

BlackRock European Fund

As at 31 October 2022

BLACKROCK

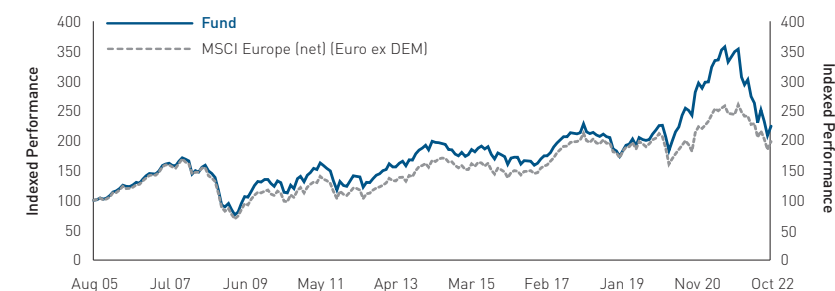
- The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investment 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
	%	%	%	%	%	%
Fund	-36.5	-18.1	-36.0	6.4	5.7	441.6
MSCI Europe (net)	-23.7	-12.6	-22.9	-1.4	0.2	461.8

A-Share Calendar Year Performance in USD

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Fund	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 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

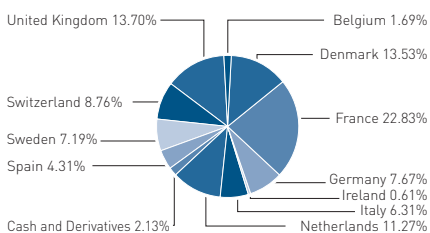
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,084.9
Annual Management Fee	1.50%
Initial Charge	5%

10 Largest Holdings (%)

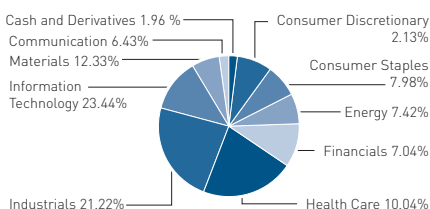
NOVO NORDISK A/S	6.8
LVMH MOET HENNESSY LOUIS VUITTON SE	5.7
ASTRAZENECA PLC	5.5
RELX PLC	5.2
TOTALENERGIES SE	5.0
LONZA GROUP AG	4.6
LINDE PLC	4.2
LOREAL SA	3.4
ASML HOLDING NV	3.3
DSV A/S	3.1
Total	46.7

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 6.2% (EUR). The fund outperformed the benchmark, returning 6.4% (EUR, primary share class, net of fees).
- Forecasts for a pending recession have been well flagged and understood for some time. This may help to explain the October equity rally at a time when macro data continues to come in weaker. With housing markets deteriorating and PMIs moving further into contraction territory, bad news became good news as it supported a market narrative that central banks may be closer to pivoting on interest rate policies. It's also worth remembering the context that this rally came on the back of a large sell-off the prior month.
- All sectors gained, with those considered more cyclical leading the rally such as Energy, Industrials, and Financials.
- The Q3 reporting season is underway and results for portfolio companies have been positive on balance - with a few disappointments as well. Looking across the broader market, results have varied to a greater degree with nerves growing in the outlook for end-markets within some industrials, semis, and areas of consumer retail.

Sectors

- The portfolio's sector positioning was positive driven by an overweight to industrials and underweight to consumer staples.

Stocks

- TotalEnergies was a top contributor to relative returns in October. The company released Q3'22 results broadly in-line with consensus estimates, and beating on Net Income. Cash generation has been very strong, and management confirmed their plans to return cash to shareholders through their buyback plan as well as declaring an ordinary and special dividend to be paid later this year.
- Lenas also supported relative returns after the company held an investor event at the end of September highlighting a number of positives around industry change and company developments throughout previous years. Many of the highlights from the event confirm key points of our investment thesis: global manufacturing reach makes their business more resilient in delivering for customers even through turbulent times, strong growth opportunities outside of the US such as the Middle East and LatAm, OCTG (tubes/pipes used in oil & gas production) demand is likely to be up again in 2023 on top of the strong increase seen in 2022, and they confirmed EBITDA margins should be sustained around 30% for H2'22 and 2023.
- MTU shares were higher with the company benefiting from continued recovery in the aerospace sector. Demand for engine repair is particularly strong, catching up to the earlier pickup seen in passenger travel. They reported Q3'22 results slightly ahead of consensus and tweaked their full year guidance higher. Underlying trends all seem fine, and we still see a great medium to long-term investment case.
- DSV shares had come under pressure following market perception of a negative industry read across in September. However, DSV's Q3'22 results highlighted the strength in their underlying business operations and helped shares recover through October. EBIT came in 3% ahead of consensus - notably, this beat was after a one time staff retention bonus paid. Their full year guidance was raised, matching a consensus estimate modelling the top end of the new range. Overall, the company continues to deliver at a time where there is a lot of worry about slowing economic activity negatively impacting freight volumes and yields. DSV, however, is clearly benefiting from being short yields in a falling market, helping to drive impressive results compared with the underlying industry.
- Royal Unibrew shares detracted after Q3'22 results were lower than expected. The results were accompanied by warnings of a weaker business environment of late due to pressure on consumers and noting they are finding it harder put through price increases. The weaker Q3'22 implied a 7% cut to full year consensus earnings. Given our expectations margins may suffer for the next few quarters, we had been managing the position size coming into this update and continue to do so.
- Caixabank shares were up in absolute terms, but detracted from relative fund performance as they trailed European bank peers and the broader market gains. Q3'22 results showed a 15% net profit beat with revenues beating by 4%, costs missing by 1%, and provisions 25% better than estimates. Net Interest Income was 3% better than consensus, and the company upgraded full year guidance. Despite the positives, the market seemed to focus on the NII beat trailing the magnitude of peers and comments around 2023/24 capital headwinds from new accounting standards, which led to selling pressure on well owned shares. In our view, NII will continue to see upgrades in 2023, their CET1 capital position is already above their guided range, and the increased NII will help to offset the capital headwinds they've flagged.
- Alliands also detracted after their Q3'22 update showed Auk down 1% from prior quarter and 9% below prior year. The results were 2% ahead of expectations, but the beat came from their low margin Dealing and Execution services (D&E) while the more profitable core platform business was in-line. Net flows to the core platform were weak with 4.3b EUR pulled by existing clients. At H1, the company guided to a migration pipeline of 40b EUR for H2. Additional details given in the Q3 update show half of those flows have gone to their lower margin D&E business. While a full P&L was not shared at this update, small negative mix effects drive a low single digit downgrade. Shares were further negatively impacted by Credit Suisse's restructuring plans which included selling their large investment in Alliands through a placement priced below market level.
- Consumer staples companies saw some profit taking in the month causing Pernod Ricard and L'Oréal to detract from relative returns.

Changes

- We continued to reduce cyclicality to build defensiveness in the portfolio.
- We exited JD Sports, deciding the backdrop for the UK consumer, plus management changes (new CEO, and CFO moving on), meant we need some time to see how the company progresses. We also reduced cyclicality via a trim to Amadeus. While we expect the company to continue taking market share over time, estimates for next year's travel recovery feel too aggressive.
- We added balance to the portfolio by reducing the underweight to consumer staples, topping up new positions in L'Oréal and Pernod Ricard.
- We continued to reduce Royal Unibrew on the disappointing Q3 update and outlook. While underlying volumes remain strong, and we like their long-term prospects, the short term volatility and risk to margin outcomes has led us to reduce the position size.

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 31 October 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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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 2022年10月31日止



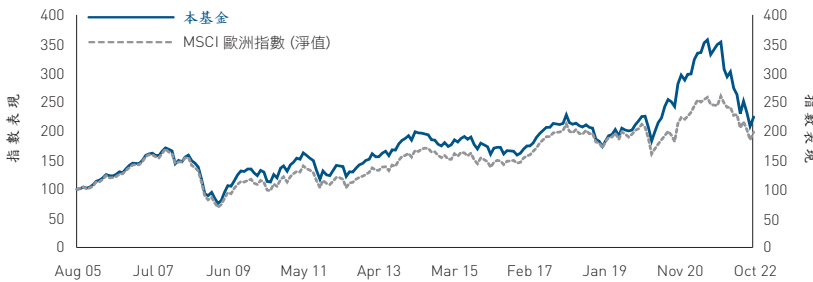
1. 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
2. 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
3. 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

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	-36.5	-18.1	-36.0	6.4	5.7	441.6
MSCI歐洲指數 (淨值)	-23.7	-12.6	-22.9	-1.4	0.2	461.8

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歐洲指數在月底回升6.2% (歐元)。基金表現優於基準指數，錄得6.4%升幅 (歐元，主要股份類別，已扣除費用)。
- 市場已注意到及充份消化經濟即將步入衰退的預測一段時間，這有助解釋為何宏觀經濟數據持續疲弱，但股市仍在10月回升。房屋市場惡化及英國總理人蔣數進一步收縮，支持市場認為全球央行可能即將改變利率政策的說法，將壞消息轉化為好消息。值得注意的是，股市反彈延續上月的大規模拋售後發生。
- 所有行業報稱，能源、工業和金融業等較具週期性的行業领涨。
- 目前正處於第三季業績公佈期，投資組合公司的業績大致正面，亦有少數表現令人失望。較廣泛市場的業績分歧則較大，部份工業、半導體及客戶消費零售公司的終端市場前景日益令人憂慮。

行業

- 投資組合的行業配置良好表現，受惠於對工業持偏重比重，並對基本消費品持偏輕比重。

股票

- TotalEnergies的持倉在10月為相對回報帶來最大貢獻。該公司公佈2022年第三季業績大致符合估計，淨收入亦優於預期。締造現金能力非常強勁，管理層已確定透過回購計劃，以及宣派於本年底後時間支付的普通與特別股息，向股東回饋現金。
- Tenaris在9月底舉辦的投資者活動上，提到過去數年行業變化及公司發展的多個利好因素，亦為相對回報帶來支持。活動中很多內容確認我們投資理論的觀點：拓展生產線至全球令其業務更趨穩健，即使處於動盪時期，仍能為客戶提供服務；在美國以外地區有強增長機遇，例如在中東及拉丁美洲石油專用材料 (用於油氣生產的軟管/導管) 需求強勁2022年走強後，很可能在2023年再次上升；以及獲悉息、折舊及攤銷前利潤率應會在2022年下半年和2023年維持於約30%的水平。
- MTU的股價上升，受惠於航空業持續復甦。引擎維修的需求尤其強勁，趕上營運的早期升勢。該公司2022年第三季業績略勝預期，並輕微調高全年盈利指引。整體趨勢似乎向好，我們仍然看好其中長期投資理據。
- 市場認為9月份行業數據負面，令DSV的股價受壓。然而，DSV的2022年第三季業績反映其基本業務強健表現強勁，有助股價在10月回升。息稅前利潤高於市場普遍預期3%，值得注意的是，息稅前利潤超出預期已計及向員工支付一次性責任獎金。該公司調高全年盈利指引，符合普遍預期樂觀的新聞面上觀。整體而言，在經濟活動放緩的憂慮利淡貨幣和收益率的陰霾下，該公司仍能繼續提供服務。然而，DSV顯於在股市下受惠於短期收益，因而錄得比整體行業更優秀的業績。
- Royal Unibrew的2022年第三季業績遜於預期，拖累股份下跌。與此同時，由於消費者受壓，加上公司受調上調價格，因此發出營運環境轉弱的警告。2022年第三季業績轉弱，意味全年盈利的普遍預測將下調7%。基於我們的評估，利潤率可能在未來數季表現欠佳，在本報告期之前我們一直管理持倉規模，並會繼續這樣做。
- 凱克薩銀行 (Caixabank) 的股價以總值計報升，但由於升幅落後其他歐洲銀行和大市，因此相對基金表現則弱。2022年第三季業績顯示淨利潤及收入分別超出預期15%及4%，成本則較預期少1%，而撥備優於估計25%。淨利息收入較預計高出3%，該公司上調全年盈利指引。儘管有利因素，但市場似乎關注淨利息收入超預期的幅度過於同業，以及新會計準則對2023年及2024年資本構成阻力的評論，導致估值基金的股票受壓。我們認為，我們認為淨利息收入會在2023年繼續上升，該公司的普通股一般資本已高於指引範圍，而淨利息收入增加將有助抵銷其提到的資本阻力。
- Allfunds在公佈2022年第三季業績後，數據顯示行政管理資產較上季下跌1%，較去年同期跌9%。業績較預期高2%，但遠遜於其低利潤的交易及執行服務 (Dealing and Execution services)，利潤較高的核心平台業務則與預期相近。核心平台的淨資金流疲弱，以3億歐元來自現有客戶。上半年，該公司增購下半年將有400億歐元資金轉移。第三季業績的其他詳情顯示半數資金流向利源較低的交易及執行服務。本公業績並未公佈完整的損益表，輕微的負面效應導致低單位數字的下調幅度。瑞信 (Credit Suisse) 的重組計劃包括以低於市場水平的配價格出售Allfunds的大量投資，令後者股價雪上加霜。
- 基本消費品公司月內出現獲利表現，因此Pernod Ricard及L' Oreal相對回報。

變動

- 我們繼續為投資組合減低短期性及建立防守性。
- 基於英國客戶消費環境及JD Sports管理層變動 (行政總裁及財務總監辭任)，我們需要一些時間了解該公司的去向，因而沽清JD Sports的持倉。我們亦透過減持Amadeus降低短期性。雖然我們預期該公司會繼續隨著時間擴大市場份額，但明年旅遊業復甦的預測似乎過於樂觀。
- 我們減少基本消費品的偏低比重，並增持L' Oreal及Pernod Ricard的新倉盤，以提升投資組合的平衡。
- 我們繼續減持Royal Unibrew，因其第三季業績和前景令人失望。該公司的基本營業額維持強勁，我們看好其長期前景，但短期波幅和利潤率風險促使我們縮減持倉規模。

配置

- 根據「由下而上」分析產生的信念，基金於月底對工業、醫療保健和資訊科技業持最大偏重；對基本消費品、金融和公用事業持最大偏輕比重。

基金資料

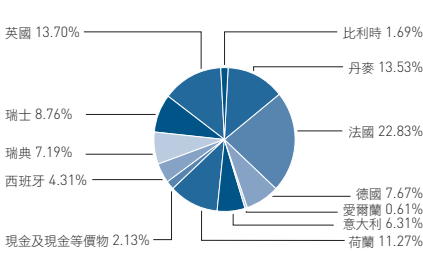
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,084.9美元
每年管理費	1.50%
首次認費	5%

十大持股比重 (%)

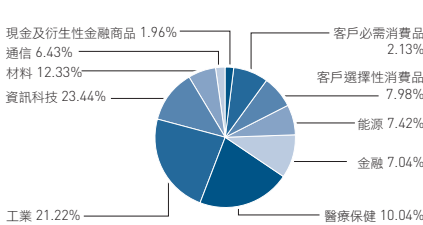
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ASTRAZENECA PLC	5.5
RELX PLC	5.2
TOTALENERGIES SE	5.0
LONZA GROUP AG	4.6
LINDE PLC	4.2
LOREAL SA	3.4
ASML HOLDING NV	3.3
DSV A/S	3.1
Total	46.7

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。

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