

BLACKROCK GLOBAL MULTI-ASSET INCOME FUND (AUST)

BLACKROCK®

FUND UPDATE

31 March 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)	0.34	0.95	0.95	3.79	4.04	3.89	4.33	4.88
Growth (D Class) ¹ (Net of Fees)	0.31	-5.22	-5.22	-3.94	6.01	0.31	-0.08	-0.12
BlackRock Global Multi-Asset Income Fund (Aust) (D Class) ¹ (Net of Fees)	0.64	-4.27	-4.27	-0.15	10.04	4.20	4.24	4.76
BlackRock Global Multi-Asset Income Fund (Aust) ² (Gross of Fees)*	0.71	-4.09	-4.09	0.60	10.87	4.98	5.03	5.40

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

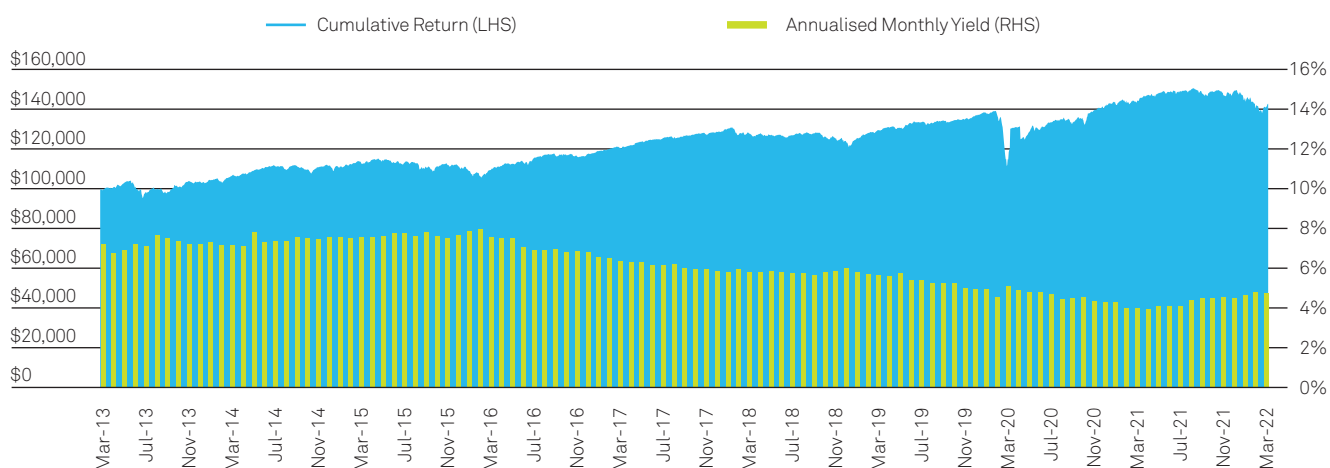
* Gross returns are calculated before fees and taxes and assume reinvestment of distributions. Gross returns are provided for products offered to wholesale clients only who may be subject to differential fees. Please refer to the Fund's product disclosure statement for more information. Net performance 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 quarter were high yield bonds, covered calls, and preferred stocks. Asset class returns were broadly challenged for the quarter with high yield bonds, emerging market debt and global equities as the largest detractors from total return, partially offset by duration and cash management positions, and global infrastructure equities.

Main Portfolio Changes:

The Russia/Ukraine conflict creates a great deal of uncertainty for the global economy and markets, which were already dealing with the prospect of tighter central bank policies. Thus, we expect volatility to stay elevated and have modestly reduced risk as a result.

Specifically, given the ongoing concerns surrounding Russia/Ukraine and slowing growth in China, we moved away from European and EM equities during the quarter in favor of the U.S. We also reduced exposure to Asian credit as the asset class remained under pressure from the slowdown in China.

Lastly, we tactically added duration (i.e. interest rate sensitivity) at different points during the quarter to capitalize on the spike in interest rates.

Positioning & Outlook:

Russia's invasion of Ukraine, accelerating inflation, and the start of another hiking cycle by the Federal Reserve contributed to a volatile quarter for markets. Most major asset classes ended the first quarter in negative territory aside from commodities. Bonds continued to struggle in March weighed down by higher inflation and the prospect of more aggressive tightening by central banks. Conversely, global stocks started the month on weaker footing but managed to stage an impressive rally off their lows as hope around a potential ceasefire in Ukraine helped buoy stock prices.

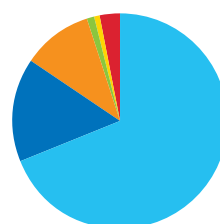
Looking ahead, we expect the environment to stay choppy given the number of uncertain macro risks at play. We see the Federal Reserve addressing the risk of higher inflation by raising rates more aggressively in the coming months which markets have started to price in. What's not yet known is how much the Fed intends to tighten beyond the perceived "neutral" rate. Doing so could spell more trouble for economic growth and market returns. Ultimately, we expect the Fed to remain data dependent and measured in their approach to tightening policy, but it's becoming clearer that they are likely to move faster than previously anticipated.

Encouragingly, we have seen some significant adjustments in markets that are leading to more compelling valuations – notably across bonds. Although we could see another leg higher in yields, we believe a lot has been priced in when it comes to future rate hikes. This led us to increase the Fund's duration during the month to capitalize on the spike in yields. Furthermore, for the first time in arguably 2+ years, holding more duration may offer some ballast should our still relatively favorable growth outlook prove to be too optimistic.

Additionally, we would point to areas such as high yield bonds, preferred stocks, floating rate loans and investment grade bonds as having much more attractive yields today than just a few months ago. We think these higher yields can help cushion further increases in interest rates and market volatility.

Source: BlackRock

Regional Exposure (%)



Fund Details

BlackRock Global Multi-Asset Income Fund (Aust)	
APIR	BLK0009AU
Fund Size (A\$)	57mil
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	6.79%

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.

Contributors to Yield*

	Asset Allocation %	Yield %	Contribution to Yield %
Fixed Income	33.0		33.6
HY Bonds	28.2	5.7	30.4
Investment Grade Bonds	4.8	3.6	3.2
Equity	16.4		8.3
EM Equity	5.0	3.2	3.0
Global Ex-US Equities	6.5	3.1	3.8
US Equities	4.9	1.6	1.5
Non Traditional Assets ex Hedges	48.0		58.0
EM Debt	5.1	7.7	7.4
Floating Rate Loans	11.4	3.1	6.6
Mortgage-Backed Securities	4.3	4.2	3.4
Preferred Stock	7.3	5.3	7.4
Covered Call Writing	12.6	12.3	29.4
Global Infrastructure	3.8	2.9	1.9
Global REITs	3.5	2.9	1.9
Cash	2.8	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.

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