

Edgar Filing: BlackRock Resources & Commodities Strategy Trust - Form N-CSRS

BlackRock Resources & Commodities Strategy Trust

Form N-CSRS

July 03, 2013

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT  
COMPANIES**

Investment Company Act file number 811-22501

Name of Fund: BlackRock Resources & Commodities Strategy Trust (BCX)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Resources & Commodities Strategy Trust,

55 East 52<sup>nd</sup> Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 10/31/2013

Date of reporting period: 04/30/2013

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Item 1 Report to Stockholders

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APRIL 30, 2013

SEMI-ANNUAL REPORT (UNAUDITED)

**BLACK ROCK<sup>®</sup>**

BlackRock EcoSolutions Investment Trust (BQR)  
BlackRock Energy and Resources Trust (BGR)  
BlackRock Enhanced Capital and Income Fund, Inc. (CII)  
BlackRock Enhanced Equity Dividend Trust (BDJ)  
BlackRock Global Opportunities Equity Trust (BOE)  
BlackRock Health Sciences Trust (BME)  
BlackRock International Growth and Income Trust (BGY)  
BlackRock Real Asset Equity Trust (BCF)  
BlackRock Resources & Commodities Strategy Trust (BCX)  
BlackRock S&P Quality Rankings Global Equity Managed Trust (BQY)  
BlackRock Utility and Infrastructure Trust (BUI)

**Not FDIC Insured ; May Lose Value ; No Bank Guaranteed**

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**Section 19(a) Notices**

BlackRock EcoSolutions Investment Trust s (BQR), BlackRock Energy and Resources Trust s (BGR), BlackRock Enhanced Capital and Income Fund, Inc. s (CII), BlackRock Enhanced Equity Dividend Trust s (BDJ), BlackRock Global Opportunities Equity Trust s (BOE), BlackRock Health Sciences Trust s (BME), BlackRock International Growth and Income Trust s (BGY), BlackRock Real Asset Equity Trust s (BCF), BlackRock Resources & Commodities Strategy Trust s (BCX), BlackRock S&P Quality Rankings Global Equity Managed Trust s (BQY) and BlackRock Utility and Infrastructure Trust s (BUI) (each, a Trust and collectively, the Trusts ), reported amounts and sources of distributions are estimates and are not being provided for tax reporting purposes. The actual amounts and sources for tax reporting purposes will depend upon each Trust s investment experience during the year and may be subject to changes based on the tax regulations. Each Trust will provide a Form 1099-DIV each calendar year that will explain the character of these dividends and distributions for federal income tax purposes.

April 30, 2013

	Total Cumulative Distributions for the Fiscal Year				% Breakdown of the Total Cumulative Distributions for the Fiscal Year					
	Net	Return			Total Per Common Share	Net	Net Realized	Net Realized	Return	Total
	Investment Income	Capital Gains Short-Term	Capital Gains Long-Term	of Capital		Investment Income	Capital Gains Short-Term	Capital Gains Long-Term	of Capital	Per Common Share
BQR*	\$ 0.033523			\$ 0.324977	\$ 0.358500	9%	0%	0%	91%	100%
BGR	\$ 0.054296	\$ 0.357122	\$ 0.398582		\$ 0.810000	7%	44%	49%	0%	100%
CII*	\$ 0.135410			\$ 0.464590	\$ 0.600000	23%	0%	0%	77%	100%
BDJ*	\$ 0.087717			\$ 0.192283	\$ 0.280000	31%	0%	0%	69%	100%
BOE*	\$ 0.026701			\$ 0.596599	\$ 0.623300	4%	0%	0%	96%	100%
BME	\$ 0.099271	\$ 0.896788	\$ 0.622691		\$ 1.618750	4%	55%	38%	0%	100%
BGY*	\$ 0.018147			\$ 0.317553	\$ 0.335700	5%	0%	0%	95%	100%
BCF*	\$ 0.031402			\$ 0.411598	\$ 0.443000	7%	0%	0%	93%	100%
BCX*	\$ 0.075286			\$ 0.504714	\$ 0.580000	13%	0%	0%	87%	100%
BQY*	\$ 0.091573	\$ 0.091905	\$ 0.192085	\$ 0.104437	\$ 0.480000	19%	19%	40%	5%	100%
BUI*	\$ 0.197837	\$ 0.022575	\$ 0.028701	\$ 0.475887	\$ 0.725000	27%	3%	4%	66%	100%

\* Certain Trusts estimate they have distributed more than the amount of earned income and net realized gains; therefore, a portion of the distribution may be a return of capital. A return of capital may occur, for example, when some or all of the shareholder s investment in a Trust is returned to the shareholder. A return of capital does not necessarily reflect a Trust s investment performance and should not be confused with yield or income. Section 19(a) notices for each Trust, as applicable, are available on the BlackRock website <http://www.blackrock.com>.

**Section 19(b) Disclosure**

The Trusts, acting pursuant to a Securities and Exchange Commission ( SEC ) exemptive order and with the approval of each Trust s Board of Trustees/Directors (the Board ), each have adopted a plan, consistent with its investment objectives and policies to support a level distribution of income, capital gains and/or return of capital (the Plan ). In accordance with the Plans, the Trusts currently distribute the following fixed amounts per share on a quarterly basis:

Exchange Symbol	Amount Per Common Share
BQR	\$0.179250
BGR	\$0.405000
CII	\$0.300000
BDJ	\$0.140000
BOE	\$0.311650
BME	\$0.384375
BGY	\$0.167850
BCF	\$0.221500

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BCX	\$0.290000
BQY	\$0.230000
BUI	\$0.362500

The fixed amounts distributed per share are subject to change at the discretion of each Trust's Board. Under its Plan, each Trust will distribute all available investment income to its shareholders, consistent with its primary investment objectives and as required by the Internal Revenue Code of 1986, as amended (the Code). If sufficient investment income is not available on a quarterly basis, the Trusts will distribute long-term capital gains and/or return of capital to shareholders in order to maintain a level distribution. Each quarterly distribution to shareholders is expected to be at the fixed amount established by the Board, except for extraordinary distributions and potential distribution rate increases or decreases to enable the Trusts to comply with the distribution requirements imposed by the Code.

Shareholders should not draw any conclusions about each Trust's investment performance from the amount of these distributions or from the terms of the Plan. Each Trust's total return performance on net asset value is presented in its financial highlights table.

The Board may amend, suspend or terminate a Trust's Plan without prior notice if it deems such actions to be in the best interests of the Trust or its shareholders. The suspension or termination of the Plan could have the effect of creating a trading discount (if the Trust's stock is trading at or above net asset value) or widening an existing trading discount. The Trusts are subject to risks that could have an adverse impact on their ability to maintain level distributions. Examples of potential risks include, but are not limited to, economic downturns impacting the markets, decreased market volatility, companies suspending or decreasing corporate dividend distributions and changes in the Code. Please refer to each Trust's prospectus for a more complete description of its risks.

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SEMI-ANNUAL REPORT

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Dear Shareholder

About this time one year ago, financial market activity was dominated by concerns about Europe's debt crisis. Investors were also discouraged by gloomy economic reports from various parts of the world, particularly in China. As the outlook for the global economy worsened, however, investors grew increasingly optimistic that the world's largest central banks would intervene to stimulate growth. This theme, along with the European Central Bank's (ECB's) firm commitment to preserve the euro currency bloc, drove most asset classes higher through the summer of 2012. In early September, the ECB announced its sovereign bond-buying program designed to support the region's debt-laden countries. Days later, the US Federal Reserve announced its own much-anticipated stimulus package.

Although financial markets world-wide were buoyed by these aggressive policy actions, risk assets weakened in the fall of 2012. Global trade slowed as many European countries fell into recession and growth continued to decelerate in China. In the United States, stocks slid on lackluster corporate earnings and volatility rose in advance of the US Presidential election. In the post-election environment, investors became more concerned about the fiscal cliff, the automatic tax increases and spending cuts that had been scheduled to take effect at the beginning of 2013. High levels of global market volatility persisted through year-end due to fears that bipartisan gridlock would preclude a timely resolution, putting the US economy at high risk for recession. Ultimately, the worst of the fiscal cliff was averted with a last-minute tax deal, although decisions relating to spending cuts and the debt ceiling were postponed, leaving lingering uncertainty.

Investors shook off the nerve-racking finale to 2012 and the New Year began with a powerful relief rally. Money that had been pulled to the sidelines amid year-end tax-rate uncertainty poured back into the markets in January. Key indicators signaling modest but broad-based improvements in the world's major economies underpinned the rally. Underlying this aura of comfort was the absence of negative headlines out of Europe. Against this backdrop, global equities surged through January while rising US Treasury yields pressured high quality fixed income assets (as prices move in the opposite direction of yields).

However, bond markets regained strength in February (as yields once again dropped) when global economic momentum slowed and investors toned down their risk appetite. International stock markets weakened amid a resurgence of macro risk out of Europe. A stalemate presidential election in Italy was a reminder that political instability continued to plague the eurozone and a severe banking crisis in Cyprus underscored the fragility of the broader European banking system. In the United States, stocks continued to rise, but at a more moderate pace. Investors grew more cautious given uncertainty as to how long the central bank would continue its stimulus programs. How government spending cuts would impact the already slow economic recovery was another concern. But improving labor market data and rising home prices boosted sentiment in March, pushing major US stock indices to all-time highs. Investors scaled back their enthusiasm in April due to a series of disappointing economic reports. On the whole, US stocks have performed well thus far in 2013 as the US economy demonstrated enough resilience to allay fears of recession, but growth has remained slow enough to dissuade the US Federal Reserve from changing its stance.

Despite continued headwinds for global growth, risk assets have rallied, driven largely by investors seeking meaningful yields in the ongoing low-interest-rate environment. For the 6- and 12-month periods ended April 30, 2013, US and international stocks and high yield bonds posted strong gains. Emerging market equities lagged the rally as the uneven pace of global growth raised doubts that developing economies could thrive in the near term. US Treasury yields were highly volatile over the past 12 months, although they continue to remain low from a historical perspective. US Treasury and investment-grade bonds generated modest returns in this environment, while tax-exempt municipal bonds benefited from favorable supply-and-demand dynamics. Near-zero short term interest rates continued to keep yields on money market securities near their all-time lows.

Market conditions have improved over the past couple of years, but investors still remain highly uncertain and many of the old ways of investing no longer work. That's why the new world of investing calls for a new approach. One that seeks out more opportunities in more places across a broader array of investments in a portfolio designed to move freely as the markets move up and down. Visit [www.blackrockplan.com](http://www.blackrockplan.com) to learn more about how to take action.

Sincerely,

**Rob Kapito**

President, BlackRock Advisors, LLC

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*Despite continued headwinds for global growth, risk assets have rallied, driven largely by investors seeking meaningful yields in the ongoing low-interest-rate environment.*

Rob Kapito

President, BlackRock Advisors, LLC

### Total Returns as of April 30, 2013

	6-month	12-month
US large cap equities (S&P 500® Index)	14.42%	16.89%
US small cap equities (Russell 2000® Index)	16.58	17.69
International equities (MSCI Europe, Australasia, Far East Index)	16.90	19.39
Emerging market equities (MSCI Emerging Markets Index)	5.29	3.97
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.06	0.12
US Treasury securities (BofA Merrill Lynch 10- Year US Treasury Index)	1.52	5.07
US investment grade bonds (Barclays US Aggregate Bond Index)	0.90	3.68
Tax-exempt municipal bonds (S&P Municipal Bond Index)	2.01	5.74
US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index)	7.26	13.95

Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.



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### **The Benefits and Risks of Option Over-Writing**

In general, the goal of each of the Trusts is to provide total return through a combination of current income and realized and unrealized gains (capital appreciation). The Trusts seek to pursue this goal primarily by investing in a portfolio of equity securities and utilizing an option over-writing strategy in an effort to enhance distribution yield and total return performance. However, these objectives cannot be achieved in all market conditions.

The Trusts primarily write single stock covered call options, and may also from time to time write single stock put options. When writing (selling) a covered call option, the Trust holds an underlying equity security and enters into an option transaction which allows the counterparty to purchase the equity security at an agreed-upon price ( strike price ) within an agreed-upon time period. The Trusts receive cash premiums from the counterparties upon writing (selling) the option, which along with net investment income and net realized gains, if any, are generally available to support current or future distributions paid by the Trusts. During the option term, the counterparty will elect to exercise the option if the market value of the equity security rises above the strike price, and the Trust will be obligated to sell the equity security to the counterparty at the strike price, realizing a gain or loss. Premiums received will increase gains or reduce losses realized on the sale of the equity security. If the option remains unexercised upon its expiration, the Trusts will realize gains equal to the premiums received.

Writing covered call options entails certain risks, which include, but are not limited to, the following: an increase in the value of the underlying equity security above the strike price can result in the exercise of a written option (sale by the Trust to the counterparty) when the Trust might not otherwise have sold the security; exercise of the option by the counterparty will result in a sale below the current market value and will result in a gain or loss being realized by the Trust; and writing covered call options limits the potential appreciation that could be realized on the underlying equity security to the extent of the strike price of the option. As such, an option over-writing strategy may outperform the general equity market in flat or falling markets but underperform in rising markets.

Each Trust employs a plan to support a level distribution of income, capital gains and/or return of capital. The goal of the plan is to provide shareholders with consistent and predictable cash flows by setting

distribution rates based on expected long-term returns of the Trusts. Such distributions, under certain circumstances, may exceed a Trust's total return performance. When total distributions exceed total return performance for the period, the difference will reduce the Trust's net asset value per share ( NAV ). The final determination of the source and character of distributions in accordance with federal income tax regulations is made after the fiscal year and is reported in the Trust's annual report to shareholders. To the extent that dividends and distributions exceed the Trust's current and accumulated earnings and profits, which are measured on a tax basis, the excess may be treated as a tax return of capital. Dividends and distributions in excess of a Trust's taxable income and net capital gains that do not exceed the Trust's current and accumulated earnings and profits, which are measured on a tax basis, may be treated as ordinary income dividends and/or capital gain distributions.

To illustrate these concepts, assume the following: (1) a common stock purchased at and currently trading at \$37.15 per share; (2) a three-month call option is written by a Trust with a strike price of \$40 (i.e., 7.7% higher than the current market price); and (3) the Trust receives \$2.45, or 6.6% of the common stock's value, as a premium. If the stock price remains unchanged, the option will expire and there would be a 6.6% return for the three-month period. If the stock were to decline in price by 6.6% (i.e., decline to \$34.70 per share), the option strategy would break-even from an economic perspective resulting in neither a gain nor a loss. If the stock were to climb to a price of \$40 or above, the option would be exercised and the stock would return 7.7% coupled with the option premium received of 6.6% for a total return of 14.3%. Under this scenario, the Trust loses the benefit of any appreciation of the stock above \$40, and thus is limited to a 14.3% total return. The premium from writing the call option serves to offset some of the unrealized loss on the stock in the event that the price of the stock declines, but if the stock were to decline more than 6.6% under this scenario, the Trust's downside protection is eliminated and the stock could eventually become worthless.

Each Trust intends to write covered call options to varying degrees depending upon market conditions. Please refer to each Trust's Schedule of Investments and the Notes to Financial Statements for details of written options.

**Derivative Financial Instruments**

The Trusts may invest in various derivative financial instruments, including foreign currency exchange contracts and options, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to hedge market, equity, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Trusts' ability to use a

derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Trust to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Trust can realize on an investment, may result in lower dividends paid to shareholders or may cause a Trust to hold an investment that it might otherwise sell. The Trusts' investments in these instruments are discussed in detail in the Notes to Financial Statements.

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**Trust Summary** as of April 30, 2013

**BlackRock EcoSolutions Investment Trust**

**Trust Overview**

**BlackRock EcoSolutions Investment Trust** s (BQR) (the **Trust** ) investment objective is to provide total return through a combination of current income, current gains and long-term capital appreciation. The Trust seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its assets in equity securities issued by companies that are engaged in one or more of New Energy (e.g., products, technologies and services connected to the efficient use of energy or the provision or manufacture of alternative forms of energy), Water Resources and Agriculture business segments. The Trust may invest directly in such securities or synthetically through the use of derivatives. The Trust utilizes an option writing (selling) strategy to enhance dividend yield.

No assurance can be given that the Trust s investment objective will be achieved.

**Portfolio Management Commentary**

**How did the Trust perform?**

For the six-month period ended April 30, 2013, the Trust returned 6.99% based on market price and 8.78% based on net asset value ( NAV ). For the same period, the closed-end Lipper Sector Equity Funds category posted an average return of 10.23% based on market price and 10.14% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The largest contribution to the Trust s positive performance for the period came from the water resources segment of the portfolio where the Trust s water utility holdings drove returns. The strongest-performing stock was Manila Water Co., Inc., a full service water utility company that primarily services residents in the East Zone region of Manila, Philippines. The company s robust 2012 earnings were a catalyst for its share price touching all-time highs as it soared over the period. In the agriculture segment of the portfolio, exposure to agriculture equipment and machinery names had a positive impact on results for the period. Also within agriculture, Monsanto Co. was a strong individual contributor to returns as the agricultural science company s earnings continuously beat analysts expectations and its management raised the earnings forecast given strong pricing power and high sales volume. Gains from the Trust s option writing strategy had a positive impact on results for the period.

Conversely, the Trust s position in fertilizer stock Agrium, Inc. detracted from performance due to a reduced output of potash (a fertilizer product) at the company s Canadian mines and concerns that the late-season planting in the United States would impact retail demand for agricultural input products. The Trust s holding in Pennon Group Plc also had a negative impact on returns as shares of the British water utility and waste management company weakened following a profit warning early in the period. In addition, the Trust held an elevated cash balance as a means of defensive positioning given near-term uncertainty about the market outlook. The Trust s cash position had a modestly negative impact on performance as equities generally advanced.

**Describe recent portfolio activity.**

During the six-month period, the Trust initiated a position in TransCanada Corp., a North American infrastructure company that operates mainly in the oil and natural gas pipelines business. Also in the new energy sleeve, the Trust sold its holding in Spanish utilities group Iberdrola SA.

**Describe portfolio positioning at period end.**

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At the end of period, the Trust continued to hold large allocations to both the agriculture and water resources segments and less emphasis on new energy, which is reflective of the relative outlooks and valuations for each of these segments.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

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**BlackRock EcoSolutions Investment Trust**

**Trust Information**

Symbol on New York Stock Exchange ( NYSE )	BQR
Initial Offering Date	September 28, 2007
Current Distribution Rate on Closing Market Price as of April 30, 2013 (\$8.90) <sup>1</sup>	8.06%
Current Quarterly Distribution per Common Share <sup>2</sup>	\$0.17925
Current Annualized Distribution per Common Share <sup>2</sup>	\$0.71700

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a tax return of capital. See the Section 19(a) Notices on page 2 for the estimated sources and character of distributions. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

The table below summarizes the changes in the Trust's market price and NAV per share:

	4/30/13	10/31/12	Change	High	Low
Market Price	\$ 8.90	\$ 8.66	2.77%	\$ 9.48	\$ 7.59
Net Asset Value	\$ 9.55	\$ 9.14	4.49%	\$ 9.78	\$ 8.87

The following charts show the ten largest holdings and industry allocation of the Trust's long-term investments:

**Ten Largest Holdings**

	4/30/13
Manila Water Co., Inc.	5%
Monsanto Co.	4
Syngenta AG	3
Severn Trent Plc	3
Inversiones Aguas Metropolitanas SA	3
Aqua America, Inc.	3
Sao Martinho SA	3
Agrium, Inc.	2
Potash Corp of Saskatchewan, Inc.	2
BrasilAgro - Co Brasileira de Propriedades Agricolas	2

**Industry Allocation**

	4/30/13	10/31/12
Water Utilities	29%	25%
Chemicals	22	22
Food Products	12	14
Machinery	11	12
Electric Utilities	4	4
Oil, Gas & Consumable Fuels	4	2
Real Estate Investment Trusts (REITs)	3	3
Electrical Equipment	3	3
Commercial Services & Supplies	3	3
Multi-Utilities	2	3
Electronic Equipment, Instruments & Components	2	2
Construction & Engineering	2	3
Other <sup>3</sup>	3	4

<sup>3</sup> Other includes a 1% holding or less in each of the following industries; for 4/30/13, Auto Components, Building Products, Independent Power Producers & Energy Traders, Industrial Conglomerates, Paper & Forest Products, Real Estate Management & Development, Road & Rail and Semiconductors & Semiconductor Equipment, and for 10/31/12, Auto Components, Building Products, Independent Power Producers & Energy Traders, Metals & Mining, Paper & Forest Products, Road & Rail and Semiconductors & Semiconductor Equipment.

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For Trust compliance purposes, the Trust's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Trust management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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**Trust Summary** as of April 30, 2013

**BlackRock Energy and Resources Trust**

**Trust Overview**

**BlackRock Energy and Resources Trust s (BGR) (the Trust )** investment objective is to provide total return through a combination of current income, current gains and long-term capital appreciation. The Trust seeks to achieve its investment objective by investing, under normal market conditions, at least 80% of its total assets in equity securities of energy and natural resources companies and equity derivatives with exposure to the energy and natural resources industry. The Trust may invest directly in such securities or synthetically through the use of derivatives. The Trust utilizes an option writing (selling) strategy to enhance dividend yield.

No assurance can be given that the Trust s investment objective will be achieved.

**Portfolio Management Commentary**

**How did the Trust perform?**

For the six-month period ended April 30, 2013, the Trust returned 9.06% based on market price and 11.56% based on NAV. For the same period, the closed-end Lipper Sector Equity Funds category posted an average return of 10.23% based on market price and 10.14% based on NAV. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The Trust s positive performance was driven largely by its exposure to on-shore oil producers in the United States, including Anadarko Petroleum Corp. and Noble Energy, Inc., which benefited from rising crude oil prices during the period. The Trust s holdings in the oil refining and marketing segment also had a positive impact on returns as companies such as Valero Energy Corp. and Delek Logistics Partners LP benefited from improved operating margins. Gains from the Trust s option writing strategy had a positive impact on results for the period.

Exposure to gold and silver producers detracted from the Trust s performance during the period. With gold and silver prices declining roughly 15% and 24%, respectively, in an upward-moving equity market, precious metals producers declined dramatically. In particular, the Trust s key holdings in Silver Wheaton Corp. and Goldcorp, Inc. each fell more than 20% during the period. Elsewhere, the Trust s overall return was hindered by weakness in select holdings such as Prospect Global Resources, Inc. a company with a potash (fertilizer product) development project in Arizona.

**Describe recent portfolio activity.**

During the six-month period, the Trust reduced exposure to companies involved in the production of non-energy related products. The overall number of holdings in the Trust decreased during the period.

**Describe portfolio positioning at period end.**

At the end of period, the Trust held a large exposure to energy exploration and production companies, with smaller allocations to oil services, energy distribution and oil refining and marketing companies. The Trust continued to maintain a limited exposure to metals & mining stock.

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The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

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**BlackRock Energy and Resources Trust**

**Trust Information**

Symbol on NYSE	BGR
Initial Offering Date	December 29, 2004
Current Distribution Rate on Closing Market Price as of April 30, 2013 (\$25.64) <sup>1</sup>	6.32%
Current Quarterly Distribution per Common Share <sup>2</sup>	\$0.405
Current Annualized Distribution per Common Share <sup>2</sup>	\$1.620

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a tax return of capital. See the Section 19(a) Notices on page 2 for the estimated sources and character of distributions. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain. The table below summarizes the changes in the Trust's market price and NAV per share:

	4/30/13	10/31/12	Change	High	Low
Market Price	\$ 25.64	\$ 24.28	5.60%	\$ 26.30	\$ 21.78
Net Asset Value	\$ 28.03	\$ 25.95	8.02%	\$ 28.53	\$ 24.64

The following charts show the ten largest holdings and industry allocation of the Trust's long-term investments:

**Ten Largest Holdings**

	4/30/13
Chevron Corp.	8%
Gulfport Energy Corp.	7
Anadarko Petroleum Corp.	6
Noble Energy, Inc.	5
Schlumberger Ltd.	5
Range Resources Corp.	5
Valero Energy Corp.	5
Pioneer Natural Resources Co.	4
Keyera Corp.	3
Cameron International Corp.	3

**Industry Allocation**

	4/30/13	10/31/12
Oil, Gas & Consumable Fuels	80%	78%
Energy Equipment & Services	18	16
Metals & Mining	2	6

For Trust compliance purposes, the Trust's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Trust management. These definitions may not apply for purposes of this report, which may combine such industry sub-classifications for reporting ease.

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**Trust Summary** as of April 30, 2013

**BlackRock Enhanced Capital and Income Fund, Inc.**

**Trust Overview**

**BlackRock Enhanced Capital and Income Fund, Inc. s (CII) (the Trust )** investment objective is to provide investors with a combination of current income and capital appreciation. The Trust seeks to achieve its investment objective by investing in a portfolio of equity and debt securities of US and foreign issuers. The Trust may invest directly in such securities or synthetically through the use of derivatives. The Trust utilizes an option writing (selling) strategy to enhance dividend yield.

No assurance can be given that the Trust s investment objectives will be achieved.

**Portfolio Management Commentary**

**How did the Trust perform?**

For the six-month period ended April 30, 2013, the Trust returned 5.52% based on market price and 7.61% based on NAV. For the same period, the benchmark S&P 500® Value Index returned 16.63%. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

Relative to the S&P 500® Value Index, stock selection across several sectors detracted from performance during the period. The Trust s positioning within financials was the leading source of underperformance. While the Trust held exposure to strong-performing money center banks such as Citigroup, Inc. and JPMorgan Chase & Co., the returns realized on these holdings were lower than that reflected in the benchmark index as a result of the Trust s call-writing strategy. As money center banks rallied, the Trust s positions in these stocks were called away, leading to an underweight posture within the group and hence the Trust s underperformance. Similarly, the Trust s performance in the insurance industry lagged the benchmark index due to changes in exposure to the group resulting from stock selection during the period.

Stock selection within the information technology ( IT ) sector also detracted from relative returns. The Trust purchased Apple, Inc. during the period, which proved particularly costly as the stock then declined over 20% by period end due to concerns about prospects for the company s future growth. Within energy, exposure to oil-levered holdings in the integrated oil & gas segment, such as Suncor Energy, Inc., Chevron Corp. and Exxon Mobil Corp., had a negative impact on results as global oil prices posted modest declines during the period. Concurrently, gas-oriented producers rallied on a modest recovery in natural gas prices while the Trust was underweight in this space. In materials, shares of fertilizer producer CF Industries Holdings, Inc. fell sharply as global fertilizer prices dipped on concerns about the sustainability of global economic growth. Overall, gains from the Trust s option writing strategy had a positive impact on results for the period.

Conversely, the Trust benefited from its overweight to the IT sector, which performed well relative to the broader equity market during the period. An underweight to industrials also proved beneficial for relative returns.

**Describe recent portfolio activity.**

## Edgar Filing: BlackRock Resources & Commodities Strategy Trust - Form N-CSRS

During the six-month period, the Trust lowered its exposure to defensive-oriented areas such as consumer staples, utilities and telecommunication services ( telecom ), while increasing exposure to the more cyclical sectors, including IT and energy. Additionally, the strategy cut its exposure to financials during the period. Sector weightings in the Trust are generally a result of individual stock selection. Within that context, the Trust initiated high-conviction positions during the period including American International Group, Inc. (financials), Google, Inc. (IT), Japan Airlines Co. Ltd. (industrials), Vodafone Group Plc (telecom) and HollyFrontier Corp. (energy), while eliminating holdings in Wells Fargo & Co. (financials), Intel Corp. (IT), Honeywell International, Inc. (industrials), Verizon Communications, Inc. (telecom) and Noble Energy, Inc. (energy).

### **Describe portfolio positioning at period end.**

Relative to the S&P 500<sup>®</sup> Value Index, the Trust ended the period underweight within the defensive consumer staples and utilities sectors, and was also underweight in financials and consumer discretionary. The Trust maintained overweights in energy and materials. Across the sectors, the Trust continues to emphasize Management's highest-conviction investment ideas on a stock-by-stock basis.

The views expressed reflect the opinions of BlackRock as of the date of this report and are subject to change based on changes in market, economic or other conditions. These views are not intended to be a forecast of future events and are no guarantee of future results.

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**BlackRock Enhanced Capital and Income Fund, Inc.**

**Trust Information**

Symbol on NYSE	CII
Initial Offering Date	April 30, 2004
Current Distribution Rate on Closing Market Price as of April 30, 2013 (\$13.09) <sup>1</sup>	9.17%
Current Quarterly Distribution per Common Share <sup>2</sup>	\$0.30
Current Annualized Distribution per Common Share <sup>2</sup>	\$1.20

<sup>1</sup> Current distribution rate on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. The current distribution rate consists of income, net realized gains and/or a tax return of capital. See the Section 19(a) Notices on page 2 for the estimated sources and character of distributions. Past performance does not guarantee future results.

<sup>2</sup> The distribution rate is not constant and is subject to change. A portion of the distribution may be deemed a tax return of capital or net realized gain.

The table below summarizes the changes in the Trust's market price and NAV per share:

	4/30/13	10/31/12	Change	High	Low
Market Price	\$ 13.09	\$ 12.99	0.77%	\$ 13.29	\$ 11.80
Net Asset Value	\$ 14.50	\$ 14.11	2.76%	\$ 14.54	\$ 13.62

The following charts show the ten largest holdings and sector allocation of the Trust's long-term investments:

**Ten Largest Holdings**

	4/30/13
American International Group, Inc.	6%
Japan Airlines Co. Ltd.	6
Google, Inc., Class A	5
Vodafone Group Plc ADR	5
CF Industries Holdings, Inc.	4
Suncor Energy, Inc.	4
Merck & Co., Inc.	4
Pfizer, Inc.	3
HollyFrontier Corp.	3
Apple, Inc.	3

**Sector Allocation**

	4/30/13	10/31/12
Energy	19%	11%
Information Technology	18	12
Financials	16	22
Health Care	13	12
Consumer Discretionary	8	8
Industrials	7	10
Telecommunication Services	7	8
Consumer Staples	5	8
Materials	5	4
Utilities	2	5

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Trust Summary as of April 30, 2013

**BlackRock Enhanced Equity Dividend Trust**

**Trust Overview**

**BlackRock Enhanced Equity Dividend Trust s (BDJ) (the Trust )** primary investment objective is to provide current income and current gains, with a secondary investment objective of long-term capital appreciation. The Trust seeks to achieve its investment objectives by investing in common stocks that pay dividends and have the potential for capital appreciation and by utilizing an option writing (selling) strategy to enhance distributions paid to the Trust s shareholders. The Trust invests, under normal market conditions, at least 80% of its total assets in dividend paying equities. The Trust may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Trust s investment objectives will be achieved.

**Portfolio Management Commentary**

**How did the Trust perform?**

For the six-month period ended April 30, 2013, the Trust returned 9.33% based on market price and 8.61% based on NAV. For the same period, the Russell 1000<sup>®</sup> Value Index returned 16.31%. All returns reflect reinvestment of dividends. The Trust s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV.

**What factors influenced performance?**

The largest detractor from relative performance during the period was a combination of stock selection and an underweight position in the financials sector, followed by an underweight and stock selection in information technology ( IT ). Individual stock selection in consumer discretionary and consumer staples hampered returns, as did an overweight in utilities. Stock selection in industrials also weighed on performance.

Contributing positively to performance was a combination of stock selection and an underweight in energy. The Trust s energy position favored integrated oil & gas companies, which were strong performers during the period. Overweight positions in consumer staples and consumer discretionary also added meaningfully to returns, as did stock selection in utilities and materials. Gains from the Trust s option writing strategy had a positive impact on results for the period.

**Describe recent portfolio activity.**

During the six-month period, there were no large-scale changes to overall allocations. However, we continued to position the Trust opportunistically in the current environment. The largest active change was an addition to the financials sector, specifically to the regional banking industry where there were opportunities to own companies that were well-capitalized, exhibit above-peer earnings growth, strong dividend growth and were trading at discounted valuations. The Trust also reduced traditionally defensive holdings in utilities and telecommunication services and used the proceeds to buy companies in the same sectors whose management teams have been more articulate about growth and future expansion plans in the near term. The Trust sold holdings in industrials that may likely be impacted by slowing demand, weaker productivity and fewer growth projects within the mining space.

**Describe portfolio positioning at period end.**

## Edgar Filing: BlackRock Resources & Commodities Strategy Trust - Form N-CSRS

As of the end of the period, the Trust was positioned to perform well in a wide range of economic scenarios. This has been done by emphasizing companies that carry a diverse group of assets, have extensive customer bases among both retail and institutional clients and those which are less sensitive to broad changes in macroeconomic variables. By taking less factor-specific risk, the Trust is better protected than the market, but able to capture upside as equity markets and the broader economy gain momentum. By owning companies that can participate in all parts of a cycle, not just early or late-cycle names, the Trust is more prepared for less-certain times. As always, the Trust continued to search for brand leadership and industry dominance in its investments.

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