

BlackRock European Fund

As at 31 January 2022

BLACKROCK

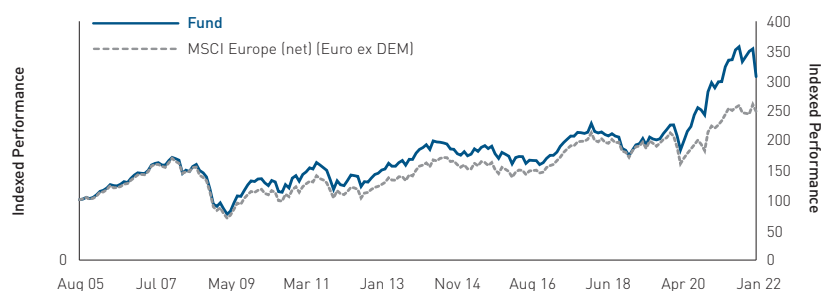
- The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investment 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	-13.3	-12.9	6.5	67.1	69.5	639.5
MSCI Europe (net)	-4.6	-2.5	12.6	35.8	51.5	602.9

A-Share Calendar Year Performance in USD

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Fund	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	-43.0
MSCI Europe (net)	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	-46.4



Fund Data

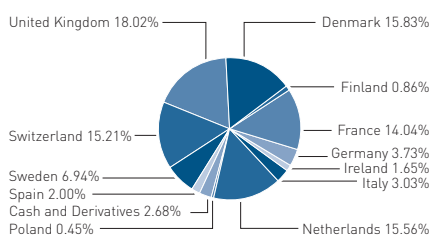
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,858.8
Annual Management Fee	1.50%
Initial Charge	5%

10 Largest Holdings (%)

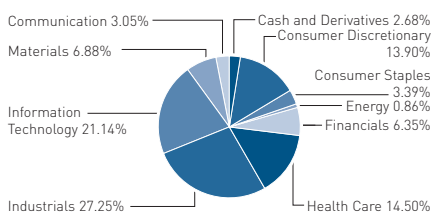
LVMH MOET HENNESSY LOUIS VUITTON SE	7.7
ASML HOLDING NV	5.4
LONZA GROUP AG	4.9
NOVO NORDISK A/S	4.7
SIKA AG	4.4
DSV A/S	4.2
ROYAL UNIBREW A/S	3.4
RELX PLC	3.1
BE SEMICONDUCTOR IND.	3.0
ASHTED GROUP PLC	2.5
Total	43.3

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

- Equity markets opened the year in volatile fashion driven by a top-down narrative around inflation, central bank policy, and moves in bond yields; as well as higher energy prices resulting from supply concerns and geopolitical tensions.
- A sharp rise in real yields precipitated a vicious market rotation with lower quality names being bought while higher quality assets and those which had been well owned through 2021 were aggressively sold by the market. This led to the fund significantly underperforming the index during the month as high conviction names held in the portfolio fell materially while either reporting very strong results or without being the subject of any company specific news.
- During this period we worked intensely on our well established fundamental research process to re-underwrite investment cases through meeting company management teams, forensically examining estimates of earnings and cashflows, and having rigorous internal discussions about where we could be wrong.

Sectors

- The energy and financials sectors rose on the back of rallying oil prices and higher bond yields respectively. Our underweights in both sectors detracted from performance.
- The IT and industrials sectors delivered the lowest returns. Our overweights in both detracted.

Stocks

- Lonza was one of the biggest detractors from performance. The contract drug manufacturer reported an 8% sales beat in its H2 results and provided a very strong outlook statement, guiding to mid-teens sales growth and margin expansion – both ahead of estimates. The company also reported a continuation in the recent step up in capex, indicative of continued very strong demand. Despite the exceptional fundamentals, the shares sold off aggressively during the month as a result of the market sentiment described above.
- Sika was another significant detractor despite having released strong results in the period. Q4 organic growth coming in at 10%, 6% ahead of estimates with full year guidance re-affirmed.
- Dental implant manufacturer Straumann also sold off aggressively without any stock specific news.
- Our position in Netcompany detracted. The company missed Q4 sales and margin estimates while also disappointing on guidance. The recently announced Intrasoft acquisition has complicated the investment case and we took action to reduce the position size in December.
- Semiconductor names VAT Group, ASMi, and ASML all fell during the period. VAT Group had a positive pre-release of Q4 results: orders up 107% y/y, sales up 36% y/y, Q1 sales guidance ahead of estimates, and an order book of CHF460m vs total 2021 sales of CHF900m. Meanwhile ASML reported 4Q21 orders up 12% q/q, guiding towards 20% sales growth in 2022.
- LVMH contributed to relative returns after reporting revenues 11% ahead of estimates, driven by its fashion and leather goods business which beat on sales and margins.
- Royal Unibrew also contributed with no stock specific news.

Changes

- Following a thorough re-appraisal of the investment cases for our companies, we have not found reason to materially change the portfolio composition.
- We took advantage of the market rotation to open a position in Adyen, the leading online payments asset in Europe, which had suffered a c. -25% relative share price set-back this year. To fund this we made a small trim to the position size in VAT Group, marginally reducing our overall exposure to semiconductor end markets.

Positioning

- At the end of the month our bottom-up convictions result in the portfolio remaining overweight industrials, IT, and consumer discretionary. The biggest underweights are in financials, consumer staples, and utilities.
- We are sceptical about top-down calls for overweight positions in banks, energy companies, or autos. Each of these industries is facing structural challenges, and in our view perceived drivers of profitability such as higher interest rates, higher oil prices, or transitions to electric vehicles oversimplify the bottom-up dynamics and are unlikely to result in shareholder value creation.

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 January 2022 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 2022年1月31日止



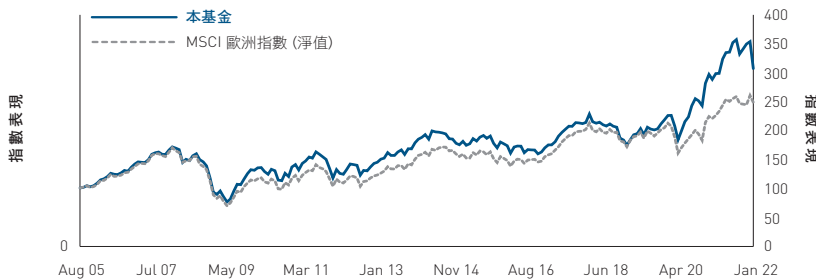
1. 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
2. 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
3. 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

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	-13.3	-12.9	6.5	67.1	69.5	639.5
MSCI歐洲指數 (淨值)	-4.6	-2.5	12.6	35.8	51.5	602.9

A 股基金年度表現 (美元)

	2021 %	2020 %	2019 %	2018 %	2017 %	2016 %	2015 %	2014 %	2013 %	2012 %	2011 %	2010 %	2009 %	2008 %
本基金	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	-43.0
MSCI歐洲指數 (淨值)	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	-46.4



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

- 圍繞通脹的「由上而下」言論、央行政策、債券收益率走勢，以至供應憂慮及地緣政治緊張推動能源價格上漲，都令股市年初開局波動。
- 實質收益率飆升引發市場急劇輪換，投資者購入質素較低的股票，而優質資產及在2021年佔重倉的股票則遭大舉拋售。這情況令基金月內表現顯著落後指數，原因是投資組合持有的高確信度股票大幅下跌，儘管有關公司發佈的業績相當強勁或並無任何相關的個股消息。
- 期內，我們積極奉行發展成熟的基本研究流程，透過與公司管理團隊會面，仔細查核盈利和現金流預估數據，以及進行嚴謹的內部會議，討論可能失誤之處，藉此重新審視投資理據。

行業

- 受惠於油價上漲及債券收益率提升，能源及金融業高收。我們對上述兩個行業持偏低比重拖累表現。
- 資訊科技及工業的回報貢獻最少，基金對這兩個行業持偏高比重削弱回報。

股票

- 龍沙集團 (Lonza) 是最利淡表現的持倉之一。龍沙集團是一家合約製藥公司，其公佈的2021年下半年銷售額較預期高出8%，並發表非常強勁的展望聲明，預期將可錄得20%以下中雙位數銷售增長和利潤率擴張，兩者均優於預估。該公司亦表示近期資本開支持續增加，預示需求仍然非常殷切。儘管基本因素超卓，但受上述市場氣氛影響，該公司股票在月內遭大舉拋售。
- Sika是另一個顯著拖累表現的持倉，即使期內公佈的業績強勁；2021年第四季錄得10%內部增長，較預期高出6%，並重新確認全年盈利指引。
- 植牙體製造商Straumann缺乏任何個股消息，但亦被大幅拋售。
- 基金的Netcompany持倉削弱回報。該公司未能達到2021年第四季的銷售和利潤率預期，盈利指引亦令人失望。Netcompany最近宣佈收購Intrasoft，使投資理據變得複雜，我們在去年12月縮減該持倉規模。
- 期內，VAT Group、ASMI及ASML等半導體公司均報跌。VAT Group的2021年第四季業績預報向好；訂單按年增長107%；銷售額按年升36%；2022年第一季銷售指引優於預估；此外，ASML的2021年第四季訂單按年增加12%，推動2022年銷售增長接近20%。
- LVMH的時裝與皮革產品銷售及利潤率優於預期，刺激集團收入較預估高出11%，為相對回報帶來貢獻。
- Royal Unibrew並無個股消息，其表現為基金帶來貢獻。

變動

- 我們重新仔細評估所持公司的投資理據後，認為對組合成份作出重大變動的理由不足。
- 我們把握市場輪換的機會新增Adyen倉盤。Adyen是歐洲領先的網上支付資產，年內相對股價下跌約25%。為提供資金，我們稍微縮減VAT Group的持倉規模，略為減少基金對半導體終端市場的整體配置。

配置

- 我們根據「由下而上」分析產生的信念，於月底維持投資組合對工業、資訊科技和非必需消費品業的偏高比重。基金對金融、基本消費品和公用事業持最大偏低比重。
- 我們對根據「由上而下」的分析，建議對銀行、能源公司或汽車製造商持偏高比重的觀點存疑。上述各行業均面臨結構性挑戰，我們認為市場憧憬推動盈利能力的因素，例如利率上調、油價上漲或轉向電動車，均過度簡化「由下而上」的動力，不大可能創造股東價值。

基金資料

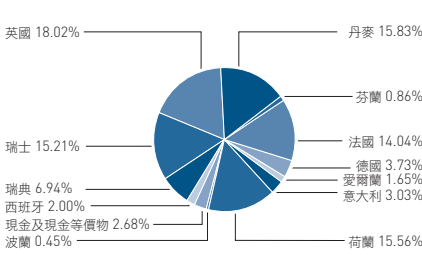
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,858.8美元
每年管理費	1.50%
首次認費	5%

十大持股比重 (%)

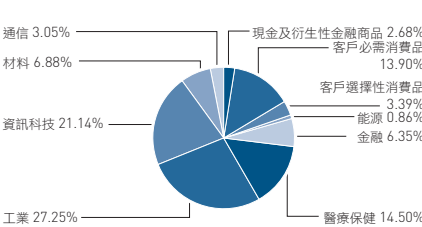
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DSV A/S	4.2
ROYAL UNIBREW A/S	3.4
RELX PLC	3.1
BE SEMICONDUCTOR IND.	3.0
ASSTEAD GROUP PLC	2.5
Total	43.3

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 2022 年 1 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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