

BLACKROCK GLOBAL MULTI-ASSET INCOME FUND (AUST)

BLACKROCK®

FUND UPDATE

28 February 2022

Investment Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	Since Incep
Distribution (D Class) ¹ (Net of Fees)	0.33	0.95	0.63	3.79	3.72	3.91	4.35	4.89
Growth (D Class) ¹ (Net of Fees)	-2.30	-4.03	-5.51	-3.76	0.16	0.49	-0.12	-0.17
BlackRock Global Multi-Asset Income Fund (Aust) (D Class) ¹ (Net of Fees)	-1.97	-3.08	-4.88	0.02	3.88	4.39	4.23	4.72
BlackRock Global Multi-Asset Income Fund (Aust) ² (Gross of Fees)*	-1.90	-2.90	-4.76	0.77	4.67	5.18	5.01	5.35

¹ Fund inception: 29/10/2015. ² Fund inception: 17/08/2015.

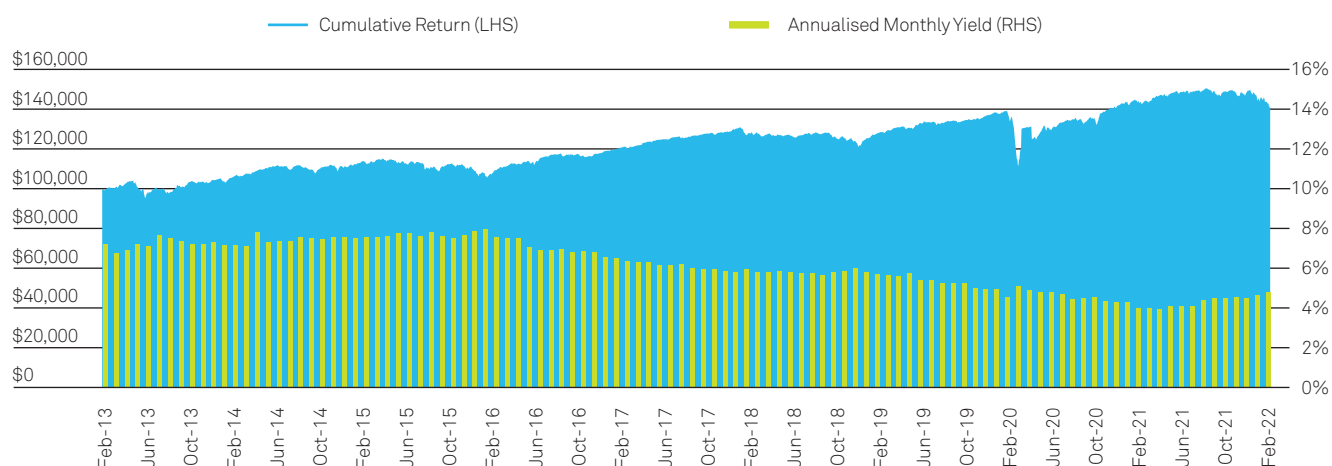
* Gross returns are calculated before fees and taxes and assume reinvestment of distributions. Gross returns are provided for products offered to wholesale clients only who may be subject to differential fees. Please refer to the Fund's product disclosure statement for more information. Net performance is calculated on exit-to-exit price basis, e.g. net of ongoing fees, performance fees and expenses.

About the Fund

The BlackRock Global Multi Asset Income Fund (Aust) follows a flexible asset allocation approach that seeks attractive income while attempting to smooth out returns and minimise loss of capital. The fund invests globally in the best income opportunities – across geographies and asset classes, whilst balancing the trade-off between yield and risk. The Fund makes use of derivatives for the purposes of efficient portfolio management including the generation of additional income for the Fund. The Fund aims to deliver consistent income in the form of monthly distributions.

The Fund may be suitable for investors who are looking to diversify their Australian sourced income. For example equity investors looking for similar yields as Australian franked equities but wanting lower risk. The Fund can be used as a standalone diversified income solution or can be blended with other sources of income to reduce risk and help maintain investor capital.

Cumulative Return and Annualised Monthly Yield



Portfolio Managers



Michael Fredericks
Managing Director,
Portfolio Manager



Alex Shingler
Managing Director,
Portfolio Manager



Justin Christofel
Managing Director,
Portfolio Manager

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

- Market Insights & Commentary
- Fund Performance
- Unit Prices

Performance is for the BGF Global Multi-Asset Income Fund – Aggregate (Aud Hedged). Past performance is not a reliable indicator of future performance. Long-term performance returns show the potential volatility of returns over time.

Performance Summary

Key Contributions to Portfolio Outcome:

Key contributors to portfolio income this month were high yield bonds, covered calls, and preferred stocks. Asset class returns were broadly challenged for the month with emerging market debt and equity and high yield bonds ending as the largest detractors from total return, partially offset by cash and duration management positions.

Main Portfolio Changes:

We have become more cautious in our outlook as the Russia/Ukraine conflict creates a great deal of uncertainty for the global economy and markets. We expect volatility to stay elevated as this event develops and have modestly reduced risk as a result.

That said, our overall positioning continues to reflect a bias towards equities and higher yielding credit as we maintain a favourable medium-term view on risk assets, but we remain keenly aware of the severity of the current situation and are poised to reduce risk further should the conflict lead to broader contagion or if incoming data points to a more pronounced growth slowdown.

Positioning & Outlook:

The Russia/Ukraine conflict has deteriorated quickly. A full-scale invasion by Russia, previously thought unlikely by most investors, has further amplified market volatility. We expect the conflict to keep volatility elevated in the short-run and anticipate a drawn-out standoff between Russia and the West.

Yet, we continue to hold a more constructive medium-term view on risk assets. History suggests geopolitical events, such as this one, typically do not have a lasting effect on financial markets, though we acknowledge the current situation presents a great deal of uncertainty and will have larger implications for certain markets and sectors. To the extent this does have a lasting impact, it will likely be through the growth, inflation, and policy channels and Europe will be more adversely impacted than the U.S. In particular, the impact of rising commodity prices on inflation, consumer sentiment, and company margins will be a critical factor to monitor.

On the positive side, we entered this period of weakness in a reasonably strong position economically, with growth expected to remain above-trend this year. We are still far from seeing growth levels that would cause true recessionary fears, albeit the risk is now higher for Europe. Consumers are also well-positioned, having accumulated massive excess savings in recent years and are now also seeing healthy wage gains. The same holds true for corporate fundamentals with double-digit earnings growth for the latest earnings season.

Contributors to Yield*

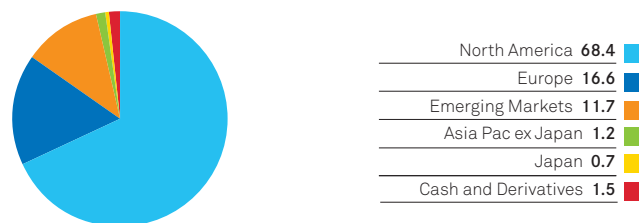
	Asset Allocation %	Yield %	Contribution to Yield %
Fixed Income	33.4		32.4
HY Bonds	28.9	5.4	29.7
Investment Grade Bonds	4.5	3.1	2.7
Equity	18.1		9.0
EM Equity	5.9	2.7	3.1
Global Ex-US Equities	7.3	3.0	4.2
US Equities	4.9	1.9	1.7
Non Traditional Assets ex Hedges	47.1		58.7
EM Debt	5.2	8.6	8.6
Floating Rate Loans	11.1	2.6	5.6
Mortgage-Backed Securities	4.3	3.5	2.9
Preferred Stock	7.4	5.0	7.1
Covered Call Writing	12.2	13.0	30.5
Global Infrastructure	3.8	2.9	2.1
Global REITs	3.1	3.2	1.9
Cash	1.5	0.0	0.0

Source: BlackRock. * The table shows yield from underlying investment strategy. The fund receives additional yield, via the currency hedge, approximately equal to the interest rate differential between AUD and USD.

How monetary policy reacts to these events remains a key question for markets. We believe it will be difficult for developed market central banks to ignore the rise in risk aversion and the uncertainty now present in markets. This will likely induce a more measured approach to monetary policy normalization and reduces the odds of more aggressive tightening. The Fed is still going to hike rates, but events in the Ukraine may affect the trajectory of hikes and the pace at which the Fed reduces its balance sheet. The path for the ECB is arguably more uncertain, but likely leans towards a more dovish stance.

Source: BlackRock

Regional Exposure (%)



Fund Details

BlackRock Global Multi-Asset Income Fund (Aust)	
APIR	BLK0009AU
Fund Size (A\$)	56mil
Management Fee (Class D Units) ¹	0.75% p.a.
Buy/Sell Spread	N/A
Liquidity	Daily
Distribution Frequency	Monthly
Yield (Annualised) ²	4.80%
Standard Deviation ³	6.84%

Source: BlackRock

¹ The amount of this fee can be negotiated with certain "wholesale clients" or "sophisticated" or "professional" investors (as defined by the Corporations Act) in compliance with legal requirements and any applicable ASIC class orders. ² Yield is based on the past 12 monthly distributions divided by the most recent month-end fund NAV. ³ Standard deviation of monthly returns since inception, annualized.

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