

BlackRock European Fund

As at 29 February 2020

BLACKROCK

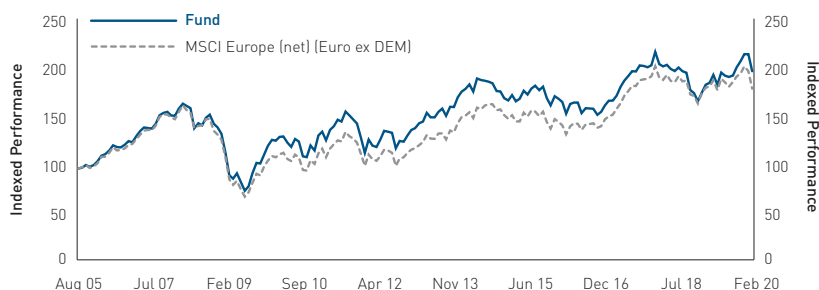
- The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investment 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 | -8.3 | 3.1 | 7.7 | 14.3 | 0.6 | 398.9 |
| MSCI Europe (net) | -11.6 | -1.1 | -0.6 | 13.2 | 6.5 | 431.6 |

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

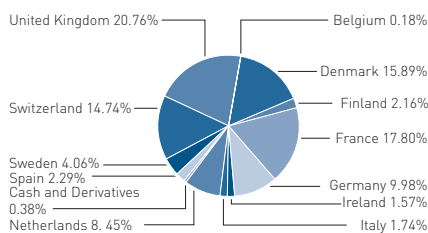
| | |
|-----------------------|--------------|
| Manager | Nigel Bolton |
| Inception | 30.11.93 |
| Currency | US\$ |
| Total Fund Size (m) | US \$1,147.0 |
| Annual Management Fee | 1.50% |
| Initial Charge | 5% |

10 Largest Holdings (%)

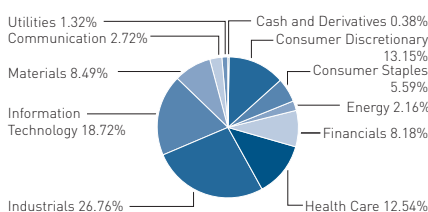
| | |
|-------------------------------------|-------------|
| LVMH MOET HENNESSY LOUIS VUITTON SE | 5.8 |
| SIKA AG | 5.2 |
| RELX PLC | 4.9 |
| SAFRAN SA | 4.8 |
| ASML HOLDING NV | 4.7 |
| ROYAL UNIBREW A/S | 4.5 |
| SAP SE | 4.5 |
| NOVO NORDISK A/S | 4.3 |
| LONZA GROUP AG | 4.2 |
| ADIDAS AG | 3.6 |
| Total | 46.5 |

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

- Markets fell sharply during February as investors reacted to heightened fears over the coronavirus and its implications.
- All sectors saw negative returns during the month with relatively low levels of cross-sectional volatility, meaning that there was less divergence between cyclical and defensive sectors than we would ordinarily expect.
- The fund outperformed the benchmark over the month driven primarily by stock selection, as well as sector allocation to a lesser degree. The fund saw a large timing impact on the last day of the month driven by significant market moves between pricing of the fund and market close. This has resulted in the official net active returns being less positive. These effects can be meaningful on a one-month view but smooth out over time.

Sectors

- Energy was the worst performing sector during the month. The oil price fell on worries about the coronavirus implications on global oil demand. Our underweight position here benefited relative performance.
- Utilities was the best performing sector as investors sought safe haven assets. Our underweight hurt relative returns.
- IT was the second-best performing sector, our overweight here was beneficial.

Stocks

- Sika was the top contributor during the month as the stock held up well during a sharply falling market. Recent results revealed that raw material pressure is abating, with gross and operating margin improvement, strong cash generation, and a positive outlook on synergies from the recent Parex acquisition.
- Our new position in Worldline was one of the top contributors during the month. We see the payments industry as attractive for its structural growth drivers, and we bought shares in the French payment company on the day they announced the acquisition of rival Ingenico in an \$8.6bn deal. We believe that this deal can create significant value given the benefits from cost synergies and the opportunity to gain dominance in a consolidating industry.
- Dental implant maker Straumann contributed to performance having reported full year revenue growth of 17%, beating consensus expectations.
- We benefitted from avoiding holding AB InBev, which fell sharply following disappointing results in which EBITDA missed expectations and management gave weak guidance.
- Safran, Airbus, and MTU all detracted from performance as travel related stocks came under pressure due to fears of the impact of the coronavirus. Airbus reported Q4 '19 results that came in ahead of expectations, however, their guidance for 2020 implied lower cash generation and disappointed the market. We remain focused on the medium term where we see the A320 program, which is the growth and profit driver for the group, progressing well.
- The other main detractors from relative performance were Roche and Nestle, which we do not own. These large defensive companies held up comparatively well during the sell-off.

Changes

- Over the month we added a position in Hargreaves Lansdown. The company's shares had come under pressure in recent months due to negative news around the Woodfin scandal and poor net flows in December, which we believe can be somewhat attributed to political uncertainty. Our alternative data sources suggest that flows should recover from the onset of 2020. We believe this was therefore an attractive entry point for a company we believe has exceptionally high barriers to entry, a strong market position, has invested well in its product offering and is geared to long-term equity returns.
- We also took advantage of the pull-back to add a position in Atlas Copco, which we see as one of the most attractive industrial businesses in our universe. The company sells mission critical components such as compressors used in petrochemical and processing plants, and vacuum pumps used in the production of semi-conductor chips and equipment. The growing installed base supports the company's after market and services business which gives high and growing recurring revenues. The company generates high returns on capital, is extremely cash generative, and has a net cash balance sheet.

Positioning

- Our overall positioning remains consistent through the recent market volatility. We retain our exposure to companies offering business models with high returns on capital, strong cash conversion and opportunities to reinvest that cash into future growth projects at high incremental returns.
- At the end of the month, the fund was overweight industrials, IT, and consumer discretionary.
- 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 29 February 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.

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貝萊德歐洲基金

截至 2020年2月29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 | -8.3 | 3.1 | 7.7 | 14.3 | 0.6 | 398.9 |
| MSCI歐洲指數 (淨值) | -11.6 | -1.1 | -0.6 | 13.2 | 6.5 | 431.6 |

A 股基金年度表現 (美元)

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---------------|------|-------|-------|------|------|------|-------|-------|-------|------|-------|-------|-------|
| | % | % | % | % | % | % | % | % | % | % | % | % | % |
| 本基金 | 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 |
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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的公司之股權證券。

基金經理報告

表現概述

- 市場在2月份顯著下跌，因為有關新型冠狀病毒（新冠肺炎）和其影響的恐慌加劇，投資者對此作出反應。
- 所有行業在月內錄得負回報，其中跨類別波動處於相對低水平：即周期性與防守性行業之間的差異較正常預期為少。
- 月內基金表現優於基準指數，主要受惠於選股得宜，其次是受惠於行業配置。由於市場在基金定價至收市期間出現大幅波動，令基金在月內最後一天的價格受到重大的時機性影響。這導致官方淨主動回報減少。以一個月計，相關影響可能顯著，但隨著時間影響將會逐步減少。

行業

- 能源業是月內表現最遜色的行業。市場憂慮新冠肺炎對環球石油需求的影響，令油價下挫。我們對這行業持偏低比重使相對表現受惠。
- 由於投資者尋求避險資產，公用事業的表現最優秀。我們對有關行業持偏低比重利淡相對回報。
- 資訊科技業是表現最佳的行業，因此我們對這行業持偏高比重利好表現。

股票

- 西卡 (Sika) 是月內表現最佳的持倉，因為該股在市場急跌的環境下表現穩健。近期業績反映該公司的原材料壓力正在舒緩、毛利率和營運溢利率好轉、創造現金能力強勁，而且最近收購派麗 (Parex) 產生的協同效益令公司前景向好。
- 基金新增的Worldline倉盤是月內最利好回報的持倉之一。我們認為支付行業的結構性增長動力使該行業別具吸引力，並在法國支付公司宣布以86億美元收購競爭對手ingenico當日買入其股票。我們認為這次交易可締造重大價值，因為該公司受惠於成本協同效益，以及有機會在持續整合的行業內取得主導地位。
- 植牙體製造商Straumann為表現帶來貢獻，該公司公佈的全年收益增長為17%，優於市場普遍預期。
- 基金因並無持有百威英博 (AB InBev) 而受惠，該公司公佈的業績令投資者失望，其中息、稅、折舊及攤銷前利潤遜於預期，管理層提供的盈利指引亦疲弱，因而導致股價急挫。
- 賽峰 (Safran)、空中巴士 (Airbus) 和MTU均削弱表現，因為市場憂慮新冠肺炎的影響導致旅遊相關股受壓。空中巴士公佈的2019年第四季業績較預期為佳，然而，該公司的2020年盈利指引意味其締造現金的能力下降，令市場感到失望。我們仍聚焦於中期表現，並認為A320型號飛機業務發展良好，該業務是集團增長和利潤的動力。
- 其他主要利淡相對表現的原因是我們並無持有羅氏藥廠 (Roche) 和雀巢 (Nestle)。這些大型防守性公司在市場遭拋售期間表現較為穩健。

變化

- 月內，基金新增Hargreaves Lansdown的倉盤。該公司的股價在近日受壓，是因為受Woodford醜聞的負面消息困擾，以及12月份的淨交量疲弱，而我們認為某程度上這可歸因於政局的不明朗因素。其他數據來源顯示成交量應會在2020年初回升。因此，我們認為這是吸引的入市良機，讓我們買入進場門檻極高、市場地位穩固、產品投資龐大，以及長遠可望締造股本回報的公司。
- 此外，我們把握市場回吐的機會新增Atlas Copco的倉盤，我們認為該公司是投資範疇內最具吸引力的工業企業之一。該公司銷售市場上不可或缺的零件，例如用於石油加工和加工廠的壓縮機，以及用於生產半導體晶片和設備的真空泵。該公司的現有用戶數量日益增長，為其售後零件和服務業務帶來支持，而該業務可締造高水平和持續增長的經常性收益。該公司的資本回報率偏高，並擁有極強的套現能力，而且資產負債表處於淨現金狀況。

配置

- 整體而言，基金配置在近期波動的市況中維持不變。我們仍然持有具備以下業務模式的公司：資本回報率偏高；現金轉換能力強勁；以及擁有機會把該現金再投資於未來增長項目，以獲取高水平遞增回報。
- 基金於月底對工業、資訊科技和非必需消費品業持偏高比重。
- 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

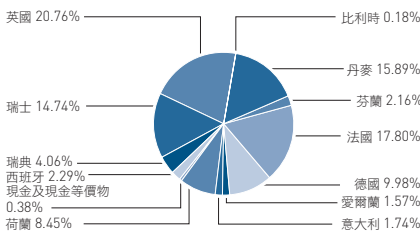
| | |
|-----------|--------------|
| 基金經理 | Nigel Bolton |
| 成立日期 | 30.11.93 |
| 報價貨幣 | 美元 |
| 基金總值 (百萬) | 1,147.0美元 |
| 每年管理費 | 1.50% |
| 首次認費 | 5% |

十大持股比重 (%)

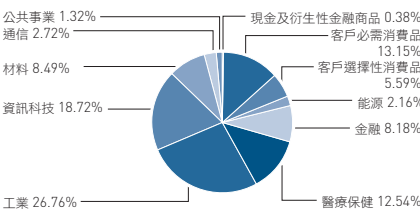
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| ADIDAS AG | 3.6 |
| 總計 | 46.5 |

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 2020 年 2 月 29 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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