BlackRock Multi Opportunity Absolute Return Fund

BlackRock.

Fund Performance

Monthly Performance Update

July 2024

Performance Overview

Market Commentary

Global markets saw a partial reversal over July. While developed market equities rallied to all-time highs in the first half of the month, stocks pared gains in the second half of July amid economic growth concerns – particularly in the US - and lacklustre quarterly tech earnings. Expectations for interest rate cuts also saw small-cap stocks outperforming large-caps across the period. Meanwhile, sovereign bonds recorded positive returns as softer inflation data cemented hopes for a less restrictive monetary policy stance. Global equities, as measured by the MSCI World Index (hedged), held onto slight gains and finished the month up 1.2% in Australian dollar terms, while fixed income markets, as represented by the Bloomberg Barclays Global Aggregate Index (hedged), rose 1.9%.

Fund Commentary – Monthly

The Multi Opportunity Absolute Return Fund delivered a small negative return of -0.39% (-0.75% alpha, net) in July. However, year-to-date performance continues to be strong with 8.74% total return, or 6.22% alpha (net).

The main detractors for July were the Systematic Equity Market Neutral component followed by the Global Macro component. The Systematic Fixed Income component also detracted over the month. The Systematic Multi-Strategy, Style Premia and Fundamental Equity Long / Short components were all relatively flat over the month.

Fund Overview

Fund Key Characteristics

Portfolio Manager	Michael McCorry, Karsten Kumpf
Target Return	RBA Cash + 8% p.a. gross, rolling 3-year basis
Target Risk	4-6% p.a. on a rolling 3-year basis
Liquidity	Monthly
Style	Multi-Strategy | Fund of Fund

Fund Top 5 Holdings

Sub-Fund Name	Sub-Fund Investment Style	Sub-Fund Allocation (%)
Systematic Total Alpha Fund	Systematic Multi-Strategy	20.2%
Fixed Income Global Alpha Fund	Systematic Fixed Income	16.2%
32 Capital Fund	Systematic Equity Market Neutral	11.3%
Pan Asia Opportunities Fund	Systematic Equity Market Neutral	10.7%
Emerging Markets Alpha Fund	Systematic Equity Market Neutral	10.2%

Fund Performance Summary

	Month	3 Months	YTD	1 Year (p.a.)	3 Years (p.a.)	5 Years (p.a.)	ITD
Fund (Net of Fees)	**-0.39%**	**0.52%**	**8.74%**	**13.13%**	**5.53%**	**5.22%**	**3.80%**
Benchmark (RBA Cash Rate)	0.36%	1.08%	2.52%	4.29%	2.56%	1.68%	1.78%
Alpha (Net of Fees)	-0.75%	-0.56%	6.22%	8.84%	2.97%	3.54%	2.02%

Source: BlackRock, 31 July 2024. Due to rounding error, percentages may not sum to 100%. Fund Inception: 31 July 2013. Capital Allocation are for the BlackRock Multi Opportunity Fund. Performance for periods greater than one year is annualised. Past performance is not a reliable indicator of future performance. Performance is calculated in Australian dollars and assumes reinvestment of distributions. Please refer to the Fund's product disclosure statement for more information. Net performance is calculated on exit-to-exit price basis, e.g. net of ongoing fees and expenses.

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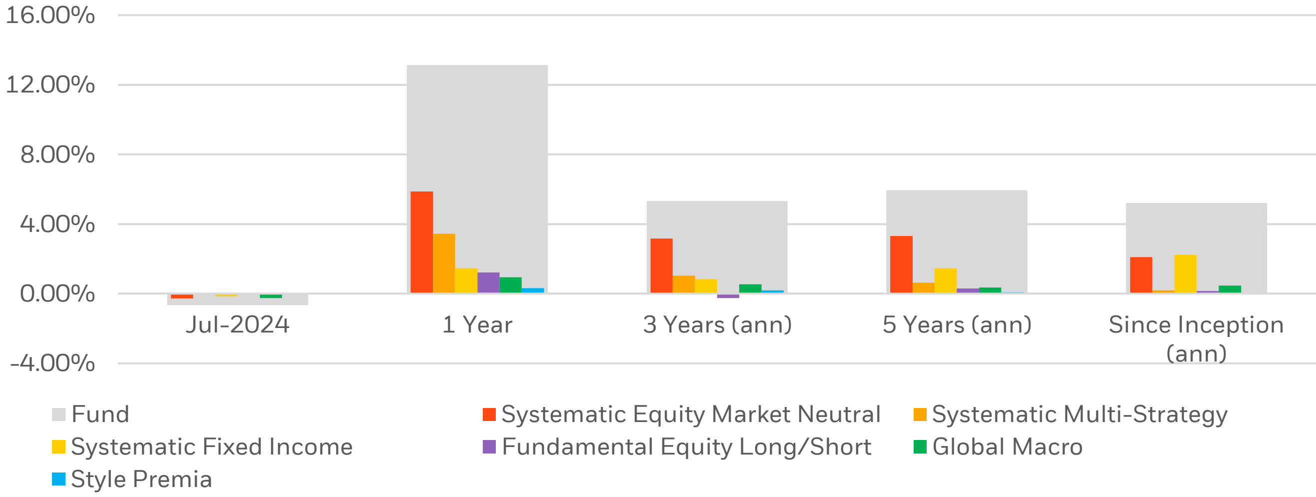
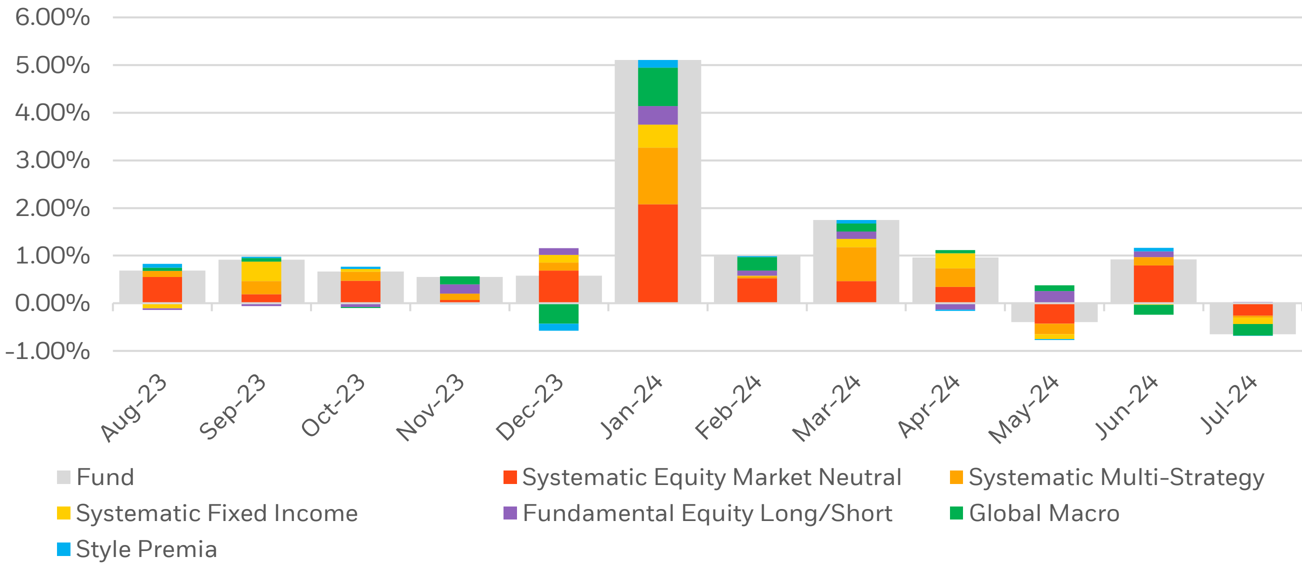
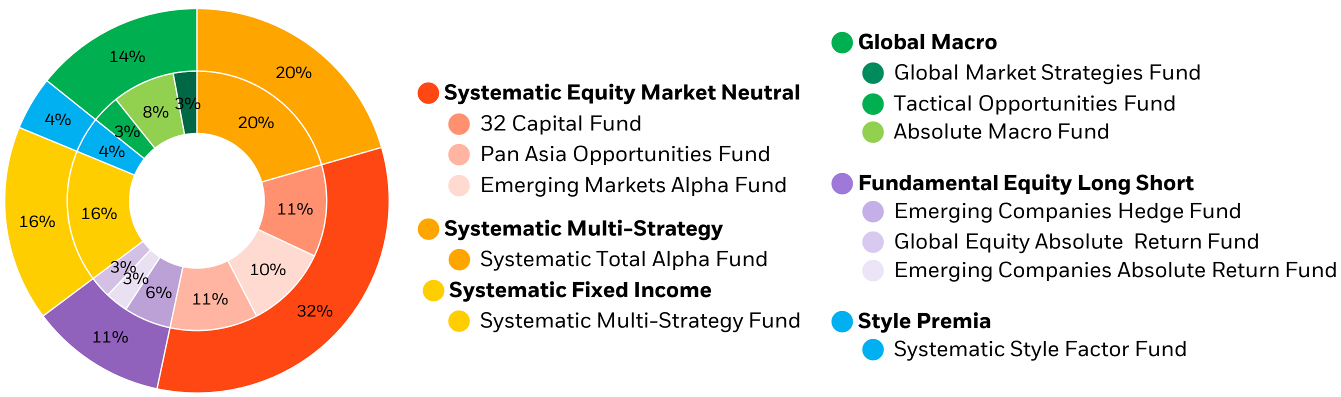
Fund Alpha Attribution by Strategy (Gross of Fees) – Summary



Fund Alpha Attribution by Strategy (Gross of Fees) – By Month



Fund Capital Allocation



Source: BlackRock, 31 July 2024.Due to rounding error, percentages may not sum to 100%. Attribution and Capital Allocation are for the BlackRock Multi Opportunity Fund. The BlackRock Multi Opportunity Absolute Return Fund invests in, and has the same underlying investment strategy as, the BlackRock Multi Opportunity Fund, which has an inception date of 30 July 2004. Past performance is not a reliable indicator of future performance. Portfolio is subject to change.

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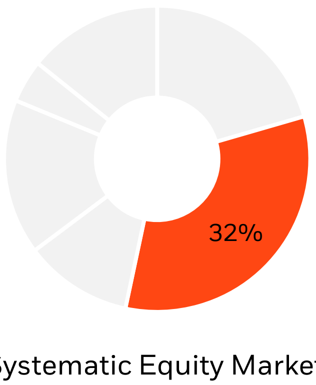
Sub-Fund Performance

July 2024

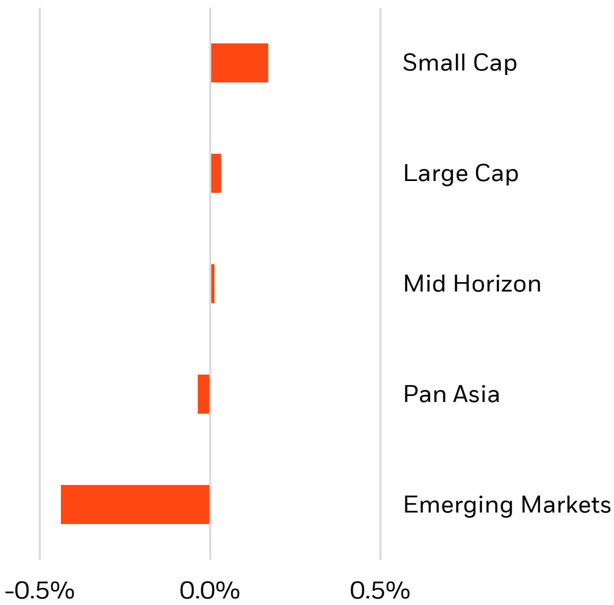
Systematic Equity Market Neutral Component

After a strong performance year to date, the strategies within the Systematic Equity Market Neutral component delivered mixed returns in July. The **32 Capital Fund** and **Pan Asia Opportunities Fund** added while the **Emerging Markets Alpha Fund** detracted.

Capital Allocation



Alpha attribution by sub-strategy



- **Top contributors**: Within the global flagship 32 Capital Fund, the Small Cap sub-strategy was the leading contributor over the month, driven by contributions from Global implementations. The gains from a signal perspective were broad based, with macro-orientated insights and machine-learned signal complexes leading the way. The Value signals were unsurprisingly a standout, with many sales orientated metrics contributing significantly. The Large Cap sub-strategy was the second largest contributors over the month, as the weakness in Sentiment and Macro signals was more than offset by strong gains across Fundamental Value and Quality insights. The stock selection signals of the sub-strategy also proved effective in picking out rare instances outside of Information Technology where the Artificial Intelligence (AI) theme is continuing to play out positively. The Mid Horizon sub-strategy also added over the month, as Statistical and Fast Fundamental insights worked well, with positioning across the Cross-Border, North America and APAC regions contributing over the month.

- **Top detractors:** The Emerging Market sub-strategy was the sole detractor for the period, as both Large and Small Cap universes detracted from returns. In Emerging Market Large Cap, stock selection bets suffered in Offshore China and Taiwan, reversing the gains from the first half of the year. The three largest detractors by Industry were Semiconductors, Software and Computer Hardware, partially due to the reversal of AI theme that has captured global markets attention for much of this year. On the other hand, Emerging Market Small Cap also had a weak July, on the back of poor stock selection in Taiwan due to a modest net long in Technology sector.

Source: BlackRock, 31 July 2024. Past performance is not a reliable indicator of future performance. Portfolio is subject to change. The specific securities identified and described above do not represent all of the securities purchased or sold, and no assumptions should be made that the securities identified and discussed were or will be profitable. Positions do not necessarily represent current or future holdings. Holdings shown are for illustrative purposes only and should not be deemed as a recommendation to buy or sell the securities listed.

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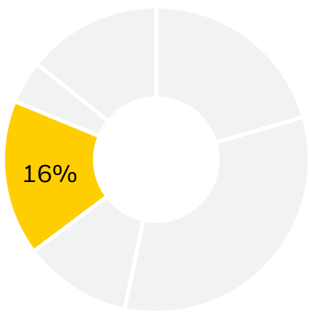
Sub-Fund Performance

July 2024

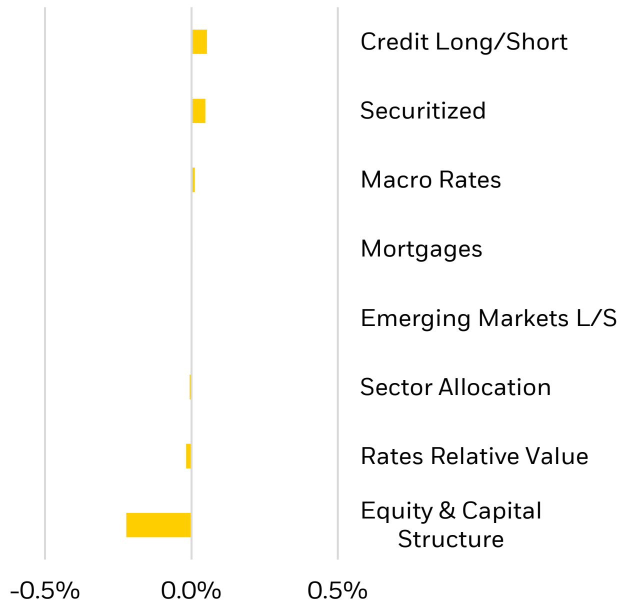
Systematic Fixed Income Component

The Systematic Fixed Income component, implemented by the **Fixed Income Global Alpha Fund (FIGA)**, delivered a negative return over the month. The Credit Long / Short, Mortgage & Securitized Credit, and Macro sub-strategies contributed while the Relative Value and Equity & Capital Structure sub-strategies detracted from performance.

Capital Allocation



Alpha attribution by sub-strategy



- **Top detractors:** The Equity & Capital Structure sub-strategy detracted, driven by US equity selection and global models. US equity selection models underperformed, with most signal groups performing poorly across both small and large market cap companies, on both the long and short sides. Sentiment-based signals struggled, though strong value performance provided some offset. Models were poorly positioned for earnings-related reactions, exacerbating losses. Shorts in cable media and consumer goods were notable detractors due to stronger-than-expected earnings and guidance. Global sub-strategies also performed weakly, driven by equity index futures. Longs in Nasdaq and Taiwan detracted amid the broader tech selloff. A long in Japan underperformed as the Japanese yen rallied ahead of the Bank of Japan's rate hike decision. In Europe, sentiment insights detracted in the second half of the month but gains elsewhere offset these losses. Shorts in Consumer Discretionary benefited from weak earnings in Autos and Luxury Goods. Convertible and M&A strategies performed well in both the US and Europe, benefiting from spread tightening and positive deal developments.

- **Top contributors:** The Credit Long / Short sub-strategy contributed positively in July, driven by the US credit book. While no clear theme dominated the credit market in July, higher credit quality names with tighter spreads underperformed along with the move lower in Treasury yields. From a signal perspective, equity short interest was the main contributor. A fair amount of gains were idiosyncratic as sub-strategies were on the right side of several earnings and corporate actions news releases.

Source: BlackRock, 31 July 2024. Past performance is not a reliable indicator of future performance. Portfolio is subject to change. The specific securities identified and described above do not represent all of the securities purchased or sold, and no assumptions should be made that the securities identified and discussed were or will be profitable. Positions do not necessarily represent current or future holdings. Holdings shown are for illustrative purposes only and should not be deemed as a recommendation to buy or sell the securities listed.

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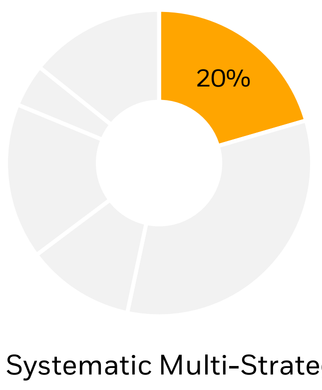
Sub-Fund Performance

July 2024

Systematic Multi-Strategy Component

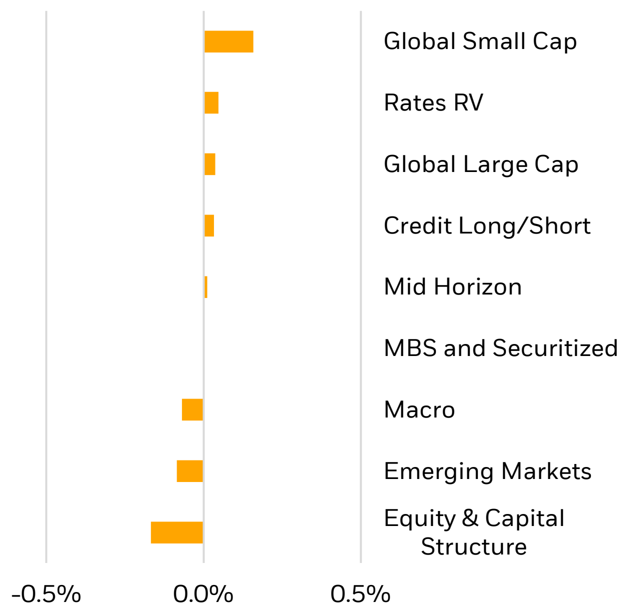
The Systematic Multi-Strategy Component (implemented by **Systematic Total Alpha Fund**) delivered modest positive performance in July.

Capital Allocation



- **Top contributors**: The Global Small Cap sub-strategy was the leading contributor for the month, where machine-learned signal combination models and Value insights captured the rotation out of technology and other momentum trades and into smaller, cheaper firms. Macro signals related to monetary policy also worked well as markets reacted to the soft CPI number. The gains to the sub-strategy came across positions in the US, Japan and UK. The Credit Long/Short sub-strategy added to the performance in July, driven by long and short positions in the US credit book. While the strategy's equity short interest was the main contributor, fair amount of gains were idiosyncratic as strategies were on the right side of several earnings and corporate actions news releases. The Global Large Cap sub-strategy also contributed to the sub-fund's performance, as core machine-learned signal combination stock selection models generated very strong alpha in Europe, albeit struggled a little in the US and Japan. The sub-strategy's more defensive and anti-growth flavours of Quality as well as Value insights worked well as growth stocks sold off in July.

Alpha attribution by sub-strategy



- **Top detractors:** The Equity and Capital Structure sub-strategy detracted in July, driven by US equity selection and global models. Within US equity selection, most signal groups performed poorly across both small and large market cap companies, and on the long and short sides. The sub-strategy was positioned poorly for earnings-related reactions, as shorts in cable media and consumer goods detracted the most due to stronger-than-expected earnings and guidance. The Emerging Market sub-strategy also detracted over the month, with losses concentrated in positions within Large Caps. The detraction was pretty evenly spread across exposures in Taiwan, Brazil and offshore China, while at the sector level it was Technology that was the largest pain point, followed by Consumer Discretionary..

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Sub-Fund Performance

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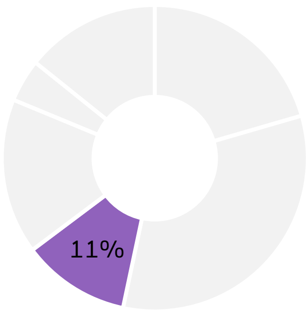
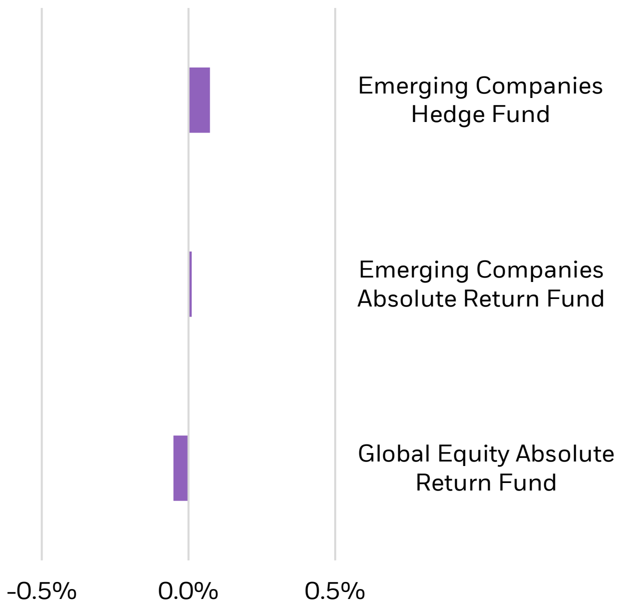
Fundamental Equity Long/Short Component

The Multi Opportunity Fund invests in three fundamental long/short equity strategies. In July, while **Emerging Companies Hedge Fund (Cayman)** and **Emerging Companies Absolute Return strategies** contributed, **Global Equity Absolute Return Fund (UCITS)** detracted from the performance.

Capital Allocation



Alpha attribution by sub-strategy



Within the **Emerging Companies** strategies,

- **Top contributors:** From a positioning perspective, the top 10 contributors were all long positions. The largest contributor was Breedon, which delivered resilient H1 results in a period dominated by adverse weather and subdued market conditions, as the company continued to make headway with pricing increases and cost efficiencies to protect profitability. The second largest contributor was Grafton, which delivered a resilient trading update, highlighting the diversification of its business by geography. Third largest contributor was CRH which rose on an improving outlook for US construction allied to the "Trump trade".
- **Top detractors:** From a positioning perspective, the top 10 detractors were a mix of 7 long and 3 short positions. The top detractor was ASML, which fell on softer Q3 guidance for bookings and continued concerns regarding possible further restrictions to China. The second largest detractor was LPL Financial, which fell in the month despite robust results as there were industry fears about how broker dealers earn interest income on clients' balances, with several competitors raising the amounts they paid to clients. Novo Nordisk was the third largest detractor as shares fell on little stock specific news, caught up in the rotation away from YTD winners.

The **Global Equity Absolute Return Fund** posted negative returns over the month. At a sector level Communication Services and Information Technology exposures were the key detractors whilst positioning in Financials and Industrials supported performance

- **Top detractors**: The top detractor was a long position in Pinterest Inc. The company's stock performance in July 2024 was negatively impacted primarily due to a disappointing earnings release and a weaker-than-expected revenue forecast for the upcoming quarter. Positioning in Novo Nordisk's stock faced a setback despite its positive year-to-date performance, which was bolstered by new data for its leading weight loss drug, Wegovy. Another major detractor was a short in an American cable company. The shares performed well in July 2024 primarily due to its better-than-expected second-quarter earnings report, and better news flow on the status of funding for the affordable connectivity program (ACP) for affordable broadband in the US.
- **Top contributors:** Western Alliance Bancorp reported strong second quarter earnings and was the top contributor for the month. The company reported robust Q2 2024 financial results on July 18, which was a major catalyst for the stock's performance. Howmet Aerospace was the second major contributor in this month's performance, with its revenue climbing 14% from last year. Another major contributor was Recruit Holdings which saw a notable rise, driven by solid results and a pledge to increase shareholder returns. The company has labelled 2024 as 'year 0' of a new cycle, suggesting the potential for strong future returns.

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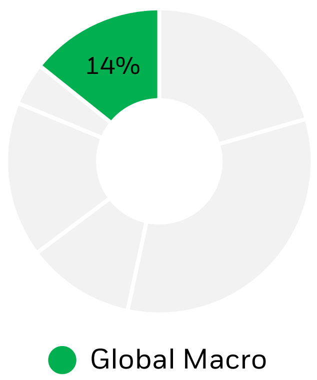
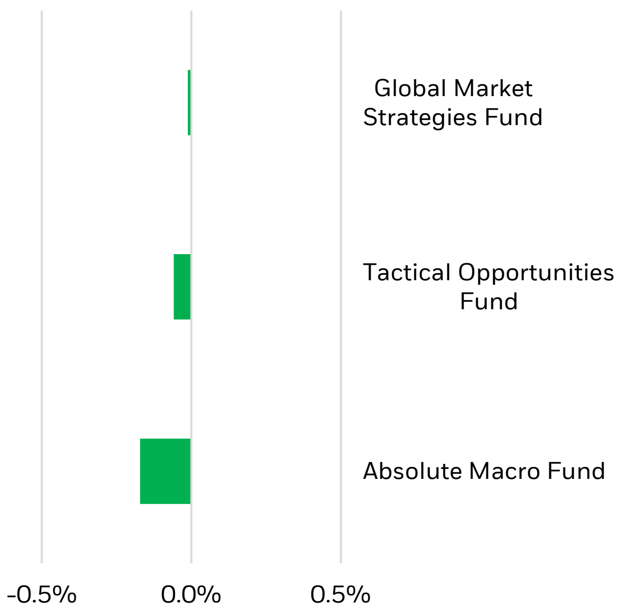
Global Macro Component

The Fund's Global Macro component is implemented by three strategies, the **Tactical Opportunities Fund**, the **Global Market Strategies Fund** and the **Absolute Macro Fund**. In July, all three strategies detracted over the month..

Capital Allocation



Alpha attribution by sub-strategy



The **Tactical Opportunities Fund** delivered negative returns over the month.

- **Top detractors**: The strategy's directional short duration positions in long-dated US bonds were the primary detractors in July as yields dropped sharply after softer growth data spurred expectations for a bigger Fed rate cut next month. The strategy's short in USD vs longs in EUR, CAD, and AUD also detracted from performance in July, led by Australia as commodities experienced a decline during the month while the Canadian dollar declined as the Bank of Canada cut rates towards the end of the month. Also, the strategy's relative value positioning in bonds detracted, driven by long German rates vs. short Treasuries in developed markets as somewhat weaker growth data in the US drove Treasury outperformance. The strategy's equity relative value positioning also detracted, driven by a long Japan versus short in US equities as the BoJ raised their policy rate as well as signalled hawkishly through year end.
- **Top contributors**: The strategy's directional US value equity long position was the main contributor to performance in July, as US equities saw continued growth backed by strong earnings (particularly ex-Mag 7).

Global Market Strategies delivered modest negative returns over the month.

- **Top detractors**: The strategy's directional short duration positions in long-dated US bonds were the primary detractors in July as yields dropped sharply after softer growth data spurred expectations for a bigger Fed rate cut next month. The strategy's short in USD vs longs in EUR, CAD, and AUD also detracted from performance in July, led by Australia as commodities experienced a decline during the month while the Canadian dollar declined as the Bank of Canada cut rates towards the end of the month. Also, the strategy's short positions in South African, Thai, and Korean bonds vs longs in Mexican, Brazilian and US bonds detracted from performance in July given improving inflation pressures across emerging markets.
- **Top contributors**: The strategy's directional US value equity long position was the main contributor to performance in July, as US equities saw continued growth backed by strong earnings (particularly ex-Mag 7). Also, the strategy's longs in Australian and Spanish equities vs shorts in Taiwanese and Korean equities contributed to performance over the month. Halfway through the month, the strategy moved short Spanish equities vs adding to a long position in Italian equities given weakening pricing insights.

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July 2024

Global Macro (continued...)

The **Absolute Macro Fund** delivered negative returns in July. The strategy's negative performance was driven chiefly by Global Equity Country Selection, and Global Rate Country Selection sub-strategies. On the positive side, Developed Markets Rates Country Selection and Multi-Asset sub-strategies added value.

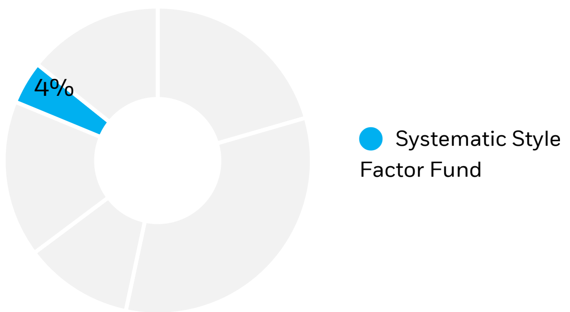
Top detractors: The Global Equity Country Selection sub-strategy was the main detractor in July. The sub-strategy's gains from the first half of the month were cancelled out by losses in the second half. Performance was driven by the interaction between the model's growing beta positioning and the market's growing concerns about economic growth. The sub-strategy's short Australian and long Taiwanese equities positioning, along with Trending insights of all flavours including technical trends, sentiment on equity fundamentals and economic growth underperformed. The Global Rates Country Selection sub-strategy continued to underperform in July, driven primarily by longs in Mexico against shorts in Canada and South Africa, and growth and inflation signals. The Thematic sub-strategy's modest underperformance in July was driven by detraction from short positions at the back of the US curve and long dollar exposure.

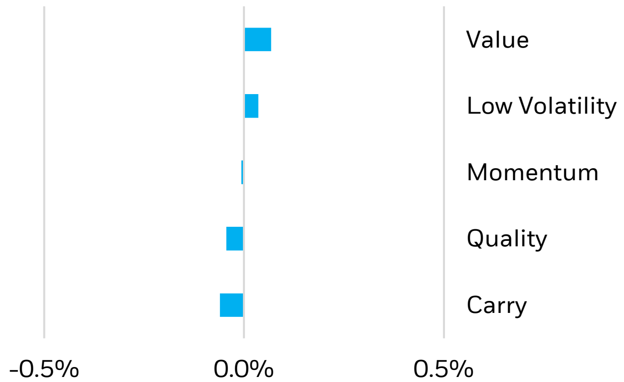
Top contributors: The Multi-Asset sub-strategy had a strong month in July driven by gains in emerging market rates, soft commodities, developed market rates, metals, emerging market FX, and the energy sector. The Developed Market Rates Country Selection sub-strategy was positive for the month, primarily led by the long New Zealand rates positioning. Although, the fundamental signals have been pessimistic on the New Zealand outlook for some time, the valuation signals viewed New Zealand rates favourably in the cross section. Another important driver of performance was the sub-strategy's long Canada vs. UK position, as Canada longs were driven by economic insights which saw the Canadian economy continuing to slowdown. In the UK, all signals supported the short positioning – valuations are attractive, and survey-based, as well as cross-asset implied growth, are relatively strong versus other markets.

Style Premia

The Style Premia component implemented through the **Systematic Style Factor Fund** delivered negative performance over the month of July driven by Carry and Quality factors

Capital Allocation





- **Top detractors**: The strategy's Carry factor was the most significant detractor, with losses concentrated within Currencies. The Momentum, Quality, and Timing insights factors also detracted over the period, on the back of Single Name Equities positioning, as soft CPI print sparked a reversal of some year-to-date trends, specifically the dominance of large cap technology stocks vs their smaller cap peers.

- **Top contributors**: The main contributors for the month were Value and Low Volatility factors. Value was the primary contributor, with particular strength from currencies, on the back of long Japanese Yen positioning which benefited from BOJ's rate hike in July and a weak U.S. CPI print. Low Volatility factor also gained in July, acting as a ballast to the heightened volatility experienced during the equity market reversals.

Source: BlackRock, 31 July 2024. Past performance is not a reliable indicator of future performance. 'Portfolio is subject to change. The specific securities identified and described above do not represent all of the securities purchased or sold, and no assumptions should be made that the securities identified and discussed were or will be profitable. Positions do not necessarily represent current or future holdings. Holdings shown are for illustrative purposes only and should not be deemed as a recommendation to buy or sell the securities listed.

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About the Fund

July 2024

Investment Objective:

The Fund aims to achieve a return of 8% p.a. before fees, above the Reserve Bank of Australia's Cash Rate Target over rolling three-year periods. The Fund will aim to achieve its investment objective by targeting a total expected risk of between 4%-6% p.a. over the same rolling three-year period.

Fund Strategy:

The Fund aims to outperform the Benchmark by providing investors with a source of risk controlled absolute returns that are, over time, expected to have low correlations with the returns of major asset classes.

The Fund gains exposure to a diversified range of absolute return strategies that may include, but are not limited to:

- **Systematic Equity Market Neutral strategies**: Quantitively- driven hedge fund strategies that aim to exploit inefficiencies in individual stock prices by gaining exposure to long and short positions in local and global equity markets. The market-neutral construct targets a zero net-market exposure (i.e., a market beta of zero). Most of the risk comes from idiosyncratic, stock specifics.
- **Fundamental Equity Long-Short strategies**: These are high conviction, concentrated equity portfolios that are built using a fundamental, bottom-up approach. The hedge fund teams take long and short positions in global equity markets with the aim to exploit security mispricing.
- **Event Driven strategies**: seek to capture the structural and persistent risk premia in merger arbitrage through a robust and repeatable investment process focused on companies that are involved in publicly announced definitive mergers, takeovers, tender offers, leveraged buyouts, and other corporate combinations.
- **Fixed Income Absolute Return strategies**: Exploit opportunities across global fixed income markets by taking long and short positions in a broad range of fixed income securities including, but not limited to: sovereign bonds; corporate credit; mortgages; and other securities.
- **Global Macro strategies**: Exploit inefficiencies across global markets by gaining exposure to long and short positions across a broad array of global assets including, but not limited to: equities; bonds; currencies; commodities, derivatives; and other assets. These strategies may utilize both fundamental and/or trend following insights to construct portfolios.
- **Market Neutral Style Premia strategies**: Capture positive returns from a range of style factor strategies across global asset classes while maintaining low correlation to broad market factors.

The selection of an investment for the Fund is the result of comprehensive due diligence to ensure that it is in line with fiduciary duties and in compliance with related party policies. The Fund may be a seed, lead or only investor in a BlackRock strategy. Acting as the seed investor may create a commercial opportunity for the BlackRock Group. For example, a seed investment in a BlackRock Strategy may allow the BlackRock Group to establish a track record for a fund or product that it is then able to sell to other clients.

We continuously explore BlackRock for the addition of new investment strategies with the view of including these where they meet the Fund's strict investment criteria. The Fund's investment strategy is implemented in three stages :

1. Strategy Selection: continuous search for (and due diligence on) the latest and most innovative research and investment ideas, leveraging BlackRock's extensive pool of investment specialists.
2. Capital Allocation: capital is allocated to construct a diversified portfolio of absolute-return strategies taking into account the expected return, risk and cost of accessing each absolute return category, as well as the available capacity of each category.
3. Core Security/Market Selection: security/market selection occurs within each absolute-return category at the underlying strategy level.

The Fund should be considered by investors who …

- Seek a fund that uses total-return strategies across major asset classes and world markets with the objective of enhancing portfolio returns while diversifying risk.
- Seek a fund that has a low correlation to equity returns, interest rate moves and other active return sources.
- Have a long-term investment horizon.

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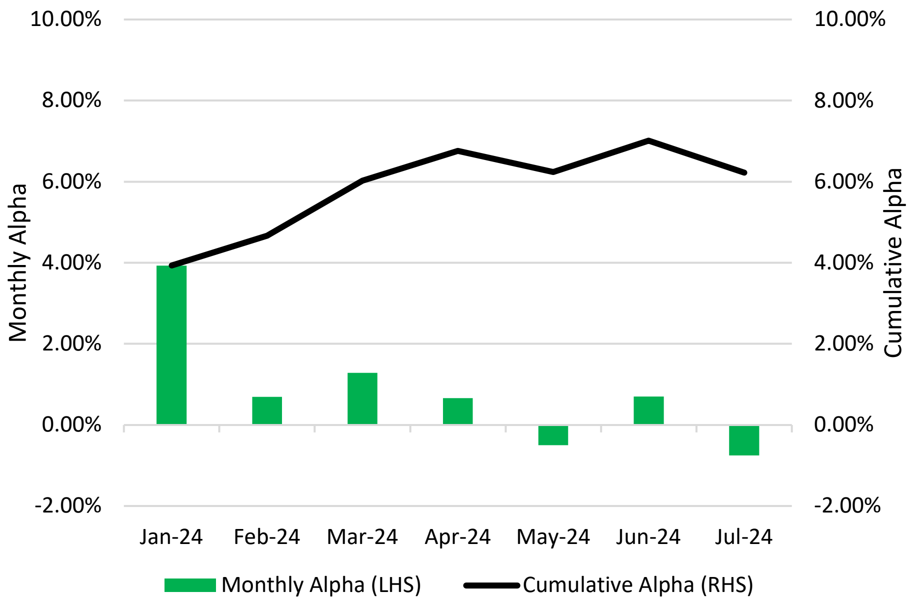
Fund Monthly and Cumulative Alpha (Net of Fees)



Key Fund Terms

APIR	BLK0001AU
Strategy Size A$	1,100 mil
Inception Date	31 July 2013
Buy/Sell Spread	0.05%/0.05%
Management Fee	1.25% p.a.
Performance Fee	20%
Benchmark	RBA Cash Rate
Minimum initial investment	A$50,000
Notification	15 Business Days
Lock-up Period	None
Domicile	Australia
Custodian	J.P. Morgan Chase Bank

Fund Monthly Performance (Net of Fees)

Date	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	YTD
2024	4.3%	1.0%	1.6%	1.0%	-0.1%	1.0%	-0.4%						8.7%

Source: BlackRock, 31 July 2024. Fund inception: 31 July 2013. Performance is calculated in Australian dollars and assumes reinvestment of distributions. Net performance is calculated on exit-to-exit price basis, e.g. net of ongoing fees and expenses.. Past performance is not a reliable indicator of future results. For illustrative purposes only.

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Performance Data

Performance figures represent past performance and are not indicative of future performance. Current performance may be higher or lower than that shown. Net performance figures are calculated after fund management fees and expenses, and assume reinvestment of distributions. Gross performance figures are calculated gross of ongoing fees and expenses. Unless otherwise stated, performance for periods greater than one year is annualised and performance calculated to the last business day of the month.

Important Information