

**SHINING A LIGHT ON THE.....**  
**BlackRock North American Income Investment Trust**

**AT A GLANCE**

Investment Objective	
<p>The Company will invest predominantly in a diversified portfolio of equity securities quoted in the U.S. with a focus on companies that pay and grow their dividends. The Company may invest through an active options overlay strategy utilizing predominantly covered call options and may also hold other securities from time-to-time including, convertible securities, fixed interest securities, preference shares, non-convertible preferred stock, and depositary receipts. The Company may also invest in listed large-cap equities quoted on exchanges outside the U.S. and may invest in securities denominated in USD and non-USD currencies. The Manager will adopt a stock specific approach in managing the portfolio of Company, selecting investments that it believes will both increase in value over the long-term and provide income. Typically, it is expected that the investment portfolio will comprise of between 80 and 120 securities.</p>	

<b>Inception Date</b>	24 October 2012
<b>Fund Factsheet Link</b>	<a href="http://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=F00000OUTA%5D2%5D0%5DFCGBR%24%24ALL">http://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=F00000OUTA%5D2%5D0%5DFCGBR%24%24ALL</a>

Management	
<b>Manager Name</b>	<b>Start Date</b>
Tony DeSpirito	5 August 2014

Investment Style Details	
<b>Equity Style</b>	
<b>Market Capitalisation</b>	<b>% of Equity</b>
Giant	56.71%
Large	37.76%
Medium	5.53%
Small	0.00%
Micro	0.00%

Top 10 Holdings		
<b>Total number of holdings</b>	234	
<b>Assets in Top 10 Holdings</b>	31.04%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
Pfizer Inc	Healthcare	4.09%
JPMorgan Chase & Co	Financial Services	3.97%
Citigroup Inc	Financial Services	3.43%
Verizon Communications Inc	Technology	3.32%
Bank of America Corporation	Financial Services	3.22%
Wells Fargo & Co	Financial Services	3.00%
Oracle Corp	Technology	2.64%
Anthem Inc	Healthcare	2.64%
Microsoft Corp	Technology	2.45%
Suncor Energy Inc	Energy	2.28%

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Volatility Measurements	
3-Yr Std Dev (volatility)	15.10%
3-Yr Mean Return (average)	12.17%

## FUND PERFORMANCE

Performance from 1 January 2013 to 30 April 2019:

	2013	2014	2015	2016	2017	2018	2019
BlackRock North American Income Investment Trust	12.60%	8.38%	1.42%	53.26%	-1.10%	3.83%	14.03%
iShares MSCI North America ETF	29.13%	20.41%	3.75%	34.26%	10.18%	-1.16%	15.23%

Performance over 12 months, 3 years, 5 years and since launch.

	1 year	3 years	5 years	Since launch
BlackRock North American Income Investment Trust	22.96%	65.21%	99.88%	124.82%
iShares MSCI North America ETF	16.67%	64.77%	109.91%	165.78%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

## UPDATE....

When reviewing active funds investing in North America it is becoming increasingly harder to identify those that can beat the index. This fund is no different. The managers argue that the fund is designed to capture 90% of the upside and 78% on the downside. So they see this as a defensive strategy. With volatility not really being present in the US market this fund will naturally underperform. However, the managers believe that volatility is coming back into the market and that this should enable the fund to start to outperform.

They have a simple approach to investing. They look for those that not only pay a dividend but can grow them over time, those companies with strong management teams and those with quality franchises. An example of a company that they like is Verizon, who are the number one player in 5g. They have first mover advantage and are therefore seen as an industry disruptor.

They believe the US is still in a strong place with strong employment figures. The Fed is slowing interest rate rising, an election is coming, and they need the market to be in a good place. They think the response of China has surprised Trump who expected them to give in. However fundamentally they are positive on the outlook.

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They believe that there is a slowdown in growth, and this will mean lower equity growth. Where the last five years were not good for the fund, they believe this shift in environment will be better for the fund over the next five years.

In summary, the fund has significantly underperformed but has a defensive strategy. The question is whether this makes it an attractive investment over the next five years or whether a fund that tracks the index is better.

*The source of information in this note has been provided by BlackRock and is correct as at April 2019. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*