

# BlackRock European Fund

As at 30 September 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>11.2</b>	<b>36.7</b>	<b>24.1</b>	<b>17.7</b>	<b>33.4</b>	<b>504.8</b>
MSCI Europe (net)	-8.9	20.5	-0.8	-1.8	23.1	447.8

## 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 modestly in September amid increasing covid infection rates and a resurgence of concerns about second lockdowns.
- Hospitalization rates remain low, and while governments will likely impose additional restrictions on their electorates, we do not anticipate large scale national lockdowns.
- The alternative data that we track indicates a continued recovery, with strength in consumer facing end markets; albeit with continued severe weakness in sectors such as travel and leisure.
- The fund outperformed its benchmark, driven by stock selection.

### Sectors

- The energy sector delivered the lowest returns in the index, followed by financials and real estate. Our underweight in energy aided returns.
- The consumer discretionary, healthcare, and consumer staples sectors performed best, while the materials, industrials, and utilities sectors were roughly flat.

### Stocks

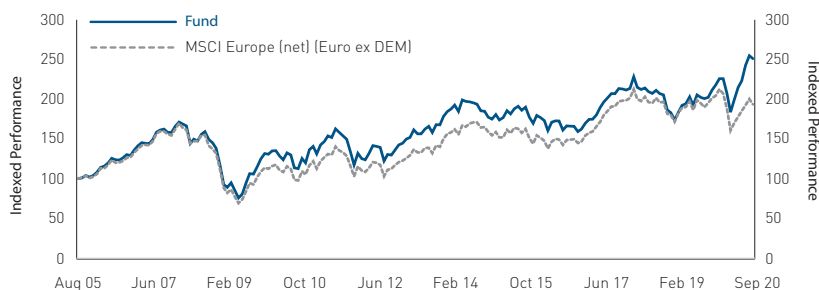
- The Hut Group (THG) was the top contributor to returns. This was a new addition to the portfolio, having followed the company for many years and taken part in their IPO. THG is a vertically integrated ecommerce group with leading positions in beauty, and nutrition & wellness markets. The core Beauty division benefits from structural tailwinds and increasing consumer preferences for premium products which support mid-to-high single digit growth in the overall market. THG also benefits from a rapid consumer shift to purchasing online. The wellness business primarily provides in-house manufactured sports nutrition products directly to consumers. It has number 1 market positions in the UK and Europe and is successfully expanding internationally. The company also offers end to end ecommerce solutions to third parties, and is building a strong pipeline of leading FMCG clients.
- Speciality chemical and ingredient distributor IMCD also contributed strongly to portfolio returns as the company announced the acquisition of small South African based competitor. This is in line with the company's strategy of deploying capital through acquisitions to build out its global network. We see immediate potential for earnings accretion through this deal. We spoke to the company recently who confirmed that they're seeing strong momentum with consumer end markets doing particularly well across all geographies. They also see the opportunities to expand their business as chemical producers come under increased cost pressure and seek to outsource their marketing and distribution businesses.
- The portfolio also benefited from its position in luxury goods group Kering, which is seeing a strong repatriation of spending to Asia and strength in the US. The company is continuing to invest in its brands and customer engagement, and is seeing strong momentum in the revitalized Bottega Veneta.
- The energy sector continues to suffer, and we hold no positions in energy companies aside from Neste, the global leader in renewable diesel. Relative portfolio performance benefited from not owning any of the oil majors, which still represent meaningful index constituents. Whilst typically cheap on some measures, we see these businesses as structurally impaired and uninvestible. Companies such as BP, Total, and Royal Dutch Shell are attempting to transition their business models towards renewables; a likely 15-year journey fraught with execution risk given wind, solar, and hydrogen are far from their core competencies. We are seeing examples of mis-allocation of capital by these companies, with BP recently announcing that they will pay \$1.1bn for a 50% share in two offshore wind projects in the US. These assets were acquired by their current owner Equinor for £135m in 2019.
- BESI was a minor detractor, perhaps as a result of profit taking related to US-China trade rhetoric. We continue to ignore the top down noise and remain focused on the long term potential for our semiconductor businesses; where we see structural drivers from EV penetration and advances in AI and automation, as well as nearer term tailwinds from smartphone, tablet, and laptop demand.
- Aircraft engine maker Safran and exhibition provider Informa also detracted from returns. Both businesses are sensitive to covid related developments and the share prices suffered as infection rates rose through September.
- Similarly, our positions in Swedbank, KBC, and Prudential all detracted on concerns about lower economic growth and the potential knock-on effects on provisions and credit losses. Whilst the short term path of the virus and vaccine developments are highly unpredictable, we remain confident in our positions in these businesses, which are extremely well positioned in their respective industries and we believe are set to recover strongly over a medium term time horizon.

### Changes

- We opened a position in The Hut Group as described above; this was funded by exiting our position in Hargreaves Lansdown.

### Positioning

- The portfolio remains cyclically positioned, with significant overweights in IT and industrials; and a large underweight in consumer staples.
- As a result of our purchase of THG alongside long held positions in two luxury goods names, we now have a small overweight in consumer discretionary.
- Our only energy exposure remains the leading renewables player Neste Oil; and our bottom-up convictions lead us to remain underweight utilities, materials, and healthcare.



## Fund Data

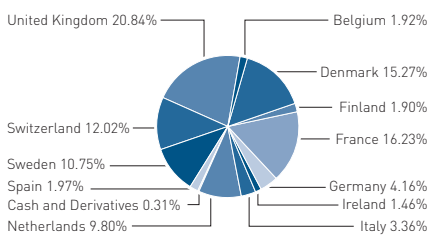
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,311.4
Annual Management Fee	1.50%
Initial Charge	5%

## 10 Largest Holdings (%)

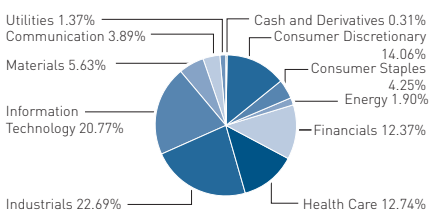
SIKA AG	5.1
LVMH MOET HENNESSY LOUIS VUITTON SE	5.1
ASML HOLDING NV	4.9
LONZA GROUP AG	4.4
ROYAL UNIBREW A/S	4.3
DSV PANALPINA A/S	4.2
SAP SE	3.8
NOVO NORDISK A/S	3.6
VOLVO AB	3.4
LONDON STOCK EXCHANGE GROUP PLC	3.0
<b>Total</b>	<b>41.7</b>

## 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 30 September 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9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	11.2	36.7	24.1	17.7	33.4	504.8
MSCI歐洲指數 (淨值)	-8.9	20.5	-0.8	-1.8	23.1	447.8

## 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
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## 基金資料

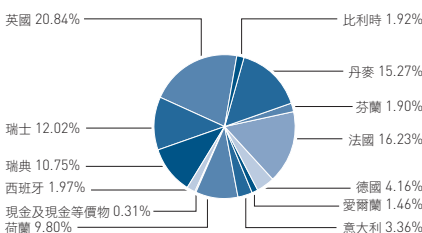
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,311.4 美元
每年管理費	1.50%
首次認費	5%

## 十大持股比重 (%)

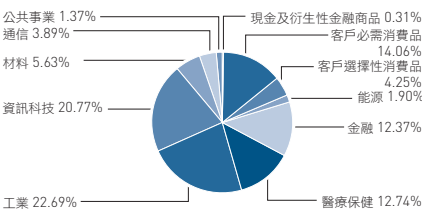
SIKA AG	5.1
LVMH MOET HENNESSY LOUIS VUITTON SE	5.1
ASML HOLDING NV	4.9
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SAP SE	3.8
NOVO NORDISK A/S	3.6
VOLVO AB	3.4
LONDON STOCK EXCHANGE GROUP PLC	3.0
<b>總計</b>	<b>41.7</b>

## 基金投資分佈

### 國家



### 行業



## 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

- 9月份，歐洲新冠肺炎疫情升溫，令市場擔憂當地重新實施封鎖措施，拖累歐洲市場輕微回落。
- 入院率維持低企，儘管各國政府或對民眾實施額外限制，但我們預料不會出現大規模的全國封城。
- 我們追蹤的其他數據顯示經濟持續復甦，面向消費者的終端市場展現強勁，但旅遊與消費等行業仍然萎靡不振。
- 在選股帶動下，基金表現優於基準指數。

### 行業

- 能源業對指數回報貢獻最少，其次是金融及房地產業。我們對能源股持偏低比重利好回報。
- 非必需消費品、醫療保健及基本消費品表現最佳。原材料、工業及公用事業則大致持平。

### 股票

- The Hut Group (THG) 的持倉為回報帶來最大貢獻。該公司是新納入投資組合的持倉，我們已追蹤公司多年，因此參與其首次公開招股。作為一家垂直整合的電子商貿集團，THG在美容、營養及健康產品市場佔據領先地位。THG的核心美容用品業務受惠於行業優勢及消費者日漸青睞優質產品等結構性利好因素，因此在整體市場上取得中至高單位數的增長。消費者迅速轉向網上購物的趨勢同樣利好THG。健康產品業務方面，該公司主要向消費者直接提供自家生產的運動營養產品，在英國及歐洲市場處领先地位，並正成功拓展國際市場。THG亦向第三方提供端對端電子商貿解決方案，並正累積大量市場領先的快速消費品客戶。
- 特殊化學品及成份分銷商IMCD宣佈收購一家南非小型競爭對手，也令IMCD的持倉為投資組合回報帶來顯著貢獻。此舉與公司透過補配資金進行收購，從而建立環球網絡的策略一致。我們認為，這項收購可為公司帶來即時提升盈利的潛力。在近期與我們的會談中，公司確認增長動力強勁，各地的消費者終端市場表現尤其出色。此外，隨著化學品生產商面臨成本上升的壓力，並試圖把推廣及分銷業務外判，公司認為這趨勢將為其帶來拓展業務的機遇。
- 奢侈品集團開雲 (Kering) 的持倉亦利好投資組合表現，該公司察見亞洲的消費市場趨強復甦，美國的業務也表現強勁。公司繼續投資於品牌及客戶聯繫，旗下的Bottega Veneta重組品牌後亦展現強勁動力。
- 能源業繼續表現遜色。除環球可再生柴油龍頭公司Neste外，我們並無持有能源股。投資組合亦無持有大型油企（這些企業仍然是指數重磅股），因而利好相對表現。儘管從某些指標來看，這些企業的估值低廉，但我們認為其結構已變壞，因此不再具有投資價值。英國石油 (BP)、道達爾 (Total)、及荷蘭皇家殼牌 (Royal Dutch Shell) 等企業正致力把業務模式轉型至可再生能源。鑑於風能、太陽能及氫能並非其核心實力，預料這項轉型過程或需15年時間，而且充滿執行風險。我們在這些企業中發現資金錯配的的例子，如BP最近宣佈將投資11億美元，以收購美國兩個海上風電目的50%股權。而這些資產是由目前擁有者挪威國家石油公司 (Equinor) 於2019年以1.35億英鎊的價格購入。
- 貝思半導體 (BES) 輕微拖累回報，可能是由於中美貿易戰的言論促使投資者沽貨避險。我們繼續不受「由上而下」的銷售干擾，只專注於半導體股持倉的長期潛力。我們認為，電動汽車滲透率提升，人工智能與自動化發展，加上近期智能手機、平板電腦及筆記型電腦需求帶來的動力，均是推動半導體行業的結構性因素。
- 飛機引擎製造商賽峰 (Safran) 及展覽營運商Informa亦削弱回報。這兩家企業均對新冠肺炎疫情的發展表現敏感，因此在9月份感染率上升期間股價回落。
- 同樣地，由於市場憂慮經濟增長放緩及其對撥備和信貸虧損帶來的潛在連鎖反應，我們對瑞典銀行 (Swedbank)、比利時聯合銀行 (KBC) 及英國保誠 (Prudential) 的持倉均拖累表現。儘管疫情及疫苗研發的短期前景相當不明朗，但我們仍對投資組合持有的公司抱有信心，它們在各自行業中享有極佳優勢，有望在中期內強勁復甦。

### 變化

- 如上所述，我們新增The Hut Group倉盤，所涉資金來自沽售Hargreaves Lansdown。

### 配置

- 投資組合維持周期性配置，對資訊科技及工業股持顯著偏高比重，對基本消費品則持顯著偏低比重。
- 由於我們購入THG，加上長期持有另外兩隻奢侈品股，投資組合現時對非必需消費品持小幅度偏高比重。
- 我們唯一的能源業持倉仍然是可再生能源龍頭公司Neste Oil。我們根據「由上而下」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。

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 9 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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