BlackRock

BlackRock Greater Europe Investment Trust plc

January 2024

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.

blackrock.com/uk/brge

The information contained in this release was correct as at 31 January 2024. 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 31/01/2024)	
Net asset value (capital only):	605.33p
Net asset value (including income):	605.50p
Share price:	569.00p
Discount to NAV (including income):	6.0%
Net gearing:	9.2%
Net yield:[1]	1.2%
Total assets (including income):	£610.4m
Ordinary shares in issue:[2]	100,812,161
Ongoing charges:[3]	0.98%

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 an interim dividend of 1.75p per share, and a final dividend of 5.00p per share, for the year ended 31 August 2023.
[2] Excluding 17,116,777 shares held in treasury.
[3] The Company's ongoing charges are calculated as a percentage of average daily net assets and using the management fee and all other operating expenses excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation, write back of prior year expenses and certain non-recurring items for the year ended 31 August 2023.

Annual performance to the last quarter end (as at 31 December 2023)

Sterling	31/12/22 31/12/23 %	31/12/21 31/12/22 %	31/12/20 31/12/21 %	31/12/19 31/12/20 %	31/12/18 31/12/19 %
Net asset value	21.9	-26.6	30.5	30.0	30.1
Share price	21.6	-31.1	32.2	32.2	34.7
Reference Index[1]	15.7	-7.0	17.4	8.6	20.4

[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 31/01/24)

Sterling	1M%	3M%	1Y%	3Y%	Launch % (20 Sept 04)
Net asset value – undiluted	1.4	19.4	13.8	22.5	741.0
Share price	0.5	22.0	13.4	11.7	700.0
Reference Index[1]	0.3	11.2	8.8	29.5	417.2

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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 31/01/24)

Company	Country of risk	Fund %
Novo Nordisk	Denmark	9.3
ASML	Netherlands	7.1
RELX	United Kingdom	6.2
LVMH	France	6.0
BE Semiconductor	Netherlands	4.4
Hermès	France	3.9
Safran	France	3.6
STMicroelectronics	Switzerland	3.4
ASM International	Netherlands	3.4
Ferrari	Italy	3.4

Holdings are as at the date shown and do not necessarily represent current or future portfolio holdings. **Risk**: The specific companies identified and described left 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. Reference to the names of each company mentioned in this communication is merely for explaining the investment strategy, and should not be construed as investment advice or investment recommendation of those companies.

A full disclosure of portfolio investments for the Company as at 31 December 2023 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 rose by 1.4% and the share price was up by 0.5%. For reference, the FTSE World Europe ex UK Index returned 0.3% during the period.

Europe ex UK markets were slightly up during January, although markets were on a roller coaster: initial weakness in January following incredibly strong markets during Q4 2023, was soon replaced by a number of strong earnings reports from European and US large/mega cap stocks, as well as evidence of a strong underlying economy. US jobs reports that were published during the month showed a tight labour market and strong wage growth in December.

The start of the earnings season has so far shown robust earnings but generally mixed guidance for the year. As at the time of writing, we have not seen concerning profit warnings with implications for wider industries. So far, banks reports have also shown limited losses in the system which is encouraging. Many analysts had cut expectations going into the earnings season which, together with a degree of short covering, has so far resulted in some extreme share price moves on better-than-expected results.

Market performance was driven by technology, health care and telecommunications whilst utilities, materials and real estate were the worst performers in January. The Company outperformed its reference index during the month, driven by positive sector allocation.

In sector terms, the Company benefited from its overweight to the technology sector which delivered some very promising individual results. Our zero weight in utilities also aided relative returns as the sector struggled given a collapse in gas prices, as well as concerns around the pace of the renewables build-out. Lower weights towards materials, consumer staples and real estate were also positive.

The health care sector was the strongest contributor to relative returns during the month, largely driven by positions in Novo Nordisk and Lonza. Novo Nordisk delivered Q4 results, beating consensus expectations with sales 4% ahead and earnings per share (EPS) 5% ahead. Company issued guidance for 2024 suggests sales and earnings before interest and taxes will grow in the mid 20% range. While growth has been impressive over the past year, we believe we are still in the early stages of growth potential here, as prescription trends required to meet consensus is undemanding in our view while the use of GLP-1 drugs in other categories such as diabetes, cardiovascular, liver disease, and potentially Alzheimer's, provides further growth opportunities. Ultimately, we still think the stock can continue to deliver upgrades through 2024.

Lonza delivered a strong set of results, reporting better than expected sales and margins for the full year 2023. Most notably, the company reiterated 2024 guidance and mid-term margin targets which alleviated market concerns of potential downgrades. The company also announced the replacement of the current chairman which was positively welcomed by the market. We retain conviction on the medium to long-term investment case for the company and see the developments as positive, whilst the company works to rebuild trust with the market and the ability to execute on their strategy.

Within consumer, LVMH reported better-than-expected Q4 results. Sentiment around the shares had been negative since last summer due to evidence around deteriorating demand trends and concerns around operating deleverage. Yet, the key Fashion and Leather Goods division grew by 9% organically during the last quarter of the year and revenue for the group was up by 10%. Cost control was also impressive with margins improving year-on-year despite headwinds.

A number of semiconductor-exposed businesses were also amongst the best performers. ASML's stellar results boosted the whole sector: Europe's largest tech stock reported record profits during Q4 with net profit up by 9%, as well as the highest ever order book of more than €9bn in new orders. Demand for capex in the industry is improving and supports 2025 guidance, whilst ASML retain a conservative outlook for 2024. Secular tailwinds appear intact. Whilst high, valuations remain reasonable considering ASML is one of the most attractive large cap tech names.

ASML's update also moved shares in ASMi higher. Elsewhere in the sector, however, shares in STMicro dropped. STMicro is a highly cyclical company where demand is largely driven by the automotive industry and industrial segments. Weakening news flow around electric vehicle (EV) demand in developed markets and a decline in orders from the industrials sector, particularly reflecting China weakness, challenged the stock during the month. Whilst revenue is likely to fall this year, we expect all STMicro key markets to recover going into 2025. Valuations are extremely low at 10x P/E. Not owning Infineon was helpful as the company is also highly exposed to the auto industry which continues to see a slowdown.

Finally, a position in Sika was the largest detractor to relative returns after the company gave an update on Q4 sales and revenues which missed consensus expectations. The weaker results highlighted a new risk with their America's business slowing and driving downgrades to EPS. With a full valuation and consensus estimates priced for perfection, we have rethought the active weight of this position in the context of the portfolio's overall exposure to construction.

Comments from the portfolio manager

Outlook

We remain fairly constructive on European equities as the set-up should be positive: inflation is on a downwards trajectory and the economy appears relatively robust. Eurozone inflation figures have fallen and whilst there may be volatility in month-to-month data, the economy can handle these levels of inflation. This also means that we have come to, or are close to, peak rates and at some point, it is fair to assume interest rates will come down. We have already started to see a positive impact on falling mortgage rates in many European countries.

The corporate sector in Europe is healthy. There is limited corporate debt, margins are strong, there is no need for major layoffs and the end of destocking across most industries is in sight. This in turn is good news for the consumer: a supply chain and energy crisis that is largely done, combined with high employment numbers and falling inflation suggest that the cost-of-living crisis has cooled off. This puts the region in a much better position compared to one year ago.

Nevertheless, the asset class has been under-owned ever since the Russian invasion of Ukraine in February 2022. As always in Europe, it is key to remain selective. Assessing the economy from the bottom-up can uncover areas for greater optimism than traditional economic indicators may suggest. Our regular contact with management teams helps us understand whether the direction of earnings and cashflows on a medium to long-term view for the companies in our portfolio remains on track.

Long-term structural trends and large amounts of fiscal spending via the Recovery fund, Green Deal and the REPowerEU plan in Europe can also drive demand for years to come, for example in areas such as infrastructure, automation, innovation in medicines, the shift to electric vehicles, digitization or decarbonisation. Valuations are attractive versus history and especially versus US equities. Overall, evidence of a resilient consumer, healthy corporate sector and decent outlooks underpinned by green stimulus, give us confidence that many of the companies in our portfolio can continue to weather the storm.

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.

Unless otherwise stated all data is sourced from BlackRock as at 31 December 2023.

AJBell FIT Awards 2022
EUROPEAN EQUITY - ACTIVE

Effective date: 23 September 2022

CITYWIRE WINNER
INVESTMENT TRUST 2021
EUROPEAN EQUITIES
BLACKROCK GREATER EUROPE INVESTMENT TRUST

Effective date: 16 November 2021

INVESTMENT WEEK
INVESTMENT COMPANY OF THE YEAR AWARDS 2021
In association with aic The Association of Investment Companies
WINNER
EUROPE

Effective date: 18 November 2021

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

Country allocations (as at 31/01/24)	% of total assets
France	21.8
Netherlands	19.2
Switzerland	17.3
Denmark	13.8
United Kingdom	7.0
Sweden	6.1
Ireland	5.2
Italy	3.4
United States	2.3
Belgium	1.7
Germany	1.7
Spain	1.6
Net Current Liabilities	-1.1
Total	**100.0**

Sector allocations (as at 31/01/2024)	% of total assets
Technology	24.5
Industrials	23.4
Consumer Discretionary	22.8
Health Care	15.4
Financials	8.3
Basic Materials	5.0
Consumer Staples	1.7
Net Current Liabilities	-1.1
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 and Alexandra Dangoor
Annual management fee*	0.85% of net asset value up to £350m, then 0.75% thereafter

* Included in the ongoing charges ratio

Financial calendar	
Year end	31 August
Results announced	April (half yearly) November (final)
Annual General Meeting	December
Dividends paid	December (final) May (interim)

Fund codes	
ISIN	GB00B01RDH75
Sedol	B017RDH7
Bloomberg	BRGE:LN
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
Counterparty risk. The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

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.

BlackRock has not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether our product is suitable, please read the fund specific risks in the Key Investor Document (KID) which gives more information about the risk profile of the investment. The KID and other documentation are available on the relevant product pages at www.blackrock.co.uk/its. We recommend you seek independent professional advice prior to investing.

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