## BLACKROCK FRONTIERS INVESTMENT TRUST PLC (LEI: 5493003K5E043LHL0706)

All information is at  $\underline{30~\text{September}~2024}$  and unaudited. Performance at month end with net income reinvested.  $\hat{\text{A}}$ 

Â	One	Three	One	Three	Five	SinceÂ
	month	months	year	years	years	Launch*
	%	%	용	%	왕	용
Sterling:	Â	Â	Â	Â	Â	Â
Share price	-0.3	0.9	5.4	34.8	36.9	142.6
Net asset value	0.4	0.0	6.0	30.5	46.0	169.7
Benchmark (NR) **	0.4	3.0	5.3	13.3	11.2	89.7
MSCI Frontiers Index (NR)	-1.4	-1.5	4.7	-7.9	8.3	77.6
MSCI Emerging Markets Index (NR)	4.5	2.5	14.7	1.7	21.5	71.9
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Â	Â	Â	Â	Â	Â	Â
US Dollars:	Â	Â	Â	Â	Â	Â
Share price	1.7	7.0	15.8	34.1	49.1	109.7
Net asset value	2.5	6.1	16.4	29.9	59.0	132.9
Benchmark (NR) **	2.4	9.3	15.7	12.6	21.0	64.4
MSCI Frontiers Index (NR)	0.6	4.5	15.1	-8.3	17.9	52.8
MSCI Emerging Markets Index (NR)	6.7	8.7	26.1	1.2	32.2	47.9

Sources: BlackRock and Standard & Poor's Micropal

<sup>\*\*</sup> The Company's benchmark changed from MSCI Frontier Markets Index to MSCI Emerging ex Selected Countries + Frontier Markets + Saudi Arabia Index (net total return, USD) effective 1/4/2018.

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At month end	Â
US Dollar	Â
Net asset value - capital only:	208.15c
Net asset value - cum income:	214.56c
Sterling:	Â
Net asset value - capital only:	155.18p
Net asset value - cum income:	159.95p
Share price:	145.00p
Total assets (including income):	£302.8m
Discount to cum-income NAV:	9.3%
Gearing:	Nil
Gearing range (as a % of gross assets):	0-20%
Net yield*:	4.6%
Ordinary shares in issue**:	189,325,748
Ongoing charges***:	1.38%
Ongoing charges plus taxation and performance fee****:	3.78%
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\*The Company's yield based on dividends announced in the last 12 months as at the date of the release of this announcement is 4.6%, and includes the 2023 final dividend of 4.90 cents per share, declared on 30 November 2023, and paid to shareholders on 14 February 2024, and the 2024 interim dividend of 3.50 cents per share, declared on 31 May 2024, and paid to shareholders on 01 July 2024.

\*\* Excluding 52,497,053 ordinary shares held in treasury.

\*\*\*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 performance fees, finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation and certain non-recurring items for Year ended 30 September 2023.

\*\*\*\* 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 and including performance fees but excluding finance costs, direct transaction costs, custody transaction charges, VAT recovered, taxation and certain non-recurring items for Year ended 30 September 2023. Â

Sector	<b>Gross market</b>	Â	Country	Gross market value
<u>Analysis</u>	<u>value as a %</u>		<u>Analysis</u>	<u>as a % of net</u>
	of net assets			<u>assets</u>
Â	Â	Â	Â	Â
Financials	43.9	Â	Indonesia	15.5
Industrials	11.9	Â	Saudi Arabia	12.9
Real Estate	10.4	Â	Philippines	8.6
Communication Services	8.6	Â	United Arab Emirates	8.3
Consumer Staples	8.6	Â	Hungary	6.7
Materials	8.4	Â	Thailand	6.1
Consumer Discretionary	5.6	Â	Kazakhstan	6.0
Information Technology	5.1	Â	Poland	5.7
Energy	4.0	Â	Turkey	4.8
Health Care	1.4	Â	Pakistan	4.1
Â		Â	Kenya	3.5
Â	107.9	Â	Vietnam	3.3
Â		Â	Bangladesh	3.2
Short Positions	-3.9	Â	Singapore	2.4
Â	Â	Â	Greece	2.3
Â	Â	Â	Georgia	2.0
Â	Â	Â	Czech Republic	1.9
Â	Â	Â	Multi-International	1.8

<sup>\* 17</sup> December 2010.

Â		Â	Â	Egypt	1.8
Â		Â	Â	Malaysia	1.8
Â		Â	Â	Chile	1.6
Â		Â	Â	Qatar	1.4
Â		Â	Â	Cambodia	0.9
Â		Â	Â	Romania	0.7
Â		Â	Â	Colombia	0.6
Â		Â	Â	Â	
Â		Â	Â	Â	107.9
Â		Â	Â	Â	
Â	Â		Â	Short positions	-3.9
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\*reflects gross market exposure from contracts for difference (CFDs).

## Market Exposure

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Α												
Â	31.10	30.11	31.12	31.01	29.02	31.03	30.04	31.05	30.06	31.07	31.08	30.09
	2023	2023	2023	2024	2024	2024	2024	2024	2024	2024	2024	2024
	ÂÂÂ											
	%	%	%	%	%	%	8	%	%	%	%	엉
Long	118.8	113.4	116.6	119.5	121.4	120.4	120.8	118.1	118.4	116.1	112.3	107.9
Short	3.1	4.6	4.7	3.6	3.5	2.7	2.3	2.4	2.9	3.5	3.6	3.9
Gross	121.9	118.0	121.3	123.1	124.9	123.1	123.1	120.5	121.3	119.6	115.9	111.8
Net	115.7	108.8	111.9	115.9	117.9	117.7	118.5	115.7	115.5	112.6	108.7	104.0
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## Ten Largest Investments

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Company	Country of Risk	Gross market value as
		<u>a % of net assets</u>
Â	Â	Â
Bank Central Asia	Indonesia	5.0
Emaar Properties	United Arab Emirates	4.4
Saudi National Bank	Saudi Arabia	4.0
OTP Bank	Hungary	3.6
FPT	Vietnam	3.4
CP All	Thailand	3.1
Etihad Etisalat	Saudi Arabia	3.1
Kaspi.Kz JCS	Kazakhstan	3.1
PT Bank Negara Indonesia	Indonesia	2.9
Eldorado Gold	Turkey	2.5
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## A Commenting on the markets, Sam Vecht, Emily Fletcher and Sudaif Niaz, representing the Investment Manager noted:

The Companyâ $\in$ <sup>MS</sup> NAV rose by 2.5% in September, outperforming its benchmark the MSCI Frontier + Emerging Markets ex Selected Countries Index (â $\in$ ceBenchmark Indexâ $\in$ ) which returned +2.4%. For reference, the MSCI Emerging Markets Index was up by 6.7% while the MSCI Frontier Markets Index gained +0.6% over the same period. All performance figures are on a US Dollar basis with net income reinvested. â

Emerging markets rallied +6.4% in September, significantly outpacing developed markets (DM) (+1.7%), driven by expectations of a monetary stimulus by the Chinese government and the Federal Reserve (Fed) started its easing cycle with a 50bps cut. This combination of the two is a compelling setup for emerging markets (EM) to outperform over the medium-term.

Security selection across different markets did well in September. The largest contributor to returns was our holding in Sea Ltd (+20.2%), a Singapore based global consumer internet company, which continued to rise on the back of strong Q2 operating results. Exposure to the largest Islamic bank in Indonesia, Bank Syariah (+15.9%), was also additive on the back of solid operating results as well as inventor appetite for carry markets. Another stock that did well was CP All (+13.9%), the convenience store operator in Thailand. The Thai government recently announced consumer support initiatives to help boost domestic consumption and mitigate financial pressures on households, which benefitted consumer-oriented stocks. Indonesian retailer Mitra Adiperkasa (+20.2%) also helped performance. Â

On the flipside, Kaspi (-19%), the Kazakh e-commerce and payments platform, was the biggest detractor over the month. The stock declined following a short seller report that alleged that the company has Russian business ties and may face sanctions. Whilst the headline is negative, we view several of the accusations to be either factually incorrect and or lacking in understanding of Kazakhstan. For instance, Kazakhstan has a sizable Russian population which would be represented in Kaspi's user base. The related party transactions covered either occurred prior to IPO or were well documented and understood. We visited Kazakhstan to get a sense for how the regulators and government view the company in lieu of the short-seller report and retain conviction. Bank of Georgia (-15.6%) also detracted, on the back of concerns around the direction of government policy ahead of the upcoming elections, particularly concerning the country's relationship with Russia and its democratic future. Not owning Saudi Arabian Mining Company also detracted on the margin.

We made few changes to the portfolio in September. We increased our exposure to Hungary by topping up our holding in OTP Bank as we believe the country will benefit from a potential resolution in the war between

Russia and Ukraine. We took profits and reduced our exposure to Halyk Bank to manage energy exposure.  $\hat{\textbf{n}}$ 

As higher global rates continue to feed through into the real economy, we expect some moderation of demand in developed markets. The commencement of the Fed's easing cycle should be net positive for EM assets, particularly amid reassurance that the 50bps cut was to pre-emptively manage slowing growth and labour dynamics. We continue to see improving activity levels in some frontier and smaller emerging markets. With inflation falling across many countries within our universe, rate cuts have started to materialise in some countries. This is a good set up for domestically oriented economies to see a cyclical pick up. We remain positive on the outlook for small emerging and frontier markets relative developed markets, and we find significant value in currencies and equity markets across our investment opportunity set. Our investment universe, in absolute and relative terms, remains under-researched and we believe this should enable compelling alpha opportunities.

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Sources:

<sup>1</sup>BlackRock as at 30 September 2024

 $^{2}$ MSCI as at 30 September 2024

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17 October 2024

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