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BlackRock Energy & Resources Trust
Form N-CSR
March 06, 2017

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: 811-21656

Name of Fund: BlackRock Energy and Resources Trust (BGR)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock Energy and Resources Trust, 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 12/31/2016

Date of reporting period: 12/31/2016

Item 1 Report to Stockholders

ANNUAL REPORT

BLACKROCK[®]

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 Resources & Commodities Strategy Trust (BCX)

BlackRock Science and Technology Trust (BST)

BlackRock Utility and Infrastructure Trust (BUI)

Not FDIC Insured May Lose Value No Bank Guarantee

Section 19(a) Notices

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 Resources & Commodities Strategy Trust s (BCX), BlackRock Science and Technology Trust s (BST) and BlackRock Utility and Infrastructure Trust s (BUI) (each, a Trust and collectively, the Trusts), amounts and sources of distributions reported are estimates and are being provided to you pursuant to regulatory requirements 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 fiscal year and may be subject to changes based on tax regulations. Each Trust will provide a Form 1099-DIV each calendar year that will tell you how to report these distributions for federal income tax purposes.

December 31, 2016

	Total Cumulative Distributions for the Fiscal Period				% Breakdown of the Total Cumulative Distributions for the Fiscal Period					
	Net	Net Realized	Net Realized	Return	Net	Net Realized	Net Realized	Return		
	Investment	Capital Gains	Capital Gains	of	Total Per	Investment	Capital Gains	Capital Gains	of	Total Per
	Income	Short-Term	Long-Term	Capital	Common Share	Income	Short-Term	Long-Term	Capital	Common Share
BGR*	\$ 0.275184			\$ 0.720816	\$ 0.996000	28%	0%	0%	72%	100%
CII*	\$ 0.122292			\$ 1.026108	\$ 1.148400	11%	0%	0%	89%	100%
BDJ*	\$ 0.158965			\$ 0.401435	\$ 0.560400	28%	0%	0%	72%	100%
BOE*	\$ 0.118299			\$ 0.931701	\$ 1.050000	11%	0%	0%	89%	100%
BME	\$ 0.028393		\$ 2.971607		\$ 3.000000	1%	0%	99%	0%	100%
BGY*	\$ 0.081617			\$ 0.440383	\$ 0.522000	16%	0%	0%	84%	100%
BCX*	\$ 0.135692			\$ 0.441308	\$ 0.577000	24%	0%	0%	76%	100%
BST*	\$ 0.006420			\$ 1.193580	\$ 1.200000	1%	0%	0%	99%	100%
BUI*	\$ 0.536110	\$ 0.095500	\$ 0.373052	\$ 0.447337	\$ 1.452000	37%	6%	26%	31%	100%

* Certain Trusts estimate that 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. When distributions exceed total return performance, the difference will reduce the Trust s net asset value per share.

Section 19(a) notices for the Trusts, as applicable, are available on the BlackRock website <http://www.blackrock.com>.

Section 19(b) Disclosure

The Trusts, acting pursuant to a U.S. 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 distribute the following fixed amounts per share on a monthly basis as of December 31, 2016:

Exchange Symbol	Amount Per Common Share
BGR	\$0.0776
CII	\$0.0828
BDJ	\$0.0467

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BOE	\$0.0780
BME	\$0.2000
BGY	\$0.0380
BCX	\$0.0446
BST	\$0.1000
BUI	\$0.1210

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 monthly basis, the Trusts will distribute long-term capital gains and/or return of capital to shareholders in order to maintain a level distribution. Each monthly 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 at any time without prior notice to the Trust's shareholders 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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The Markets in Review

Dear Shareholder,

The year 2016 started on a fraught note with worries about slowing growth in China, plunging oil prices and sliding share prices. Then reflationary expectations in the United States helped drive a second-half global growth pick-up and big market reversals. As such, higher-quality asset classes such as Treasury bonds, municipals and investment grade credit prevailed in the first half of the year, only to struggle in the second. In contrast, risk assets sold off at the start of the year and rebounded in the latter half, with some asset classes posting strong year-end returns.

A key takeaway from 2016's market performance is that economics can trump politics. The global reflationary theme—governments taking policy action to support growth—was the dominant driver of 2016 asset returns, outweighing significant political upheavals and uncertainty. This trend accelerated after the U.S. election on expectations for an extra boost to U.S. growth via fiscal policy.

Markets were remarkably resilient during the year. Spikes in equity volatility after big surprises such as the U.K.'s vote to leave the European Union and the outcome of the U.S. presidential election were short-lived. Instead, political surprises and initial sell-offs were seized upon as buying opportunities. We believe this reinforces the case for taking the long view rather than reacting to short-term market noise.

Asset returns varied widely in 2016. Perceived safe assets such as government bonds and low-volatility shares underperformed the higher-risk areas of the market. And the reversal of longstanding trends created opportunities, such as in the recovery of value stocks and commodities.

We expect some of these trends to extend into 2017 and see the potential for more flows into risk assets this year. Learn more by reading our market insights at blackrock.com.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of December 31, 2016

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	7.82%	11.96%
U.S. small cap equities (Russell 2000® Index)	18.68	21.31
International equities (MSCI Europe, Australasia, Far East Index)	5.67	1.00
Emerging market equities (MSCI Emerging Markets Index)	4.49	11.19
3-month Treasury bill (BofA Merrill Lynch 3-Month Treasury Bill Index)	0.18	0.33
U.S. Treasury securities (BofA Merrill Lynch 10- Year U.S. Treasury Index)	(7.51)	(0.16)
U.S. investment grade bonds (Bloomberg Barclays U.S. Aggregate Bond Index)	(2.53)	2.65
Tax-exempt municipal bonds (S&P Municipal Bond Index)	(3.43)	0.77
	7.40	17.13

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U.S. high yield bonds
(Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Capped Index)

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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THIS PAGE NOT PART OF YOUR TRUST REPORT

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 the Trusts' distribution rate 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 may elect to exercise the option if the market value of the equity security rises above the strike price, and the Trust is obligated to sell the equity security to the counterparty at the strike price, realizing a gain or loss. Premiums received increase gains or reduce losses realized on the sale of the equity security. If the option remains unexercised upon its expiration, the Trusts realize gains equal to the premiums received. Alternatively, an option may be closed out by an offsetting purchase or sale of an option prior to expiration. The Trust realizes a capital gain from a closing purchase or sale transaction if the premium paid is less than the premium received from writing the option. The Trust realizes a capital loss from a closing purchase or sale transaction if the premium received is less than the premium paid to purchase the option.

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 may result in a sale below the current market value and a gain or loss being realized by the Trust; and limiting 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 reduces the Trust's total assets and net asset value per share (NAV) and, therefore, could have the effect of increasing the Trust's expense ratio and reducing the amount of assets, the Trust has available for long term investment. In order to make these distributions, a Trust may have to sell portfolio securities at less than opportune times.

The final tax characterization of distributions is determined after the fiscal year and is reported in the Trust's annual report to shareholders. Distributions can be characterized as ordinary income, capital gains and/or return of capital. The Trust's taxable net investment income or net realized capital gains (taxable income) may not be sufficient to support the level of distributions paid. To the extent that distributions exceed the Trust's current and accumulated earnings and profits, the excess may be treated as a non-taxable return of capital. Distributions that exceed a Trust's taxable income but do not exceed the Trust's current and accumulated earnings and profits, may be classified as ordinary income which are taxable to shareholders. Such distributions are reported as distributions in excess of net investment income.

A return of capital distribution does not necessarily reflect a Trust's investment performance and should not be confused with yield or income. A return of capital is a return of a portion of an investor's original investment. A return of capital is not taxable, but it reduces a shareholder's tax basis in his or her shares, thus reducing any loss or increasing any gain on a subsequent disposition by the shareholder of his or her shares. It is possible that a substantial portion of the distributions paid during a calendar year may ultimately be classified as return of capital or as distributions in excess of net investment income for income tax purposes when the final determination of the source and character of the distributions is made.

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 expires 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.

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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.

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Trust Summary as of December 31, 2016

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 seeks to pursue this goal primarily by investing in a portfolio of equity securities and utilizing an option over-writing strategy in an effort to seek total return performance and enhance distributions.

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

Trust Information

Symbol on New York Stock Exchange (NYSE)	BGR
Initial Offering Date	December 29, 2004
Current Distribution Rate on Closing Market Price as of December 31, 2016 (\$ 14.44) ¹	6.45%
Current Monthly Distribution per Common Share ²	\$0.0776
Current Annualized Distribution per Common Share ²	\$0.9312

- ¹ 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 return of capital. See the Financial Highlights for the actual sources and character of distributions.

Past performance does not guarantee future results.

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

Performance and Portfolio Management Commentary

Returns for the 12-month period ended December 31, 2016 were as follows:

	Returns Based On	
	Market Price	Net Asset Value
BGR ^{1,2}	24.01%	25.07%
Lipper Natural Resources Funds ³	37.40%	32.14%

- ¹ All returns reflect reinvestment of dividends and/or distributions.

- ² The Trust s discount to NAV widened during the period, which accounts for the difference between performance based on price and performance based on NAV.

³ Average return.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles.

The following discussion relates to the Trust's absolute performance based on NAV:

What factors influenced performance?

The Trust's positions in the U.S. exploration & production companies Laredo Petroleum, Inc. and Energen Corp. were the largest detractors from performance. The investment adviser exited both positions early in the period due to its concerns about the two companies' significant financial leverage. As a result, the Trust was not in a position to benefit from their subsequent recovery.

The Trust made use of options, principally written call options on individual stocks, in order to seek enhanced income returns while continuing to participate in the performance of the underlying equities. The Trust's option writing strategy had a negative impact on performance given the strength in the overall sector.

After losing ground in the initial weeks of the year, energy stocks rallied to close as one of the top-performing market segments of 2016. An improving balance of supply and demand for oil, together with expectations for stronger global growth, provided a firm underpinning for the sector. Consistent with the broader environment, the Trust produced a robust absolute return in the 12-month period.

Royal Dutch Shell PLC and BG Energy Holdings Ltd. completed a merger in February, whereby the Trust's substantial position in the latter stock made a positive contribution to performance.

ExxonMobil Corp., which announced a significant oil discovery off the coast of Guyana in conjunction with Hess Corp., was the largest contributor in the period. The deep-water Liza field could hold as many as 1.4 billion barrels of oil equivalent, making it one of a handful of billion-barrel discoveries in the last half-decade. Exxon found oil in the Liza field in 2015 when it drilled its first well in the area, and a second well revealed the potential for twice as much crude. ExxonMobil shares were also boosted by the significant increase in oil prices that occurred during 2016.

BlackRock Energy and Resources Trust

Performance and Portfolio Management Commentary (concluded)

Describe recent portfolio activity.

After holding an underweight position in the refining subsector for much of 2015, the Trust moved to reduce the extent of this underweight early in the period by adding positions in the refining stocks Valero Energy and Tesoro Corp., both of which are benefiting from strong U.S. gasoline consumption. Additionally, the Trust rotated its oil services exposure by reducing its weighting in Schlumberger Ltd. and initiating a position in Baker Hughes, Inc.

Describe portfolio positioning at period end.

The investment adviser positioned the Trust with a higher-quality bias, focusing on companies with robust balance sheets, below-average costs and higher-quality management teams. At the sub-sector level, the Trust remained overweight in the exploration and production industry and underweight in larger, integrated producers. The investment adviser saw the former group as being in a better position to benefit from the improving backdrop for oil prices.

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.

Market Price and Net Asset Value Per Share Summary

	12/31/16	12/31/15	Change	High	Low
Market Price	\$14.44	\$12.53	15.24%	\$15.00	\$10.05
Net Asset Value	\$16.33	\$14.05	16.23%	\$16.71	\$11.84

Market Price and Net Asset Value History For the Past Five Years

Overview of the Trust's Total Investments*

Ten Largest Holdings

	12/31/16
Exxon Mobil Corp.	10%
Royal Dutch Shell PLC, A Shares ADR	8
BP PLC	6
Chevron Corp.	6
ConocoPhillips	5
EOG Resources, Inc.	5
Anadarko Petroleum Corp.	4
Baker Hughes, Inc.	4

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Schlumberger Ltd.	4
Occidental Petroleum Corp.	4

* Excludes option positions and money market funds.

Industry Allocation	12/31/16	12/31/15
Oil, Gas & Consumable Fuels	91%	93%
Energy Equipment & Services	9%	7%

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 the investment adviser. 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 December 31, 2016

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 securities of U.S. and foreign issuers. The Trust may invest directly in such securities or synthetically through the use of derivatives. The Trust seeks to achieve its investment policy by employing a strategy of writing (selling) call and put options.

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

Trust Information

Symbol on NYSE	CII
Initial Offering Date	April 30, 2004
Current Distribution Rate on Closing Market Price as of December 31, 2016 (\$ 13.71) ¹	7.25%
Current Monthly Distribution per Common Share ²	\$0.0828
Current Annualized Distribution per Common Share ²	\$0.9936

¹ 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 return of capital. See the Financial Highlights for the actual sources and character of distributions. Past performance does not guarantee future results.

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

Performance and Portfolio Management Commentary

Returns for the 12-month period ended December 31, 2016 were as follows:

	Returns Based On	
	Market Price	Net Asset Value
CII ^{1,2}	5.56%	8.66%
S&P 500® Index	N/A	11.96%

¹ All returns reflect reinvestment of dividends and/or distributions.

² The Trust s discount to NAV widened during the period, which accounts for the difference between performance based on price and performance based on NAV.

N/A Not applicable as the index does not have a market price

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles. **The following discussion relates to the Trust s relative performance based on the index cited above:**

What factors influenced performance?

In sector terms, health care was the prime detractor from relative performance due to weakness in pharmaceuticals and, to a lesser extent, biotechnology. Consumer discretionary also weighed, in particular specialty retail and household durables, as did the Trust's underweight exposure to telecommunication services and energy. Helping to partially offset negative results was strong selection in financials, where banks were a standout. An underweight to real estate and stock selection in materials proved advantageous as well.

On a stock-specific basis, Teva Pharmaceutical Industries Ltd. was the largest single detractor. The stock underperformed amid concerns over exclusivity for the company's key drug Copaxone, as well as broad pricing pressures in the generic segment throughout the year. Earlier in the period, concerns that the Allergan deal would be delayed also weighed on the stock. The deal ultimately closed, but it was considerably later than expected, thereby depriving Teva of capturing revenue from a high volume generic launch. Teva's management turnover in the fourth quarter and a need to revise guidance twice over the last six months further contributed to negative sentiment.

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Positions in CVS Health Corp. and Gilead Sciences Inc. were also a drag. CVS underperformed as the company lost a number of high-profile contracts to rival Walgreens (also a holding). While the value of any individual contract is small, investors were concerned that CVS's advantage may be under threat as the UnitedHealth-Walgreens Boots Alliance partnership combines UnitedHealth's PBM offering with Walgreens Boots Alliance's convenient store locations, a combination previously unique to CVS. Later in the reporting period, the company lowered its long-term guidance, causing additional share weakness. The major reason behind lower growth rates is lost scripts due to a narrow network arrangement in favor of Walgreens and pharmacy reimbursement changes. Gilead continues to execute well in its HIV business segment, but is facing significant uncertainty in the HCV (Hepatitis C) business following several years of exceptional revenue growth. The investment adviser believes that, at current levels, Gilead shares are pricing in significant revenue declines in HCV and is comfortable owning shares for eventual stabilization in the HCV segment and a likely deployment of cash toward value-creating business development opportunities.

The top individual contributors in the 12 months were Bank of America Corp. and JPMorgan Chase & Co. The stocks outperformed most notably in the second half of the reporting period on strong earnings reports led by solid fee-based revenue performance (trading, payments & mortgage), as well as the increased likelihood of a December rate hike. Bank holdings' strong price momentum continued (even accelerated) following the election of Donald Trump as investors positioned for improving future earnings power driven by higher economic growth, inflation, corporate tax reform, and interest rates (the Fed ultimately raised rates), as well as a softening of regulations that could lead to accelerating capital returns and potentially lower legal & compliance costs.

Consumer finance name SLM also added value. Shares outperformed as the bear case scenario of government subsidized tuition plans, as proposed by the Clinton campaign, was eliminated with a Trump victory. Moreover, Trump has proposed restoring private sector participation in student financing, which holds the potential to materially expand the market for private student loans, where SLM holds a dominant 50%+ market share.

BlackRock Enhanced Capital and Income Fund, Inc.**Performance and Portfolio Management Commentary (concluded)**

The Trust made use of options, principally written call options on individual stocks, in order to seek enhanced income returns while continuing to participate in the performance of the underlying equities. The Trust's option writing strategy had a negative impact on performance during the period.

Describe recent portfolio activity.

Due to a combination of portfolio trading activity and market movement during the 12-month period, the Trust's exposure to the information technology (IT) and energy sectors increased, particularly semiconductors, software and oil, gas & consumable fuels. Materials exposure increased as well. The largest reduction was in health care, largely with respect to providers & services. Consumer discretionary exposure also declined.

Describe portfolio positioning at period end.

Relative to the S&P 500® Index, the Trust ended the period with its largest overweights in the IT, consumer discretionary and financials sectors. The Trust's largest relative underweights were in industrials, real estate and telecommunication services.

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.

Market Price and Net Asset Value Per Share Summary

	12/31/16	12/31/15	Change	High	Low
Market Price	\$13.71	\$14.14	(3.04)%	\$14.14	\$11.62
Net Asset Value	\$15.08	\$15.11	(0.20)%	\$15.29	\$13.06

Market Price and Net Asset Value History For the Past Five Years**Overview of the Trust's Total Investments***

Ten Largest Holdings	12/31/16
Apple, Inc.	5%
JPMorgan Chase & Co.	4
Alphabet, Inc., Class A	4
Bank of America Corp.	4
Microsoft Corp.	4

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Comcast Corp., Class A	3
Altria Group, Inc.	3
Cisco Systems, Inc.	3
U.S. Bancorp	2
Chevron Corp.	2

* Excludes option positions and money market funds.

Sector Allocation	12/31/16	12/31/15
Information Technology	26%	23%
Financials	17	18
Consumer Discretionary	15	17
Health Care	14	18
Consumer Staples	9	8
Energy	8	5
Industrials	6	7
Materials	4	3
Utilities	1	1

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

Trust Summary as of December 31, 2016

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 seek total return performance and enhance distributions. 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.

Trust Information

Symbol on NYSE	BDJ
Initial Offering Date	August 31, 2005
Current Distribution Rate on Closing Market Price as of December 31, 2016 (\$ 8.15) ¹	6.88%
Current Monthly Distribution per Common Share ²	\$0.0467
Current Annualized Distribution per Common Share ²	\$0.5604

¹ 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 return of capital. See the Financial Highlights for the actual sources and character of distributions. Past performance does not guarantee future results.

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

Performance and Portfolio Management Commentary

Returns for the 12-month period ended December 31, 2016 were as follows:

	Returns Based On	
	Market Price	Net Asset Value
BDJ ^{1,2}	15.11%	13.90%
Russell 1000® Value Index	N/A	17.34%

¹ All returns reflect reinvestment of dividends and/or distributions.

² The Trust s discount to NAV narrowed during the period, which accounts for the difference between performance based on price and performance based on NAV.

N/A Not applicable as the index does not have a market price.

Performance results may include adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles. **The following discussion relates to the Trust s relative performance based on the index cited above:**

What factors influenced performance?

The largest detractor from relative return came from a combination of stock selection and allocation decisions within the industrials sector. An underweight to the machinery and airlines industries weighed on relative performance. The Trust's underweight to machinery was predicated on the view that weak end-market fundamentals limit attractive investment opportunities in the near term. Overweight positions in General Electric Co. and Honeywell International, Inc. also detracted from relative returns. Additionally, stock selection in the consumer staples sector subtracted from relative performance. In particular, non-benchmark holding Kroger Co. lagged after lowering its earnings forecast and reporting weaker-than-consensus earnings, due in part to food price deflation and increased competition. Lastly, stock selection within the materials and information technology sectors detracted from relative return.

The largest contribution to relative performance for the 12-month period came from stock selection and allocation decisions within the financials sector. Notably, the Trust's large overweight position in the banking industry proved beneficial. Bank earnings in the second half of 2016 were generally positive and the sector's relative outperformance accelerated following the November 8 presidential election results. Stock selection in the health care sector also added to relative return. Notable outperformers in the sector included overweight positions in UnitedHealth Group, Inc. and Quest Diagnostics, Inc. UnitedHealth Group outperformed due to above-consensus growth in its Optum business and robust membership gains within its Medicare, Medicaid and commercial segments. Shares of Quest Diagnostics, a low-cost provider of laboratory services, advanced due to solid pricing growth amid the continued shift to more complex esoteric testing. Lastly, an underweight to real estate and stock selection in utilities added to relative performance.

The Trust made use of options, principally written call options on individual stocks, in order to seek enhanced income returns while continuing to participate in the performance of the underlying equities. The Trust's option writing strategy had a negative impact on performance during the period.

Describe recent portfolio activity.

During the 12-month period, the Trust's exposure to the energy sector was increased by initiating new positions in Hess Corp. and Suncor Energy, Inc. Other notable new purchases included Qualcomm Inc., a manufacturer of digital wireless communications equipment, and the property & casualty insurer The Allstate Corporation. Conversely, the Trust reduced exposure to the industrials sector by exiting positions in Tyco International PLC and United Technologies Corp., as well as by trimming

BlackRock Enhanced Equity Dividend Trust**Performance and Portfolio Management Commentary (concluded)**

its holdings in General Electric Co. and Raytheon Co. Other notable sales from the portfolio included McDonald's Corp. and Bristol-Myers Squibb Co.

Describe portfolio positioning at period end.

Relative to the benchmark, the Trust's largest overweight positions were in the health care, financials and industrials sectors. Conversely, the Trust's largest relative underweights were in the real estate, energy and telecommunication services sectors.

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.

Market Price and Net Asset Value Per Share Summary

	12/31/16	12/31/15	Change	High	Low
Market Price	\$8.15	\$7.61	7.10%	\$8.25	\$6.42
Net Asset Value	\$9.22	\$8.70	5.98%	\$9.33	\$7.76

Market Price and Net Asset Value History For the Past Five Years**Overview of the Trust's Total Investments***

Ten Largest Holdings	12/31/16
Bank of America Corp.	5%
JPMorgan Chase & Co.	4
Exxon Mobil Corp.	3
Pfizer, Inc.	3
Citigroup, Inc.	3
Wells Fargo & Co.	3
Hess Corp.	3
General Electric Co.	3
Microsoft Corp.	2
SunTrust Banks, Inc.	2

* Excludes option positions and money market funds.

Sector Allocation	12/31/16	12/31/15
Financials	30%	27%

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Health Care
Energy

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