

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

AT A GLANCE

Investment Objective
To achieve capital growth through investment in a focused portfolio constructed from a combination of the securities of large, mid and small capitalisation European companies with some investment in the developing markets of Europe.

Inception Date	20 th September 2004
Fund Factsheet Link	http://tools.morningstar.co.uk/uk/cefreport/default.aspx?tab=0&vw=sum&SecurityToken=F00000EYP]2]0]FCGBR\$\$ALL&ClientFund=0&CurrencyId=GBP

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

FUND PERFORMANCE

Performance from 22nd June 2017 to 28th February 2022:

	2017	2018	2019	2020	2021	2022
BlackRock Greater Europe Investment Trust	6.45%	-7.57%	34.68%	32.19%	32.17%	-22.48%
MSCI Europe Ex UK NR Eur	0.69%	-9.87%	19.99%	7.49%	16.73%	-8.96%

Performance over 12 months, 3 years, and since new fund manager:

	1 year	3 years	Since new fund manager
BlackRock Greater Europe Investment Trust	3.24%	68.16%	79.46%
MSCI Europe Ex UK NR Eur	8.40%	30.16%	24.38%

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.

Tracking Error	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
5.56	130.56	72.35	66.67	1.08	10.04	Growth/Large

LWM Consultants Ltd

Volatility Measurements	
3-Yr Std Dev (volatility)	22.55%
3-Yr Mean Return (average)	18.92%

Investment Style Details	
Giant	28.86%
Large	45.24%
Medium	24.86%
Small	1.04%
Micro	0.00%

Top 5 Holdings – 44 holdings		
ASML Holding NV	Technology	7.49%
LVMH Moet Hennessy Louis Vuitton SE	Consumer Cyclical	7.20%
Sika AG	Basic Materials	5.93%
Lonza Group Ltd	Healthcare	5.66%
Novo Nordisk A/S B	Healthcare	5.22%

Top 5 Sectors	
Technology	23.86%
Industrials	16.64%
Healthcare	16.03%
Consumer Cyclical	12.25%
Financial Services	9.78%

Top 5 Regions	
Switzerland	25.10%
Netherlands	17.40%
Denmark	16.90%
France	14.50%
Sweden	8.70%

UPDATE....

As a reminder, Stefan Gries took on the lead management in 2017 and set about re-organising the holdings. The philosophy remains the same: it is more about focusing on the right companies. Many of the businesses they hold are family or founder owned.

One unique aspect of the strategy is that it can invest up to 25% in emerging Europe. We can see how well the strategy has performed under the new leadership, however this year has seen a marked downturn in performance.

Stefan explained that where there is an extreme rotation to value this fund will underperform. This is what happened in January and the strategy was down nearly 10% during this month. They don't tend to make many changes. In this case they were waiting for earnings to come out and this showed the strength of the companies they hold. At the start of February, they started to see a recovery in the companies they hold and the strategy.

LWM Consultants Ltd

They also added that in 2021, where there was a switch to value and then fears around growth and rates, this strategy continued to perform strongly.

This fund does invest in Emerging Europe, and this is the volatile part of the strategy, it held around 5.70% in Russia. At the end January they travelled to Moscow to discuss events with key contacts. The view they came away with was that the Russian Market had come down a lot and war was an unlikely outcome. They felt that valuations reflected the bad news. In hindsight any exposure to Russia was wrong and what is happening shows the real human suffering that has been inflicted on the people of Ukraine. There is no easy way to guess how this ends.

In terms of the financial aspect, BlackRock made a decision to write down all Russian assets to zero as they cannot be traded. We talked about the valuations, and they explained there is clearly mispricing. For example, a large Russian Supermarket with 20,000 stores is currently being valued at \$9 million probably less than the stock they hold! They feel some markets will open but it is unlikely they will sell the companies they own as the buyer will likely be the government. So, as the price is zero, they wait and make a decision when the right time comes.

European equities are naturally being impacted and so is the fund. They are seeing global asset allocators moving money away from Europe. They argue that you don't have to be positive to invest in this trust. Companies like LVMH, ASML and Novo Nordisk will thrive whatever is happening in Europe.

In summary, clearly the new direction and management has had a positive impact on the performance of the fund. However, the massive rotation to value in January, and the devastating events in the Ukraine has seen this trust fall significantly. This fall reflects the writing down to zero of Russian assets and therefore there could be argument that this trust is now cheap. We don't know if there are more falls to come but if we assume there will be an outcome from the Ukraine then at some point this strategy will correct. We therefore feel that this trust is worth adding to our watchlist.

The source of information in this note has been provided by BlackRock and is correct as of March 2022. 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.