BLACKROCK ADVANTAGE INTERNATIONAL EQUITY FUND

BLACKROCK®

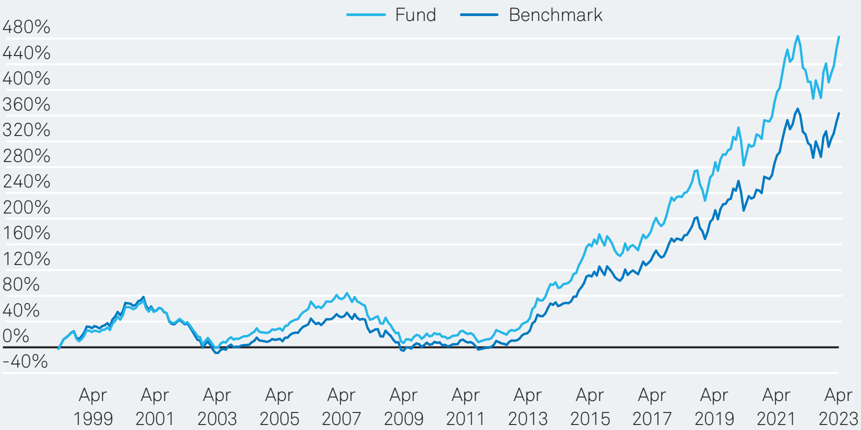
FUND UPDATE **30 April 2023**

Investment Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	Since Incep
BlackRock Advantage International Equity Fund[1] (Net of Fees)	3.43	10.66	13.58	13.05	12.91	10.73	6.35
MSCI World ex Australia Index (unhedged in AUD)	3.16	9.40	12.64	11.12	12.71	11.11	6.24
Outperformance (Net of Fees)	0.27	1.26	0.93	1.94	0.20	-0.38	0.11
BlackRock Advantage Hedged International Equity Fund[2] (Net of Fees)	1.86	3.61	9.72	3.22	12.17	7.00	9.43
MSCI World ex Australia Index (hedged in AUD)	1.64	2.51	8.90	1.50	12.08	7.52	9.85
Outperformance (Net of Fees)	0.22	1.11	0.82	1.71	0.09	-0.52	-0.41

[1] Fund inception: 31/12/1997. [2] Fund inception: 04/04/2003.
Past performance is not a reliable indicator of future performance. Performance for periods greater than one year is annualised. Performance is calculated in Australian dollars and assumes reinvestment of distributions. Gross performance is calculated gross of ongoing fees and expenses. Net performance is calculated on exit-to-exit price basis, e.g. net of ongoing fees and expenses. Gross returns are provided for products offered to wholesale clients only who may be subject to differential fees. Please refer to the Fund's product disclosure statement for more information.

Fund Performance (Gross Unhedged) to 30 April 2023



Performance Summary

Market Commentary

The MSCI World Ex Australia Index gained 3.16% in unhedged AUD terms and 1.64% in fully hedged to AUD terms in April 2023.

Financial markets were relatively calm over April despite the uncertain macroeconomic outlook. Global equities, as measured by the MSCI World Index, increased by 3.1% over the month in Australian dollar terms as investor sentiment held steady. Developed Markets outperformed their Emerging Market counterparts. Fixed Income markets, as represented by the Bloomberg Barclays Global Aggregate Index (hedged), remained relatively volatile but also closed the month in positive territory up 0.4%.

Visit **BlackRock.com.au** for further information, including:

- Market Insights & Commentary
- Fund Performance
- Unit Prices

In the US, the S&P 500 Index increased by 1.6% in April (in local currency terms), with Communication Services and Real Estate sectors among the best performers. Core inflation data for March met expectations at 4.7% while the unemployment rate unexpectedly fell to 3.6%, reflecting ongoing tightness in the labour market. US regional banks have also come under renewed scrutiny after the troubles of First Republic Bank, which sold-off sharply after reporting a significant drop in deposits. The recent banking tumult has resulted in further tightening of credit conditions which is likely to drag on economic activity. Although corporate reporting season for Q1 has seen strong performance in terms of earnings surprises relative to analyst expectations, a year-on-year decline in corporate earnings is expected for a second straight quarter.

European equities, as represented through the Euro Stoxx 50 Index, increased by 1.6% across the period (in local currency terms), with luxury goods producers among the best performers. However, European economic activity remains challenged, with Q1 GDP growing a mere 0.1% from the previous quarter even as the energy shock faded. In April, European Central Bank (ECB) Executive Board Member, Isabel Schnabel, signaled more rate hikes ahead and noted concerns about strong underlying inflation and wages growth. Over the month, the German government also reached a pay deal with labor unions for 2.5 million public sector workers to receive a 5.5% pay rise.

In the UK, the FTSE 100 Index rose by 3.4% in April (in local currency terms). While the unemployment rate edged slightly higher to 3.8% over the month, robust wages growth and persistent inflation mean it is likely that the Bank of England (BOE) will adjust its policy rate higher from 4.25% at next month's meeting. Despite being expected to drop into the single digits, UK headline inflation increased by 10.1% over the year across March and remains elevated compared to other developed nations.

Asian equity markets were mixed over the period. China's CSI 300 Index fell by 0.5% in April (in local currency terms), as confidence in China's economic recovery moderated. While China's Q1 GDP surprised to the upside, market concerns around the sustainability of the rebound in consumption saw investor sentiment weaken. Meanwhile, the Chinese government also unveiled a new national real estate registration system, which allows for greater regulatory oversight over the property market.

Japanese equities, as represented by the Nikkei 225 Index, rose by 2.9% in April (in local currency terms). Tokyo CPI data saw inflation beat expectations over the month, with inflation excluding food and energy accelerating to a 3.8% annual rate. Although the Bank of Japan (BOJ) kept its policy stance unchanged at the April meeting, it launched a broader policy review that would occur over the next 12 to 18 months. The central bank also left open the possibility it could lift its yield curve control program later in the year.

Top Active Holdings

Overweight	Underweight
S&P GLOBAL INC	APPLE INC
CHEVRON CORP	TESLA INC
SIEMENS N AG	EXXON MOBIL CORP
AGILENT TECHNOLOGIES INC	JPMORGAN CHASE & CO
PROCTER & GAMBLE	NESTLE SA

Top Holdings

Holding	Weight %
MICROSOFT CORP	4.82
APPLE INC	4.18
AMAZON COM INC	2.45
NVIDIA CORP	1.69
PROCTER & GAMBLE	1.69
CHEVRON CORP	1.59
ALPHABET INC CLASS A	1.59
WALMART INC	1.41
COSTCO WHOLESALE CORP	1.35
VISA INC CLASS A	1.34

Country Exposure

Country	Weight %
Austria	0.43
Belgium	0.97
Canada	4.21
Denmark	1.34
Finland	0.00
France	3.87
Germany	3.46
Greece	0.00
Hong Kong	1.17
Ireland	0.02
Israel	0.09
Italy	0.47
Japan	4.93
Netherlands	1.10
New Zealand	0.00
Norway	0.03
Portugal	0.03
Singapore	0.03
Spain	2.18
Sweden	0.33
Switzerland	1.47
United Kingdom	2.26
US	71.62

Strategy Commentary

The strategy portfolio outperformed in April, driven by Sentiment insights, with relatively muted contribution from the other insight groups.

Across the Sentiment complex, proprietary momentum signals reversed the gains over the first quarter. Noteworthy underperformers in this group were signals that relied on broker sentiment and analyst estimates. On the other hand, a number of shorter-term sentiment insights added, including machine learned insights and a signal tracking web traffic.

Value signals continued their negative performance from March; however, the underperformance here has moderated compared to the previous month. Similarly, Quality signals and the machine learned complex posted positive returns over April. Within the ESG suite, signals that favour companies with higher employee satisfaction were the most positive.

Across macro, style and industry complex were positive while the country signals detracted from performance. Consumer Discretionary added through underweights in autos, and overweights in mining stocks helped the Materials sector outperform. The Financials sector and particularly banks enjoyed a recovery in performance in April. Underweight positions in Banks, which was one of the contributing factors to strong fund performance in March, detracted from performance in April.

About the Fund

Investment Objective

The Fund aims to outperform the MSCI World ex Australia Index (unhedged/hedged in Australian dollars with net dividends reinvested) before fees over rolling three-year periods, while maintaining a similar level of risk as its benchmark.

Fund Strategy

The strategy seeks to add value from stock and industry selection, by using our scientific process that uses local and global investment insights or themes to look for mispriced stocks and industries.

The investment themes used as part of our stock-selection process are grouped under: analyst expectations which anticipate changes in investor expectations about earnings; relative value which looks at multiple measures of underlying fundamental value; earnings quality which assesses the quality and sustainability of earnings; and market information which focuses on sentiment factors and information revealed by management decisions. Our industry-selection models alter exposure to industries using insights that focus on fundamental, economic and technical conditions.

Should be considered by investors who ...

- Seek broad exposure to international shares.
- Seek a fund that blends well with most other active managers because its risk-controlled strategy of taking small active tilts across a large number of stocks tends to produce smaller, but steadier, excess returns on a greater number of stocks.
- Have a long term investment horizon.
- For the hedged version, seek to reduce the impact on A$ returns on those investments that result from currency exposure.

Fund Details

BlackRock Advantage International Equity Fund	
APIR Code	BAR0817AU
Buy/Sell Spread	0.17%/0.17%
Fund Size	279 mil
Number of Stocks in Fund	392
Number of Stocks in Benchmark	1450
Tracking Error (3 Years p.a.)	1.48%
Management Fee	0.50% p.a.

BlackRock Advantage Hedged International Equity Fund	
APIR Code	BGL0109AU
Fund Size	91 mil
Buy/Sell Spread	0.18%/0.18%
Management Fee	0.53% p.a.

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