

BlackRock European Fund

As at 31 August 2023

BLACKROCK

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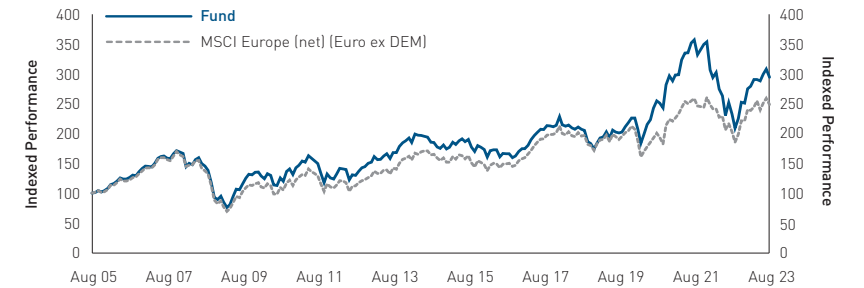
The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
2.

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.

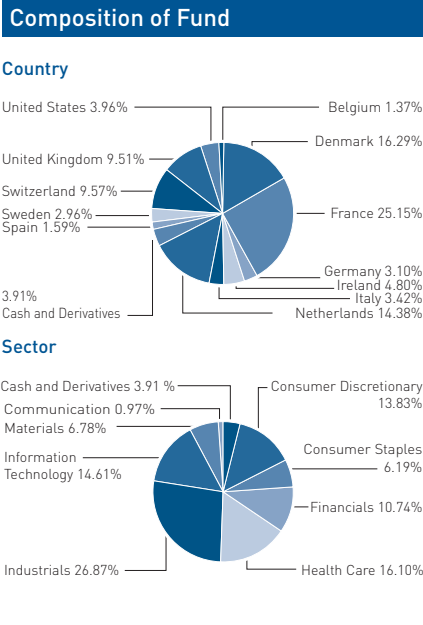
A-Share Cumulative Performance in USD						
	YTD	6 Months	1 Year	3 Years	5 Years	Since Launch
	%	%	%	%	%	%
Fund	17.2	5.4	26.5	15.5	42.1	608.9
MSCI Europe (net)	12.4	4.1	22.5	24.1	26.9	603.4

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 \$1,451.0
Annual Management Fee	1.50%
Initial Charge	5%

10 Largest Holdings (%)	
NOVO NORDISK A/S	8.4
LVMH MOET HENNESSY LOUIS VUITTON SE	6.5
ASML HOLDING NV	4.8
LINDE PLC	4.0
STMICROELECTRONICS NV	3.9
LONZA GROUP AG	3.8
DSV A/S	3.5
RELX PLC	3.4
SCHNEIDER ELECTRIC SE	3.3
BE SEMICONDUCTOR IND.	3.2
Total	44.8



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 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. 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.

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**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**

- The Fund returned -2.8% (EUR, primary share class, net of fees) trailing the MSCI Europe Index return of -2.4% (EUR).
- The tail end of the Q2'23 earnings season brought few surprises, following similar themes to the bulk of company reporting in July. The primary driver of market weakness in August seemed to come from macro read outs where prior period indicators around US employment, manufacturing, and GDP were revised down. The tone in Europe was similar with macro readings around PMIs and inflation disappointing to a degree.
- Too much focus on these backward-looking economic measures misses the point in our mind. The key for investors is to focus on what the market is telling us about companies 12-months from now and beyond. While we wouldn't be surprised to see a bit of profit taking after the market's strong run, the next 6-18 months looks more interesting today and we are focused on finding the best opportunities for the portfolio today which position it for the future.
- Over the next few weeks, we will have the opportunity to speak with many company management teams as the September conference season kicks off. As always, it will be important to look sector-by-sector and stock-by-stock to find opportunities, though, we are generally feeling more constructive as evidence builds that we should be in a better place within the business cycle over the next 6-18 months. We also maintain ample long-term opportunity from the portfolio's exposure to end-markets supported by structural spending streams such as funding digitalisation, capex renaissance, and low-carbon transition.

**Sectors**

- Cyclical sectors led the August market decline. Against that backdrop, the portfolio's overweight positioning within Technology and Industrial sectors detracted. An underweight to Energy also detracted with the sector supported by a higher oil commodity price.

**Stocks**

- The portfolio's position in Adyen was the top detractor in the month. Shares fell over 40% after a disappointing earnings update showed a dramatic slowdown in growth. Of most concern was the speed at which the competitive dynamic has changed. We've owned Adyen on the thesis that its position as the low cost payments provider, with its best in class singlestack technology platform, would continue to drive profitable growth through market share gains. Management's update surprised the market, flagging increased pricing competition in North America (25% of group revenues) as a reason for slowing growth. The step change in competition came from Braintree, a unit within PayPal, which we believe may be now trying to undercut Adyen in a loss leader strategy. This new dynamic is unquestionably a negative to the investment thesis, and we now need to see evidence as to whether this is a limited disruption or a sign of what could be faced in the form of competitive pressure in other geographies such as Europe, and whether Adyen's investment in innovation and service can ultimately prove successful over this aggressive price strategy.
- A holding in Sika detracted on mixed Q2'23 results. Organic growth was slightly below consensus expectations with weakness in Americas and Europe offsetting strength in Asia and their Global business lines (e.g. autos). This led to a small downgrade to full year 2023 organic growth guidance. Meanwhile gross margin expansion is coming through as expected - >300bps year-on-year to 52.7% - with raw material input cost headwinds fading.
- A position in IMCD dragged on relative returns after the company reported results that were worse than anticipated. Year-on-year revenue was down -7%, missing consensus estimates by 12%. We note consensus has historically struggled to model this company given the lack of steer from management. However, the short-term result was more disappointing than we expected, particularly when compared to how key competitors fared in the same period. Ultimately though, the business model has not changed. This is a very weak period of destocking which follows what was a period of remarkable earnings. IMCD's earnings growth should remain supported as we come through the destock period as well as through M&A where the company has been quite active this year.
- Headlines around macro weakness in China weighed on shares such as LVMH and ST Micro.
- Novo Nordisk shares rallied after the company reported a successful result from their 'Select' trial which was looking at the use of their obesity drug, Wegovy, for preventing major adverse cardiovascular events (MACE). The trial resulted in a 20% reduction in MACE, a result well beyond expectations which had been tempered when the trial was continued beyond interim checkpoint in Q2'22. We believe these results can help underpin the validity of this new category of obesity drugs, leading to further uptake from commercial insurers and government programmes.
- Kingspan also contributed positively with an acquisition announced and results reported in August, leading to a number of sell-side upgrades. We are convinced the company stands to see massive gains from capex supporting reshoring, electric vehicle, and battery plants. While meeting with their CEO, it was made clear that most of the actual investment behind capex plans is still to come which should keep business momentum on track.
- A position in Royal Unibrew was positive for relative returns. Overall, the business is executing very well and beginning to rebuild margins versus quite a conservative consensus expectation. The tailwinds from easing energy and raw material input costs should continue from here while shares remain on an attractive valuation for the quality of this asset. We expect a period of strong EBIT growth and room for shares to re-rate as the company continues to recover from cost pressures, destocking effects, and as it proves successful integration of recent acquisitions.
- Linde reported a Q2'23 EPS beat 6% ahead of consensus and provided a small full year 2023 guidance upgrade bringing guided earnings growth to between +12% and +14% year-on-year. A growing orders backlog, now standing at \$4.4b, continues to support long-term growth assumptions. The company's execution on costs has also been excellent which should lead to operational leverage with margin upside as volumes return.

**Changes**

- After a wobble in the Adyen investment thesis, as described above, the position was trimmed to a holding weight. While we believe the derating was overdue relative to the known business impact, there is likely to be an overhang on shares while we await evidence as to how far the competitive threat may go.
- AstraZeneca was sold on competition for capital. This asset was brought into the fund in 2022 during a period where we were seeking more balance through defensive business models. While we still see the fundamental case for opportunity through their drug pipeline, we've found better ideas in the market for what we see as an improving business environment.
- We consolidated our European bank holdings, adding to banks where we have higher conviction in upside from here due to more upside on fair value as well as attractive current valuations. This included top ups to AIB and BNP and an exit from Nordea.

**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, Financials, and Consumer Staples.

# 貝萊德歐洲基金

## 截至 2023年8月31日止

# BLACKROCK

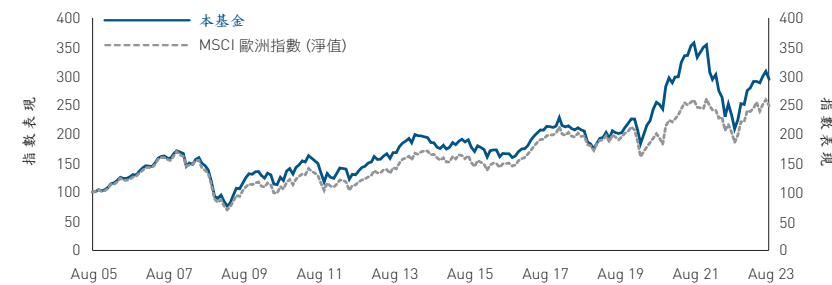
1. 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
2. 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
3. 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

### 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	17.2	5.4	26.5	15.5	42.1	608.9
MSCI歐洲指數（淨值）	12.4	4.1	22.5	24.1	26.9	603.4

### A 股基金年度表現（美元）

	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



### 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）	1,451.0美元
每年管理費	1.50%
首次認費	5%

### 十大持股比重（%）

NOVO NORDISK A/S	8.4
LVMH MOET HENNESSY LOUIS VUITTON SE	6.5
ASML HOLDING NV	4.8
LINDE PLC	4.0
STMICROELECTRONICS NV	3.9
LONZA GROUP AG	3.8
DSV A/S	3.5
RELX PLC	3.4
SCHNEIDER ELECTRIC SE	3.3
BE SEMICONDUCTOR IND.	3.2
Total	44.8

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 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。

### 貝萊德（香港）有限公司

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### 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動的公司之股權證券。

### 基金經理報告

#### 表現概述

- 基金錄得 2.8% 的跌幅（歐元，主要股份類別，已扣除費用），表現遜於下跌 2.4%（歐元）的 MSCI 歐洲指數。
- 2023 年第二季盈利業績期末公佈的業績大致符合預期，與 7 月公佈的大部份公司業績表現相若。8 月份市場走勢，似乎主要受基於宏觀經濟數據、美國就業、製造業數據和國內生產總值等過往期間的指標均被下調。歐洲的表現也相若，採購經理人指數和通脹等宏觀數據令人略感失望。
- 我們認為，過度關注這些後視式經濟指標會忽略問題的關鍵，投資者應關注能預示企業未來 12 個月及往後表現的市場訊號。雖然市場顯著回升後出現獲利回吐並不令人意外，但未來 6 至 18 個月更值得注視，我們目前致力為投資組合物色最佳機會，為未來作好部署。
- 隨著 9 月會議季展開，未來數週我們將有機會與眾多公司的管理團隊進行討論。一如既往，重要的是提前研析個別行業和股份，從中物色投資機會。然而，我們整體轉趨樂觀，因為越來越多的證據顯示，未來 6 至 18 個月我們應會步入較佳的商業周期階段，投資組合配置於靈敏化融資、資本開支回升及低破轉型等結構性開支來源支持的經濟市場，有關投資日後將提供大量長遠機會。

#### 行業

- 周期性行業在 8 月份錄得最大跌幅。在此環境下，投資組合對科技和工業的偏重比重配置均削弱表現。石油商品價格上漲，因此基金對能源業持偏低比重亦不利回報。

#### 股票

- 月內，Adyen 是投資組合中表現最遜色的持倉。該公司業績顯示增長大幅放緩，表現令人失望，導致其股價下挫超過 40%。其中，競爭格局變化之快令投資者感到憂慮。基金認為 Adyen 作為低成本支付服務供應商具備優勢，憑藉一流的單機技術平台，持續透過提高市場佔有率推動利潤增長，因此投資於該公司。不過，其管理層最近指出，北美洲（佔集團收入的 52%）價格競爭劇烈導致利潤放緩，令市場感到不安。PayPal 旗下的 Grant Thornton 等競爭格局顯著變化，我們認為該公司目前可能試圖以虧本銷售策略削弱 Adyen 的地位。這種策略毫無疑問削弱我們的投資理據，而我們尚在觀望其影響是否有減，或是否預示歐洲等其他地區可能面臨競爭壓力，以及 Adyen 對創新和服務的投資最終能否抵禦如此迫近的價格策略。
- Sika 的 2023 年第二季業績好淡紛紜，該持倉削弱基金表現。該公司的內部增長略低於市場普遍預期，美洲和歐洲業績疲弱，抵銷亞洲及全球業務（例如汽車）的強勁表現，導致 2023 年全季內部增長指引小幅下調。與此同時，隨著原材料投入成本的不利因素減退，毛利率一如預期擴張，按年上升超過 300 點至 52.7%。
- IMCD 公佈的業績較市場預期遜色，有關持倉拖累相對回報。該公司的按年收入下跌 7%，較市場估計低 12%。我們注意到，由於管理層並未提供指引，市場向來難以對該公司進行模擬預測。然而，短期業績較我們預期更遜色，尤其是與主要競爭對手的同期表現比較。然而，該公司的業務模式並非長期改變，經過一段盈利可觀的時期後，該公司現時處於非常強勁的去庫存時期，隨著去庫存時期過去，加上 IMCD 今年活動於研購活動，其盈利增長可望繼續獲得支持。
- 有關中國宏觀經濟疲弱的消息使 LVMH 及 ST Micro 等股票受壓。
- 諾和諾德（Novo Nordisk）進行一項名為 Select 的測試，研究其肥胖症藥物 Wegovy 用於預防重大不良心血管事件（MACE）的作用，並公佈有關測試取得成功，帶動其股價回升。有關測試結果顯示，該藥有助把 MACE 的發生率降低 20%，成效遠超預期。這項測試在 2022 年第二季進行中期檢查，當時市場對該藥的預期成效較為審慎。我們認為有關結果能為這種新型肥胖症藥物的成效提供支持，促使商業保險公司及政府計劃進一步納入有關藥物。
- Kingspan 亦為回報帶來貢獻，該公司宣佈進行收購，並於 8 月公佈業績，因而獲多名賣方分析師調升評級。我們相信該公司將受惠於支持來自回流、電動車和電池廠房的資本開支，而該公司業務模式並非長期改變，經過一段盈利可觀的時期後，該公司現時處於非常強勁的去庫存時期，加上成功整合近期收購的業務，我們預料其息稅前利潤將強勁增長，而且股價存在估值偏低的空間。
- Royal Unibrew 的持倉好轉相對回報，整體而言，該公司的業務執行非常出色，而且利潤率開始回升，表現勝於市場較為保守的預期。能源及原材料投入成本下降的利好因素應可持續，而基於該公司龐大資產，其股票的估值仍具吸引力。隨著該公司持續擺脫成本壓力和去庫存影響，加上成功整合近期收購的業務，我們預料其息稅前利潤將強勁增長，而且股價存在估值偏低的空間。
- Linde 公佈 2023 年第二季每股盈利，較市場普遍預期高 6%，並小幅上調 2023 年全年指引，使盈利增長指引介乎按年 +12% 至 +14%，未元或匯率不增加，目前已達 44 億美元，繼續為長期增長假設提供支持。該公司在執行成本控制方面亦非常出色，應可帶來營運槓桿效益，隨著業務量回升，利潤亦具有上升空間。

#### 變動

- 在 Adyen 的投資理據變動後（如上所述），我們減持有關持倉。雖然我們認為相對於已知的業務影響，估值下調的幅度過大，但在確認有關競爭威脅的嚴重性前，其股價可能受壓。
- 基於資本競爭，我們沽出阿斯利康（AstraZeneca）的持倉。基金在 2022 年買入該資產，當時我們物色業務模式具防守性的企業，使投資組合更趨平衡。雖然我們仍然認為該公司研發中的藥物為相關投資機會提供基本理據，但在當前環境改善的情況下，我們已於市場找到更佳投資意念。
- 我們整合歐洲銀行持倉，增持一些公平價值存在上升空間和目前估值吸引，使我們較有信心其股價有望上升的銀行股，包括增持 AIB 和法國巴黎銀行（BNP），以及芬蘭渣打 Nordea。

#### 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重比重；對能源、金融和基本消費品業持最大偏輕比重。