



BlackRock Emerging Europe plc

Key risk factors

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

Overseas investments will be affected by currency exchange rate fluctuations.

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

The Company may from time to time utilise gearing. A fuller definition of gearing is given in the glossary.

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.

Since Russia's annexation of Crimea back in 2014, the United States, European Union and other countries have imposed sanctions on Russia. The scope and breadth of the sanctions have increased since the initial round of sanctions in 2014. In 2018, the United States designated a number of individuals and publicly traded Russian securities as Specially Designated Nationals ("SDNs"), which prohibits US persons from transacting any further business with such parties and also includes secondary sanctions against non-US persons that violate US sanctions. US and Western sanctions could also lead to Russia taking further retaliatory measures more broadly against Western and other countries, including imposing their own sanctions. As a result of these additional sanctions and the prospect of further sanctions in the future, it could become more difficult for investors, including the Company, to continue investing in Russia and/or to liquidate Russian investments and expatriate funds out of Russia. Fund assets may also be subject to freezes and blocks, and seizure by regulators.

The laws relating to securities investments and regulations in many of the countries in which the trust invests have been created on an ad-hoc basis and do not tend to keep pace with market developments leading to ambiguities in interpretation and inconsistent and arbitrary application. Monitoring and enforcement of applicable regulations is rudimentary. In some case rules regulating corporate governance either do not exist or are underdeveloped and offer little protection to minority shareholders.

These factors may increase the volatility of the Company and hence the risk of loss to the value of your investment.

Company objective

To achieve long term capital growth, principally by investing in companies that do business primarily in Eastern Europe, Russia, Central Asia and Turkey.

PLEASE NOTE THAT PROPOSALS HAVE NOW BEEN PUBLISHED FOR THE RECONSTRUCTION AND WINDING UP OF THE COMPANY. DETAILS OF THESE PROPOSALS CAN BE FOUND ON THE COMPANY'S WEBSITE

<https://www.blackrock.com/uk/individual/products/investment-trusts/our-range/blackrock-emerging-europe-investment-trust/trust-information>.

Fund information (as at 30/09/18)

US Dollar	
Net asset value – capital only	437.08c
Net asset value* - cum income	448.03c
Sterling	
Net asset value – capital only:	335.15p
Net asset value* – cum income:	343.55p
Share price:	326.50p
Total assets [^] :	£123.4m
Discount (share price to cum income NAV):	5.0%
Net cash at month end	1.0%
Net yield ^{^^^} :	3.4%
Gearing range as a % of net assets:	0-20%
Issued Capital – ordinary shares ^{^^}	35,916,028
Ongoing charges ^{^^^}	1.1%

* Includes year to date net revenue equal to 8.40 pence per share.

[^] Total assets include current year revenue.

^{^^} Excluding 5,000,000 shares held in treasury.

^{^^^} Calculated as at 31 January 2018 in accordance with AIC guidelines.

^{^^^} Yield calculations are based on dividends announced in the last 12 months as at the date of release of this announcement, and comprise of the final dividend of 15.00 cents per share, (announced on 23 March 2018, ex-dividend on 17 May 2018) .

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.

Comments from the portfolio managers, Sam Vecht and Christopher Colunga

Please note that the commentary below includes historic information in respect of performance data, portfolio investment and index performance data.

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Market & Portfolio Performance

The MSCI Emerging Europe 10/40 Index returned +6.4% in September 2018 (in US Dollar terms).

Turkey (+20.6%) was the best performing country in the region as it rallied from the August lows when the market and the currency sold off. The central bank in Turkey finally decided to hike rates in September, which restored some investor confidence and put a stop to the market correction, however the market still returned -20% over the quarter. Russia (+9.6%) rose thanks to the strong oil price. Russian equities are standing out as very attractive as the combination of high oil prices and a weak Ruble continue to benefit the local economy. Greek markets (-7.9%) were weak on renewed tension in the Eurozone banking sector. Hungary (+0.5%) rose and outperformed Czech Republic (+0.3%) and Poland (-1.1%) in September.

The Company's net asset value per share returned +4.3% in September 2018 (in US Dollar terms), underperforming its benchmark, the MSCI Emerging Europe 10/40 Index, driven primarily by our stock picks in Greece but offset by our stock selection in Russia.

In Greece, renewed tensions in the Italian financial sector reignited fears of a Euro crisis, putting pressure on Greek banks. This was further exacerbated by those banks reporting slower than anticipated recovery of non-performing exposures. Consequently, our positions in National Bank of Greece and Alpha Bank were the main detractors to the portfolio. Within Russia, the overweight in Russian Sberbank and energy names, such as Rosneft and Lukoil, contributed after the stocks rallied with the rest of the market in Russia. We continue to be of the view that Russian equities look cheap as does the currency, providing excellent investment opportunities.

At the end of September, the company is most overweight Turkey and Materials. It is most overweight Russia and Financials.

Source: BlackRock, MSCI, data as at end September 2018.

Information correct as at 22 October 2018. Any opinions or forecasts represent an assessment of the market environment at a specific time and are 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.

Annual performance to the last quarter end (sterling) (as at 30 September 2018)

	30/09/17 30/09/18 %	30/09/16 30/09/17 %	30/09/15 30/09/16 %	30/09/14 30/09/15 %	30/09/13 30/09/14 %
NAV	-2.4	24.3	41.3	-18.4	-12.4
Share price	-1.5	32.2	43.6	-20.4	-13.2
Benchmark ²	1.6	21.4	27.1	-23.0	-13.3

Cumulative performance (as at 30/09/18)

Sterling ³	1M%	3M%	1Y%	3Y%	5Y%	Since ¹ 30/04/09
Share price	2.4	0.3	-1.5	87.0	29.1	135.8
Net asset value	4.0	0.3	-2.4	71.4	22.4	119.5
Benchmark ²	6.1	4.0	1.6	56.9	4.8	75.5

US dollars ³	1M%	3M%	1Y%	3Y%	5Y%	Since ¹ 30/04/09
Share price	2.7	-0.9	-4.3	60.9	3.9	107.5
Net asset value	4.3	-0.9	-5.2	47.5	-1.5	93.2
Benchmark ²	6.4	2.7	-1.2	35.1	-15.62	54.4

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.

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.

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.

Sources: BlackRock, Standard & Poor's Micropal

1. BlackRock took over the investment management of the Company with effect from 1 May 2009.
2. The Company's benchmark is the MSCI Emerging Europe 10-40 Index (net return). A net return index calculates the reinvestment of dividends net of withholding taxes using the tax rates applicable to institutional investors who are not resident in the local market.
3. Further to the announcement made on 17 August 2018 that the Company has put forward proposals which will result in the liquidation of the Company's assets, the performance data in the table above and the NAV data in the table below incorporates the impact of accruals in respect of expected costs associated with the liquidation. Please note that these liquidation accruals do not include any costs of trading associated with liquidating the portfolio

The latest performance data can be found on the BlackRock Investment

Sector allocations (as at 30/09/18)	% of gross assets*
Energy	38.3
Financials	35.3
Consumer Staples	10.4
Materials	5.2
Health Care	3.9
Information Technology	3.1
Consumer Discretionary	1.5
Telecommunications Service	1.3
Net Current Assets	1.0
	100.0

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

Country allocations (as at 30/09/18)	% of gross assets*
Russia	64.4
Poland	15.9
Hungary	5.4
Greece	4.4
Turkey	3.6
Pan-Emerging Europe	3.0
Ukraine	2.3
Net Current Assets	1.0
	100.0

* Reflects gross market exposure from contracts for difference (CFDs). See the glossary for further definitions.

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

15 largest investments (as at 30/09/18)

Company	Country of risk	% of gross assets*
Sberbank	Russia	14.2
Lukoil	Russia	13.7
Gazprom	Russia	9.0
Rosneft Oil Company	Russia	7.1
Novatek	Russia	6.1
PKO Bank Polski	Poland	5.3
Alior Bank	Poland	4.2
Norlisk Nickel	Russia	4.0
Gedeon Richter	Hungary	3.9
Yandex	Russia	3.1
Magnit	Russia	3.0
Lenta	Russia	3.0
Bank Pekao	Poland	2.8
PZU	Poland	2.7
MHP	Ukraine	2.3

Holdings are as at the date shown and do not necessarily represent current or future portfolio holdings. The specific companies identified and described above do not represent all of the companies purchased or sold, and no assumptions should be made that the companies identified and discussed were or will be profitable. This should not be construed as investment advice or an investment recommendation of those companies.

A full disclosure of portfolio investments for the Company as at 30 June 2018 has been made available on the Company's website at the link given below:

<http://www.blackrock.com/uk/individual/literature/policies/blackrock-emerging-europe-plc-portfolio-disclosure.pdf>

Key company details

Fund characteristics:	
Launch date	29 November 1994
Date BlackRock took over management	1 May 2009
Dealing currency	Sterling
Association of Investment Companies sector (AIC)	European Emerging Markets
Benchmark	MSCI EM Europe 10/40 Index (net)
Traded	London Stock Exchange

Management:	
Alternative Investment Fund Manager (with effect from 2 July 2014)	BlackRock Fund Managers Limited
Portfolio managers	Sam Vecht & Christopher Colunga
Annual management fee (included in the ongoing charges ratio)	0.8% per annum of the Company's net asset value

Financial calendar:	
Year end	31 January
Results announced	September (half yearly) March or April (final)
Annual General Meeting	June
Dividends paid	June

Fund codes:	
ISIN	GB00B0BN1P96
Sedol	B0BN1P9
Bloomberg	BEEP:LN
Reuters	BEEP.L
Ticker	BEEP/LON



BlackRock Emerging Europe plc has been included in Money Observer Rated Funds 2018.

Category: Emerging Markets

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.

NMPI status

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

BlackRock 2018.

Subject to change.

CFD (Contracts for Difference)

Under a CFD contract the seller undertakes to pay to the buyer the difference between the current value of an asset and its value at a specified end date; this may be a positive or negative amount dependant on how the price has moved. A CFD contract may be used to profit from the price of the underlying asset falling as well as rising; if the buyer enters into a contract where the transaction will generate a profit if the price of the underlying holding falls, this is called a short position. A CFD contract also enables the Company to take advantage of price movements by paying only a small margin and without the cost outlay of purchasing the underlying stock. CFD contracts are not without risks. They may generate losses as well as profits if the price of the underlying asset moves in an unfavorable direction. CFDs also involve counterparty risk – the risk the CFD provider or another counterparty to a trade fails to fulfil their obligations – and liquidity risk, which means market conditions/the mechanics of trading could alter in such a way that trades cannot be made.

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) 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.

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 the month end share price.

MARKET EXPOSURE

Gross exposure is calculated by adding the 'long' and 'short' positions together. For example, if the Company has 120% 'long' exposure through a combination of securities and 'long' CFDs and 10% held in 'short' CFDs it has a gross exposure of 130%. Net exposure refers to the exposure of the Company when the short positions are deducted from total long exposure. For example, if the Company has 120% 'long' exposure through securities and CFDs and 10% 'short' exposure through CFD positions the net exposure is 110%; this measurement provides a guide to the net directional market exposure and takes into account the fact that long and short positions can often offset one another when the market moves in a particular direction.

NAV (Net Asset Value)

A company's undiluted NAV is its available shareholders' funds divided by the number of ordinary 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 (%) =

Annualised ongoing charges

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.

TREASURY SHARES

Treasury shares are shares that a company keeps in its own treasury which are not currently issued to the public. These shares don't 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.

Important Information

BlackRock has not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether this product is suitable, please read the Key Information Document (KID) and the current Annual and Half Yearly Financial Reports which are available on blackrock.co.uk/beep and which provide more information about the risk profile of the investment. We recommend that you seek independent professional advice prior to investing.

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

The Company is managed by BlackRock Fund Managers Limited (BFM) as the AIFM. BFM has delegated certain investment management and other ancillary services to BlackRock Investment Management (UK) Limited. The Company's shares are traded on the London Stock Exchange and dealing may only be through a member of the Exchange. The Company will not invest more than 15% of its gross assets in other listed investment trusts. SEDOL™ is a trademark of the London Stock Exchange plc and is used under licence.

The purpose of this factsheet is to provide summary information concerning the Company and does not constitute a recommendation to buy or sell its shares. If you are in any doubt as to the suitability of any of our funds for your investment needs, please contact your Financial Adviser.

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