

# BlackRock European Fund

As at 30 September 2022

# BLACKROCK

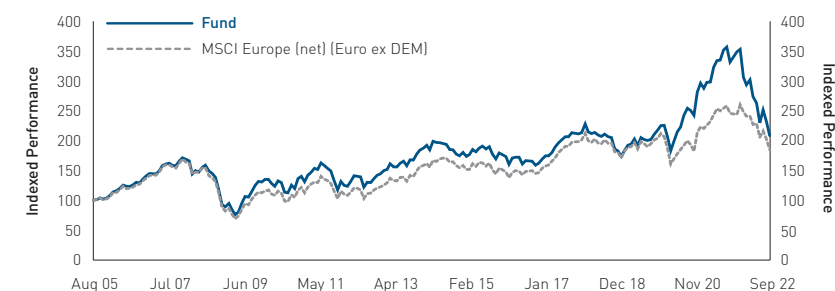
- The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investment 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>-41.0</b>	<b>-31.0</b>	<b>-37.1</b>	<b>3.24</b>	<b>-2.1</b>	<b>403.2</b>
MSCI Europe (net)	-28.8	-23.2	-24.8	-5.1	-6.1	424.2

## 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



## 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 down -6.3% [EUR]. The fund returned -8.1%, underperforming the benchmark by -1.8% [EUR, primary share class, net of fees].
- Inflation, central bank tightening, and Europe's energy crisis remained in focus in September. Government bond yields moved higher, with the US 10-yr Treasury jumping +0.5% to reach 3.8%, creating a risk off environment for equity markets.
- While bottom-up signs suggest inflation should be rolling, it's still to be seen where it lands, which could pro-long central banks' current rates cycle. Upcoming central bank speeches in the US and data releases there as well in the EU and UK will be critical for the market to understand how policy makers are reacting to the data.
- The Q3 reporting season is about to kick off which will be another catalyst for shares. We expect to hear some disastrous warnings in the broader market, but generally expect companies in the portfolio to show resilient underlying business trends and outlooks.

### Sectors

- The portfolio's sector positioning was neutral as benefits from not holding Real Estate or Utilities, as well as an elevated cash position, were offset by being overweight Technology and underweight Financials and Consumer Staples.

### Stocks

- DSV shares fell in the month on evidence that freight rates are beginning to normalize. The read across came as FedEx warned in the month, expecting a big miss for Q3 earnings on softening volumes, but also service problems in Europe and Asia. The latter seems to be company specific, and while the volume trends overall are negative, we note business model differentiation with FedEx's Freight division the closest read across to DSV, which saw a big beat with operating profit up 67% YoY.
- Royal Unibrew shares detracted. Despite rapid moderation in input costs, raw materials continue to eat into strong top-line growth and are expected to put pressure on margins for the next few quarters.
- Market concern for pressure on the consumer, and cyclical exposures in general, drove share price losses in Adyen, CTS Eventim, and Autotrader.
- European banks - CaixaBank, FinecoBank, and KBC - contributed positively again as interest rate expectations continued to move higher considering surprisingly inflation prints. The BAML financials conference also took place in September where the messaging from banks has never been more bullish. The topline benefit from the interest rate environment is expected to more than offset any provision cycle, boosting Net Interest Income and leading to earnings upgrades.
- A number of more defensive shares in the portfolio - Linde, Novo Nordisk, and RELX - held up better than the market decline, resulting in positive relative attribution. RELX was on a road show with a very reassuring and confident tone. The company has achieved higher returns, higher margins, and 4% organic growth with stable earnings stream.

### Changes

- We continued to reduce cyclicality, build defensiveness, and add to some of the opportunistic value ideas put into the portfolio this year.
- JD Sports was trimmed on deepening risk around the UK consumer. With the UK government trying to provide measures for growth at the same time the BoE has been trying to cool inflation, the latter is likely to have to keep raising rates for longer. Active weights in ASML and Ashtead were trimmed noting further evidence of cyclical risk in their end markets. EQT was also sold as we continue to have concerns around private equity valuations that have barely been marked-to-market relative to the public equity sell off this year.
- More balance was added to the portfolio through new ideas in consumer staples - L'Oréal and Pernod Ricard - which should prove more defensive.
- Continuing to build on our investment thesis that European banks will see earnings upgrades driven by higher rates supporting Net Interest Income growth, Nordea and FinecoBank were topped up and Bankinter was added to the portfolio.

### 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.

## Fund Data

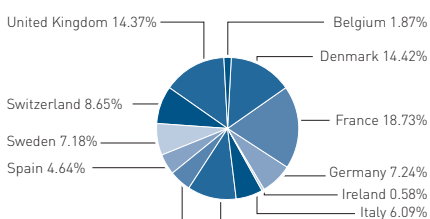
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,044.7
Annual Management Fee	1.50%
Initial Charge	5%

## 10 Largest Holdings (%)

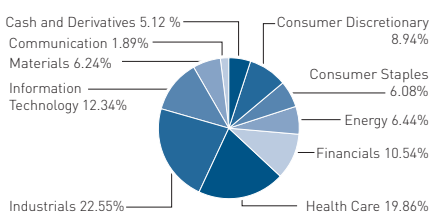
NOVO NORDISK A/S	6.6
LVMH MOET HENNESSY LOUIS VUITTON SE	5.8
ASTRAZENECA PLC	5.5
RELX PLC	5.0
TOTALENERGIES SE	4.6
LONZA GROUP AG	4.5
LINDE PLC	4.1
ASML HOLDING NV	3.2
ROYAL UNIBREW A/S	2.9
DSV A/S	2.9
<b>Total</b>	<b>45.2</b>

## 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 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.

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.

## BlackRock (Hong Kong) Limited

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# 貝萊德歐洲基金

## 截至 2022年9月30日止

# BLACKROCK

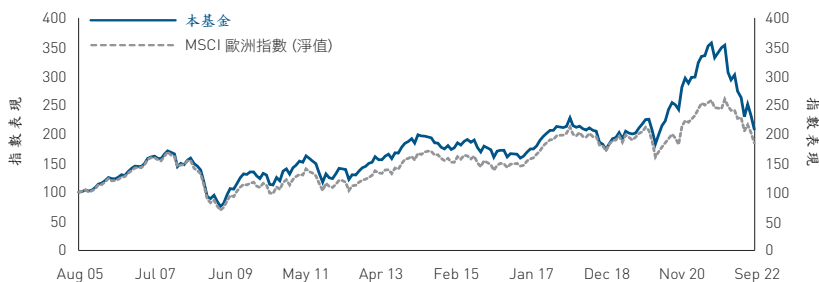
- 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
- 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
- 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

### 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	-41.0	-31.0	-37.1	3.24	-2.1	403.2
MSCI歐洲指數 (淨值)	-28.8	-23.2	-24.8	-5.1	-6.1	424.2

### 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歐洲指數在月底報跌6.3% (歐元)。基金錄得8.1%跌幅，表現遜於基準指數1.8% (歐元，主要股份類別，已扣除費用)。
- 9月份的市場焦點仍然是通脹、央行收緊政策及歐洲能源危機。政府債券收益率走高，美國10年期國庫券升0.5%至3.8%，為股票市場帶來避險環境。
- 「由下而上」的跡象顯示通脹應會持續，但何時見頂仍有待觀察，這可能會延長央行目前的加息周期。聯儲局即將發表的演說，以及美國、歐盟及英國央行將公佈的數據，對於市場了解政策官員如何就數據採取行動至關重要。
- 第三季業績期快將開始，勢將成為另一個刺激股市因素。我們預期大市會發出災難性盈警，但預期投資組合的成份公司普遍展現穩健的基本業務趨勢及前景。

#### 行業

- 投資組合的行業配置帶來中性回報，因為並無持有房地產或公用事業股以及增加現金配置的貢獻，被科技業的偏高比重及金融和基本消費品的偏低比重所抵銷。

#### 股票

- 鑑於有證據顯示運費開始正常化，DSV的股價在月內下跌。有關消息源於聯邦快遞 (FedEx) 在月內發出警告，並預料第三季盈利因運輸量減少及歐亞服務問題而遠遜預期。後者似乎為公司特定問題，而儘管運輸量趨勢整體走低，但我們注意到聯邦快遞物流部的業務模型差異與DSV最接近，其營運利潤按年升67%，顯著優於預期。
- Royal Unibrew的股份表現削弱回報。即使投入成本迅速下跌，但原材料繼續糧食增長強勁的營業額，預料未來數季將令到利潤率受壓。
- 消費者受壓的市場憂慮及整體周期性投資拖累Adyen、CTS Eventim及Autotrader的股價報跌。
- 鑑於通脹出乎意料升溫令利率預期持續攀升，歐洲銀行凱克薩銀行 (Caixabank)、FincoBank和KBC再次帶來正面貢獻。美銀美林金融會議亦於9月舉行，多家銀行的言論未嘗如此樂觀。預期受惠於利率環境的營業額足以抵銷任何撥備周期有餘，從而刺激淨利息收入及帶動盈利預測向上修訂。
- 投資組合內多隻防守性較強的股份 (Linde、諾和諾德 (Novo Nordisk) 及RELX) 表現優於市場跌勢，因此利好相對表現。RELX的路演發放非常肯定和具信心的訊號。該公司的回報及利潤率上升，並錄得4%內部增長，盈利來源亦穩定。

#### 變動

- 我們今年繼續減低基金的周期性及建立防守性，並為投資組合新增機會型價值理念。
- 由於英國的客戶消費風險加劇，我們減持JD Sports。在英國政府試圖推出支持經濟增長措施的同時，英倫銀行正努力為通脹降溫，後者很可能會持續加息多一段時間。由於有更多證據顯示ASML及Ashtead的終端市場具周期性風險，故我們減少兩者的主動比重。另一方面，鑑於私人股權的估值幾乎沒有相對於本年遭拋售的公共股權按市值計價，使我們仍感憂慮及因而出售EQT。
- 我們透過加入新的基本消費品公司L' Oreal及Pernod Ricard以提升投資組合的平衡，兩者應會展現較強的防守性。
- 我們繼續根據投資理論 (即加息為淨利息收入增長帶來支持，促使歐洲銀行盈利獲上調) 建立持倉，包括為投資組合增持Nordea及FincoBank及加入Bankinter。

#### 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高比重；對基本消費品、金融和公用事業持最大偏低比重。

### 基金資料

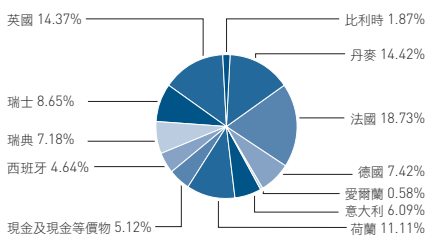
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,044.7美元
每年管理費	1.50%
首次認費	5%

### 十大持股比重 (%)

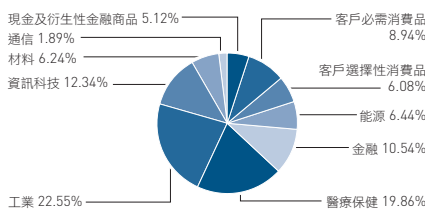
NOVO NORDISK A/S	6.6
LVMH MOET HENNESSY LOUIS VUITTON SE	5.8
ASTRAZENECA PLC	5.5
RELX PLC	5.0
TOTALENERGIES SE	4.6
LONZA GROUP AG	4.5
LINDE PLC	4.1
ASML HOLDING NV	3.2
ROYAL UNIBREW A/S	2.9
DSV A/S	2.9
<b>Total</b>	<b>45.2</b>

### 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 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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