BlackRock European Fund

As at 31 July 2023

BLACKROCK

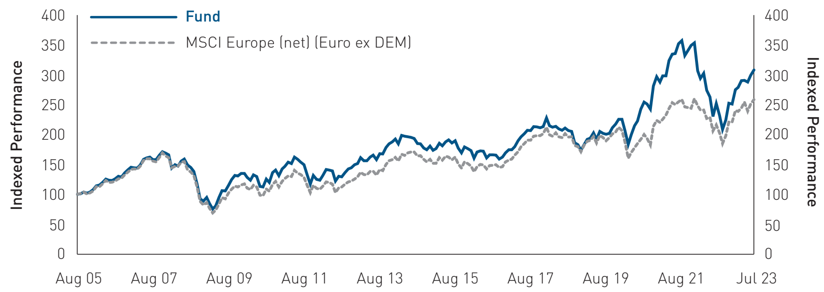
1. The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investm ent objectives.
2. Investment 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.
3. 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	**22.7**	**12.0**	**22.3**	**27.1**	**46.0**	**642.4**
MSCI Europe (net)	17.1	7.7	19.6	34.6	28.4	632.5

A-Share Calendar Year Performance in USD

	2022 %	2021 %	2020 %	2019 %	2018 %	2017 %	2016 %	2015 %	2014 %	2013 %	2012 %	2011 %	2010 %	2009 %
Fund	**-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**	**+42.6**
MSCI Europe (net)	-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	+35.8



Fund Data

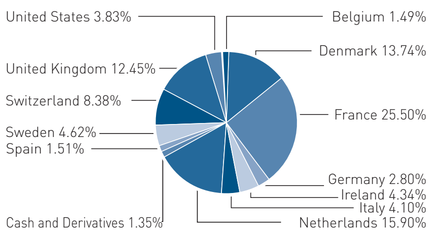
Manager	Nigel Bolton
Inception	30.11.93
Currency	US$
Total Fund Size (m)	US $1,507.1
Annual Management Fee	1.50%
Initial Charge	5%

10 Largest Holdings (%)

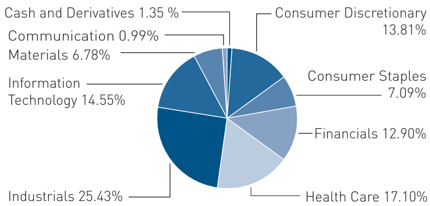
LVMH MOET HENNESSY LOUIS VUITTON SE	6.8
NOVO NORDISK A/S	6.5
ASML HOLDING NV	4.9
STMICROELECTRONICS NV	4.2
LONZA GROUP AG	3.9
LINDE PLC	3.8
DSV A/S	3.5
RELX PLC	3.4
ASTRAZENECA PLC	3.1
SIKA AG	3.0
Total	**43.0**

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

- The Fund returned +1.8% (EUR, primary share class, net of fees) trailing the MSCI Europe Index return of +2.0% (EUR).
- July was a continuation of the strength we've seen in the European equity market through 2023. The Q2 reporting period is underway and offering more talk of green shoots from companies in different sectors. In particular, talk of inventory destock coming to a trough in areas such as semiconductors, freight volumes, and healthcare would support a pickup in economic activity over H2'23.
- We continue to reassess opportunities in the market and feel good about the areas we are taking cyclical risk. The portfolio is positioned towards those companies we expect to realize a growth premium and see the real test coming after the summer period when we are updated as to whether company operations remain supported, with activity levels increasing.
- As always, it will be important to look sector-by-sector and stock-by-stock to find opportunities, though, we are generally feeling more constructive as evidence builds to suggest the economy can avoid recession. While we wouldn't be surprised to see a bit of profit taking after the markets strong run, the next 6-18 months looks more interesting today with ample longterm 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

- Sector allocations dragged on relative returns, offsetting favourable effects from stock selection. Overweight positioning to Technology and underweight to Financials and Energy were the primary drivers of negative attribution.

Stocks

- The portfolio's holding in MTU detracted after the company reassessed production issues with the GTF engine. A coating applied by another party within the consortium building this engine has created a structural weakness that needs to be addressed before the engines can be in service. The delay for airlines means a shared compensation cost is to be split amongst the production consortium. While this creates a short-term headwind on earnings, the share price reaction, erasing 1b EUR off the company's market cap, was many multiples above what we estimate as the maximum cost for MTU.
- A position in DSV detracted with pressure on shares coming from a large placement at a 5% discount to the market. The company also reported results where volumes were weak, partially as a result of management focusing on pricing discipline. The company expects the Q2 result to be the trough on volumes with Q3/Q4 moving past the worst on the outlook. They continue to execute well on cost control and a share buyback commencing in H2 should support shares.
- Lonza was another detractor after releasing a weak set of H1 results and a cut to full year 2023 guidance and 2024 margin expectations. The main drag has been lower contribution from early stage assets within biotech and cell and gene therapies which have a high drop through rate and thus are impactful on profitability. New projects coming online within biologics and small molecules should be supportive as they ramp up through H2'23 and into 2024. We expect the October CMD to bring a positive message pointing to double digit growth and margin expansion for 2023-2027.
- Positions in Semiconductor businesses – BE Semi, ASMI, and ST Micro – were amongst top contributors to active returns in July. BE Semi delivered a Q2 result with sales and margins better than consensus yet weaker orders driven by a continued slump in mobile demand. Guidance was mixed with Q3 orders guided down while expecting Q4 sales to significantly exceed Q3, supported by visibility on scheduled shipments. All in all, the market took management's commentary positively, believing the company is coming out of a period of weaker orders. Similarly, ASMI guided for second half orders to be stronger than Q2 driven by China strength and a degree of recovery in logic/foundry.
- Sartorius Stedim shares bounced off recent lows made after the company warned ahead of Q2 results. The Q2 report was disappointing, as expected, with order intake down 37% driven by all regions. However, brokers were reporting that messaging from the company's IR team post the release offered a bit more optimism for orders to improve between Q3 & Q4, which would be earlier than the 2024 recovery most are anticipating. We are still waiting to see more clear signs of inventory normalisation bottoming here.
- A number of portfolio positions exposed to construction, infrastructure, and green building transition saw strong share price moves in July. Saint Gobain was one of these companies contributing to outperformance as the company delivered another beat and raise around results. H1 sales were inline while EBIT was 8% ahead of consensus. The beat was driven by a combination of their Europe and Americas regions. Full year guidance is now double digit margins VS a range of 9-11% previously. With consensus sitting below 10% prior to this update, we can expect mid-single digit upgrades to come through. Importantly, a 30% year-on-year increase in free cashflow highlights the quality of the results.
- Kingspan was another building products company owned in the portfolio providing a positive update to the market. In a brief statement, the company said trading profit in H1'23 is 10% ahead of their prior guide with pricing holding up much better than expected. Although noting a wide range of performance difference between categories, they are confident on how they are positioned for Q3'23 with an encouraging pipeline.
- The resilience in results, and positive forward guidance, shown from Kingspan and Saint Gobain are examples of read across in the construction sector that saw Sika shares move higher ahead of their own earnings release.

Changes

- We continued adding to positions in Schneider Electric and Saint Gobain where Q2 reporting has shown industrial strength persisting. Beyond the resilience seen in the current environment, both businesses have exposure to long-term spending streams funding electrification and low carbon transition that should continue to support earnings.
- We added to MTU and IMCD on share price weakness. In both instances, we see the pressure as overdone reactions on short-term concerns that do not impact the long-term investment thesis for owning these businesses.
- Small trims were made from large holding weights such as Lonza and LVMH. We also took a small profit from ASMI, weighing up the risk of a recent strong run-in shares vs expectations that orders may remain weak.

Positioning

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

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 2023 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.

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貝萊德歐洲基金

截至 2023年7月31日止

BLACKROCK

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	**22.7**	**12.0**	**22.3**	**27.1**	**46.0**	**642.4**
MSCI歐洲指數（淨值）	17.1	7.7	19.6	34.6	28.4	632.5

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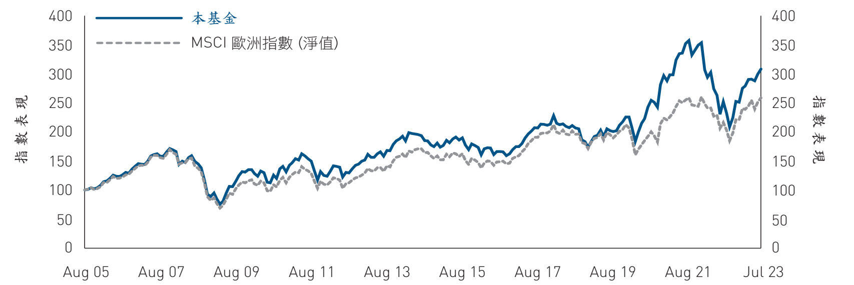


基金資料

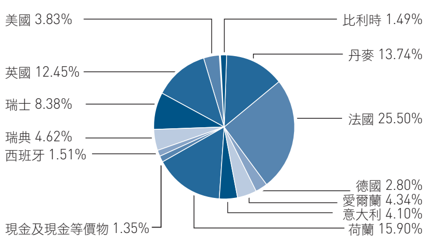
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值（百萬）	1,507.1美元
每年管理費	1.50%
首次認費	5%

十大持股比重（%）

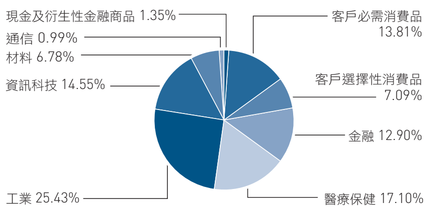
LVMH MOET HENNESSY LOUIS VUITTON SE	6.8
NOVO NORDISK A/S	6.5
ASML HOLDING NV	4.9
STMICROELECTRONICS NV	4.2
LONZA GROUP AG	3.9
LINDE PLC	3.8
DSV A/S	3.5
RELX PLC	3.4
ASTRAZENECA PLC	3.1
SIKA AG	3.0
Total	**43.0**

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

- 基金錄得1.8%的升幅（歐元，主要股份類別，已扣除費用），表現遜於上升2.0%（歐元）的MSCI歐洲指數。
- 歐洲股市在7月延續2023年至今的強勁勢頭。第二季業績期陸續展開，市場圍繞著更多有關各行業公司初步回升的言論。尤其有言論指半導體、貨運量和醫療保健領域的庫存已減至最低水平，可望支持2023年下半年經濟活動回升。
- 我們持續重新評估市場機會，並對我們承受周期性風險的領域感到安心。投資組合投資於我們預期能實現增長溢價的公司，夏季過後將會面臨真正的考驗，屆時我們會確認相關公司的營運是否仍然向好，以及其活動是否持續上升。
- 一如既往，剖析每個行業和每隻股份，從中物色投資機會至為重要，而我們整體轉趨樂觀，因為越來越多證據顯示經濟可免於衰退。雖然市場強勢揚升後，出現若干獲利套現的情況並不令人感到意外，但投資組合配置於獲數碼化融資、資本開支回升及低碳轉型等結構性開支支持的終端市場，未來6至18個月更值得注視，這些投資屆時將提供大量長遠機會。

行業

- 行業配置削弱相對回報，抵銷選股帶來的利好影響。對科技股持偏高比重，以及對金融和能源股持偏低比重，是利淡回報的主因。

股票

- MTU重新評估GTF引擎的生產問題，使投資組合的相關持倉拖累回報。在製造GTF引擎的財團中，旗下另一家公司使用的塗層導致引擎出現結構性弱點，因此必須在引擎投入服務前解決這個問題。有關問題導致航班延誤，意味著製造該引擎的財團旗下公司必須分攤共同承擔的賠償成本。這對盈利造成短期不利影響，而且股價反應使MTU的市值蒸發10億歐元，與我們估計該公司承擔的最高代價比較，高出許多倍。
- DSV的持倉拖累基金表現，因該公司以市價折讓5%進行大規模配售，使其股價受壓。此外，DSV公佈的業績顯示銷量疲弱，部份原因是管理層專注定價紀律所致。該公司預期第二季銷量將觸底，到了第三季／第四季才會柳暗花明。其於執行成本控制方面持續表現出色，而在下半年開展的股份回購應可為股價提供支持。
- 龍沙集團（Lonza）亦利淡回報，原因是該集團公佈上半年業績疲弱，並削減2023年全年指引及2024年利潤率預期。主要不利因素來自生物科技和細胞基因療法發展初期資產的投資流失率（drop through rate）高，導致其貢獻減少，因而影響盈利能力。生物製劑及小份子藥物的研發步伐在2023年下半年和2024年加速，這些新項目推出市場後應可提供支持。我們預期10月份的資本市場日（CMD）將會帶來正面訊息，預示2023年至2027年可望錄得雙位數字增長及利潤率擴張。
- 半導體企業持倉 一 BE Semi、ASMI及ST Micro在7月份為主動回報帶來最大貢獻。BE Semi公佈第二季業績，銷售和利潤率優於市場普遍預測，但流動電話需求持續急跌使其訂單減少。盈利指引好淡紛呈，第三季訂單指引下調，但獲預定付運轉趨明朗支持，預期第四季銷量將顯著高於第三季。整體而言，市場認為管理層的評論正面，相信該公司正逐漸擺脱訂單減少的弱勢。同樣，ASMI受惠於中國經濟強勁及邏輯／代工業務在一定程度上復甦，因此該公司的指引顯示下半年訂單較第二季強勁。
- Sartorius Stedim公佈第二季業績前發出盈警，其股價在跌至近日低位後反彈。一如所料，該公司第二季業績令人失望，受所有地區影響，新增訂單下跌37%。然而，券商報稱，該公司的投資者關係團隊在公佈業績後發出正面訊息，令市場對其訂單在第三季與第四季期間改善轉趨樂觀，比大部份人認為訂單於2024年回升的預期更早。我們仍等待更多明確跡象，以確定庫存正常化水平已經觸底。
- 在7月，投資組合持倉中涉及建築、基建及綠色轉型的多家公司股價大幅揚升。Saint Gobain是其中一家為基金的出色表現帶來貢獻的公司，其公佈的業績再度優於市場預期，盈利指引亦有所提高。在歐美地區共同推動下，上半年銷售額符合預期，息税前利潤則高於市場普遍預期8%。現時的全年利潤率指引從先前預測的介乎9%至11%上升至雙位數。在更新有關指引前，市場普遍預期低於10%，因此盈利預測可望以中單位數的幅度上調。更重要的是，自由現金流按年上升30%，突顯業績的優越。
- Kingspan是另一家投資組合持有並向市場公佈正面訊息的建築材料公司。該公司發佈一份簡短聲明，表示2023年上半年的交易盈利比早前的指引高出10%，定價亦遠勝預期。雖然Kingspan注意到其產品類別之間的表現參差，但對該公司在2023年第三季的市場定位有信心，而且即將推出的產品令人振奮。
- Kingspan及Saint Gobain的業績強韌，而且前瞻性指引正面，成為建築業的指標，帶動Sika的股價在公佈盈利業績前揚升。

變動

- 第二季盈利業績顯示工業持續表現強勁，促使我們繼續增持Schneider Electric及Saint Gobain。這兩家企業不但在當前的市場環境下表現強韌，亦受惠電氣化和低碳轉型融資帶來的長遠開支，因此應可繼續支持盈利增長。
- MTU及IMCD的股價疲弱，我們伺機增持其倉盤。就上述兩者而言，我們認為市場對短期憂慮的反應過度，使其股價受壓，但相關憂慮並不影響持有這些企業的長遠投資理據。
- 我們略為減持持倉比重龐大的龍沙集團和LVMH。此外，在權衡ASMI股價近日大幅上升與預料其訂單可能仍然疲弱的風險後，我們亦從出售一部份ASMI的持倉中獲利。

配置

- 根據「由下而上」分析產生的信念，基金於月底對資訊科技、工業和非必需消費品業持最大偏高比重；對能源、金融和基本消費品業持最大偏低比重。

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 2023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 / 歐元兑換率的波動的風險。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。

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