EQUITY FUND

BlackRock European Fund

As at 30 April 2023

BLACKROCK

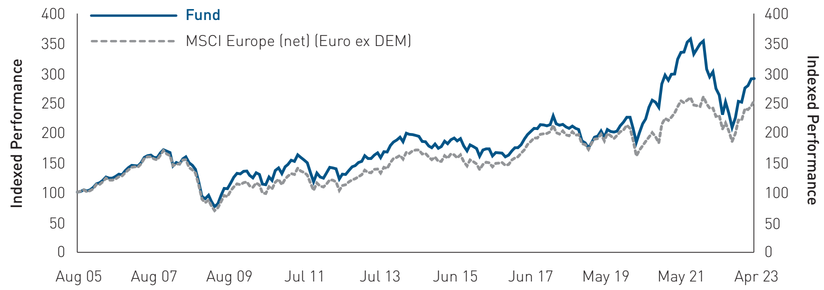
1. The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investm ent objectives.
2. Investment in a Fund may involve a high degree of risk and may not be suitable for all investors. Past performance is not indicative of future results. The value of a Fund can be volatile and could go down substantially within a short period of time. It is possible that the entire amount of your investment could be lost.
3. Funds which invest in emerging markets, specific markets or sectors should be regarded as higher risk than funds following a more diversified policy. Please pay attention to the "Special Risk Considerations" section in the Prospectus for risks associated with investing in emerging markets, specific markets or sectors.

A-Share Cumulative Performance in USD

	YTD %	6 Months %	1 Year %	3 Years %	5 Years %	Since Launch %
Fund	**15.8**	**29.4**	**6.0**	**45.7**	**35.8**	**600.6**
MSCI Europe (net)	15.2	28.2	12.0	49.6	25.4	620.5

A-Share Calendar Year Performance in USD

	2022 %	2021 %	2020 %	2019 %	2018 %	2017 %	2016 %	2015 %	2014 %	2013 %	2012 %	2011 %	2010 %	2009 %
Fund	**-29.1**	**19.2**	**31.5**	**29.7**	**-18.5**	**+21.4**	**-8.5**	**-0.4**	**-9.7**	**+26.9**	**+22.7**	**-13.2**	**+5.4**	**+42.6**
MSCI Europe (net)	-15.1	16.3	5.4	23.8	-14.9	+25.5	-0.4	-2.8	-6.2	+25.2	+19.1	-11.1	+3.9	+35.8



Fund Data

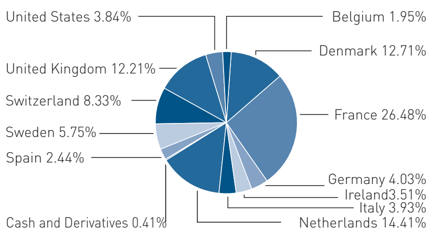
Manager	Nigel Bolton
Inception	30.11.93
Currency	US$
Total Fund Size (m)	US $1,412.3
Annual Management Fee	1.50%
Initial Charge	5%

10 Largest Holdings (%)

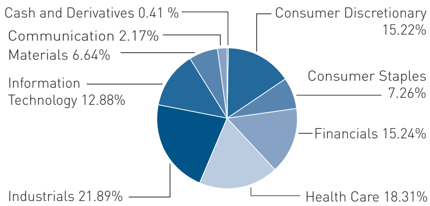
LVMH MOET HENNESSY LOUIS VUITTON SE	7.5
NOVO NORDISK A/S	6.3
ASML HOLDING NV	4.5
LONZA GROUP AG	4.4
LINDE PLC	3.8
RELX PLC	3.6
STMICROELECTRONICS NV	3.5
ASTRAZENECA PLC	3.4
DSV A/S	2.9
MTU AERO ENGINES AG	2.9
Total	**42.8**

Composition of Fund

Country



Sector



Investment Objective

The European Fund seeks to maximise total return. The Fund invests at least 70% of its total assets in the equity securities of companies domiciled in, or exercising the predominant part of their economic activity in, Europe.

Fund Manager's Report

Performance Overview

- After strong active returns through Q1'23, the Fund gave back some performance in April, returning -0.8% (EUR, primary share class, net of fees) compared to the MSCI Europe Index return of +2.5% (EUR).
- We've seen investor positioning turn decidedly more defensive with higher cash balances, hedge fund de-grossing, and equity market leadership in April coming from areas typically thought of as more stable. The market seems to have bought into the narrative that a recession is coming and credit is slowing. We may see some element of tightening, though, we have yet to see anything of major concern in credit indicators we are watching closely.
- The Q1'23 earnings season is underway. While still early in the reporting period, results thus far have been more mixed. As some end-markets slow more than others, we could see a period where growth in companies once again becomes valued at a premium. We continue to position the portfolio towards those companies we expect to realize this premium and see the real test coming after the summer period when we are updated as to whether company operations remain supported.

Sectors

- The Fund's underperformance was driven by both sector allocation – primarily overweight positioning to Technology - and stock specifics within Technology, Healthcare, and Industrials.

Stocks

- Positions in semiconductor businesses - STMicro, ASMI, and ASML detracted after strong gains in recent months.
- ASML's share price was hit before releasing Q1 earnings as news headlines suggested key customers - TSMC, Intel, and Samsung – were planning to cut back on EUV orders. When ASML released first quarter results, sales and margins beat consensus estimates though their new orders figure disappointed coming in -40% quarter-on-quarter and -46% year-on-year. The 2023 sales guide for →25% growth was maintained with their CFO saying that while some customers are delaying orders, others are picking up the available capacity. With the order backlog sitting at almost 2-years, its not unreasonable to expect a slowdown for the next few quarters before seeing a pickup from early 2024.
- STMicro released Q1'23 earnings including beats vs consensus estimates on sales and margins, and a slight raise to full year sales guidance. However, shares fell sharply on gross margin guidance implying a drop off from 49% in H1'23 to 46%-47% in H2'23. The lower margin expectation comes from product mix change, inventory destocking, and a ramp up on costs for their 300mm fab in partnership with Tower Semiconductor. With the majority of these being temporary factors, there's good reason to believe 2024 margins settle above H2'23. When looking back at this downcycle, we think a 300bps gross margin correction will be viewed as a well-run business.
- Sartorius Stedim also detracted after Q1'23 results were weaker than expected. The company had already been guiding for a weaker H1'23 vs H2'23, but the Q1 result shows a larger step up will be needed to hit the full year guidance they've maintained. Q1'23 sales were down -13% and missed consensus by the same amount. Orders were down -32% as customers continue to rundown inventories built up during the pandemic. The company expects orders to normalize by mid-year with full year sales growing low single digit percent and EBITDA margin around flat to prior year. Though, following the Q1 results, we see this guidance at risk of being cut.
- JD Sports saw some profit taking after a strong run. Although not visible for data in JD Sports, credit card data from most of the major providers showed slightly weaker spending from the US consumer which will have caused some pressure on shares.
- Shares in BE Semi stood out amongst industry peers with gains in April which contributed positively to relative portfolio returns. The company's Q1'23 results showed consensus beats on all metrics except for orders where in our view estimates were too high given the company had flagged order pull-ins for smartphones and strong hybrid bonding orders benefiting Q4'22. We expect 2023 to be the trough in orders and sales, with the second half of the year showing more recovery driven by China orders and the hybrid bonding opportunity ramping up into outer years.
- LVMH was another positive contributor as shares continued to climb following their Q1'23 results released in the prior month. Although shares have moved significantly, we still see consensus sitting in the mid-range of the company's guidance, giving shares room to run further as we expect the company to show they can hit the top-end of their guide.
- The portfolio's position in Atlas Copco also benefited relative returns. Shares reacted positively to their Q1'23 update that showed orders 25% ahead and organic sales 4% ahead of consensus. Underlying EBIT also beat consensus estimates with healthy results across divisions. Some of the ordering is called out as exceptional demand but management expect underlying to remain at current levels.

Changes

- After strong gains of late, we took some profits in consumer exposures including LVMH, JD Sports, and L'Oreal.
- We topped up STMicro as shares fell to 10x 2024 PE on our estimates. History has shown the right time to buy semis is during the destock cycle, and at this valuation, STMicro shares look very attractive considering their mid and long-term targets.
- We topped up several industrials – Kingspan, Saint Gobain, DSV - where Q1'23 results have been reassuring.

Positioning

- At the end of the month, our bottom-up convictions resulted in the fund's largest overweight positioning to Information Technology, Industrials, and Consumer Discretionary. The biggest underweight positioning was in Energy, Consumer Staples, and Utilities.

The Fund investment objective was changed on 20 June 2008.

Effective 28 April 2008, Merrill Lynch International Investment Funds (MLIIF) changed its name to BlackRock Global Funds (BGF). Prior to such date the Fund was known as MLIIF European Fund.

BlackRock European Fund is the abbreviated name of BlackRock Global Funds – European Fund.

Effective 1 July 2002, Mercury Selected Trust (MST) changed its name to Merrill Lynch International Investment Funds (MLIIF). Prior to such date the Fund was known as MST European Fund.

Sources: BlackRock Investment Management (UK) Limited and Datastream. Performance is shown as at 30 April 2023 in US$ on a NAV to NAV price basis with income reinvested. Fund performance figures are calculated net of fees. The above Fund data is for information only.

Investment involves risk. Past performance is not necessarily a guide to future performance. The value of investments and the income from them can fluctuate and is not guaranteed. The investment returns are denominated in Euro. US/HK dollar-based investors are therefore exposed to fluctuations in the US/HK dollar/Euro exchange rate. Investors may not get back the amount they invest. Individual stock price/figure does not represent the return of the Fund. For Hong Kong investors, please refer to the BGF Prospectus for details, including risk factors. Issued in Hong Kong by BlackRock (Hong Kong) Limited.

This advertisement (or sales material) has not been reviewed by the Securities and Futures Commission of Hong Kong.

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貝萊德歐洲基金

截至 2023年4月30日止

BLACKROCK

1. 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
2. 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
3. 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

A 股基金累積表現（美元）

	年初至今 %	六個月 %	一年 %	三年 %	五年 %	成立至今 %
本基金	**15.8**	**29.4**	**6.0**	**45.7**	**35.8**	**600.6**
MSCI歐洲指數（淨值）	15.2	28.2	12.0	49.6	25.4	620.5

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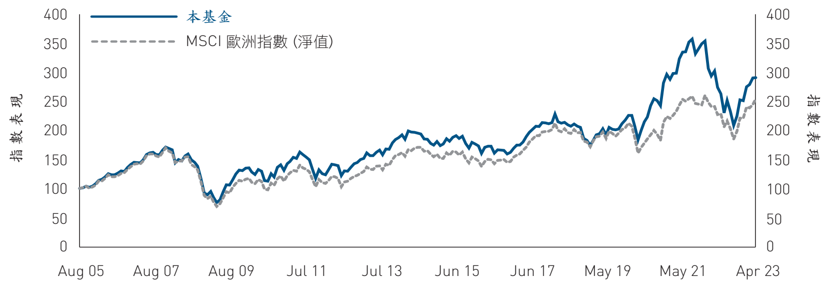
	2022 %	2021 %	2020 %	2019 %	2018 %	2017 %	2016 %	2015 %	2014 %	2013 %	2012 %	2011 %	2010 %	2009 %
本基金	**-29.1**	**19.2**	**31.5**	**29.7**	**-18.5**	**+21.4**	**-8.5**	**-0.4**	**-9.7**	**+26.9**	**+22.7**	**-13.2**	**+5.4**	**+42.6**
MSCI歐洲指數（淨值）	-15.1	16.3	5.4	23.8	-14.9	+25.5	-0.4	-2.8	-6.2	+25.2	+19.1	-11.1	+3.9	+35.8



投資目標

貝萊德歐洲基金以盡量提高總回報為目標。基金將總資產至少70%投入於在歐 洲註冊或從事大部分經濟活的公司之股權證券。

基金經理報告

表現概述

- 基金繼2023年第一季錄得強勁主動回報後，4月份回吐部份升幅，報跌0.8%（歐元，主要股份類別，已扣除費用），MSCI歐洲指數則上升2.5%（歐元）。
- 投資者的配置明顯轉趨防守，從現金配置增加、對沖基金減持投資，以及4月份股市由普遍被視為較穩定的範疇領漲可見一斑。市場似乎認為經濟面臨衰退及信貸放緩。儘管現時可能有驅使信貸收緊的因素，但我們密切關注的信貸指標尚未出現任何重大問題。
- 目前正處於2023年第一季盈利業績公佈期。雖然業績期才剛開始，但至今的表現越來越參差。由於部份終端市場的增速較其他市場緩慢，企業的增長應會再度從溢價反映出來。投資組合繼續投資於我們預期能實現溢價的公司，夏季過後將會面臨真正的考驗，屆時我們會確認相關公司的營運是否仍然向好。

行業

- 行業配置削弱基金回報，主要由於基金對科技業持偏高比重，以及科技、醫療保健和工業的個股表現欠佳。

股票

- 在過去數月錄得強勁升幅後，STMicro、ASMI及ASML的半導體公司持倉表現回落。
- 有消息指ASML的主要客戶（台積電、英特爾和三星）計劃減少極紫外光刻機的訂單量，導致其股價在公佈首季盈利業績前受壓。ASML第一季業績顯示新訂單數據按季下跌40%及按年下跌46%，表現令人失望，但銷售和利潤率則優於普遍預測。該公司的財務總監表示，雖然部份客戶延後訂單，但其他客戶的產能逐漸回升，故將2023年銷售指引維持於25%以上水平。由於未完成訂單積壓近兩年，故認為銷售在未來數季放緩後於2024年初回升的預期實屬合理。
- STMicro公佈2023年首季盈利業績，銷售和利潤率均高於市場普遍預測，並輕微上調全年銷售指引。然而，該公司的毛利率指引由2023年上半年的49%降至2023年下半年的46%至47%，拖累其股價急挫。利潤率下跌的預期源於產品組合變動、庫存減少，以及合作夥伴Tower Semiconductor的300毫米晶圓廠成本上漲。上述因素大多屬暫時性，因此有充份理由相信2024年的利潤率將高於2023年下半年。回顧此下行周期，我們認為該公司的毛利率調整300基點，可被視為妥善經營業務。
- Sartorius Stedim 的2023年第一季業績遜於預期，亦利淡表現。該公司預測2023年上半年業績較2023年下半年疲弱，但首季業績顯示，若要實現其維持的全年指引，業績表現需要顯著改善。2023年第一季銷售下跌13%，低於普遍預測13%。鑑於客戶持續消耗在疫情期間積壓的庫存，故訂單量下降32%。該公司預期訂單量於年中恢復正常，全年銷售以低單位數百分比增長，息、稅、折舊及攤銷前利潤大致與去年相若。然而，首季業績顯示指引有下調風險。
- JD Sports錄得強勁表現後出現獲利回吐。儘管JD Sports的數據未能反映，但大部份主要供應商的信用卡數據顯示，美國消費者的開支略為轉弱，將導致股價受壓。
- BE Semi的股份在4月份領先其他同業，為投資組合的相對回報帶來正面貢獻。該公司2023年第一季業績顯示除了訂單量外，所有指標均高於預期，但由於該公司被智能電話製造商要求提前交付訂單，加上受惠於混合鍵合技術（hybrid bonding）的2022年第四季訂單強勁，我們認為訂單估計數據過高。我們預期訂單和銷售量將於2023年見底，在中國訂單及混合鍵合機會於未來數年增加的推動下，有關數據將在下半年錄得更大升幅。
- LVMH繼上月公佈2023第一季業績後，股價持續攀升，亦帶來正面貢獻。儘管股價顯著上揚，但市場普遍預測仍然介乎盈利指引的中等區間，我們認為該公司可望達致指引的最高水平，股價有進一步上行的空間。
- 投資組合持有Atlas Copco亦有助提升相對回報。該公司的2023年第一季業績顯示訂單量和內部銷售分別高於普遍預測25%和4%，股價因而走高。由於各部門的業績穩健，整體息稅前利潤亦優於普遍預測。部份訂單被指是源於異常需求，但管理層預期整體數據維持在目前水平。

變動

- LVMH、JD Sports和L’Oreal等消費股在近期錄得強勁升幅後，我們沽售相關持倉獲利。
- STMicro股價下跌，2024年市盈率為10倍，與我們的預測一致，因此增持該公司的持倉。從往績可見，增持半導體公司的最佳時機，是在去庫存周期內以當前估值買入，考慮到STMicro的中長期目標，其股份顯得相當吸引。
- Kingspan、Saint Gobain及DSV等多隻工業股的2023年第一季業績樂觀，我們增持相關公司。

配置

- 根據「由下而上」分析產生的信念，基金於月底對資訊科技、工業和非必需消費品業持最大偏高比重；對能源、基本消費品和公用事業持最大偏低比重。

基金資料

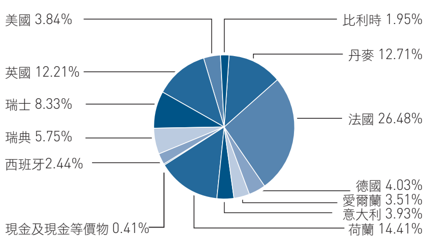
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值（百萬）	1,412.3美元
每年管理費	1.50%
首次認費	5%

十大持股比重（%）

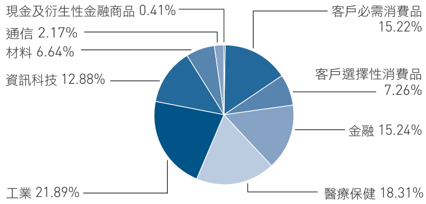
LVMH MOET HENNESSY LOUIS VUITTON SE	7.5
NOVO NORDISK A/S	6.3
ASML HOLDING NV	4.5
LONZA GROUP AG	4.4
LINDE PLC	3.8
RELX PLC	3.6
STMICROELECTRONICS NV	3.5
ASTRAZENECA PLC	3.4
DSV A/S	2.9
MTU AERO ENGINES AG	2.9
Total	**42.8**

基金投資分佈

國家



行業



基金的投資目標於 2008 年 6 月 20 日已被更改。
於 2008 年 4 月 28 日，美林國際投資基金已更名為貝萊德全球基金。在上述日期前，此基金名為美林歐洲基金。
貝萊德歐洲基金乃貝萊德全球基金 - 歐洲基金之簡稱。
於 2002 年 7 月 1 日，水星 MST 基金已更名為美林國際投資基金。在上述日期前，此基金名為水星MST歐洲基金。
資料來源：BlackRock Investment Management (UK) Limited 及 Datastream。基金表現截至2023年4月30日為止，以美元按資產淨值比資產淨值基礎計算，將收入再作投資。基金表現數據的計算已扣除費用。上述基金表現僅作參考之用。
投資涉及風險。過往業績並不代表將來的表現，基金價格及其收益可升可跌，並不能保證。投資收益以歐元計算。因此，以美元 / 港元作出投資的投資者,需承受美元 / 港元 / 歐元兌換率的波動的風險。投資者可能無法取回原本投資金額。個別股票價格並不代表本基金的回報。香港投資者欲知有關詳情，請參考貝萊德全球基金章程，包括風險成份。資料由貝萊德（香港）有限公司所發佈 。
此廣告（或銷售資料）並未被香港證監會所審閱。
在新加坡，資料由 BlackRock Investment Management (Singapore) Limited 所發佈 。在新加坡分銷本基金，此文件將被納入為貝萊德全球基金售股章程的一部份（即證券及期貨條例所定義的資料備忘錄）。
在新加坡，此文件所提及的基金只可售予證券及期貨條例第 304 條定義的機構投資者及第 305 條定義的認可投資者。

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