark Index total return.

There is a cap on the annual total management and performance fees of 1.25% per financial year of the average Gross Assets over the rolling two-year performance period (the "Cap" or "Capped Amount") which has the effect of capping the annual performance fees at circa 0.9% of average Gross Assets and which means that the performance fee from any performance period will not exceed 0.9% of average Gross Assets for the relevant performance period.

The performance fee is calculated daily for the rolling two-year performance period ending 30 November 2023 and the rolling two-year performance period ending 30 November 2024 and, accruals are made in the NAV subject to the Cap. The performance fee is payable on 30 November each year in relation to the rolling two-year performance period ending on that date. The accrual is calculated applying the following assumptions:

- The Benchmark Index remains unchanged.
- The Net Asset Value total return performs in line with the Benchmark Index total return for the remainder of the respective rolling two-year performance periods ending 30 November 2023 and 30 November 2024.
- The future value of Gross Assets for performance fee purposes is the same at the balance sheet date.

The amount of outperformance on which a performance fee has not been paid in a financial year due to the application of the Cap, will be carried forward to offset against future shortfall returns. As at 1 December 2022, the carried forward unpaid net outperformance, net of prior period shortfall returns, available to offset against future shortfall returns was 10.7% (1 December 2021: 14.6%).

On the first day of the financial year, due to the application of the Cap in the prior financial year, any performance fee for the ongoing rolling two-year performance period not yet recognised is accrued in the daily NAV released to the London Stock Exchange on that day.

Performance fees have been wholly allocated to the capital account of the Statement of Comprehensive Income as the performance has been predominantly generated through capital returns from the investment portfolio. For the six months ended 31 May 2023, the total accrual of performance fee for all rolling two year performance periods amounted to £1,487,000 (31 May 2022: £nil; 30 November 2022: £nil), calculated as follows:

- For the annualised rolling two-year performance period to 30 November 2023, the Company has underperformed the benchmark by -6.5% as at 31 May 2023. No performance fee relating to this performance period has been accrued at the date of this report.
- For the annualised rolling two-year performance period to 30 November 2024, the Company has outperformed the benchmark by 1.4% as at 31 May 2023. A performance fee of £1,487,000 relating to this performance period has been accrued at the date of this report.

Notes to the financial statements

continued

5. Other operating expenses

	Six months ended 31 May 2023 (unaudited) £'000	Six months ended 31 May 2022 (unaudited) £'000	Year ended 30 November 2022 (audited) £'000
Allocated to revenue:			
Custody fees	3	5	8
Auditor's remuneration[1]	32	26	52
Registrar's fees	17	20	45
Directors' emoluments	115	99	205
Broker fees	18	17	35
Depositary fees	36	48	83
Marketing fees	71	66	153
FCA fees	15	10	28
Printing and postage fees	22	22	42
AIC fees	11	11	21
Stock exchange listing fees	16	80	102
Write back of prior year expenses[2]	(9)	–	(26)
Other administrative costs	58	14	95
	405	**418**	**843**
Allocated to capital:			
Custody transaction charges[3]	10	10	20
	415	**428**	**863**

[1] In the six months ended 31 May 2023, no non-audit services were provided by the auditors (six months ended 31 May 2022: none; year ended 30 November 2022: none).

[2] Relates to Directors' recruitment fees written back during the period (six months ended 31 May 2022: none; year ended 30 November 2022: Directors' expenses, legal fees, registration fees and miscellaneous fees).

[3] For the six month period ended 31 May 2023, expenses of £10,000 (six months ended 31 May 2022: £10,000; year ended 30 November 2022: £20,000) were 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 £652,000 for the six months ended 31 May 2023 (six months ended 31 May 2022: £378,000; year ended 30 November 2022: £858,000). Costs relating to the disposal of investments amounted to £66,000 for the six months ended 31 May 2023 (six months ended 31 May 2022: £147,000; year ended 30 November 2022: £230,000). All transaction costs have been included within capital reserves.

6. Dividends

The Board has declared an interim dividend of 3.30p per share payable on 1 September 2023 to shareholders on the register at 4 August 2023 (six months ended 31 May 2022: interim dividend of 2.60p per share paid on 26 August 2022 to shareholders on the register at 29 July 2022). This dividend has not been accrued in the financial statements for the six months ended 31 May 2023 as, under IAS, interim dividends are not recognised until paid. Dividends are debited directly to reserves.

7. Earnings/(loss) and net asset value per ordinary share

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

	Six months ended 31 May 2023 (unaudited)	Six months ended 31 May 2022 (unaudited)	Year ended 30 November 2022 (audited)
Net revenue profit attributable to ordinary shareholders (£'000)	8,544	6,303	13,257
Net capital loss attributable to ordinary shareholders (£'000)	(7,823)	(256,076)	(309,145)
Total profit/(loss) attributable to ordinary shareholders (£'000)	**721**	**(249,773)**	**(295,888)**
Equity shareholders' funds (£'000)	**620,407**	**690,173**	**633,357**
The weighted average number of ordinary shares in issue during the period on which the earnings per ordinary share was calculated was:	100,992,473	102,956,409	102,346,782
The actual number of ordinary shares in issue at the period end on which the net asset value per ordinary share was calculated was:	100,295,785	102,615,194	101,158,864
Earnings/(loss) per ordinary share			
Revenue earnings per share (pence) – basic and diluted	8.46	6.12	12.95
Capital loss per share (pence) - basic and diluted	(7.75)	(248.72)	(302.05)
Total earnings/(loss) per share (pence) - basic and diluted	**0.71**	**(242.60)**	**(289.10)**

	As at 31 May 2023 (unaudited)	As at 31 May 2022 (unaudited)	As at 30 November 2022 (audited)
Net asset value per ordinary share (pence)	618.58	672.58	626.10
Ordinary share price (pence)	587.00	635.00	595.00

There were no dilutive securities at the period end (six months ended 31 May 2022: none; year ended 30 November 2022: none).

8. Called up share capital

	Ordinary shares in issue number	Treasury shares number	Total shares number	Nominal value £'000
Allotted, called up and fully paid share capital comprised: **Ordinary shares of 5 pence each:**				
At 30 November 2022	101,158,864	2,051,000	103,209,864	5,160
Ordinary shares bought back into treasury	(863,079)	863,079	–	–
At 31 May 2023	**100,295,785**	**2,914,079**	**103,209,864**	**5,160**

During the six months ended 31 May 2023, the Company bought back 863,079 shares into treasury (six months ended 31 May 2022: 594,670; year ended 30 November 2022: 2,051,000) for a total consideration of £5,076,000 (six months ended 31 May 2022: £3,498,000; year ended 30 November 2022: £11,544,000) including costs.

During the six months ended 31 May 2023, the Company issued no new shares (six months ended 31 May 2022: 1,773,900; year ended 30 November 2022: 1,773,900) for a total consideration of £nil (six months ended 31 May 2022: £16,551,000; year ended 30 November 2022: £16,550,000) including costs.

Since 31 May 2023 and up to the date of this report, no shares have been reissued. 653,500 shares have been bought back into treasury for a total consideration of £3,729,000.

The ordinary shares give shareholders voting rights, the entitlement to all of the capital growth in the Company's assets and to all income from the Company that is resolved to be distributed.

Notes to the financial statements
continued

9. Reserves
The share premium account and capital redemption reserve are not distributable reserves under the Companies Act 2006. In accordance with ICAEW Technical Release 02/17BL on Guidance on Realised and Distributable Profits under the Companies Act 2006, the special reserve and capital reserve may be used as distributable 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 Company's Articles of Association, the special reserve, capital reserve and revenue reserve may be distributed by way of dividend. The gain on the capital reserve arising on the revaluation of investments of £9,770,000 (six months ended 31 May 2022: gain of £47,224,000; year ended 30 November 2022: gain of £6,609,000) 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. Financial risks and valuation of financial instruments
The Company'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 its investments.

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

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 93 and 94 in the Company's Annual Report and Financial Statements for the year ended 30 November 2022.

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.

As at the period end the long and short derivative positions were valued using the underlying equity bid price (offer price in respect of short positions) and the contract price at the inception of the trade or at the trade reset date. There have been no changes to the valuation technique since the previous year or as at the date of this report.

Contracts for difference have been classified as Level 2 investments as their valuation has been based on market observable inputs represented by the market prices of 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 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 Level 3 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.

Financial assets/(liabilities) at fair value through profit or loss at 31 May 2023 (unaudited)	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Assets:				
Equity investments	610,447	–	–	610,447
Contracts for difference	–	1,460	–	1,460
Liabilities:				
Contracts for difference	–	(1,088)	–	(1,088)
	610,447	**372**	**–**	**610,819**

Financial assets/(liabilities) at fair value through profit or loss at 31 May 2022 (unaudited)	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Assets:				
Equity investments	623,283	–	–	623,283
Contracts for difference	–	10,056	–	10,056
Liabilities:				
Contracts for difference	–	(1,573)	–	(1,573)
Futures	(562)	–	–	(562)
	622,721	**8,483**	**–**	**631,204**

Financial assets/(liabilities) at fair value through profit or loss at 30 November 2022 (audited)	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Assets:				
Equity investments	576,771	–	–	576,771
Contract for difference	–	4,800	–	4,800
Liabilities:				
Contract for difference	–	(2,202)	–	(2,202)
	576,771	**2,598**	**–**	**579,369**

There were no transfers between levels for financial assets and financial liabilities recorded at fair value during the six months ended 31 May 2023, six months ended 31 May 2022 or year ended 30 November 2022. The Company did not hold any Level 3 securities during the period ended 31 May 2023 (six months ended 31 May 2022: none; year ended 30 November 2022: none).

Notes to the financial statements
continued

10. Financial risks and valuation of financial instruments continued

For exchange listed equity investments the quoted price is the bid price. Contracts for difference are valued based on the bid price of the underlying quoted securities that the contracts relate to. 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 risk, in accordance with the fair value related requirements of the Company's Financial Reporting Framework.

11. 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 54 and 55 of the Directors' Report in the Company's Annual Report and Financial Statements for the year ended 30 November 2022.

The investment management fee due for the six months ended 31 May 2023 amounted to £1,299,000 (six months ended 31 May 2022: £1,753,000; year ended 30 November 2022: £3,025,000). At the period end, £1,906,000 was outstanding in respect of management fees (31 May 2022: £1,753,000; 30 November 2022: £1,272,000).

The performance fee accrued for the six months ended 31 May 2023 amounted to £1,487,000 (six months ended 31 May 2022: £nil; year ended 30 November 2022: £nil). Any final performance fee for the full year ending 30 November 2023 will not fall due until the calculation date of 30 November 2023.

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 31 May 2023 amounted to £71,000 excluding VAT (six months ended 31 May 2022: £66,000; year ended 30 November 2022: £153,000). Marketing fees of £192,000 excluding VAT (31 May 2022: £186,000; 30 November 2022: £120,000) were outstanding at 31 May 2023.

The Company has funds held on deposit with the BlackRock Institutional Cash Series plc – Sterling Liquid Environmentally Aware Fund of £12,854,000 as at 31 May 2023 (31 May 2022: £67,645,000; 30 November 2022: £58,690,000).

As at 31 May 2023, an amount of £198,000 (31 May 2022: £83,000; 30 November 2022: £83,000) was payable to the Manager in respect of Directors' fees.

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

12. Related party disclosure

Directors' emoluments

The Board consists of six 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. With effect from 1 December 2022, the Chairman receives an annual fee of £46,700, the Chairman of the Audit Committee receives an annual fee of £37,000 and each of the other Directors receives an annual fee of £31,700.

As at 31 May 2023, an amount of £18,000 (31 May 2022: £16,500; 30 November 2022: £17,000) was outstanding in respect of Directors' fees.

At the period end, members of the Board, including any connected persons, held ordinary shares in the Company as set out below:

	Ordinary shares 21 July 2023	Ordinary shares 31 May 2023	Ordinary shares 30 November 2022
Christopher Samuel (Chairman)	65,229	65,229	63,352
Loudon Greenlees[1]	n/a	n/a	15,000
Nigel Burton	16,474	16,474	16,000
Angela Lane	11,656	11,656	11,496
Louise Nash	3,900	3,900	2,100
Merryn Somerset Webb	3,727	3,727	3,727
Glen Suarez[2]	4,800	4,800	n/a

1 Loudon Greenlees retired as a Director on 23 March 2023.

2 Glen Suarez was appointed as a Director on 9 January 2023.

Significant Holdings
The following investors are:

a. funds managed by the BlackRock Group or are affiliates of BlackRock, Inc. (Related BlackRock Funds); or

b. investors (other than those listed in (a) above) who held more than 20% of the voting shares in issue in the Company and are as a result, considered to be related parties to the Company (Significant Investors).

As at 31 May 2023

Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
1.53	n/a	n/a

As at 31 May 2022

Total % of shares held by Related BlackRock Funds	Total % of shares held by Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.	Number of Significant Investors who are not affiliates of BlackRock Group or BlackRock, Inc.
1.71	n/a	n/a

13. Contingent liabilities

There were no contingent liabilities as at 31 May 2023 (six months ended 31 May 2022: none; year ended 30 November 2022: 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 31 May 2023 and 31 May 2022 has not been audited.

The information for the year ended 30 November 2022 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the auditor on those financial statements contained no qualification 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 30 November 2023 in February 2024. Copies of the results announcement can be obtained from the Secretary on 020 7743 3000 or by email at cosec@blackrock.com. The Annual Report and Financial Statements should be available by the beginning of February 2024, with the Annual General Meeting expected to be held in March 2024.

Directors, management and other service providers

Directors
Christopher Samuel (Chairman)
Louise Nash (Senior Independent Director)
Angela Lane (Chairman of the Audit Committee)
Nigel Burton (Chairman of the Remuneration Committee)
Merryn Somerset Webb (Director)
Glen Suarez (Director)

Registered office
Registered in England, No. 00594634
12 Throgmorton Avenue
London EC2N 2DL

Alternative Investment Fund Manager[1]
BlackRock Fund Managers Limited[2]
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000

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

Registrar
Computershare Investor Services PLC[2]
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 4016

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

Depositary, Custodian and Banker
The Bank of New York Mellon (International) Limited[2]
160 Queen Victoria Street
London EC4V 4LA

Stockbroker
Stifel Nicolaus Europe Limited[2]
150 Cheapside
London EC2V 6ET

Solicitor
Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH

[1] BlackRock Fund Managers (BFM) was appointed as the Alternative Investment Fund Manager on 2 July 2014. BlackRock Investment Management (UK) Limited continues to act as the Investment Manager of the Company under a delegation agreement with BFM.

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

Shareholder information

Contact information

General enquiries about the Company should be directed to:

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

Website

www.blackrock.com/uk/thrg

Investment Trust Newsletter

Should you wish to receive investment trust related news and insights you can subscribe to BlackRock's Investment Trust Matters newsletter at: https://go.blackrock.com/LP=2142

Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information will be required to gain access to your account, including your shareholder reference number available from your most recent dividend voucher or other communication received from the registrar. Computershare's website address is investorcentre.co.uk. Alternatively, please contact the registrar on 0370 707 4016.

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

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

Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio reduced to £1,000 from 6 April 2023 and will reduce again to £500 from 6 April 2024.

Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances.

The Company continues to provide registered shareholders with a confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received.

It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries, please contact a Financial Advisor.

Results

Full year announced in February
Half year announced in July

Annual General Meeting

March

Glossary

Alternative Performance Measure (APM)

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

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

Benchmark Index

The Company's Benchmark Index used for performance comparative purposes is the Numis Smaller Companies plus AIM (excluding Investment Companies) Index.

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

As at 31 May 2023, the Company's NAV total return was 0.1% (six months ended 31 May 2022: -26.3%; year ended 30 November 2022: -31.1%) and the total return of the Benchmark Index was -2.4% (six months ended 31 May 2022: -9.4%; year ended 30 November 2022: -17.5%), therefore the Company's outperformance of the Benchmark Index was 2.5% (six months ended 31 May 2022: underperformance of 16.9%; year ended 30 November 2022: underperformance of 13.6%).

As at 31 May 2023, the Company's share price return was 0.0% (six months ended 31 May 2022: -31.4%; year ended 30 November 2022: -35.5%) and the total return of the Benchmark Index was -2.4% (six months ended 31 May 2022: -9.4%; year ended 30 November 2022: -17.5%), therefore the Company's share price outperformance of the Benchmark Index was 2.4% (six months ended 31 May 2022: underperformance of 22.0%; year ended 30 November 2022: underperformance of 18.0%).

Closed-end company

An investment trust works along the same lines as a unit trust, in that it pools money from investors which is then managed on a collective basis. The main difference is that an investment trust is a company listed on the Stock Exchange and, in most cases, trading takes place in shares which have already been issued, rather than through the creation or redemption of units. As the number of shares which can be issued or cancelled at any one time is limited, and requires the approval of existing shareholders, investment trusts are known as closed-ended 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.

Contract for difference (CFD)

A contract for difference is an agreement to exchange the difference in value of a particular share or index between the time at which a contract is opened and the time at which it is closed. A CFD allows an investor to gain access to the movement in the share price by putting down a small amount of cash known as a margin which can range between 1% and up to 80% of the market value of the underlying security.

CFDs do not have an expiry date like options or futures contracts. As opposed to an expiry date a CFD is effectively renewed at the close of each trading day and rolled forward if desired.

Discount and premium*

Investment trust shares 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. In this circumstance, the price that an investor pays or receives for a share would be less than the value attributable to it by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV.

As at 31 May 2023, the share price was 587.00p (31 May 2022: 635.00p; 30 November 2022: 595.00p) and the NAV was 618.58p (31 May 2022: 672.58p; 30 November 2022: 626.10p), therefore the discount was 5.1% (31 May 2022: 5.6%; 30 November 2022: 5.0%) (please see note 7 of the financial statements for the inputs to the calculation).

A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 370p and the NAV 365p, the premium would be 1.4%.

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

Gearing and borrowings*

The Company may achieve gearing through borrowings or the effect of gearing through an appropriate balance of equity capital, investment in derivatives and borrowings. The maximum exposure the Company may have to derivatives for investment purposes and efficient portfolio management purposes, in aggregate, is 120% of the Company's gross assets. The Company may use borrowings and enter into derivative transactions that have the effect of gearing the Company's portfolio to enhance performance.

The Company's gross and net gearing through the use of long and short CFD positions as at 31 May 2023, 31 May 2022 and 30 November 2022 is set out in the table below.

Gross and net gearing	**Page**	**31 May 2023 £'000**	**31 May 2022 £'000**	**30 November 2022 £'000**	
Long investment positions (excluding BlackRock's Institutional Cash Series plc – Sterling Liquid Environmentally Aware Fund)	19	693,989	751,083	676,373	(a)
Short investment positions	19	22,364	43,347	15,637	(b)
Gross geared exposure (c = a + b)		716,353	794,430	692,010	(c)
Net geared exposure (d = a – b)		671,625	707,736	660,736	(d)
Net assets	27	**620,402**	**690,173**	**633,357**	**(e)**
Gross gearing % of net assets (f = c / e x 100) %		**115.5**	**115.1**	**109.3**	**(f)**
Net gearing % of net assets (g = d / e x 100) %		**108.3**	**102.5**	**104.3**	**(g)**

Gross and net exposure

Market exposure gained through a CFD contract refers to the gross market value of the underlying securities to which the investor is exposed through the CFD contract. Gross exposure refers to the total exposure the investor has through both long and short positions added together. For example, an investor who has 110% long market exposure through CFDs and 20% short market exposure through CFDs has gross market exposure of 130%.

Net exposure refers to the exposure the investor has through long positions less any short positions. For example, an investor who has 110% long market exposure through CFDs and 20% short market exposure through CFDs has net market exposure of 90%; this method of measurement is looking at the net directional market exposure and takes into account the fact that long and short positions theoretically offset one another when the market moves in a particular direction.

* Alternative Performance Measures.

Glossary
continued

Leverage
Leverage is defined in the AIFMD 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:

$$\text{Leverage ratio} = \frac{\text{exposure}}{\text{net asset value}}$$

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.

The Commitment Method enables instruments to be netted off to reflect ‘netting’ or ‘hedging’ arrangements and the entity’s exposure is effectively reduced.

Long and short exposure
CFDs enable an investor to benefit from the price of a stock falling as well as rising. This enables the investor to benefit from negative as well as positive views on individual stocks.

Entering into a CFD that results in a profit if the share price movement falls, is referred to as taking a short position. The counterparty pays the investor interest on the cash deposited with it, which collateralises the short positions and deductions are made from the value of the short CFD contract in respect of dividends payable in relation to these stocks. Entering into a CFD contract that results in a profit if the share price movement rises, is referred to as taking a long position. The investor pays a financing charge on long positions and receives payments from the counterparty in respect of dividends payable in relation to these long positions.

NAV per share (Cum income NAV)
This is the value of the Company’s assets attributable to one ordinary share. It is calculated by dividing ‘total equity’ by the total number of ordinary shares in issue (excluding treasury shares) as set out in note 7 to the financial statements on page 33. For example, as at 31 May 2023, total equity was £620,407,000 (31 May 2022: £690,173,000; 30 November 2022: £633,357,000) and there were 100,295,785 (31 May 2022: 102,615,194; 30 November 2022: 101,158,864) ordinary shares in issue (excluding treasury shares); therefore the NAV was 618.58p per ordinary share (31 May 2022: 672.58p; 30 November 2022: 626.10p).

Total equity is calculated by deducting from the Company’s total assets, its current and long-term liabilities and any provision for liabilities and charges.

NAV and share price return (with dividends reinvested)*

Performance statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The performance measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/share price (please see note 7 of the financial statements for the inputs to the calculations).

NAV total return	Page	Six months ended 31 May 2023 £'000 (unaudited)	Six months ended 31 May 2022 £'000 (unaudited)	Year ended 30 November 2022 £'000 (audited)	
Closing NAV per share (pence)	33	618.58	672.58	626.10	
Add back interim and final dividends (pence)	26	8.50	8.00	10.60	
Effect of dividend reinvestment (pence)		(0.28)	(1.16)	(1.66)	
Adjusted closing NAV (pence)		626.80	679.42	635.04	(a)
Opening NAV per share (pence)	33	626.10	921.91	921.91	(b)
NAV total return (c = ((a – b)/b)) (%)		**0.1**	**(26.3)**	**(31.1)**	**(c)**

Share price total return	Page	Six months ended 31 May 2023 £'000 (unaudited)	Six months ended 31 May 2022 £'000 (unaudited)	Year ended 30 November 2022 £'000 (audited)	
Closing share price (pence)	33	587.00	635.00	595.00	
Add back interim and final dividends (pence)	26	8.50	8.00	10.60	
Effect of dividend reinvestment (pence)		(0.52)	(1.64)	(2.11)	
Adjusted closing share price (pence)		594.98	641.36	603.49	(a)
Opening share price (pence)	33	595.00	935.00	935.00	(b)
Share price total return (c = ((a – b)/b)) (%)		**0.0**	**(31.4)**	**(35.5)**	**(c)**

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 revenue and capital expenses (excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, prior year expenses written back and certain non-recurring items) expressed as a percentage of the average daily net assets of the Company during the year.

* Alternative Performance Measures.

Glossary
continued

The inputs that have been used to calculate the ongoing charges percentage are set out in the following table:

Ongoing charges calculation	Page	30 November 2022 £'000 (audited)	30 November 2021 £'000 (audited)	
Management fee	31	3,025	3,652	
Other operating expenses[1]	32	816	1,078	
Total management fee and other operating expenses		3,841	4,730	(a)
Performance fee	31	–	6,655	(b)
Total management and performance fees and other operating expenses (c = a + b)		3,841	11,385	(c)
Average daily net assets in the year		710,265	824,909	(d)
Ongoing charges in the year excluding performance fees (e = a/d) %		**0.54**	**0.57**	**(e)**
Ongoing charges in the year including performance fees (f = c/d) %		**0.54**	**1.38**	**(f)**

[1] Excluding prior year expenses written off during the year and non-recurring expenses relating to stock exchange listing fees of £53,000 incurred during the year ended 30 November 2022 (30 November 2021: £nil).

Revenue profit and revenue reserves

Revenue profit is the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the Company. Revenue reserves is the undistributed income that the Company keeps as reserves. Investment trusts do not have to distribute all the income they generate after expenses. They may retain up to 15% of revenue generated which will be held in a revenue reserve. This reserve can be used at a later date to supplement dividend payments to shareholders.

Treasury shares

Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares do not pay dividends, have no voting rights and are not included in a company's total issued share capital amount for calculating percentage ownership. Treasury stock may have come from a repurchase or buy back from shareholders, or it may never have been issued to the public in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

* Alternative Performance Measures.

Share fraud warning

Be ScamSmart

FCA
FINANCIAL CONDUCT AUTHORITY

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

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

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

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

Report a scam

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

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

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

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

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