


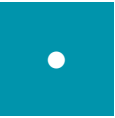





BlackRock Greater Europe Investment Trust plc

Half Yearly
Financial Report
29 February 2020

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Investment objective

The Company's 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.

The Company will have the flexibility to invest in any country included in the FTSE World Europe ex UK Index, as well as the freedom to invest in developing countries not included in the Index but considered by the Manager and the Directors as part of greater Europe.



The Association of
Investment Companies

A member of the Association of Investment Companies

Further details about the Company, including the latest annual and half yearly financial reports, fact sheets and stock exchange announcements, are available on the website at blackrock.com/uk/brge

Why BlackRock Greater Europe Investment Trust plc?

Reasons to invest...



Conviction

A concentrated portfolio focusing on the best-ideas existing within the European Equity Market. Not constrained by market cap, sub-sector or region, the Portfolio Managers can invest across the breadth of the European market, composing a portfolio of 30-45 investment ideas which are deemed to be the best investment ideas.



Long-term focus

Looking through the daily noise which impacts the market for the best long-term opportunities. We wish to be owners of companies, not traders of shares. We look to align ourselves with the best management teams in the region which we believe have the ability to create value for shareholders over the long term.



Risk aware

The portfolio is concentrated but highly risk aware. The Portfolio Managers aim to ensure risk and returns are diversified by end market exposures. We work closely with our partners in the BlackRock Risk and Quantitative Analysis group to ensure that portfolio risk is deliberate, diversified and scaled.



Personnel

The Company benefits from two leading teams within BlackRock's Active Equity division. The 18-strong European Equity team, as well as a further seven analysts focusing on Emerging Europe from the Global Emerging Markets team.



Differentiated opportunity

Investing in Emerging Europe offers the Company the ability to identify attractively valued businesses operating within faster growing economies often delivering highly attractive growth in cash flows and dividends. This provides diversification to the portfolio and balances with the higher quality developed European approach.

Performance record

Financial highlights

	As at 29 February 2020	As at 31 August 2019	Change %
Net asset value per ordinary share (pence)	391.61	399.52	-2.0
- with dividends reinvested ¹	-	-	-1.0
Net assets (£'000) ²	330,218	338,442	-2.4
Ordinary share price (mid-market) (pence)	379.00	385.00	-1.6
- with dividends reinvested ¹	-	-	-0.5
FTSE World Europe ex UK Index (total return)	1,383.31	1,457.46	-5.1

	For the six months ended 29 February 2020	For the six months ended 28 February 2019	Change %
Revenue			
Net profit after taxation (£'000)	473	356	32.9
Revenue profit per ordinary share (pence) ³	0.56	0.41	36.6

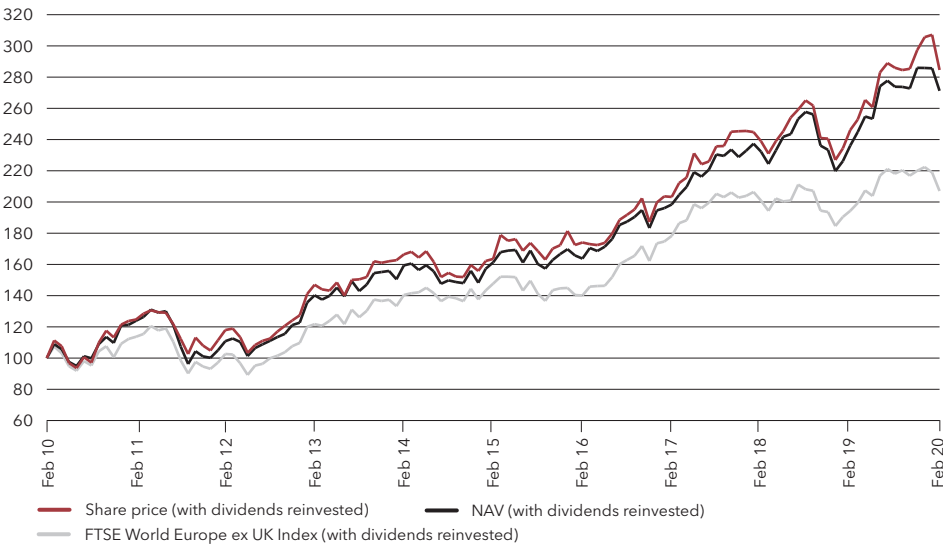
¹ Alternative Performance Measure, see Glossary on pages 46 and 47.

² The change in net assets reflects the buyback of shares into treasury, market movements and dividends paid.

³ Further details are given in the Glossary on page 46.

Performance record continued

Performance over the ten years to 29 February 2020



Sources: BlackRock and Datastream.

Total return performance record in sterling terms, rebased to 100 at 28 February 2010.

Chairman's statement

for the six months to 29 February 2020

Market overview

Although my comments below relate to the period ending February 2020, they must also be viewed in the context of the massive changes both in outlook and in market valuations that have occurred during the month of March as a result of the coronavirus pandemic.

Equity investors enjoyed a rewarding year in 2019 with a combination of high returns and low volatility. Investor sentiment at the end of the year was also cautiously optimistic as geopolitical risks, which had been elevated during 2019, appeared to moderate during the fourth quarter. Europe's exposure to trade and reliance on manufacturing had made it a casualty of the US-China trade conflict, but the unexpected announcement from the US of a Phase 1 trade deal took markets by surprise in December. The outcome of the UK general election in the same month also brought some political clarity to the UK's exit from the European Union (EU), although the UK still needs to negotiate a trade agreement with the EU by the end of 2020.

At the start of the year, European markets fell as investors became concerned about the COVID-19 outbreak in China and its potential impact on financial markets and global trade. The spread of the coronavirus to other countries, compounded by plunging oil prices after Saudi Arabia said they would ramp-up oil output, then sent global stock markets tumbling.

Performance

During the six months ended 29 February 2020, the Company's net asset value per share (NAV) returned -1.0%, outperforming the FTSE World Europe ex UK Index which returned -5.1%. Over the same period, the Company's share price returned -0.5% (all percentages calculated in sterling terms with dividends reinvested). Further information on investment performance is given in the Investment Manager's Report.

Since the period end to 24 April 2020, the Company's NAV has decreased by 6.8% compared with a fall in the FTSE World Europe ex UK Index of 9.3% over the same period.

Earnings and dividends

The Company's revenue return per share for the six month period ended 29 February 2020 amounted to 0.56p compared with 0.41p for the corresponding period in 2019, an increase of 36.6%. The Board has declared an interim dividend of 1.75p (2019: 1.75p) per share. The dividend will be paid on 10 June 2020 to shareholders on the Company's register on 15 May 2020, the ex-dividend date being 14 May 2020. Shareholders should note that, due to the COVID-19 outbreak, some of our investee companies may come under pressure to cut their level of dividend payments, thereby reducing the Company's revenue return for the current financial year.

Chairman's statement continued

Tender offers/share repurchases

The Board has the option to implement a tender offer in order to assist in controlling the discount to NAV at which shares are traded. In addition, it will consider buying back shares in the market between tenders, when it is considered to be in the interests of shareholders to do so.

On 16 September 2019, the Board announced that it would not be implementing the November semi-annual tender offer. Over the six months to 31 August 2019, the average discount to NAV (cum income) was 4.0% and the discount to NAV on a cum income basis (diluted for treasury shares) as at close of business on 13 September 2019 was 1.5%.

At a meeting held on 23 March 2020, the Board announced that over the six months to 29 February 2020, the average discount to NAV (cum income) was 3.3% and the discount to NAV on a cum income basis (diluted for treasury shares) as at close of business on 20 March 2020 was 5.3%. Given this, and the extreme volatility in the general market, as well as in the Company's shares, the Board concluded that it was not in the interests of shareholders as a whole to implement a semi-annual tender offer in May 2020.

The Board will continue to monitor the Company's discount to NAV and will look to buy back shares and/or operate six monthly tender offers if it is deemed to be in the interests of shareholders as a whole. During the six month period under review, the Company repurchased 390,000 ordinary shares under the share buyback authority. Since the period end and up to the date of this report, no further ordinary shares have been repurchased by the Company.

Outlook

The coronavirus outbreak and containment measures have continued to disrupt the world's economies and asset markets, despite significant monetary steps having been taken. The scale of market moves has been reminiscent of the global financial crisis and some sectors will be particularly badly impacted. The depth and duration of the economic impact is unclear, as there is considerable uncertainty around how long containment measures will be needed and how quickly economic activity will restart.

The outlook for Europe as a whole is dependent to some extent on whether the measures put in place by the European Central Bank, the European Commission and the European Investment Bank will be enough to underpin the European economy, safeguard livelihoods and drive the recovery. We also need to see how successful countries reopening earlier, including Denmark, Switzerland and Germany, will be in terms of containing the coronavirus spread.

The Eurozone should benefit from accommodative monetary conditions and liquidity support by the European Central Bank, the lifting of the trade war uncertainty and a recovery in global manufacturing. We believe that the Portfolio Managers' active, bottom-up, fundamental stock selection approach will help uncover investment opportunities at attractive valuations.

ERIC SANDERSON

27 April 2020

Investment manager's report

Overview

The Company's share price and underlying NAV fell over the last six months to 29 February 2020. In this period, the Company's share price fell by 0.5% and the underlying NAV by 1.0%. By way of comparison, the reference index, the FTSE World Europe ex UK Index returned -5.1% during the same period (all percentages calculated in sterling terms with dividends reinvested).

Despite headwinds from US-China trade tensions, falling German Industrial Production and confidence, as well as political volatility, the European ex UK market rose during the first four months of the period. At the beginning of 2020, markets experienced the unwind of a 'hope-trade' which had driven banks and autos higher during the fourth quarter of 2019 on expectations for improved output and profitability in 2020. The Company continued to hold lower weightings to those sectors as our analysis suggested that earnings forecasts for banks remained too high going into 2020. Equally, a host of meetings with auto manufacturers and suppliers highlighted that the auto industry likely faces another difficult year in 2020.

Risk significantly increased towards the end of the period due to fears of the spread of COVID-19. In particular, January and February 2020 were challenging months for European ex UK markets, as well as equity markets around the world. Markets fell sharply as fears over the coronavirus and its implications heightened following the first severe cases of the coronavirus in the Western world, particularly in Italy.

The Company outperformed the reference index over the six-month period, driven by strong stock selection while sector allocation was also positive. 2019 proved an exceptionally strong year for both performance of the market and the Company, as performance was aided by our allocation to real world cyclicals and particularly strong stock selection. During the market sell-off at the end of the period, the portfolio also held up reasonably well, supported by our preference for high quality companies, with strong balance sheets and more growth optionality.

Portfolio activity

The Company's performance outcome was driven by stock selection in the industrials, health care and consumer services sectors, as well as a higher allocation to the technology sector. Performance was positively aided by both a higher weighting to industrials relative to the reference index, as well as stock selection. A position in chemicals business Sika was the top performer during the period. The company acquired its rival Parex in a deal that is likely to allow the company to realise cost synergies through optimised production. The company further posted positive results confirming improved organic growth and increasing confidence around a margin recovery.

A position in Irish-listed buildings company Kingspan also performed strongly, particularly following the UK election in December as election results were taken positively and risk premia placed on the UK stock market decreased. The Company also benefited from a higher allocation and positive stock selection in the technology sector. Shares in semiconductor name ASML performed strongly on evidence that inventories had peaked and a recovery in demand was likely.

Relative to the reference index, the Company saw strong returns from a lower allocation to the oil & gas sector, as well as accurate stock selection. For example, not owning any of the large-cap oil majors, such as Total, was beneficial for performance. Our exposure to this sector is highly selective. We own the global leader in renewable biofuels, Neste OYJ, which performed strongly against the weak sector backdrop. Market fundamentals for renewable fuels are strong, as they offer both the auto and aviation industry a route to meeting carbon targets. The airline industry aims to be carbon neutral by 2050 and more efficient engines, as well as renewable fuels, can play a big part in meeting those targets. We believe demand will outstrip supply for the foreseeable future, which is a good environment for value creation and share price outcomes.

Strong earnings updates proved an important driver of positive active returns over the period, with upgrades seen across a breadth of companies in the portfolio. Within health care, the Company benefited from owning positions in Straumann Holding and Lonza Group. Dental implant maker Straumann reported full year revenue growth of 17%, beating consensus expectations. Shares in Swiss biotechnology and speciality chemicals company Lonza also rose due to strong 2019 results. The company reported better-than-expected sales and profit, driven by strength in their pharma and biotech division where they are seen as one of the global leaders in contract manufacturing of high-end drugs.

Negatively, the Company's lower allocation to 'safe haven' assets, when compared with the reference index, detracted. In this context, the Company experienced some relative losses versus the reference index due to not holding large benchmark constituents considered less economically exposed and thus lower risk, such as Roche, particularly during the sell-off at the start of 2020. The Company's lower weighting to utilities also impacted performance negatively, as did not owning Enel and Iberdrola.

A number of positions including Rémy Cointreau, Adidas and Kering were caught up in fears around the coronavirus. Both travel retail and Chinese New Year are important sales occasions for luxury goods companies such as Kering and spirits producers such as Rémy Cointreau, while sportswear brands like Adidas were hit by closed stores and lower consumption in China. While we realise that the travel ban and store closures related to COVID-19 could affect short-term results for these companies, we are confident that it will not alter the medium to long-term earnings power of these businesses. As and when

Investment manager's report continued

coronavirus fears subside, we expect demand to recover, although the timing and speed of recovery remains uncertain.

The Company's position in French aerospace stock Safran which is exposed to the travel industry also detracted. Towards the end of 2019 shares fell given Boeing's announcement to temporarily suspend its production of its 737 Max programme, for which Safran delivers engines. Although shares had recovered slightly, they again came under pressure at the beginning of the year given corona-related flight restrictions. The anticipated weakness in air traffic may lead to some short-term revenue impact, however, we believe this is more than reflected in its valuation now.

Over the period we made few changes to the composition of the Company. Within oil & gas, we initiated the above-mentioned holding in Finnish company Neste. The market for renewable fuels is growing not just for road transportation, but there is also potential to move to aviation fuels in due course. This remains our only holding in the sector.

At the beginning of 2020, we took advantage of the market pull-back to add a position in Atlas Copco which we see as one of the most attractive industrial businesses in our universe. The company sells mission critical components such as compressors used in petro-chemical and processing plants, and vacuum pumps used in the production of semi-conductor chips and equipment. The growing installed base supports the company's after-market and services business which gives high and growing recurring revenues. The company generates high returns on capital, is extremely cash generative and has a net cash balance sheet. This purchase was funded by the sale of Vinci which owns an extensive airport portfolio which was at risk of coming under pressure on the back of reduced traffic flows and passenger spend.

At the beginning of the period we also exited our position in Thales, as a combination of execution issues together with insufficient upside, led us to reallocate capital elsewhere. In combination, these two sales lowered our allocation to the industrials sector. 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.

Outlook

The current global economic downturn is politically induced; a consequence of governments taking actions to preserve life due to the outbreak of a global pandemic. As a result, assessing the shape of the economic recovery will likely come down more to health and disease related data than traditional indicators or outlook for profits for specific companies. At BlackRock, we have invested significant resource in tracking of disease related data points by region in order to understand the potential fallout and

indeed the speed at which economies can start to normalise. We have already seen tentative signs of recovery in China as its lockdown is lifted, with consumer spending coming back and Purchasing Manager Indices quickly moving back to expansionary territory. However, risk of a second-wave of infection remains and ability to fend this off will be important.

From a fundamental perspective it is evident that structural challenges remain in numerous end markets within Europe, which makes it paramount to take an active approach to investing with clearly defined investment criteria. Our research focuses on companies which are often exposed to secular growth drivers, with superior market positions and products, brands or contract structures that should allow for a greater degree of value creation over time. As always, we will be guided by our understanding of company earnings and cashflows on a multi-year basis, looking for exceptional companies which can prove resilience of their business model over the long term.

STEFAN GRIES AND SAM VECHT

BlackRock Investment Management (UK) Limited
27 April 2020

Portfolio analysis

29 February 2020

	% France	% Switzerland	% Ireland	% Germany	% Sweden	% Netherlands	% Denmark	% Belgium	% Finland	% Spain	% Italy	% Central Eastern Europe & other	% Portfolio 29.02.20	% Portfolio 31.08.19	FTSE World Europe ex UK 29.02.20
Basic Materials	-	-	-	-	-	2.4	-	-	-	-	-	0.7	3.1	3.5	5.0
Consumer Goods	1.5	-	-	4.8	-	-	5.2	-	-	-	3.2	-	14.7	16.4	18.7
Consumer Services	4.7	-	-	-	-	-	-	-	-	-	-	5.7	10.4	6.1	4.1
Financials	-	2.9	-	-	0.3	-	-	1.0	-	-	2.0	2.3	8.5	8.6	19.8
Health Care	-	8.0	-	0.5	-	-	7.1	-	-	2.1	1.8	-	19.5	20.8	16.4
Industrials	5.0	5.6	2.0	-	3.1	-	4.2	-	-	-	-	-	19.9	26.1	16.1
Oil & Gas	-	-	-	-	-	-	-	-	2.1	-	-	-	2.1	-	4.1
Technology	1.6	-	-	7.1	3.2	4.5	-	-	-	2.5	-	-	18.9	16.9	7.3
Telecommunications	-	-	-	-	-	-	-	-	-	-	-	2.9	2.9	1.6	3.2
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.3
% Portfolio 29.02.20	12.8	16.5	2.0	12.4	6.6	6.9	16.5	1.0	2.1	4.6	7.0	11.6	100.0	-	-
% Portfolio 31.08.19	16.4	14.8	1.7	13.6	4.5	6.2	17.5	1.5	-	5.4	8.0	10.4	-	100.0	-
FTSE World Europe ex UK 29.02.20	22.5	20.5	0.5	18.0	5.9	7.9	4.2	2.0	2.6	6.1	5.1	4.7	-	-	100.0

Ten largest investments

1 ▲ SAP (2019: 3rd)

Technology

Market value: £21,308,000

Share of investments: 6.0%

One of the leading global enterprise software providers. Its S4/Hana software and database solution appears a 'must own' product for a large existing client base in need of enhanced data analytics capabilities. In our view the company is one of Europe's best defensive assets, with an enviable starting position of more than 75% of total worldwide transaction revenue having a touchpoint with an SAP system. Further, customers' transitions to cloud based software improves the resiliency of the earnings and cash flows and we expect recurring revenue to amount to 70-75% of group sales by the year-end and continue to grow in the next few years.

2 ▲ RELX (2019: 9th)

Consumer Services

Market value: £20,269,000

Share of investments: 5.7%

A multinational information and analytics company which has high barriers to entry in most of its divisions, including scientific publishing. The capital light business model allows for a high rate of cash flow conversion with repeatable revenues built on subscription-based models. The business also benefits from structurally increasing usage of data globally, which supports their data analytics business.

3 ▼ Novo Nordisk (2019: 1st)

Health Care

Market value: £20,044,000

Share of investments: 5.7%

A Danish multinational pharmaceutical company which is a leader in diabetes care. We expect growth in earnings and cashflows, driven by demand for recently launched Ozempic which treats Diabetes type 2. Overall, we believe Novo Nordisk offers attractive long-term growth potential at high returns and sector leading cash flow conversion, with any excess in cash being returned to shareholders.

4 ▲ Sika (2019: 5th)

Industrials

Market value: £19,874,000

Share of investments: 5.6%

A speciality chemical company with a leading position in both construction chemicals and in bonding agents for the automotive industry. Sika has proprietary technology within adhesives, which has an increasing array of applications as technology advances. The recent acquisition of rival Parex allows Sika to realise cost synergies through optimising its production footprint and through enhanced direct distribution channels.

Ten largest investments continued

5 ▲ Royal Unibrew (2019: 6th)

Consumer Goods

Market value: £18,234,000

Share of investments: 5.2%

A brewing and beverage company based in Denmark. Through a number of well-timed acquisitions, the group has transformed itself into a multi-beverage company offering attractive growth in soft drink niches at high returns, with significant potential to export their brands with strong European heritage into international markets.

6 ▼ Safran (2019: 2nd)

Industrials

Market value: £17,734,000

Share of investments: 5.0%

A French multinational supplier of systems and equipment for aerospace, defence and security. The industry is emerging from a heavy investment period in new planes and engines and we see Safran as well placed to benefit from continued strength in its best in class after-market business, as well as strong execution in its LEAP engine programme which should drive growth for the next five to ten years.

7 ▼ Adidas (2019: 4th)

Consumer Goods

Market value: £17,100,000

Share of investments: 4.8%

A global sportswear manufacturer based in Germany. Brand momentum remains strong across geographies and we see potential for further market share gains in the key US market. Given the oligopolistic nature of the lifestyle apparel and footwear markets, we see plenty of opportunity for Adidas to continue to improve group margins and free cash flow conversion. Lastly, with the balance sheet being in a net cash position already, shareholders are likely to benefit from further share buybacks over time.

8 ▼ Lonza Group (2019: 7th)

Health Care

Market value: £16,834,000

Share of investments: 4.8%

A Swiss biotechnology and speciality chemicals company, Lonza has established itself as one of the leading contract-manufacturers of high-end biological drugs, as well as cell and gene therapy. Overall, we see those end markets growing at double digit rates well into 2025 and beyond, which leaves Lonza well placed to deliver attractive growth regardless of the prevailing macro-economic environment.

9 ▲ Kering (2019: 26th)

Consumer Services

Market value: £16,585,000

Share of investments: 4.7%

A French luxury group owning brands such as Gucci, Yves Saint Laurent and Bottega Veneta. We believe Kering is one of the winners in a 'winner takes all' market, given the strength and resilience of its brands. We see strong brand momentum, in particular for its Gucci and Bottega Veneta brands, with the latter having significant potential to improve margins over time. Overall, Kering remains a well-positioned company with a strong balance sheet that offers optionality for both increased shareholder returns, as well as value accretive deals.

10 ► ASML (2019: 10th)

Technology

Market value: £15,856,000

Share of investments: 4.5%

A Dutch company which specialises in the supply of photolithography systems for the semiconductor industry. The company is at the forefront of technological change and invests in leading research and development to capture the structural growth opportunity supported by growth in mobile devices and microchip components. The high barriers to entry within the industry give ASML a protected position, with strong pricing power allowing growth in margins whilst they continue to innovate. The company has strong management who aim to create long-term value for the business, whilst returning excess cash to shareholders.

All percentages reflect the value of the holding as a percentage of total investments. Together, the ten largest investments represent 52.0% of the total investments (ten largest investments as at 31 August 2019: 52.8%).

Investments

as at 29 February 2020

	Country of operation	Market value	% of investments
		£'000	
Industrials			
Sika	Switzerland	19,874	5.6
Safran	France	17,734	5.0
DSV	Denmark	14,992	4.2
Kingspan	Ireland	7,149	2.0
Atlas Copco	Sweden	6,411	1.8
Assa Abloy	Sweden	4,438	1.3
		70,598	19.9
Health Care			
Novo Nordisk	Denmark	20,044	5.7
Lonza Group	Switzerland	16,834	4.8
Straumann Holding	Switzerland	11,439	3.2
Grifols	Spain	7,535	2.1
DiaSorin	Italy	6,246	1.8
Chr. Hansen	Denmark	5,128	1.4
Stratec Biomedical Systems	Germany	1,758	0.5
		68,984	19.5
Technology			
SAP	Germany	21,308	6.0
ASML	Netherlands	15,856	4.5
Hexagon	Sweden	11,232	3.2
Amadeus IT Group	Spain	8,774	2.5
Dassault Systèmes	France	5,815	1.6
Infineon Technologies	Germany	3,954	1.1
		66,939	18.9

	Country of operation	Market value	% of investments
		£'000	
Consumer Goods			
Royal Unibrew	Denmark	18,234	5.2
Adidas	Germany	17,100	4.8
Ferrari	Italy	11,429	3.2
Rémy Cointreau	France	5,333	1.5
		52,096	14.7
Consumer Services			
RELX	United Kingdom	20,269	5.7
Kering	France	16,585	4.7
		36,854	10.4
Financials			
Partners Group	Switzerland	10,369	2.9
FinecoBank	Italy	6,975	2.0
Bank Pekao	Poland	5,706	1.6
KBC Groep	Belgium	3,357	1.0
Alpha Bank	Greece	2,377	0.7
EQT AB	Sweden	1,177	0.3
		29,961	8.5
Basic Materials			
IMCD	Netherlands	8,491	2.4
Israel Chemicals	Israel	2,463	0.7
		10,954	3.1

Investments continued

as at 29 February 2020

	Country of operation	Market value	% of investments
		£'000	
Telecommunications			
Bezeq – Israeli Telecommunication	Israel	6,070	1.7
Veon Ltd	Russia	4,244	1.2
		10,314	2.9
Oil & Gas			
Neste OYJ	Finland	7,561	2.1
		7,561	2.1
Total investments		354,261	100.0

All investments are in ordinary shares unless otherwise stated. The total number of investments held at 29 February 2020 was 36 (31 August 2019: 33).

As at 29 February 2020, the Company did not hold any equity interests comprising more than 3% of any company's share capital.

Interim management report and responsibility statement

The Chairman's Statement on pages 5 to 7 and the Investment Manager's Report on pages 8 to 11 give details of the important events which have occurred during the period and their impact on the financial statements.

Principal risks and uncertainties

The principal risks faced by the Company can be divided into various areas as follows:

- Counterparty;
- Investment performance;
- Legal & Compliance;
- Market;
- Operational;
- Financial; and
- Marketing.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Financial Statements for the year ended 31 August 2019. A detailed explanation can be found in the Strategic Report on pages 26 to 28 and in note 15 on pages 71 to 76 of the Annual Report and Financial Statements which are available on the website maintained by BlackRock at blackrock.com/uk/brge.

In the view of the Board, the outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19, first detected in China in December 2019 and has developed into a global pandemic, has fundamentally altered the nature of the risks as reported in the Annual Report and Financial Statements. The coronavirus has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in health care service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19 has adversely impacted and affected the economies of many nations across the entire global economy, individual issuers and capital markets, and could continue with extents that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to less established health care systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

Going concern

The Directors, having considered the nature and liquidity of the portfolio, the Company's investment objective and the Company's projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the

Interim management report and responsibility statement continued

foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Company has a portfolio of investments which are considered to be readily realisable and is able to meet all of its liabilities from its assets and income generated from these assets. Ongoing charges for the year ended 31 August 2019 were 1.08% of net assets and it is expected that this is unlikely to change significantly going forward.

Related party disclosure and transactions with the Manager

BlackRock Fund Managers Limited (BFM) was appointed as the Company's Alternative Investment Fund Manager (AIFM) with effect from 2 July 2014. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Both BFM and BIM (UK) are regarded as related parties under the Listing Rules. Details of the fees payable are set out in note 4 on page 27 and note 11 on page 33. The related party transactions with the Directors are set out in note 10 on page 33.

Directors' responsibility statement

The Disclosure Guidance and Transparency Rules (DTR) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with applicable UK Accounting Standards and the Accounting Standards Board's Statement 'Half Yearly Financial Reports'; and
- the Interim Management Report, together with the Chairman's Statement and Investment Manager's Report, include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

This half yearly financial report has not been audited or reviewed by the Company's auditor.

The half yearly financial report was approved by the Board on 27 April 2020 and the above responsibility statement was signed on its behalf by the Chairman.

Eric Sanderson

For and on behalf of the Board
27 April 2020

Income statement

for the six months ended 29 February 2020

	Notes	Revenue £'000			Capital £'000			Total £'000		
		Six months ended		Year ended 31.08.19 (audited)	Six months ended		Year ended 31.08.19 (audited)	Six months ended		Year ended 31.08.19 (audited)
		29.02.20 (unaudited)	28.02.19 (unaudited)		29.02.20 (unaudited)	28.02.19 (unaudited)		29.02.20 (unaudited)	28.02.19 (unaudited)	
(Losses)/gains on investments held at fair value through profit or loss		-	-	-	(2,539)	(27,059)	17,320	(2,539)	(27,059)	17,320
Gains/(losses) on foreign exchange		-	-	-	4	(8)	(315)	4	(8)	(315)
Income from investments held at fair value through profit or loss	3	1,167	1,056	5,924	-	-	-	1,167	1,056	5,924
Other income	3	12	-	2	-	-	-	12	-	2
Total income/(losses)		1,179	1,056	5,926	(2,535)	(27,067)	17,005	(1,356)	(26,011)	22,931
Expenses										
Investment management fee	4	(288)	(251)	(531)	(1,152)	(1,002)	(2,122)	(1,440)	(1,253)	(2,653)
Other operating expenses	5	(346)	(362)	(710)	(3)	(6)	(25)	(349)	(368)	(735)
Total operating expenses		(634)	(613)	(1,241)	(1,155)	(1,008)	(2,147)	(1,789)	(1,621)	(3,388)
Net profit/(loss) on ordinary activities before finance costs and taxation		545	443	4,685	(3,690)	(28,075)	14,858	(3,145)	(27,632)	19,543
Finance costs		(10)	(14)	(40)	(40)	(6)	(25)	(50)	(20)	(65)
Net profit/(loss) on ordinary activities before taxation		535	429	4,645	(3,730)	(28,081)	14,833	(3,195)	(27,652)	19,478
Taxation		(62)	(73)	(485)	-	-	-	(62)	(73)	(485)
Net profit/(loss) on ordinary activities after taxation	7	473	356	4,160	(3,730)	(28,081)	14,833	(3,257)	(27,725)	18,993
Earnings/(loss) per ordinary share (pence)	7	0.56	0.41	4.87	(4.42)	(32.67)	17.35	(3.86)	(32.26)	22.22

The total column of this statement represents the Company's profit and loss account. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies (AIC). All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period. All income is attributable to the equity holders of the Company.

The net profit/(loss) on ordinary activities for the period disclosed above represents the Company's total comprehensive income/(loss).

Statement of changes in equity

for the six months ended 29 February 2020

	Called up share capital	Capital redemption reserve	Special reserve	Capital reserves	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
For the six months ended 29 February 2020 (unaudited)						
At 31 August 2019	110	130	48,845	279,255	10,102	338,442
Total comprehensive income:	-	-	-	(3,730)	473	(3,257)
Net (loss)/profit for the period	-	-	-	-	-	-
Transactions with owners, recorded directly to equity:	-	-	(1,498)	-	-	(1,498)
Ordinary shares purchased into treasury	-	-	(8)	-	-	(8)
Share purchase costs	-	-	-	-	-	-
Dividend paid ¹	-	-	-	-	(3,461)	(3,461)
At 29 February 2020	110	130	47,339	275,525	7,114	330,218
For the six months ended 28 February 2019 (unaudited)						
At 31 August 2018	110	130	54,869	264,422	10,888	330,419
Total comprehensive income:	-	-	-	(28,081)	356	(27,725)
Net (loss)/profit for the period	-	-	-	-	-	-
Transactions with owners, recorded directly to equity:	-	-	(162)	-	-	(162)
Ordinary shares purchased into treasury	-	-	(3,477)	-	-	(3,477)
Tender offer into treasury	-	-	(35)	-	-	(35)
Share purchase and tender costs	-	-	-	-	-	-
Dividend paid ²	-	-	-	-	(3,458)	(3,458)
At 28 February 2019	110	130	51,195	236,341	7,786	295,562
For the year ended 31 August 2019 (audited)						
At 31 August 2018	110	130	54,869	264,422	10,888	330,419
Total comprehensive income:	-	-	-	14,833	4,160	18,993
Net profit for the year	-	-	-	-	-	-
Transactions with owners, recorded directly to equity:	-	-	(2,520)	-	-	(2,520)
Ordinary shares purchased into treasury	-	-	(3,477)	-	-	(3,477)
Tender offer into treasury	-	-	(70)	-	-	(70)
Share purchase and tender costs	-	-	43	-	-	43
Share purchase and tender costs written back	-	-	-	-	(4,946)	(4,946)
Dividend paid ³	-	-	-	-	-	-
At 31 August 2019	110	130	48,845	279,255	10,102	338,442

¹ Final dividend paid in respect of the year ended 31 August 2019 of 4.10p per share was declared on 22 October 2019 and paid on 10 December 2019.

² Final dividend paid in respect of the year ended 31 August 2018 of 4.00p per share was declared on 24 October 2018 and paid on 10 December 2018.

³ Interim dividend paid in respect of the year ended 31 August 2019 of 1.75p per share was declared on 1 May 2019 and paid on 31 May 2019. Final dividend paid in respect of the year ended 31 August 2018 of 4.00p per share was declared on 24 October 2018 and paid on 10 December 2018.

The transaction costs incurred on the acquisition of investments amounted to £73,000 for the six months ended 29 February 2020 (six months ended 28 February 2019: £75,000; year ended 31 August 2019: £112,000). Costs relating to the disposal of investments amounted to £13,000 for the six months ended 29 February 2020 (six months ended 28 February 2019: £20,000; year ended 31 August 2019: £43,000). All transaction costs have been included within capital reserves.

The capital redemption reserve is not distributable profits under the Companies Act 2006. The special reserve may be used as distributable profits for all purposes and, in particular, for the repurchase by the Company of its ordinary shares and for payment as dividends. In accordance with the Company's articles, net capital reserves may be distributed by way of the repurchase by the Company of its ordinary shares and for payment as dividends.

Balance sheet

as at 29 February 2020

	Notes	29 February 2020	28 February 2019	31 August 2019
		£'000 (unaudited)	£'000 (unaudited)	£'000 (audited)
Fixed assets				
Investments held at fair value through profit or loss		354,261	304,983	340,814
Current assets				
Debtors		2,372	1,383	1,702
Cash and cash equivalents		-	-	268
		2,372	1,383	1,970
Creditors - amounts falling due within one year				
Bank overdraft		(18,918)	(7,682)	(173)
Other creditors		(7,497)	(3,122)	(4,169)
		(26,415)	(10,804)	(4,342)
Net current liabilities		(24,043)	(9,421)	(2,372)
Net assets		330,218	295,562	338,442
Capital and reserves				
Called up share capital	8	110	110	110
Capital redemption reserve		130	130	130
Special reserve		47,339	51,195	48,845
Capital reserves		275,525	236,341	279,255
Revenue reserve		7,114	7,786	10,102
Total shareholders' funds		330,218	295,562	338,442
Net asset value per ordinary share (pence)	7	391.61	346.20	399.52

Statement of cash flows

for the six months ended 29 February 2020

	Six months ended 29 February 2020	Six months ended 28 February 2019	Year ended 31 August 2019
	£'000 (unaudited)	£'000 (unaudited)	£'000 (audited)
Operating activities			
Net (loss)/profit on ordinary activities before taxation	(3,195)	(27,652)	19,478
Add back finance costs	50	20	65
Losses/(gains) on investments held at fair value through profit or loss	2,539	27,059	(17,320)
(Gains)/losses on foreign exchange	(4)	8	315
Sales of investments held at fair value through profit or loss	47,577	65,829	127,363
Purchase of investments held at fair value through profit or loss	(60,019)	(61,092)	(114,096)
(Increase)/decrease in debtors	(224)	82	96
(Decrease)/increase in other creditors	(810)	717	1,825
Interest paid	(50)	(21)	(65)
Taxation on investment income	(62)	(162)	(383)
Refund/(deduction) of withholding tax reclaims	148	258	(266)
Net cash (used in)/generated from operating activities	(14,050)	5,046	17,012
Financing activities			
Ordinary shares purchased into treasury	(1,498)	(162)	(2,520)
Tender offer into treasury	-	(3,477)	(3,477)
Share purchase and tender costs	(8)	(34)	(70)
Dividends paid	(3,461)	(3,458)	(4,946)
Net cash used in financing activities	(4,967)	(7,131)	(11,013)
(Decrease)/increase in cash and cash equivalents	(19,017)	(2,085)	5,999
Cash and cash equivalents at the beginning of the period/year	95	(5,589)	(5,589)
Effect of foreign exchange rate changes	4	(8)	(315)
Cash and cash equivalents at the end of the period/year	(18,918)	(7,682)	95
Comprised of:			
Cash at bank	-	-	268
Bank overdraft	(18,918)	(7,682)	(173)
	(18,918)	(7,682)	95

Notes to the financial statements

for the six months ended 29 February 2020

1. Principal activity

The principal activity of the Company is that of an investment trust company within the meaning of section 1158 of the Corporation Tax Act 2010.

2. Basis of preparation

The Company presents its results and positions under FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), which forms part of revised Generally Accepted Accounting Practice (New UK GAAP) issued by the Financial Reporting Council (FRC) in 2013 and updated in March 2018.

The condensed set of financial statements has been prepared on a going concern basis in accordance with FRS 102 and FRS 104, 'Interim Financial Reporting' issued by the FRC in March 2015 and the revised Statement of Recommended Practice - 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (SORP) issued by the Association of Investment Companies (AIC) in November 2014 and updated in October 2019 and the provisions of the Companies Act 2006.

The revised SORP issued in October 2019 is applicable for accounting periods beginning on or after 1 January 2019, therefore the Company has adopted the new SORP for the accounting year beginning 1 September 2019. As a result, there will be an amended presentation of movements in investments held at fair value through profit or loss in the notes to the financial statements, which will be included as part of the 2020 Annual Report and Financial Statements. As this note is not included as part of the Half Yearly Financial Report and Financial Statements, there is no impact on the Half Yearly Financial Report and Financial Statements as a result of the adoption of the revised SORP.

The accounting policies applied for the condensed set of financial statements are as set out in the Company's Annual Report and Financial Statements for the year ended 31 August 2019.

Notes to the financial statements continued

3. Income

	Six months ended 29 February 2020	Six months ended 28 February 2019	Year ended 31 August 2019
	(unaudited) £'000	(unaudited) £'000	(audited) £'000
Investment income:			
UK dividends	-	-	345
Overseas dividends	1,104	959	5,441
Overseas special dividends	63	97	138
	1,167	1,056	5,924
Other income:			
Bank interest	-	-	2
HMRC interest	12	-	-
	12	-	2
Total income	1,179	1,056	5,926

Dividends and interest received in cash during the period amounted to £850,000 and £12,000 (six months ended 28 February 2019: £1,155,000 and £nil; year ended 31 August 2019: £5,062,000 and £2,000).

No special dividends have been recognised in capital during the period (six months ended 28 February 2019: £nil; year ended 31 August 2019: £nil).

4. Investment management fee

	Six months ended 29 February 2020 (unaudited)			Six months ended 28 February 2019 (unaudited)			Year ended 31 August 2019 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	288	1,152	1,440	251	1,002	1,253	531	2,122	2,653

The investment management fee is levied quarterly, based on 0.85% per annum of net asset value on the last day of each month. The investment management fee is allocated 80% to capital reserves and 20% to the revenue reserve.

Notes to the financial statements continued

5. Other operating expenses

	Six months ended 29 February 2020	Six months ended 28 February 2019	Year ended 31 August 2019
	(unaudited) £'000	(unaudited) £'000	(audited) £'000
Allocated to revenue:			
Broker fees	24	24	49
Custody fees	26	23	44
Depository fees	17	20	41
Audit fees	15	14	29
Legal fees	12	19	30
Registrar's fees	38	40	80
Directors' emoluments	64	61	130
Marketing fees	47	55	103
Postage and printing fees	32	32	38
Tax agent fees	18	18	36
AIC fees	13	12	25
Professional fees	5	11	16
Other administration costs	35	33	89
	346	362	710
Allocated to capital:			
Custody transaction costs	3	6	25
	349	368	735

6. Dividend

The Directors have declared an interim dividend of 1.75p per share for the period ended 29 February 2020, payable on 10 June 2020 to shareholders on the register on 15 May 2020. The total cost of the dividend based on 84,323,101 ordinary shares in issue at 27 April 2020 was £1,476,000 (28 February 2019: £1,488,000).

In accordance with FRS 102, Section 32 'Events After the End of the Reporting Period', the interim dividend payable on the ordinary shares has not been included as a liability in the financial statements, as interim dividends are only recognised when they have been paid.

7. Earnings and net asset value per ordinary share

Revenue and capital returns per share and net asset value per share are shown below and have been calculated using the following:

	Six months ended 29 February 2020	Six months ended 28 February 2019	Year ended 31 August 2019
	(unaudited) £'000	(unaudited) £'000	(audited) £'000
Net revenue profit attributable to ordinary shareholders (£'000)	473	356	4,160
Net capital (loss)/profit attributable to ordinary shareholders (£'000)	(3,730)	(28,081)	14,833
Total (loss)/profit (£'000)	(3,257)	(27,725)	18,993
Total shareholders' funds (£'000)	330,218	295,562	338,442
Earnings per share			
The weighted average number of ordinary shares in issue during the period, on which the return per ordinary share was calculated was:	84,415,871	85,931,606	85,459,456
The actual number of ordinary shares in issue at the period end, on which the net asset value per ordinary share was calculated was:	84,323,101	85,373,101	84,713,101
The number of ordinary shares in issue, including treasury shares, at the period end was:	110,328,938	110,328,938	110,328,938
Calculated on weighted average number of ordinary shares			
Revenue profit (pence)	0.56	0.41	4.87
Capital (loss)/profit (pence)	(4.42)	(32.67)	17.35
Total (loss)/profit (pence)	(3.86)	(32.26)	22.22

Notes to the financial statements continued

7. Earnings and net asset value per ordinary share continued

	As at 29 February 2020	As at 28 February 2019	As at 31 August 2019
	(unaudited)	(unaudited)	(audited)
Net asset value per share (pence)	391.61	346.20	399.52
Ordinary share price (pence)	379.00	333.00	385.00

There were no dilutive securities at 29 February 2020 (28 February 2019: nil; 31 August 2019: nil).

8. Share capital

	Number of ordinary shares in issue	Number of treasury shares in issue	Total	Nominal value
(unaudited)				£'000
Allotted, called up and fully paid share capital comprised:				
Ordinary shares of 0.1p each:				
At 31 August 2019	84,713,101	25,615,837	110,328,938	110
Shares repurchased and held in treasury	(390,000)	390,000	-	-
At 29 February 2020	84,323,101	26,005,837	110,328,938	110

During the period 390,000 (six months ended 28 February 2019: 50,000; year ended 31 August 2019: 710,000) ordinary shares were repurchased and held in treasury for a total consideration, including expenses, of £1,506,000 (six months ended 28 February 2019: £173,000; year ended 31 August 2019: £2,537,000). Additionally, during the period there was no tender offer (six months ended 28 February 2019: one; year ended 31 August 2019: one) and no shares (six months ended 28 February 2019: 1,036,590 shares; year ended 31 August 2019: 1,036,590 shares) were transferred to treasury for a total consideration of £nil (six months ended 28 February 2019: £3,501,000; year ended 31 August 2019: £3,501,000). No treasury shares were issued or cancelled during the period (six months ended 28 February 2019: nil; year ended 31 August 2019: nil).

9. Valuation of financial instruments

Financial assets and financial liabilities are either carried in the Balance Sheet at their fair value (investments) or at an amount which is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals, cash and cash equivalents and overdrafts). Section 34 of FRS 102 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The valuation techniques used by the Company are explained in the accounting policies note on page 63 of the Annual Report and Financial Statements for the year ended 31 August 2019.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

The fair value hierarchy has the following levels:

Level 1 – Quoted market price for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company does not adjust the quoted price for these instruments.

Level 2 – Valuation techniques using observable inputs

This category includes instruments valued using quoted prices for similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation technique includes inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

Notes to the financial statements continued

9. Valuation of financial instruments continued

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' inputs requires significant judgement by the Investment Manager.

The table below is the analysis of the Company's financial instruments measured at fair value at the balance sheet date.

Financial assets at fair value through profit or loss at 29 February 2020	Level 1	Level 2	Level 3	Total
(unaudited)	£'000	£'000	£'000	£'000
Equity investments	354,261	-	-	354,261

Financial assets at fair value through profit or loss at 28 February 2019	Level 1	Level 2	Level 3	Total
(unaudited)	£'000	£'000	£'000	£'000
Equity investments	304,983	-	-	304,983

Financial assets at fair value through profit or loss at 31 August 2019	Level 1	Level 2	Level 3	Total
(audited)	£'000	£'000	£'000	£'000
Equity investments	340,814	-	-	340,814

There were no transfers between levels for financial assets and financial liabilities during the period/year recorded at fair value as at 29 February 2020, 28 February 2019 and 31 August 2019. The Company did not hold any Level 3 securities throughout the six month period ended 29 February 2020 (six month period ended 28 February 2019: nil; year ended 31 August 2019: nil).

10. Related party disclosure

The Board consists of four non-executive Directors, all of whom are considered to be independent by the Board. None of the Directors has a service contract with the Company. With effect from 1 September 2019, the remuneration of the Chairman was increased from £38,000 to £41,000, the remuneration of the Chairman of the Audit and Management Engagement Committee was increased from £31,000 to £32,500 and for the other Directors the remuneration was increased from £27,000 to £28,000.

As at 29 February 2020, the following members of the Board held shares in the Company: Eric Sanderson held 4,000 ordinary shares, Peter Baxter held 5,000 ordinary shares and Paola Subacchi held 1,540 ordinary shares.

Since the period end and up to the date of this report there have been no changes in Directors' holdings.

The transactions with the AIFM and Investment Manager are stated in note 11.

11. Transactions with the AIFM and the Investment Manager

BlackRock Fund Managers Limited (BFM) provides management and administration services to the Company under a contract which is terminable on six months' notice. BFM has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to BlackRock Investment Management (UK) Limited (BIM (UK)). Further details of the investment management contract are disclosed on pages 30 and 31 in the Annual Report and Financial Statements for the year ended 31 August 2019.

The investment management fee due for the six months ended 29 February 2020 amounted to £1,440,000 (six months ended 28 February 2019: £1,253,000; year ended 31 August 2019: £2,653,000).

At 29 February 2020, £1,440,000 was outstanding in respect of the investment management fee (six months ended 28 February 2019: £1,249,000; year ended 31 August 2019: £1,994,000)

In addition to the above services, BlackRock provided the Company with marketing services. The total fees paid or payable for these services for the six months ended 29 February 2020 amounted to £47,000 excluding VAT (six months ended 28 February 2019: £55,000; year ended 31 August 2019: £103,000). Marketing fees of £117,000 excluding VAT were outstanding at 29 February 2020 (28 February 2019: £128,000; 31 August 2019: £177,000).

Notes to the financial statements continued

12. Contingent liabilities

There were no contingent liabilities at 29 February 2020 (28 February 2019: £nil; 31 August 2019: £nil).

13. Publication of non statutory accounts

The financial information contained in this half yearly report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the six months ended 29 February 2020 and 28 February 2019 has not been audited.

The information for the year ended 31 August 2019 has been extracted from the latest published audited financial statements, which have been filed with the Registrar of Companies. The report of the auditor on those accounts contained no qualification or statement under sections 498 (2) or (3) of the Companies Act 2006.

14. Annual results

The Board expects to announce the annual results for the year ending 31 August 2020 in late October 2020. Copies of the annual results announcement can be obtained from the Secretary on 020 7743 3000 or cosec@blackrock.com. The Annual Report should be available by the end of October 2020 with the Annual General Meeting being held in December 2020.

15. Post balance sheet events

As noted in the Chairman's Statement, since 29 February 2020 equity markets have fallen significantly due primarily to concerns around the scale of the impact of COVID-19 on the global economy. Subsequent to the period end, the net asset value per share of the Company has decreased by 6.8% (6.8% with dividends reinvested) from 391.61p per share to 364.84p per share and the Company's share price has decreased by 7.7% (7.7% with dividends reinvested) from 379.00p per share to 350.00p per share as at 24 April 2020. The Company's reference index has decreased by 9.3% from 1,383.31 to 1,254.07 on a total return basis.

This is primarily attributed to market movements and currency movements, including the impact on financial markets of increasing fears over the spread of COVID-19. The Board and the Manager continue to monitor investment performance in line with the investment objective. The Board has determined that these events are non-adjusting subsequent events.

Directors, management and other service providers

Directors

Eric Sanderson (Chairman)
Peter Baxter (Chairman of the Audit and Management Engagement Committee)
Davina Curling
Paola Subacchi

Registered Office

(Registered in England and Wales,
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Alternative Investment Fund Manager

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London EC2N 2DL

Investment Manager and Secretary

BlackRock Investment Management (UK) Limited*
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Telephone: 020 7743 3000
Email: cosec@blackrock.com

Fund Accountant, Depositary, Custodian and Banker

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Registrar

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Auditor

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Chartered Accountants and Statutory Auditors
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Solicitors

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* Authorised and regulated by the Financial Conduct Authority.

Shareholder information

Financial calendar

The timing of the announcement and publication of the Company's results may normally be expected in the months shown below:

April/May

Half yearly figures announced and half yearly financial report published.

May/June

Interim dividend paid.

October

Annual results and final dividend for year announced. Annual Report and Financial Statements published.

End November/early December

Annual General Meeting.

December

Final dividend paid.

Interim dividend

The proposed interim dividend in respect of the year ending 31 August 2020 is 1.75p per share.

Ex-dividend date (shares transferred without the dividend)	14 May 2020
Record date (last date for registering transfers to receive the dividend)	15 May 2020
Last date for registering DRIP instructions	19 May 2020
Dividend payment date	10 June 2020

Payment of dividends

Cash dividends will be sent by cheque to the first-named shareholder at their registered address. Dividends may also be paid direct into a shareholder's bank account via BACSTEL-IP (Bankers' Automated Clearing Service - Telecom Internet Protocol). This may be arranged by contacting the Company's registrar, Computershare Investor Services PLC, through their secure website investorcentre.co.uk, or by telephone on 0370 707 1163, or by completing the Mandate Instructions section on the reverse of your dividend counterfoil and sending this to the Company's registrar, Computershare. Confirmation of dividends paid will be sent to shareholders at their registered address, unless other instructions have been given, to arrive on the payment date.

Dividend reinvestment scheme (DRIP)

Shareholders may request that their dividends be used to purchase further shares in the Company. Dividend reinvestment forms may be obtained from Computershare Investor Services PLC, through their secure website investorcentre.co.uk, or by telephone on 0370 707 1163. Shareholders who have already opted to have their dividends reinvested do not need to reapply. The last date for registering for this service for the forthcoming dividend is 19 May 2020.

Share price

The Company's mid-market ordinary share price is quoted daily in The Financial Times and The Times under 'Investment Companies' and in The Daily Telegraph under 'Investment Trusts'. The share price is also available on the BlackRock website at blackrock.com/uk/brge.

ISIN/SEDOL numbers

The ISIN/SEDOL numbers and mnemonic codes for the Company's ordinary shares are:

	Ordinary shares
ISIN	GB00B01RDH75
SEDOL	B01RDH7
Reuters code	BRGE.L
Bloomberg code	BRGE LN

Dividend tax allowance

The annual tax-free allowance on dividend income across an individual's entire share portfolio is £2,000. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances.

The Company continues to provide registered shareholders with confirmation of the dividends paid and this should be included with any other dividend income received when calculating and reporting total dividend income received. It is a shareholder's responsibility to include all dividend income when calculating any tax liability.

If you have any tax queries, please contact a financial advisor.

Shareholder information continued

Share dealing

Investors wishing to purchase more shares in the Company or sell all or part of their existing holding may do so through a stockbroker. Most banks also offer this service. To purchase this investment through Computershare, investors can do so by applying for a Trading Account at www.computershare.com/dealing/uk. You must have read the Key Information Document before the trade can be executed. Computershare can email or post this to you.

For existing shareholders not looking to purchase shares, the Company's registrar, Computershare, has an internet and telephone share dealing service. The telephone share dealing service is available on 0370 703 0084. To access the internet share dealing service, you will need to access computershare.com/dealing/uk. You will require your shareholder reference number, which can be found on paper or electronic communications that you have previously received from Computershare.

Internet dealing – The fee for this service is 1% of the value of the transaction (subject to a minimum of £30). Stamp duty of 0.5% is payable on purchases.

Telephone dealing – The fee for this service will be 1% of the value of the transaction (plus £50). Stamp duty of 0.5% is payable on purchases.

CREST

The Company's shares may be held in CREST, an electronic system for uncertificated securities trading. Private investors can continue to retain their share certificates and remain outside the CREST system. Private investors are able to buy and sell their holdings in the same way as they did prior to the introduction of CREST, although there may be differences in dealing charges.

Electronic communications

We encourage you to play your part in reducing our impact on the environment and elect to be notified by email when your shareholder communications become available online. This means you will receive timely, cost-effective and greener online annual reports, half yearly financial reports and other relevant documentation.

Shareholders who opt for this service will receive an email from Computershare with a link to the relevant section of the BlackRock website where the documents can be viewed and downloaded. Please submit your email address by visiting investorcentre.co.uk/ecomms. You will require your shareholder reference number which you will find on your share certificate or dividend confirmation statement.

You will continue to receive a printed copy of these reports if you have elected to do so. Alternatively, if you have not submitted your email address nor have elected to receive printed reports, we will write and let you know where you can view these reports online.

Risk factors

- Past performance is not necessarily a guide to future performance.
- The value of your investment in the Company and the income from it can fluctuate as the value of the underlying investments fluctuate.
- The price at which the Company's shares trade on the London Stock Exchange is not the same as their net asset value (NAV) (although they are related) and therefore you may realise returns which are lower or higher than NAV performance.

Nominee code

Where shares are held in a nominee company name, the Company undertakes:

- to provide the nominee company with multiple copies of shareholder communications, so long as an indication of quantities has been provided in advance; and
- to allow investors holding shares through a nominee company to attend general meetings, provided the correct authority from the nominee company is available.

Publication of net asset value/portfolio analysis

The net asset value (NAV) per share of the Company is calculated daily, with details of the Company's investments and performance being published monthly. The daily NAV per share and monthly information are released through the London Stock Exchange's Regulatory News Service and are available on the BlackRock website at blackrock.com/uk/brge and through the Reuters News Service under the code 'BLRKINDEX', on page 8800 on Topic 3 (ICV terminals) and under 'BLRK' on Bloomberg (monthly information only).

Stocks and shares individual savings accounts (ISA)

ISAs are a tax-efficient method of investment and the Company's shares are eligible investments for inclusion within stocks and shares Individual Savings Accounts. In the 2020/2021 tax year investors have an annual ISA allowance of £20,000 (2019/2020: £20,000) which can be invested in either cash or shares.

Shareholder information continued

Online access

Other details about the Company are available on the website at blackrock.com/uk/brge. The financial statements and other literature are published on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Shareholders can also manage their shareholding online by using Investor Centre, Computershare's secure website, at investorcentre.co.uk. To access Computershare's website you will need your shareholder reference number (SRN) which can be found on paper or electronic communications you have previously received from Computershare. Listed below are the most frequently used features of the website.

- Holding enquiry – view balances, values, history, payments and reinvestments.
- Payments enquiry – view your dividends and other payment types.
- Address change – change your registered address.
- Bank details update – choose to receive your dividend payment directly into your bank account instead of by cheque.
- e-Comms sign-up – choose to receive email notification when your shareholder communications become available instead of paper communications.
- Outstanding payments – reissue payments using the online replacement service.
- Downloadable forms – including dividend mandates, stock transfer, dividend reinvestment and change of address forms.

Shareholder enquiries

The Company's registrar is Computershare Investor Services PLC. Certain details relating to your holding can be checked through the Computershare Investor Centre website. As a security check, specific information needs to be input accurately to gain access to an individual's account. This includes your shareholder reference number, available from your share certificate, dividend confirmation statement or other electronic communications you have previously received from Computershare. The address of the Computershare website is investorcentre.co.uk. Alternatively, please contact the registrar on 0370 707 1163.

Changes of name or address must be notified in writing either through Computershare's website, or to the registrar at:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

General enquiries

Enquiries about the Company should be directed to:

The Company Secretary
BlackRock Greater Europe Investment Trust plc
12 Throgmorton Avenue
London EC2N 2DL
Telephone: 020 7743 3000
Email: cosec@blackrock.com

Glossary

Alternative Performance Measures (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements.

Closed-end company

An investment trust works along the same lines as a unit trust, in that it pools money from investors which is then managed on a collective basis. The main difference is that an investment trust is a company listed on the Stock Exchange and, in most cases, trading takes place in shares which have already been issued, rather than through the creation or redemption of units. As the number of shares which can be issued or cancelled at any one time is limited and requires the approval of existing shareholders, investment trusts are known as closed-end funds or companies. This means that investment trusts are not subject to the same liquidity constraints as open ended funds and can therefore invest in less liquid investments.

Discount and premium*

Investment trust shares can frequently trade at a discount to NAV. This occurs when the share price (based on the mid-market share price) is less than the NAV and investors may therefore buy shares at less than the value attributable to them by reference to the underlying assets. The discount is the difference between the share price and the NAV, expressed as a percentage of the NAV. As at 29 February 2020, the share price was 379.00p (31 August 2019: 385.00p) and the NAV was 391.61p (31 August 2019: 399.52p) and the discount was 3.2% (31 August 2019: 3.6%) (please see note 7 of the financial statements on pages 29 and 30 for the inputs to the calculation).

A premium occurs when the share price (based on the mid-market share price) is more than the NAV and investors would therefore be paying more than the value attributable to the shares by reference to the underlying assets. For example, if the share price was 370.00p and the NAV 365.00p, the premium would be 1.4%.

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

Gearing and borrowings*

Investment companies can borrow to purchase additional investments. This is called 'gearing'. It allows investment companies to take advantage of a favourable situation or a particularly attractive stock without having to sell existing investments.

* Alternative Performance Measures.

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.

The calculation and the various inputs are set out in the following table.

		29 February 2020 £'000 (unaudited)	28 February 2019 £'000 (unaudited)	31 August 2019 £'000 (audited)	
Net gearing calculation	Page				
Net assets	23	330,218	295,562	338,442	(a)
Borrowings	23	18,918	7,682	173	(b)
Total assets (a + b)		349,136	303,244	338,615	(c)
Current assets ¹	23	2,372	1,383	1,970	(d)
Current liabilities (excluding borrowings)	23	(7,497)	(3,122)	(4,169)	(e)
Cash and cash equivalents (d + e)		(5,125)	(1,739)	(2,199)	(f)
Net gearing figure (g = (c - f - a)/ a)		7.3%	3.2%	0.7%	(g)

¹ Includes cash at bank.

Leverage

Leverage is defined in the AIFM Directive as 'any method by which the AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means'.

Leverage is measured in terms of 'exposure' and is expressed as a ratio of net asset value:

$$\text{Leverage ratio} = \frac{\text{Total assets}}{\text{Net assets}}$$

The Directive sets out two methodologies for calculating exposure. These are the Gross Method and the Commitment Method. The treatment of cash and cash equivalent balances in terms of calculating what constitutes an 'exposure' under AIFMD differs for these two methods. The definitions for calculating the Gross Method exposures require

that 'the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the AIF, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond' should be excluded from exposure calculations.

Net asset value per share (Cum income NAV)

This is the value of the Company's assets attributable to one ordinary share. It is calculated by dividing 'equity shareholders' funds' by the total number of ordinary shares in issue (excluding treasury shares). For example, as at 29 February 2020, equity shareholders' funds were worth £330,218,000 and there were 84,323,101 ordinary shares in issue (excluding treasury shares); the undiluted NAV was therefore 391.61p per ordinary share (please see note 7 of the financial statements for the inputs to the calculations).

Equity shareholders' funds are calculated by deducting from the Company's total assets, its current and long-term liabilities and any provision for liabilities and charges.

Net asset value per share (Capital only NAV)

The capital only NAV is a popular point of reference when comparing a range of investment trusts. This NAV focuses on the value of the Company's assets disregarding the current period revenue income, on the basis that most trusts will distribute substantially all of their income in any financial period. It is also the measure adopted by the Association of Investment Companies for preparation of statistical data. It is calculated by dividing 'equity shareholders' funds' (excluding current period revenue) by the total number of ordinary shares in issue.

As at 29 February 2020, equity shareholders' funds less the current year net revenue return (after interim dividends) amounted to £329,745,000 and there were 84,323,101 ordinary shares in issue (excluding treasury shares); therefore, the capital only NAV was 391.05p.

Equity shareholders' funds (excluding current period revenue) of £329,745,000 are calculated by deducting from the Company's net assets (£330,218,000) its current period revenue (£473,000) and adding back the interim dividends (£nil) paid/payable.

Ongoing charges ratio*

$$\text{Ongoing charges (\%)} = \frac{\text{Annualised ongoing charges}}{\text{Average undiluted net asset value in the period}}$$

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. Ongoing charges are based on costs incurred in the year as being the best estimate of future costs and include the annual management charge.

As recommended by the AIC in its guidance, ongoing charges are the Company's annualised revenue and capital expenses (excluding finance costs, VAT refunded, transaction charges, taxation and certain non-recurring items) expressed as a percentage of the average daily net assets of the Company during the year.

The inputs that have been used to calculate the ongoing charges percentage are set out in the following table.

Ongoing charges calculation	Page	31 August 2019 £'000 (audited)	31 August 2018 £'000 (audited)	
Management fee	27	2,653	2,684	
Other operating expenses	28	710	779	
Total management fee and other operating expenses		3,363	3,463	(a)
Average net assets in the year		310,647	317,000	(b)
Ongoing charges (c = a/b)		1.08%	1.09%	(c)

Quoted securities

Securities that trade on an exchange for which there is a publicly quoted price.

* Alternative Performance Measures.

Revenue profit and revenue reserves

Revenue profit is the net revenue income earned after deduction of fees and expenses allocated to the revenue account and taxation suffered by the Company. Revenue reserves is the undistributed income that the Company keeps as reserves. Investment trusts do not have to distribute all the income they generate, after expenses. They may retain up to 15% of revenue generated which will be held in a revenue reserve. This reserve can be used at a later date to supplement dividend payments to shareholders.

Total return – NAV and share price*

Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The total return measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the share price or NAV plus the dividends paid by the Company assuming these are reinvested in the Company at the prevailing NAV/Share price (please see note 7 of the financial statements for the inputs to the calculations).

NAV total return	Page	29 February 2020 (unaudited)	28 February 2019 (unaudited)	31 August 2019 (audited)	
Closing NAV per share (pence)	30	391.61	346.20	399.52	
Add back interim and final dividends (pence)	22	4.10	4.00	5.75	
Effect of dividend reinvestment (pence)		(0.02)	0.02	0.85	
Adjusted closing NAV (pence)		395.69	350.22	406.12	(a)
Opening NAV per share (pence)	30	399.52	382.17	382.17	(b)
NAV total return ($c = ((a - b)/b)$) (%)		(1.0)	(8.4)	6.3	(c)

* Alternative Performance Measures.

Share price total return	Page	29 February 2020 (unaudited)	28 February 2019 (unaudited)	31 August 2019 (audited)	
Closing share price (pence)	30	379.00	333.00	385.00	
Add back interim and final dividends (pence)	22	4.10	4.00	5.75	
Effect of dividend reinvestment (pence)		(0.01)	0.09	0.93	
Adjusted closing share price (pence)		383.09	337.09	391.68	(a)
Opening share price (pence)	30	385.00	363.00	363.00	(b)
Share price total return (c = ((a - b)/b)) (%)		(0.5)	(7.1)	7.9	(c)

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 calculating percentage ownership. Treasury stock may have come from a repurchase or buy back from shareholders, or it may never have 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.

Unquoted investments

Financial securities that do not trade on an exchange for which there is not a publicly quoted price.

Yield*

The yield is the amount of cash (in percentage terms) that is returned to the owners of the security, in the form of interest or dividends received from it. Normally, it does not include the price variations, distinguishing it from the total return.

* Alternative Performance Measures.



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