BLACKROCK GLOBAL MULTI-ASSET INCOME FUND (AUST)

BLACKROCK®

FUND UPDATE **31 August 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)	0.31	0.95	2.73	4.37	3.83	4.11	4.62	5.03
Growth (D Class)[1] (Net of Fees)	0.48	0.67	3.73	7.83	3.16	2.32	1.43	1.02
BlackRock Global Multi-Asset Income Fund (Aust) (D Class)[1] (Net of Fees)	0.79	1.62	6.46	12.20	6.99	6.43	6.05	6.05
BlackRock Global Multi-Asset Income Fund (Aust)[2] (Gross of Fees)*	0.86	1.81	7.00	13.04	7.80	7.23	6.85	6.64

[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.

Portfolio Managers

Michael Fredericks
Managing Director,
Portfolio Manager

Alex Shingler
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Justin Christofel
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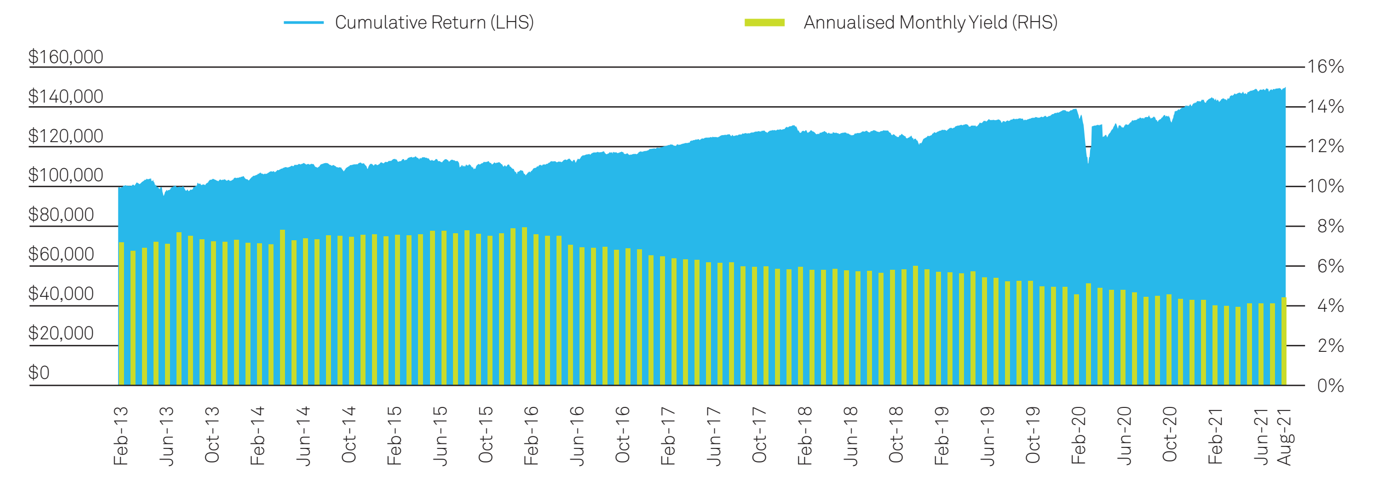
Portfolio Manager

Visit **BlackRock.com.au** for further information, including:

- Market Insights & Commentary
- Fund Performance
- Unit Prices

Cumulative Return and Annualised Monthly Yield



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 included covered calls, high yield bonds, and emerging market debt. Covered calls, emerging market equity, and high yield bonds were the largest contributors to total return this month, offset by exposure to investment grade bonds.

Main Portfolio Changes:

We broadly maintained our positioning during the month but chose to modestly reduce exposure to U.S. equities given strong market returns and our expectation for higher volatility ahead. Additionally, we increased an allocation to collateralized loan obligations (CLOs) as we expect yields to move up in the coming months.

Positioning & Outlook:

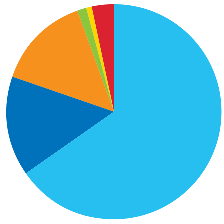
Global equities powered ahead to fresh all-time highs in August, advancing for the seventh consecutive month, driven by another stellar earnings season. Similarly, U.S. high yield continued an impressive streak of steady returns, notching its eleventh straight month of positive results. The U.S. 10-year treasury yield edged up slightly but ended the month well below its March peak. The main event during the month was the Federal Reserve's Jackson Hole symposium where investors searched for any clues on monetary tightening. While Chair Powell did not go as far as giving a specific timeline on tapering, he strongly signalled it could occur before year-end. Powell also continued to emphasize tapering does not signal rate hikes with the latter having a much higher bar for initiating. This, in addition to his conviction that the rise in inflation is largely transitory, implies that the hurdle for rate hikes in 2022 is high. Markets generally viewed this as dovish with risk assets rallying on the back of the meeting. Ultimately, we believe the U.S. economy is on strong enough footing for the Federal Reserve to move away from crisis-era policies and believe markets can digest such shifts.

That said, Covid remains a key source of uncertainty and is starting to show an impact on economic activity. The most recent U.S. jobs report fell well below expectations and can be, at least partially, attributed to the virus. It's important to note, though, that the weaker jobs print was also likely due to supply constraints, as evidenced by record job openings, which we expect to normalize as unemployment benefits expire and more people return to work. Other signs of softening economic momentum included a drop in consumer confidence. Encouragingly, cases are starting to show signs of peaking in many areas.

Elsewhere, European growth has proven fairly resilient alongside hotter inflation prints leading to speculation around potential tapering from the European Central Bank. In China, the spate of weaker than expected economic data continued with softer PMI readings. Coupled with China asserting greater regulatory control, we come away slightly more cautious on emerging market exposures in the near-term.

Looking ahead, we still believe the pieces are in place to support a further rally in risk assets, namely massive liquidity, ongoing vaccination rollouts, and healthy corporates and consumers. Barring any significant negative Covid developments tied to Delta or other new variants, our base case calls for higher U.S. interest rates, credit spreads to remain tight, and equities to grind higher. However, evolving fiscal and monetary policies, virus risks, and moderating growth all seem likely to create more volatility heading into the final months of the year. Thus, we are choosing to take a little equity risk off the table in the short run. Broadly speaking, our positioning continues to reflect a preference for quality names within equities and developed high yield bonds within fixed income.

Regional Exposure (%)



Fund Details

BlackRock Global Multi-Asset Income Fund (Aust)	
APIR	BLK0009AU
Fund Size (A$)	59mil
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]	6.81%

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	**29.1**		**26.2**
HY Bonds	24.7	4.1	24.1
Investment Grade Bonds	4.4	2.1	2.1
Equity	**19.9**		**9.8**
EM Equity	6.2	2.6	3.8
Global Ex-US Equities	6.8	2.6	4.3
US Equities	6.9	1.0	1.7
Non Traditional Assets ex Hedges	**47.9**		**64.0**
EM Debt	7.5	6.4	11.5
Floating Rate Loans	9.2	2.0	4.3
Mortgage-Backed Securities	4.3	2.8	2.9
Preferred Stock	7.0	3.3	5.5
Covered Call Writing	13.3	11.2	35.6
Global Infrastructure	3.4	2.7	2.1
Global REITs	3.2	2.8	2.1
Cash	**3.2**	**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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