

BLACKROCK GLOBAL MULTI-ASSET INCOME FUND (AUST)

BLACKROCK®

FUND UPDATE

30 April 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	0.97	1.24	3.61	3.94	3.82	4.26	4.84
Growth (D Class) ¹ (Net of Fees)	-3.77	-5.70	-8.80	-9.17	1.70	-1.23	-1.10	-0.71
BlackRock Global Multi-Asset Income Fund (Aust) (D Class) ¹ (Net of Fees)	-3.44	-4.73	-7.56	-5.56	5.64	2.58	3.16	4.13
BlackRock Global Multi-Asset Income Fund (Aust) ² (Gross of Fees)*	-3.38	-4.55	-7.33	-4.85	6.44	3.36	3.94	4.79

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

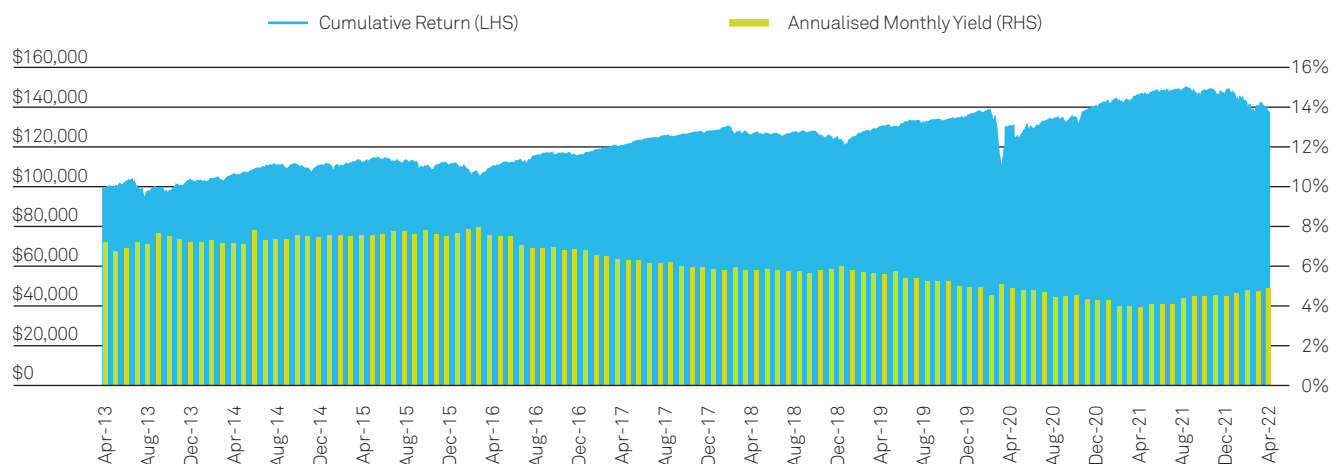
* Gross returns are calculated before fees and taxes and assume reinvestment of distributions. Gross returns are provided for products offered to wholesale clients only who may be subject to differential fees. Please refer to the Fund's product disclosure statement for more information. Net performance 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

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- 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 global ex-US equities. Asset class returns were broadly challenged for the month with high yield bonds, covered calls, and US equities as the largest detractors from total return, partially offset by positive contributions from cash and currency management positions.

Main Portfolio Changes:

We reduced risk in April as the market tone worsened after the March rally. Within equities, we took our overall equity weight down and remain more favorable on the U.S. over Europe and emerging markets.

Within fixed income, we reduced our emerging market debt exposure.

We also increased the fund's duration during the month as we believe much of the rate move is behind us and longer interest rate exposure may add ballast should a growth slowdown materialize.

Lastly, we have increased cash in the fund, seeking to take advantage of some of these dislocations as things develop.

Positioning & Outlook:

Markets offered little reprieve in April after a terrible first quarter as the selloff across global stocks and bonds deepened. Growing concerns over slowing growth and higher inflation led to a terrible month for most asset classes. Fears intensified over whether the Federal Reserve will be able to engineer a soft landing in their pursuit to slow inflation without triggering a recession. Adding to the inflation worries was the ongoing crisis in Russia/Ukraine and lockdowns in China to stem a resurgence in Covid cases. After hiking 0.5%, the Fed provided some relief in their early May meeting, indicating a 0.75% hike is not likely. However, a strong jobs and wage report left investors unconvinced a more hawkish stance is not still a possibility and April's weakness has spilled over into early May.

Economic uncertainty and market volatility are likely to remain extremely elevated in the short run as investors wait for more evidence on the trajectory of inflation. There is some evidence we are moving past peak levels of inflation in the U.S., but it seems very likely to settle at levels much higher than we saw pre-Covid. From a growth standpoint, we push back on talks of an impending recession in the U.S. as underlying fundamentals across consumers and corporates

look reasonably healthy. We are less optimistic on the outlook outside of the U.S. Europe is facing the real threat of a recession as soaring energy prices and the Chinese slowdown dampen the region's growth prospects. Meanwhile, tighter financial conditions and a stronger dollar are likely to remain headwinds for the emerging markets.

Many markets are starting to offer more value given the severity of the YTD selloff, particularly across bonds. It's also worth noting that areas like investment grade bonds and higher quality parts of structured credit are offering yield and return opportunities not seen in many years.

Source: BlackRock

Regional Exposure (%)



Fund Details

BlackRock Global Multi-Asset Income Fund (Aust)	
APIR	BLK0009AU
Fund Size (A\$)	55mil
Management Fee (Class D Units) ¹	0.75% p.a.
Buy/Sell Spread	N/A
Liquidity	Daily
Distribution Frequency	Monthly
Yield (Annualised) ²	4.90%
Standard Deviation ³	6.91%

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	33.1		37.6
HY Bonds	28.3	6.4	33.9
Investment Grade Bonds	4.8	4.1	3.7
Equity	16.5		8.6
EM Equity	5.0	3.4	3.2
Global Ex-US Equities	6.5	3.1	3.7
US Equities	5.0	1.8	1.7
Non Traditional Assets ex Hedges	45.1		53.9
EM Debt	4.2	8.8	6.9
Floating Rate Loans	11.9	3.5	7.6
Mortgage-Backed Securities	4.2	4.6	3.5
Preferred Stock	7.3	6.3	8.6
Covered Call Writing	10.4	12.1	23.5
Global Infrastructure	3.8	2.6	1.9
Global REITs	3.3	3.0	1.9
Cash	5.3	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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