

# BlackRock European Fund

As at 31 December 2019

# BLACKROCK

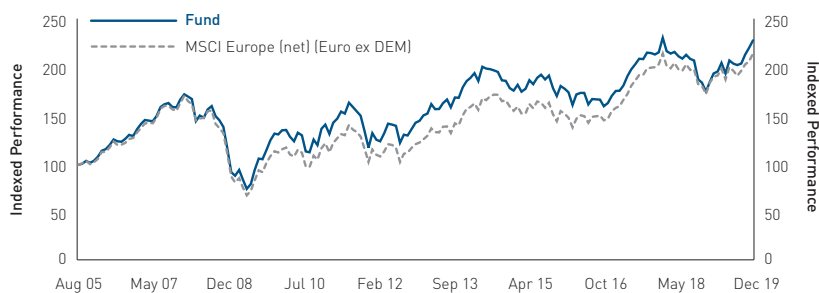
- The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investment 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
	%	%	%	%	%	%
<b>Fund</b>	<b>29.7</b>	<b>9.9</b>	<b>29.7</b>	<b>28.3</b>	<b>16.9</b>	<b>443.8</b>
MSCI Europe (net)	23.8	6.9	23.8	32.3	28.0	501.0

## A-Share Calendar Year Performance in USD

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	%	%	%	%	%	%	%	%	%	%	%	%	%
<b>Fund</b>	<b>-18.5</b>	<b>+21.4</b>	<b>-8.5</b>	<b>-0.4</b>	<b>-9.7</b>	<b>+26.9</b>	<b>+22.7</b>	<b>-13.2</b>	<b>+5.4</b>	<b>+42.6</b>	<b>-43.0</b>	<b>+14.6</b>	<b>+34.3</b>
MSCI Europe (net)	-14.9	+25.5	-0.4	-2.8	-6.2	+25.2	+19.1	-11.1	+3.9	+35.8	-46.4	+13.9	+33.7



## Fund Data

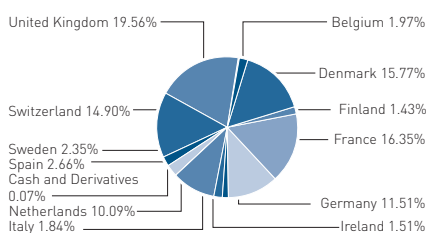
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,134.2
Annual Management Fee	1.50%
Initial Charge	5%

## 10 Largest Holdings (%)

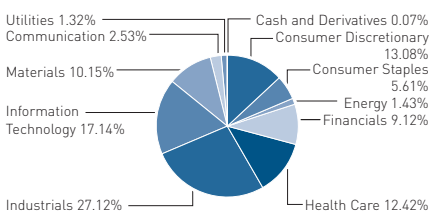
SIKA AG	5.5
LVMH MOET HENNESSY LOUIS VUITTON SE	5.5
SAP SE	5.3
SAFRAN SA	5.3
ASML HOLDING NV	4.9
RELX PLC	4.9
ROYAL UNIBREW A/S	4.4
NOVO NORDISK A/S	4.2
ADIDAS AG	4.1
LONZA GROUP AG	3.9
<b>Total</b>	<b>47.8</b>

## 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:

- December was another positive month for European equity markets, ending a strong year 2019.
- Sector leadership came from utilities, financials and materials, while communication services and consumer staples lagged the market.
- The fund slightly underperformed during the month. Sector allocation detracted while stock selection was neutral.

### Sectors:

- The fund's underweight to financials was negative for returns, although this was more than offset by strong stock selection.
- We saw a recovery in European banks based on the hope of regulatory changes easing future capital requirements and a small move higher in short term interest rates. This, however, did not change our fundamentally negative view on the sector and we continue to hold our underweight position.
- Our overweight allocation to both industrials and IT also detracted from performance.
- An underweight allocation to communication companies proved to be beneficial during December, as did an underweight allocation to consumer staples.

### Stocks:

- largest detractor over the month. Shares fell in response to Boeing announcing a temporary suspension to production of its 737 Max program. Safran had based its expectations for 2020 on a run rate of around 42 plane deliveries a month for this plane, which will have to be reviewed now. Whilst this leads to minor cuts in both earnings and cashflow in the near term, we believe that those cash-flows are merely delayed rather than lost and it does not alter our overall positive view of the earnings potential of Safran's new leap engine program.
- Semiconductor stocks continued to perform strongly with ASML being amongst the top contributors to returns. Within the same sector, shares in SAP gave up some performance as US peer Oracle slightly missed expectations. We believe that SAP is on a different path to peers as our latest channel checks would suggest the S4/Hana product upgrade cycle remain in rude health.
- The fund benefited from its underweight exposure to the communications services sector. Avoiding names like Orange and Telefonica was additive to returns. The sector was dragged down by Orange's capital markets day early in the month which left investors disappointed. While management shared limited information on the much-anticipated towers spin-out it decided to cut 2020 EBITDA guidance and increased capex intentions.
- Following the UK election, a number of our UK holdings rallied as election results were taken positively and risk premia placed on the UK stock market decreased. The London Stock Exchange was the top performer during the month. Positions in Berkeley Group, Kingspan and Auto Trader equally allowed for positive returns as the outlook for the UK economy started to improve.
- Elsewhere, the global leader in construction chemicals - Sika - continued to contribute positively on the back of robust end market demand in some of its key geographies.

### Changes:

- During the month, we started a new position in Spirax-Sarco, which is a multi-national engineering group listed in the UK. Spirax holds world-leading positions in niche steam specialties, peristaltic pumps and flued path technologies market. It is run by a best in class management team with strong track record in wealth creation and offers attractive opportunities for self-generated growth at high returns.
- Within energy, we continued to build a position in Neste Oil. Shares had come down slightly given shortages in animal fat feedstock emanating from African swine flu. We continue to believe Neste is well positioned to benefit from the structural growth in demand for renewable bio-diesel and jet fuels.

### Positioning:

- Overall, we retain our core exposure to companies offering business models with higher than average returns on capital, strong cash flow conversions and opportunities to reinvest that cash flow into future growth projects at high incremental returns.
- At the end of the month, the fund was overweight industrials, IT, consumer discretionary and materials.
- The fund was underweight financials, consumer staples, energy, utilities, communication services, real estate and health care.

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 December 2019 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

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# 貝萊德歐洲基金

截至 2019年12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	29.7	9.9	29.7	28.3	16.9	443.8
MSCI歐洲指數 (淨值)	23.8	6.9	23.8	32.3	28.0	501.0

## 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。

## A 股基金年度表現 (美元)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	%	%	%	%	%	%	%	%	%	%	%	%	%
本基金	-18.5	+21.4	-8.5	-0.4	-9.7	+26.9	+22.7	-13.2	+5.4	+42.6	-43.0	+14.6	+34.3
MSCI歐洲指數 (淨值)	-14.9	+25.5	-0.4	-2.8	-6.2	+25.2	+19.1	-11.1	+3.9	+35.8	-46.4	+13.9	+33.7

## 基金經理報告

### 表現概述

- 歐洲股市在12月再次造好，使2019年表現顯著高收。
- 行業方面，公用事業、金融和原材料業表現領先；通訊服務和基本消費品業表現落后於大市。
- 基金在月內的表現略為遜色。行業配置削弱表現，選股策略則帶來中性貢獻。

### 行業

- 基金對金融業持偏低比重利淡回報，儘管選股強勁足以蓋過上述負面影響。
- 市場憧憬監管出現變動，以放寬未來資本要求，加上短期利率輕微走高，帶動歐洲銀行業回升。然而，這並未改變我們對該行業的基本負面觀點，並繼續維持偏低比重配置。
- 對工業和資訊科技業持偏高比重亦削弱表現。
- 在12月份，基金對通訊及基本消費品業持偏低比重，證實帶來助益。

### 股票

- 工業持倉在12月對基金造成最大利淡影響。月內，賽峰 (Safran) 的倉盤最削弱回報。波音公司 (Boeing) 宣佈暫停生產旗下737 Max 型號飛機，賽峰股價隨即下跌。賽峰基於每月交付約42架該型號飛機的營收運轉率 (run rate) 釐定2020年業績預期，現時須就此進行檢討。儘管這將在短期輕微削弱公司的盈利和現金流，但我們相信現金流僅會減慢多於流失，而且不會改變我們認為賽峰新型LEAP引擎計劃具盈利潛力的整體正面觀點。
- 半導體股表現持續強勁，ASML管身最利好回報的持倉之列。綜觀半導體業，SAP股價略為回吐，因為美國同業甲骨文 (Oracle) 的業績稍遜預期。按照最近的第三方調查，SAP旗下軟件S4/Hana的產品升級週期仍然相當穩健，因此我們認為其發展走勢有別於同業。
- 基金受惠於對通訊服務業持偏低比重。基金迴避Orange和Telefonica等企業為回報增值。Orange在月初資本市場日的公佈令投資者失望，使行業表現受累。雖然市場高度期待有關Orange分拆發射塔業務的消息，但管理層只分享有限資訊，且決定下調2020年息、稅、折舊及攤銷前利潤指引，並有意提高資本開支。
- 英國大選後，由於市場對選舉結果反應正面，不少英國持倉表現造好，而且當地股市的風險溢價下降。倫敦證券交易所月內表現最出色。隨著英國經濟前景開始改善，Berkeley Group、Kingspan和Auto Trader的持倉同樣有助基金取得正回報。
- 另一方面，鑒於部份主要地區的終端市場需求暢旺，環球建築化學業龍頭Sika繼續帶來貢獻。

### 變化

- 月內，基金新增英國上市跨國工程集團Spirax-Sarco的倉盤。Spirax在獨特的蒸汽專用產品、蠕動式抽水機和流體通路技術市場擁有全球領先地位。該公司由創富往績強勁的頂尖管理團隊營運，並提供吸引的機會，以高回報締造自營增長。
- 能源業方面，我們繼續增持Neste Oil。鑒於非洲豬瘟造成動物脂肪原料短缺，導致Neste股價輕微回落。我們仍然相信Neste穩佔優勢，可受惠於再生生物柴油和飛機燃油需求的結構性增長。

### 配置

- 整體而言，我們的核心投資仍然是具備以下業務模式的公司：資本回報率高於平均；現金流轉換能力強勁；以及擁有把該現金流再投資於未來增長項目，以獲取高水準遞增回報的機會。
- 基金於月底對工業、資訊科技、非必需消費品和原材料業持偏高比重。
- 基金對金融、基本消費品、能源、公用事業、通訊服務、房地產和醫療保健業持偏低比重。



## 基金資料

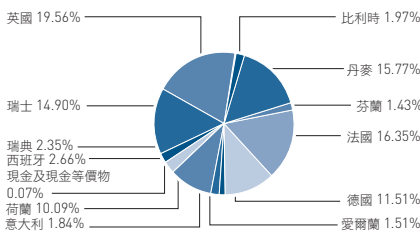
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,134.2
每年管理費	1.50%
首次認費	5%

## 十大持股比重 (%)

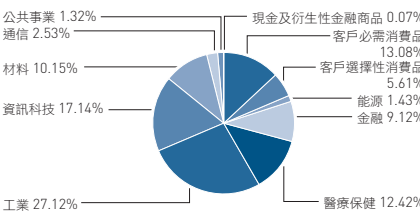
SIKA AG	5.5
LVMH MOET HENNESSY LOUIS VUITTON SE	5.5
SAP SE	5.3
SAFRAN SA	5.3
ASML HOLDING NV	4.9
RELX PLC	4.9
ROYAL UNIBREW A/S	4.4
NOVO NORDISK A/S	4.2
ADIDAS AG	4.1
LONZA GROUP AG	3.9
總計	47.8

## 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 2019 年 12 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

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