

BlackRock European Fund

As at 31 January 2024



- 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	0.1	-0.6	11.3	6.3	66.7	637.9
MSCI Europe (net)	-0.1	2.3	10.2	20.0	44.8	549.2

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.

A-Share Calendar Year Performance in USD

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Fund	21.9	-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
MSCI Europe (net)	19.9	-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

Fund Manager's Report

Performance Overview

- The Fund returned +1.8% (EUR, primary share class, net of fees) outperforming the MSCI Europe Index return of +1.6% (EUR).
- While the market ended the month higher, it was a tale with two halves. Starting the year, market participants questioned whether the 'lower rates' narrative, that sparked a rally in the final two months of 2023, had gone too far. As bond markets sold off and yields crept higher, equities pulled back until several positive indicators emerged in the back half of the month and reversed the trend in both rates and equities. Amongst those indicators were US and European inflation prints remaining nearer to target, initial US GDP estimates well above economist estimates, and several bellwether corporates releasing encouraging updates showing better than expected business results.
- The key for investors is what the market is telling us about companies 12-months from now and beyond. While equity markets may remain volatile as the hold/hike/cut debate in the bond market continues to play out, our focus is on the next 6-18 months looking more interesting. As fundamental investors, we are searching for signs of incremental change in businesses that gives us opportunity to own shares where, in time, consensus estimates can be proven as too bearish. As more and more of these signs emerge, the broader market risk appetite should return which will be supportive for the portfolio.
- As always, it will be important to look sector-by-sector and stock-by-stock to find opportunities. We believe companies in the portfolio can continue to deliver on earnings upgrades versus undemanding consensus expectations. 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

- Market returns at the sector level were mixed, without a clear tilt between those considered more cyclical or defensive. Overall, the Fund's sector allocations provided positive attribution driven by underweight positioning to Utilities and Energy, partially offset by an overweight position within Industrials.

Stocks

- The portfolio's position in Novo Nordisk was the top contributor to outperformance in January. Their Q4 '23 results beat consensus expectations with sales 4% ahead and EPS 5% ahead. Company issued guidance for 2024 suggests sales and EBIT will grow in the mid 20% range. While growth has been impressive over the past year, we believe we are still in the early stages of growth potential here, as prescription trends required to meet consensus is undemanding in our view while the use of GLP-1 drugs in other categories such as diabetes, cardiovascular, liver disease, and potentially Alzheimer's as we look to 2025, as underestimated. In thinking about risk to share price return, we think it appropriately viewed as a function of valuation, which we don't see as high versus history, despite the faster growth, higher margins and higher returns. Ultimately, we still think the stock can continue to deliver upgrades through 2024.
- A holding in MTU provided positive attribution with shares up as a partner in the GTF engine consortium, RTI gave the market some reassurance in saying the inspection and repair plans remain consistent in financial and operational terms from the update provided in Q4 '23.
- Owning Lonza shares provided a positive attribution effect as shares bounced following a positive company update. Management reported a topline and margin beat driven by their most important division, biologics, while no further bad news in their small molecules and capsules divisions was good news. The market also reacted favourably to an announcement of transition in the chairman role. Shares were likely further supported in the near-term on headlines that a key Chinese competitor is facing the threat of restricted access to the US market.
- A position in JD Sports detracted following a disappointing update from the company. The company issued a profit warning early in January, cutting PBT guidance by about 10% upon softer demand and weaker holiday trading provided a milder Autumn. Management also cited heavier discounting than expected in key markets during the peak trading season. The update showed us that the business is more heavily reliant on narrow product range sales than we had expected. This is a company we still see as undervalued, yet are in the process of re-underwriting the investment thesis.
- A position in STMicro detracted in the month with the company disappointing on their guidance for Q1 and full year 2024 after seeing orders decreasing through Q4 '23. Management pointed to weakness in industrial end-markets where inventory channels remain overstocked while saying demand in Autos remains stable. However, the market appears to be discounting that stability given headlines of weakening EV demand in developed markets. We continue to see good value in STMicro shares, expecting a rerating opportunity to come as orders bottom and inflect this year.
- A holding in IMCD detracted with its share price retracting gains from recent months as chemicals end-markets have failed to show signs of recovery. The company has yet to report results yet, but the expectation for a recovery in volumes which IMCD management spoke to during Q4 '23 may need to be pushed further out.
- A position in Sika dragged on relative returns after the company gave an update on Q4 '23 sales and revenues which missed consensus expectations. The weaker results were primarily a function of FX headwinds, yet also highlighted a risk with their America's business slowing.

Changes

- Signs of resilience from the luxury consumer, and strong operational execution through what has been a normalising demand environment, led to a top-up in LVMH.
- We also added to the portfolio's position in Partners Group, taking the active weight up as the fundamentals continue to improve in the private asset market.
- We continued to trim TotalEnergies given the outlook for energy prices remains relatively muted.
- Following the disappointing update from JD Sports, we reassessed our investment thesis which resulted in a trim to the portfolio's active weight.

Positioning

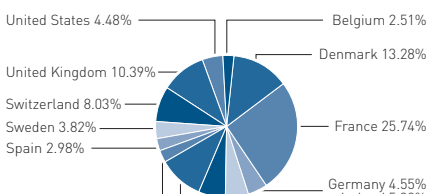
- At the end of the month, our bottom-up convictions resulted in the fund's largest overweight positioning to Industrials and Consumer Discretionary. The biggest underweight positioning was in Consumer Staples, Utilities, and Energy.

Fund Data

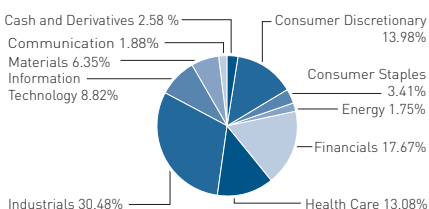
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,456.9
Annual Management Fee	1.50%
Initial Charge	5%

Composition of Fund

Country



Sector



10 Largest Holdings (%)

NOVO NORDISK A/S	10.0
LVMH MOET HENNESSY LOUIS VUITTON SE	6.3
RELX PLC	4.6
MTU AERO ENGINES AG	4.6
LINDE PLC	4.5
SCHNEIDER ELECTRIC SE	3.9
ASML HOLDING NV	3.5
FERRARI NV	3.5
AIB GROUP PLC	3.1
LOREAL SA	3.1
Total	46.9

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 2024 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 2024年1月31日止



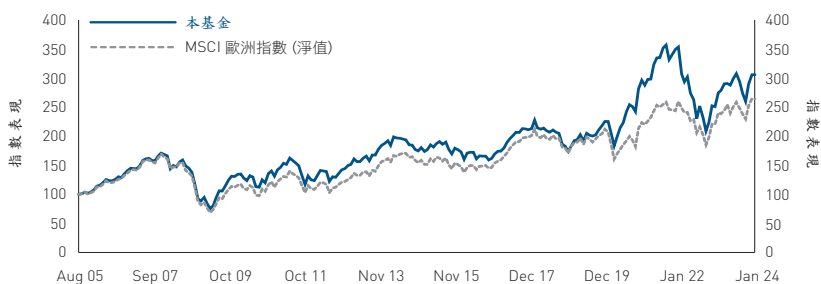
- 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
- 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
- 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

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	0.1	-0.6	11.3	6.3	66.7	637.9
MSCI歐洲指數 (淨值)	-0.1	2.3	10.2	20.0	44.8	549.2

A 股基金年度表現 (美元)

	2023 %	2022 %	2021 %	2020 %	2019 %	2018 %	2017 %	2016 %	2015 %	2014 %	2013 %	2012 %	2011 %	2010 %
本基金	21.9	-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
MSCI歐洲指數 (淨值)	19.9	-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



基金資料

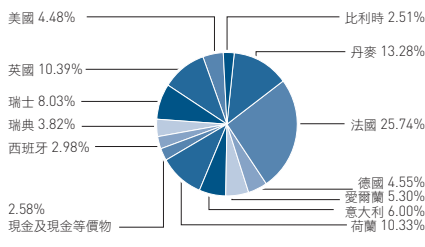
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,456.9 美元
每年管理費	1.50%
首次認費	5%

十大持股比重 (%)

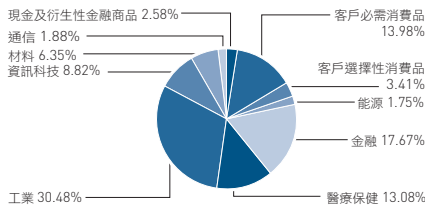
NOVO NORDISK A/S	10.0
LVMH MOET HENNESSY LOUIS VUITTON SE	6.3
RELX PLC	4.6
MTU AERO ENGINES AG	4.6
LINDE PLC	4.5
SCHNEIDER ELECTRIC SE	3.9
ASML HOLDING NV	3.5
FERRARI NV	3.5
AIB GROUP PLC	3.1
LOREAL SA	3.1
Total	46.9

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 2024 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。

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

- 基金錄得 1.8% 的升幅 (歐元，主要股份類別，已扣除費用)，表現優於上升 1.6% (歐元) 的 MSCI 歐洲指數。
- 雖然市場在月底高收，但下半年表現分歧。年初，市場人士質疑在 2023 年最後兩個月觸發升市的「消息」，普降是否言過其實。隨著債券市場對通脹和收益率攀升，股市回落，直至下半年出現數個正面的跡象，才扭轉市價和股市的跌勢。這些跡象包括美國和歐洲的通脹數據仍接近目標，美國國內生產總值的初步預期遠高於經濟師的估計，以及多家領先企業的最新發佈令人鼓舞，顯示公司業績優於預期。
- 投資者應注意能夠預期企業未來 12 個月及之後表現的市場訊號。隨著有關利率維持不變 / 加息 / 減息的討論繼續影響市場表現，股市或會持續波動，但我們聚焦於未來 6 至 18 個月更具吸引力的後市。作為基本因素投資者，我們正留意企業有否出現新週期的轉變，從而把握機會買入那些以時日證明市場過於看淡的股票。隨著這類跡象增加，廣泛市場的承壓意欲可望回升，繼而利好投資組合表現。
- 一如既往，重要的是逐一劃分個別行業和股份，從中物色投資機會。我們認為投資組合內的公司盈利預測可繼續上調，而非符合偏低的普遍預測。投資組合配置於匯豐、渣打、資本開支回升及低利率等結構性開支來源支持的終端市場，有關投資日後將提供大量長遠機會。

行業

- 行業層面的市場回報好淡紛呈，並無明顯偏向較具周期性或防守性的行業。整體而言，基金的行業配置帶來正面影響，得益於對公用事業和能源業持偏重比，但部分貢獻被工業的高比重持倉抵銷。

股票

- 投資組合的諾和諾德 (Novo Nordisk) 持倉為 1 月份的領先表現帶來最大貢獻。其 2023 年第四季業績高於市場普遍預期，銷售及每股盈利分別超出預期 4% 和 5%。該公司公佈的 2024 年指引顯示，銷售和息稅前利潤將在 20% 至 30% 之間的中等範圍內增長。雖然過去一年的增長可觀，但我們認為該公司仍處於增長潛力的早期階段，因為處方藥的趨勢可望符合市場普遍預期，而展望 2025 年，我們認為 GLP-1 藥物在糖尿病、心血管病、肝病以至阿茲海默症等其他疾病的應用被市場低估。在考慮股價回報的風險時，我們應將其視為影響估值的因素。儘管該公司的增長更快、利潤率更高、回報亦上升，但估值與過往相比並不太高。最終，我們仍然認為該股可望在 2024 年繼續上調盈利。
- MTU 股價上漲，為基金的相關持倉帶來貢獻。作為 GTF 引擎聯盟的合作夥伴，RTX 表示檢查和維修計劃在財務和營運方面與 2023 年第四季提供的最新資訊保持一致，令市場感到安心。
- 持有隆沙集團 (Lonz) 為基金增值，因為該集團在公布利好的消息後股價反彈。管理層報告表示，在集團最重要的生物製藥業務的推動下，收入和利潤率均優於預期，而其小份子和膠囊藥物業務沒有其他壞消息亦帶來支持。市場也對該集團主席職位變動公佈反應正面。由於有消息指隆沙集團的中國主要競爭對手面臨限制進入美國市場的威脅，集團股價可能會在短期內進一步支撐。
- JD Sports 公佈的最新業績令人失望，導致相關持倉削弱基金表現。鑑於需求疲軟和節日銷售轉弱未能在秋季帶來太大的支持，該公司在 1 月初發佈盈利預告，下調稅前盈利指引約 10%。管理層還指出，在銷售旺季，主要市場的折扣幅度大於預期。此業績公佈顯示，該公司比預期更顯疲軟的業務產品銷售範圍。這家公司估值仍然偏低，但我們正重新審視相關投資建議。
- STMicro 的持倉拖累月內基金表現。該公司在 2023 年第四季的訂單量下降，其後公佈的 2024 年第一季和全年業績指引令人失望。管理層表示，工業終端市場疲軟，下調稅前盈利指引約 10%，而汽車需求保持穩定。然而，鑑於有消息指已發展市場電動車需求走勢，市場似乎對需求穩定的說法不以為然。我們仍然認為 STMicro 的股票具有良好的投資價值，預計隨着今年訂單量回升，估值將出現上調的機會。
- 化學品終端市場未見復甦跡象，導致 IMCD 的股價回吐近數月的漲幅，其持倉因而有損表現。該公司尚未公佈業績，但管理層在 2023 年第四季提及的銷量復甦預期可能需要進一步推遲。
- Sika 公佈的 2023 年第四季銷售和收入低於市場普遍預期，導致相關持倉拖累相對回報。業績走勢主要受累於外匯不利因素，同時也反映其美國業務放緩的風險。

變動

- 有跡象顯示奢侈品消費市場表現強勁，加上在需求逐步回復正常的環境下 LVMH 展現強大的管理執行力，為該公司帶來增值。
- 隨著私募資產市場的基本因素持續改善，我們亦在投資組合增持 Partners Group 的持倉，從而提高主動比重。
- 鑑於能源價格前景仍相對低迷，我們繼續減持 TotalEnergies。
- JD Sports 公佈的最新業績令人失望，促使我們重新評估相關投資建議，導致投資組合的主動比重下降。

配置

- 根據「由下而上」分析產生的信念，基金於月底對工業和非必需消費品業持最大偏重比；對基本消費品、公用事業和能源業持最大偏重比。

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