

BlackRock European Fund

As at 30 November 2023



1.

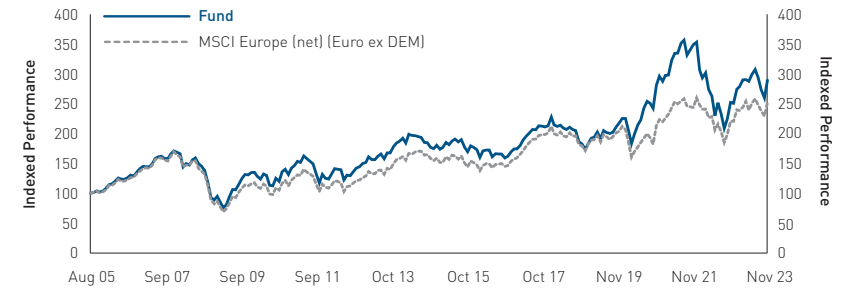
The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
2.

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.

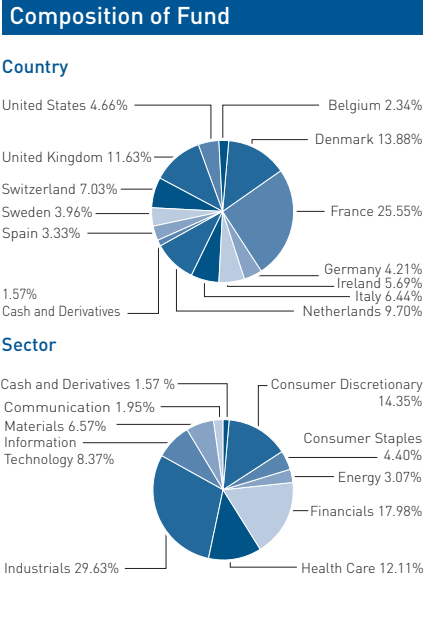
A-Share Cumulative Performance in USD						
	YTD	6 Months	1 Year	3 Years	5 Years	Since Launch
	%	%	%	%	%	%
Fund	15.6	0.8	15.0	3.1	58.6	599.2
MSCI Europe (net)	14.2	5.3	14.2	18.1	40.3	614.4

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 \$1,395.3
Annual Management Fee	1.50%
Initial Charge	5%

10 Largest Holdings (%)	
NOVO NORDISK A/S	9.8
LVMH MOET HENNESSY LOUIS VUITTON SE	4.9
LINDE PLC	4.7
RELX PLC	4.5
MTU AERO ENGINES AG	4.2
SCHNEIDER ELECTRIC SE	3.8
FERRARI NV	3.7
AIB GROUP PLC	3.4
CAIXABANK SA	3.3
IMCD NV	3.1
Total	45.4



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 +8.5% (EUR, primary share class, net of fees) outperforming the MSCI Europe Index return of +6.4% (EUR).
- The market rallied as the prevailing backdrop rapidly pivoted back towards a soft-landing scenario. Surprise inflation prints, showing both the US and European levels meaningful lower than economist forecasts, led the rates market to price US Fed and ECB interest rate cuts in 2024 – a bullish cue for risk assets.
- The key for investors is what the market is telling us about companies 12-months from now and beyond. While equity markets are likely to remain volatile as the hold/hike/cut debate in the bond market continues to play out, our focus is on the next 6-18 months looking more interesting. As fundamental investors, we are searching for signs of incremental change in businesses that gives us opportunity to own shares where, in time, consensus estimates can be proven as too bearish. As more and more of these signs emerge, the broader market risk appetite should return which will be supportive for the portfolio.
- As always, it will be important to look sector-by-sector and stock-by-stock to find opportunities. We believe companies in the portfolio can continue to deliver on earnings upgrades versus under-demanding consensus expectations. We also maintain ample long-term 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 allocation effect was positive in the month primarily driven by the portfolio's overweight positioning within Industrials and underweight positioning to the Consumer Staples and Energy sectors.

Stocks

- A position in JD Sports was amongst top contributors to active returns in November. We were pleased to have topped up ahead of the shares c. +25% move – a great example of how our data scientists use of alternative data can help with better trading decisions. This is a share that has been on a massive valuation discount for some time, where we've had our eye on building the portfolio's position ahead of their next trading update in January 2024. Tracking alternative data that showed US peers delivering in-line with guidance led us to top-up JD Sports ahead of those peers reporting, knowing they tend to have strong read across impacts. JD Sports continues to trade well below the 15-16x P/E multiple we'd expect, leaving re-rating opportunity as they continue to execute strongly to drive earnings upgrades.
- Semiconductor holdings in the portfolio – BE Semi, ST Micro, and ASMI – bounced back from oversold levels. For most of the year, we've been saying that the time to buy is ahead of the trough, and we are pleased to see the portfolio benefit as the market warms to evidence we are past the cycle trough for semiconductor orders. Furthermore, stunning results from Nvidia showed strength in the AI chain which was particularly supportive for BE Semi, seen as one of Europe's top AI beneficiaries.
- Shares in Partners Group performed strongly over the month, benefiting from an improved rate environment and outlook for fundraising activity. We spoke to the company's CEO who noted funding is more readily available while expressing an optimistic outlook for deal making.
- Several industrial positions in the fund, such as Saint Gobain and Schneider Electric, were also amongst top drivers of positive attribution. These are industrial cyclicals that have improved their businesses over time, showing greater through cycle resilience due in part to their exposure to end-markets driven by structural spending. We see volume growth nearing a trough with improvement expected in 2024 and beyond. For example, Schneider Electric held a capital markets day during which they released new organic revenue growth targets of 7-10% through to 2027 (driven primarily by volume growth outpacing their end-markets), with a small degree of margin expansion in addition. This was taken positively by the market – which had been assuming growth rates of closer to 5% and had been concerned about a cyclical slowdown in the business.
- Specialty chemical distributor, IMCD, provided positive relative contribution during the month with shares up c. 25% in November. They reported Q3'23 results which missed expectations but guided to an improvement in the coming quarters, noting that they expect to see an increase in volumes in Q4'23 vs Q3'23.
- A position in Royal Unibrew detracted in November. The company reported weak Q3 results, with sales declining -1% vs expectations of 8% growth. This was driven by much weaker volumes than anticipated – which the company attributed to weather and price increases in Northern Europe in particular. The company also marginally lowered guidance for the rest of the year in part due to a lower contribution from the recently acquired Vrumona (soft drinks manufacturing) business – bringing the reliability of the management team's execution into question.
- The portfolio's more defensive holdings – such as Novo Nordisk and Linde – were up in absolute terms yet acted as relative detractors in November as they underperformed the broader market gains.
- DSV also detracted with shares down on continued selling after the company's October announcement of a change in leadership and an unexpected joint venture in Saudi Arabia.

Changes

- We exited small weights in Spirax-Sarco and Genmab, seeing better opportunities elsewhere in the market over the near to medium-term. As noted in the section above, one of those opportunities is JD Sports where we topped up our position after our data scientists provided evidence of resilient trading for US peers that report ahead of JD Sport and often create a read across effect in shares.
- We added to the portfolio's position in Totalenergies noting a cheap valuation with double digit free cashflow yield for what we see as the best positioned energy major within the sector.

Positioning

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

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 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.  
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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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	15.6	0.8	15.0	3.1	58.6	599.2
MSCI歐洲指數（淨值）	14.2	5.3	14.2	18.1	40.3	614.4

A 股基金年度表現（美元）														
	2022 %	2021 %	2020 %	2019 %	2018 %	2017 %	2016 %	2015 %	2014 %	2013 %	2012 %	2011 %	2010 %	2009 %
本基金	-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歐洲指數（淨值）	-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



基金資料

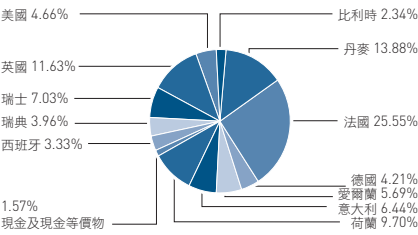
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值（百萬）	1,395.3美元
每年管理費	1.50%
首次認費	5%

十大持股比重（%）

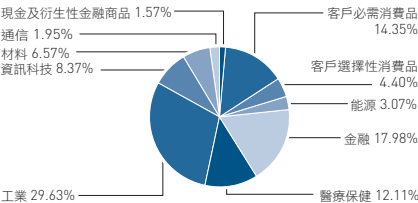
NOVO NORDISK A/S	9.8
LVMH MOET HENNESSY LOUIS VUITTON SE	4.9
LINDE PLC	4.7
RELEX PLC	4.5
MTU AERO ENGINES AG	4.2
SCHNEIDER ELECTRIC SE	3.8
FERRARI NV	3.7
AIB GROUP PLC	3.4
CAIXABANK SA	3.3
IMCD NV	3.1
Total	45.4

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 2023 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。

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

- 基金錄得 9.5% 的升幅（歐元，主要股份類別，已扣除費用），表現優於上升 6.4%（歐元）的 MSCI 歐洲指數。
- 隨著當前環境迅速轉向軟著陸，市場出現反彈。通脹數據令人意外，美國和歐洲的通脹水平均顯著低於經濟學家預測，導致利率市場價格反映聯儲局和歐洲央行在 2024 年減息的預期，是看好風險資產的訊號。
- 投資者應注意能夠預期企業未來 12 個月及往後表現的市場訊號。隨著有利利率維持不變 / 加息 / 減息的討論繼續影響市場表現，股市或會持續波動，但我們預料於未來 6 至 18 個月更具吸引力的後市。作為基本因素投資者，我們正留意企業有否出現漸趨明顯的轉變，從而把握機會買入那些假以時日證明市場過於看淡的股票。隨著這類跡象增加，廣泛市場的承險意欲可望回升，繼而利好投資組合表現。
- 一如既往，重要的是逐一剖析個別行業和股份，從中物色投資機會。我們認為投資組合內的公司盈利預測可繼續上調，而非符合偏低的普遍預測。投資組合配置於穩健的資產、資本開支回升及低碳轉型等結構性開支來源支持的終端市場，有關投資日後將提供大量長遠機會。

行業

- 月內的行業配置有利表現，主要由於投資組合對工業持偏高比重，以及對基本消費品和能源業持偏低比重。

股票

- 基金持有 JD Sports 在 11 月為主動回報帶來最大貢獻。我們在 JD Sports 股價上漲約 25% 之前已增持該股，為此感到欣喜，這個例子正好說明我們的數據科學人員如何使用其他數據，來作出更有效的交易決策。該股估值存在大幅折讓已有一段時間，我們一直伺機在 2024 年 1 月下一次公佈最新營運數據前建立相關持倉。我們所追蹤的其他數據顯示美國同業的業績與指引相符，而由於我們知道這些公司一般會對廣泛同業產生強烈影響，因此在同業表業績之前增持 JD Sports。JD Sports 股價仍遠低於我們預期的 15 至 16 倍市盈率，由於公司繼續展現強勁執行能力，有助推動盈利預測上調，因此估值有望重估。
- 投資組合持有的半導體股從超賣水平回升，包括 BE Semi、ST Micro 和 ASMi。在今年大部份時間，我們一直主張在低估值之前入市，我們樂見投資組合受惠，因為隨著市場回穩，半導體訂單的周期低谷已過。此外，Nvidia 的業績優秀，在人工智能發展實力，這對 BE Semi 尤其有利，因其被視為最受惠於人工智能的歐洲公司之一。
- 利率環境和融資活動前景改善，支持 Partners Group 股價在月內展現強勢。我們與該公司行政總裁進行交流，他表示獲取資金的渠道增加，並對交易前景感到樂觀。
- 基金持有數家工業公司也為表現帶來最大正面貢獻，例如 Saint Gobain 和 Schneider Electric。這些工業周期股業務隨著時間不斷改善，在整個周期展現更強韌性，部份原因是業務涉及由結構性開支帶動的終端市場。我們認為銷量增長接近谷底，預期在 2024 年及之後轉佳。舉例說，Schneider Electric 舉辦資本市場日活動，席間公佈於 2027 年的新內部收入增長目標介乎 7% 至 10%（主要由於銷量增長超過終端市場），而且預測利率將輕微增長。市場早前一直假設增長率接近 5%，並憂慮業務出現周期性放緩，因此對新目標反應正面。
- 專用化學品分銷商 IMCD 為月內相對表現帶來正面貢獻，股價在 11 月走高約 25%。該公司的 2023 年第三季業績低於預期，但預計將在未來數季改善，並表示預期 2023 年第四季銷量高於第三季。
- 持有 Royal Unibrew 在 11 月拖累基金回報。該公司公佈的第三季業績表現疲弱，銷售額下降 1%，低於預期增長 8%，主要因為銷量遠低於預期，該公司將此歸咎於天氣及北歐物價上漲。Royal Unibrew 亦稱微下調本年餘下時間的指引，部份原因是近日收購的 Vrumona（軟性飲品製造商）業務的貢獻較低。這令投資者質疑管理團隊的執行能力是否可靠。
- 投資組合內較具防守性的持倉（例如諾和諾德（Novo Nordisk）和 Linde）以絕對值計報升，但由於升幅落後大市，因此在 11 月相對利淡基金表現。
- DSV 在 10 月宣佈領導層變動和突然公佈在沙特阿拉伯成立一家合資企業，股價持續遭拋售而下跌，因此削弱基金回報。

變動

- 我們沽清 Spirax-Sarco 和 Genmab 的小量持倉，認為在短期和中期而言，其他市場領域提供更佳的機會。如上一個部份所述，其中一個機會是 JD Sports。我們的數據科學人員證實，比 JD Sports 更早公佈業績的美國同業表現強勁，而由於這往往對廣泛股票構成影響，故我們增持 JD Sports。
- 另外，我們為投資組合增加 TotalEnergies 的持倉，該公司估值便宜，自由現金流收益率達到雙位數，我們認為是業內定位最佳的能源巨擘。

配置

- 根據「由下而上」分析產生的信念，基金於月底對工業和非必需消費品業持最大偏高比重；對基本消費品、公用事業和醫療保健業持最大偏低比重。