

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

AT A GLANCE

Investment Objective	
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.	

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

Management	
Manager Name	Start Date
Sam Vecht	20 September 2004
Stefan Gries	22 June 2017

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	34.62%
Large	40.58%
Medium	18.60%
Small	6.21%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	37	
Assets in Top 10 Holdings	44.62%	
Name	Sector	% of Assets
Safran SA	Industrials	6.70%
Novo Nordisk	Healthcare	5.74%
SAP SE	Technology	5.40%
Sika AG	Basic Materials	4.96%
Lonza Group Ltd	Healthcare	4.94%
RELX NV	Consumer Cyclical	4.05%
ASML Holding NV	Technology	3.49%
Unilever	Consumer Defensive	3.26%
Thales	Industrials	3.06%
Fresenius Medical Care AG & Co	Healthcare	3.03%

Volatility Measurements	
3-Yr Std Dev (volatility)	13.38%
3-Yr Mean Return (average)	13.03%

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FUND PERFORMANCE

Performance from 1 January 2013 to 30 September 2019:

	2013	2014	2015	2016	2017	2018	2019
BlackRock Greater Europe Investment Trust	27.18%	-3.83%	16.41%	10.07%	22.95%	-7.57%	25.38%
iShares MSCI Europe ex-UK ETF	25.45%	-0.47%	4.77%	19.16%	15.96%	-9.22%	18.56%

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

	1 year	3 years	5 years	Since launch
BlackRock Greater Europe Investment Trust	8.69%	45.74%	86.91%	437.40%
iShares MSCI Europe ex-UK ETF	6.08%	30.91%	55.13%	-

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 message hasn't changed from when we last saw the management team. Europe remains out of favour with over \$100 billion coming out of the asset class this year. The reasons include political uncertainty, Brexit and trade wars. Germany is struggling as its economy is heavily skewed towards autos and chemicals.

However, although there is a recession within industrials the consumer continues to remain robust and the ECB continues with its ultra-easing stance. There is also fiscal support within individual economies, France for example is embarking on tax cuts.

The fund is focused on those companies with quality management, investing in growth, high return on capital and unique aspects. They understand the argument that is being made that value is where returns will be made, but disagree with this. They feel the value index is skewed towards Financials and Energy.

In terms of financials they believe there remains structural issues and little consolidation within the market. They also have concerns that transparency within the industry and lower interest rates will squeeze margins further. Additionally banks are incentivised to lend to the wrong companies at the wrong price. This is creating zombie companies which are just run on debt.

We talked about whether this was a problem and currently they do not feel this is the case. They don't think rates are going up any time soon, so the problem is being pushed down the road.

As managers they are looking for the best companies that can grow irrespective of what is going on around them. Examples include DSV Freight where individual branches are encouraged to be run with an entrepreneur view. It has strong organic growth and made some positive and good acquisitions.

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Lonza provide outsourcing for Pharma Companies and have very few competitors. Straumann are a further example focused on dental implants and they have seen market share come down, but revenue grow as they move into new areas.

The fund can hold up to 25% in emerging Europe which acts as a good diversifier for the fund. Currently it has around 11%. It looks at holdings for between 3 to 5 years and is looking for companies that perhaps others won't hold.

In summary, in the last update we highlighted how the trust had been through a period of underperformance and this has clearly turned around. This is a busy market for funds and as more money comes out it is becoming a competitive space. It is therefore worth comparing all the different funds before any decisions are made.

The source of information in this note has been provided by BlackRock and is correct as at October 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.