

## BlackRock Greater Europe Investment Trust plc March 2014 Factsheet

### Performance (as at 31.03.2014)

Sterling:	1 M %	3 M %	1 Y %	3 Y %	Launch %
Net Asset Value – undiluted	0.7	3.0	16.8	27.1	206.5
Net Asset Value – diluted	0.6	2.6	14.9	28.5	201.8
Share Price	1.0	3.7	16.7	30.9	199.0
FTSE World Europe ex UK	0.8	3.0	17.3	22.6	139.1

### Annual Performance to the Last Quarter End\*

	31/03/13	31/03/12	31/03/11	31/03/10	31/03/09
	31/03/14	31/03/13	31/03/12	31/03/11	31/03/10
NAV Performance	16.8%	22.2%	-10.9%	16.0%	61.8%
Share Price Performance	16.7%	21.1%	-7.4%	15.4%	68.3%

Performance statistics sources: BlackRock and Datastream. Performance figures are calculated on a mid market basis in sterling terms with income reinvested on the ex-dividend date.

\* Performance is based on cum-income undiluted NAVs with income reinvested.

- Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product.
- The latest performance data can be found on the BlackRock Investment Management (UK) Limited website at [www.blackrock.co.uk/brge](http://www.blackrock.co.uk/brge).

The performance of the Company's portfolio, or Net Asset Value ("NAV") performance, is not the same as share price performance and shareholders may not realise returns which are the same as NAV performance.

### NAV ("Net Asset Value") Undiluted / Diluted

A company's undiluted NAV is its available shareholders' funds divided by the number of shares in issue (excluding treasury shares), before making any adjustment for any potentially dilutive securities which the Company may have in issue, such as subscription shares, convertible bonds or treasury shares. A diluted NAV is calculated on the assumption that holders of any convertibles have converted, subscription shares have been exercised and treasury shares are re-issued at the mid-market price, to the extent that the NAV per share is higher than the price of each of these shares or securities and that they are 'in the money'. The aim is to ensure that shareholders have a full understanding of the potential impact on the Company's NAV if these instruments had been exercised on a particular date.

## Company 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, together with some investment in the developing markets of Europe.

## Key Risk Factors

All financial investments involve an element of risk. Therefore, the value of your investment and the income from it will vary and your initial investment amount cannot be guaranteed.

Overseas investments will be affected by currency exchange rate fluctuations.

The Company's investments may be subject to liquidity constraints, which means that shares may trade less frequently and in small volumes, for instance smaller companies. As a result, changes in the value of investments may be more unpredictable. In certain cases, it may not be possible to sell the security at the last market price quoted or at a value considered to be fairest.

The Company invests in economies and markets which may be less developed. Compared to more established economies, the value of investments may be subject to greater volatility due to increased uncertainty as to how these markets operate.

The Company may from time to time utilise gearing. Gearing works by magnifying the company's performance. If a company 'gears up' and then markets rise and the returns on the investments outstrip the costs of borrowing, the overall returns to investors will be even greater. But if markets fall and the performance of the assets in the portfolio is poor, then losses suffered by the investor will also be magnified.

## NMPI Status

The Company currently conducts its affairs so that its securities can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The securities are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

## Comments from the Fund Managers

- ▶ During the month, the Company's NAV returned 0.7% and the share price gained 1.0%. For reference, the FTSE World Europe ex UK Index increased by 0.8% during the same period.
- ▶ European equities fell in March, underperforming the rest of the world for the first time this year. This was in a large way due to events in Crimea after they decided to join Russia. On a sector basis, utilities, food & beverage and oil & gas were the top performing sectors while health care, insurance and telecoms were the worst performing sectors. Mid cap stocks outperformed small and large cap names.
- ▶ Stock selection drove returns during the month while sector allocation detracted from returns. From a sector perspective, the Company's underweight position to basic materials benefited returns although this was offset by underweight positions in oil & gas and utilities which hindered performance as these sectors were the two best performers over the month.
- ▶ Stock selection within the financial sector was the largest individual contributor over the month with positions in Turkish banks Garanti Bankasi and Halk Banka being the Company's two top contributors. Investors moved back into the Turkish market after initially fleeing due to emerging market concerns and the deteriorating political environment in the country. However, this has subsided and the market has begun to recoup some of the earlier losses. A position in Hungarian OTP Bank also performed well on the back of investors returning to emerging markets as did the holding in GDF Suez, as it lowered its dividend to a level which was covered by both earnings and cash flow, as well as articulating a good strategy which focuses on emerging market growth going forward.
- ▶ On the negative side, many developed European financial positions performed poorly over the month including Société Générale, KBC and ING. However, these were offset by the strong performance of the Turkish banks. A position in French advertising and media specialist Publicis was one of the Company's largest detractors. Investors took profits in the name due to the stock performing well over the last six months and are now awaiting Chinese approval of its merger with Omnicom with no near term catalysts to drive the stock higher.
- ▶ At the end of the month, the Company was positioned with higher weightings in consumer services, financials and health care and with lower weightings in basic materials, oil & gas, industrials, utilities, consumer goods, technology and telecoms.

### Outlook

- ▶ The global synchronized economic recovery that we have been predicting is coming through, with evidence of European economic recovery continuing to gather pace and US economic momentum picking up again post a weather related slow-down in Q1. Emerging markets economic momentum has been slowing but is not deteriorating dramatically for now. We now need to see European corporate earnings momentum turning positive, which has so far not been the case due to the strength of the Euro versus other currencies impacting profit growth negatively. We continue to forecast +8% EPS growth in Europe this year, which was more cautious than the +15% that consensus was forecasting at the start of the year, but we note that consensus has now moved to +10%. We continue to see a total return of 10-12% in the European market this year, but we are mindful that the recovery remains fragile for now and we need to see evidence of a pick-up in earnings estimates for this prediction to be underpinned.

Sources: BlackRock, Factset and Datastream

Reference to the names of each company mentioned in this communication are merely for explaining the investment strategy, and should not be construed as investment advice or investment recommendation of those companies.

## Fund Information (as at 31.03.2014)

Net Asset Value (capital only)	256.75p
Net Asset Value (including income)	257.68p
Net Asset Value (capital only)*	252.62p
Net Asset Value (including income)*	253.36p
Share price	250.00p
Subscription Share price	23.63p
Net gearing	nil
Net yield**	1.8%
Discount to NAV (including income)	3.0%
Discount to NAV (including income)*	1.3%
Total Assets (including income)	£276.9m
Issued capital – Ordinary Shares***	107,475,830
Subscription Shares	21,900,076

\*diluted for subscription shares and treasury shares

\*\*based on an ordinary dividend of 4.5p per share (excluding a special dividend of 1.0p) for the year ended 31 August 2013

\*\*\*excluding 5,529,676 shares held in treasury

## Gearing

- ▶ Investment companies can borrow to purchase additional investments. This is called 'gearing'. It allows investment companies to take advantage of a long-term view on a sector or to take advantage of a favourable situation or a particularly attractive stock without having to sell existing investments.
- ▶ Gearing works by magnifying the company's performance. If a company 'gears up' and then markets rise and the returns on the investments outstrip the costs of borrowing, the overall returns to investors will be even greater. But if markets fall and the performance of the assets in the portfolio is poor, then losses suffered by the investor will also be magnified.

## Country Analysis (as at 31.03.2014)

	% of Total Assets
France	18.6
Switzerland	16.6
Germany	16.2
Netherlands	11.8
Denmark	7.2
Sweden	6.5
Spain	4.5
Belgium	4.4
Turkey	3.4
Russia	3.0
Portugal	2.8
Ireland	2.8
Hungary	1.2
Italy	0.3
Net current assets	0.7
<b>TOTAL</b>	<b>100.0</b>

**BLACKROCK**

## Sector Analysis (as at 31.03.2014)

	% of Total Assets
Financials	35.6
Consumer Services	14.2
Consumer Goods	13.4
Industrials	12.7
Health Care	12.4
Basic Materials	3.9
Technology	3.3
Utilities	2.4
Oil & Gas	1.4
Net current assets	0.7
<b>TOTAL</b>	<b>100.0</b>

## Ten Largest Investments (in alphabetical order as at 31.03.2014)

Company	Country of Risk
Adecco	Switzerland
Bayer	Germany
Continental	Germany
Deutsche Post	Germany
ING	Netherlands
Novo Nordisk	Denmark
Roche	Switzerland
Société Générale	France
Unilever	Netherlands
Zurich Insurance	Switzerland

**BlackRock has not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether this product is suitable, please read the Key Features document and the current Annual and Half Yearly Financial Reports which provide more information about the risk profile of the investment.**

**If after reading this factsheet you have any questions or would like any additional information, please contact your financial adviser or speak to our Investor Services Team.**

The purpose of this factsheet is to provide summary information concerning the Company and does not constitute a recommendation to buy or sell its shares. If you are in any doubt as to the suitability of any of our funds for your investment needs, please contact your Financial Adviser. Issued by BlackRock Investment Management (UK) Limited (authorised and regulated by the Financial Conduct Authority). Registered office: 12 Throgmorton Avenue, London, EC2N 2DL. Registered in England No. 2020394. Tel: 020 7743 3000. For your protection, telephone calls are usually recorded. BlackRock is a trading name of BlackRock Investment Management (UK) Limited.

© 2013 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS, iSHARES, SO WHAT DO I DO WITH MY MONEY, INVESTING FOR A NEW WORLD, and BUILT FOR THESE TIMES are registered and unregistered trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

## Financial Calendar

Year end:	31 August
Results announced:	April (half yearly) October (final)
AGM:	December
Dividends paid:	December (final)
Investment Manager:	BlackRock Investment Management (UK) Limited
Savings plan and stocks and shares ISA:	Available via BlackRock. Please see the Investment Trust brochure and Key Features document for more information.

## Key Company Details

### Fund Characteristics:

Fund Managers	Vincent Devlin Sam Vecht
Launch Date	20 September 2004
Dealing Currencies	Sterling
AIC Sector	Europe
Reference Index	FTSE World Europe ex UK
Traded	London Stock Exchange

### Fund Codes:

#### Ordinary Share Codes:

ISIN	GB00B01RDH75
Sedol	B01RDH7
Bloomberg	BRGE:LN
Reuters	BRGE.L
Ticker	BRGE/LON

#### Subscription Share Codes:

ISIN	GB00B99HJ527
Sedol	B99HJ52
Bloomberg	BRGS:LN
Reuters	BRGS.L
Ticker	BRGS/LON

- BlackRock Greater Europe Investment Trust plc will not invest more than 15% of its gross assets in other listed investment trusts.
- BlackRock Greater Europe Investment Trust plc is traded on the London Stock Exchange and dealing may only be through a member of the Exchange.

## Contact us

Broker Services Team:	08457 405405
Investor Services Team:	0800 445522
Website:	<a href="http://www.blackrock.co.uk/brge">www.blackrock.co.uk/brge</a>

# BLACKROCK