

BLACKROCK GLOBAL MULTI-ASSET INCOME FUND (AUST)

BLACKROCK®

FUND UPDATE

30 June 2021

Investment Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	Since Incep
Distribution (D Class) ¹ (Net of Fees)	0.32	1.00	2.06	4.49	3.87	4.17	4.72	5.06
Growth (D Class) ¹ (Net of Fees)	0.19	2.23	3.23	11.14	2.91	2.51	1.86	0.96
BlackRock Global Multi-Asset Income Fund (Aust) (D Class) ¹ (Net of Fees)	0.51	3.23	5.29	15.64	6.78	6.68	6.58	6.02
BlackRock Global Multi-Asset Income Fund (Aust) ² (Gross of Fees)*	0.57	3.42	5.69	16.51	7.59	7.49	7.38	6.61

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

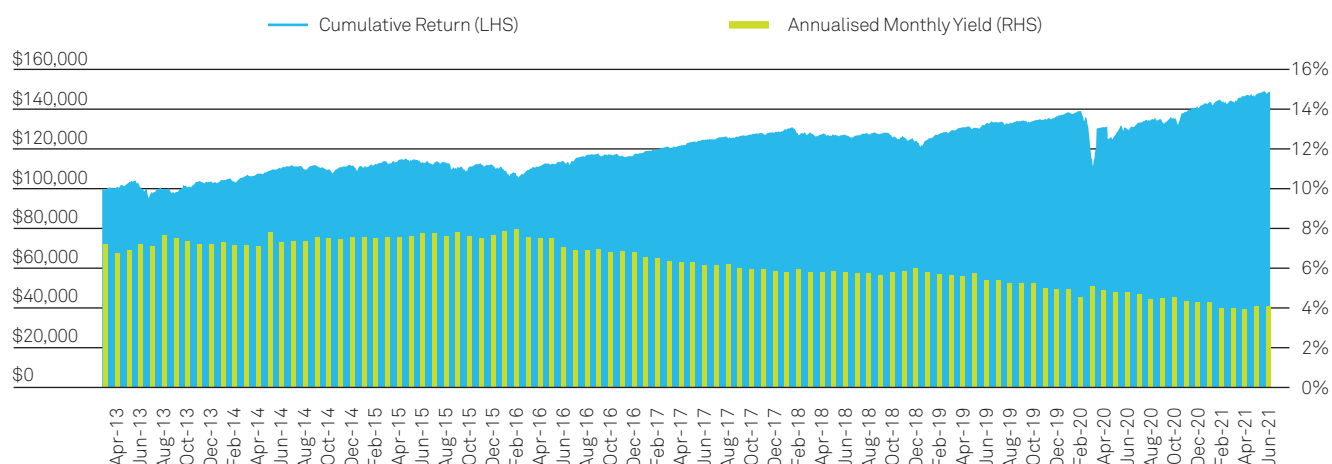
* Gross returns are calculated before fees and taxes and assume reinvestment of distributions. Gross returns are provided for products offered to wholesale clients only who may be subject to differential fees. Please refer to the Fund's product disclosure statement for more information. Net performance 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 global ex-U.S. equities. High yield bonds, covered calls, and global ex-U.S. equities were the largest contributors to returns this quarter, offset by allocations to duration management positions.

Main Portfolio Changes:

We have maintained the Fund's pro-risk positioning in recent months given a constructive outlook for markets, preferring stocks and credit over higher quality fixed income and cash. We modestly increased exposure to high yield during the month by spending down cash.

Positioning & Outlook:

Equity markets rallied to fresh highs capping off a strong run for risk assets in the first half of 2021. Notably the Fed took its first step in moving away from crisis-level policy support at its June meeting. While continuing to emphasize more progress is needed, the Fed acknowledged higher inflation and firming growth could allow them to achieve their objectives earlier than previously anticipated. Thus, the door is open for the Fed to begin tapering later this year and rate hikes in 2023. Importantly, we do not view this move as tightening policy but rather as a positive and gradual start to removing extreme accommodations.

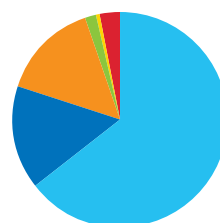
Somewhat surprisingly, interest rates trended lower in the weeks following the meeting. The 10-year treasury ended the month 0.4% below its March peak. Several factors are contributing to this including an insatiable global demand for income and a massive amount of liquidity sloshing around the system. Nevertheless, our expectations are for interest rates to move up in the coming months as the recovery persists. Consequently, we are maintaining a historic low in duration.

We expect growth to remain above pre-pandemic trends for some time, but moderating economic data likely means we are passed the initial recovery "sugar high" and entering a phase of plateauing growth. Strong job numbers, pent-up demand and a healthy consumer should support U.S. growth, and international markets are likely to benefit from expanding vaccination numbers and economic reopening. The outlook for China is less certain, as growth momentum has slowed more so than in other parts of the world, potentially negatively impacting the prospects for broader emerging market returns.

The likely path of least resistance is for equities to move higher and credit spreads to remain tight, but with the potential for higher volatility. And while we maintain a constructive outlook, the strong performance over the last year and a half likely results in more muted returns in the second half of the year.

Within equities, we favour having a balanced mix of growth and cyclical exposures while emphasizing the importance of quality. Within fixed income, U.S. high yield remains our preferred market. Despite tighter credit spreads, underlying fundamentals are incredibly healthy, and the return outlook remains favourable compared to most other fixed income markets.

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	4.10%
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	30.0%		27.9%
HY Bonds	25.3%	4.1%	25.4%
Investment Grade Bonds	4.7%	2.1%	2.5%
Equity	19.9%		10.1%
EM Equity	6.3%	2.4%	3.7%
Global Ex-US Equities	6.7%	2.7%	4.4%
US Equities	6.9%	1.2%	2.0%
Non Traditional Assets ex Hedges	47.3%		62.1%
EM Debt	7.9%	6.2%	12.1%
Floating Rate Loans	8.3%	1.9%	4.0%
Mortgage-Backed Securities	4.6%	2.9%	3.2%
Preferred Stock	7.1%	3.4%	5.9%
Covered Call Writing	12.9%	10.0%	31.9%
Global Infrastructure	3.3%	3.0%	2.5%
Global REITs	3.2%	3.2%	2.5%
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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