

Portfolio Update

BLACKROCK FRONTIERS INVESTMENT TRUST PLC (LEI: 5493003K5E043LHLO706)

All information is at **30 April 2024** and unaudited.
Performance at month end with net income reinvested.

	One month %	Three months %	One year %	Three years %	Five years %	Since Launch* %
Sterling:						
Share price	-3.1	2.6	14.5	35.7	32.6	143.0
Net asset value	-2.2	4.6	14.2	43.9	47.7	169.2
Benchmark (NR)**	-0.8	3.5	4.7	20.5	10.5	87.5
MSCI Frontiers Index (NR)	-2.1	2.8	10.4	3.2	17.0	75.5
MSCI Emerging Markets Index (NR)	1.3	9.7	10.3	-7.2	14.3	62.1
US Dollars:						
Share price	-4.0	0.9	14.1	22.8	27.5	96.1
Net asset value	-3.1	2.9	13.7	30.2	42.0	116.9
Benchmark (NR)**	-1.7	1.7	4.3	8.9	6.1	51.7
MSCI Frontiers Index (NR)	-3.0	1.1	10.0	-6.7	12.4	40.9
MSCI Emerging Markets Index (NR)	0.4	7.8	9.9	-16.1	9.8	30.1

Sources: BlackRock and Standard & Poor's Micropal

* 17 December 2010.

** 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.

At month end

US Dollar	
Net asset value - capital only:	199.32c
Net asset value - cum income:	203.35c
Sterling:	
Net asset value - capital only:	159.18p
Net asset value - cum income:	162.40p
Share price:	148.00p
Total assets (including income):	£307.4m
Discount to cum-income NAV:	8.9%
Gearing:	Nil
Gearing range (as a % of gross assets):	0-20%
Net yield*:	4.3%
Ordinary shares in issue**:	189,325,748
Ongoing charges***:	1.38%
Ongoing charges plus taxation and performance fee****:	3.78%

*The Company's yield based on dividends announced in the last 12 months as at the date of the release of this announcement is 4.3% and includes the 2023 interim dividend of 3.10 cents per share, declared on 6 June 2023, and paid to shareholders on 7 July 2023 and the 2023 final dividend of 4.90 cents per share, declared on 30 November 2023, and paid to shareholders on 14 February 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.

<u>Sector Analysis</u>	<u>Gross market value as a % of net assets</u>	<u>Country Analysis</u>	<u>Gross market value as a % of net assets</u>
Financials	45.7	Saudi Arabia	15.9
Industrials	14.5	Indonesia	14.3
Energy	11.2	Philippines	10.0
Materials	10.7	Kazakhstan	8.1
Consumer Staples	8.6	Hungary	7.3
Real Estate	8.2	United Arab Emirates	7.1
Consumer Discretionary	8.1	Greece	5.9
Communication Services	7.9	Poland	5.7
Information Technology	5.1	Chile	4.9
Health Care	0.8	Thailand	4.7
	-----	Qatar	4.1
	120.8	Czech Republic	4.0
	-----	Argentina	3.1
Short positions	-2.3	Kenya	2.9
	=====	Vietnam	2.9
		Multi-International	2.2
		Georgia	2.2
		Malaysia	2.2
		Pakistan	2.2
		Turkey	2.1
		Colombia	2.1
		Singapore	2.1
		Romania	1.5
		Cambodia	1.1
		Nigeria	0.8
		Bangladesh	0.8
		Egypt	0.6

		Total	120.8

		Short positions	-2.3
			=====

*reflects gross market exposure from contracts for difference (CFDs).

Market Exposure

	31.05 2023	30.06 2023	31.07 2023	31.08 2023	30.09 2023	31.10 2023	30.11 2023	31.12 2023	31.01 2024	29.02 2024	31.03 2024	30.04 2024
	%	%	%	%	%	%	%	%	%	%	%	%
Long	112.9	116.9	113.0	113.3	114.9	118.8	113.1	116.6	119.5	121.4	120.4	120.8
Short	3.6	4.0	3.0	3.0	3.0	3.1	4.6	4.7	3.6	3.5	2.7	2.3
Gross	116.5	120.9	116.0	116.3	117.9	121.9	118.0	121.3	123.1	124.9	123.1	123.1
Net	109.3	112.9	110.0	110.3	111.9	115.7	108.8	111.9	115.9	117.9	117.7	118.5

Ten Largest Investments

<u>Company</u>	<u>Country of Risk</u>	<u>Gross market value as a % of net assets</u>
Bank Central Asia	Indonesia	4.7
Saudi National Bank	Saudi Arabia	4.6
Kaspi.Kz JCS	Kazakhstan	3.6
Emaar Properties	United Arab Emirates	3.5
FPT	Vietnam	2.9
Wizz Air Holdings	Hungary	2.8
Etihad Etisalat	Saudi Arabia	2.8
Vista Oil & Gas	Argentina	2.8
Jeronimo Martins	Poland	2.7

Commenting on the markets, Sam Vecht, Emily Fletcher and Sudaif Niaz, representing the Investment Manager noted:

The Company's NAV fell by 3.1 % in April, underperforming its benchmark the MSCI Emerging ex Selected Countries + Frontier Markets + Saudi Arabia Index ("Benchmark Index") which returned -1.7%. For reference, the MSCI Emerging Markets Index was up by 0.4% while the MSCI Frontier Markets Index was down by 3.0% over the same period. All performance figures are on a US Dollar basis with net income reinvested.

Emerging markets (+0.4%) significantly outperformed developed markets in April, which ended the month down -3.7%. EMEA finished the month flat (+0.2%). Latin America (-3.5%) lagged all other regions on Fed re-pricing.

While stock selection did well in April, our country allocation detracted. It was a tough month for Indonesia (-8.5%) as banking sector data released during the month showed some signs of asset quality deterioration. In addition, data released for Q1 showed that there had been somewhat of a hiatus in economic activity over the elections which took place in February. New President Prabowo Subianto with vice Presidential running mate Gibran Rakabuming swept the election on promises of continuing previous President Jokowi's policies. Given Gibran is Jokowi's son, we believe the expectations for policy continuity are fair. We were also hurt by overweight positions in both Kenya (-8.1%) and Philippines (-5.8%) which fell on as the US continued to print higher than expected CPI data pushing out further expectations for a cut in rates. Fears around this peaked mid-April and we have seen a substantial reversal of these concerns since then and continue to have confidence in our current positioning.

At the other extreme, Turkey (+14.1%), a market where we currently have little exposure, outperformed as markets responded to the comments indicating continued monetary orthodoxy. Foreign inflows were c\$500m in the month, some of the strongest levels in the past several years. Pakistan (+7.5%) continued to benefit from policy changes they have enacted in order to reach an agreement with the IMF which was finalised at the end of March.

Nagacorp (+20.5%), the Cambodian integrated gambling resort operator, was the best performing stock over the month as company reported continuing strong results and we continued to see increased incidence of Chinese travellers enjoying foreign travel. Elsewhere in Asia, Vietnamese IT services provider FPT Corp (+5.0%) also did well. The stock rose following news of a co-investment with NVIDIA in an AI factory in Vietnam. Argentinian energy company Vista Energy (+4.3%) rose after reporting strong results showing further significant production growth. The Polish supermarket chain Jeronimo Martins (4.1%) was another contributor, reversing losses from March, after delivering a beat on Q1 net income numbers.

On the flipside, IT services company EPAM (-14.8%) detracted amid weaker full year guidance for revenues. Philippine's based property developer Ayala Land (-13.3%) was another detractor on concerns that higher rates globally would curtail Philippine property demand. Actually post month end we saw the company report a presale result up 20% year on year and the highest level since Q4 19, beating expectations. Indonesian retailer Mitra Adiperkasa (-15.6%) fell as the company reported weak results, particularly in the Food and Beverage segment where they have been hurt by the domestic boycott of Starbucks which has followed the conflict in the Middle East.

Over the course of April, we made a few changes to the portfolio. We initiated a holding in tech conglomerate Sea Ltd as we have a positive view on the company's ability to deliver earnings upgrades. We took advantage of recent weakness and added to our holding in Indonesian property developer Ciputra another developer reporting very strong demand and record pre-sales numbers. We also rotated our financials exposure in Indonesia by exiting Bank Rakyat and buying Bank Mandiri due to concerns that the future credit cost in the microfinance book for Rakyat will be significantly higher than historically as the structure of the book has changed. Elsewhere, we locked in some profits by trimming our exposure to Colombian bank Bancolombia.

As higher global rates continue to feed through into the real economy, we expect some moderation of demand in developed markets. We note slowing credit growth in particular in the US. In contrast, we continue to see improving activity levels in frontier and smaller emerging markets. With inflation falling across many countries within our

universe, rate cuts have started to materialise in some areas of our universe. 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 versus 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.

Sources:

¹BlackRock as at 30 April 2024

²MSCI as at 30 April 2024

10 June 2024

ENDS

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