

# BlackRock European Fund

As at 31 May 2020

# BLACKROCK

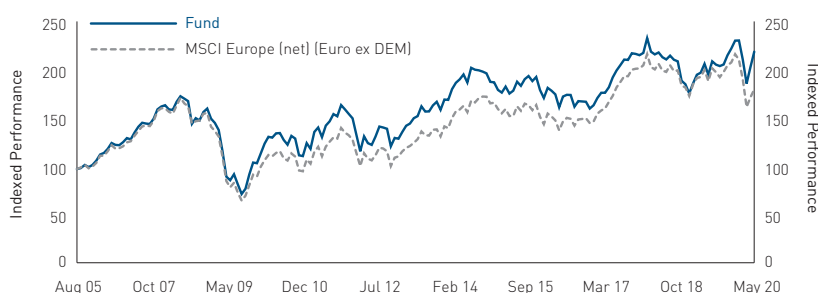
- The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investment 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	-4.8	-1.4	11.8	5.4	1.3	417.7
MSCI Europe (net)	-16.2	-12.9	-4.4	-5.0	0.1	403.7

## 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

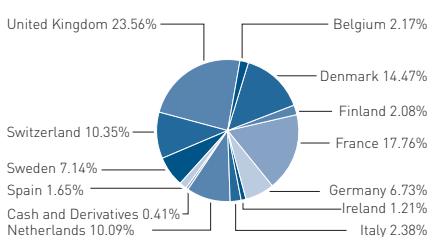
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,140.8
Annual Management Fee	1.50%
Initial Charge	5%

## 10 Largest Holdings (%)

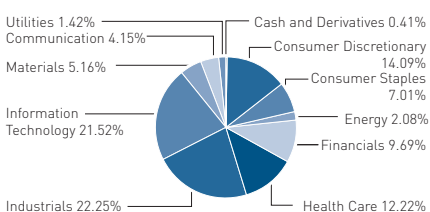
LVMH MOET HENNESSY LOUIS VUITTON SE	5.5
ASML HOLDING NV	5.2
SIKA AG	4.4
SAP SE	4.3
LONZA GROUP AG	4.2
NOVO NORDISK A/S	4.2
ROYAL UNIBREW A/S	4.0
LONDON STOCK EXCHANGE GROUP PLC	3.2
SAFRAN SA	3.2
RELX PLC	3.1
<b>Total</b>	<b>41.3</b>

## 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

- European markets rose in May. Optimism appears to have been driven by investors' hopes for a COVID-19 vaccine, a gradual re-opening of economies, and an announcement of an EU plan to make EUR 750bn in funding available to EU member states.
- In general, cyclical assets outperformed, with the market led by industrials, materials, and IT. Financials and energy underperformed and accompanied healthcare and consumer staples in lagging the market.
- The fund outperformed the benchmark over the month driven by strong stock selection and sector allocation.

### Sectors

- Overweights in IT and industrials benefited returns.
- Strong stock selection in healthcare and energy drove a positive total effect.
- The portfolio had a small negative attribution effect in materials due to both sector allocation and stock selection.

### Stocks

- Auto Trader was the top contributor during the month. We like the company's dominant position in the growing online market and the network effects gained from its utility for both buyers and sellers as it continues to gain market share. More immediate catalysts for the strong share price performance may have been evidence that the second-hand car market appears to be recovering in Europe, following similar observations in China following the relaxation of lock-downs. Auto Trader recently released data points showing that leads to car dealers were up 70% y/y, with positive momentum after the prior week of 50% y/y increases.
- Lonza was a significant contributor to returns. The shares reacted positively to news that the company has signed a deal with Moderna to manufacture the active pharmaceutical ingredient in Moderna's forthcoming mRNA vaccine for COVID-19. Whilst this is incrementally positive news, we do not see it as material to our investment case which is predicated on its strong market position, technological leadership, and scale advantages.
- The portfolio also benefitted from a position in Experian, the UK listed specialist in credit and risk management services. The company has material end market exposure to the global consumer and sold off sharply during the depths of the market volatility in March. Subsequent comments from the company's management team have been positive and support a growing thesis that developed market consumers are proving more resilient than feared.
- HSBC, a large index constituent, fell sharply during the month reflecting ongoing concerns about its strategy and uncertainty about its future in Hong Kong given recent geopolitical developments. The portfolio benefitted in relative terms through not owning this company.
- Berkeley Group was a detractor from returns during May. The shares fell modestly over the course of the month following the publication of a bearish report on UK house prices from industry body RICS.
- There was also a mild negative effect from two of our semiconductor names, BESI and ST Micro. Both stocks have rallied strongly off the lows in March but fell in May over concerns that the ongoing dispute between the US and Huawei could have a negative impact on their sales.
- The portfolio suffered in relative terms through not owning Rio Tinto or Siemens. Both stocks rallied strongly due to investors' appetite for cyclicality and in the case of Rio Tinto, a tightening of the iron ore market out of Brazil.

### Changes

- We took the opportunity of relative share price weakness to add a position in Kering, one of the global leaders in luxury goods. We continue to see structural drivers for the industry, benefiting from the growth in the Chinese middle class and continued urbanization, as well as global trends in social media and consumer awareness. Kering's Gucci brand makes up c. 60% of group sales and is one of the most prestigious brands in history, ranking highly for brand equity by BrandZ and Interbrand. While we expect top line growth to normalize from current levels, we expect the company will be able to maintain gross margins in the region of 70%, strong cash generation, and high returns on capital.
- We also made a small addition to our position in KBC.
- The additions above were funded through reducing our positions in Linde and RELX, which have both held up well over recent months and where we see less upside in the medium term.

### Positioning

- The cyclical nature of the portfolio has increased slightly from last month, 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 31 May 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5月31日止

# BLACKROCK

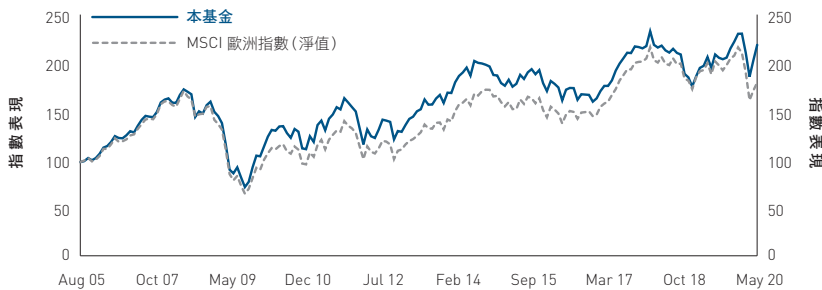
- 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
- 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
- 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

### 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	-4.8	-1.4	11.8	5.4	1.3	417.7
MSCI歐洲指數 (淨值)	-16.2	-12.9	-4.4	-5.0	0.1	403.7

### A 股基金年度表現 (美元)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
本基金	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

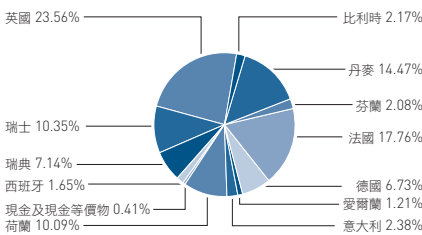
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,140.8
每年管理費	1.50%
首次認費	5%

### 十大持股比重 (%)

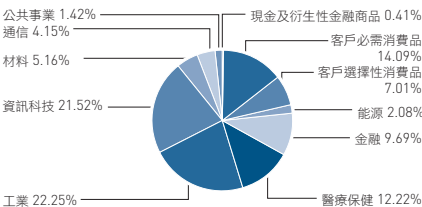
LVMH MOET HENNESSY LOUIS VUITTON SE	5.5
ASML HOLDING NV	5.2
SIKA AG	4.4
SAP SE	4.3
LONZA GROUP AG	4.2
NOVO NORDISK A/S	4.2
ROYAL UNIBREW A/S	4.0
LONDON STOCK EXCHANGE GROUP PLC	3.2
SAFRAN SA	3.2
RELX PLC	3.1
總計	41.3

### 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 5 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

- 歐洲市場在 5 月報升。投資者憧憬 2019 新型冠狀病毒 (新冠肺炎) 疫苗面世，加上各地經濟逐步重啟，以及歐盟宣佈計劃向成員國撥款 7,500 億歐元等利好消息，均為樂觀情緒帶來支持。

- 整體而言，周期性資產表現領先，工業、原材料及資訊科技股表現最佳。金融和能源業表現遜色，醫療保健及基本消費品業亦落後大市。

- 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

- 基金對資訊科技和工業持偏高比重利好回報。
- 醫療保健及能源業選股強勁，帶動整體表現良好。
- 受行業配置和選股策略影響，原材料業對投資組合的貢獻較為遜色。

#### 股票

- 月內，Auto Trader 對基金表現貢獻最大。我們看好公司在不斷增長的網上市場競爭主導地位，而且隨著市場份額不斷增加，公司能為買賣雙方提供實用的網絡效應。此外，正如中國放寬防疫封鎖措施後的情況一樣，歐洲的二手車交易市場似乎逐漸回升，或許成為近期刺激股價表現強勁的要素。Auto Trader 公佈的最新數據顯示，這一股趨勢帶動汽車代理商銷售繼前一週出現按年增長 50% 的正面動力後，再按年升 70%。

- 龍沙集團 (Lonza) 為回報帶來顯著貢獻。消息指集團已跟 Moderna 簽署協議，為 Moderna 即將推出的 mRNA 冠狀病毒疫苗生產其中的活性藥物成份，支持集團股價反應正面。儘管利好消息日增，但我們認為這對投資回報並未構成重大影響，因為集團的市場地位穩固，並擁有領先的技術水平和規模優勢。

- 英國上市企業益博睿 (Experian) 亦利好投資組合表現。該公司專門提供信貸及風險管理服務，在環球消費領域擁有重要的終端市場。在 3 月份市場大幅波動期間，公司股份曾遭大量拋售。然而，公司管理層團隊隨後發表正面言論，為日漸加强的數據帶來支持；已發展市場的消費者的韌性多於恐懼。

- 月內，大型指數成份股滙豐 (HSBC) 股價急挫，反映近期地緣政治發展令市場持續憂慮集團在香港的業務策略及前景不明朗。投資組合並無持有滙豐，因而利好相對表現。

- Berkeley Group 削弱基金的 5 月份回報。英國皇家特許測量師學會 (RICS) 發表看淡英國房價的報告，導致公司股價於月內溫和下跌。

- 基金的兩項半導體企業配置 BESIX 與 ST Micro 也輕微淡表現。兩隻股票均已自 3 月的低位強勁反彈，但其在 5 月回落，因美國與華為之間的爭議不斷，或會對 BESIX 與 ST Micro 的銷售造成負面影響。

- 基金並無持有力拓 (Rio Tinto) 或西門子 (Siemens)，令相對表現受壓。投資者追捧周期性股票，刺激兩家公司的股價顯著回升；另外就力拓而言，巴西以外的鐵礦石市場供應日漸緊縮。

#### 變化

- 我們把握股價相對弱勢的機遇，增持環球領先高檔消費品企業開雲集團 (Kering)。受惠於中國中產階層增長及城鎮化發展持續，加上社交媒體和消費者意識的環球趨勢，我們看好高檔消費品業擁有結構性增長動力。開雲旗下品牌 Gucci 約佔集團總銷售的 60%，並為史上最知名品牌之一，在國際品牌顧問公司 BrandZ 與 Interbrand 的品牌資產排名中位列前茅。我們預計集團的收益增長將從目前水平逐步恢復正常，而且公司有能力的把毛利率維持於 70% 的區間，並產生強勁的現金流及可觀的投資回報率。

- 我們亦少量增加比利時聯合銀行 (KBC) 的持有。
- 基金削減林德集團 (Linde) 及 RELX 的持有，把所得資金用作增持上述倉盤，因為兩家公司近月表現良好，我們認為中期上升空間不大。

#### 配置

- 投資組合的周期性資產配置較上月略為增加，尤其對工業及消費周期股持顯著偏高比重，並略為削減金融股的偏低比重。投資組合對防守性股維持偏低比重。

- 基金於月底對工業、資訊科技和非必需消費品業持偏高比重。
- 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低比重。
- 基金對通訊服務業持中性比重。

### 貝萊德 (香港) 有限公司

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