

BLACKROCK ADVANTAGE AUSTRALIAN EQUITY FUND

BLACKROCK AUSTRALIAN ALPHA TILTS FUND

BLACKROCK®

FUND UPDATE

30 April 2022

Investment Performance (%)

	1 Mth	3 Mths	CYTD	1 Yr	3 Yrs	5 Yrs	Since Incep
BlackRock Australian Alpha Tilts Fund* (Gross of Fees)	-1.00	7.59	0.06	9.54	10.20	9.96	10.45
S&P/ASX 300 Accumulation Index	-0.84	8.22	1.23	10.17	9.65	8.98	8.97
Outperformance (Gross of Fees)	-0.16	-0.63	-1.18	-0.63	0.55	0.98	1.48
BlackRock Australian Alpha Tilts Fund – Class S ** (Gross of Fees)	-1.00	7.59	0.06	9.55	-	-	6.75
S&P/ASX 300 Accumulation Index	-0.84	8.22	1.23	10.17	-	-	6.87
Outperformance (Gross of Fees)	-0.16	-0.62	-1.17	-0.62	-	-	-0.12
BlackRock Australian Alpha Tilts Fund – Class S ** (Net of Fees)	-1.02	7.52	-0.04	9.24	-	-	6.44
S&P/ASX 300 Accumulation Index	-0.84	8.22	1.23	10.17	-	-	6.87
Outperformance (Net of Fees)	-0.19	-0.70	-1.27	-0.94	-	-	-0.43
Blackrock Advantage Australian Equity Fund^ (Net of Fees)	-1.04	7.47	-0.09	9.07	9.74	9.35	9.49
S&P/ASX 300 Accumulation Index	-0.84	8.22	1.23	10.17	9.65	8.98	8.87
Outperformance (Net of Fees)	-0.20	-0.74	-1.32	-1.10	0.09	0.37	0.62

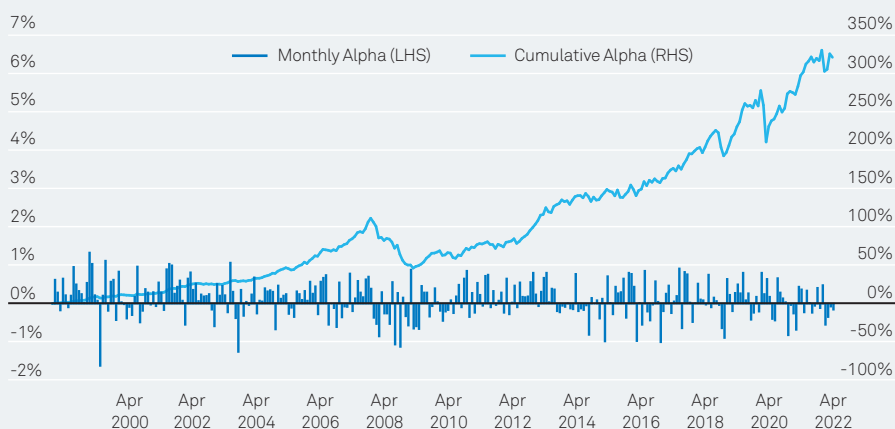
*Fund inception: 31/10/1997. **Fund inception: 31/01/2020. ^Fund inception: 31/12/1996.

Past performance is not a reliable indicator of future performance. Gross returns are calculated before fees and taxes and assume reinvestment of distributions. 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. Net performance is calculated on exit-to-exit price basis, e.g. net of ongoing fees, performance fees and expenses.

Visit [BlackRock.com.au](https://www.blackrock.com.au) for further information, including:

- Market Insights & Commentary
- Fund Performance
- Unit Prices

Fund Performance (Gross of Fees) to 30 April 2022



Performance Summary – April 2022

Fund v Market

The S&P/ASX300 Accumulation Index finished April -0.8% lower, as market volatility increased over the month. There remained many sources of uncertainty, though rising global and local inflation, and concerns over rising rate expectations, were central to the market move.

The key economic release in April was the inflation print which surprised on the high side. Quarterly increase was +2.1% which resulted in an annual rise of +5.1% – now the fourth consecutive quarter at +3% or above. Areas that contributed to the yearly rise included; New Dwellings, due to labour shortages and material costs, pushed up by supply chain disruptions; and Automotive Fuel which had the strongest annual gain for over 30 years. Noteworthy too was that non-discretionary inflation (including food, automotive fuel, and housing) was at more than twice the rate of discretionary inflation. Earlier in the month the RBA had kept the cash rate unchanged at 0.10%, though included comments that could indicate the possibility of an upcoming rate increase; inflation being one of the key indicators they were watching. Another of the indicators, unemployment remained similar to the previous month at 4% with participation rates also unchanged. The Australian dollar fell against the US dollar, finishing the month at US71.5c.

More defensive sectors did well over the month, led by Utilities (+9.3%) across all of the different industries. Other positive sectors included Consumer Staples (+3.4%) through agriculture names and supermarkets, and Industrials (+3.0%) through transport and infrastructure. Information Technology (-9.9%) continued to struggle, and a pullback in miners saw Materials (-4.0%) also fall, with Consumer Discretionary (-3.5%) lower as internet names and gaming stocks struggled.

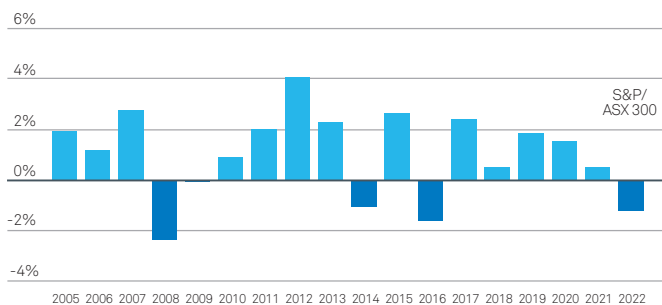
The strategy underperformed in April, as markets continue to experience volatility driven by macro concerns and uncertainty. The Consumer Staples sector performed best with overweights in agriculture names helping, as global prices rose, in part due to the Russian invasion of Ukraine disrupting supplies. Overweight Utilities and underweights in Information Technology, particularly the smaller growth focussed names, were additive. Health Care detracted, mainly due to a takeover bid, with overweights in Consumer Discretionary (gaming and retail), and Communication (media) also detracting. Pleasingly the shorter-term Market insights were additive over the month, but it was not enough to offset deduction from the other insight groups.

Investment Insights

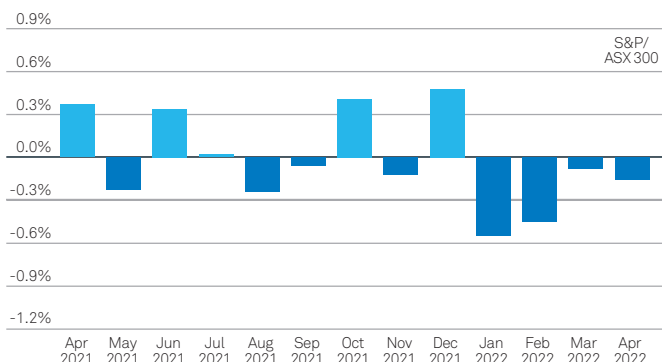
The stock positions in the portfolio are based on combinations of our signals, which exhibited the following performance characteristics over the month:

- ▶ Relative Valuation signals were negative,
- ▶ Market signals were positive,
- ▶ Earnings Direction signals were negative,
- ▶ Earnings Quality signals were negative,
- ▶ Timing signals were negative.

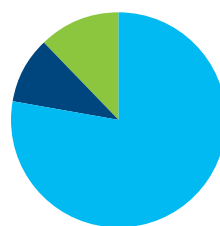
Yearly Alpha, Gross of Fees (%)



Monthly Alpha, Gross of Fees (%)

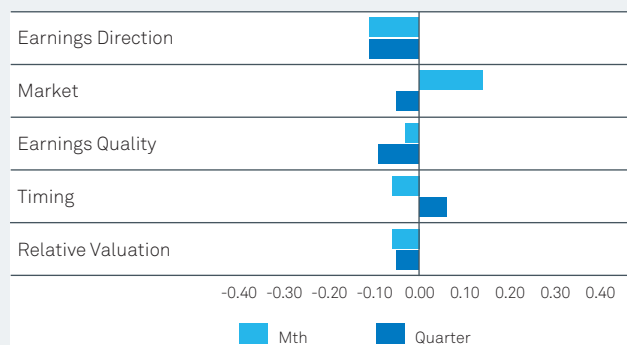


Risk Contributions (%)



Active Risk: 0.99%
Portfolio Beta: 1.00

Insight Performance (%)



Past performance is not an indicator of future performance
Source: BlackRock.

Sector Exposure (%)

Sector	Weight
ENERGY	3.92
MATERIALS	25.60
INDUSTRIALS	5.65
CONSUMER DISCRETIONARY	7.36
CONSUMER STAPLES	4.71
HEALTHCARE	8.44
FINANCIALS EX A-REIT	26.86
A-REIT	7.12
INFORMATION TECHNOLOGY	3.43
COMMUNICATIONS SERVICES	4.04
UTILITIES	1.67

Top Contributors / Detractors

Contributors	Detractors
AGL ENERGY LTD	AMCOR CDI PLC
AMPOL LTD	ARISTOCRAT LEISURE LTD
BRAMBLES LTD	RAMSAY HEALTH CARE LTD
ELDERS LTD	TRANSURBAN GROUP STAPLED UNITS
GRAINCORP CLASS A LTD	ASX LTD

Top 10 Holdings

Stock
BHP GROUP LTD
COMMONWEALTH BANK OF AUSTRALIA
CSL LTD
NATIONAL AUSTRALIA BANK LTD
MACQUARIE GROUP LTD DEF
AUSTRALIA AND NEW ZEALAND BANKING
WESFARMERS LTD
WESTPAC BANKING CORPORATION CORP
GOODMAN GROUP UNITS
ARISTOCRAT LEISURE LTD

Stock Selection

On a market adjusted basis, amongst the top contributors for the month were overweight positions in Graincorp (GNC) and AGL Energy (AGL). Amongst the largest detractors were underweight positions in Ramsay Health Care (RHC) and Transurban (TCL).

Top Contributors

GNC – The overweight position in global agribusiness Graincorp came through positive Earnings Direction, Market and Relative Valuation insights. Management upgraded guidance on gains in global prices and demand for Australian grain, in part due to the Russian invasion of Ukraine, and favourable planning conditions.

AGL – The overweight position in utility AGL Energy was driven by favourable Relative Valuation and Market insights. After having rejected a private equity bid for the firm, the company faced continued opposition to its demerger plans from billionaire Mike Cannon-Brookes who built a substantial stake in the company, which overshadowed a generator fault at one of the firm's power stations.

Top Detractors

RHC – The underweight position in global hospital group Ramsay Health Care was a result of very negative insights across all but the Market insights. During the month a private equity firm bid more than \$20b for the company.

TCL – The underweight position in toll road operator Transurban was from unfavourable views across all insight groups. In their quarterly update the firm noted a recovery in traffic numbers, from both relaxation of mobility restrictions and the end of local rain events.

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About the Fund

Investment Objective

The Fund aims to outperform the S&P/ASX 300 Accumulation Index before fees over rolling three-year periods, while maintaining a similar level of risk as its benchmark.

Fund Strategy

The highly risk-controlled strategy employs a scientific process to identify mis-priced stocks using a range of fundamental investment insights. These insights are the result of ongoing research by BlackRock's global team of investment professionals. The insights are broadly categorised as:

- ▶ Earnings Direction – anticipate changes in future earnings direction, which affects stock prices;
- ▶ Relative Valuation – analyse multiple measures of underlying fundamental value;
- ▶ Earnings Quality – assess the quality and sustainability of earnings;
- ▶ Market – focus on market and management behaviour that can influence stock prices; and
- ▶ Timing – consider theme and sector timing.

Should be considered by investors who ...

- ▶ Seek broad exposure to the Australian equity market.
- ▶ Seek a fund that uses a proven, risk-controlled scientific process, to maximise its potential to deliver competitive returns to investors.
- ▶ Have a long term investment horizon.

Fund Details

Blackrock Advantage Australian Equity Fund	
APIR Code	BAR0814AU
Fund Size	126 mil
Buy/Sell Spread	0.15%/0.15%
Management Fee	0.45%p.a.

BlackRock Australian Alpha Tilts Fund	
APIR	BGL0006AU
Fund Size	764 mil
Buy/Sell Spread	0.15%/0.15%
Number of Stocks in Fund	169
Number of Stocks in Benchmark	298
Tracking Error	1.40%

BlackRock Australian Alpha Tilts Fund – Class S	
APIR	BLK6723AU
Fund Size	237 mil
Buy/Sell Spread	0.15% / 0.15%