

# BlackRock European Fund

As at 31 October 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
	%	%	%	%	%	%
<b>Fund</b>	<b>7.6</b>	<b>21.6</b>	<b>14.9</b>	<b>14.1</b>	<b>21.8</b>	<b>484.9</b>
MSCI Europe (net)	-14.0	7.3	-9.3	-7.8	8.4	416.9

## A-Share Calendar Year Performance in USD

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	%	%	%	%	%	%	%	%	%	%	%	%	%
<b>Fund</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>	<b>+14.6</b>
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

## 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 fell c. 5% in October as evidence of a second wave of Covid-19 increased, and major European economies began re-imposing lockdown restrictions.
- The fund outperformed the benchmark driven by stock selection, while sector allocation was negative.

### Sectors

- The overweight to IT was the biggest headwind to returns from a sector perspective.
- Overweight positions in consumer discretionary and industrials contributed to relative returns.

### Stocks

- The biggest contributor to returns was a new position in Allegro, which we bought at IPO, having developed a strong relationship with the management team over the preceding period. Allegro is the leading eCommerce platform in Poland with c. 40% market share of online retail in its home market. The company is set to benefit from significant growth in penetration of online retail, which currently sits at c. 8% in Poland vs 12% in Germany, 15% in the US, 18% in the UK, and 27% in China. The company primarily sells third party products which they see as less capital intensive, more profitable, and easier to scale than first party. We expect significant revenue growth in the medium to long term as the company benefits from its dominant position, and should see strong cash generation as the platform continues to scale. We were pleased to see the share price double in the first few weeks of trading.
- Abcam, a leading producer and distributor of antibodies, also contributed strongly to returns. The company develops and owns an extensive catalogue of antibodies which it sells to academic and medical researchers, and pharma companies. It is a clear market leader in its niche, with 25% market share by value and its superior products enjoy a 30% price premium to the market. We began to build a position in the business earlier in the year when sentiment was negative given Covid related disruptions to academic institutions. The shares have recovered strongly as the market has begun to look through the short-term disruption.
- LVMH contributed positively as the key fashion and leather goods business reported sales up +12% y/y, materially exceeding expectations. The management team made positive comments about the brand momentum in its Dior and LV brands, and the company is benefitting from its scale in terms of outperforming rivals on marketing.
- SAP was the most significant detractor from returns. The company used Q3 earnings to reset expectations under a new CEO, an outcome we did not envisage. We still believe SAP to be a long-term winner in Europe but clearly the shares may take time to digest the more negative outlook of a margin downgrade and two years of no revenue growth. We see more compelling opportunities elsewhere and therefore exited the position.
- RELX also saw a pull back in shares as they released a slightly disappointing trading update. Whilst exhibitions were expected to be down in light of lockdowns and social distancing measures, the Risk division also proved weaker than consensus had expected. This division has recorded more lacklustre performance owing to lower transactional volumes and slowing growth of new subscriptions in industries such as airlines.
- Not owning HSBC, Banco Santander, and UBS also weighed on relative returns as the share prices rose relative to the market. Whilst we have positions in higher quality banks such as KBC and Swedbank, we remain unattracted to the lower quality names in the sector which do not meet any of our investment criteria.

### Changes

- We sold SAP as described above. We also exited sub-scale positions in CHR Hansen and Marel as we continue to increase the concentration of the portfolio and recycle capital into higher conviction positions.
- As described above, we opened a position in Allegro, the leading Polish eCommerce platform.
- We also continued to build our position in Abcam.

### Positioning

- The portfolio remains cyclically positioned, with significant overweights in IT and industrials.
- Following the purchase of Allegro we are now moderately overweight consumer discretionary. Our holdings here are focused on luxury goods, eCommerce, and one UK housebuilder.
- We are strongly underweight consumer staples where we see little valuation upside.
- Our only energy exposure remains the leading renewables player Neste Oil.
- Our bottom-up convictions lead us to remain underweight utilities, materials, and healthcare.



## Fund Data

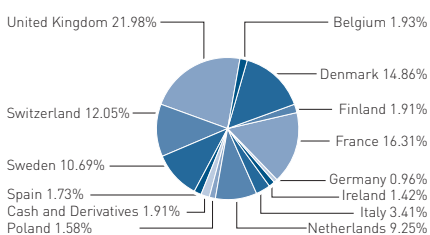
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,248.6
Annual Management Fee	1.50%
Initial Charge	5%

## 10 Largest Holdings (%)

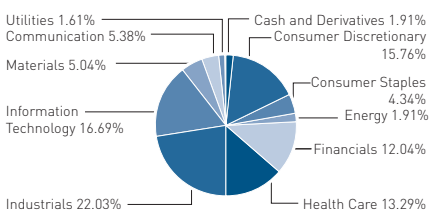
LVMH MOET HENNESSY LOUIS VUITTON SE	5.1
SIKA AG	5.0
ASML HOLDING NV	4.9
LONZA GROUP AG	4.4
ROYAL UNIBREW A/S	4.3
DSV PANALPINA A/S	4.3
VOLVO AB	3.4
NOVO NORDISK A/S	3.4
LONDON STOCK EXCHANGE GROUP PLC	2.9
SWEDBANK AB	2.7
<b>Total</b>	<b>40.5</b>

## Composition of Fund

### Country



### Sector



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 October 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10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	7.6	21.6	14.9	14.1	21.8	484.9
MSCI歐洲指數 (淨值)	-14.0	7.3	-9.3	-7.8	8.4	416.9

### 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

- 隨著第二波新冠肺炎疫情升溫，歐洲主要經濟體重新封城措施，拖累歐洲股市於10月份下跌約5%。
- 在選股帶動下，基金表現優於基準指數，但行業配置則則淡表現。

#### 行業

- 從行業角度來看，投資組合對資訊科技股持股高比重最拖累回報。
- 基金對非必需消費品股及工業股持股高比重利好相對回報。

#### 股票

- 基金新增Allegro持倉為回報帶來最大貢獻。我們於首次公開招股時買入該公司股票，並在之前一段時間已與管理層團隊建立良好關係。作為波蘭領先的電子商貿平台，Allegro在其國內的網上零售市場所佔份額達約40%，有望藉著網上零售普及率顯著增長而受惠。目前，波蘭網上零售的普及率約為8%，德國為12%，美國為15%，英國為18%，中國則為27%。該公司主要銷售第三方產品，它們認為這模式的資本密集度較低，利潤較高，且較第一方銷售更容易擴張規模。我們預計，該公司受惠於其市場主導地位，有望在中長期實現收益大幅增長，而隨著平台規模持續擴大，亦為公司創造強勁的現金流。在上市初期數週內，我們樂見公司股價已增長一倍。
- 領先抗體藥物製造商Abcam的持倉亦為回報帶來顯著貢獻。該公司開發及擁有多種類型的抗體，並售予學術與醫療研究人員及製藥公司。按價值計，Abcam佔市場份額達25%，無疑是抗體藥物專屬類別的市場翹楚，而且其產品價格較市價高30%。今年初爆發的新冠肺炎疫情衝擊學術機構，導致投資氣氛低迷，我們其間開始建立Abcam的持倉。隨著市場開始忽略短期干擾因素，股價強勢反彈。
- 大型時裝及皮革產品公司LVMH的銷售額按年增長12%，遠超市場預期，相關持倉為回報帶來貢獻。公司管理層對旗下Dior及LV等品牌動力作出積極評價，加上推廣開支規模超越競爭對手，使公司從中獲益。
- SAP是最弱回報的持倉。公司委任新的行政總裁，並以第三季盈利重設預期，這是我們意料之外的舉措。我們仍相信SAP將成為歐洲市場的長期贏家，但需要時間消化利潤率下降及兩年缺乏收益增長等較負面前景對股價的影響。由於我們發現其他股票的投資機會更具吸引力，因此已悉數沽售SAP持倉。
- RELX公佈最新的營運數據略顯失色，亦拖累股價回落。由於實施封城及保持社交距離等措施，預計展覽將減少，同時公司的風險分部表現亦較普遍預期疲弱。交易量下滑，加上來自航空公司等行業客戶的新訂戶數目增長放緩，導致該分部的業績較失色。
- 基金未持有滙豐銀行、西班牙國家銀行及瑞士銀行亦使相對表現受壓，因這些銀行股價均較大市表現造好。我們持有比利時聯合銀行及瑞典銀行等較優質的銀行股，但對質素較低的銀行股不感興趣，因為這些銀行並未符合我們任何投資標準。

#### 變化

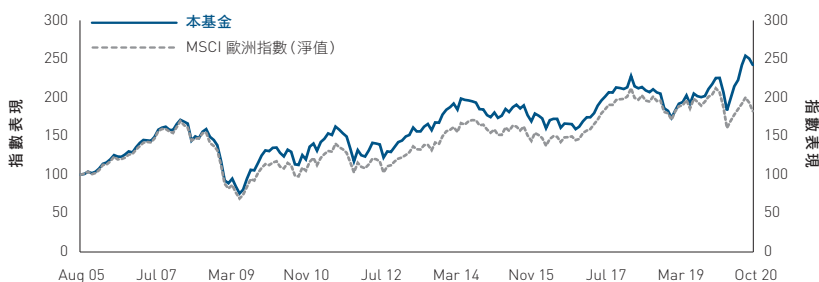
- 我們如上文所述已沽售SAP持倉，同時沽清CHR Hansen及Marel兩隻規模較小的持倉，原因在於基金持續提升投資組合的集中度，並運用沽售所得資金買入更具信心的股票。
- 如上文所述，我們新增波蘭領先的電子商貿平台Allegro持倉。
- 我們亦新建Abcam持倉。

#### 配置

- 投資組合維持周期性配置，對資訊科技及工業股持股顯著偏高比重。
- 投資組合買入Allegro後，現時對非必需消費品股持股微幅偏高比重。我們的持倉集中於奢侈品、電子商貿範疇及一家英國建屋商。
- 鑑於估值的上升空間不大，我們對基本消費品持股顯著偏低比重。
- 我們唯一的能源股持倉仍是可再生能源龍頭公司Neste Oil。
- 我們根據「由下而上」分析產生的信念，維持對公用事業、原材料及醫療保健股持偏低比重。

### 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

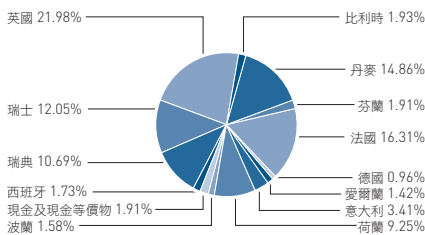


### 基金資料

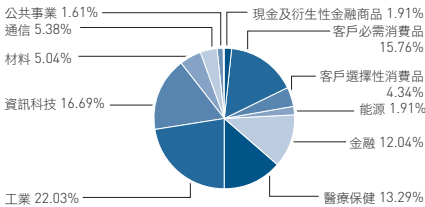
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,248.6 美元
每年管理費	1.50%
首次認費	5%

### 基金投資分佈

#### 國家



#### 行業



### 十大持股比重 (%)

LVMH MOET HENNESSY LOUIS VUITTON SE	5.1
SIKA AG	5.0
ASML HOLDING NV	4.9
LONZA GROUP AG	4.4
ROYAL UNIBREW A/S	4.3
DSV PANALPINA A/S	4.3
VOLVO AB	3.4
NOVO NORDISK A/S	3.4
LONDON STOCK EXCHANGE GROUP PLC	2.9
SWEDBANK AB	2.7
總計	40.5

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 10 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。

### 貝萊德 (香港) 有限公司

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