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BlackRock Greater Europe Investment Trust plc
June 2014 Factsheet

Performance (as at 30.06.2014)

Sterling:	1 M %	3 M %	1 Y %	3 Y %	Launch %
Net Asset Value – undiluted	-2.4	-3.1	11.5	19.7	197.1
Net Asset Value – diluted	-2.0	-1.5	11.5	23.5	197.3
Share Price	-4.0	-3.8	15.4	25.3	187.6
FTSE World Europe ex UK	-2.3	0.1	16.4	19.0	139.3

Annual Performance to the Last Quarter End*

	30/06/13 30/06/14	30/06/12 30/06/13	30/06/11 30/06/12	30/06/10 30/06/11	30/06/09 30/06/10
NAV Performance	11.5%	31.1%	-18.2%	37.0%	30.2%
Share Price Performance	15.4%	29.2%	-16.0%	37.9%	30.9%

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.

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.

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.

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 -2.4% and the share price returned -4.0%. For reference, the FTSE World Europe ex UK Index returned -2.3% during the same period.
- European equities were down during June, with small caps continuing their underperformance. On a country basis, Spain continued its outperformance of the rest of the periphery (the IBEX posted a +1.5% gain); on a sector basis oil & gas outperformed (with geopolitical risk in Iraq causing the oil price to rise), with financials underperforming in spite of ECB policy announcements. From a broad market perspective, the most significant development during June was the ECB announcement of a range of stimulus measures designed to avoid deflation and stimulate nominal growth in the Eurozone. These measures were significant more in what they represented than their immediate impact: they indicated that Draghi is able to instigate creative easing measures (including Quantative Easing) and led to a (short lived) positive reaction in the market.
- Sector allocation was the principal driver of underperformance during the month. Specifically, an underweight position to the energy sector as the oil price rose; the sector was also buoyed by investor appetite for sectors that offer a higher dividend yield (oil & gas and utilities were, by far, the best two performing sectors in the European market during June). Financials also fared poorly, despite the supportive policy announcements at the ECB, and accounted for the four largest stock detractors over the month.
- Within financials, various positions based in both northern and southern Europe underperformed as the sector fell, including KBC, Société Générale and Unicredit. Positions in Hungarian OPT Bank, along with Turkish banks Garanti Bankasi and Halk Bankasi, also hindered returns over the month. Holdings in airline-related businesses Ryanair and Airbus also fell, with Ryanair falling as investors became concerned about the impact of the rising oil price on their cost base. We believe that the company is well equipped to deal with oil price volatility and has a strong track record of capacity discipline during such periods. The Company also lost ground due to not owning energy businesses Total and ENI.
- On a more positive note, a position in Novo Nordisk performed very well during the month: a well-attended pharmaceutical conference revealed further potential growth for their new long-lasting insulin treatment drug and potential to take market share in another of their main products. Also in health care, Danish hearing aid and headset business GN Store Nord benefited from strength in their recent product launch. Within technology, ASML performed well after the management team expressed confidence about the likelihood of success with their next-generation product, EUV.
- At the end of the month, the Company was positioned with higher weightings in industrials, consumer services, financials and health care and with lower weightings in consumer goods, oil & gas, basic materials, telecoms, utilities and technology.

Outlook

- Despite a sluggish start to the year, global economic growth is expected to be positive for 2014 but there is a debate around momentum of that growth. The sharp contraction of the US economy during the first quarter, political tensions in the Ukraine and the slowdown in China have all delayed an expected pick-up in activity. We expect a stronger performance by the US from Q2 onwards and a slow recovery in the Eurozone during the second half of the year. Monetary policies remain accommodative globally and increasingly so in China where we expect small targeted stimuli in infrastructure to lead to a small increase in momentum, although challenges in transitioning the economy remain. The recent measures announced by the ECB are quite significant in our view and should provide a boost in liquidity which should ultimately be positive for the cost of debt notably in Southern Europe where business confidence, demand for credit and capital expenditure intentions have been improving. Whilst we do not expect the developments to be rapid, we think that the situation could potentially get better post the stress test and Asset Quality Review (AQR) exercise are completed, after which banks will have more visibility on their level of capitalisation.
- European valuations have re-rated over the last year and look to be in-line with their long term average. However, we think that earnings should recover from here in-line with the improvements in industrial output. Consensus earnings estimates have moderated since the beginning of the year in part due to unfavourable currency movements, but they are beginning to inflect upwards from a low base. European domestic earnings are now more realistic and have scope to benefit from a domestic recovery. We maintain our projection of 8% earnings growth this year in Europe.

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 30.06.2014)

Net Asset Value (capital only)	245.17p
Net Asset Value (including income)	248.30p
Net Asset Value (capital only)*	245.17p
Net Asset Value (including income)*	248.25p
Share price	239.00p
Subscription Share price	19.50p
Net cash	1.5%
Net yield**	2.5%
Discount to NAV (including income)	3.7%
Discount to NAV (including income)*	3.7%
Total Assets (including income)	£270.2m
Issued capital – Ordinary Shares***	108,815,767
Subscription Shares	20,660,139

*diluted for subscription shares and treasury shares

**based on a final dividend of 4.5p per share for the year ended 31 August 2013 (excluding special dividend) and an interim dividend of 1.5p per share for the year ending 31 August 2014

***excluding 5,429,676 shares held in treasury

The Company's ongoing charges, calculated as a percentage of average net assets (for the year ended 31 August 2013) and using expenses, excluding performance fees and interest costs, after relief for any taxation were: 0.9%

Country Analysis (as at 30.06.2014)

	% of Total Assets
France	19.3
Switzerland	16.7
Germany	12.1
Netherlands	9.3
Sweden	7.4
Italy	6.4
Denmark	6.3
Spain	4.6
Russia	3.3
Ireland	2.9
Portugal	2.6
Turkey	2.6
Belgium	2.2
Finland	1.6
Hungary	1.2
Net current assets	1.5
TOTAL	**100.0**

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Sector Analysis (as at 30.06.2014)

	% of Total Assets
Financials	29.3
Industrials	24.8
Consumer Services	11.2
Health Care	9.9
Consumer Goods	8.3
Basic Materials	6.5
Oil & Gas	3.2
Technology	3.2
Utilities	2.1
Net current assets	1.5
TOTAL	**100.0**

Ten Largest Investments (in alphabetical order as at 30.06.2014)

Company	Country of Risk
Adecco	Switzerland
Bayer	Germany
Compagnie de Saint	France
Continental	Germany
Holcim	Switzerland
Novo Nordisk	Denmark
Roche	Switzerland
Schneider Electric	France
Unicredit	Italy
Unilever	Netherlands

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.

Financial Calendar

Year end:	31 August
Results announced:	April (half yearly) October (final)
AGM:	December
Dividends paid:	December (final) May (interim)

Key Company Details

Fund Characteristics:

Alternative Investment Fund Manager (with effect from 2 July 2014):	BlackRock Fund Managers Limited
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
Savings plan and stocks and shares ISA:	Available via BlackRock. Please see the Investment Trust brochure and Key Features document for more information.

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

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