

# BlackRock European Fund

As at 30 November 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>-28.7</b>	<b>-4.1</b>	<b>-27.8</b>	<b>15.9</b>	<b>19.4</b>	<b>508.3</b>
MSCI Europe (net)	-15.1	-3.4	-9.5	8.2	11.3	525.6

## 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

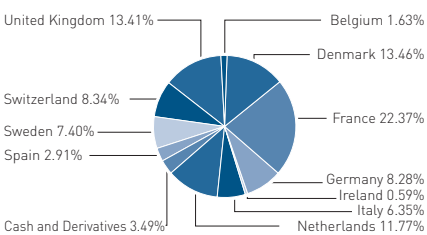
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,225.3
Annual Management Fee	1.50%
Initial Charge	5%

## 10 Largest Holdings (%)

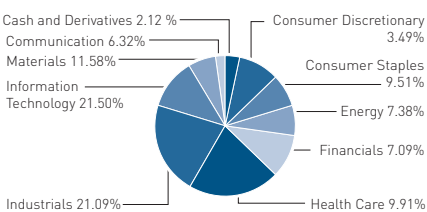
LVMH MOET HENNESSY LOUIS VUITTON SE	7.1
NOVO NORDISK A/S	6.8
ASTRAZENECA PLC	5.5
TOTALENERGIES SE	5.1
RELX PLC	4.7
LINDE PLC	4.1
LANZA GROUP AG	4.1
ASML HOLDING NV	3.6
LOREAL SA	3.5
DSV A/S	3.2
<b>Total</b>	<b>47.7</b>

## 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

- The MSCI Europe Index ended the month up 6.9% [EUR]. The fund was slightly ahead of the benchmark, returning 7.0% [EUR, primary share class, net of fees].
- November's market rally was supported by the latest US inflation print and news flow around China. Adding to previous month gains, all sectors were higher and again led by those considered more cyclical such as Consumer Discretionary and Technology.
- The latest US core CPI report showed a material improvement month-on-month (0.3% vs 0.6% prior release) which was viewed as a potential catalyst for the US Fed to slow their pace on rate hikes. The favourable inflation print was driven by goods which benefited from a normalization of supply chains and discounting to clear built up inventories, and services excluding shelter. Shelter inflation remained high, though, there are signs this too should start falling from next year. The market also welcomed encouraging news flow from China where the government is stepping up efforts to ease restrictions associated with their COVID Zero policy.

### Sectors

- The portfolio's sector positioning was a drag on relative returns driven by an overweight to Healthcare and underweight to Consumer Discretionary and Financials. The fund's cash balance also weighed against the equity market rally.

### Stocks

- Strong gains in the share prices of consumer and semiconductor businesses – which had been under pressure as of late – led them to feature amongst top contributors to the fund's active returns in November.
- After reporting solid Q3 results the previous month, LVMH continued to gain throughout November. China re-opening optimism was taken as a potential positive catalyst for sales which could help to offset if we see a slowdown in luxury sales from western markets next year.
- China re-opening optimism also benefited shares in L'Oréal which had come under pressure recently following Q3 results in-line with buy-side estimates followed by a perceived negative peer read across.
- CTS Eventim was also amongst the top performers, delivering a strong set of results. The company's ticketing and live entertainment segments continue to benefit from demand in concerts and festivals. Q3 revenue increased compared to the pre-COVID period of Q3 2019, as the company benefits from strong volume and pricing. The company is set to deliver a record result for 2022.
- Shares of the portfolio's semiconductor equipment companies had a strong month – BE Semi, ASML, ASML, and ST Micro. After a strong earnings beat the previous month, ASML held a capital markets day in November where they raised their 2025 and 2030 sales targets and announced a new buyback program. Meanwhile, ASMI significantly lowered their expectations for negative sales impacts from restrictive US policy trying to limit China's access to semis technology.
- Teleperformance was the largest detractor from active returns in November as shares again came under pressure following announcements that the Ministry of Labour in Colombia has decided to launch an official investigation into the company in regard to its treatment of TikTok content moderators. Negative surprise in shares happens and, in instances such as Teleperformance, we follow a clearly defined process. Firstly, we look to ascertain as much fact and information as we can, as quickly as we can. That means a deep dive with the multiple layers of company management (on this occasion separate meetings with CEO, head of legal & compliance, CFO, and divisional heads). We will do expert network calls (on this occasion with legal experts in Colombia to talk through the mechanics of labour relations), and we organise trips to conduct site visits and understand the local nuances (in this case we sent an analyst to Colombia to meet with representatives of the Colombian unions and Government to investigate the bear case in full). Importantly, we then look to contextualise all the information gleaned in relation to the share price move.
- On the Teleperformance allegations themselves, the company emphasised that they have followed all labour laws in the US and Colombia. The Colombian site has been audited 18 times by the labour ministry in the last 3 years as is a routine procedure with no material issues having come up. However, clearly even if the company has broken no laws there is some discontent present for these allegations to come about. We'd note that the board have now given full mandate to allow for the Colombian site to become unionised. We believe the company have taken steps here to not only act on the allegations but provide significant transparency to the market of how this has been treated and what resolutions are in place. The show of strength of not only the lead management team but the second tier of management has certainly been impressive. Despite this, clearly it will take time for reputation to be rebuilt. We still fundamentally believe in the business model, and note shares are at an attractive valuation on this basis, but we must be cautious also of this overhang in the near-term.
- Lonza weighed on returns. Shares were impacted when a US based CDMO peer released a downgrade to their FY guidance based on macro deterioration and COVID related business slow down. We believe the read across to Lonza was unwarranted, with shares overreacting, given the company specific nature driving the peer downgrade.
- RELX shares were down with no stock specific news. The company has a solid defensive business model and its shares were likely sold as a funding source supporting the cyclical rally.

### Changes

- We trimmed Teleperformance in recognition of the added risks outlined above. We also continued to reduce Royal Unibrew on the near-term margin concerns.
- Amadeus was sold from the portfolio. The company's main customers are airlines where there's still demand concern. Asian travel, particularly cross-border, has yet to recover and the situation in China is still not very helpful here.
- Top ups were made in LVMH, Sartorius Stedim, and MTU.

### Positioning

- At the end of the month, our bottom-up convictions resulted in the fund's largest overweight positioning to Industrials, Healthcare, and Information Technology. The biggest underweight positioning was in Consumer Staples, Financials, 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 30 November 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.

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# 貝萊德歐洲基金

## 截至 2022年11月30日止



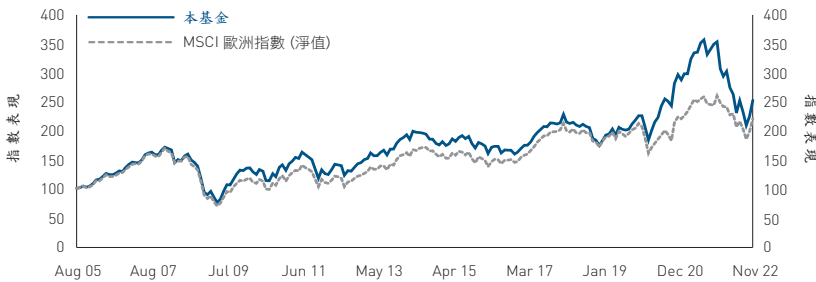
1. 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
2. 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
3. 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

### 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	-28.7	-4.1	-27.8	15.9	19.4	508.3
MSCI歐洲指數 (淨值)	-15.1	-3.4	-9.5	8.2	11.3	525.6

### 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



### 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

- MSCI歐洲指數在月底報升6.9% (歐元)。基金表現略優於基準指數，錄得7.0%升幅 (歐元，主要股份類別，已扣除費用)。
- 美國最新通脹數據及圍繞中國的消息支持市場在11月揚升。繼上月報升後，所有行業均走高，非必需消費品和科技等較具周期性的行業再次领涨。
- 美國最新公佈的核心消費物價指數按月大幅下跌 (0.3%對上月的0.6%)，市場視之為美國聯儲局減慢加息步伐的潛在刺激因素。商品和服務業 (不包括住房) 帶動通脹數據向好，前者受惠於供應鏈正常化，並透過折扣優惠消除庫存。住房通脹仍然高企，但也有跡象顯示應在明年開始回落。中國政府正加放寬疫情清零政策的限制，有關消息令人鼓舞，市場對此表示歡迎。

#### 行業

- 投資組合的行業配置相對回報，原因是基金對醫療保健業持高比重，並對非必需消費品和金融業持低比重。股市走勢亦使基金的現金倉庫受惠。

#### 股票

- 近期面臨壓力的消費及半導體企業股升幅強勁，在11月份為基金主動回報帶來最大貢獻。
- 隨著LVMH在上月公佈的第三季業績強勁，其股價在11月份繼續走高。中國經濟重啟帶來的樂觀情緒，被視為刺激銷售的潛在正面因素，有助抵銷去年西方市場奢侈品銷售放緩的影響。
- L'Oréal股份亦受惠於中國經濟重啟帶來的樂觀氛圍。該股近期受壓，因為其第三季業績與買方預期一致，其後市場解讀為同業數據普遍負面。
- CTS Eventim亦是表現出色的持倉之一，其多項業績指標表現強勁。該公司的業務及市場趨勢與零售業及節日活動的需求。由於CTS Eventim的銷售和定價強勁，因此第三季收入較2019年第二季疫情前有所增加。該公司業績有望在2022年創下新高。
- 投資組合內的半導體設備公司股價在月內展現強勁，包括BE Semi、ASML、ASMI和STMicro。繼上月盈利表現強勁，優於市場預期後，ASML在11月份舉行資本市場日，在活動上調高2025年及2030年的銷售目標，並宣佈推出新的回購計劃。另外，儘管美國限制政策，試圖限制中國取得半導體技術，但ASML大幅調低因而帶來負面影響的預期。
- Teleperformance成為11月份最弱主動回報的持倉，原因是哥倫比亞勞工部宣佈決定對TikTok內容審查的待過，對該公司造成正式調查，令該公司的股價再次受壓。當股份出現意料之外的負面消息，以Teleperformance為例，我們會遵循明確的處理。首先，我們盡快查明最多事實和消息。這意味著要深入調查公司各管理層 (這次是與行政總監、法及合規主管、財務總監和部門主管分別會面)。我們將與專家諮詢聯繫 (這次是與哥倫比亞的法律專家探討勞工關係權利)，並安排行程進行當地考察，了解當地的差異 (在這種例子，我們委派一名分析師前往哥倫比亞，與當地工會及政府的代表會面，全面調查利淡該公司的消息)。重要的是，我們其後會審視與股價走勢相關的所有資訊。
- 有關對Teleperformance的指控，該公司強調已遵守美國及哥倫比亞的所有勞工法例。在過去三年，勞工部已對該公司的哥倫比亞分部進行了18次審計，這是一個常規程序，並無出現重大問題。然而，即使該公司沒有違反任何法例，但有關指控明顯已引起一些不滿情緒。我們注意到，該公司當時完全沒有提供哥倫比亞分部成立工會。我們相信該公司採取措施 (在這種例子，我們委派一名分析師前往哥倫比亞，與當地工會及政府的代表會面，全面調查利淡該公司的消息)。重要的是，我們其後會審視與股價走勢相關的所有資訊。
- 龍沙集團 (Lonza) 的表現則弱回報。鑑於宏觀經濟放緩，加上疫情相關的業務放緩，一家美國合同研發及生產組織 (CMO) 同業下調財年盈利指引，令龍沙集團的股份表現受到影響。我們認為市場對龍沙集團的解讀並不合理，其放緩反應過度，因為該同業是基於公司的具體性質而調低盈利指引。
- RELX並無任何個股消息，但其股價走低。該公司的業務模型穩健且具防守性，投資者可能沽售其股份套現，以作為支持市場週期性反彈的資金。

#### 變動

- 基於上述增添的風險，我們減持Teleperformance的倉盤，亦繼續減持Royal Unibrew，因其短期利率率使人憂慮。
- 投資組合沽售艾瑪迪斯 (Amadeus) 該公司的主要客戶為航空公司，但這個領域的需求仍然令人擔憂。亞洲旅遊 (尤其是跨境旅遊) 仍未復甦，中國的情況依然無助解決問題。
- 我們增持LVMH、Sartorius Stedim和MTU。

#### 配置

- 根據「由下而上」分析產生的投資確信度，基金於月底對工業、醫療保健和資訊科技業持最大個高比重；對基本消費品、金融和公用事業持最大個低比重。

### 基金資料

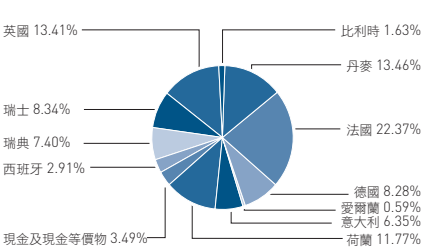
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,225.3美元
每年管理費	1.50%
首次認費	5%

### 十大持股比重 (%)

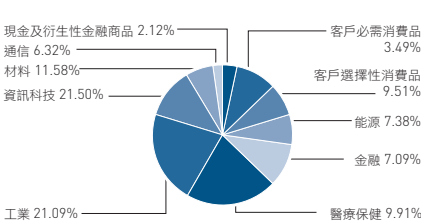
LVMH MOET HENNESSY LOUIS VUITTON SE	7.1
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RELX PLC	4.7
LINDE PLC	4.1
LONZA GROUP AG	4.1
ASML HOLDING NV	3.6
LOREAL SA	3.5
DSV A/S	3.2
<b>Total</b>	<b>47.7</b>

### 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2022年11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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