

Positioning for the transformation

2025 Global Outlook product guide: Australia

BlackRock

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We have argued since the pandemic struck that this is not a business cycle. Historical trends are being permanently broken in real time as mega forces, like the rise of artificial intelligence (AI), transform economies. The ongoing outsized response of long-term assets to short-term news shows how unusual this environment is. We stay risk-on as we look for transformation beneficiaries – and go further overweight US stocks as the AI theme broadens out. We have more conviction inflation and interest rates will stay above pre-pandemic levels. Read the BlackRock Investment Institute’s (BII) [2025 Global Outlook](#) for details.

Below, we look at how to position portfolios for the BII’s three key investment themes for 2025, with examples of funds investors can use to implement these views. See blackrock.com/au for our full product offering across index, alpha-seeking, alternative and private market exposures.

01. Financing the future

We think investors can find opportunities by tapping into the waves of transformation we see ahead in the real economy, with AI and the low-carbon transition requiring investment potentially on par with the Industrial Revolution.

Investment implications

We lean into real asset exposures as these mega forces drive a broad infrastructure buildout, as well as funds with above-benchmark weightings to the AI theme.

Investing in infrastructure and real assets

GLIN iShares Core FTSE Global Infrastructure (AUD Hedged) ETF

GLPR iShares Core FTSE Global Property ex Australia (AUD Hedged) ETF

Tapping into AI

I00 iShares Global 100 ETF

02. Rethinking investing

An ever-changing outlook calls for an ever-evolving portfolio. It calls into question many long-held investing principles, including the idea of a neutral “benchmark” portfolio like the traditional 60/40 portfolio mix of stocks and bonds.

Investment implications

We think investors should focus more on dynamism and less on broad asset classes. Active strategies and investment expertise can be better rewarded in this environment, in our opinion.

Harnessing active strategies

BLK BLK Global Liquid Alternatives Fund

BLK BLK Global Unconstrained Equity Fund

Portfolio diversifiers

GLDN iShares Physical Gold ETF

Dynamic portfolio tilts

IMTM iShares MSCI World ex Australia Momentum ETF

03. Staying pro-risk

We see the US still standing out versus other developed markets thanks to stronger growth and its ability to better capitalise on mega forces. We up our overweight to US equities and see the AI theme broadening out.

Investment implications

We recognise valuations are rich in US equities but don’t see them as a near-term market driver. We have more conviction in US equities outperforming their international peers.

Accessing US mega caps

IVV iShares S&P 500 ETF

I00 iShares Global 100 ETF

Leaning into US market breadth

IJH iShares S&P Mid-Cap ETF

IJR iShares S&P Small-Cap ETF

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