

# BlackRock European Fund

As at 31 March 2024

# BLACKROCK

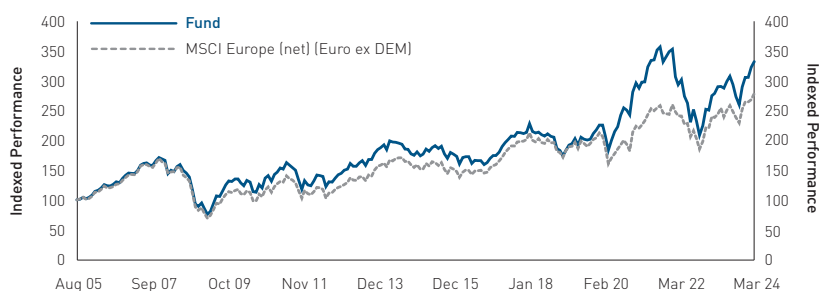
- The investment decision is yours. You should not invest in the investment product unless the licensed investment advisor who introduces it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investment 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
	%	%	%	%	%	%
<b>Fund</b>	<b>8.8</b>	<b>21.5</b>	<b>14.6</b>	<b>11.5</b>	<b>71.3</b>	<b>701.9</b>
MSCI Europe (net)	5.2	16.9	14.1	19.7	46.7	689.3

## A-Share Calendar Year Performance in USD

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
	%	%	%	%	%	%	%	%	%	%	%	%	%	%
<b>Fund</b>	<b>21.9</b>	<b>-29.1</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>
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

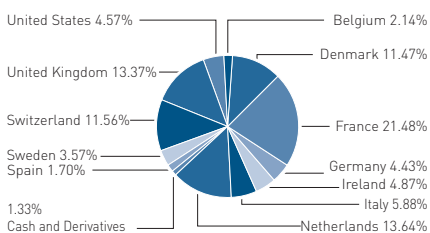
Manager	Nigel Bolton
Inception	30.11.93
Currency	US\$
Total Fund Size (m)	US \$1,566.5
Annual Management Fee	1.50%
Initial Charge	5%

## 10 Largest Holdings (%)

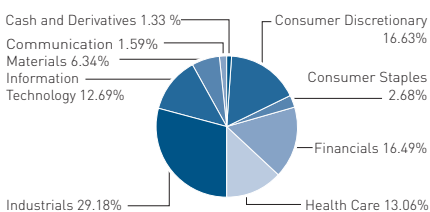
NOVO NORDISK A/S	9.1
ASML HOLDING NV	6.2
LVMH MOET HENNESSY LOUIS VUITTON SE	6.1
LINDE PLC	4.6
MTU AERO ENGINES AG	4.4
SCHNEIDER ELECTRIC SE	4.0
RELX PLC	3.5
PARTNERS GROUP HOLDING AG	3.3
LONDON STOCK EXCHANGE GROUP PLC	3.3
FERRARI NV	3.2
<b>Total</b>	<b>47.7</b>

## 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 +3.4% in March (EUR, primary share class, net of fees), trailing the MSCI Europe benchmark's +3.9% gain (EUR). Year-to-date through Q1'24, the Fund returned +11.5%, representing +2.7% alpha.
- The market was driven higher in March by areas the portfolio remains underweight, such as retail and energy, while preferred sectors, such as industrials and technology, took a breath after recent months of market leadership. We saw evidence of de-grossing amongst long/short funds supporting this dynamic – selling recent long-winners and buying back lower quality cyclical assets to close shorts.
- The key for investors is what the market is telling us about companies 12-months from now and beyond. After a strong run of late, it wouldn't come as a surprise to see a degree of consolidation as the market begins to digest Q1'24 results which are likely to confirm what we've known for a while: earnings growth will be H2 weighted. While a degree of volatility may occur 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.
- 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

- Sector allocations provided a drag on relative returns driven by underweight Energy as well as overweight positioning to Technology and Industrials which also moved higher, yet at a slower pace.

### Stocks

- Banks owned in the portfolio positively contributed again this month, with share prices for Allied Irish Bank, Unicredit, and CaixaBank all gaining by mid to high-teen percent. The sector was up on a mix of generally better economic activity, rate expectations holding up better than some had feared, and support from share buybacks. Unicredit was the single best performer during the month. The Italian bank completed their current share buyback programme with more programmes to come and also offered confident messages at a financials conference during March. Spanish CaixaBank benefited from the supportive rate environment with the company's financial guidance now looking conservative. Elsewhere, Allied Irish Banks reported strong 2023 results with good revenue visibility.
- The Fund also benefited from its position in IMCD, a speciality chemicals distributor that reported FY 2023 results inline with expectations while 2024 consensus estimates seem to be in a good place compared to the updates provided by management. The company also received two broker upgrades to overweight as focus shifts away from the extreme destocking effect suffered over the past 12-months to the attractive longer-term organic growth and M&A opportunities that should drive earnings upgrades and opportunity for multiple re-rating.
- Positioning within Healthcare continues to be additive with positive effect from owning Novo Nordisk and Lonza while avoiding more defensive assets such as Roche and Novartis that continue to lag the market gains. The investment case for Novo Nordisk continues to tick along nicely with news in March supportive of a growing total addressable market for their GLP-1 treatments. The US approved Wegovy for cardiovascular risk reduction in people with obesity, and in doing so, opened the door for Medicare coverage. Late in the month, we saw the first US insurers agree to begin paying for Wegovy through Medicare.
- A holding in BE Semi weighed with shares lower after a semiconductor industry body suggested the chip stacking height limit for Thermal Compression Bonding (TCB), used currently in production of memory chips (such as DRAM), is higher than previously thought possible. If this is true, it means the adoption for Hybrid Bonding (HB) techniques in DRAM chips could be pushed out. However, the industry body guidance is not binding and subsequent press articles suggested companies such as Samsung and Micron are pressing ahead with dual track TCB and HB and that this competition would pressure the leader in DRAM, Hynix, to also adopt HB in its next memory chip going into production in 2026. Ultimately, we believe it's a matter of when, not if, for BE Semi's hybrid bonding technology.
- Positions within Luxury including LVMH and Richemont also weighed on relative returns after a warning from Kering (not owned) sent the sector lower. We believe Kering's issues – centered around an attempt to relaunch their Gucci brand under a new designer in an uncertain economic environment – are idiosyncratic. In contrast, LVMH's Q1'24 pre-close call resulted in consensus raising expectations with the bears setting the bottom end of the range going from -2% to +1% growth and bulls moving the top of the growth range from +2% to +6%.

### Changes

- We continued to reduce defensives, which included a trim to RELX, reducing the Fund's cash balance, and selling Totalenergies.
- We used a pull back in the luxury sector to initiate a new position in Richemont where we see an attractive valuation at which to own world class brands such as Cartier.
- Semiconductor positions – including ASML, STMicro, and BE Semi – were topped up as we believe we are in the early stages of an upcycle, further supported by long-term structural trends.
- We continued to build the portfolio's position in LSEG where 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.

### Positioning

- At the end of the month, our bottom-up convictions resulted in the fund's largest overweight positioning to Industrials, Consumer Discretionary, and Technology. 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 31 March 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.

## BlackRock (Hong Kong) Limited

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# 貝萊德歐洲基金

截至 2024年3月31日止



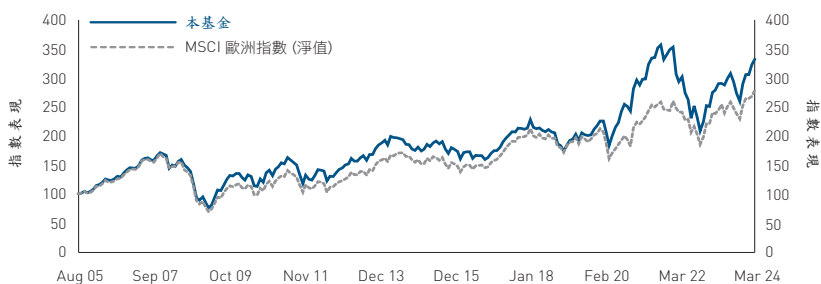
1. 投資決定在於你本人。除非將該投資產品介紹給你的持牌投資顧問已指出該產品適合你本人及已向你說明該產品為何及如何符合你的投資目標，否則您不應投資於該產品。
2. 投資基金可能涉及高風險，並可能不適合所有投資者。過往業績並不代表將來的表現，基金價格及其收益可升可跌，且可於短期內反覆，投資者並可能會損失所有投資金額。
3. 投資者應注意投資於某些較小型及新興市場、特定市場或行業的基金為風險較高的基金。投資者請注意貝萊德全球基金章程的“特殊風險考慮因素”一節有關投資於新興市場，特定市場或行業的基金的風險。

## 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	8.8	21.5	14.6	11.5	71.3	701.9
MSCI歐洲指數 (淨值)	5.2	16.9	14.1	19.7	46.7	689.3

## 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



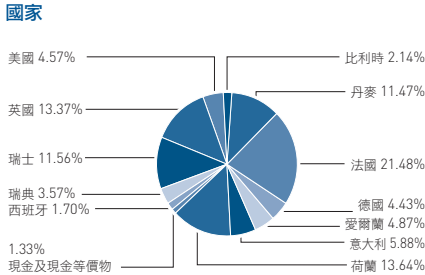
## 基金資料

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)	1,566.5
每年管理費	1.50%
首次認費	5%

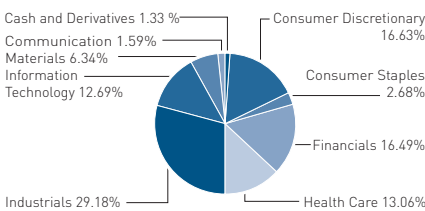
## 十大持股比重 (%)

NOVO NORDISK A/S	9.1
ASML HOLDING NV	6.2
LVMH MOET HENNESSY LOUIS VUITTON SE	6.1
LINDE PLC	4.6
MTU AERO ENGINES AG	4.4
SCHNEIDER ELECTRIC SE	4.0
RELX PLC	3.5
PARTNERS GROUP HOLDING AG	3.3
LONDON STOCK EXCHANGE GROUP PLC	3.3
FERRARI NV	3.2
<b>Total</b>	<b>47.7</b>

## 基金投資分佈



## 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 3 月 31 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。

## 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 3 月錄得 3.4% 的升幅 (歐元，主要股份類別，已扣除費用)，表現優於上升 3.9% (歐元) 的 MSCI 歐洲基準指數。截至 2024 年第一季度，基金取得 11.5% 的回報，相當於 3.9% 的超額回報。
- 3 月份，投資組合維持低估值配置的領域帶動市場走高。例如零售和能源業，而備受青睞的行業則在過去數月領漲後轉弱，例如工業和科技業。有證據顯示，上述情況由減持長/短倉基金的投資所致，即投資者出售近期表現優秀的長倉，並回購資產較低的周期性資產以結束短倉。
- 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。經歷近日的強勁升幅後，市場開始消化 2024 年第一季的業績，因此出現一定程度的整理並不意外，這很可能印證我們早已知道的事實：盈利增長將集中在下半年。隨著有關通脹和利率路徑的討論繼續影響債券市場表現，股債組合將波動。但我們預料於未來 6 至 10 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逐漸顯明的轉變，從而把握機會投入那些似以時日證明市場過於看淡的股票。隨著這類跡象增加，廣泛市場的承險意欲可望回升，繼而利好投資組合表現。
- 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 個月發出更正的訊息。隨著市場轉向以下領域，投資組合估值優勢有望從中受惠：處於或接近近期底部的領域 (例如建築、半導體和奢侈品)；能夠繼續證明其轉型至較優質存儲期資產的工業；歐洲銀行等估值不高的領域；以及在整個周期內表現強勁並展現明顯增長動力的企業。投資組合配置於變數化融資、資本開支回升及低破轉強等結構性開支來源支持的市場，有關投資日後將提供大量長遠機會。

### 行業

- 行業配置兩者相對回報，原因是基金對能源業持偏低比重，以及對科技和工業持偏高比重。儘管後兩者均報升，但速度較慢。

### 股票

- 投資組合持有的銀行股在月內再次尋求正面貢獻，愛爾蘭聯合銀行 (Allied Irish Bank)、裕信銀行 (Unicredit) 和凱克羅銀行 (Caixabank) 的股價均錄得 20% 以下的中至高價位數字升幅。鑑於經濟活動普遍改善、利率預期優於部份人士所憂慮，而且股份回購帶來支持，銀行業走高。意大利裕信銀行是月內表現最佳的持倉，該銀行已完成目前的股份回購計劃，相關計劃陸續有來。在 3 月份金銀會議上亦發出充滿信心的訊息。西班牙凱克羅銀行受惠於正面利率環境，但該公司目前的財務指引顯得保守。其他銀行方面，愛爾蘭聯合銀行的 2023 年業績強勁，收入增長良好。
- 專用化學品分銷商 MCD 的持倉亦展現基金表現，該公司公佈的 2023 財年業績符合預期，而與管理層提供的最新消息相比，2024 年的普遍預測似乎不俗。隨著市場焦點從過去 12 個月的繼續去庫存效應，轉至吸引的長期內部增長和併購機會，應可推動盈利預測上調，並帶來多次估值重估的機會，兩家券而上調 IMCD 的評級至偏高比重。
- 醫療保健業的配置繼續為基金帶來正面作用，包括持有諾和諾德 (Novo Nordisk) 和龍沙集團 (Lonza)，同時避險防守性較高的資產，例如升幅持續後大市的羅氏 (Roche) 和諾華 (Novartis)。諾和諾德的投資理據保持不變，3 月份有消息支持其 GLP-1 療法整體潛在市場持續增長。美國批准使用 Wegovy 降低肥胖症患者的心血管風險，並將其列入聯邦醫療保險計劃的覆蓋範圍。在月底，已有一家英國保險公司向意遞送聯邦醫療保險計劃支付 Wegovy 的費用。
- 一家半導體行業機構表示，目前用於生產記憶體晶片 (例如動態存取記憶體 (DRAM)) 的熱壓合 (TCB) 的晶片堆疊高度限制高於先前預期。消息拖累 BE Semi 的股價走低，其持倉因而削弱基金表現。若情況嚴峻，意味著 DRAM 晶片採用的混合融合技術 (HB) 將更為普及。然而，行業機構的指引並無約束力，其後亦有媒體文章表示，三星 (Samsung) 和美光科技 (Micron) 等公司正積極採用雙 TCB 和 HB 技術，而此競爭將對 DRAM 的龍頭公司海力士 (Hynix) 造成壓力，促使其在 2024 年投產的下一代記憶體晶片中採用 HB，我們認為 BE Semi 最終將會使用混合融合技術，只是時間問題而已。
- 隨著基金並無持有的開雲集團 (Kering) 發出警告，導致奢侈品業走低，LVMH 和開雲集團 (Richemont) 零售奢侈品持倉亦承受相對受壓。我們認為開雲集團的問題只是特殊事件，主要源於該公司試圖在經濟環境不明朗下由新設計師重現其古馳 (Gucci) 品牌。相反，LVMH 在 2024 年第一季度舉行的收市前電話會議令市場普遍預期上升，看淡人士的增長預期下限由 -2% 上調至 +1%，而看好人士的增長預期上限則由 +2% 升至 +6%。

### 變動

- 我們繼續降低基金的防守性，包括減持 RELX、減少基金的現金結餘，以及沽售 Totalenergies。
- 我們把握市場回吐奢侈品業的機遇，新增羅傑集團的倉盤，因為以當前估值持有卡地亞 (Cartier) 等世界級品牌可謂相當吸引。
- 在長期結構性趨勢的進一步支持下，我們認為目前正處於經濟上行周期的初段，因此增持 ASML、STMicroelectronics 等半導體公司。
- 在過去數年，市場對倫敦證券交易所 (LSEG) 整合 Refinitiv 的過程感到失望，令其股票估值具吸引力，因此我們繼續建立相關持倉。LSEG 的收益和利潤率均具吸引力，加上目前約 77% 業務與數據和分析相關，與標普全球 (S&P Global) 及 MSCI 等其他財經數據商同業相比，其折讓幅度較大。

### 配置

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

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