BlackRock

BlackRock Greater Europe Investment Trust plc

May 2022

Key Risk Factors

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

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. A fuller definition of gearing is given in the glossary.

The latest performance data can be found on the BlackRock Investment Management (UK) Limited website at: blackrock.com/uk/brge

See glossary for further explanation of terms used.

Kepler GROWTH RATING

Kepler rated fund in the Growth Category. Effective date: 1 January 2022.

Past performance is not a reliable indicator of current or future results.

The information contained in this release was correct as at 31 May 2022. Information on the Company's up to date net asset values can be found on the London Stock Exchange website at: https://www.londonstockexchange.com/exchange/news/market-news/market-newshome.html

Company objective

To achieve 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.

Fund information (as at 31/05/2022)	
Net asset value (capital only):	492.28p
Net asset value (including income):	497.52p
Share price:	463.00p
Discount to NAV (including income):	6.9%
Net gearing:	0.7%
Net yield[1]:	1.4%
Total assets (including income):	£509.0m
Ordinary shares in issue[3]:	102,300,411
Ongoing charges[4]:	1.02%

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

[1] Based on a final dividend of 4.55p per share for the year ended 31 August 2021 and an interim dividend of 1.75p per share for the year ending 31 August 2022.
[2] Excluding 15,628,527 shares held in treasury.
[3] Calculated as a percentage of average net assets and using expenses, excluding interest costs, after relief for taxation, for the year ended 31 August 2021.

blackrock.com/uk/brge

Annual performance to the last quarter end (as at 31 March 2022)

	31/03/21 31/03/22 %	31/03/20 31/03/21 %	31/03/19 31/03/20 %	31/03/18 31/03/19 %	31/03/17 31/03/18 %
Net asset value	3.6	54.7	-0.3	9.1	9.7
Share price	4.7	70.0	-4.9	9.4	8.9
Reference Index[1]	6.5	34.9	-8.0	2.6	4.3

[1] The Company's reference index is the FTSE World Europe ex UK Index

Performance statistics sources: BlackRock and Datastream

The latest performance data can be found on our website: www.blackrock.com/uk/brge

Cumulative performance (as at 31/05/22)

Sterling	1M%	3M%	1Y%	3Y%	Launch % (20 Sept 04)
Net asset value – undiluted	-4.1	-7.5	-15.5	39.8	576.2
Share price	-7.9	-13.6	-23.1	37.2	536.2
Reference Index[1]	0.2	0.5	-1.5	27.2	338.1

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[1] The Company's reference index is the FTSE World Europe ex UK Index

The above Net Asset Value (NAV) performance statistics are based on a NAV including income, with any dividends reinvested on the ex-dividend date, net of ongoing charges and any applicable performance fee.

A fuller definition of ongoing charges (which includes the annual management fee) is given in the glossary. Details of the management fee are given in the key company details section overleaf. The Company does not have a performance fee.

Share price performance figures are calculated on a mid market basis in sterling terms with income reinvested on the ex-dividend date.

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

Ten largest investments (as at 31/05/22)

Company	Country of risk	Fund %
Novo Nordisk	Denmark	8.4
ASML	Netherlands	7.5
LVMH Moët Hennessy	France	6.0
Lonza Group	Switzerland	5.9
RELX	United Kingdom	5.6
DSV Panalpina	Denmark	4.7
Sika	Switzerland	4.4
Royal Unibrew	Denmark	3.8
IMCD	Netherlands	3.1
Hèrmes International	France	2.8

Holdings are as at the date shown and do not necessarily represent current or future portfolio holdings. **Risk**: The specific companies identified and described above do not represent all of the companies purchased or sold, and no assumptions should be made that the companies identified and discussed were or will be profitable.

A full disclosure of portfolio investments for the Company as at 31 March 2022 has been made available on the Company's website at the link given below:

https://www.blackrock.com/uk/individual/literature/policies/blackrock-greater-europe-invst-trust-portfolio-disclosure.pdf

Comments from the portfolio managers

Please note that the commentary below includes historic information in respect of performance data in respect of portfolio investments, index performance data and the Company's NAV performance.

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results.

During the month, the Company's NAV fell by 4.1% and the share price by 7.9%. For reference, the FTSE World Europe ex UK Index returned 0.2% during the period.

European ex UK equity markets continued to experience volatility during May. Assets associated with the value style outperformed growth assets as markets tried to factor in the impact higher rates might have on economic growth.

As most market commentators worry about an economic slowdown, we see a very narrow market with defensives and commodities performing well, whilst most other sectors struggled. During May, energy, telecommunications and financials led the market while consumer sectors, health care and industrials were down in absolute terms. On the positive side, consumer and corporate balance sheets remain healthy and the Q1 corporate earnings season has shown the majority of companies in our portfolio continue to post robust results with a confident outlook for at least the immediate future. Industries that are experiencing accelerated demand as a result of the current crisis include spending on energy efficiency, renewables, infrastructure and defence.

We continue to be in an environment where shares are being derated in anticipation of earnings downgrades. While we are not seeing downgrades materialising for the majority of companies in the portfolio right now, we have to acknowledge that the level of uncertainty in markets remains elevated, as we are far from getting to the end of this period of heightened inflation and potential economic slowdown. We tend to believe that in periods of slower growth, companies exposed to structural growth end markets, whose earnings may slow but not go negative, should ultimately be able to outperform cyclical areas of the market. These are the types of companies held in the portfolio. Overall, we retain our core exposure to companies with predictable business models, higher than average returns on capital, strong cash flow conversions and opportunities to reinvest that cash flow into future growth projects at high incremental returns.

The Company underperformed its reference index during the month with both sector allocation and stock selection being negative. In sector terms, the Company's lower allocation to energy was negative for performance as the sector was the standout market leader in May. Given our preference towards owning quality businesses with high levels of cash flow visibility, resilience and pricing power, we have been underweight the sector and typically took exposure to energy only selectively in our Developing European assets. In our view, companies operating in the space are often reliant on unpredictable underlying commodity prices, tend to have a poor track record of capital allocation and can be challenged by the disruption from carbon transition and the need to re-invest in lower returning renewables projects.

The higher exposure to industrials and technology also detracted, as higher multiple stocks were once again sold. A negative impact from the portfolio's overweight to health care was more than offset by accurate stock selection.

The industrials sector was the largest detractor to relative returns during May. Whilst the stocks we own within the sector are unique in their set up and often unrelated to each other, most of them suffered from being higher multiple stocks. Sika, Kingspan and IMCD were amongst the largest detractors. Whilst we do not believe there are any issues from a fundamental perspective with these companies, and in fact many of these have reported strong earnings results in recent months, we acknowledge the risk of a continued derating of higher quality stocks on the back of concerns over an economic slowdown and hedge funds cutting exposures.

The Company's position in Novo Nordisk weighed on portfolio returns. There was one piece of newsflow concerning pricing of a competitor drug, which was largely in line with our expectations. Operationally, the company is progressing very well having positively pre-released Q1 results and raised guidance in April. We continue to see this as a best in class, value creating and resilient business. The portfolio also suffered by not owning TotalEnergies – a large index constituent in the energy sector.

On a positive note, the share price pressure on Straumann abated this month – aiding relative returns. The company announced a small acquisition which will expand their clear aligners footprint in select European markets and the CEO confirmed that they are not seeing any evidence of consumer weakness. Aside from these points, the company also released a very strong update at the end of April. While the market ignored the update on the day, shares eventually moved higher over the course of May. There had been some concern around the more discretionary nature of their dental aligners business in light of consumers pressured by inflation. However, overall sales grew by 27.2%, a big beat compared to the consensus estimate of 15.7%.

Comments from the portfolio managers (continued)

Lastly, some of the index's large cap defensives sold off during the risk-on bounce later in the month. Not holding Roche, Nestle, L'Oreal and Richemont was positive in this context.

At the end of the period, the Company had a higher allocation than the reference index towards technology, consumer discretionary, industrials and health care. The Company had an underweight allocation to financials, utilities, energy, consumer staples, telecoms, real estate and basic materials.

Outlook

So far 2022 has been challenging, with concerns over the economic implications of the Russia invasion of Ukraine, rising interest rates and continued supply chain disruptions weighing on equity returns.

While we believe the environment remains supportive for corporate profits overall, there is potential for a slowdown as growth begins to normalise during the latter half of the year. Meanwhile the operating environment for companies continues to be complicated by supply chain and labour market disruptions. In addition, we expect some of the strong cyclical tailwinds, and indeed policy support seen in 2021, to fade over the course of 2022. Whilst rate markets and inflation expectations are likely to stay volatile, we do not expect policy in Europe to change significantly.

We continue to stay close to our companies which allows us to understand the environment they are operating in. We expect greater dispersion between sector and stock outcomes and with that a need for greater selectivity. In our view this will favour well-managed, well-organised businesses with an element of pricing power and we believe that holding these businesses will benefit our shareholders over the medium to long term.

Unless otherwise stated all data is sourced from BlackRock as at 31 May 2022.

Any opinions or forecasts represent an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This information should not be relied upon by the reader as research, investment advice or a recommendation.

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

Effective date: 16 November 2021

Effective date: 18 November 2021

Past performance is not a reliable indicator of current or future results.

Country allocations (as at 31/05/22)	% of total assets
Switzerland	19.9
Denmark	19.8
Netherlands	16.6
France	13.8
Sweden	7.0
United Kingdom	6.7
Italy	5.8
Belgium	2.6
Spain	2.5
Greece	1.8
Ireland	1.4
Germany	1.2
Poland	1.1
Net Current Liabilities	-0.2
Total	**100.0**

Sector allocations (as at 31/05/2022)	% of total assets
Industrials	22.7
Health Care	22.6
Technology	17.2
Consumer Discretionary	16.9
Financials	11.7
Consumer Staples	6.0
Basic Materials	3.1
Net Current Liabilities	-0.2
Total	**100.0**

Allocations are as of date shown and do not necessarily represent current or future portfolio holdings.

Key company details

Fund characteristics:	
Launch date	20 September 2004
Dealing currency	Sterling
Association of Investment Companies sector (AIC)	Europe
Reference index	FTSE World Europe ex UK
Traded	London Stock Exchange
Management	
Alternative Investment Fund Manager (with effect from 2 July 2014)	BlackRock Fund Managers Limited
Portfolio managers	Stefan Gries & Sam Vecht
Annual management fee*	0.85% of net asset value

* Included in the ongoing charges ratio

Financial calendar		Fund codes	
Year end	31 August	ISIN	GB00B01RDH75
Results announced	April (half yearly) October (final)	Sedol	B017RDH7
Annual General Meeting	December	Bloomberg	BRGE:LN
Dividends paid	December (final) May (interim)	Reuters	BRGE:L
		Ticker	BRGE/LON

NMPI status

The Company currently conducts its affairs so that its securities can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the Financial Conduct Authority's (FCA) rules in relation to Non-Mainstream Pooled Investments (NMPI) 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 pooled investments because they are shares in an investment trust.

Glossary Of Terms

Discount/Premium
Investment trust shares frequently trade at a discount or premium to NAV. This occurs when the share price is less than (a discount) or more than (a premium) to the NAV. The discount or premium is the difference between the share price (based on mid-market share prices) and the NAV, expressed as a percentage of the NAV.

Discounts and premiums are mainly the consequence of supply and demand for the shares on the stock market.

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.

Treasury shares
Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares do not pay dividends, have no voting rights and are not included in a Company's total issued share capital amount for the purpose of calculating percentage ownership. Treasury stock may have come from a repurchase or buyback from shareholders, or it may have never been issued to the public in the first place. Treasury shares may be reissued from treasury to the public to meet demand for a company's shares in certain circumstances.

Net yield
The net yield is calculated using total dividends declared in the last 12 months (as at date of this factsheet) as a percentage of month end share price.

NAV (Net Asset Value)
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.

Ongoing charges ratio
Ongoing charges (%) =

$$\frac{\text{Annualised ongoing charges}}{\text{Average undiluted net asset value in the period}}$$

Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future, whether charged to capital or revenue, and which relate to the operation of the investment company as a collective fund, excluding the costs of acquisition/disposal of investments, financing charges and gains/losses arising on investments. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management fee.

Want to know more?

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Risk Warnings

Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time.

Trust Specific Risks
Exchange rate risk. The return of your investment may increase or decrease as a result of currency fluctuations.

Emerging Europe. Emerging market investments are usually associated with higher investment risk than developed market investments. Therefore, the value of these investments may be unpredictable and subject to greater variation.

Liquidity risk. The Fund's investments may have low liquidity which often causes the value of these investments to be less predictable. In extreme cases, the Fund may not be able to realize the investment at the latest market price or at a price considered fair.

Gearing risk. Investment strategies, such as borrowing, used by the Trust can result in even larger losses suffered when the value of the underlying investments fall.

Important Information
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Net Asset Value (NAV) performance is not the same as share price performance, and shareholders may realise returns that are lower or higher than NAV performance.

BlackRock Greater Europe Investment Trust plc currently conducts its affairs so that its securities can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authority'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 Financial Conduct Authority's restrictions which apply to non-mainstream investment products because they are shares in an investment trust. Investors should understand all characteristics of the funds objective before investing. For information on investor rights and how to raise complaints please go to https://www.blackrock.com/corporate/compliance/investor-right available in local language in registered jurisdictions.

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