

BLACKROCK GLOBAL MULTI-ASSET INCOME FUND (AUST)

BLACKROCK®

FUND UPDATE

30 November 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	1.02	2.99	3.32	3.67	3.60	4.01	4.70
Growth (D Class) ¹ (Net of Fees)	2.61	-2.15	-16.05	-14.73	-6.65	-4.31	-2.98	-1.81
BlackRock Global Multi-Asset Income Fund (Aust) (D Class) ¹ (Net of Fees)	2.94	-1.12	-13.06	-11.41	-2.98	-0.72	1.03	2.89
BlackRock Global Multi-Asset Income Fund (Aust) ² (Gross of Fees)*	3.00	-0.94	-12.46	-10.74	-2.25	0.03	1.79	3.58

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

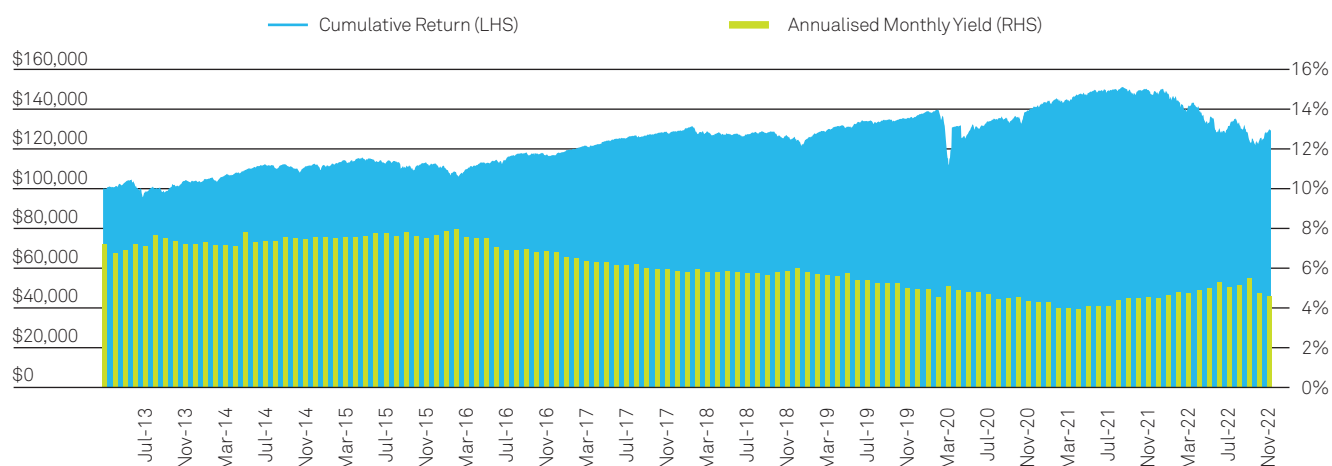
* Gross returns are calculated before fees and taxes and assume reinvestment of distributions. Gross returns are provided for products offered to wholesale clients only who may be subject to differential fees. Please refer to the Fund's product disclosure statement for more information. Net performance 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, covered calls, and CLOs. Global ex-US developed equities, high yield, and investment grade were the largest contributors to total return this month offset by currency management positions.

Main Portfolio Changes:

We tactically added equities at the start of the month to position for a potential short-term relief rally. We also reduced real estate investment trusts (REITs) after the recent bounce and shifted some high yield bond exposure into investment grade bonds.

Overall, we maintain a relatively cautious view as the recent rally may leave risk assets vulnerable to the downside.

Positioning & Outlook:

The recovery in global equity and fixed income markets continued in November. Risk assets rallied amid further speculation that monetary tightening by global central banks is set to moderate, positive policy developments in China, and softer inflation data across key economies. U.S. core bonds returned over 3% on the month for the best monthly return since 2008. Emerging market assets also saw a sharp reversal after a prolonged period of weakness.

Notably, numerous Fed members, including Chair Powell, indicated a step down in rate hikes in their upcoming meetings from the recent trend of 75bps hikes. However, inflation remains well above the Fed's 2% target, and incoming employment and wage data are still too strong relative to their objectives. Somewhat surprisingly, financial conditions have moved back to the level seen before the Fed started more aggressive rate hikes. So, while the Fed may soften their tightening grip, we believe recent data supports them getting to a terminal rate of near 5% and staying there for longer. Elsewhere, Chinese authorities rolled out new measures to support the property market and incrementally relaxed zero-COVID policies which helped improve market sentiment.

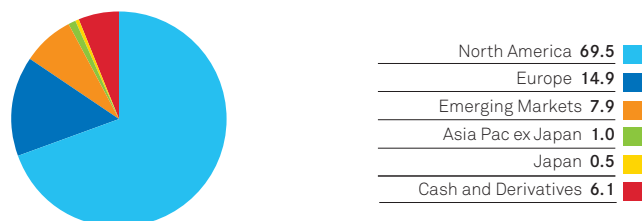
Global equities are now up over 15% from their lows in October, but much uncertainty remains. As we noted last month, we are not chasing this rally but positioned for a potential short-term relief rally by reducing covered calls and adding to outright equities. We are staying balanced in our views though and will likely look to fade this rebound as we still have concerns over the direction of growth and inflation. We also decided to reduce exposure to high yield to capitalize on the

recent recovery, preferring to own more in investment grade bonds. Investors can achieve yields between 4%-6% on higher quality bonds which we think is attractive alongside selectively taking risk in higher yielding credit and equities.

Looking ahead, we think investors will need to stay selective and mindful of risk given the potential growth slowdown next year. Furthermore, the recent rebound in markets now makes valuations less compelling than where they were a couple of months ago. Overall, we continue to think the opportunity set for income remains compelling for the medium-term, but we don't believe investors should be aggressively positioned heading into year-end or at the start of next year.

Source: BlackRock

Regional Exposure (%)



Fund Details

BlackRock Global Multi-Asset Income Fund (Aust)	
APIR	BLK0009AU
Fund Size (A\$)	41mil
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	7.67%

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	33.8		37.3
HY Bonds	23.8	8.0	28.3
Investment Grade Bonds	9.1	6.3	8.4
Government	1.0	4.2	0.6
Equity	16.6		6.4
EM Equity	4.4	3.2	2.1
Global Ex-US Equities	5.2	3.1	2.4
US Equities	7.0	1.9	1.9
Non Traditional Assets ex Hedges	43.7		56.1
EM Debt	3.2	8.9	4.1
Floating Rate Loans	12.9	8.0	15.2
Mortgage-Backed Securities	3.9	7.5	4.3
Preferred Stock	8.2	8.7	10.5
Covered Call Writing	9.2	14.0	18.9
Global Infrastructure	4.1	2.7	1.6
Global REITs	2.2	4.6	1.5
Cash	6.1	0.2	1.0

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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