

Annual Financial Report

BlackRock Wholesale Funds.

- BlackRock Australian Bond Fund
ARSN 088 173 611
- BlackRock Wholesale Australian Share Fund
ARSN 088 174 056
- BlackRock Tactical Growth Fund
ARSN 088 051 889
- BlackRock Wholesale International Bond Fund
ARSN 088 174 494

BlackRock Wholesale Funds

Annual Financial Report - 30 June 2021

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Directors' Report

The directors of BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975) (the "Responsible Entity"), the Responsible Entity of BlackRock Wholesale Funds (the "Funds"), present their annual report together with the financial statements of the Funds, for the year ended 30 June 2021 and the auditor's report thereon. The BlackRock Wholesale Funds comprise of BlackRock Australian Bond Fund, BlackRock Wholesale Australian Share Fund, BlackRock Tactical Growth Fund and BlackRock Wholesale International Bond Fund.

Fund Objectives

BlackRock Australian Bond Fund

The Fund aims to capture returns superior to those available from the Fund's benchmark (the Bloomberg AusBond Composite IndexSM) by accessing a broad array of value-enhancing strategies.

BlackRock Wholesale Australian Share Fund

The Fund has two aims: to achieve capital growth over the long-term through investment in Australian shares and other securities and to provide investors with some tax effective income through the distribution of franking credits. Overall, the Fund aims to achieve this goal by outperforming the S&P/ASX 300 Accumulation Index over rolling five year periods.

BlackRock Tactical Growth Fund

The Fund aims to outperform peer performance consistent with a "growth" oriented investment strategy encompassing a broadly diversified exposure to Australian and international assets; active asset allocation, security selection and risk management; and flexibility to deviate meaningfully from the strategic asset allocation to help manage total portfolio risk. The Fund aims to outperform its benchmark indices over a 5-year rolling period, before fees.

BlackRock Wholesale International Bond Fund

The primary aim of the Fund is to generate capital and income return for those investors seeking exposure to international fixed income markets, including Australia. The Fund aims to outperform the Bloomberg Barclays Global Aggregate 500 Index (hedged in AUD) over rolling three year periods.

Principal Activities

The Funds invest in accordance with the provisions of the Funds' Constitutions.

The Funds did not have any employees during the year ended 30 June 2021 (30 June 2020: Nil).

There were no significant changes in the nature of the Funds' activities during the year ended 30 June 2021 (30 June 2020: Nil).

Effective from 31 May 2021 the unitholders of BlackRock Tactical Growth Fund approved the changes to the Constitution of the Fund to allow more than one unit class and as a result the Fund has been reclassified from a single class to a multi-class fund for the year ended 30 June 2021.

Directors

The following persons held office as directors of the Responsible Entity during the year or since the end of the year and up to the date of this report:

Director	Date appointed
M S McCorry	Appointed 2 December 2009
A Telfer	Appointed 12 December 2013
J Collins	Appointed 29 July 2015
A Landman	Appointed 3 February 2020
I Davila	Appointed 5 March 2020

Directors' Report (continued)

Review and Results of Operations

During the year, the Funds continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

Results

The performance of the Funds, as represented by the results of their operations, were as follows:

	BlackRock Australian Bond Fund		BlackRock Wholesale Australian Share Fund	
	Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Profit/(loss) for the year	581	4,713	14,038	(5,925)
Profit/(loss) before finance costs attributable to unitholders	-	-	-	-
Distributions paid and payable	1,506	4,977	10,052	682
Class D	-	-	-	-
Class E	-	-	-	-
Class X	-	-	-	-
	BlackRock Tactical Growth Fund		BlackRock Wholesale International Bond Fund	
	Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Profit/(loss) for the year	-	1,928	1,677	4,246
Profit/(loss) before finance costs attributable to unitholders	-	-	-	-
Distributions paid and payable	-	-	7,088	9,799
Class D	54,571	32,135	-	-
Class E	4,775	-	-	-
Class X	2,412	-	-	-

Returns

The table below demonstrates the performance of the Funds as represented by the total return.

	Returns*		
	1 Year	3 Year	5 Year
	% p.a.	% p.a.	% p.a.
BlackRock Australian Bond Fund	0.03	5.78	4.41
BlackRock Wholesale Australian Share Fund	25.33	9.29	10.74
BlackRock Tactical Growth Fund			
Class D	20.23	10.20	10.20
Class E	-	-	-
Class X	-	-	-
BlackRock Wholesale International Bond Fund	2.11	4.55	3.19

Directors' Report (continued)

Review and Results of Operations (continued)

Returns (continued)

* Returns (after fees) are calculated on the assumption that all distributions are reinvested in the Funds, and include the effect of compounding.

Reconciliation of Net Asset Value for Unit Pricing Purposes to Financial Reporting Purposes

The key differences between net assets for unit pricing purposes and net assets attributed to unitholders as reported in the financial statements prepared under Australian Accounting Standards have been outlined below:

	BlackRock Australian Bond Fund		BlackRock Wholesale Australian Share Fund	
	As at		As at	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Net assets for Unit Pricing Purposes	23,886	58,844	63,152	65,020
<i>Timing differences</i>				
Distribution Payable	(1,254)	(3,899)	(9,945)	(213)
Other	-	-	(22)	-
Net assets attributable to unitholders as at 30 June	<u>22,632</u>	<u>54,945</u>	<u>53,185</u>	<u>64,807</u>
	BlackRock Tactical Growth Fund		BlackRock Wholesale International Bond Fund	
	As at		As at	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Net assets for Unit Pricing Purposes	523,177	474,532	57,701	94,867
<i>Timing differences</i>				
Distribution Payable	(61,738)	(31,675)	(6,526)	(9,799)
Other	(55)	53	-	-
Net assets attributable to unitholders as at 30 June	<u>461,384</u>	<u>442,910</u>	<u>51,175</u>	<u>85,068</u>

Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Funds that occurred during the financial year under review.

Matters Subsequent to the End of the Financial Year

Except as disclosed in the financial statements, no matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Funds in future financial years.

Directors' Report (continued)

Likely Developments and Expected Results of Operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Funds and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds.

Indemnification and Insurance of Officers and Auditor

No insurance premiums are paid for out of the assets of the Funds in regards to insurance cover provided to either the officers of the Responsible Entity or the auditor of the Funds. So long as the officers of the Responsible Entity act in accordance with the Funds' Constitutions and the Law, officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds. The auditor of the Funds is in no way indemnified out of the assets of the Funds.

Fees Paid and Interests Held in the Funds by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of Funds' property during the year are disclosed in Note 11 of the financial statements.

No fees were paid out of Funds' property to the directors of the Responsible Entity during the year (2020: Nil). Pursuant to ASIC Corporations (Registered Schemes - Differential Fees) Instrument 2017/40, the Responsible Entity may individually negotiate fees with certain sophisticated or professional investors.

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are also disclosed in Note 11 of the financial statements.

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in Note 6 of the financial statements.

Value of Assets

The value of the Funds' assets and liabilities is disclosed on the Statements of Financial Position and derived using the basis set out in Note 2 of the financial statements.

Environmental Regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under either Commonwealth, State or Territory law.

Rounding of Amounts

The Funds are registered schemes of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and the financial statements have been rounded to the nearest thousand in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

Directors' Report (continued)

Additional Disclosure

The Funds have applied the relief available in ASIC Corporations (Disclosing Entities) Instrument 2015/839 issued by the Australian Securities and Investments Commission in the preparation of this report. This class order allows registered schemes with a common responsible entity to include their financial statements in adjacent columns in a single financial report.

The Funds have applied the relief available in ASIC Corporations (Directors' Report Relief) Instrument 2016/188 issued by the Australian Securities and Investments Commission in the preparation of this report. Accordingly, the additional information otherwise required to be included in the directors' report has been disclosed in Notes 5, 6 and 11 of the financial statements.

Outbreak of COVID-19

An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 has developed into a global pandemic. This coronavirus has resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations, supply chain disruptions, and lower consumer demand, as well as general concern and uncertainty. The impact of COVID-19 has adversely affected the economies of many nations across the entire global economy, individual issuers and capital markets, and could continue to extents that cannot necessarily be foreseen. In addition, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the COVID-19 outbreak and its effects cannot be determined with certainty.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 6.

The financial statements were authorised for issue by the directors on 16 September 2021.

This report is made in accordance with a resolution of the directors.



Director
A Telfer

Sydney
16 September 2021

16 September 2021

The Board of Directors
BlackRock Investment Management (Australia) Limited
Level 34 Olderfleet 477 Collins Street
MELBOURNE VIC 3000

Dear Directors

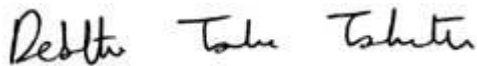
Auditor's Independence Declaration to BlackRock Australian Bond Fund, BlackRock Wholesale Australian Share Fund, BlackRock Tactical Growth Fund and BlackRock Wholesale International Bond Fund (collectively "BlackRock Wholesale Funds")

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of BlackRock Investment Management (Australia) Limited as Responsible Entity of BlackRock Australian Bond Fund, BlackRock Wholesale Australian Share Fund, BlackRock Tactical Growth Fund and BlackRock Wholesale International Bond Fund.

As lead audit partner for the audit of the financial reports of BlackRock Wholesale Funds for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants

Statements of Profit or Loss and Other Comprehensive Income

	Notes	BlackRock Australian Bond Fund		BlackRock Wholesale Australian Share Fund	
		Year ended		Year ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000
Investment income					
Interest income		-	-	-	1
Distributions from related schemes	11	684	1,865	7,804	1,635
Net gains/(losses) on financial instruments held at fair value through profit or loss (including any FX gains/(losses))	4	(105)	956	6,807	(6,867)
Fee rebates from related schemes	11	11	21	14	17
Other income		-	1,882	7	-
Total net investment income/(loss)		590	4,724	14,632	(5,214)
Expenses					
Management fees	11	-	-	591	708
Transaction costs		-	-	-	-
Custody movement fees		8	11	3	3
Interest expense		1	-	-	-
Other expenses		-	-	-	-
Total operating expenses		9	11	594	711
Profit/(loss) before finance costs attributable to unitholders		-	-	-	-
Finance costs attributable to unitholders					
Distributions to unitholders*	5	-	-	-	-
(Increase)/decrease in net assets attributable to unitholders*	6	-	-	-	-
Profit/(loss) for the year		581	4,713	14,038	(5,925)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the year		581	4,713	14,038	(5,925)

The above Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

BlackRock Wholesale Funds
Statements of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

Statements of Profit or Loss and Other Comprehensive Income (continued)

	Notes	BlackRock Tactical Growth Fund		BlackRock Wholesale International Bond Fund	
		Year ended		Year ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000
Investment income					
Interest income		-	-	-	1
Distributions from related schemes	11	14,016	13,841	7,487	10,388
Net gains/(losses) on financial instruments held at fair value through profit or loss (including any FX gains/(losses))	4	83,595	(7,681)	(5,411)	(5,553)
Fee rebates from related schemes	11	130	99	-	-
Other income		2	-	-	-
Total net investment income/(loss)		97,743	6,259	2,076	4,836
Expenses					
Management fees	11	4,272	4,300	396	587
Transaction costs		5	-	-	-
Custody movement fees		31	23	3	3
Interest expense		51	-	-	-
Other expenses		31	8	-	-
Total operating expenses		4,390	4,331	399	590
Profit/(loss) before finance costs attributable to unitholders		93,353	1,928	-	-
Finance costs attributable to unitholders					
Distributions to unitholders*	5	(61,738)	-	-	-
(Increase)/decrease in net assets attributable to unitholders*	6	(31,615)	-	-	-
Profit/(loss) for the year		-	1,928	1,677	4,246
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the year		-	1,928	1,677	4,246

* Effective from 31 May 2021, BlackRock Tactical Growth Fund has been reclassified from a single class to a multi-class fund. Refer to Note 2(d) for further details.

The above Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statements of Financial Position

	Notes	BlackRock Australian Bond Fund		BlackRock Wholesale Australian Share Fund	
		As at		As at	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000
Assets					
Cash and cash equivalents	13(b)	29	31	117	90
Financial assets held at fair value through profit or loss	7	23,868	57,671	47,822	64,085
Cash held on collateral		79	140	-	-
Receivables	8	<u>1,522</u>	<u>4,294</u>	<u>15,320</u>	<u>1,525</u>
Total assets		<u>25,498</u>	<u>62,136</u>	<u>63,259</u>	<u>65,700</u>
Liabilities					
Financial liabilities held at fair value through profit or loss	9	37	62	-	-
Distribution payable	5	1,254	3,899	9,945	213
Payables	10	<u>1,575</u>	<u>3,230</u>	<u>129</u>	<u>680</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>2,866</u>	<u>7,191</u>	<u>10,074</u>	<u>893</u>
Net assets attributable to unitholders - liability*	6	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets attributable to unitholders - equity	6	<u><u>22,632</u></u>	<u><u>54,945</u></u>	<u><u>53,185</u></u>	<u><u>64,807</u></u>

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Financial Position (continued)

	Notes	BlackRock Tactical Growth Fund		BlackRock Wholesale International Bond Fund	
		As at		As at	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000
Assets					
Cash and cash equivalents	13(b)	3,867	339	56	104
Financial assets held at fair value through profit or loss	7	472,694	449,249	51,081	84,454
Cash held on collateral		12,321	7,995	-	-
Receivables	8	<u>42,890</u>	<u>23,354</u>	<u>6,626</u>	<u>10,588</u>
Total assets		<u>531,772</u>	<u>480,937</u>	<u>57,763</u>	<u>95,146</u>
Liabilities					
Financial liabilities held at fair value through profit or loss	9	7,444	4,967	-	-
Distribution payable	5	61,738	31,675	6,526	9,799
Payables	10	<u>1,206</u>	<u>1,385</u>	<u>62</u>	<u>279</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>70,388</u>	<u>38,027</u>	<u>6,588</u>	<u>10,078</u>
Net assets attributable to unitholders - liability*	6	<u>461,384</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets attributable to unitholders - equity	6	<u>-</u>	<u>442,910</u>	<u>51,175</u>	<u>85,068</u>

* Effective from 31 May 2021, BlackRock Tactical Growth Fund has been reclassified from a single class to a multi-class fund. Refer to Note 2(d) for further details.

The above Statements of Financial Position should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

	Notes	BlackRock Australian Bond Fund		BlackRock Wholesale Australian Share Fund	
		Year ended		Year ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		54,945	60,727	64,807	78,395
Reclassification*		-	-	-	-
Comprehensive income for the year					
Profit/(loss) for the year		581	4,713	14,038	(5,925)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income/(loss) for the year		581	4,713	14,038	(5,925)
Transactions with unitholders					
Applications	6	2,151	2,580	779	4,501
Redemptions	6	(37,690)	(10,746)	(16,417)	(12,085)
Units issued upon reinvestment of distributions	6	4,151	2,648	30	603
Distributions paid and payable	5	(1,506)	(4,977)	(10,052)	(682)
Total transactions with unitholders		(32,894)	(10,495)	(25,660)	(7,663)
Total equity at the end of the financial year		22,632	54,945	53,185	64,807

	Notes	BlackRock Tactical Growth Fund		BlackRock Wholesale International Bond Fund	
		Year ended		Year ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the financial year		442,910	496,620	85,068	112,036
Reclassification*		(442,190)	-	-	-
Comprehensive income for the year					
Profit/(loss) for the year		-	1,928	1,677	4,246
Other comprehensive income for the year		-	-	-	-
Total comprehensive income/(loss) for the year		-	1,928	1,677	4,246
Transactions with unitholders					
Applications	6	-	54,303	5,781	10,513
Redemptions	6	-	(93,217)	(42,254)	(32,213)
Units issued upon reinvestment of distributions	6	-	15,411	7,991	285
Distributions paid and payable	5	-	(32,135)	(7,088)	(9,799)
Total transactions with unitholders		-	(55,638)	(35,570)	(31,214)
Total equity at the end of the financial year		-	442,910	51,175	85,068

* Effective from 31 May 2021, BlackRock Tactical Growth Fund has been reclassified from a single class to a multi-class fund. Refer to Note 2(d) for further details.

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows

	Notes	BlackRock Australian Bond Fund		BlackRock Wholesale Australian Share Fund	
		Year ended		Year ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000
<i>Cash flows from operating activities</i>					
Proceeds from sale of financial instruments held at fair value through profit or loss		52,758	24,887	17,142	16,584
Purchase of financial instruments held at fair value through profit or loss		(15,766)	(18,366)	(75)	(2,818)
Transaction costs		-	-	-	-
Interest received		169	482	-	1
Distributions received from related schemes		4	37	-	-
Fee rebates from related schemes received		12	22	14	19
Other income received		-	1,882	7	-
Management fees paid		-	-	(579)	(750)
Operating expenses paid		(8)	(11)	(3)	(3)
Interest expense paid		(1)	-	-	-
<i>Net cash inflow/(outflow) from operating activities</i>	13(a)	37,168	8,933	16,506	13,033
<i>Cash flows from financing activities</i>					
Proceeds from applications by unitholders		2,151	2,580	776	4,512
Payments for redemptions by unitholders		(39,345)	(11,517)	(16,965)	(11,638)
Distributions paid		-	-	(290)	(5,994)
<i>Net cash inflow/(outflow) from financing activities</i>		(37,194)	(8,937)	(16,479)	(13,120)
<i>Net increase/(decrease) in cash and cash equivalents</i>					
		(26)	(4)	27	(87)
Cash and cash equivalents at the beginning of the year		31	30	90	177
Effects of foreign currency exchange rate changes on cash and cash equivalents		24	5	-	-
<i>Cash and cash equivalents at the end of the year</i>	13(b)	29	31	117	90
Non cash operating activities	13(a)	1,395	1,421	1,262	7,328
Non cash financing activities	13(c)	4,151	2,648	30	603

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Statements of Cash Flows (continued)

	Notes	BlackRock Tactical Growth Fund		BlackRock Wholesale International Bond Fund	
		Year ended		Year ended	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		\$'000	\$'000	\$'000	\$'000
<i>Cash flows from operating activities</i>					
Proceeds from sale of financial instruments held at fair value through profit or loss		258,479	136,975	39,925	28,396
Purchase of financial instruments held at fair value through profit or loss		(206,212)	(62,327)	(550)	(6,185)
Transaction costs		(5)	-	-	-
Interest received		-	-	-	1
Distributions received from related schemes		576	383	-	-
Fee rebates from related schemes received		119	120	-	-
Other income received		2	-	-	-
Management fees paid		(4,155)	(4,445)	(417)	(609)
Operating expenses paid		(63)	(33)	(3)	(3)
Interest expense paid		(51)	-	-	-
<i>Net cash inflow/(outflow) from operating activities</i>	13(a)	48,690	70,673	38,955	21,600
<i>Cash flows from financing activities</i>					
Proceeds from applications by unitholders		174,566	54,716	5,802	10,495
Payments for redemptions by unitholders		(197,809)	(93,278)	(42,435)	(32,035)
Distributions paid		(21,853)	(31,718)	(2,370)	(63)
<i>Net cash inflow/(outflow) from financing activities</i>		(45,096)	(70,280)	(39,003)	(21,603)
<i>Net increase/(decrease) in cash and cash equivalents</i>					
		3,594	393	(48)	(3)
Cash and cash equivalents at the beginning of the year		339	508	104	107
Effects of foreign currency exchange rate changes on cash and cash equivalents		(66)	(562)	-	-
<i>Cash and cash equivalents at the end of the year</i>	13(b)	3,867	339	56	104
Non cash operating activities	13(a)	11,210	15,958	11,264	941
Non cash financing activities	13(c)	9,822	15,411	7,991	285

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

1 General Information

These financial statements cover BlackRock Australian Bond Fund, BlackRock Wholesale Australian Share Fund, BlackRock Tactical Growth Fund and BlackRock Wholesale International Bond Fund (the "Funds") as individual entities. The Funds were constituted on 30 June 1992. The Funds will terminate on the eightieth anniversary of the day the Funds commenced, unless terminated in accordance with the provisions of the Funds' Constitutions.

The Responsible Entity of the Funds is BlackRock Investment Management (Australia) Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 37 Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

The financial statements were authorised for issue by the directors on 16 September 2021. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in the Australian currency.

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Statement of Compliance and Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements issued by the Accounting Standards Board and the *Corporations Act 2001* in Australia. The Funds are for-profit unit trusts for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of historical costs, except for financial assets and financial liabilities held at fair value through profit or loss, that are measured at fair value.

The Statements of Financial Position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets at fair value through profit or loss and net assets attributable to unitholders. The amount expected to be recovered or settled within twelve months after the end of each reporting period cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards

The financial statements of the Funds also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Funds

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that would be expected to have a material impact on the Funds.

(iii) Investment in Subsidiaries

The Fund has determined that it meets the definition of an investment entity in accordance with AASB 10 *Consolidated Financial Statements*. The Fund does not control any of the entities where it has an investment and therefore does not prepare consolidated financial statements. Instead the investments are accounted for at fair value through profit or loss as discussed in Note 2(b).

The Fund receives income in the form of distributions or interest from its investments in unconsolidated subsidiaries, and there are no significant restrictions on the transfer of funds from these entities to the Fund. The Fund has no contractual commitments or current intentions to provide any other financial or other support to its unconsolidated subsidiaries.

2 Summary of Significant Accounting Policies (continued)

(b) Financial Instruments

(i) Classification

The Funds' investments are classified as at fair value through profit or loss. They comprise:

- Derivative financial instruments such as futures, forward foreign exchange contracts, options and swaps. The Funds do not designate any derivatives as hedges in a hedging relationship.
- Investments in listed equities, listed unit trusts, unlisted unit trusts, interest bearing securities and money market securities.

Financial assets and financial liabilities held at fair value through profit or loss are those that are managed and their performance evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds' policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

Short sales are classified as financial liabilities at fair value through profit or loss. Short sales are where borrowed securities are sold in anticipation of a decline in the market value of those securities and are made or may be used for various arbitrage transactions.

(ii) Recognition/derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Funds have transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statements of Profit or Loss and Other Comprehensive Income.

- Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting date without any deduction for estimated future selling costs. The quoted market price used for financial assets and financial liabilities held by the Funds are the last traded market price.

- Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Accordingly, there may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Funds recognise the difference in the Statements of Profit or Loss and Other Comprehensive Income to reflect a change in factors, including time, that market participants would consider in setting a price.

Investments in other unlisted unit trusts are recorded at the net asset value per unit as reported by the Responsible Entity of such funds.

(c) Offsetting Financial Instruments

Financial assets and liabilities are reported on a gross basis in the Statements of Financial Position. Where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously on default or in the ordinary course of business, the financial assets and liabilities will be offset and reported on a net basis in notes to the financial statements.

2 Summary of Significant Accounting Policies (continued)

(d) Net Assets Attributable to Unitholders

BlackRock Australian Bond Fund, BlackRock Wholesale Australian Share Fund and BlackRock Wholesale International Bond Fund

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Funds at any time for cash based on the redemption price, which is equal to a proportionate share of the Funds' net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Funds. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Funds' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Funds, and it is not a contract settled in the Funds' own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

The Funds' units have been classified as equity as they satisfied all the above criteria.

BlackRock Tactical Growth Fund

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The fair value of redeemable units is the residual interest that is payable at the end of the reporting date if unitholders exercised their right to redeem units in the Fund. The Fund's redemption unit price is based on the last traded market price for the purpose of determining the net asset value per unit for applications and redemptions.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

Effective from 31 May 2021 the Fund has been reclassified from single class to a multi-class and Fund's units have been classified as liability as they do not satisfy all the above criteria. In 2020, the Fund was a single class fund and units have been classified as equity as they satisfied all the above criteria.

(e) Cash and Cash Equivalents

Cash and cash equivalents may include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts and cash will be netted off on the Statements of Financial Position if both are present.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities as movements in the fair value of these securities represent the Funds' main income generating activity.

2 Summary of Significant Accounting Policies (continued)

(f) Margin Accounts

Margin accounts comprise of cash held for derivative transactions and short sales. The cash is held by the broker and is only available to meet margin calls. Unrestricted margin account balances and restricted margin accounts balances, where the derivative transactions' original maturities are within three months, are classified as cash and cash equivalents. Restricted margin accounts where the derivative transactions' original maturities are not within three months are classified as cash held on collateral.

(g) Investment Income and Expenses

Interest income and expenses are recognised in the Statements of Profit or Loss and Other Comprehensive Income for all interest bearing securities using the effective interest method. Interest on assets held at fair value through profit or loss is included in the net gains/(losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b).

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Funds estimate cash flows, considering all contractual terms of the financial instrument (for example, prepayment options), but do not consider future credit losses.

The calculation includes all fees and points paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Dividend income is recognised on the ex-dividend date. The Funds may incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the Statements of Profit or Loss and Other Comprehensive Income. If a portion of the foreign withholding taxes is reclaimable, it is recorded as an asset.

Trust distributions are recognised on an entitlements basis.

Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date.

(h) Expenses

All expenses, including management fees and performance fees, are recognised in the Statements of Profit or Loss and Other Comprehensive Income on an accruals basis.

(i) Income Tax

Under current legislation, the Funds are not subject to income tax provided the taxable income of the Funds are attributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Funds).

The benefit of imputation credits and foreign tax paid are passed on to unitholders.

(j) Distributions to Unitholders

BlackRock Australian Bond Fund, BlackRock Wholesale Australian Share Fund and BlackRock Wholesale International Bond Fund

In accordance with the Funds' Constitutions, the Funds attribute their taxable income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. Distributions are recognised in the Statements of Changes in Equity as distributions paid and payable.

BlackRock Tactical Growth Fund

In accordance with the Fund's Constitution, the Fund attributes its taxable income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the Statement of Profit or Loss and Other Comprehensive Income as finance costs attributable to unitholders.

2 Summary of Significant Accounting Policies (continued)

(k) Increase/Decrease in Net Assets Attributable to Unitholders

BlackRock Australian Bond Fund, BlackRock Wholesale Australian Share Fund and BlackRock Wholesale International Bond Fund

Movements in net assets attributable to unitholders are recognised in the Statements of Changes in Equity for the current year ended 30 June 2021.

BlackRock Tactical Growth Fund

Non-distributable income is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the Statement of Profit or Loss and Other Comprehensive Income as increase/decrease in net asset attributable to unitholders for the current year ended 30 June 2021. Movements in net assets attributable to unitholders are recognised in the Statement of Changes in Equity for the previous year ended 30 June 2020.

(l) Foreign Currency Translation

(i) *Functional and presentation currency*

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian Dollar, which reflects the currency of the economy in which the Funds compete for funds and are regulated. The Australian Dollar is also the Funds' presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statements of Profit or Loss and Other Comprehensive Income.

The Funds do not isolate that portion of gains or losses on securities and derivative financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(m) Receivables

Receivables may include amounts for dividends, interest, trust distributions, amounts due from brokers and applications receivable. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of the reporting date from the time of the last payment using the effective interest rate method. Amounts due from brokers represent receivables for securities that have been contracted for but not yet delivered by the end of the reporting date. Applications receivable are recorded when the applications are made for units in the Funds with the consideration yet to be received as at the end of the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. Using expected credit loss model, an allowance account (provision for impairment of trade receivables) is recorded. Historical experience, financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the Statements of Profit or Loss and Other Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statements of Profit or Loss and Other Comprehensive Income.

2 Summary of Significant Accounting Policies (continued)

(n) Payables

Payables include liabilities and accrued expenses owing by the Funds and redemptions payable which are unpaid as at the end of the reporting period.

Trades are recorded on trade date, and normally settled within three business days. Purchases of financial instruments that are unsettled at reporting date are included in payables. Redemptions payable are recognised when the unitholder returns their holdings back into the Funds foregoing all rights associated with the units, with the payment yet to be released.

The distribution amount payable to unitholders as at reporting date is recognised separately on the Statements of Financial Position when unitholders are presently entitled to the distributable income under the Funds' Constitutions.

(o) Applications and Redemptions

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets for unit pricing purposes of the Funds, divided by the number of units on issue at or immediately prior to close of business each day. Applications and redemptions of units are processed simultaneously.

(p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as custodial services and investment management fees have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits (RITC) hence, investment management fees, custodial fees and other expenses have been recognised in the Statements of Profit or Loss and Other Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable and accrued expenses are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statements of Financial Position. Cash flows relating to GST are included in the Statements of Cash Flows on a gross basis.

(q) New Accounting Standards and Interpretations

There are no standards that are not yet effective and that are expected to have a material impact on the Funds in future reporting periods and on foreseeable future transactions.

(r) Use of Estimates and Critical Accounting Judgments

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over the counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the immediate or short term nature of these financial instruments.

(s) Rounding of Amounts

The Funds are registered schemes of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded to the nearest thousand in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

2 Summary of Significant Accounting Policies (continued)

(t) Cash Held on Collateral

Cash held on collateral includes restricted margin accounts where the derivative transactions' original maturities are not within three months as well as restricted cash for short sales. Short positions are taken on securities which have relatively poor return expectations. To facilitate settlement, securities are borrowed with collateral requirements. These requirements are satisfied with cash and/or other securities. Cash used to satisfy collateral requirements is disclosed as cash held on collateral on the Statements of Financial Position.

(u) Comparative Revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year.

3 Financial Risk Management

The Funds' activities expose to a variety of financial risks: credit risk, liquidity risk, and market risk (including price risk, currency risk and interest rate risk). The Funds' overall risk management program focuses on ensuring compliance with the Funds' Product Disclosure Statements and seeks to maximise the returns derived for the level of risk to which the Funds are exposed. The Funds may use derivative financial instruments to moderate and create certain risk exposures. Financial risk management is carried out by the Investment Risk Management Working Group (IRMWG) under policies approved by the Board of Directors of the Responsible Entity (the "Board").

The Funds use different methods to measure different types of risk to which they are exposed. These methods include Value at Risk ("VaR") analysis in the case of interest rate, foreign exchange and other price risks and ratings analysis for credit risk. VaR analysis is explained in Note 3(b).

(a) Market Risk

Market risk is managed and monitored by the Responsible Entity on a portfolio basis, with risks managed through ensuring that investment activities are undertaken in accordance with the Funds' investment model which is reviewed and updated regularly.

(i) Price Risk

The Funds are exposed to price risk. This arises from investments held by the Funds for which prices in the future are uncertain. They are classified in the Statements of Financial Position as fair value through profit or loss. Where non-monetary financial instruments are denominated in currencies other than the Australian Dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Note 3 (a)(ii) below sets out how this component of price risk is managed and measured. All securities investments present a risk of loss of capital. Except for equities sold short and derivative instruments, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the Funds and its investments and could result in increased premiums or discounts to the Funds' net asset value.

The Responsible Entity continuously monitors the Funds' holdings relative to the recommended portfolio, and the exposure of the Funds are monitored to ensure that it remains within designated ranges or asset allocation constraints, taking into account any derivative position being used to manage risks.

In addition, the IRMWG regularly reviews the Funds to ensure the Funds are following the appropriate investment model, their portfolio is in accordance with their stated guidelines and restrictions, and the performance of the Funds remains in expected bounds.

The summarised VaR analysis in Note 3(b) explains how the risk is measured and summarises the potential exposure of the Funds' net assets attributable to unitholders.

3 Financial Risk Management (continued)

(a) Market Risk (continued)

(i) Price Risk (continued)

At the reporting date, the notional principal amounts of derivative financial instruments held by the Funds were as follows:

	BlackRock Australian Bond Fund							
	30 June 2021 \$'000				30 June 2020 \$'000			
	Notional Principal Amount			Fair Value	Notional Principal Amount			Fair Value
	Asset	Liability	Net		Asset	Liability	Net	
Futures - Domestic	31,190	(29,781)	1,409	(4)	2,948	-	2,948	18
Futures - International	273	(529)	(256)	(1)	1,789	(741)	1,048	1
Forward foreign exchange contracts	142	(142)	-	-	1,245	(1,245)	-	-
Options - Domestic	679	(726)	(47)	12	-	-	-	-
Options - International	332	(4)	328	9	143,443	-	143,443	2
Swaps - Domestic	3,830	(3,830)	-	-	3,840	(3,840)	-	9
Swaps - International	3,823	(3,823)	-	-	3,763	(3,763)	-	(34)

	BlackRock Tactical Growth Fund							
	30 June 2021 \$'000				30 June 2020 \$'000			
	Notional Principal Amount			Fair Value	Notional Principal Amount			Fair Value
	Asset	Liability	Net		Asset	Liability	Net	
Futures - Domestic	-	-	-	-	3,880	-	3,880	33
Futures - International	81,431	(50,406)	31,025	(2,377)	39,758	(24,470)	15,288	(30)
Forward foreign exchange contracts	198,123	(199,724)	(1,601)	(1,601)	87,712	(87,764)	(52)	(51)
Options - Domestic	2,607	(4,841)	(2,234)	35	2,684	(6,617)	(3,933)	(206)
Options - International	266	(483)	(217)	71	227	-	227	192
Swaps - Domestic	104,201	(104,201)	-	627	128,025	(128,025)	-	(1,337)
Swaps - International	72,594	(72,594)	-	(1,163)	79,158	(79,158)	-	(1,198)

(ii) Foreign Exchange Risk

BlackRock Wholesale Australian Share Fund and BlackRock Wholesale International Bond Fund

The direct investments held by the Funds do not have any direct exposure to foreign exchange risk. This disclosure has not been made on a look through basis for investments held indirectly through underlying investments.

The summarised VaR analysis in Note 3(b) explains how the risk is measured and summarises the potential exposure of the Funds net assets attributable to unitholders.

BlackRock Australian Bond Fund and BlackRock Tactical Growth Fund

The Funds hold monetary and non-monetary assets denominated in currencies other than the Australian Dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates.

3 Financial Risk Management (continued)

(a) Market Risk (continued)

(ii) Foreign Exchange Risk (continued)

The summarised VaR analysis in Note 3(b) explains how the risk is measured and summarises the potential exposure of the Funds' net assets attributable to unitholders.

Foreign exchange risk is managed using forward foreign exchange contracts and other derivatives in accordance with Funds guidelines and restrictions. Daily monitoring is undertaken to ensure instruments used and exposures created are consistent with the investment strategy and objectives of the Funds. For accounting purposes, the Funds does not designate any derivatives as hedges in a hedging relationship, and hence these derivative financial instruments are classified as at fair value through profit or loss.

This disclosure for the Funds have not been made on a look through basis for investments held indirectly through underlying funds. The disclosure of foreign exchange risk may not present the true foreign exchange risk profile of the Funds where the underlying fund has a significant exposure to foreign exchange risk.

The following tables summarise the Funds' assets and liabilities, monetary and non-monetary, which are denominated in different currencies:

	BlackRock Australian Bond Fund					
	United States Dollar A\$'000	European Euro A\$'000	British Pound A\$'000	Australian Dollar A\$'000	Other Currencies A\$'000	Total A\$'000
30 June 2021						
Assets						
Cash and cash equivalents	3	6	3	7	10	29
Financial assets held at fair value through profit or loss*	13	1	-	23,854	-	23,868
Cash held on collateral**	-	-	-	79	-	79
Receivables	-	-	-	1,522	-	1,522
Total assets	16	7	3	25,462	10	25,498
Liabilities						
Financial liabilities held at fair value through profit or loss*	6	-	-	31	-	37
Distribution payable	-	-	-	1,254	-	1,254
Payables	-	-	-	1,575	-	1,575
Total liabilities	6	-	-	2,860	-	2,866
Net assets attributable to unitholders	10	7	3	22,602	10	22,632
Increase/(decrease) in exposure from currency derivatives	-	142	-	-	(142)	-
Total foreign currency exposure	10	149	3	22,602	(132)	22,632

* Includes unit trust holdings and interest bearing securities.

* Includes derivatives, forward foreign exchange contracts which have been classified as Australian Dollar exposure in the above analysis.

** Where margin calls on margin accounts and cash held on collateral can only be made to counterparties in Australian Dollars, the balances are disclosed separately in the currency exposure tables and are aggregated in the Statements of Financial Position.

3 Financial Risk Management (continued)

(a) Market Risk (continued)

(ii) Foreign Exchange Risk (continued)

30 June 2020	BlackRock Australian Bond Fund					Total A\$'000
	United States Dollar A\$'000	European Euro A\$'000	British Pound A\$'000	Australian Dollar A\$'000	Other Currencies A\$'000	
Assets						
Cash and cash equivalents	5	2	1	20	3	31
Financial assets held at fair value through profit or loss*	29	-	2	56,700	940	57,671
Cash held on collateral**	-	-	3	137	-	140
Receivables	-	-	-	4,294	-	4,294
Total assets	34	2	6	61,151	943	62,136
Liabilities						
Financial liabilities held at fair value through profit or loss*	43	16	3	-	-	62
Distribution payable	-	-	-	3,899	-	3,899
Payables	-	-	-	3,230	-	3,230
Total liabilities	43	16	3	7,129	-	7,191
Net assets attributable to unitholders	(9)	(14)	3	54,022	943	54,945
Increase/(decrease) in exposure from currency derivatives	(311)	311	-	935	(935)	-
Total foreign currency exposure	(320)	297	3	54,957	8	54,945

* Includes unit trust holdings and interest bearing securities.

* Includes derivatives, forward foreign exchange contracts which have been classified as Australian Dollar exposure in the above analysis.

** Where margin calls on margin accounts and cash held on collateral can only be made to counterparties in Australian Dollars, the balances are disclosed separately in the currency exposure tables and are aggregated in the Statements of Financial Position.

3 Financial Risk Management (continued)

(a) Market Risk (continued)

(ii) Foreign Exchange Risk (continued)

30 June 2021	BlackRock Tactical Growth Fund						
	United States Dollar A\$'000	European Euro A\$'000	British Pound A\$'000	Japanese Yen A\$'000	Australian Dollar A\$'000	Other Currencies A\$'000	Total A\$'000
Assets							
Cash and cash equivalents	104	-	40	45	3,656	22	3,867
Financial assets held at fair value through profit or loss*	195,712	-	-	-	276,973	9	472,694
Cash held on collateral**	2,734	96	-	-	9,518	-	12,348
Receivables	14,360	-	-	-	28,530	-	42,890
Total assets	212,910	96	40	45	318,677	31	531,799
Liabilities							
Financial liabilities held at fair value through profit or loss*	5,413	583	59	51	1,338	-	7,444
Cash held on collateral**	-	-	6	6	-	15	27
Distribution payable	-	-	-	-	61,738	-	61,738
Payables	-	-	-	-	1,206	-	1,206
Total liabilities (excluding net assets attributable to unitholders)	5,413	583	65	57	64,282	15	70,415
Net assets attributable to unitholders - liability	207,497	(487)	(25)	(12)	254,395	16	461,384
Increase/(decrease) in exposure from currency derivatives	(105,018)	9,744	7	(1,159)	96,455	(29)	-
Total foreign currency exposure	102,479	9,257	(18)	(1,171)	350,850	(13)	461,384

* Includes unit trust holdings.

* Includes derivatives, forward foreign exchange contracts which have been classified as Australian Dollar exposure in the above analysis.

** Where margin calls on margin accounts and cash held on collateral can only be made to counterparties in Australian Dollars, the balances are disclosed separately in the currency exposure tables and are aggregated in the Statements of Financial Position.

3 Financial Risk Management (continued)

(a) Market Risk (continued)

(ii) Foreign Exchange Risk (continued)

	BlackRock Tactical Growth Fund						
	United States Dollar A\$'000	European Euro A\$'000	British Pound A\$'000	Japanese Yen A\$'000	Australian Dollar A\$'000	Other Currencies A\$'000	Total A\$'000
30 June 2020							
Assets							
Cash and cash equivalents	273	9	1	12	20	24	339
Financial assets held at fair value through profit or loss*	120,796	317	-	-	328,131	5	449,249
Cash held on collateral**	726	58	31	42	7,141	-	7,998
Receivables	2,908	-	-	-	20,446	-	23,354
Total assets	124,703	384	32	54	355,738	29	480,940
Liabilities							
Financial liabilities held at fair value through profit or loss*	1,498	305	31	42	3,091	-	4,967
Cash held on collateral**	-	-	-	-	-	3	3
Distribution payable	-	-	-	-	31,675	-	31,675
Payables	-	-	-	-	1,385	-	1,385
Total liabilities	1,498	305	31	42	36,151	3	38,030
Net assets attributable to unitholders	123,205	79	1	12	319,587	26	442,910
Increase/(decrease) in exposure from currency derivatives	(71,493)	12,941	(284)	2,343	54,061	2,432	-
Total foreign currency exposure	51,712	13,020	(283)	2,355	373,648	2,458	442,910

* Includes unit trust holdings.

* Includes derivatives, forward foreign exchange contracts which have been classified as Australian Dollar exposure in the above analysis.

** Where margin calls on margin accounts and cash held on collateral can only be made to counterparties in Australian Dollars, the balances are disclosed separately in the currency exposure tables and are aggregated in the Statements of Financial Position.

3 Financial Risk Management (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk

BlackRock Wholesale Australian Share Fund, BlackRock Tactical Growth Fund and BlackRock Wholesale International Bond Fund.

The majority of the Funds' financial assets and liabilities are non-interest bearing. As a result, the Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of markets interest rates.

The Funds' exposure to cash flow interest rate risk is limited to their cash and cash equivalents and cash held on collateral accounts, which are floating rate interest bearing investments. As at 30 June 2021 the total investment in cash and margin accounts of the Funds is set out in the following table:

	30 June 2021 \$'000	30 June 2020 \$'000
BlackRock Wholesale Australian Share Fund	117	90
BlackRock Tactical Growth Fund	16,188	8,334
BlackRock Wholesale International Bond Fund	56	104

Interest rate risk is mitigated through ensuring activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

The summarised VaR analysis in Note 3(b) explains how the risk is measured and summarises the potential exposure of the Funds' net assets attributable to unitholders.

The disclosure for the Funds have not been made on a look through basis for investments held indirectly through the underlying fund. The disclosure of interest rate risk may not present the true interest rate risk profile of the Funds where the underlying fund has significant exposure to interest rate risk.

BlackRock Australian Bond Fund

The Fund's interest bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

Interest rate risk is mitigated through ensuring activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

The summarised VaR analysis in Note 3(b) explains how the risk is measured and summarises the potential exposure of the Fund's net assets attributable to unitholders.

The disclosure for the Fund has not been made on a look through basis for investments held indirectly through the underlying fund. The disclosure of interest rate risk may not present the true interest rate risk profile of the Fund where the underlying fund has significant exposure to interest rate risk.

3 Financial Risk Management (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

The following tables summarise the Funds' exposure to interest rate risks. It includes the Funds' assets and liabilities at fair values.

30 June 2021	BlackRock Australian Bond Fund			Total \$'000
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	
Financial assets				
Cash and cash equivalents	29	-	-	29
Financial assets held at fair value through profit or loss				
Futures	8	3	-	11
Options	-	42	-	42
Unlisted equity securities	-	-	19,614	19,614
Interest bearing securities	252	3,949	-	4,201
Cash held on collateral	79	-	-	79
Receivables	-	-	1,522	1,522
Total assets	368	3,994	21,136	25,498
Financial liabilities				
Financial liabilities held at fair value through profit or loss				
Futures	11	5	-	16
Options	-	21	-	21
Distribution payable	-	-	1,254	1,254
Payables	-	-	1,575	1,575
Total liabilities	11	26	2,829	2,866
Buy/(sell) notional exposure to interest rate swaps	(7)	7	-	-
Net assets attributable to unitholders	-	-	22,632	22,632

3 Financial Risk Management (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

30 June 2020	BlackRock Australian Bond Fund			Total \$'000
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	
Financial assets				
Cash and cash equivalents	31	-	-	31
Financial assets held at fair value through profit or loss				
Futures	-	22	-	22
Options	2	-	-	2
Swaps	3	6	25	34
Unlisted equity securities	-	-	42,612	42,612
Interest bearing securities	1,001	14,000	-	15,001
Cash held on collateral	140	-	-	140
Receivables	-	-	4,294	4,294
Total assets	<u>1,177</u>	<u>14,028</u>	<u>46,931</u>	<u>62,136</u>
Financial liabilities				
Financial liabilities held at fair value through profit or loss				
Futures	-	3	-	3
Swaps	-	-	59	59
Distribution payable	-	-	3,899	3,899
Payables	-	-	3,230	3,230
Total liabilities	<u>-</u>	<u>3</u>	<u>7,188</u>	<u>7,191</u>
Buy/(sell) notional exposure to interest rate swaps	<u>(3,400)</u>	<u>3,400</u>	<u>-</u>	<u>-</u>
Net assets attributable to unitholders	<u>-</u>	<u>-</u>	<u>54,945</u>	<u>54,945</u>

The Responsible Entity uses interest rate swaps as part of the overall investment strategy and to manage the Fund within its limits. The gross notional value of these swaps at 30 June 2021 was \$7,652,844 (30 June 2020: \$3,840,000) resulting in an asset at fair value on the Statement of Financial Position of \$87 (30 June 2020: an asset of \$8,987). The Fund can hold a variety of swaps including interest rate swaps. The exposure figures above do not reflect the impact of these swaps.

(b) Summarised VaR Analysis

Value at Risk (VaR) is a risk model used to estimate the potential losses that could occur on the Funds' net asset value position due to movements in interest rates, currency and market prices over a given period and for a specified degree of confidence.

The Responsible Entity uses VaR analysis and/or tracking error estimates to measure and manage risk as these are commonly used and understood models, are easily interpreted and are consistent across different types, asset classes and types of funds. For the purpose of these accounts VaR analysis has been presented. The objective in all cases is to estimate potential losses and manage the downside risk.

3 Financial Risk Management (continued)

(b) Summarised VaR Analysis (continued)

The following tables summarise the outputs of the VaR model in relation to interest rate, currency and price risk exposures. The total VaR figures are not the sum of individual risk components as this does not include correlations between different risk factors.

The Responsible Entity calculates the VaR relative to the Funds' total value. The analysis implies that the Manager can be 95% confident that the value of the portfolio will not decrease by any more than the figures in the table below over the 5 day period from 30 June.

BlackRock Australian Bond Fund				
2021				
2020				
	\$'000 [^]	%	\$'000 [^]	%
Total Portfolio Risk	154	0.68	643	1.17

BlackRock Wholesale Australian Share Fund				
2021				
2020				
	\$'000 [^]	%	\$'000 [^]	%
Total Portfolio Risk	1,032	1.94	4,809	7.42

BlackRock Tactical Growth Fund				
2021				
2020				
	\$'000 [^]	%	\$'000 [^]	%
Total Portfolio Risk	12,365	2.68	16,388	3.70

BlackRock Wholesale International Bond Fund				
2021				
2020				
	\$'000 [^]	%	\$'000 [^]	%
Total Portfolio Risk	210	0.41	1,438	1.69

[^]VaR has been calculated on Net Assets Attributable to Unitholders before rounding.

Detailed information about the models

There are a number of different VaR models used within the Funds Management industry. The Responsible Entity uses one or more of ex-ante and ex-post estimates of portfolio risk and the Monte Carlo simulation model depending on the fund type. Models are calculated using historical data and a covariance matrix where applicable.

The models used by the Responsible Entity have the following features:

- VaR is calculated to a 95 per cent confidence level. VaR at a confidence level identifies the maximum expected loss under that confidence level;
- VaR is calculated for a 5 day holding period. The time horizon of five days is selected to coincide with the period used to analyse the portfolio positions. The risk data is examined in various daily, weekly and monthly forums; and
- The portfolio VaR is not the simple sum of individual asset stand alone VaRs; the correlations among assets in the portfolio are considered.

3 Financial Risk Management (continued)

(b) Summarised VaR Analysis (continued)

Detailed information about the models (continued)

Although VaR is a valuable risk management tool it should be interpreted, as with all predictive models, with consideration to its assumptions and limitations. The main assumptions and limitations are listed below:

- Some models assume certain financial variables are normally distributed: The normality assumption allows the Responsible Entity to scale portfolio risk estimates to the appropriate confidence levels. The normality assumption is derived from statistical analysis for examining sample populations of observations and the implications of not assuming normality would preclude the use of most statistical tools including mainstream commercial models for risk measurement.
- The use of historical returns and correlations between assets would not take into account future potential events: It is a commonly stated and well recognised limitation that past performance is not a reliable indicator of future performance.
- Model risk, in general terms, is a known limitation that includes: the quality or accuracy of the underlying data, where significant events occur within the data, the changing sensitivity of the Funds' assets to external market factors over time, and appreciating that using only one model may be limiting in itself to obtaining the best understanding of a Funds' risk position.

The Responsible Entity acknowledges these limitations and thus compares ex-ante and ex-post risk estimates to review expectations versus actual outcomes. Should ex-post values differ significantly from ex-ante returns, an assessment of the reasons for this will be made.

The Funds' risk is managed with constant review of both performance and risk numbers by the investment professionals within the business. These reviews consist of:

- Weekly meetings between the global members of Risk & Quantitative Analysis (RQA). These meetings include RQA Australia.
- Monthly meetings between RQA and the Fund Managers.
- Monthly meetings between RQA and the Chief Investment Officer.
- Ad hoc presentations to the Investment Risk Management Working Group (IRMWG) to keep IRMWG abreast of RQA processes and latest updates.
- Daily report of performance figures along with a comparison of ex-ante versus ex-post returns sent to RQA London.
- RQA professionals work closely with the Fund Managers every day.

(c) Credit Risk Exposure

Credit risk is the risk that the counterparty will fail to perform contractual obligations, either in whole or in part, when they fall due.

Credit risk primarily arises from the Funds' investment in debt instruments and from trading derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and other receivables. None of these assets are impaired nor past due but not impaired.

Market prices generally incorporate credit risk assessments into valuations and risk of loss is implicitly provided for in the carrying value of financial assets and liabilities as they are marked to market.

(i) Interest Bearing Securities

BlackRock Wholesale Australian Share Fund, BlackRock Tactical Growth Fund and BlackRock Wholesale International Bond Fund

The Funds do not have any direct holding in interest bearing securities. As a result, the Funds may be exposed to other credit risk from cash and cash equivalents, deposits with banks and other financial institutions, amounts due from brokers and other receivables.

3 Financial Risk Management (continued)

(c) Credit Risk Exposure (continued)

(i) Interest Bearing Securities (continued)

BlackRock Australian Bond Fund

The Fund invest in interest bearing securities which have credit ratings as rated by well-known rating agencies. For unrated interest bearing securities a rating is assigned by the Responsible Entity using an approach that is consistent with the approach used by rating agencies.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. None of the financial assets are impaired nor past due but not impaired. An analysis of the directly held interest bearing securities by rating is set out in the table below:

Rating	BlackRock Australian Bond Fund	
	30 June 2021	30 June 2020
	% Portfolio	% Portfolio
AAA	29.56	51.90
AA+	23.67	18.90
AA	8.46	-
A+	-	13.82
A-	4.97	3.12
BBB+	3.01	-
BBB	<u>30.33</u>	<u>12.26</u>
Total	<u><u>100.00</u></u>	<u><u>100.00</u></u>

(ii) Derivatives

All exchange traded derivatives are executed through brokers, and cleared through a clearing broker and approved by the IRMWG. Over the counter derivative transactions are conducted only with approved counterparties, who meet the applicable specific Funds requirements and where trading documentation is in place.

To minimise credit risk, the Funds only transact with counterparties of investment grade quality (BBB- or above as rated by Standard & Poor's). The Responsible Entity has a process in place to assess the creditworthiness of counterparties and assess that the risk is evenly distributed. Matters arising in relation to counterparties are reviewed regularly by the RQA.

(iii) Settlement of Securities Transactions

All transactions are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

(iv) Other Credit Risk

The exposure to credit risk for cash and cash equivalents, deposits with banks and other financial institutions is considered to be minimal due to the high credit rating of the relevant financial institution. VaR analysis is also used to manage and measure the credit risk of the Funds.

The Funds are not materially exposed to credit risk on other financial assets.

The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents, other financial assets and collateral held and pledged. As at 30 June 2021, the BlackRock Australian Bond Fund held collateral of \$79,467 (30 June 2020: \$139,624) and the BlackRock Tactical Growth Fund held collateral of \$12,321,138 (30 June 2020: \$7,995,037). None of these assets are impaired nor past due but not impaired.

The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents and other financial assets. None of these assets are impaired nor past due but not impaired.

3 Financial Risk Management (continued)

(c) Credit Risk Exposure (continued)

(iv) Other Credit Risk (continued)

The clearing and depository operations for the Funds' security transactions are mainly concentrated with one counterparty, namely JP Morgan Chase Bank NA ("J.P. Morgan"). J.P. Morgan is a member of a major securities exchange, and at 30 June 2021 had a credit rating of A-1 (30 June 2020: A-1). At 30 June 2021, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by J.P. Morgan.

(d) Liquidity and Cash Flow Risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Statements of Financial Position are presented on a liquidity basis and disclosed in Note 2(a).

The Funds are exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives. The liquidity risks associated with the need to satisfy unitholders' requests for redemptions are mitigated by maintaining adequate liquidity to satisfy usual redemption volumes and restricting the investment activities of the Funds to securities that are actively traded and highly liquid. The Funds also maintain continuous monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Responsible Entity considers and maintains the liquidity of the Funds, in the context of the investment objectives and liquidity requirements of the Funds. Operational procedures are in place to review margin requirements on futures contracts. IRMWG reviews liquidity reports to ensure the Funds have sufficient liquidity to pay client redemptions and meet margin calls as required.

The following tables analyse the Funds' financial liabilities and derivative financial instruments (as appropriate) into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the tables are contractual undiscounted cash flows.

BlackRock Australian Bond Fund

At 30 June 2021	Less than 1 month \$'000	1 - 3 months \$'000	3 - 6 months \$'000	6 - 12 months \$'000	1-3 years \$'000	3+ years \$'000	Total \$'000
Liabilities							
Financial liabilities held at fair value through profit or loss							
Inflows	142	-	-	-	18	-	160
Outflows	(142)	(22)	-	(4)	(29)	-	(197)
Distribution payable	(1,254)	-	-	-	-	-	(1,254)
Payables	(1,575)	-	-	-	-	-	(1,575)
Total liabilities	(2,829)	(22)	-	(4)	(11)	-	(2,866)

BlackRock Australian Bond Fund

At 30 June 2020	Less than 1 month \$'000	1 - 3 months \$'000	3 - 6 months \$'000	6 - 12 months \$'000	1-3 years \$'000	3+ years \$'000	Total \$'000
Liabilities							
Financial liabilities held at fair value through profit or loss							
Inflows	-	310	-	-	1,003	1,452	2,765
Outflows	-	(313)	-	-	(1,019)	(1,452)	(2,827)
Distribution payable	(3,899)	-	-	-	-	-	(3,899)
Payables	(3,230)	-	-	-	-	-	(3,230)
Total liabilities	(7,129)	(3)	-	-	(16)	(43)	(7,191)

3 Financial Risk Management (continued)

(d) Liquidity and Cash Flow Risk (continued)

The Responsible Entity uses index swaps as part of the overall investment strategy and to manage the Fund within its limits. The gross notional value of these swaps at 30 June 2021 was Nil (30 June 2020: \$3,762,872) resulting in an asset/a liability at fair value on the Statement of Financial Position of Nil (30 June 2020: a liability of \$33,472).

BlackRock Wholesale Australian Share Fund

At 30 June 2021	Less than 1 month \$'000	1 - 3 months \$'000	3 - 6 months \$'000	6 - 12 months \$'000	1-3 years \$'000	3+ years \$'000	Total \$'000
Liabilities							
Distribution payable	(9,945)	-	-	-	-	-	(9,945)
Payables	<u>(80)</u>	<u>(49)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(129)</u>
Total liabilities	<u><u>(10,025)</u></u>	<u><u>(49)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(10,074)</u></u>

BlackRock Wholesale Australian Share Fund

At 30 June 2020	Less than 1 month \$'000	1 - 3 months \$'000	3 - 6 months \$'000	6 - 12 months \$'000	1-3 years \$'000	3+ years \$'000	Total \$'000
Liabilities							
Distribution payable	(213)	-	-	-	-	-	(213)
Payables	<u>(628)</u>	<u>(52)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(680)</u>
Total liabilities	<u><u>(841)</u></u>	<u><u>(52)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(893)</u></u>

BlackRock Tactical Growth Fund

At 30 June 2021	Less than 1 month \$'000	1 - 3 months \$'000	3 - 6 months \$'000	6 - 12 months \$'000	1-3 years \$'000	3+ years \$'000	Total \$'000
Liabilities							
Financial liabilities held at fair value through profit or loss							
Inflows	128,355	23,991	-	43,290	-	29,304	224,940
Outflows	(130,050)	(28,577)	-	(43,701)	-	(30,056)	(232,384)
Distribution payable	(61,738)	-	-	-	-	-	(61,738)
Payables	(885)	(321)	-	-	-	-	(1,206)
Net assets attributable to unitholders*	<u>(461,384)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(461,384)</u>
Total liabilities	<u><u>525,702</u></u>	<u><u>(4,907)</u></u>	<u><u>-</u></u>	<u><u>(411)</u></u>	<u><u>-</u></u>	<u><u>(752)</u></u>	<u><u>(531,772)</u></u>

* Effective from 31 May 2021, BlackRock Tactical Growth Fund has been reclassified from a single class to a multi-class fund. Refer to Note 2(d) for further details.

3 Financial Risk Management (continued)

(d) Liquidity and Cash Flow Risk (continued)

BlackRock Tactical Growth Fund							
At 30 June 2020	Less than 1 month \$'000	1 - 3 months \$'000	3 - 6 months \$'000	6 - 12 months \$'000	1-3 years \$'000	3+ years \$'000	Total \$'000
Liabilities							
Financial liabilities held at fair value through profit or loss							
Inflows	220	32,232	-	-	47,204	31,954	111,610
Outflows	(221)	(34,274)	(1,726)	-	(48,021)	(32,335)	(116,577)
Distribution payable	(31,675)	-	-	-	-	-	(31,675)
Payables	<u>(1,052)</u>	<u>(333)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,385)</u>
Total liabilities	<u>(32,728)</u>	<u>(2,375)</u>	<u>(1,726)</u>	<u>-</u>	<u>(817)</u>	<u>(381)</u>	<u>(38,027)</u>

The Responsible Entity uses credit default index swaps as part of the overall investment strategy and to manage the Fund within its limits. The gross notional value of these swaps at 30 June 2021 was \$29,304,029 (30 June 2020: \$31,953,522) resulting in a liability at fair value on the Statement of Financial Position of \$752,316 (30 June 2020: a liability of \$381,461).

The Responsible Entity uses credit default swaps as part of the overall investment strategy and to manage the Fund within its limits. The gross notional value of these swaps at 30 June 2021 was \$43,290,043 (30 June 2020: \$47,204,067) resulting in a liability at fair value on the Statement of Financial Position of \$410,622 (30 June 2020: a liability of \$816,305).

The Responsible Entity uses total return swaps as part of the overall investment strategy and to manage the Fund within its limits. The gross notional value of these swaps at 30 June 2021 was \$104,200,957 (30 June 2020: \$128,025,531) resulting in an asset at fair value on the Statement of Financial Position of \$626,737 (30 June 2020: a liability of \$1,337,529).

BlackRock Wholesale International Bond Fund

At 30 June 2021	Less than 1 month \$'000	1 - 3 months \$'000	3 - 6 months \$'000	6 - 12 months \$'000	1-3 years \$'000	3+ years \$'000	Total \$'000
Liabilities							
Distribution payable	(6,526)	-	-	-	-	-	(6,526)
Payables	<u>(35)</u>	<u>(27)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62)</u>
Total liabilities	<u>(6,561)</u>	<u>(27)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,588)</u>

BlackRock Wholesale International Bond Fund

At 30 June 2020	Less than 1 month \$'000	1 - 3 months \$'000	3 - 6 months \$'000	6 - 12 months \$'000	1-3 years \$'000	3+ years \$'000	Total \$'000
Liabilities							
Distribution payable	(9,799)	-	-	-	-	-	(9,799)
Payables	<u>(235)</u>	<u>(44)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(279)</u>
Total liabilities	<u>(10,034)</u>	<u>(44)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,078)</u>

3 Financial Risk Management (continued)

(e) Fair Values of Financial Assets and Liabilities

The carrying amounts of the Funds' assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statements of Profit or Loss and Other Comprehensive Income.

The carrying value of other receivables (less impairment provision) and payables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Funds for similar financial instruments.

(i) Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their last traded prices at the end of the reporting period without any deduction for estimated future selling costs.

The Funds value their investments in accordance with the accounting policies set out in Note 2(b). For the majority of their investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

The quoted market price used for financial assets and financial liabilities held by the Funds is the last traded market price. Where the last traded price does not fall within the bid-ask spread, an assessment is performed by the Responsible Entity to determine the appropriate valuation price to use that is most representative of fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Funds would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward foreign exchange contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Investments in other unlisted unit trusts are recorded at the net asset value per unit as reported by the Responsible Entity of such funds.

(f) Fair Value Hierarchy

The Funds classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 Financial Risk Management (continued)

(f) Fair Value Hierarchy (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables present the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2021 and 30 June 2020.

	BlackRock Australian Bond Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2021				
Financial assets				
Futures	11	-	-	11
Options	-	42	-	42
Swaps	-	-	-	-
Units in related schemes	-	19,614	-	19,614
Interest bearing securities	-	4,201	-	4,201
Total	11	23,857	-	23,868
Financial liabilities				
Futures	16	-	-	16
Options	-	21	-	21
Swaps	-	-	-	-
Total	16	21	-	37

	BlackRock Australian Bond Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2020				
Financial assets				
Futures	22	-	-	22
Options	-	2	-	2
Swaps	-	34	-	34
Units in related schemes	-	42,612	-	42,612
Interest bearing securities	-	15,001	-	15,001
Total	22	57,649	-	57,671
Financial liabilities				
Futures	3	-	-	3
Swaps	-	59	-	59
Total	3	59	-	62

3 Financial Risk Management (continued)

(f) Fair Value Hierarchy (continued)

BlackRock Wholesale Australian Share Fund				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
As at 30 June 2021				
Financial assets				
Units in related schemes	-	47,822	-	47,822
Total	<u>-</u>	<u>47,822</u>	<u>-</u>	<u>47,822</u>

BlackRock Wholesale Australian Share Fund				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
As at 30 June 2020				
Financial assets				
Units in related schemes	-	64,085	-	64,085
Total	<u>-</u>	<u>64,085</u>	<u>-</u>	<u>64,085</u>

BlackRock Tactical Growth Fund				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
As at 30 June 2021				
Financial assets				
Futures	268	-	-	268
Forward foreign exchange contracts	-	448	-	448
Options	-	508	-	508
Swaps	-	1,812	-	1,812
Units in related schemes	<u>57,321</u>	<u>412,337</u>	<u>-</u>	<u>469,658</u>
Total	<u>57,589</u>	<u>415,105</u>	<u>-</u>	<u>472,694</u>
Financial liabilities				
Futures	2,645	-	-	2,645
Forward foreign exchange contracts	-	2,049	-	2,049
Options	-	402	-	402
Swaps	<u>-</u>	<u>2,348</u>	<u>-</u>	<u>2,348</u>
Total	<u>2,645</u>	<u>4,799</u>	<u>-</u>	<u>7,444</u>

3 Financial Risk Management (continued)

(f) Fair Value Hierarchy (continued)

	BlackRock Tactical Growth Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2020				
Financial assets				
Futures	447	-	-	447
Forward foreign exchange contracts	-	211	-	211
Options	-	1,712	-	1,712
Units in related schemes	<u>13,749</u>	<u>433,130</u>	<u>-</u>	<u>446,879</u>
Total	<u><u>14,196</u></u>	<u><u>435,053</u></u>	<u><u>-</u></u>	<u><u>449,249</u></u>
Financial liabilities				
Futures	444	-	-	444
Forward foreign exchange contracts	-	262	-	262
Options	-	1,726	-	1,726
Swaps	<u>-</u>	<u>2,535</u>	<u>-</u>	<u>2,535</u>
Total	<u><u>444</u></u>	<u><u>4,523</u></u>	<u><u>-</u></u>	<u><u>4,967</u></u>

	BlackRock Wholesale International Bond Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2021				
Financial assets				
Units in related schemes	<u>-</u>	<u>51,081</u>	<u>-</u>	<u>51,081</u>
Total	<u><u>-</u></u>	<u><u>51,081</u></u>	<u><u>-</u></u>	<u><u>51,081</u></u>

	BlackRock Wholesale International Bond Fund			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 30 June 2020				
Financial assets				
Units in related schemes	<u>-</u>	<u>84,454</u>	<u>-</u>	<u>84,454</u>
Total	<u><u>-</u></u>	<u><u>84,454</u></u>	<u><u>-</u></u>	<u><u>84,454</u></u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, trusts, exchange traded derivatives and money market securities.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment grade corporate bonds, certain listed equities, certain unlisted unit trusts, and over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified as level 2 are money market securities, debt and derivative instruments and units in related schemes. The fair value of debt and derivative instruments is derived from industry standard valuation models with published or observable market data. The fair value of the units held in related schemes is determined by the unit price released as at the reporting date by the Responsible Entity for the related schemes.

The Funds' assets and liabilities not measured at fair value on a recurring basis (but fair value disclosures are required) at 30 June 2021 and 30 June 2020 have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the end of the reporting date.

3 Financial Risk Management (continued)

(f) Fair Value Hierarchy (continued)

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. As observable prices are not available for these securities, the Responsible Entity has used valuation techniques to derive fair value.

The Funds did not hold any level 3 instruments during the year ended 30 June 2021 and 30 June 2020.

There were no transfers between levels for recurring fair value measurements during the year ended 30 June 2021 in BlackRock Australian Bond Fund, BlackRock Wholesale Australian Share Fund and BlackRock Wholesale International Bond Fund (2020: Nil).

BlackRock Tactical Growth Fund

The following table present the transfers between levels:

At 30 June 2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between levels 2 and 3:			
Unlisted equity securities	-	36,556	(36,556)

Transfer from level 3 to level 2 were due to unlisted equity securities being priced frequently.

There were no transfers between levels for recurring fair value measurements during the year ended 30 June 2021.

The Fund did not hold any level 3 instruments during the year ended 30 June 2021.

The following table presents the movement in level 3 instruments for the year ended 30 June 2020 by class of financial instrument.

BlackRock Tactical Growth Fund

30 June 2020	Equity securities \$'000
Opening balance	41,493
Purchases	6,765
Sales	(10,376)
Gains/(losses) recognised in the Statement of Profit or Loss and Other Comprehensive Income	(1,326)
Transfers out of Level 3	<u>(36,556)</u>
Closing balance	<u>-</u>
Total unrealised gains/(losses) for the year included in the Statement of Profit or Loss and Other Comprehensive Income for financial assets and liabilities held at the end of the year	<u>-</u>

(g) Offsetting Financial Assets and Financial Liabilities

Financial assets and liabilities are reported on a gross basis in the Statements of Financial Position. BlackRock Wholesale International Fund and BlackRock Wholesale Australian Share Fund did not hold any derivative instruments during the year ended 30 June 2021 (30 June 2020: Nil).

BlackRock Australian Bond Fund and BlackRock Tactical Growth Fund do not intend to make payments with each counterparty on a net basis therefore the gross amounts below are shown in their Statements of Financial Position. The gross and net positions of financial assets and liabilities are disclosed in the following tables:

3 Financial Risk Management (continued)

(g) Offsetting Financial Assets and Financial Liabilities (continued)

BlackRock Australian Bond Fund

Gross amounts not offset on the Statement of Financial Position					
30 June 2021	Gross amount of financial instruments presented in the Statement of Financial Position \$'000	Amounts subject to master netting arrangements \$'000	Net amount excluding collateral \$'000	Cash collateral received/posted \$'000	Net amount \$'000
Financial assets					
Derivatives	53	17	36	-	36
Total	53	17	36	-	36
Financial liabilities					
Derivatives	37	17	20	20	-
Total	37	17	20	20	-

BlackRock Australian Bond Fund

Gross amounts not offset on the Statement of Financial Position					
30 June 2020	Gross amount of financial instruments presented in the Statement of Financial Position \$'000	Amounts subject to master netting arrangements \$'000	Net amount excluding collateral \$'000	Cash collateral received/posted \$'000	Net amount \$'000
Financial assets					
Derivatives	58	-	58	(27)	31
Total	58	-	58	(27)	31
Financial liabilities					
Derivatives	62	-	62	62	-
Total	62	-	62	62	-

3 Financial Risk Management (continued)

(g) Offsetting Financial Assets and Financial Liabilities (continued)

BlackRock Tactical Growth Fund

Gross amounts not offset on the Statement of Financial Position					
30 June 2021	Gross amount of financial instruments presented in the Statement of Financial Position \$'000	Amounts subject to master netting arrangements \$'000	Net amount excluding collateral \$'000	Cash collateral received/posted \$'000	Net amount \$'000
Financial assets					
Derivatives	<u>3,036</u>	<u>410</u>	<u>2,627</u>	<u>(1,405)</u>	<u>1,222</u>
Total	<u>3,036</u>	<u>410</u>	<u>2,627</u>	<u>1,405</u>	<u>1,222</u>
Financial liabilities					
Derivatives	<u>7,444</u>	<u>410</u>	<u>7,034</u>	<u>7,034</u>	<u>-</u>
Total	<u>7,444</u>	<u>410</u>	<u>7,034</u>	<u>7,034</u>	<u>-</u>

BlackRock Tactical Growth Fund

Gross amounts not offset on the Statement of Financial Position					
30 June 2020	Gross amount of financial instruments presented in the Statement of Financial Position \$'000	Amounts subject to master netting arrangements \$'000	Net amount excluding collateral \$'000	Cash collateral received/posted \$'000	Net amount \$'000
Financial assets					
Derivatives	<u>2,370</u>	<u>119</u>	<u>2,251</u>	<u>(573)</u>	<u>1,678</u>
Total	<u>2,370</u>	<u>119</u>	<u>2,251</u>	<u>(573)</u>	<u>1,678</u>
Financial liabilities					
Derivatives	<u>4,967</u>	<u>119</u>	<u>4,848</u>	<u>4,848</u>	<u>-</u>
Total	<u>4,967</u>	<u>119</u>	<u>4,848</u>	<u>4,848</u>	<u>-</u>

Agreements with the derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, if on any date amounts would otherwise be payable in the same currency and in respect to the same transaction with the counterparty, the obligation may be automatically satisfied and discharged if the party with the larger aggregate amount pays to the other party the excess of the larger aggregate amount over the smaller aggregate amount. In the event of default, the aggregation into a net position owing/receivable to a single counterparty is subject to the terms of the arrangements and the insolvency laws of the relevant jurisdiction of the party in default.

3 Financial Risk Management (continued)

(h) COVID-19 Impact

An outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 has developed into a global pandemic. The impact of COVID-19 has adversely affected the economies of many nations across the entire global economy, individual issuers and capital markets, and could continue to extents that cannot necessarily be foreseen.

The Responsible Entity has assessed the impact of COVID-19 in preparing the financial statements. As at the reporting date, the carrying value of financial assets and liabilities held at fair value through profit or loss have an appropriate consideration of market conditions as at reporting date on the inputs to valuations, the classification in the fair value hierarchy and credit and liquidity concerns. There has been no impact on other assets and liabilities nor on the going concern ability of the Funds.

The nature of COVID-19 may impact future estimates and outcomes applied to the measuring of the Funds financial performance and position. The impact of events that arise after the reporting period will be accounted for in future reporting periods.

4 Net Gains/(Losses) on Financial Instruments Held at Fair Value Through Profit or Loss

The net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	BlackRock Australian Bond Fund		BlackRock Wholesale Australian Share Fund	
	Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss (including any FX gains/(losses))	<u>(105)</u>	<u>956</u>	<u>6,807</u>	<u>(6,867)</u>
	<u><u>(105)</u></u>	<u><u>956</u></u>	<u><u>6,807</u></u>	<u><u>(6,867)</u></u>
	BlackRock Tactical Growth Fund		BlackRock Wholesale International Bond Fund	
	Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss (including any FX gains/(losses))	<u>83,595</u>	<u>(7,681)</u>	<u>(5,411)</u>	<u>(5,553)</u>
	<u><u>83,595</u></u>	<u><u>(7,681)</u></u>	<u><u>(5,411)</u></u>	<u><u>(5,553)</u></u>

5 Distributions to Unitholders

The distributions during the year were as follows:

BlackRock Australian Bond Fund				
Year ended				
	30 June 2021		30 June 2020	
	\$'000	CPU	\$'000	CPU
Distributions paid - 30 September	150	0.24	317	0.49
Distributions paid - 31 December	20	0.07	387	0.59
Distributions paid - 31 March	82	0.29	374	0.61
Distributions payable - 30 June	<u>1,254</u>	4.90	<u>3,899</u>	6.67
	<u>1,506</u>		<u>4,977</u>	

BlackRock Wholesale Australian Share Fund				
Year ended				
	30 June 2021		30 June 2020	
	\$'000	CPU	\$'000	CPU
Distributions paid - 30 September	-	-	23	0.03
Distributions paid - 31 December	107	0.22	446	0.72
Distributions payable - 30 June	<u>9,945</u>	21.90	<u>213</u>	0.37
	<u>10,052</u>		<u>682</u>	

BlackRock Tactical Growth Fund - Class D				
Year ended				
	30 June 2021		30 June 2020	
	\$'000	CPU	\$'000	CPU
Distributions paid - 31 December	-	-	460	0.15
Distributions payable - 30 June	<u>54,571</u>	22.29	<u>31,675</u>	11.24
	<u>54,571</u>		<u>32,135</u>	

BlackRock Tactical Growth Fund - Class E				
Year ended				
	30 June 2021		30 June 2020	
	\$'000	CPU	\$'000	CPU
Distributions payable - 30 June	<u>4,755</u>	<u>22.35</u>	-	-
	<u>4,755</u>	<u>22.35</u>	-	-

5 Distributions to Unitholders (continued)

	BlackRock Tactical Growth Fund - Class X			
	Year ended			
	30 June 2021		30 June 2020	
	\$'000	CPU	\$'000	CPU
Distributions payable - 30 June	<u>2,412</u>	<u>22.36</u>	-	-
	<u>2,412</u>	<u>22.36</u>	-	-

	BlackRock Wholesale International Bond Fund			
	Year ended			
	30 June 2021		30 June 2020	
	\$'000	CPU	\$'000	CPU
Distributions paid - 31 March	562	0.90	-	-
Distributions payable - 30 June	<u>6,526</u>	11.60	<u>9,799</u>	11.68
	<u>7,088</u>		<u>9,799</u>	

6 Net Assets Attributable to Unitholders

BlackRock Australian Bond Fund, BlackRock Wholesale Australian Share Fund and BlackRock Wholesale International Bond Fund

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Funds shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions. Refer to Note 2(d) for further details.

The Funds meet the criteria set out under AASB 132 and net assets attributable to unitholders is classified as equity. Refer to Note 2(d) for further details.

As stipulated within the Funds' Constitutions, each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Funds.

BlackRock Tactical Growth Fund

Effective from 31 May 2021 the Fund has been reclassified from single class to a multi-class and Fund's units have been classified as liability as they do not satisfy all the above criteria. In 2020, the Fund's units had been classified as equity as they satisfied all criteria set out under AASB 132. Refer to Note 2(d) for further details.

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. All units and unit classes have the same rights and restrictions as provided in the Fund's Constitution. The difference between unit classes relates to the obligation to pay fees to the Manager. The fee rate varies from unit class to unit class.

6 Net Assets Attributable to Unitholders (continued)

Movement in number of units and net assets attributable to unitholders during the year were as follows:

	BlackRock Australian Bond Fund			
	30 June 2021 No.'000	30 June 2020 No.'000	30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	58,423	63,909	54,945	60,727
Profit/(loss) for the year	-	-	581	4,713
Applications	2,334	2,673	2,151	2,580
Redemptions	(39,593)	(10,936)	(37,690)	(10,746)
Units issued upon reinvestment of distributions	4,413	2,777	4,151	2,648
Distributions paid and payable	-	-	(1,506)	(4,977)
Closing balance	<u>25,577</u>	<u>58,423</u>	<u>22,632</u>	<u>54,945</u>

	BlackRock Wholesale Australian Share Fund			
	30 June 2021 No.'000	30 June 2020 No.'000	30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	58,275	64,338	64,807	78,395
Profit/(loss) for the year	-	-	14,038	(5,925)
Applications	629	3,673	779	4,501
Redemptions	(13,522)	(10,230)	(16,417)	(12,085)
Units issued upon reinvestment of distributions	26	494	30	603
Distributions paid and payable	-	-	(10,052)	(682)
Closing balance	<u>45,408</u>	<u>58,275</u>	<u>53,185</u>	<u>64,807</u>

	BlackRock Tactical Growth Fund - Class D			
	30 June 2021 No.'000	30 June 2020 No.'000	30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	281,720	295,368	442,910	496,620
Profit/(loss) for the year	-	-	-	1,928
Applications	67,125	31,834	113,898	54,303
Redemptions	(110,260)	(54,645)	(196,418)	(93,217)
Units issued upon reinvestment of distributions	6,248	9,163	9,822	15,411
Distributions paid and payable	-	-	-	(32,135)
Increase/(decrease) in net assets attributable to unitholders*	-	-	37,820	-
Closing balance	<u>244,833</u>	<u>281,720</u>	<u>408,032</u>	<u>442,910</u>

6 Net Assets Attributable to Unitholders (continued)

	BlackRock Tactical Growth Fund - Class E			
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	No.'000	No.'000	\$'000	\$'000
Opening balance	-	-	-	-
Applications	21,747	-	40,405	-
Redemptions	(472)	-	(886)	-
Increase/(decrease) in net assets attributable to unitholders*	-	-	(4,116)	-
Closing balance	21,275	-	35,403	-

	BlackRock Tactical Growth Fund - Class X			
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	No.'000	No.'000	\$'000	\$'000
Opening balance	-	-	-	-
Applications	10,936	-	20,317	-
Redemptions	(149)	-	(279)	-
Increase/(decrease) in net assets attributable to unitholders*	-	-	(2,089)	-
Closing balance	10,787	-	17,949	-

	BlackRock Wholesale International Bond Fund			
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	No.'000	No.'000	\$'000	\$'000
Opening balance	83,861	103,264	85,068	112,036
Profit/(loss) for the year	-	-	1,677	4,246
Applications	5,599	9,493	5,781	10,513
Redemptions	(41,064)	(29,158)	(42,254)	(32,213)
Units issued upon reinvestment of distributions	7,877	262	7,991	285
Distributions paid and payable	-	-	(7,088)	(9,799)
Closing balance	56,273	83,861	51,175	85,068

* Effective from 31 May 2021, BlackRock Tactical Growth Fund has been reclassified from a single class to a multi-class fund. Refer to Note 2(d) for further details.

6 Net Assets Attributable to Unitholders (continued)

Capital Risk Management

BlackRock Australian Bond Fund, BlackRock Wholesale Australian Share Fund and BlackRock Wholesale International Bond Fund

The Funds manage their net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders.

The Funds monitor the level of daily applications and redemptions relative to the liquid assets in the Funds. As of 30 June 2021 the capital of the Funds are represented in the net assets attributable to unitholders table.

In the event of a significant redemption, the Funds' Constitutions allow the delay of payment beyond the usual redemption timeframe but no later than the maximum number of days specified in the Constitution for satisfying redemption requests. Further, in certain circumstances such as disrupted markets, the Constitution allow payment to be delayed beyond the maximum number of days.

BlackRock Tactical Growth Fund

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

7 Financial Assets Held at Fair Value Through Profit or Loss

	BlackRock Australian Bond Fund		BlackRock Wholesale Australian Share Fund	
	As at		As at	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Futures	11	22	-	-
Forward foreign exchange contracts	-	-	-	-
Options	42	2	-	-
Swaps	-	34	-	-
Units in related schemes	19,614	42,612	47,822	64,085
Interest bearing securities	<u>4,201</u>	<u>15,001</u>	<u>-</u>	<u>-</u>
Total financial assets held at fair value through profit or loss	<u>23,868</u>	<u>57,671</u>	<u>47,822</u>	<u>64,085</u>
	BlackRock Tactical Growth Fund		BlackRock Wholesale International Bond Fund	
	As at		As at	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Futures	268	447	-	-
Forward foreign exchange contracts	448	211	-	-
Options	508	1,712	-	-
Swaps	1,812	-	-	-
Units in related schemes	469,658	446,879	51,081	84,454
Interest bearing securities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financial assets held at fair value through profit or loss	<u>472,694</u>	<u>449,249</u>	<u>51,081</u>	<u>84,454</u>

An overview of the risk exposures relating to financial assets held at fair value through profit or loss is included in Note 3.

8 Receivables

	BlackRock Australian Bond Fund		BlackRock Wholesale Australian Share Fund	
	As at		As at	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000
Settlements receivable	1,217	3,273	7,995	730
Applications receivable	-	-	7	4
Distributions from related schemes receivable	304	1,019	7,306	764
Fee rebates from related schemes receivable	1	2	2	2
Other receivables	-	-	10	25
Total	<u>1,522</u>	<u>4,294</u>	<u>15,320</u>	<u>1,525</u>

	BlackRock Tactical Growth Fund		BlackRock Wholesale International Bond Fund	
	As at		As at	
	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000
Settlements receivable	31,209	13,898	7	156
Applications receivable	80	26	1	22
Distributions from related schemes receivable	11,548	9,318	6,611	10,388
Fee rebates from related schemes receivable	26	15	-	-
Other receivables	27	97	7	22
Total	<u>42,890</u>	<u>23,354</u>	<u>6,626</u>	<u>10,588</u>

There are no past due (not impaired) or expected credit losses included in the above receivables as at 30 June 2021 (30 June 2020: Nil).

9 Financial Liabilities Held at Fair Value Through Profit or Loss

	BlackRock Australian Bond Fund		BlackRock Tactical Growth Fund	
	As at		As at	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Futures	16	3	2,645	444
Forward foreign exchange contracts	-	-	2,049	262
Options	21	-	402	1,726
Swaps	-	59	2,348	2,535
Total financial liabilities held at fair value through profit or loss	<u>37</u>	<u>62</u>	<u>7,444</u>	<u>4,967</u>

An overview of the risk exposures relating to financial liabilities held at fair value through profit or loss is included in Note 3.

10 Payables

	BlackRock Australian Bond Fund		BlackRock Wholesale Australian Share Fund	
	As at		As at	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Redemptions payable	1,575	3,230	30	578
Management fees payable	-	-	99	102
Total	<u>1,575</u>	<u>3,230</u>	<u>129</u>	<u>680</u>

	BlackRock Tactical Growth Fund		BlackRock Wholesale International Bond Fund	
	As at		As at	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Redemptions payable	493	719	7	188
Management fees payable	713	666	55	91
Total	<u>1,206</u>	<u>1,385</u>	<u>62</u>	<u>279</u>

11 Related Party Transactions

Responsible Entity

The Responsible Entity of the BlackRock Wholesale Funds is BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975, AFSL 230523) whose ultimate holding company is BlackRock, Inc.

BlackRock Investment Management (Australia) Limited is incorporated in Australia and BlackRock, Inc. is incorporated in the United States of America.

Key management personnel

Directors

Key management personnel include persons who were directors of the Responsible Entity at any time during the financial year as follows:

Director	Date appointed
M S McCorry	Appointed 2 December 2009
A Telfer	Appointed 12 December 2013
J Collins	Appointed 29 July 2015
A Landman	Appointed 3 February 2020
I Davila	Appointed 5 March 2020

Other key management personnel

No other person had authority and responsibility for planning, directing and controlling the activities of the Funds, directly or indirectly during the financial year (30 June 2020: Nil).

11 Related Party Transactions (continued)

Key management personnel unitholdings

At 30 June 2021 no key management personnel held units in the Funds (30 June 2020: Nil).

Key management personnel compensation

Key management personnel are paid by the Responsible Entity. Payments made from the Funds to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Funds have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Responsible Entity's fees and other transactions

In accordance with the Funds' Constitutions, the Responsible Entity was entitled to receive fees for the provision of services to the Funds.

	Management fees	Fee rebates from related schemes
	\$	\$
At 30 June 2021		
BlackRock Australian Bond Fund	-	11,484
BlackRock Wholesale Australian Share Fund	591,189	14,046
BlackRock Tactical Growth Fund		
Class D	3,802,311	115,886
Class E	312,370	9,324
Class X	157,060	4,698
BlackRock Wholesale International Bond Fund	396,326	-
	Management fees	Fee rebates from related schemes
	\$	\$
At 30 June 2020		
BlackRock Australian Bond Fund	-	20,786
BlackRock Wholesale Australian Share Fund	707,558	16,775
BlackRock Tactical Growth Fund		
Class D	4,300,024	99,473
BlackRock Wholesale International Bond Fund	587,265	-

11 Related Party Transactions (continued)

Investments

The Funds held investments in the following schemes which were also managed by the Responsible Entity or its related parties:

BlackRock Australian Bond Fund

30 June 2021	Number of units held at year end Units	Fair value of units held at year end \$	Value of units purchased during the year \$	Value of units sold during the year \$	Interest held at year end %	Distributions received/ receivable during the year \$
BlackRock Enhanced Australian Bond Fund	15,128,592	16,137,200	2,470,280	26,142,063	3.02	679,483
BlackRock Enhanced Cash Fund	53,637	53,440	172	59,769	0.02	143
BlackRock Money Market Fund	3,423,330	3,423,330	13,771,719	12,677,015	3.27	4,104

BlackRock Australian Bond Fund

30 June 2020	Number of units held at year end Units	Fair value of units held at year end \$	Value of units purchased during the year \$	Value of units sold during the year \$	Interest held at year end %	Distributions received/ receivable during the year \$
BlackRock Enhanced Australian Bond Fund	36,331,500	40,170,323	4,071,884	6,894,000	7.87	1,818,340
BlackRock Enhanced Cash Fund	113,465	112,859	19,634	1,600,000	0.06	16,458
BlackRock Money Market Fund	2,328,625	2,328,625	14,039,506	16,016,634	0.09	29,818

BlackRock Wholesale Australian Share Fund

30 June 2021	Number of units held at year end Units	Fair value of units held at year end \$	Value of units purchased during the year \$	Value of units sold during the year \$	Interest held at year end %	Distributions received/ receivable during the year \$
BlackRock Equitised Long Short Fund	32,535,328	18,254,955	68,215	10,481,505	29.34	6,479,574
iShares Wholesale Australian Equity Index Fund	15,915,355	29,567,337	1,268,752	13,924,374	1.00	1,324,910

11 Related Party Transactions (continued)

Investments (continued)

BlackRock Wholesale Australian Share Fund

30 June 2020	Number of units held at year end Units	Fair value of units held at year end \$	Value of units purchased during the year \$	Value of units sold during the year \$	Interest held at year end %	Distributions received/ receivable during the year \$
BlackRock Equitised Long Short Fund	47,506,840	29,142,834	6,595,696	5,388,838	33.53	48,935
iShares Wholesale Australian Equity Index Fund	23,154,753	34,941,772	3,550,483	6,526,603	1.46	1,586,107

BlackRock Tactical Growth Fund

30 June 2021	Number of units held at year end Units	Fair value of units held at year end \$	Value of units purchased during the year \$	Value of units sold during the year \$	Interest held at year end %	Distributions received/ receivable during the year \$
BlackRock Global Allocation Fund (Aust)	-	-	3,669,339	27,685,397	-	-
BlackRock Australian Bond Fund	25,577,226	22,632,086	6,301,738	37,690,470	100.00	1,506,241
BlackRock Enhanced Cash Fund	55,104	54,901	92	-	0.03	80
BlackRock Equitised Long Short Fund	37,710,582	21,158,691	3,665,575	9,285,580	34.01	7,510,252
iShares Wholesale Australian Equity Index Fund	45,167,325	83,911,269	20,578,909	68,423,234	2.83	3,765,456
BlackRock Fixed Income Global Opportunities Fund (Aust)	20,547,344	24,379,670	685,773	-	26.94	218,226
BlackRock Global Listed Infrastructure Fund	17,051,446	23,398,216	6,724,204	7,866,797	44.39	363,229
BlackRock Fixed Income Global Alpha Fund (Dublin)	7,274	35,926,345	3,831,560	-	1.62	-
BlackRock Asian Dragon Fund	338,922	32,237,619	-	4,338,768	1.88	-
BlackRock Money Market Fund	57,157,377	57,157,377	150,743,636	130,543,280	54.53	77,241
BlackRock Style Advantage Fund (Aust)	16,625,891	13,669,924	-	-	42.97	-
BGF Emerging Market Bond Fund	442,494	14,322,472	3,948,413	3,763,600	0.68	-
BGF World Real Estate Fund	1,096,959	23,743,706	3,914,892	9,482,251	9.75	-
iShares UBS Government Inflation ETF Index Fund	215,776	28,611,898	33,977,926	5,510,486	10.72	24,749
BlackRock Global High Yield ESG and Credit Screened FD X ACC	171,551	23,905,194	28,664,244	5,398,511	3.91	-
BGF Emerging Market Fund X2	1,197,415	35,838,718	18,987,057	16,159,750	0.83	-
iShares Tips Bond ETF ETP USD	168,372	28,709,024	36,351,947	7,526,290	0.08	355,889

11 Related Party Transactions (continued)

Investments (continued)

BlackRock Tactical Growth Fund

30 June 2020	Number of units held at year end Units	Fair value of units held at year end \$	Value of units purchased during the year \$	Value of units sold during the year \$	Interest held at year end %	Distributions received/ receivable during the year \$
BlackRock Global Allocation Fund (Aust)	17,146,524	20,992,198	1,606,460	5,066,842	100.00	2,103,600
BlackRock Australian Bond Fund	58,422,178	54,945,065	5,228,312	10,746,381	100.00	4,977,354
BlackRock Enhanced Cash Fund	55,012	54,718	671	-	0.03	585
BlackRock Equitised Long Short Fund	45,215,771	27,737,388	7,709,822	4,549,382	31.92	46,575
iShares Wholesale Australian Equity Index Fund	72,102,131	108,806,009	25,513,346	25,297,423	4.54	4,752,930
BlackRock Fixed Income Global Opportunities Fund (Aust)	19,935,609	22,348,436	932,249	3,952,584	100.00	685,773
BlackRock Global Listed Infrastructure fund	17,635,949	22,420,106	2,566,118	4,857,720	44.56	654,953
BlackRock Fixed Income Global Alpha Fund (Dublin)	6,480	31,663,476	-	10,927,070	1.55	-
BlackRock Asian Dragon Fund	390,697	29,360,412	1,346,909	6,779,154	1.04	-
BlackRock Money Market Fund	36,957,020	36,957,020	214,603,177	199,126,953	1.39	235,638
BlackRock Style Advantage Fund (Aust)	16,625,891	13,784,942	7,137	17,130,850	90.11	-
BGF Emerging Market Bond Fund	434,380	13,615,001	2,072,267	4,176,114	1.32	-
BGF World Real Estate Fund	1,347,689	22,941,048	4,693,089	6,200,358	9.75	-
Global Bond Index Fund	4,392,344	4,571,622	351,663	1,206,181	0.17	-
iShares Core Global Corporate Bond (AUD Hedge) ETF	122,443	13,749,124	1,219,649	3,529,113	4.74	383,430
BGF Emerging Market Fund X2	1,041,480	22,932,230	2,450,530	7,014,123	0.59	-

11 Related Party Transactions (continued)

Investments (continued)

BlackRock Wholesale International Bond Fund

30 June 2021	Number of units held at year end Units	Fair value of units held at year end \$	Value of units purchased during the year \$	Value of units sold during the year \$	Interest held at year end %	Distributions received/ receivable during the year \$
BlackRock Global Diversified Bond Fund	72,896,863	51,080,582	11,813,732	39,776,238	100.00	7,487,258

BlackRock Wholesale International Bond Fund

30 June 2020	Number of units held at year end Units	Fair value of units held at year end \$	Value of units purchased during the year \$	Value of units sold during the year \$	Interest held at year end %	Distributions received/ receivable during the year \$
BlackRock Global Diversified Bond Fund	107,942,482	84,454,414	7,126,494	28,552,247	100.00	10,387,558

Related party schemes' unit holdings

Parties related to the Funds including the Responsible Entity, its related parties or other schemes managed by the Responsible Entity held units in the Funds as follows:

30 June 2021	BlackRock Australian Bond Fund					
	Number of units held opening Units	Number of units held closing Units	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the fund \$
Unitholder BlackRock Tactical Growth Fund	58,422,178	25,577,227	100.00	6,747,622	39,592,573	1,506,241

30 June 2020	BlackRock Australian Bond Fund					
	Number of units held opening Units	Number of units held closing Units	Interest held at year end %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the fund \$
Unitholder BlackRock Tactical Growth Fund	63,908,874	58,422,178	100.00	5,449,700	10,936,396	4,977,354

11 Related Party Transactions (continued)

Related party schemes' unit holdings (continued)

30 June 2021	BlackRock Tactical Growth Fund					
	Number of units held opening	Number of units held closing	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the fund
	Units	Units	%	Units	Units	\$
Unitholder						
BlackRock Balanced Fund	11,199,661	10,787,170	3.89	677,318	1,089,809	2,412,193

30 June 2020	BlackRock Tactical Growth Fund					
	Number of units held opening	Number of units held closing	Interest held at year end	Number of units acquired	Number of units disposed	Distributions paid/payable by the fund
	Units	Units	%	Units	Units	\$
Unitholder						
BlackRock Balanced Fund	11,483,746	11,199,661	3.98	849,836	1,133,921	1,277,360

Other transactions with the Funds

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Funds since the end of the previous financial year and there were no material contracts involving key management personnel's interests subsisting at year end.

12 Remuneration of Auditor

During the year the following fees were paid or payable for services provided by the auditor of the Funds:

	BlackRock Australian Bond Fund		BlackRock Wholesale Australian Share Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$
Deloitte Touche Tohmatsu				
Audit and review of the financial statements	10,504	10,504	6,616	6,616
Statutory assurance services required by legislation to be provided by the auditor	<u>1,264</u>	<u>1,264</u>	<u>1,264</u>	<u>1,264</u>
Total	<u>11,768</u>	<u>11,768</u>	<u>7,880</u>	<u>7,880</u>

	BlackRock Tactical Growth Fund		BlackRock Wholesale International Bond Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$	\$	\$	\$
Deloitte Touche Tohmatsu				
Audit and review of the financial statements	13,116	13,116	6,616	6,616
Statutory assurance services required by legislation to be provided by the auditor	<u>1,264</u>	<u>1,264</u>	<u>1,264</u>	<u>1,264</u>
Total	<u>14,380</u>	<u>14,380</u>	<u>7,880</u>	<u>7,880</u>

The audit fees paid or payable are discharged by the Responsible Entity from the fees earned from the Fund.

13 Reconciliation of Profit/(Loss) to Net Cash Inflow/(Outflow) from Operating Activities

	BlackRock Australian Bond Fund		BlackRock Wholesale Australian Share Fund	
	Year ended		Year ended	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities				
Operating profit/(loss) for the year	581	4,713	14,038	(5,925)
Net (gains)/losses on financial assets and liabilities held at fair value through profit or loss (including any FX (gains)/losses)	105	(956)	(6,807)	6,867
Proceeds from sale of financial instruments held at fair value through profit or loss	52,758	24,887	17,142	16,584
Purchases of financial instruments held at fair value through profit or loss	(15,766)	(18,366)	(75)	(2,818)
Dividends/distributions reinvested	(1,395)	(1,421)	(1,262)	(7,328)
Net change in receivables and other assets	716	(406)	(6,527)	5,683
Net change in accounts payables and accrued liabilities	-	-	(3)	(30)
Interest received from debt securities	<u>169</u>	<u>482</u>	<u>-</u>	<u>-</u>
Net cash inflow/(outflow) from operating activities	<u>37,168</u>	<u>8,933</u>	<u>16,506</u>	<u>13,033</u>

(b) Components of cash and cash equivalents

Cash as at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the Statements of Financial Position as follows:

Cash	<u>29</u>	<u>31</u>	<u>117</u>	<u>90</u>
Total cash and cash equivalents	<u>29</u>	<u>31</u>	<u>117</u>	<u>90</u>

(c) Non cash financing activities

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan

	4,151	2,648	30	603
Class D	-	-	-	-
Class X	-	-	-	-
Class E	-	-	-	-

The changes in this amount each year (as reported in (c) above) represents a non cash financing cost as it is not settled in cash until such time as it becomes attributable (i.e. taxable).

13 Reconciliation of Profit/(Loss) to Net Cash Inflow/(Outflow) from Operating Activities (continued)

	BlackRock Tactical Growth Fund		BlackRock Wholesale International Bond Fund	
	Year ended		Year ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities				
Operating profit/(loss) for the year	93,353	1,928	1,677	4,246
Net (gains)/losses on financial assets and liabilities held at fair value through profit or loss (including any FX (gains)/losses)	(83,595)	7,681	5,411	5,553
Proceeds from sale of financial instruments held at fair value through profit or loss	258,479	136,975	39,925	28,396
Purchases of financial instruments held at fair value through profit or loss	(206,212)	(62,327)	(550)	(6,185)
Dividends/distributions reinvested	(11,210)	(15,958)	(11,264)	(941)
Net change in receivables and other assets	(2,172)	2,474	3,792	(9,458)
Net change in accounts payables and accrued liabilities	47	(100)	(36)	(11)
Interest received from debt securities	-	-	-	-
Net cash inflow/(outflow) from operating activities	<u>48,690</u>	<u>70,673</u>	<u>38,955</u>	<u>21,600</u>

(b) Components of cash and cash equivalents

Cash as at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the Statements of Financial Position as follows:

Cash	<u>3,867</u>	<u>339</u>	<u>56</u>	<u>104</u>
Total cash and cash equivalents	<u>3,867</u>	<u>339</u>	<u>56</u>	<u>104</u>

(c) Non cash financing activities

During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan

	-	-	7,991	285
Class D	9,822	15,411	-	-
Class X	-	-	-	-
Class E	-	-	-	-

The changes in this amount each year (as reported in (c) above) represents a non cash financing cost as it is not settled in cash until such time as it becomes attributable (i.e. taxable).

14 Events Occurring After the Reporting Period

No significant events have occurred since the end of the reporting period up to the date of signing the Annual Financial Report which would impact on the financial position of the Funds disclosed in the Statements of Financial Position as at 30 June 2021 or on the results and cash flows of the Funds for the year ended on that date.

15 Contingent Assets, Contingent Liabilities and Commitments

There are no outstanding contingent assets, contingent liabilities or commitments as at 30 June 2021 (30 June 2020: Nil).

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 7 to 57 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Funds' financial position as at 30 June 2021 and of their performance, as represented by the results of their operations; changes in equity and their cash flows, for the financial year ended on that date;
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2(a); and
- (c) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the Responsible Entity made pursuant to s.295(5) of the *Corporations Act 2001*.



Director
A Telfer

Sydney
16 September 2021

Independent Auditor's Report to the Unitholders of BlackRock Wholesale Funds

Opinion

We have audited the financial reports of BlackRock Australian Bond Fund, BlackRock Wholesale Australian Share Fund, BlackRock Tactical Growth Fund and BlackRock Wholesale International Bond Fund (collectively "BlackRock Wholesale Funds" or the "Funds"), which comprises the statements of financial position as at 30 June 2021, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial reports of the Funds is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Funds' financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Funds in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of BlackRock Investment Management (Australia) Limited (the "Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors of the Responsible Entity (the "Directors") are responsible for the other information. The other information comprises the Directors' Report included in the financial reports for the year ended BlackRock Investment Funds, but does not include the annual financial reports and our auditor's report thereon.

Our opinion on the financial reports does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Reports

The directors are responsible for the preparation of the financial reports that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial reports that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial reports, the directors are responsible for assessing the ability of the Funds' to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial reports.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial reports, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reports or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read "Debbi Toke Tohatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read "Neil Brown".

Neil Brown
Partner
Chartered Accountants

Melbourne, 16 September 2021

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