

BlackRock European Fund

As at 30 June 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	-1.2	-1.2	8.6	10.6	8.0	437.5
MSCI Europe (net)	-12.8	-12.8	-6.8	-0.0	7.5	424.2

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

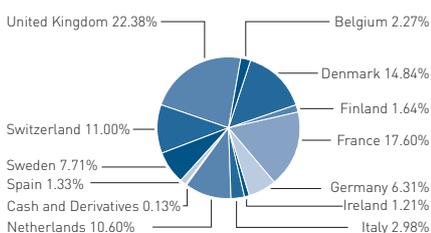
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,176.8
Annual Management Fee	1.50%
Initial Charge	5%

10 Largest Holdings (%)

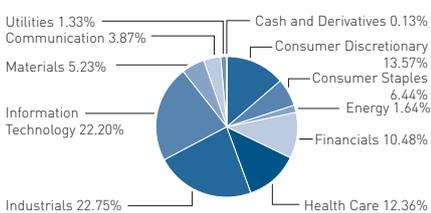
ASML HOLDING NV	5.6
LVMH MOET HENNESSY LOUIS VUITTON SE	5.5
SIKA AG	4.7
SAP SE	4.6
LONZA GROUP AG	4.4
NOVO NORDISK A/S	4.0
ROYAL UNIBREW A/S	3.9
DSV PANALPINA A/S	3.7
VOLVO AB	3.2
LONDON STOCK EXCHANGE GROUP PLC	3.2
Total	42.7

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 rose in June, supported by incoming economic data that was better than expectations.
- Cyclical assets continued their recent outperformance, with the market led by financials, industrials, materials, and IT. Defensive assets generally underperformed, with consumer staples and healthcare delivering mildly positive, and mildly negative returns respectively. Energy companies also continue to face headwinds.
- The fund outperformed the benchmark over the month driven by strong stock selection and sector allocation.

Sectors

- The largest driver of positive attribution from a sector perspective was IT, with the fund benefitting from both strong stock selection, as well as an overweight allocation.
- Strong stock selection, as well as an underweight allocation to healthcare aided relative returns.
- Positive stock selection in the materials sector more than offset the small negative attribution effect of being underweight the sector.

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 BESIX were also strong contributors. BESIX, 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 benefited 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 made some very small changes to the portfolio during the month, including continuing to add to our position in Volvo. We bought an initial position in the company in March during the depths of the crisis when the shares were under severe pressure. Our investment case was predicated on what we saw as an unwarranted sell-off in the share price given the industry leading management team, operational efficiency and strong cash generation of the business. Our observation at the time was that industrial activity was rebounding strongly in China, and our expectation was that we would see a similar, albeit less pronounced pattern in the developed world. Over the last six weeks this thesis has played out as data has shown the resilience of global trade and a sharp improvement in trucking volumes, which are in some geographies back to levels last seen in 2019. The shares have strongly outperformed the market in the recovery, but we believe they still have further to go.

Positioning

- We continue to run the portfolio with strong overweights in industrial and consumer cyclicals, and a marginally reduced underweight in financials. The portfolio remains underweight defensives.
- At the end of the month, the fund was overweight industrials, IT, and consumer discretionary.
- The fund was underweight financials, consumer staples, energy, utilities, real estate and healthcare.
- The fund was neutral communication services.

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 30 June 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.

BlackRock (Hong Kong) Limited

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貝萊德歐洲基金

截至 2020年6月30日止



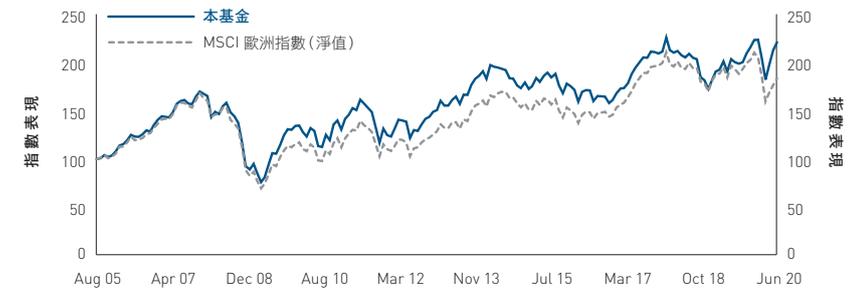
1. 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
2. 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
3. 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

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	-1.2	-1.2	8.6	10.6	8.0	437.5
MSCI歐洲指數 (淨值)	-12.8	-12.8	-6.8	-0.0	7.5	424.2

A 股基金年度表現 (美元)

	2019 %	2018 %	2017 %	2016 %	2015 %	2014 %	2013 %	2012 %	2011 %	2010 %	2009 %	2008 %	2007 %
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MSCI歐洲指數 (淨值)	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



基金資料

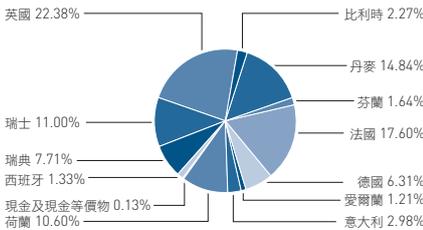
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,176.8 美元
每年管理費	1.50%
首次認費	5%

十大持股比重 (%)

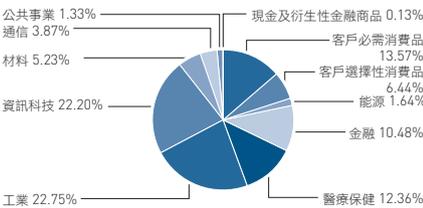
ASML HOLDING NV	5.6
LVMH MOET HENNESSY LOUIS VUITTON SE	5.5
SIKA AG	4.7
SAP SE	4.6
LONZA GROUP AG	4.4
NOVO NORDISK A/S	4.0
ROYAL UNIBREW A/S	3.9
DSV PANALPINA A/S	3.7
VOLVO AB	3.2
LONDON STOCK EXCHANGE GROUP PLC	3.2
總計	42.7

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 6 月 30 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) 並未獲香港證監會所審閱。

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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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

- 新的經濟數據優於預期，帶動歐洲市場在 6 月上漲。
- 周期性資產維持近期出色的表現，金融、工業、原材料及資訊科技股表現最佳。防守性資產普遍表現遜色，基本消費品業錄得溫和正回報，醫療保健業則錄得輕微負回報。能源公司亦持續面對阻力。
- 基金在月內表現優於基準指數，選股和行業配置得宜使基金表現出色。

行業

- 從行業角度來看，最利好表現的行業是資訊科技業，該行業的選股得宜及偏重比重配置使基金受惠。
- 基金對醫療保健業的選股優秀及偏重比重配置亦利好相對回報。
- 原材料業的選股正面，足以抵銷對該行業持偏重比重產生的輕微負面影響。

股票

- DSV 是貨運代理業的環球翹楚之一，為回報帶來最大貢獻。該公司在分散的行業佔領先的市場地位，為其帶來優勢；並擁有最低成本結構，而且在增長較快的「管理式貨運」市場範疇中定位得宜。該公司的管理團隊在整個泛歐市場任何行業中都屬數一數二。DSV 公佈第二季業績，營運溢利較市場普遍預測高出約 100%，因為市場供應緊絀，導致空運運費率高企。該公司亦表示在近期收購泛亞班拿 (Panalpina) 後，旗下德國業務的業務量上升 50%，而且沒有產生成本淨增長。
- 領先的專用化學品公司 Sika 亦於月內大幅上漲。建築材料競爭對手 Saint-Gobain 原本擁有 Sika 的 10% 股權，其後進行股份配售，除此之外有關 Sika 的個別消息不多。Sika 股價早前受壓，可能是市場知悉是次配售計劃，但其後股價在 6 月份止跌回升。
- 半導體持有 ASML、ST Micro 及 BEI 亦顯著利好表現。投資組合在今年初新增的 BEI 持有目前表現良好，營運表現動力非常強勁。4 月份公佈的第一季業績亮麗，訂單按季上升 18%，毛利率為 56.7%。該公司尚未發表第二季業績，但行政總裁近期表示業務進展良好，並指毛利率區間可能升至 55% 至 60%。隨著智能手機需求轉佳，數據中心持續表現強勁，加上遊戲機升級週期在下半年展開，該公司持續受惠於利好因素。
- 數據顯示信用卡開支增加，現已回復 2019 年的水平，促使 Worldline 顯著上揚。雖然這在某程度上可能源於消費者在封鎖期間暫時以信用卡代替現金消費，但我們認為疫情大流行已加快數碼付款的結構趨勢。前競爭對手 Wirecard 無力償還債務而破產後，Worldline 亦可能因而受惠。Wirecard 股價於月內下跌超過 98%，而投資組合並無持有相關倉盤，因此為相對表現帶來貢獻。
- Auto Trader 錄得強勁升幅後微跌，可能源於投資者短期獲利套現。該股是上月最利好投資組合回報的持有，但於 6 月輕微削弱表現。我們對該公司仍有信心。該公司應對疫情大流行的反應很可能加強競爭地位，事實上英國二手車市場極之繁榮，其可望受惠於短期利好因素。
- Neste 在一段時間表現強勁後稍微淡淡回報。我們長遠繼續看好該公司，但原料價格及燃料需求壓力日增，因此短期數據可能使人失望。
- BATS、諾和諾德 (Novo Nordisk) 及 RELX 持有均拖累表現。儘管這些公司的業務或終端市場彼此並無相似之處，但全部都是相對強勁和具防守性的公司，其下跌可能是市場參與者尋求短期性投資而沽售所致。

變化

- 我們在月內稍微改變投資組合的部份配置，包括繼續增持富豪汽車 (Volvo) 的持有。我們在 3 月建立該公司持有，當時正值危機高峰期，其股票顯著受壓。投資理據是我們認為股價跌幅並不合理，因為該公司擁有業內領先的管理團隊及營運效率，而且業務的現金締造能力強勁。當時我們察見中國工業活動大幅回升，因此預料已發展市場或會出現類似趨勢，儘管動力可能較弱。在過去六週，隨著數據顯示環球貿易表現強勁，加上貨車運輸量顯著改善，這個預期得到實現。在某些地區，運輸量更重返 2019 年所見水平。在經濟復甦下，該股股價顯著領先大市，但相信仍有進一步上升空間。

配置

- 在投資組合中，我們繼續對工業及消費周期股持顯著偏重比重，並略為削減金融股的偏重比重。投資組合對防守性股維持偏重比重。
- 基金於月底對工業、資訊科技和非必需消費品業持偏重比重。
- 基金對金融、基本消費品、能源、公用事業、房地產和醫療保健業持偏重比重。
- 基金對通訊服務業持中性比重。