

# BLACKROCK GLOBAL IMPACT FUND (AUST)

BLACKROCK®

FUND UPDATE

30 June 2024

## Investment Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	Since Incep
BlackRock Global Impact Fund (Aust) <sup>1</sup> (Net of Fees)	3.19	-0.39	7.52	8.83	-	-	-3.67
MSCI All Country World Net TR Index (in AUD)	1.79	0.49	13.72	18.98	-	-	10.41
Outperformance (Net of Fees)	1.40	-0.88	-6.20	-10.16	-	-	-14.09

<sup>1</sup> Fund inception: 16/06/2021.

Past performance is not a reliable indicator of future performance. Performance for periods greater than one year is annualised. Performance is calculated in Australian dollars and assumes reinvestment of distributions. Gross performance is calculated gross of ongoing fees and expenses. Net performance is calculated on exit-to-exit price basis, e.g. net of ongoing fees and expenses. Gross returns are provided for products offered to wholesale clients only who may be subject to differential fees. Please refer to the Fund's product disclosure statement for more information.

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- Market Insights & Commentary
- Fund Performance
- Unit Prices

## Global Impact June 2024

### Performance Overview:

The BlackRock Global Impact Fund net returns were 3.2% during the month, outperforming the benchmark (MSCI ACWI).

### Market Summary:

Global equity markets rose in June, with the MSCI ACWI registering a positive return. The index ended the first half of 2024 up, led higher by mega-cap tech stocks exposed to the artificial intelligence (AI) theme.

In the US, the S&P 500 Index gained in June, while the tech-heavy Nasdaq Composite Index did well. May's US jobs report exceeded expectations for new job additions and renewed optimism around a soft landing. Headline CPI came in cooler than expected, leading yields to fall and growth to outperform value. At the same time, uncertainty regarding the upcoming Presidential election led to higher volatility towards the end of the month.

In Europe, the European Central Bank (ECB) delivered its first rate cut since 2019, despite resilient inflation and wage growth. Contrastingly in the UK, the Bank of England (BoE) held interest rates steady. National elections across the UK and EU also weighed on equities over the period.

In China, equity markets traded down as the government's proposed capital market reform was interpreted as a potential headwind.

Commodity indices delivered positive returns over the month. By the end of June, the price of crude oil had increased to \$82/barrel, nearing recent highs due to growing geopolitical concerns.

Global sectors had mixed returns in the month. Information Technology and Communication Services were the top performers in June, while Utilities was the most challenged sector.

From a regional perspective, Emerging Markets and North America were the strongest performers. Elsewhere, Europe underperformed over the month.

## Stocks:

From a sector perspective, stock selection in Information Technology and Financials boosted active returns the most, while our overweight allocation to Materials and Utilities hurt performance.

In terms of our Impact Themes, Green Energy and Sustainable Food and Water detracted the most in absolute terms, while Safety & Security and Efficiency, Electrification, Digitization had a positive effect.

On a stock level, not holding Nvidia and Apple were the top detractors, in addition to an overweight position in Ball Corp.

Elsewhere, overweight positions in CrowdStrike, TSMC, and Autodesk boosted active performance the most.

## Key positioning:

With the new process by BlackRock Systematic, the team follows a systematic investment methodology for which our investment decisions are guided by data and models. In constructing our Impact Universe, we continue to employ a strict hands-on process of impact verification coordinated by Fundamental Equities.

Since stock selection is now done through a proprietary optimization process, the Fund's exposures will be a result of the output of this systematic approach, and less reflective of fundamental convictions determined by the investment team.

In terms of positioning, our largest exposures are in the themes of Financial & Digital Inclusion, Efficiency, Electrification, Digitization, and Public Health. From a sector perspective, the Fund's largest overweights are in Utilities and Industrials, with underweights in Communication Services and Financials, in addition to our continued avoidance of Energy.

Our continued intention is to maintain a thoroughly vetted impact investing portfolio that is more diversified and less volatile, with greater risk contribution coming from stock specific risk, and other risk factors being reduced.

## Top Holdings

Holding	Weight %
TAIWAN SEMICONDUCTOR MANUFACTURING	3.49
ELI LILLY	3.30
ASML HOLDING NV	2.76
RECRUIT HOLDINGS LTD	2.46
PALO ALTO NETWORKS INC	2.39
CROWDSTRIKE HOLDINGS INC CLASS A	2.38
BOSTON SCIENTIFIC CORP	2.37
RELX PLC	2.28
TRANE TECHNOLOGIES PLC	2.26
INTUIT INC	2.26

## Country Exposure

Country	Weight %
Australia	0.44
Austria	0.00
Belgium	0.00
Canada	0.77
Denmark	0.76
Finland	0.00
France	1.67
Germany	0.03
Hong Kong	0.00
Ireland	1.82
Israel	2.17
Italy	0.00
Japan	3.86
Netherlands	3.35
New Zealand	0.27
Norway	1.60
Portugal	1.49
Singapore	0.00
Spain	1.79
Sweden	0.30
Switzerland	0.86
United Kingdom	4.09
United States	59.56
Emerging Markets	0.00

## About the Fund

### Investment Objective

The Fund seeks total return through active investment in companies whose goods and services address the world's great social and environmental problems, in BlackRock's view. The Fund is designed to generate returns in excess of the MSCI All Countries World Index, before fees, over the long term (i.e. 5 years or more).

### Fund Strategy

BlackRock will seek to invest in portfolio securities that BlackRock believes (i) can bring additional and measurable impact based on the Impact Themes (as defined below) and (ii) also have the potential to produce attractive long-term returns across economic sectors.

As part of its methodology, BlackRock identifies "Impact Themes" (including, but not limited to, affordable housing, education and skilling, financial and digital inclusion, public health, safety and security, efficiency, electrification and digitalization, green energy, pollution remediation and prevention, sustainable food and water) that seek to encapsulate companies which are helping to address the United Nations Sustainable Development Goals ("SDGs") through their products and services. The SDGs are a series of goals published by the United Nations that recognize that ending poverty and other deprivations must go hand-in-hand with improvements in health, education, and economic growth, and reduction in inequalities, while tackling climate change and working to preserve the planet's oceans and forests.

### Should be considered by investors who ...

- ▶ Seek an impact equity fund with higher potential capital growth over a long-term investment horizon.
- ▶ Seek an active exposure to global equities and a differentiated source of alpha generation, through idiosyncratic risk drivers along with evidenced positive environmental and social outcomes.

#### Fund Details

BlackRock Global Impact Fund (Aust)	
APIR Code (Class D)	BLK2376AU
Buy/Sell Spread	0.00%/0.00%
Fund Size	16 mil
Management Fee (Class D)	0.85% p.a.

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