# BlackRock European Fund

## As at 30 September 2023

BLACKROCK

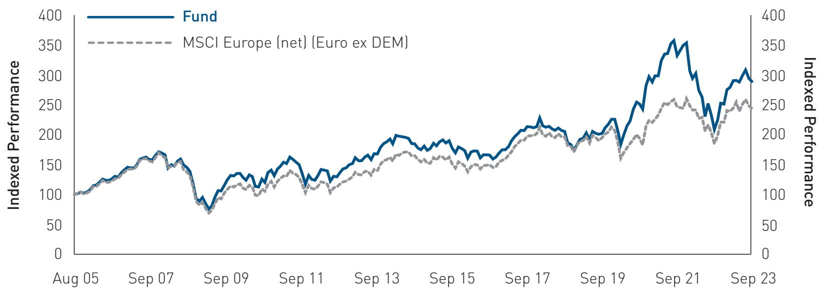
1. The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investm ent objectives.
2. Investment 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** | **9.1** | **-5.7** | **31.2** | **9.1** | **33.4** | **560.0** |
| MSCI Europe (net) | 8.0 | -2.4 | 28.9 | 23.3 | 21.4 | 575.5 |

## 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

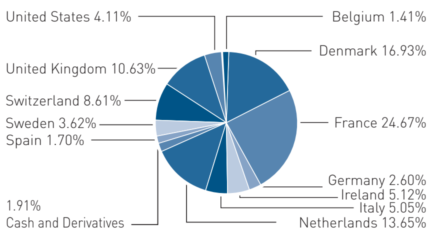
| | |
|---|---|
| Manager | Nigel Bolton |
| Inception | 30.11.93 |
| Currency | US$ |
| Total Fund Size (m) | US $1,347.7 |
| Annual Management Fee | 1.50% |
| Initial Charge | 5% |

## 10 Largest Holdings (%)

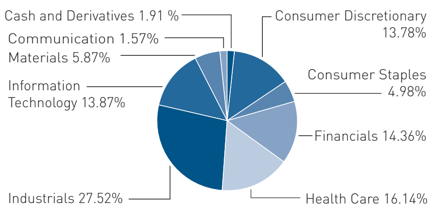
| | |
|---|---|
| NOVO NORDISK A/S | 8.9 |
| LVMH MOET HENNESSY LOUIS VUITTON SE | 6.3 |
| ASML HOLDING NV | 4.5 |
| LINDE PLC | 4.1 |
| STMICROELECTRONICS NV | 3.9 |
| RELX PLC | 3.9 |
| DSV A/S | 3.7 |
| LONZA GROUP AG | 3.5 |
| SCHNEIDER ELECTRIC SE | 3.4 |
| AIB GROUP PLC. | 3.0 |
| **Total** | **45.1** |

## 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 Fund returned -4.5% (EUR, primary share class, net of fees) trailing the MSCI Europe Index return of -1.6% (EUR).
- The market's perception of a weakening macro environment fed through to softer equity markets in September. Government bond yields increasing, higher energy prices, and the prospect of persistent inflation and tighter financial conditions all led to a cyclically driven draw down. At a time when most companies were in pre-earnings blackouts, this messaging on macro pessimism likely amplified the risk off sentiment.
- Our view of the world is being tested every day at the moment. Too much focus on these backward-looking economic measures misses the point in our mind. 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 until bond markets steady, our focus is on the next 6-18 months looking more interesting and finding the best opportunities for the portfolio today which position it for the future.
- The Q3'23 earnings season is about to begin where we expect a reality check to show that while activity may be a little softer, we are not moving into a severe downturn and recession. 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 undemanding 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

- The market's macro focus could be seen in September's sector performance. Government bond yields rising sharply and renewed calls for slowing growth caused a selloff in consumer exposures, technology, and utilities. Meanwhile, a higher oil price created a standout winner in the Energy sector, where the portfolio's underweight positioning dragged on relative returns. The portfolio's overweight positioning within technology and underweight financials also dragged on relative returns while allocations to consumer exposures were virtually flat with negative effect from overweight Consumer Discretionary offset by positive effect from underweight Consumer Staples.

### Stocks

- Shares in the portfolio's holding of MTU detracted on negative developments surrounding issues previously identified with the GTF Engine, which MTU make within a consortium. The issue is to do with exposure to a contaminated powder in manufacturing between 2015 and 2020. This will lead to an accelerated inspection schedule which the consortium, in their apportioned share as program partners, would need to pay for. MTU are 18% program partners. The initial expectation was for costs to be somewhat manageable as inspection of parts would take 40-50 days per engine. New news broke from consortium partners RTX in September suggesting parts would be replaced, not just inspected, materially altering the time scale and so compensation payable to airlines for grounding of engines. We are working through a number of events to understand whether the share price move is overdone – this includes MTU's own work on potential costs, data on groundings and RTX confirmation of scope. MTU thinks there is a lot they can do to bring costs down by shortening the timeline within their own repair shops which also stand to act as a partial offset from contracted revenues for servicing the compromised engines. Ultimately, this headwind is not one of MTU's own making and we believe they remain well set to capitalise on decades of growth in engine spares and services as these new GTFs come into their repair shops for mandatory servicing over their lifetime of use.
- A CEO leadership change at Lonza was taken poorly by the market, causing a meaningful selloff in shares. We had a meeting with the Chairman a few weeks ago to explain our recent frustrations with the business, particularly around communication, ahead of their CMD in October. We view the news as decisive action from the chair ahead of that event and are supportive of the change. The core reason we own Lonza – the large scale commercial biologics business – continues to come through even in this tough year for the overall business. We see margin headwinds as a short-term hit driven by a non-core part of the investment thesis, Lonza's smaller scale bio-tech business where revenues have collapsed while costs to retain key talent such as scientists enabling R&D must be maintained. Lonza has invested a lot of capex to expand capacity to meet increasing demand in biologics outsourcing. As their laboratory projects come to completion, and the biotech landscape strengthens, margins should recover. The company recently reiterated their FY guidance for 28-29% EBITDA growth, and we look forward to an update on 2024 and beyond at the upcoming CMD.
- Bond market volatility was felt through some of the portfolio's more cyclical long duration growth exposures such as luxury goods (LVMH and Hermes) and semiconductors (AMSL, ASMI, BE Semi, and STMicro). The macro pressure added to softening industry data and unconstructive headlines of late.
- We've seen Luxury shares come under some pressure in recent weeks on concerns of potential demand weakness both in China and in Europe. This isn't something that is currently flagging of meaningful concern in our data, what instead we think is happening is consensus expectations for growth are being reset to lower levels. LVMH consensus for 2024 is now at 7% organic for fashion and leather goods for example, their latest report was in excess of 20%. This normalisation we find reasonable, and potentially beatable. Importantly, consumer spending does not look under significant pressure. We do not see a strong cyclical, or structural, change in the outlook here. Headlines in the semiconductor space raised new fears including the possibility of the US attempting to further limit China's access to machinery such as ASML's immersion technology, including DUV machines. This is not part of our base case, but should it happen, the potential hit to sales is c. 20% for ASML. The market also became worried about TSMC capex cuts. Whilst this may represent slightly weaker demand today – and a slower pace of inventory clearing because of that – we don't think it changes the mid-term picture: whatever doesn't happen in 2024, would happen in 2025. Views here would only change if you believe that the world suddenly needs less semiconductors. We struggle to see that as a base case – we know the route forward at Intel and Samsung in trying to get to 3 nanometer and Apple to 2. With all the demand for high end equipment, especially from AI, 2025 could potentially be a bumper year. ASMI for example, had an investor day recently, guiding to 12-18% sales CAGR over the 2023-2027 period, noting that this included a view of near-term economic uncertainty. What we therefore must remain focused on is the long-term superior earnings power on display, as opposed to purely the short term volatility of shares based on sentiment or phasing of spend/demand.
- A position in RELX was positive for relative returns. There was no new company specific news in the month, suggesting shares were likely bid-up given the defensive nature of the business amidst a cyclically driven market sell off.
- A holding in Partners Group also provided positive attribution effect on an upbeat report from the company in early September. There has been more evidence of deal activity coming back which raises the prospects for a lot more performance fee crystalizing exits happening over the next 6-12 months.

### Changes

- Pernod Ricard was exited, opting to concentrate the consumer staples exposure in L'Oreal where we have higher conviction in the market opportunity and margin structure of the business.
- Finecobank was also exited as we believe the investment thesis centered around their ability to grow fee-based assets has taken a backseat to dependency on Net Interest Income. It is likely to be a number of years before they are able to rebuild that asset management contribution to earnings.
- The active weight in Sika was managed down as we reassessed the overall portfolio exposure to construction. Relative to other holdings in the fund – where we see less demanding valuations and have more visibility into earnings – it's not clear what would drive an upgrade cycle in Sika over the near term.
- UniCredit was added to the portfolio. Although the company's share price has done well this year already, it remains very cheap while offering high shareholder returns and earnings upgrades. This was highlighted by an incredibly bullish appearance by the company's CEO at the BAML financials conference. The highlight of which was a new capital return plan that includes bringing 2.5b EUR of buybacks planned for 2024 forward into 2023 as profits are running further ahead of expectations and he views the shares as too cheap. The CEO also committed to 6.5b EUR as a sustainable level of buyback which puts the current yield on 16.5% based on the share price around the time of the announcement.
- We further aligned the portfolio to our financials analysts conviction in European banks, topping up BNP and AIB.
- AutoTrader was topped up as a multiple derating, along with much of UK domestic equities, has given an attractive buying opportunity on a 5% free cash flow yield. We see a good chance that topline could come through better than expected as recent trading has so far shown to be holding up well.

### Positioning

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



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股票基金

# 貝萊德歐洲基金

## 截至 2023年9月30日止

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説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** | **9.1** | **-5.7** | **31.2** | **9.1** | **33.4** | **560.0** |
| MSCI歐洲指數（淨值） | 8.0 | -2.4 | 28.9 | 23.3 | 21.4 | 575.5 |

## A 股基金年度表現（美元）

| | 2022 % | 2021 % | 2020 % | 2019 % | 2018 % | 2017 % | 2016 % | 2015 % | 2014 % | 2013 % | 2012 % | 2011 % | 2010 % | 2009 % |
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| 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 |


## 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） | 1,347.7美元 |
| 每年管理費 | 1.50% |
| 首次認費 | 5% |

## 十大持股比重（%）

| | |
|---|---|
| NOVO NORDISK A/S | 8.9 |
| LVMH MOET HENNESSY LOUIS VUITTON SE | 6.3 |
| ASML HOLDING NV | 4.5 |
| LINDE PLC | 4.1 |
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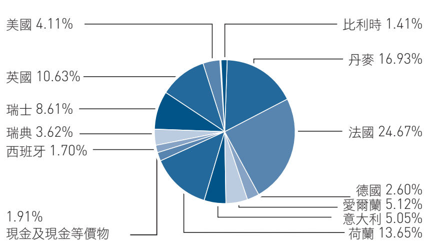
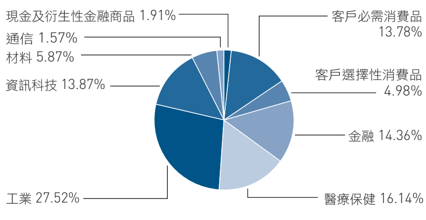
| LONZA GROUP AG | 3.5 |
| SCHNEIDER ELECTRIC SE | 3.4 |
| AIB GROUP PLC. | 3.0 |
| **Total** | **45.1** |

## 基金投資分佈

### 國家




### 行業




## 基金經理報告

### 表現概述

- 基金錄得4.5%的跌幅（歐元，主要股份類別，已扣除費用），表現遜於下跌1.6%（歐元）的MSCI歐洲指數。
- 市場認為宏觀環境轉弱，拖累9月份股市走低。政府債券收益率上升、能源價格上漲、通脹持續的前景和金融狀況收緊，均導致周期股領跌。在大部份公司處於公佈業績前的禁售期內，這種宏觀悲觀氛圍可能會令避險情緒升溫。
- 現時，我們的全球觀點每天都經歷考驗。我們認為，過度關注這些後視式經濟指標會忽略問題的關鍵，投資者應關注能預示企業未來12個月及往後表現的市場訊號。雖然股市可能會持續波動，直到債券市場回穩，但我們認為未來6至18個月更值得注視，並致力為目前的投資組合物色最佳機會，為未來作好部署。
- 2023年第三季業績期即將開始，我們預計將出現實況考查，顯示雖然經濟活動可能輕微轉弱，但不會陷入嚴重經濟低迷和衰退。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獲上調，而非符合偏低的普遍預測。投資組合配置於獲數碼化融資、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

- 9月份的行業表現反映了市場的宏觀焦點。隨著政府債券收益率大幅上升，加上對經濟增長放緩的預測重燃，消費、科技和公用事業股遭到拋售。另一方面，油價上漲帶動能源業表現最佳，但投資組合對該行業持偏低比重，拖累相對回報。投資組合對科技股的偏高比重配置和對金融股的偏低比重亦削弱相對回報，而對消費股的配置近乎持平，因對非必需消費品業持偏高比重的負面效應，被對基本消費品業持偏低比重的正面影響所抵銷。

### 股票

- 投資組合持有MTU股份使表現受累，因該公司在財團內製造的GTF引擎於早前發現問題，目前發展負面。該問題與在2015年至2020年間製造過程中接觸受污染粉末有關，這促使檢查進度加快，而財團需按其作為項目合作夥伴的份額支付費用，其中MTU佔18%。由於每個引擎的零件檢查需時40至50天，最初預計的費用相對可控。然而，財團合作夥伴RTX在9月公佈新消息，表示需要更換零件，而不只是進行檢查，令所需時間大幅延長，因此向出現引擎問題而需要停飛的航空公司所支付的賠償金額顯著增加。我們透過一系列事件了解股價變動是否過度，包括MTU自身的潛在成本計算、停飛數據，以及RTX的範圍確認工作。MTU認為可透過縮短旗下維修店的維修時間來降低成本，並可局部抵銷維修故障引擎的合約收入。歸根結底，這項不利因素並非由MTU造成，我們認為，隨著新GTF引擎在使用期限內到MTU維修店進行強制維修，該公司仍能充份把握引擎零件和服務的數十年增長。
- 市場看淡龍沙集團（Lonza）的行政總裁領導層變動，導致股價大幅下跌。數週前，我們在該公司於10月份舉行資本市場日之前與其主席會面，解釋了我們最近對公司業務感到失望，尤其在溝通方面。我們認為領導層出現變動，是公司主席在資本市場日之前採取的果斷行動，並對這項變革表示支持。我們持有龍沙集團的主要原因，是即使這家大型商業生物製劑公司的整體業務在年內面對困境，但集團仍能取得進展。我們認為利潤率面對阻力，是一個由投資理據的非核心部份所驅動的短期衝擊，即龍沙集團規模較小的生物科技業務收入大幅下降，而挽留關鍵人才（例如促進研發的科學家）的成本必須維持不變。龍沙集團已投入大量資本開支擴大產能，以滿足日益增長的生物製劑外判需求。隨著集團的實驗室項目即將完成，加上生物科技領域強勢發展，利潤率應可回升。集團最近重申其息、税、折舊及攤銷前利潤增長介乎28%至29%的財年盈利指引，我們期待在臨近的資本市場日上了解其2024年及以後的最新情況。
- 債券市場反覆波動，對投資組合內部份較具周期性的長存續期增長股造成影響，例如奢侈品（LVMH和Hermes）及半導體（AMSL、ASMI、BE Semi和STMicro）。近期行業數據疲軟，且缺乏利好消息，而宏觀經濟環境更令行業增添壓力。
- 最近數週，市場憂慮中國和歐洲的潛在需求疲弱，導致奢侈品業的股價受壓。目前，我們的數據並未顯示這個趨勢需要關注，相反，我們認為現時市場對增長股的普遍預期正回落至較低的水平。舉例而言，市場現時普遍預測，LVMH的時裝及皮革產品業務將在2024年帶來7%內部增長，但LVMH的最新報告顯示增長超過20%。我們認為這種正常化預測是合理的，而且有可能實現。更重要的是，消費開支看來並未面臨重大壓力，因此我們認為消費前景不會出現強勁的周期性或結構性變化。
- 半導體領域的消息引發新的憂慮，包括美國可能試圖進一步限制中國取得ASML的沉浸式科技（包括DUV光刻機）等機械設備。這不在我們的基本預測內，但一旦發生，ASML的銷售額可能鋭減約20%。此外，市場對台積公司（TSMC）削減資本開支感到擔憂。雖然這可能代表目前的需求略為轉弱，以及清理庫存的速度因而放緩，但我們認為這不會改變中期前景：2024年沒有發生的事情，將在2025年發生。只有在您相信全球半導體需求突然減少的時候，這個觀點才會改變。我們難以將此納入基本預測，因為我們知道英特爾（Intel）和三星（Samsung）正在嘗試實現3納米技術，而蘋果公司（Apple）亦向2納米技術推進。鑑於對高端設備（尤其是人工智能）的需求殷切，2025年可能是豐收的一年。舉例説，ASMI近期舉辦投資者日，發表對2023年至2027年銷售複合年增長率介乎12%至18%的預測，並表示已計入對短期經濟不明朗的觀點。因此，我們必須繼續關注公司所展示的長期卓越盈利能力，而非純粹根據市場氣氛或階段性支出／需求的短期股價波動。
- RELX的持倉利好相對回報。月內並無該公司的新消息，反映在由周期股驅動的拋售潮下，該公司因業務具防守性質而帶動股價上升。
- Partners Group在9月初發表正面的報告，因此該持倉亦利好投資組合的表現。有更多證據顯示交易活動正在回升，令未來6至12個月出現更多為表現費結算而沽售持倉的可能性增加。

### 變動

- 我們沽清Pernod Ricard的持倉，並將基本消費品投資集中於L’Oreal，因我們對該公司業務的市場機會和利潤結構更有信心。
- 我們亦悉數沽售Finecobank，因我們認為公司轉為依賴淨利息收入，以增加收費資產的能力為核心的投資理據已退居次位。Finecobank可能需要數年時間，才能重建資產管理對盈利的貢獻。
- 在重新評估投資組合的整體建造業持倉後，我們減少對Sika的主動比重。與Sika相比，我們認為基金內其他持倉的估值較低，盈利前景較佳，而推動Sika在短期步入升級周期的因素尚未明朗。
- 我們在投資組合新增裕信銀行（UniCredit）持倉。儘管該公司股價已在年內造好，但估值仍然非常便宜，並提供高股東回報，且盈利預測獲上調。這從該公司行政總裁在美銀美林金融會議上發表相當樂觀的言論可見一斑。裕信銀行的其中一個亮點是一項新資本回報計劃，包括將原定於2024年進行的25億歐元回購計劃提前到2023年，因為公司利潤進一步超出預期，而且行政總裁認為股價過於便宜。此外，行政總裁亦承諾以65億歐元作為可持續回購水平，根據公佈消息時的股價計算，當前收益率為16.5%。
- 我們根據金融分析師對歐洲銀行的確信度進一步調整投資組合，增持法國巴黎銀行（BNP）和AIB。
- 我們增持AutoTrader，因該公司和大部份英國國內股票多次被降級，提供自由現金流收益率為5%的吸引入市良機。由於近期交易至今表現良好，我們認為公司的收益增長很可能優於預期。

### 配置

- 根據「由下而上」分析產生的信念，基金於月底對工業、資訊科技和非必需消費品業持最大偏高比重；對基本消費品、能源和公用事業持最大偏低比重。

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 2023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 / 歐元兑換率的波動的風險。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。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