

# BlackRock European Fund

As at 31 March 2022

# BLACKROCK

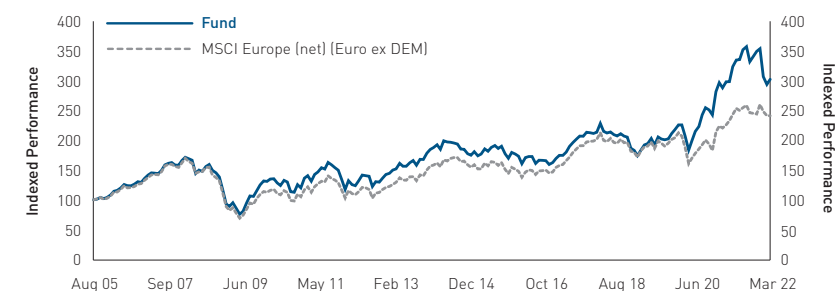
- The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investment 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
	%	%	%	%	%	%
<b>Fund</b>	<b>-14.5</b>	<b>-8.9</b>	<b>1.3</b>	<b>55.7</b>	<b>62.0</b>	<b>629.0</b>
MSCI Europe (net)	-7.4	-2.1	3.5	26.8	39.7	582.3

## A-Share Calendar Year Performance in USD

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
<b>Fund</b>	<b>19.2</b>	<b>31.5</b>	<b>29.7</b>	<b>-18.5</b>	<b>+21.4</b>	<b>-8.5</b>	<b>-0.4</b>	<b>-9.7</b>	<b>+26.9</b>	<b>+22.7</b>	<b>-13.2</b>	<b>+5.4</b>	<b>+42.6</b>	<b>-43.0</b>
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

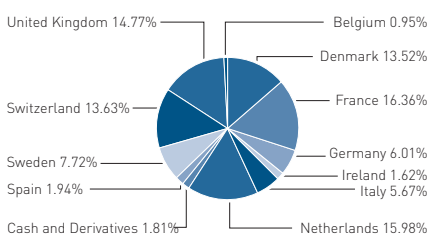
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,735.2
Annual Management Fee	1.50%
Initial Charge	5%

## 10 Largest Holdings (%)

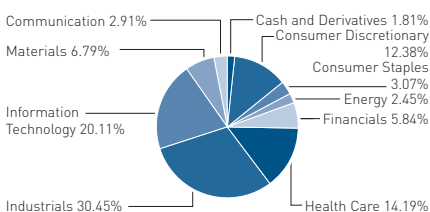
LVMH MOET HENNESSY LOUIS VUITTON SE	6.9
ASML HOLDING NV	5.4
LONZA GROUP AG	5.3
NOVO NORDISK A/S	5.2
SIKA AG	3.9
DSV A/S	3.8
BE SEMICONDUCTOR IND.	3.5
RELX PLC	3.1
ROYAL UNIBREW A/S	3.1
TELEPERFORMANCE	3.1
<b>Total</b>	<b>43.1</b>

## 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

- Markets remained volatile in March. Bond yields rose sharply, Brent crude oil prices moved through \$130 before retreating, and equity markets fell before recovering into the end of the month. European equity markets ended the month modestly higher, having been c. -8% down in the first week of the period.
- The portfolio outperformed the market driven by selection effect.

### Sectors

- The healthcare, energy, and materials sectors led the market. The underweight to energy detracted, but this was more than offset by positive selection effect. Neutral sector weights in healthcare and materials meant that allocation effect was flat.
- The consumer discretionary, real estate, and utilities sectors delivered the lowest returns in the index. Zero weights in utilities and real estate aided relative returns, while the overweight in consumer discretionary was a headwind, again more than offset by positive selection.

### Stocks

- Tenaris was the top contributor in the period. The steel tubing producer will benefit from higher oil prices and more drilling activity. We expect to see future strength come through from ex US customers, which comes at a higher margin and should support earnings growth in the near to medium term.
- EQT shares gained after the company announced they are acquiring Barings Private Equity Asia. The business adds EUR 17.7b AUM carrying an IRR of 17% and a 67% EBITDA margin in 2021. The deal is expected to be immediately high single digit accretive to EPS, and is seen to be filling a gap in their Asia business which will help to reduce the bear case.
- Novo Nordisk contributed to portfolio returns having held a capital markets day in March in which, amongst other things, they gave further detail on the strong growth opportunities for their obesity drug Wegovy.
- DSV shares moved higher having been under pressure of late over market concerns about a normalization in air freight rates as capacity picks up coming out of a covid constrained world. However, this has yet to materialize with both air freight and shipping yields remaining high.
- Epiroc shares bounced as attention shifted to higher commodity prices as a positive and structural trends supporting this business, such as electrification and automation of mines, outweighing short-term concerns over exposure to Russia in their after-market and servicing business.
- Royal Unibrew was the biggest detractor after disappointing the market on full year numbers. The company reported margins c. 1% weaker than the market had expected, driven by higher input costs and marketing spend. Their guidance on operating profits was also lower than the market had expected, again driven by higher raw material costs. However, the top line performance was strong - driven by higher volumes; and the report showed the company continuing to increase its economic power: with several brands strongly increasing market share.
- The fund also suffered in relative terms through not owning two groups of large cap index constituents: defensives (AstraZeneca, Roche, Novartis) and commodity related businesses (Shell, Rio Tinto, Glencore, Equinor).
- Auto Trader was another detractor. The shares fell as the company announced the acquisition of Autorama - a digital marketplace for leasing new vehicles. Whilst this deal makes strategic sense, it will be margin dilutive in the near-term.

### Changes

- We opportunistically added a position in KBC as the share price (along with many banks in Europe) sold off to unwarranted levels following the invasion of Ukraine. KBC is one of the higher quality banks in Europe.
- We also added Schneider Electric, a global leading provider of electrical products, services, systems, and automation control equipment. We believe the company is well positioned to benefit from accelerated spend on electrifying the European economy and believe the market is underestimating the medium-long term growth potential of the business.
- These purchases were funded through exiting some smaller holdings including Tryg and Abcam where we have lower confidence of near-term catalysts.

### Positioning

- The near-term headlines continue to look concerning - with higher commodity prices, continued supply chain disruption, the prospect of tighter central bank policy, and the ongoing war in Ukraine.
- While risks are elevated, the consumer balance sheet is in good shape, debt service costs are low relative to history, and European unemployment is hitting all-time lows. Our industrial facing companies continue to see strong demand across a variety of end markets, corporate debt in aggregate remains low relative to history; and the aforementioned low unemployment is not feeding into material wage inflation so there is limited resulting margin impact thus far.
- With Q1'22 earnings starting in the coming weeks we will get more visibility on the trading environment for companies across the market. Our expectation is for positive updates from companies in the portfolio, though, also a more cautious tone around outlooks.
- In this environment, we believe we have the right portfolio. Our companies have better balance sheets, higher margins, lower capital intensity, and more resilient supply chains than the overall market - giving them strong potential to outperform, in our view.
- Our bottom-up convictions lead the fund to be overweight industrials, IT, and consumer discretionary. The biggest portfolio underweights are in financials, consumer staples, utilities, and energy.

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 March 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

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 2022年3月31日止



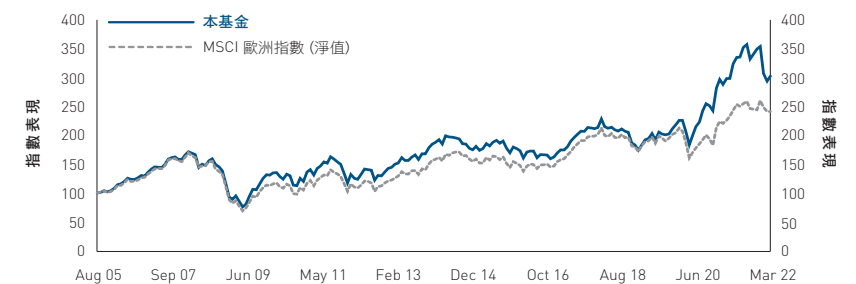
1. 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
2. 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
3. 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

## 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	-14.5	-8.9	1.3	55.7	62.0	629.0
MSCI歐洲指數 (淨值)	-7.4	-2.1	3.5	26.8	39.7	582.3

## 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



## 基金資料

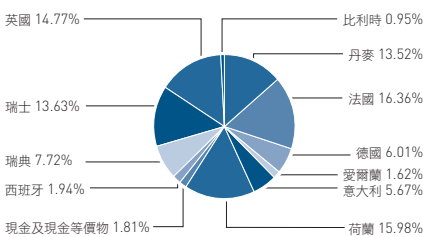
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,735.2
每年管理費	1.50%
首次認費	5%

## 十大持股比重 (%)

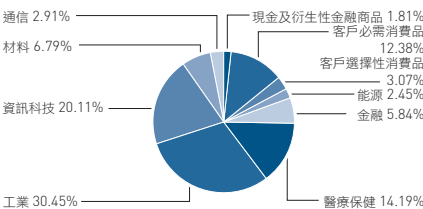
LVMH MOET HENNESSY LOUIS VUITTON SE	6.9
ASML HOLDING NV	5.4
LONZA GROUP AG	5.3
NOVO NORDISK A/S	5.2
SIKA AG	3.9
DSV A/S	3.8
BE SEMICONDUCTOR IND.	3.5
RELX PLC	3.1
ROYAL UNIBREW A/S	3.1
TELEPERFORMANCE	3.1
<b>Total</b>	<b>43.1</b>

## 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

- 市場在3月持續波動。債券收益率急升，布蘭特原油價格突破130美元後回落，股市亦報跌，並於月底回升。歐洲股市在月底輕微高收，期內首週則下跌約8%。
- 在選股帶動下，投資組合表現優於大市。

### 行業

- 醫療保健、能源及原材料業領漲。基金對能源業持偏低比重拖累回報，但選股的正面效應足以蓋過上述負面影響。醫療保健及原材料業的中性比重，意味行業配置的影響持平。
- 非必需消費品、房地產及公用事業對指數回報貢獻最少。基金並無持有公用事業及房地產業有利相對回報，雖然對非必需消費品業持偏高比重構成阻力，但選股正面足以抵銷上述負面影響。

### 股票

- 期內，Tenaris的持倉為回報帶來最大貢獻。油價上升及鑽探活動增加，將會令這家鋼管生產商受惠。預期未來動力將來自非美國客戶，這些客戶的利潤率較高，並應在中短期為盈利增長提供支持。
- EQT宣佈收購Barings Private Equity Asia，帶動股價上升。這項業務在2021年帶來管理資產總值177億歐元，內部回報率為17%，息、稅、折舊及攤銷前利潤率則為67%。預計是次交易將即時推動每股盈利錄得高單位數增長，並可望填補亞洲業務的缺口，將有助降低看跌預期。
- 諾和諾德在3月舉行資本市場日活動，並於會上進一步詳細介紹其肥胖症藥物Wegovy的強勁增長機遇，為投資組合回報帶來貢獻。
- 市場對空運運費率正常化的進程感到憂慮，導致DSV近期受壓，但其後市場擺脫疫情陰霾刺激運載能力回升，因此公司股價走高。然而，鑑於空運及航運收益仍然高企，上述情況尚未實現。
- Epiroc股價回升，因為市場焦點轉向商品價格上漲，並視之為支持這家（例如礦場電氣化和自動化）的正面結構性趨勢。蓋過其投資於俄羅斯後期市場及服務業務的短期憂慮。
- Royal Unibrew的全年業績令市場失望，因此最利淡基金表現。在投入成本及市場推廣高支出增加的情況下，該公司利潤率約為1%，遜於市場預期。營運溢利指引亦低於市場預期，主要源於原材料成本上漲。然而，銷售額上升使營業額表現強勁；而且業績報告顯示公司持續增強其經濟實力：多個品牌的市場份額顯著增長。
- 相對而言，基金亦並無持有兩組大型指數成份股而利淡表現：防守性股（阿斯利康、羅氏、諾華）及商品相關企業（Shell、力拓、嘉能可、挪威國家石油公司）。
- Auto Trader亦削弱回報。該公司宣佈收購Autorama（新車租賃的數碼市場），導致股價下跌。雖然這項交易具有戰略意義，但短期內將會攤薄利潤率。

### 變動

- 繼烏克蘭被入侵後，KBC（及多家歐洲銀行）股價被拋售至不合理水平，因此我們趁機增持有關持倉。KBC是歐洲買業較高的銀行之一。
- 我們亦增加對Schneider Electric的投資，這是一家領先全球的電器產品、服務、系統及自動化控制設備供應商。我們認為這家公司穩佔優勢，可望因歐洲在推動經濟電氣化方面增加開支而受惠，並相信市場低估這個業務的中長期增長潛力。
- 我們對Tryg及Abcam等部份小型持倉的短期刺激因素信心較低，因此賣出有關投資，為買入相關配置提供資金。

### 配置

- 近期的主要消息仍然令人憂慮：商品價格上升、供應鏈持續中斷、央行收緊政策的預期，以及烏克蘭戰爭持續。
- 雖然風險升溫，但消費者的財政狀況良好，價值成本低於過往水平，而且歐洲失業率屬及歷史低位。我們的工業公司持倉在各個終端市場的需求保持強勁，整體企業債務相對歷史水平仍屬偏低；而且上述失業率低企並無推動工資大幅增長，因此至今對利潤率的影響有限。
- 隨著2022年第一季業績期在未來數週展開，我們將更加了解整個市場上企業的交易環境。不過，我們預計投資組合公司的最新業績報告將會利好，而且對前景取態較為審慎。
- 在這個環境下，我們認為投資組合已作出適當配置。與整體市場相比，我們所持有的公司擁有較佳的財政狀況，利潤率較高，資本密集度較低，而且供應鏈較為穩健，因此有更大潛力可表現領先。
- 根據「由下而上」分析產生的信念，基金對工業、資訊科技和非必需消費品業持偏高比重。投資組合對金融、基本消費品、公用事業和能源業持最大偏低比重。

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 2022 年 3 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。

## 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