

BlackRock European Fund

As at 30 April 2024

BLACKROCK

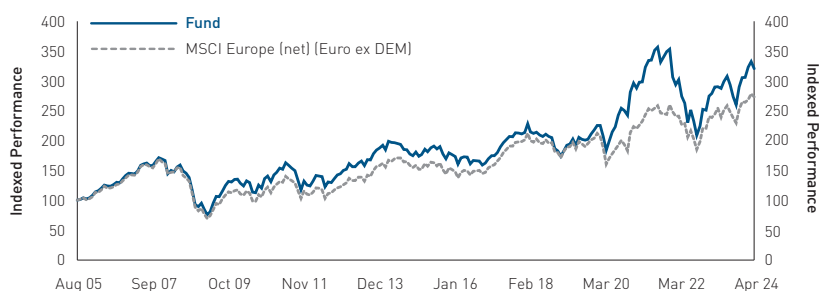
- The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investment 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	4.9	23.4	10.4	-0.9	58.1	673.3
MSCI Europe (net)	3.2	19.1	7.5	12.4	38.9	674.4

A-Share Calendar Year Performance in USD

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Fund	21.9	-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
MSCI Europe (net)	19.9	-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



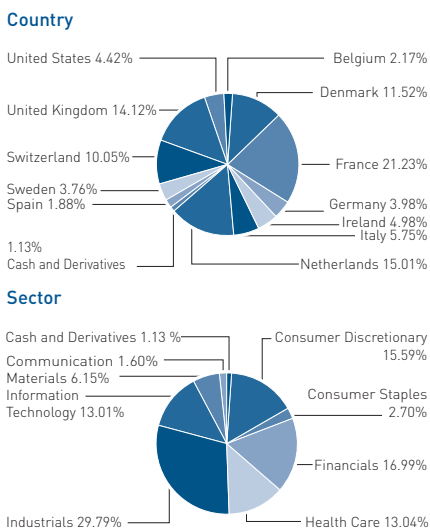
Fund Data

Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,503.8
Annual Management Fee	1.50%
Initial Charge	5%

10 Largest Holdings (%)

NOVO NORDISK A/S	9.4
ASML HOLDING NV	6.6
LVMH MOET HENNESSY LOUIS VUITTON SE	5.7
LINDE PLC	4.4
SCHNEIDER ELECTRIC SE	4.1
MTU AERO ENGINES AG	4.0
RELX PLC	3.4
COMPAGNIE DE SAINT GOBAIN SA	3.2
LONDON STOCK EXCHANGE GROUP PLC	3.1
FERRARI NV	3.1
Total	47.1

Composition of Fund



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 -2.7% in April (EUR, A2 share class, net of fees), trailing the MSCI Europe benchmark's -0.9% decline (EUR). The underperformance follows a period of strong active returns for the Fund which remains +1.8% ahead of its benchmark year-to-date through April.
- Higher than anticipated US inflation gave equity markets pause as interest rates edged higher and expectations for Federal Reserve rate cuts were priced out, with only one now forecasted this year. The higher for longer narrative brought back debates around the degree to which inflation is, or is not, transitory and whether the US central bank has done enough in monetary tightening. The result of which was a change in market leadership where defensives outperformed cyclicals and value outperformed growth.
- As the pendulum has swung from a market that was too optimistic on rate cuts, it has perhaps landed too far on the other side with a base case for rates to remain high for a long time and fear of inflation moving up from here. When we look at leading indicators, they do not support this scenario but rather one where normalisation of monetary policy is delayed yet still on the right path. Companies are seeing a bottoming in end-markets, GDP is growing and indicators such as PMIs are improving, large projects are coming back in a sign of confidence, and European banks continue to show no stress in provisions. Our differing view - which remains constructive - makes the setup more interesting as compared to where we sat in Q1'24 where everyone in the market was excited. The market pull back, and change in leadership, has given us another opportunity to own companies where the market has become more hesitant of late.
- We are currently finding the broadest opportunity set in Europe we have seen for many years and generally expect company messaging to be more positive on the 6-18month view. The portfolio is positioned to benefit as the market moves towards areas showing they are at or near the bottom of their cycle (e.g. construction, semiconductors, and luxury); industrials that can continue to prove their transformation into higher quality duration assets, areas of undemanding valuations such as European banks, and where we can see clear growth catalysts for businesses with resilience through cycle. 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 change in market leadership - defensives over cyclicals, value over growth - was evident through a sector lens where portfolio allocations created a negative effect on relative returns driven by overweight Technology, Consumer Discretionary, and Industrials as well as underweight Energy and Consumer Staples.

Stocks

- A position in IMCD detracted from relative returns. Shares had moved higher this year on the back of an earlier company update suggesting Q4'23 could be the trough in destocking amongst the end-markets for which they supply specialty chemicals. However, their Q1'24 update showed the recovery in chemicals distribution has yet to materialize while operating profit also fell. There was no full year guidance given, with management citing market conditions as making it difficult to predict, though the comparable base gets easier from Q2'24 making it easier to grow into what we've expected to be an H2 weighted cycle upturn.
- Holding BE Semiconductor detracted as the company also released Q1 results showing weak orders intake, driven by autos and smartphone applications. While the traditional packaging and assembly market has been recovering at a slower pace, advanced packaging remains healthy and the company indicated Hybrid Bonding orders are expected to accelerate in Q2, catalysed by multiple customers.
- A position in JD Sports was negative for relative returns. Shares fell on a combination of factors including industry trends showing some weakness in the aspirational consumer segment and news of a big deal proposed in the US. The latter came as management were in the process of rebuilding trust, after poor communication between Q4'23-Q1'24 led to downgrades, and brings execution questions. We need to see more acceleration of topline to create a beat and raise cycle. While its too early to expect this, the shares remain priced near trough at a 9x P/E multiple while a packed summer sports schedule could be a catalyst for a pickup and rerating.
- Alternatives asset manager, CVC, was additive for relative returns with shares gaining moderately after their IPO. We participated in the offering noting the shares coming to market at an attractive valuation (see more on the addition in changes section below).
- Novo Nordisk was a positive contributor to active returns in April with the shares moving slightly higher against a falling market, likely benefiting to an extent via market position in April.
- A holding in Saint Gobain provided positive attribution effect in the month. The company reported Q1'24 sales broadly in line with consensus expectations with volume decline moderating on a working-day adjusted basis. They also announced an acquisition - adding to their lightside business in North America - which should be nicely accretive to group margins.
- Atlas Copco also added to positive attribution after a solid Q1'24 earnings report showing demand holding up well and clean execution. Orders were a 7% beat versus consensus expectations with organic revenue growing 7% and margins above consensus. Within their vacuum business, the company noted a year-on-year and sequential improvement in demand from semiconductor customers, creating a solid base as we start a new capex upcycle.
- The fund's positioning with European banks was also additive with CaixaBank, UniCredit, and AIB contributing to positive active returns. Earnings have continued to prove more resilient than consensus expectations, with the rate position year-to-date also of some benefit.

Changes

- Partners Group was trimmed to fund participation in the IPO of CVC, another alternatives asset manager with a strong flagship private equity offering. The company came to market on an attractive valuation relative to the likes of Partners Group and the industry average overall. They've been growing AUM at a +20% CAGR since 2015 and maintain catalysts for further expansion through increasing current client commitments, cross-selling strategies, new client acquisition, and expanding into new alternative asset channels.
- MTU was trimmed to fund the addition of Melrose Industries. Melrose is also involved in aerospace engines, supplying parts used in production. The business has been improving through 'self-help' driving margin expansion which we expect to continue for years to come.
- ASML was topped up. Shares were weak after a Q1'24 orders came in lower than consensus expectations following the massive figure reported in Q4'23. The lower Q1 orders appeared to be driven by a key client whose capex plans would suggest it's a matter of when, not if, the orders come in this year.

Positioning

At the end of the month, our bottom-up convictions resulted in the fund's largest overweight positioning to Industrials, Technology, and Consumer Discretionary. The biggest underweight positioning was in Consumer Staples, Energy 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 30 April 2024 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 2024年4月30日止



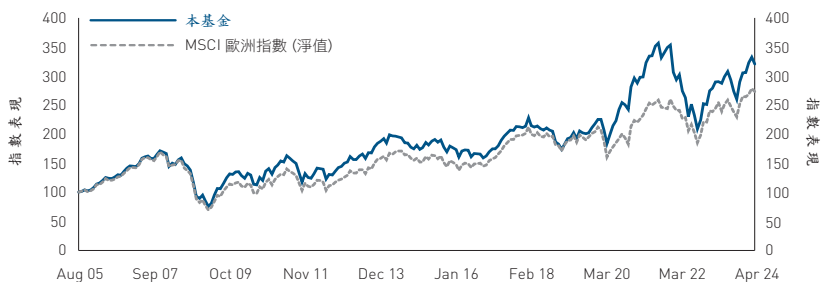
- 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
- 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
- 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

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	4.9	23.4	10.4	-0.9	58.1	673.3
MSCI歐洲指數 (淨值)	3.2	19.1	7.5	12.4	38.9	674.4

A 股基金年度表現 (美元)

	2023 %	2022 %	2021 %	2020 %	2019 %	2018 %	2017 %	2016 %	2015 %	2014 %	2013 %	2012 %	2011 %	2010 %
本基金	21.9	-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
MSCI歐洲指數 (淨值)	19.9	-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



基金資料

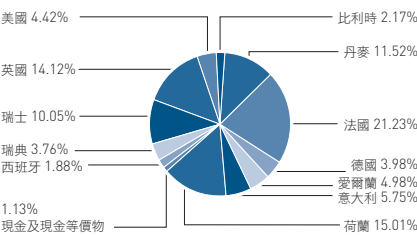
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,503.8
每年管理費	1.50%
首次認費	5%

十大持股比重 (%)

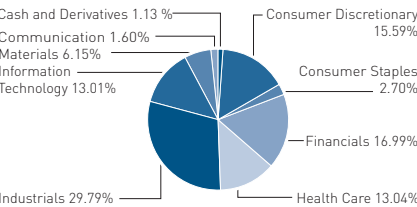
NOVO NORDISK A/S	9.4
ASML HOLDING NV	6.6
LVMH MOET HENNESSY LOUIS VUITTON SE	5.7
LINDE PLC	4.4
SCHNEIDER ELECTRIC SE	4.1
MTU AERO ENGINES AG	4.0
RELX PLC	3.4
COMPAGNIE DE SAINT GOBAIN SA	3.2
LONDON STOCK EXCHANGE GROUP PLC	3.1
FERRARI NV	3.1
Total	47.1

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 2024 年 4 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。

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

- 基金在 4 月錄得 2.7% 的跌幅 (歐元, A2 股類別, 已扣除費用), 表現遜於下跌 0.9% (歐元) 的 MSCI 歐洲基準指數。基金在表現落後前曾錄得強勁的主動回報, 今年初至 4 月持續領先基準指數 1.8%。
- 美國通脹高於預期, 令股市停滯不前, 因為利率微升, 市場價格亦已調低對聯儲局減息的預期, 目前預測今年只會減息一次。這種利率長期偏高的觀點, 引發市場爭論通脹在多大程度上維持短期時間, 以及美國聯儲局在收緊貨幣政策方面是否已經足夠。結果導致市場領先範疇出現變化, 防守性表現強於周期限, 價值股表現亦強於增長股。
- 市場從過於樂觀減息的預期轉向另一個極端, 目前基本情況預測利率長期保持高位, 投資者亦憂慮通脹處理水平上升。然而, 領先指標並不支持這種轉機, 反而顯示貨幣政策正常化政策, 但走勢仍然合理。企業認為市場逐漸趨底, 國內生產總值持續增長, 採購經理指數等指標正在改善, 大型項目回升顯示市場恢復信心。歐洲銀行在撥備方面仍未有受惠。我們現時保持樂觀, 這種與別不同的觀點使目前的環境更值得注視, 相比在 2024 年第一季, 當時每個投資者都感到擔憂。市場回底及領先範疇出現變化, 為我們再次提供機會, 持有市場近期被低估的投資公司。
- 目前, 我們正在歐洲物色多年以來最廣泛的投資機會, 並普遍預期公司將在未來 6 至 18 個月發出更正面的消息。隨著市場轉向以下領域, 投資組合估值較低並從中受惠; 處於週期底部領域的領域 (例如建築、半導體和奢侈品); 能夠繼續證明其轉型至較優質資產的工業; 歐洲銀行等估值不高的領域; 以及在整個週期內表現強勁並展現明顯增長動力的企業。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需求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

- 從行業角度來看, 市場領先範疇出現變化 (防守性股領先周期限; 價值股領先增長股), 使投資組合配置利率相對回報。主要源自對科技、非必需消費品及工業持偏重比重, 以及對能源及基本消費品持偏輕比重。

股票

- 基金的 IMCD 持倉相對回報強勁。該公司早前發表最新消息, 表示其供應專用化學品的終端市場而言, 去庫存已在 2023 年第四季觸底, 帶動該公司股價今年走高。然而, 該公司 2024 年第一季的最新資料顯示, 其化學品分銷業務尚未回升, 經營利潤亦下跌。該公司並無提供全年指引, 管理層認為市場走勢難以預測, 但自 2024 年第二季開始, 比較數據較為有利, 使公司更容易實現預期的下半年重振業務。
- BE Semiconductor 持倉表現強勁, 因為該公司公佈第一季業績, 顯示受汽車及智能手機應用程式的影響, 訂單量強勁。雖然傳統封裝及組裝市場的復甦步伐緩慢, 但先進封裝業務保持穩健, 該公司亦表示在多項客戶推動下, 預計混合封裝業務的訂單將在第二季加快增長。
- JD Sports 的持倉相對回報強勁。股價下跌受多個因素影響, 包括行業趨勢顯示追求卓越消費的群體表現疲弱, 以及有消息指該公司擬在美國進行一項重大交易。當傳出有關消息之際, 管理層正重建投資者的信任。該公司在 2023 年第四季至 2024 年第一季因週轉過慢而導致評級下調, 同時亦帶來執行方面的問題。我們認為營業額需要進一步加快增長, 以創造超出預期的上升週期 (beat and raise cycle)。雖然這仍是言之過早, 但股價繼續接近估值 (市盈率為 9 倍), 而且夏季體育賽事繁榮, 可能是推動股價回升及估值上調的動因。
- 另類資產管理公司 CVC 利好相對回報, 股價在首次公開招股後溫和上升。我們參與此次發行要約, 並認為股票估值具吸引力 (詳情請參閱下列增持變動部份)。
- 諾和諾德 (Novo Nordisk) 在 4 月為主動回報帶來正面貢獻。即使在跌市下, 其股價仍微升, 很可能源於市場在 4 月轉向防守性配置。
- Saint Gobain 的持倉於月內為回報增值。該公司公佈, 2024 年第一季的銷售額大致符合市場普遍預期。按工作基礎調整後, 銷售額跌幅縮減。該公司亦宣佈一項收購行動, 以擴大北美的照明業務, 這應可大提高從業員利潤率。
- Atlas Copco 公佈的 2024 年第一季業績報告穩健, 顯示需求持續向好及執行力卓越, 因此這個持倉利好表現。訂單數目較市場普遍預期高出 9%, 內部收入增長 7%, 利潤率亦高於市場普遍預期。縮短該公司的取單週期。該公司表示非標準客戶的需求錄得按年增長, 為新一輪資本開支上升期提供強勁基礎。
- 基金的歐洲銀行持倉亦提升表現, 對 CaixaBank、UniCredit 及 AIB 的投資為主動回報帶來正面貢獻。其盈利仍較市場普遍預期更加強勁, 這在一定程度上受惠於年初至今的利率水平。

變動

- 基金減持 Partners Group 投資, 為參與 CVC 的首次公開招股提供資金; CVC 是另一家擁有龐大私人股權資產的另類資產管理公司, 與 Partners Group 同屬該公司及整個行業平均估值相比, CVC 估值具吸引力。自 2015 年以來, 該公司管理資產總值一直增加, 複合年增長率達 20% 以上, 並透過增加現有客戶的資本承擔、交叉銷售策略、招攬新客戶及拓展新的另類資產渠道, 從而維持進一步擴張業務的推動力。
- 基金增持 MTU 持倉, 把所得資金用作新增 Melrose Industries。Melrose 亦從事航空引擎業務, 提供生產所需的零件。該公司以「自動」形式推動利潤率擴張, 預計利潤率將在未來數年持續增長, 帶動股東表現不斷改善。
- 我們適度下調投資組合對奢侈品的主動偏重比重, 其中包括減少 LVMH 投資。
- 基金增持 ASML 持倉。該公司在 2023 年第四季錄得大量訂單, 其後 2024 年第一季數字低於市場普遍預期, 導致股價疲軟。第一季訂單減少似乎源於一名主要客戶, 其資本開支計劃顯示今年後復訂單只是時間問題, 而非會否出現的問題。

配置

- 根據「由下而上」分析產生的信念, 基金於月底對工業、科技及非必需消費品持最大偏重比重; 對基本消費品、能源和公用事業持最大偏輕比重。

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