

BLACKROCK GLOBAL MULTI-ASSET INCOME FUND (AUST)

BLACKROCK®

FUND UPDATE

30 April 2023

Investment Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	Since Incep
Distribution (D Class) ¹ (Net of Fees)	0.30	0.93	1.28	3.53	6.71	11.57	19.52	36.97
Growth (D Class) ¹ (Net of Fees)	1.16	-1.46	2.45	-6.67	-15.22	-3.47	-10.55	-10.90
BlackRock Global Multi-Asset Income Fund (Aust) (D Class) ¹ (Net of Fees)	1.46	-0.53	3.74	-3.14	-4.35	2.63	1.73	3.14
BlackRock Global Multi-Asset Income Fund (Aust) ² (Gross of Fees)*	1.53	-0.34	3.99	-2.41	-3.63	3.40	2.50	3.83

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

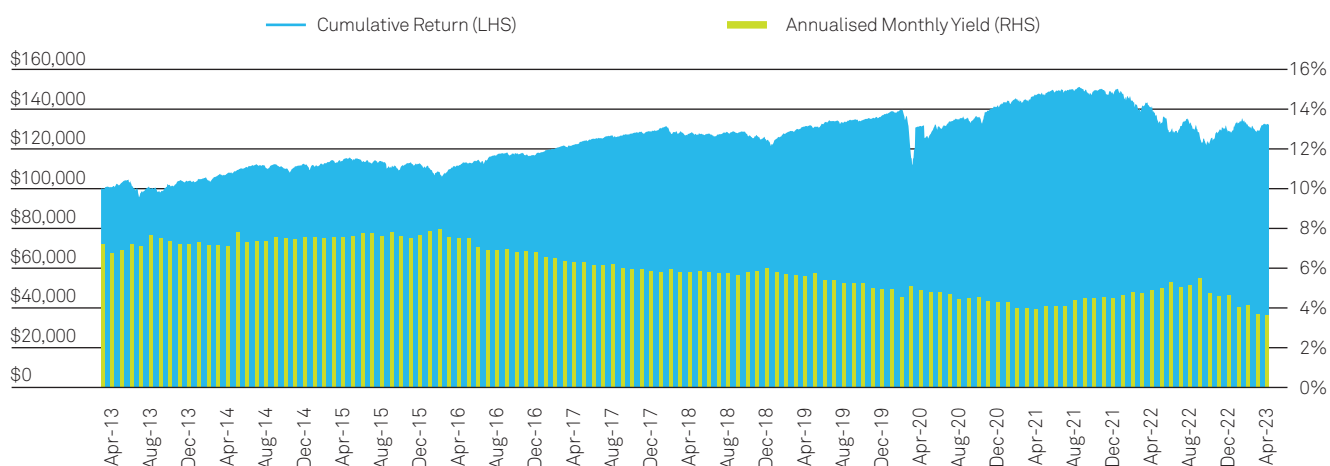
* Gross returns are calculated before fees and taxes and assume reinvestment of distributions. Gross returns are provided for products offered to wholesale clients only who may be subject to differential fees. Please refer to the Fund's product disclosure statement for more information. Net performance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

A rally the last two trading days of April helped push U.S. stocks into positive territory after being relatively flat for the month. Global equities and bonds were generally higher, although emerging market equities lagged.

Key contributors to portfolio income this month were high yield, covered calls, and CLOs. Global ex-U.S. equities, high yield and covered calls were the largest contributors to total return this month offset by currency management positions and emerging market equities which detracted from returns.

Main Portfolio Changes:

We moderated equity risk again during the month, choosing to target a tech-oriented index which has strongly outperformed broader stocks year-to-date and may be more susceptible to downside at these levels. We also added back duration, closing out our reduction from March. We felt the potential for growth weakness has increased and wanted to add back some downside mitigation.

Positioning & Outlook:

Better than expected mega-cap tech earnings helped bolster markets into month-end, with the S&P 500 ending in positive territory after being flat to down for most of the month. European stocks fared slightly better, while broad emerging market equities posted negative returns. Positive fixed income returns were generally modest as U.S. interest rates stayed relatively flat over the month even though markets largely expected another rate hike in early May.

Indeed, the Fed again raised rates at the May meeting – the 10th consecutive time since the hiking cycle began in 2022 – taking the effective rate above 5% for the first time since before the Global Financial Crises. The post-meeting press conference was generally viewed as dovish, with Chair Powell indicating the Fed's willingness to now pause in order to give time to reassess the lagged effects of higher rates. Across the pond, the Bank of England also again raised rates by 0.25%, with two more hikes expected between now and September. Meanwhile, at least one more hike – and no 2023 cuts – is expected from the European Central Bank. Although the fund does not have significant exposure to foreign currencies, expectations for diverging central bank policy paths may put pressure on the dollar relative to foreign currencies.

While the Fed is likely to pause here, we believe investor's current pricing of three rate cuts through January 2024 is misguided relative to the resilient growth environment and still elevated inflation. First quarter earnings have shown companies' ability to raise prices to offset weaker sales and protect margins. This elasticity to prices shows consumers are still willing to spend and may even be getting accustomed to higher prices they expect to remain which does not bode well for the Fed's efforts to bringing down inflation. And while April's CPI print saw continued moderation overall and was in-line with expectations, sticky elements remain underneath the hood, with outright increases in key areas like used car prices. So, progress has

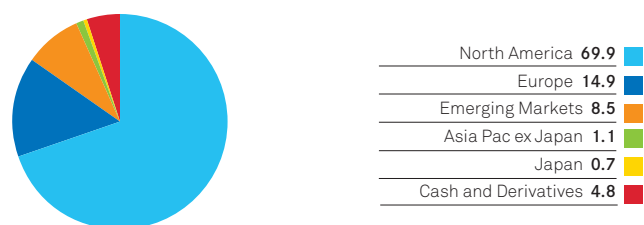
clearly been made on inflation, but the numbers are still annualizing far too high and entirely inconsistent with the Fed's 2% inflation target.

One big swing factor that has developed is the speed at which lending conditions have tightened due to the banking crises, on top of already more restrictive interest rates. While it could have been worse given renewed regional banking concerns, the Fed Senior Loan Officers Opinion Survey (SLOOS) has shown that bank lending is extremely tight and is now at levels consistent with a recession later this year. While a recession is not inevitable, the timing of a growth slowdown will likely be difficult to forecast and we are managing the fund with modestly more caution given recent developments.

To that end, we added resiliency during the month by increasing duration. With likely peak rates – or at least a pause – already here, alongside growing uncertainty around the U.S. debt ceiling debate, we felt it was an opportune time to add back interest rate exposure. Ultimately, we believe a debt deal will get done, but the rhetoric and lack of progress is troublesome. Similarly, we again reduced equity exposure in April. Technology stocks, in particular, may be at risk of downside weakness after the strong start to the year. As such, we implemented a strategy that reduces exposure to the tech-heavy NASDAQ index.

Source: BlackRock

Regional Exposure (%)



Fund Details

BlackRock Global Multi-Asset Income Fund (Aust)	
APIR	BLK0009AU
Fund Size (A\$)	36mil
Management Fee (Class D Units) ¹	0.75% p.a.
Buy/Sell Spread	N/A
Liquidity	Daily
Distribution Frequency	Monthly
Yield (Annualised) ²	4.40%
Standard Deviation ³	7.66%

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	31.7		30.5
HY Bonds	21.3	8.0	23.5
Investment Grade Bonds	10.4	4.8	6.9
Government	0.0	0.0	0.0
Equity	18.2		7.4
EM Equity	4.8	3.3	2.2
Global Ex-US Equities	6.4	3.1	2.8
US Equities	7.0	2.4	2.4
Non Traditional Assets ex Hedges	45.3		62.0
EM Debt	3.3	8.7	4.0
Floating Rate Loans	13.8	8.1	15.5
Mortgage-Backed Securities	6.6	5.3	4.8
Preferred Stock	6.0	8.7	7.2
Covered Call Writing	9.1	21.3	26.9
Global Infrastructure	4.2	3.1	1.8
Global REITs	2.3	5.7	1.8
Cash	4.8	0.2	0.1

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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