

BLACKROCK GLOBAL MULTI-ASSET INCOME FUND (AUST)

BLACKROCK®

FUND UPDATE

31 December 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	0.97	4.05	4.05	3.75	4.08	4.47	4.96
Growth (D Class) ¹ (Net of Fees)	1.57	0.29	2.34	2.34	1.70	3.93	1.34	0.74
BlackRock Global Multi-Asset Income Fund (Aust) (D Class) ¹ (Net of Fees)	1.89	1.26	6.39	6.39	5.45	8.01	5.82	5.70
BlackRock Global Multi-Asset Income Fund (Aust) ² (Gross of Fees)*	1.96	1.45	7.19	7.19	6.25	8.82	6.61	6.31

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

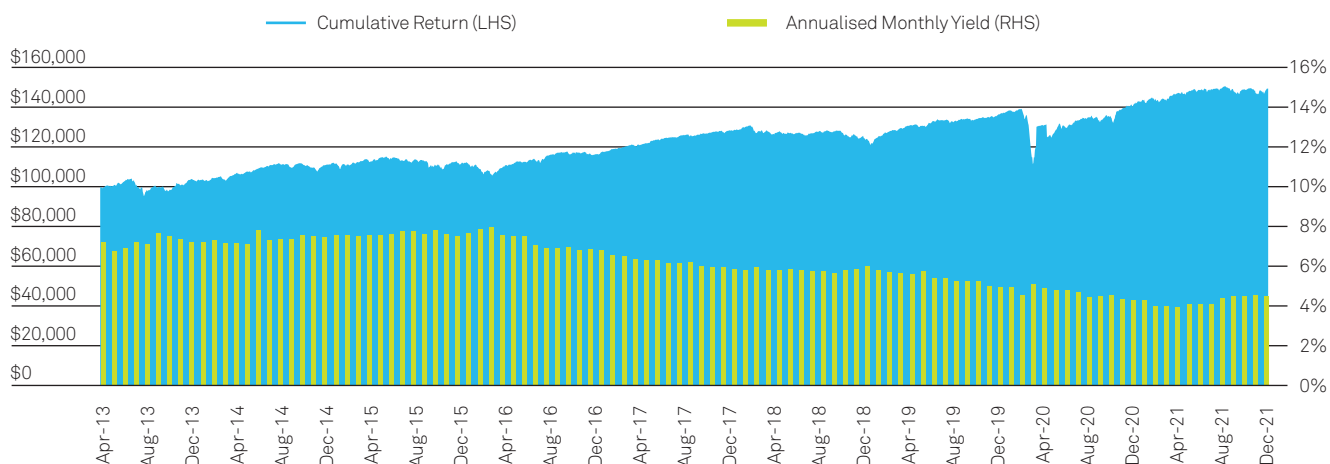
* Gross returns are calculated before fees and taxes and assume reinvestment of distributions. Gross returns are provided for products offered to wholesale clients only who may be subject to differential fees. Please refer to the Fund's product disclosure statement for more information. Net performance 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 preferred stocks. Covered calls, U.S. equity positions, and global ex-U.S. developed equities were the largest contributors to total return this quarter, offset by exposure to emerging market debt and equity, and, to a lesser extent, preferred stocks.

Main Portfolio Changes:

Within fixed income this quarter, we increased exposure to U.S. high yield and collateralized loan obligations (CLOs) as we believe these areas continue to offer attractive income with strong underlying fundamentals. We also reduced an allocation to Asian credit throughout the quarter given increased concerns over the China property sector.

Within equities this quarter, we modestly reduced the Fund's total equity exposure amidst uncertainty over the Omicron strain.

Lastly, we tactically adjusted the Fund's duration throughout the quarter, adding to it in October and reducing it again in December. We ended the year at a historic low in duration.

Positioning & Outlook:

Evidence of less severe symptoms and lower rates of hospitalizations and deaths caused by the new Omicron strain led to a strong risk-on rally into year-end. This helped push global equities to new all-time highs and capped off a stellar year for developed stocks. Emerging market stocks and bonds also rebounded during the month but – consistent with the rest of 2021 – lagged developed markets. A more hawkish tone from global central banks, notably the Fed, pushed interest rates up towards the end of the month. This weighed on U.S. core bond returns, which experienced the first negative calendar year return since 2013.

Looking ahead to 2022, our base case calls for attractive yet moderating growth. A pause in reopening activity driven by the Omicron surge may weigh on first quarter GDP but could help extend the recovery later into the year. Regardless, growth is likely to grind lower by year-end as economic activity normalizes back towards pre-pandemic levels. Furthermore, we expect inflation to stay elevated before eventually moderating as supply/demand imbalances abate and the more volatile inflationary drivers weaken as the recovery matures.

Against this backdrop, we think the environment remains broadly favorable for stocks and lower quality fixed income while remaining more challenging for higher quality bonds, similar to what we saw in 2021.

However, we do anticipate a year of heightened volatility alongside more muted returns. In addition to virus uncertainty and elevated valuations, one of the biggest themes for 2022 will likely be how different assets react to central banks paring back monetary policy support. Already in the early parts of the new year, we have seen a spike in volatility as investors adjust to less accommodative policies.

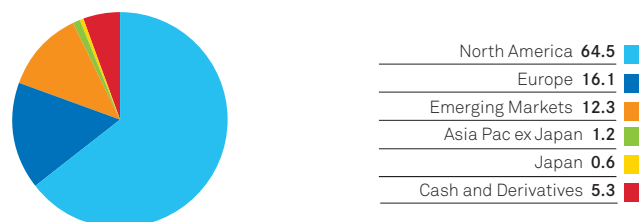
Contributors to Yield*

	Asset Allocation %	Yield %	Contribution to Yield %
Fixed Income	33.6		31.4
HY Bonds	29.3	4.2	29.0
Investment Grade Bonds	4.3	2.3	2.4
Equity	17.6		9.9
EM Equity	5.7	2.8	3.8
Global Ex-US Equities	7.2	2.5	4.2
US Equities	4.7	1.7	1.9
Non Traditional Assets ex Hedges	43.8		58.7
EM Debt	6.1	7.9	11.3
Floating Rate Loans	9.2	2.2	4.7
Mortgage-Backed Securities	4.1	3.0	2.8
Preferred Stock	7.0	3.6	5.9
Covered Call Writing	10.5	11.9	29.5
Global Infrastructure	3.7	2.7	2.4
Global REITs	3.2	2.8	2.1
Cash	5.2	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.

We believe higher quality companies with strong earnings growth can still deliver reasonable returns, but we are wary of the most expensive parts of equity markets that have benefited the most from an era of easy monetary policies. We are equally cautious on lower-yielding, longer duration bonds that will struggle to absorb higher interest rates and still elevated inflation..

Regional Exposure (%)



Fund Details

BlackRock Global Multi-Asset Income Fund (Aust)	
APIR	BLK0009AU
Fund Size (A\$)	58mil
Management Fee (Class D Units) ¹	0.75% p.a.
Buy/Sell Spread	N/A
Liquidity	Daily
Distribution Frequency	Monthly
Yield (Annualised) ²	4.60%
Standard Deviation ³	6.72%

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.

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