

BlackRock European Fund

As at 31 August 2020

BLACKROCK

- 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 investment objectives.
- 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.
- 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	12.9	23.0	26.9	23.2	29.4	513.7
MSCI Europe (net)	-5.7	6.6	5.4	4.9	21.4	466.7

A-Share Calendar Year Performance in USD

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	%	%	%	%	%	%	%	%	%	%	%	%	%
Fund	29.7	-18.5	+21.4	-8.5	-0.4	-9.7	+26.9	+22.7	-13.2	+5.4	+42.6	-43.0	+14.6
MSCI Europe (net)	23.8	-14.9	+25.5	-0.4	-2.8	-6.2	+25.2	+19.1	-11.1	+3.9	+35.8	-46.4	+13.9



Fund Data

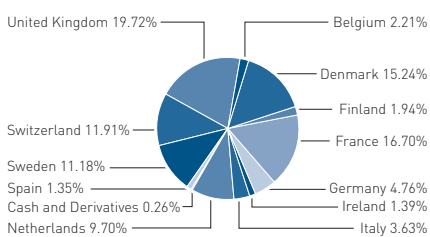
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,323.4
Annual Management Fee	1.50%
Initial Charge	5%

10 Largest Holdings (%)

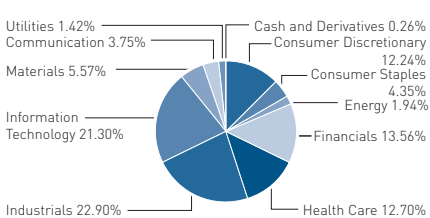
LVMH MOET HENNESSY LOUIS VUITTON SE	5.1
SIKA AG	5.1
ASML HOLDING NV	5.0
SAP SE	4.7
LONZA GROUP AG	4.4
ROYAL UNIBREW A/S	4.4
DSV PANALPINA A/S	4.1
VOLVO AB	3.7
NOVO NORDISK A/S	3.5
LONDON STOCK EXCHANGE GROUP PLC	3.1
Total	43.0

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

- European markets rose modestly during August with cyclical assets leading the way. Defensive sectors including healthcare, utilities and consumer staples lagged the market rally.
- The rising market was aided by a better-than-expected Q2 earnings season and a continued improvement in economic indicators, as well as optimism over Covid-19 vaccine trials.
- The fund strongly outperformed its benchmark, driven by both stock selection and sector allocation.

Sectors

- Consumer discretionary was the top performing sector in the index, led by travel & leisure, and autos.
- Industrials and materials also performed strongly.
- The portfolio benefitted from its cyclical positioning, with the overweight in industrials and underweight in consumer staples helping relative returns.
- The worst performing sectors were healthcare, consumer staples, and utilities. Our underweights in all three benefitted the portfolio modestly.

Stocks

- DSV was the top contributor to returns. There was little stock specific news during the month, aside from comments made by the CFO that they would be interested in making another acquisition. DSV has an exceptional track record in deploying capital through M&A; and executing on integrating the acquired companies. We see this news as positive as it gives further evidence that the previous acquisition (Panalpina) is progressing well. It also adds weight to our thesis that the strongest companies have widened their competitive advantages during the pandemic.
- Sika also continued to contribute strongly to portfolio performance after announcing H1 results ahead of expectations back in July. There was little stock specific news in August, aside from qualitative comments that the business has accelerated in July and August.
- Volvo, which we added to the portfolio in early April, continued its rally. The company is seeing a strong recovery in demand with US heavy duty truck orders up +100% y/y in July (announced in August). Truck utilization has also recovered strongly and is back to pre-covid levels. We see this as a positive lead indicator for Volvo, given the increasing size of its higher margin service business – which now represents 25% of sales and maintains EBIT margins of c. 20%. The management team have continued to execute strongly on costs and confirmed our conviction that the business is now far more resilient than under the previous leadership.
- Kingspan delivered a strong set of results, significantly beating expectations for sales and operating profit and with improving business momentum towards the end of the period, resulting in sell-side analysts upgrading their earnings estimates for the full year. The business is benefitting from the long-term decision making and stewardship of its founder-CEO; and we see continued tailwinds for the company through delivering its insulation solutions into data centres, storage facilities, and EV auto factories.
- Hexagon, an industrial and software conglomerate, also drove returns. The business specializes in the provision of geomatics and monitoring software and sensors, as well as plant management and automation systems. Its products have applications in diverse end markets including smart phones, mining automation, construction surveying, and agriculture optimization. The company pre-announced Q2 earnings with sales c. 6% and EBIT 34% ahead of expectations; while operating cash flow was up c. 34% y/y.
- Lonza detracted modestly from returns after rallying strongly over recent months. There was no stock specific news.
- There was also minor profit taking in Orsted, KBC, and Novo Nordisk.

Changes

- We made very few changes during the month, aside from adding to our recently initiated position in Swedbank. It is taking c. 25% share of new mortgage volumes in Sweden, where the market is growing at c. 5%. We also see upside to net interest income as funding costs have fallen due to local central bank action.

Positioning

- The portfolio remains cyclically positioned, with significant overweights in IT and industrials; and a large underweight in consumer staples.
- Over the past 5 months we have almost doubled our weight in financials, which now stands at c. 14%.
- Our only energy exposure remains the leading renewables player Neste Oil; and our bottom-up convictions lead us to remain underweight utilities, materials, and healthcare.

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 31 August 2020 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.

In Singapore, this information is issued by BlackRock Investment Management (Singapore) Limited. For the purposes of distribution in Singapore, this document forms part of the prospectus for BGF (which is an information memorandum as defined in the Securities and Futures Act). In Singapore, the fund referred to in this document may be offered to institutional investors under section 304 and accredited investors under section 305 of the Securities and Futures Act only.

BlackRock (Hong Kong) Limited

Address: 16/F Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

Tel: +852 3903 2800 Fax: +852 3903 2900 Website: <http://www.blackrock.com.hk>

貝萊德歐洲基金

截至 2020年8月31日止



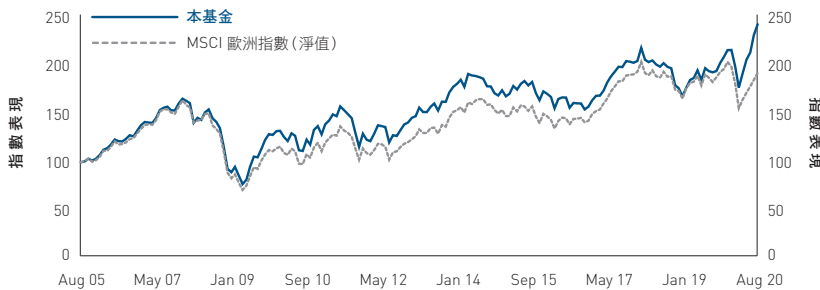
1. 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
2. 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
3. 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

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	12.9	23.0	26.9	23.2	29.4	513.7
MSCI歐洲指數 (淨值)	-5.7	6.6	5.4	4.9	21.4	466.7

A 股基金年度表現 (美元)

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基金資料

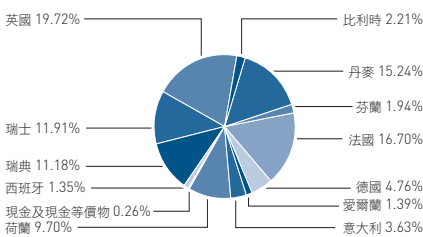
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,323.4
每年管理費	1.50%
首次認費	5%

十大持股比重 (%)

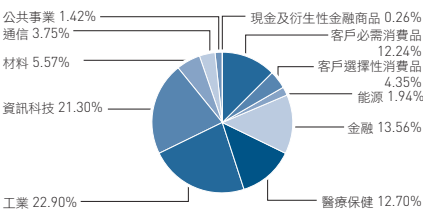
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DSV PANALPINA A/S	4.1
VOLVO AB	3.7
NOVO NORDISK A/S	3.5
LONDON STOCK EXCHANGE GROUP PLC	3.1
總計	43.0

基金投資分佈

國家



行業



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

- 8月份，歐洲市場溫和上升，周期性資產領漲。醫療保健、公用事業及基本消費品等防守性行業則落後於大市升勢。
- 第二季企業盈利表現勝預期，經濟指標持續改善，加上新冠肺炎疫苗試驗帶來樂觀情緒，均支持市場造好。
- 在選股及行業配置的帶動下，基金表現大幅優於基準指數。

行業

- 非必需消費品是指數中表現最佳的行業，由旅遊與消閒及汽車業領漲。
- 工業及原材料業亦表現強勁。
- 投資組合受惠於周期性配置，對工業股持偏高比重及對基本消費品持偏低比重均相對回報。
- 表現最遜色的行業包括醫療保健、基本消費品及公用事業。我們對這三個行業持偏低比重略為利好投資組合的表現。

股票

- DSV的持倉為回報帶來最大貢獻。除財務總監表示公司有意進行另一宗收購之外，月內有關該股份的消息不多。DSV透過併購調配資金及整合被收購公司方面的佳績優秀。我們認為上述消息為利好因素，因其證明公司早前收購泛亞班拿 (Panalpina) 的項目進展良好，而且更進一步鞏固我們的投資理據：最具實力的公司在疫情期間將能擴闊其競爭優勢。
- 西卡集團 (Sika) 於7月份公佈上半年業績優於預期後，持續為投資組合帶來顯著貢獻。除某些定性評論指公司業務在7月及8月加速發展外，8月份有關該股份的消息不多。
- 我們於4月初為投資組合新增的富豪汽車 (Volvo) 持倉升勢延續。公司於8月份公佈，7月份美國重型卡車訂單按年增長100%，反映需求顯著回升。卡車使用率亦大幅反彈，現已重返疫前水平。鑑於富豪汽車利潤較高的服務業務規模不斷擴大，我們認為這是利好的領先指標。服務業務現時佔銷售額的25%，息稅前利潤率維持於20%。管理層團隊繼續嚴格執行成本控制，確認了我們對其業務的信心，相信其表現將較前任領導層時期更穩健。
- Kingspan多項業績指標表現強勁，銷售額及營運溢利大幅超出預期，期末業務動力良好，故賣方分析師已上調其全年盈利預測。該公司業務受惠於其創辦人兼行政總裁的長期決策及盡責管理。透過為數據中心、倉儲設施及電動汽車工廠提供絕緣方案，該公司業務持續展現動力。
- 工業與軟件綜合企業海克斯康 (Hexagon) 同樣貢獻回報。公司專門從事提供地圖測繪、監控軟件及感測器，以及工廠管理和自動化系統等業務。產品應用於智能電話、自動探礦、建築測量及農業優化等多個不同終端市場。公司預先公佈第二季業績表現，銷售和息稅前利潤率分別優於預期約6%和34%，營運現金流則按年升約34%。
- 龍沙集團 (Lonza) 在最近數月錄得強勁增幅後，月內略為拖累回報。市場上並無有關該股份的消息。
- Orsted、比利時聯合銀行 (KBC) 及諾和諾德 (Novo Nordisk) 的股份亦出現輕微獲利回吐。

變化

- 除了增持近期新增的瑞典銀行持倉外，投資組合於月內的變動甚少。瑞典按揭市場目前的增長率約為5%，而瑞典銀行佔瑞典新增按揭量的比重約25%。當地央行的政策使融資成本下降，令瑞典銀行的淨利息收入有望增加。

配置

- 投資組合維持周期性配置，對資訊科技及工業股持顯著偏高比重，對基本消費品則持顯著偏低比重。
- 於過往五個月間，我們已將金融股持倉增加近一倍，目前維持約14%的比重。
- 我們唯一的能源業持倉仍然是可再生能源龍頭公司Neste Oil。我們根據「由下而上」分析產生的信念，維持對公用事業、原材料及醫療保健股持偏低比重。

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2020年8月31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)並未獲香港證監會所審閱。

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。

貝萊德(香港)有限公司

地址：香港中環皇后大道中2號長江集團中心16樓

電話：+852 3903 2800 傳真：+852 3903 2900 網址：http://www.blackrock.com.hk