

BlackRock European Fund

As at 31 July 2020

BLACKROCK

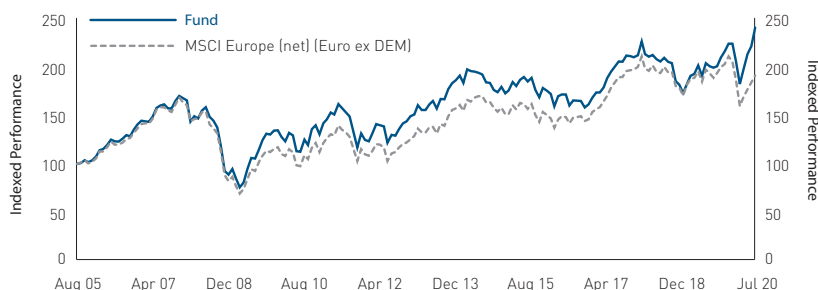
- The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investment 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	7.5	7.4	20.0	17.1	15.0	484.3
MSCI Europe (net)	-9.4	-7.1	-1.3	0.8	8.3	444.3

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

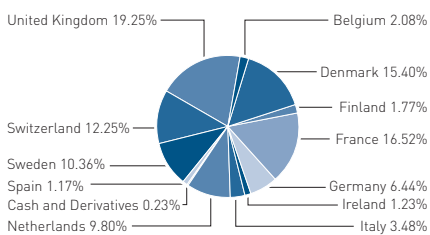
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,259.2
Annual Management Fee	1.50%
Initial Charge	5%

10 Largest Holdings (%)

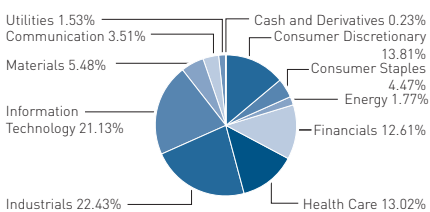
LVMH MOET HENNESSY LOUIS VUITTON SE	5.0
ASML HOLDING NV	5.0
SIKA AG	4.9
SAP SE	4.8
LONZA GROUP AG	4.7
ROYAL UNIBREW A/S	4.5
DSV PANALPINA A/S	3.8
NOVO NORDISK A/S	3.7
VOLVO AB	3.6
LONDON STOCK EXCHANGE GROUP PLC	3.1
Total	43.1

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

- European markets fell modestly in July as economic data started to flatten from the significant resurgence seen in the prior month. We continue to closely monitor progress of spending, industrial output and the virus via alternative data sources to help better understand the economic recovery and to compliment our meetings with company management teams.
- The fund outperformed the market over the month, driven by strong stock selection which was rewarded through earnings season.
- Sector allocation also proved positive.

Sectors

- The largest driver of positive attribution from a sector perspective was healthcare, with the fund benefiting from positive stock selection.
- Relative returns were also aided by being underweight energy, which was again the worst performing sector in the index. Stock selection was also positive here as our sole energy holding strongly outperformed.
- Positive stock selection in the financials sector also contributed positively to returns.

Stocks

- DSV, one of the global leaders in freight forwarding, was the biggest driver of returns. The company benefits from a dominant market position in a fragmented industry, with the lowest cost structures, and attractive positioning in the faster growth 'managed freight' segment of the market. The company has one of the best management teams in any industry across the pan European market. DSV announced Q2 results with operating profit c. 100% ahead of consensus estimates, driven by high air freight rates given tight supply in the market. The company also revealed that it had increased volumes in its German business by 50% with no net increase in costs following the recent acquisition of Panalpina.
- Sika, the leading speciality chemicals business, also rallied strongly during the month. There was little stock specific news apart from a placing of Sika shares by a rival construction materials company, Saint-Gobain which had owned 10% of the business. It is possible that the market's knowledge of this placing had previously held the shares back and resulted in a relief rally in June.
- Our semiconductor names ASML, ST Micro, and BESI were also strong contributors. BESI, which we added to the portfolio earlier this year is progressing well and seeing very strong momentum in its operating performance. Q1 figures released in April were impressive, with orders up 18% quarter-on-quarter and gross margin at 56.7%. The company hasn't yet released Q2 results, but the CEO recently commented that the business is progressing well and pointed to potential upside to the 55-60% gross margin range. We continue to see tailwinds for the company on the back of improving smartphone demand, sustained strength in data centres, and a gaming console upgrade cycle in H2.
- Worldline rose strongly as data showed an acceleration in credit card spending, which is now back to 2019 levels. While some of this is likely the result of consumers temporarily swapping cash for card during lockdowns, we think the pandemic has accelerated structural trends in digital payments. Worldline is also likely to benefit from the failure of former rival Wirecard, after it collapsed into insolvency. The portfolio did not own a position in Wirecard, and relative performance benefitted as the shares fell in excess of 98% in the month.
- Following a strong run, Auto Trader fell modestly, which was likely the result of short-term profit taking. The stock was the top contributor to portfolio returns last month but was a minor detractor in June. We retain conviction in the company. Their response to the pandemic is likely to have strengthened their competitive position, and indeed the company could benefit from short term tailwinds given the extremely tight UK used car market.
- Neste was another minor detractor following a period of strong performance. We continue to like the company on a long-term view but near term numbers could disappoint given rises in feedstock prices and pressure on fuel demand.
- BATS, Novo Nordisk, and RELX all detracted from performance. While there are no similarities in the companies' operations or end markets, they are all relatively resilient and defensive businesses which were likely sold by market participants seeking more cyclical exposure.

Changes

- We bought a position in Swedbank during July. It is the market leader in mortgages in a consolidated industry in Sweden; and enjoys a strong position in other Scandinavian markets. The bank is seeing positive loan growth, with mortgage volumes up c. 5% y/y, and pressure on margins abating.
- We funded the position in Swedbank through selling BATS.

Positioning

- Portfolio positioning remains broadly consistent: with strong overweights in industrials and IT, and strong underweights in energy and consumer staples.
- Following recent additions to financials, the underweight has narrowed.
- The portfolio continues to run small underweights in healthcare, materials, and utilities.

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 July 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7月31日止



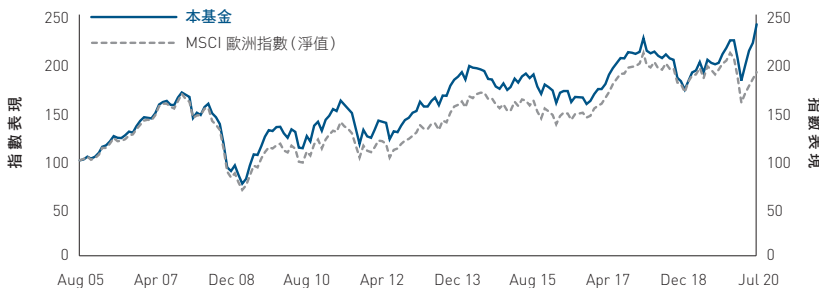
1. 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
2. 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
3. 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

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	7.5	7.4	20.0	17.1	15.0	484.3
MSCI歐洲指數 (淨值)	-9.4	-7.1	-1.3	0.8	8.3	444.3

A 股基金年度表現 (美元)

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基金資料

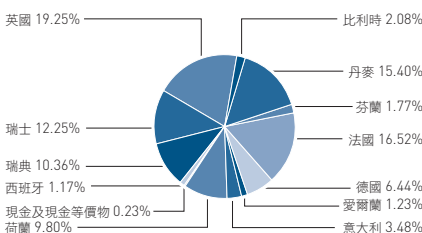
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,259.2
每年管理費	1.50%
首次認費	5%

十大持股比重 (%)

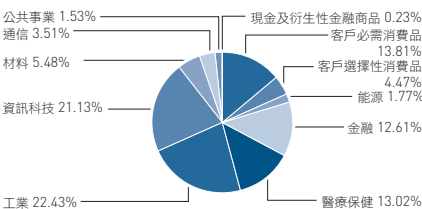
LVMH MOET HENNESSY LOUIS VUITTON SE	5.0
ASML HOLDING NV	5.0
SIKA AG	4.9
SAP SE	4.8
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DSV PANALPINA A/S	3.8
NOVO NORDISK A/S	3.7
VOLVO AB	3.6
LONDON STOCK EXCHANGE GROUP PLC	3.1
總計	43.1

基金投資分佈

國家



行業



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

- 經濟數據在上月出現明顯改善後走勢開始趨緩，拖累歐洲市場在7月份微跌。我們繼續透過其他數據來源密切監察開支、工業生產及疫情發展，以便更透徹了解經濟復甦的情況，與我們跟公司管理團隊的會議結果相輔相成。
- 基金在月內表現優於市場，選股策略奏效，在業績期取得佳績。
- 行業配置亦為回報帶來貢獻。

行業

- 從行業角度來看，最利好表現的行業是醫療保健業，該行業的選股得宜使基金受惠。
- 能源業再度成為指數中表現最遜色行業，故基金對其持偏低比重有利相對回報。此外，我們唯一的能源股持倉表現顯著良好，因此選股亦利好基金表現。
- 金融業的選股得宜同樣為回報帶來正面貢獻。

股票

- 在區內具領導地位的酒類及非酒精飲料供應商Royal Unibrew在7月份對回報貢獻最大。公司重申維持盈利指引，預測盈利中間值高於普遍預期的2%，預測區間上限則高出7%，刺激股價大幅攀升。管理層近期對業務營運動力作出積極評價，即場消費業務強勁復甦；而隨著消費者趨於偏好無酒精或低酒精飲料和較高端品牌，非即場消費業務也展現向好趨勢。
- 西卡 (Sika) 的表現持續良好。該公司生產用於黏合劑、密封材料及水泥添加劑的特殊化學品，其上半年業績超出預期。公司表示儘管期內業務出現負增長，但在7月份已恢復正增長。西卡的財務總監表示，除拉丁美洲外，所有市場均呈現良好復甦勢頭，目前看來下半年的前景穩健。公司在上半年提升毛利率，並有信心可在下半年及2021年實現價格上調。
- DSV在6月預先公佈優秀的盈利業績，息稅前利潤較市場估計高100%，消息帶動股價持續上升。該公司的個股消息不多，但多間同業競爭對手亦公佈可觀的盈利數據，或因促使系統性或指數投資者買入該股。
- 合約製藥公司龍沙集團 (Lonza) 的核心每股盈利高於普遍預期10%，並重申維持2020財政年度的盈利指引，預料銷售增長達中個位數以上，利潤率則保持穩定。該公司繼續進行非核心資產出售計劃，我們相信長遠而言，此舉將有助提升盈利持續性。
- 領先的企業軟件公司SAP預先公佈的第二季業績顯著優於預期。管理層團隊認為，公司業務錄得環比改善，並將自由現金流目標提高5億歐元。SAP宣佈將Qualtrics業務部份股權上市的消息亦令市場感到意外，公司相信此項交易有助實現Qualtrics的全部市場潛力。
- 由於可能面對進一步封鎖措施，市場氣氛受到影響，Infarma股價拖累基金回報。該公司亦取消其原訂於今年10月份舉辦的大型醫藥展。然而，其亞洲業務的前景較為正面，重要的中國美容博覽會將於7月舉行。
- ASML早前走勢持續強勁，其後公司公佈的業績遜於預期，使月內回報受壓。我們認為，這主要是由於極紫外光微影設備的收益入賬時間導致訂單數字較遜色所致。我們仍然有信心ASML能夠履行總值105億美元的未完工訂單。
- LVMH在月內亦錄得跌幅，原因是第二季內部增長下跌38%，美國和歐洲的增長尤其疲弱。不過，公司表示其亞洲業務出現明顯改善，尤其是中國。LVMH的核心品牌持續拓展時裝與皮革產品的市場份額，而有關範疇有助提升利潤率，因此我們認為公司在中期展現吸引機會。該公司管理出色，並可透過減少銷售、一般和行政開支及重新磋商租金以節省成本。

變化

- 我們於7月份新增瑞典銀行持倉。瑞典的銀行業已出現整合，而瑞典銀行在按揭業務方面是市場領導者，同時在其他北歐國家亦佔據重要市場地位。該行的按揭業務量按年增長約5%，而且利潤率壓力逐漸減退，因此貸款業務錄得增長。
- 我們將沽售BATS所得資金買入瑞典銀行的持倉。

配置

- 投資組合大致維持不變，對工業及資訊科技股持顯著偏高比重；對能源及基本消費品則持顯著偏低比重。
- 在近期增持金融股後，其偏低比重有所減少。
- 投資組合繼續對醫療保健、原材料及公用事業持小幅偏低比重。

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 7 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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