

BlackRock European Fund

As at 29 February 2024

BLACKROCK

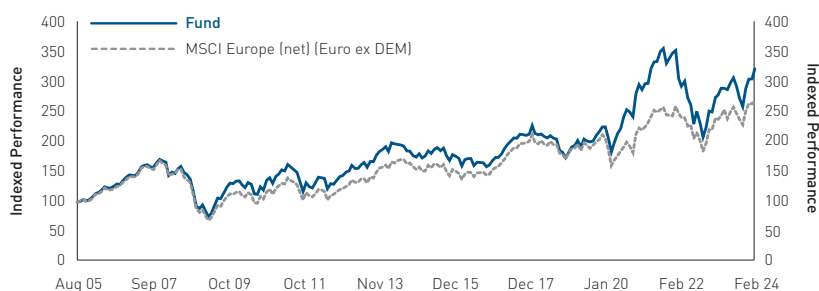
- The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investment 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	5.6	9.9	15.8	8.4	68.2	679.0
MSCI Europe (net)	1.4	8.2	12.6	19.0	42.2	660.9

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

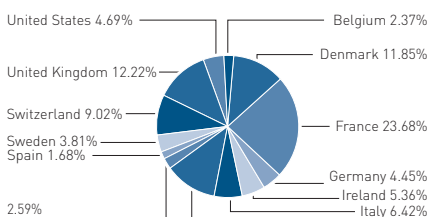
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,536.5
Annual Management Fee	1.50%
Initial Charge	5%

10 Largest Holdings (%)

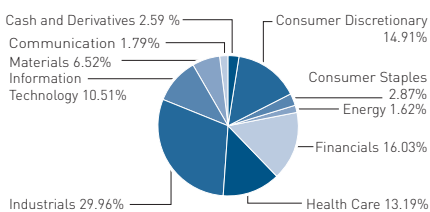
NOVO NORDISK A/S	9.4
LVMH MOET HENNESSY LOUIS VUITTON SE	6.5
ASML HOLDING NV	5.0
LINDE PLC	4.7
RELX PLC	4.6
MTU AERO ENGINES AG	4.5
SCHNEIDER ELECTRIC SE	4.3
FERRARI NV	3.9
PARTNERS GROUP HOLDING AG	3.4
COMPAGNIE DE SAINT GOBAIN SA	3.2
Total	49.4

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 +5.9% (EUR, primary share class, net of fees) outperforming the MSCI Europe Index return of +1.3% (EUR).
- As the Q4 and full year 2023 earnings season progressed, the market welcomed signs of resilience and more positive forward-looking guidance. Messaging from corporate reporting seemed to be the focal point as the market moved higher with a clear tilt towards cyclical and quality growth assets over defensive and value assets. While the moves for those cyclical/quality growth assets have been significant this year, they don't appear particularly extreme.
- The key for investors is what the market is telling us about companies 12-months from now and beyond. While equity markets may remain volatile as the inflation and interest rate path debate in the bond market continues to play out, our focus is on the next 6-18 months looking more interesting. As fundamental investors, we are searching for signs of incremental change in businesses that gives us opportunity to own shares where, in time, consensus estimates can be proven as too bearish. As more and more of these signs emerge, the broader market risk appetite should return which will be supportive for the portfolio.
- 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 underpricing 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 cyclical tilt was evident at the sector level with Consumer Discretionary, Technology, and Industrials outperforming while defensive sectors such as Utilities and Consumer Staples fell. The Fund's positioning – overweight cyclical, underweight defensives – provided positive allocation effect.

Stocks

- The portfolio's consumer exposure, particularly within the high-end luxury segment, was additive with shares in Ferrari, Hermes, and LVMH all moving higher. Hermes' Q4'23 report showed strong momentum into year end with beats vs consensus sales growth and margins driving a mid-single digit beat on H2'23 EBIT. Ferrari also released favourable results with management noting that exceptional visibility in their order book (now covered into 2026) gives them confidence in hitting the high-end of 2026 targets.
- A position in Linde also contributed to outperformance. The company reported Q4'23 results including a 4% contending beat on underlying sales, operating profit growth +14% year-on-year and EPS 4% above consensus expectations. Their full year 2024 guidance was also supportive versus consensus, looking for 8-11% EPS growth, while an improving economic backdrop would likely bring upgrades to what is typical conservative guidance from Linde management.
- Schneider Electric contributed positively to relative returns. The company delivered solid Q4'23 results, including 9% organic growth, beating consensus expectation for 7%. They also guided to 6-8% organic growth for the year which was in line with expectations.
- Holding BE Semi provided strong attribution effect with shares gaining nearly 20% in the month. The company reported Q4'23 results including a 7% beat on revenue and 18% beat on EBIT versus consensus expectations. Although their Q1'24 guide came out below consensus, investors looked past the immediate term, focusing instead on positive comments around the speed of adoption for hybrid bonding which is a key long-term catalyst for earnings growth.
- A holding in DSV detracted. The company's Q4'23 results included a 4% EBIT miss versus consensus driven by their Air and Sea division which was impacted by "other" costs which some brokers flagged as IT related. The leadership change announced last year also went into effect during the month with Jens Lund, former COO, stepping into the CEO role. Finally, speculation around a potential large M&A deal ramped up again following the CFO's presentation on their conference call which included similar buy-back and treasury management strategies seen carried out preceding previous deals.
- BNP was another detractor as shares fell after management pushed out profit targets, in part, blaming a more cautious outlook on Europe as well as a changing interest rate environment.

Changes

- ASML shares were topped up with the company progressing into an up-cycle, evidenced by the strong order figures reported at Q4'23 and industry expectations that H2'24 will outpace H1 as end-markets recover. We also added to Lonza, LVMH, and Partners Group where reassuring results and meetings point to improved business results ahead.
- A new position in London Stock Exchange (LSE) was added to the portfolio. Shares are trading at an attractive valuation following the past years of disappointment around their integration of Refinitiv. With an attractive top-line margin profile, and 77% of their business now data and analytics related, the big discount to fellow financial data peers such as S&P Global and MSCI stands out.
- We finalised an exit of Royal Unibrew after a string of earnings downgrades and missteps on acquisition integrations brought their ability to execute on strategy into question.
- After a difficult Q4'23 earnings season for banks – following almost 2 years of positive updates – we made positioning changes within the sector, selling BNP and trimming CaixaBank. Guidance from European banks now looks reasonable, making it harder to see a scenario where external factors create the meaningful upside seen over the past few years. While many shares remain cheap – with P/E multiples failing to re-rate alongside earnings upgrades – we've concentrated capital within banks where we also have the highest conviction around catalysts for further upside in shares; ability to control cost as the interest rate tailwind fades and a willingness to return significant capital to shareholders.

Positioning

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

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 29 February 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2月29日止



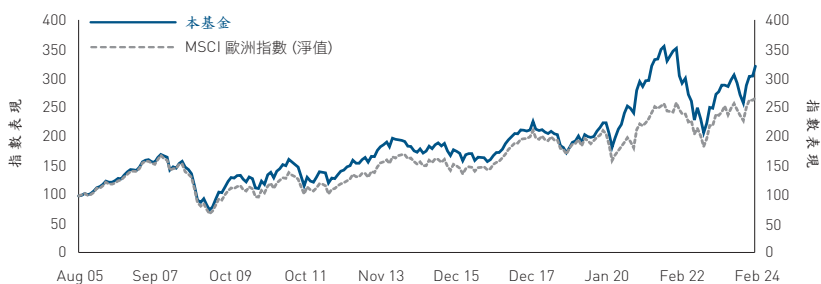
- 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
- 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
- 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

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	5.6	9.9	15.8	8.4	68.2	679.0
MSCI歐洲指數 (淨值)	1.4	8.2	12.6	19.0	42.2	660.9

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

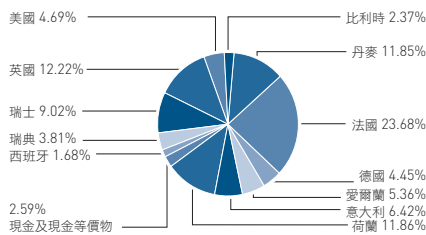
基金經理	Nigel Bolton
成立日期	30.11.93
報價貨幣	美元
基金總值 (百萬)	1,536.5 美元
每年管理費	1.50%
首次認費	5%

十大持股比重 (%)

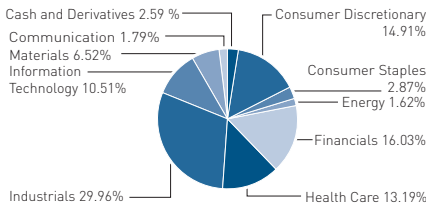
NOVO NORDISK A/S	9.4
LVMH MOET HENNESSY LOUIS VUITTON SE	6.5
ASML HOLDING NV	5.0
LINDE PLC	4.7
RELX PLC	4.6
MTU AERO ENGINES AG	4.5
SCHNEIDER ELECTRIC SE	4.3
FERRARI NV	3.9
PARTNERS GROUP HOLDING AG	3.4
COMPAGNIE DE SAINT GOBAIN SA	3.2
Total	49.4

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 2 月 29 日止，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) 並未獲香港證監會所審閱。

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。

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

- 基金錄得 5.9% 的升幅 (歐元，主要股份類別，已扣除費用)，表現優於上升 1.9% (歐元) 的 MSCI 歐洲指數。
- 企業陸續公佈 2023 年第四季和全年盈利業績，市場展現強勁的跡象和更正面的前瞻性指引。隨著市場走高，明顯側重於週期性和優質增長型資產，而非防守性和價值型資產。企業報告的訊息似乎成為焦點。雖然這些週期性 / 優質增長型資產在今年的走勢顯著，但看來並不特別極端。
- 投資者應注意能夠預示企業未來 12 個月及往後表現的市場訊號。隨著有關利率路徑的討論繼續影響市場表現，股市或會持續波動，但我們聚焦於未來 6 至 18 個月更具吸引力的後市。作為基本因素投資者，我們正留意企業有否出現漸趨明顯的轉變，從而把握機會買入那些假以時日證明市場過於看淡的股票。隨著這類跡象增加，廣泛市場的承擔意欲可望回升，繼而利好投資組合表現。
- 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、資本開支回升及低缺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

- 行業層面明顯反映市場的週期性偏向，非必需消費品，科技和工業表現領先，公用事業和基本消費品等防守行業則下跌。基金配置一對週期股持偏高比重，對防守股持偏低比重，帶來正面的配置效應。

股票

- 投資組合的消費股配置為表現增值，尤其是高檔奢侈品領域，Ferrari、Hermes 和 LVMH 的股價均上升。Hermes 的 2023 年第四季業績報告顯示，年應動力強勁，銷售增長及利潤率均優於市場普遍預期，帶動 2023 年下半年的息稅前利潤錄得中單位數升幅。Ferrari 公佈的業績利好，管理層表示公司正重 (目前已覆蓋 2026 年) 的前景非常明朗，因此有信心實現 2026 年的高目標。
- 持有 Linde 亦為基金的出色表現帶來貢獻。該公司公佈 2023 年第四季業績，基本銷售較市場普遍預期高出 4%，營運溢利按年增長 14%，每股盈利高於普遍預期 4%。此外，Linde 的 2024 年全年業績指引優於普遍預期，公司預期每股盈利增長 8% 至 11%，隨著經濟環境改善，Linde 管理層可能會上調其通常偏向保守的盈利指引。
- Schneider Electric 為相對回報帶來正面貢獻。該公司的 2023 年第四季業績穩健，錄得 9% 內部增長，高於市場普遍預期的 7%。此外，公司預計可實現 6% 至 8% 全年內部增長，符合市場預期。
- 持有 BE Semi 帶來強勁的正面效應，因為該股月內上升接近 20%。該公司公佈 2023 年第四季業績，收入及息稅前利潤分別較市場普遍預期高出 7% 和 18%。儘管 BE Semi 的 2024 年第一季業績指引低於普遍預期，但投資者逐短期狀況，轉而整集於市場對混合體 (hybrid bonding) 技術應用步伐的正面預期，這項技術是刺激公司盈利增長的關鍵長期動力。
- DSV 的持有者弱表現。該公司公佈 2023 年第四季業績，息稅前利潤較市場普遍預期低 4%，因為其空運及海運業務受「其他」成本所影響，部份券商認為與資訊科技相關。去年公佈的領導層變動亦於月內生效，前管理總監 Jens Lund 出任行政總裁。此外，財務總監透過電話會議作出簡報，提及過往交易管理採取的類似回購和財資管理策略，令市場對公司可能進行大型併購交易的揣測再度升温。
- 法國巴黎銀行 (BNP) 是另一項平淡表現的持有，其管理層對歐洲的前景更審慎，加上利率環境不斷變化等因素，故此推遲實現利潤目標的時間，導致股價下跌。

變動

- ASML 的股價上升，該公司正步入上行週期，這可見於其 2023 年第四季業績報告所顯示的訂單數據強勁，而且行業預期隨著終端市場復甦，2024 年下半年的表現將超越上半年。我們亦增持龍沙集團 (Lonza)、LVMH 和 Partners Group，這些公司的業績和會議均顯示未來業務表現將有所改善，令人感到安心。
- 投資組合新增倫敦證券交易所 (LSE) 持有。在過去數年，市場對公司整合 Refinitiv 的流程感到失望，令其股票估值具吸引力。LSE 的收益和利潤率均具吸引力，加上目前有 77% 業務與數據和分析相關，與標普全球 (S&P Global) 及 MSCI 等其他財經數據同業相比，其持續幅度較大。
- 我們悉悉沽售 Royal Unibrew，經過盈利預測審慎下調，以及收購整合失當後，該公司的策略執行能力受到質疑。
- 銀行業經過接近兩年業績普遍正面的情況後，在 2023 年第四季的業績面對困境，促使我們調整對該行業的配置，沽售法國巴黎銀行，並減持克瓦薩銀行 (Caixabank)。歐洲銀行業目前的盈利指引顯得合理，故難以出現過去數年般，外部因素帶來大幅意外上行的環境。儘管許多股票仍然便宜，其市盈率未能跟隨盈利預測上調而重估，但我們把資金集中於銀行業，因為我們對刺激銀行股價進一步上升的因素更具信心；隨著利率優勢減退，相信銀行業有能力控制成本，並願意向股東退還大量資金。

配置

- 根據「由下而上」分析產生的信念，基金於月底對工業和非必需消費品持最大偏高比重；對基本消費品、公用事業和能源持最大偏低比重。

貝萊德 (香港) 有限公司

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