

**SHINING A LIGHT ON THE.....**  
**BlackRock Greater Europe Investment Trust**

**AT A GLANCE**

<b>Investment Objective</b>	
The objective is the achievement of capital growth, primarily through investment in a focused portfolio constructed from a combination of the securities of large, mid and small capitalisation European companies, together with some investment in the developing markets of Europe.	

<b>Inception Date</b>	20 September 2004
<b>Fund Factsheet Link</b>	<a href="http://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=F000000EYP%5D2%5D0%5DFCGBR%24%24ALL">http://tools.morningstar.co.uk/uk/cefreport/default.aspx?SecurityToken=F000000EYP%5D2%5D0%5DFCGBR%24%24ALL</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Sam Vecht	20 September 2004
Stefan Gries	22 June 2017

<b>Investment Style Details</b>	
<b>Equity Style</b>	
<b>Market Capitalisation</b>	<b>% of Equity</b>
Giant	37.23%
Large	42.68%
Medium	18.03%
Small	2.06%
Micro	0.00%

<b>Top 10 Holdings</b>		
<b>Total number of holdings</b>	40	
<b>Assets in Top 10 Holdings</b>	43.18%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
Lonza Group Ltd	Healthcare	7.28%
SAP SE	Technology	5.44%
Safran SA	Industrials	5.12%
Novo Nordisk	Healthcare	4.62%
Sika AG	Basic Materials	4.61%
Fresenius Medical Care AG & Co	Healthcare	3.75%
Thales	Industrials	3.33%
Unilever	Consumer Defensive	3.17%
Sberbank of Russia	Financial Services	2.93%
Ferrari	Consumer Cyclical	2.93%

<b>Volatility Measurements</b>	
<b>3-Yr Std Dev (volatility)</b>	15.46%
<b>3-Yr Mean Return (average)</b>	12.33%

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## FUND PERFORMANCE

Performance from 1 January 2013 to 30 April 2019:

	2013	2014	2015	2016	2017	2018	2019
<b>BlackRock Greater Europe Investment Trust</b>	27.18%	-3.83%	16.41%	10.07%	22.95%	-7.57%	16.94%
<b>iShares MSCI Europe ex-UK ETF</b>	25.45%	-0.47%	4.77%	19.16%	15.96%	-9.22%	11.76%

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

	1 year	3 years	5 years	Since launch
<b>BlackRock Greater Europe Investment Trust</b>	11.04%	53.92%	61.41%	400.92%
<b>iShares MSCI Europe ex-UK ETF</b>	2.25%	40.13%	41.82%	114.90%

*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....

The manager started by explaining that Europe is unloved and there are more sellers than buyers in Europe. \$72 billion came out of European Funds last year and so far this year it is \$52 billion. People are positioning for the worse and much of this negativity is around the lack of growth and politics. But it is not the same as 2011. There are fears around Italy but more around politics than debt.

There is weakness with exports falling but much of this is short term around fears over China, auto components and the fear that the US is heading towards a recession. VW, as an example, didn't complete a single car in the third quarter of 2018 as they tested vehicle emissions.

Much of the work the fund managers do is talking to management and looking at order books, as this paints a better picture as to what is happening. They see confidence improving in Europe, there is demand for workers, there is a high savings ratio and fiscal policies are helping consumers.

But care does need to be taken when investing. Low interest rates means there are zombie companies that in a normal environment wouldn't be operating. They believe passive investing in this environment brings in greater risk as they don't avoid those companies with structural headwinds.

They are looking for quality management, companies that can grow earnings over the next 3 to 5 years, those companies that can deploy capital in the right way, those that are in control of their future and those with a unique aspect (brand or contract structure).

Examples of companies they like include Ferrari, which is more about having a global exclusive brand, Straumann, who are supply dental implants and FincoBank who are the Hargreaves Lansdown of Italy.

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It did go through a period of underperformance but this has been turned around.

In summary, the performance of this trust has been strong after a period of underperformance. It doesn't hold the usual names and can and does invest in emerging Europe. There are a number of good European managers and this would need to be considered alongside those.

*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.*