

# BlackRock Global Liquid Alternatives Fund – S2

## 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 BlackRock Global Liquid Alternatives Fund delivered slightly positive return of 0.10% (net of fees) in July 2024. However, year to date performance continues to be strong with 8.3% total return, and a 5.7% alpha (net of fees) continuing to track ahead of the full year alpha target.

Two of the five underlying hedge fund components delivered positive alpha performance over the month. Performance was led by Systematic Equity Market Neutral followed by Systematic Fixed Income component. Style Premia component slightly weighed on the performance over the month. Global Macro and Fundamental Equity Long Short components were the major detractors over the period.

### Fund Performance Summary

	Month	QTD	YTD	1 Year (p.a.)	3 Years (p.a.)	5 Years (p.a.)	ITD
<b>Fund (Net of Fees)</b>	<b>0.10%</b>	<b>0.10%</b>	<b>8.25%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.64%</b>
Benchmark (RBA Cash Rate)	0.36%	0.36%	2.52%	-	-	-	3.85%
Alpha (Net of Fees)	-0.26%	-0.26%	5.74%	-	-	-	6.80%

## Fund Overview

### Fund Key Characteristics

Portfolio Manager	Michael McCorry, Karsten Kumpf
Target Return	RBA Cash + 3-5% p.a. net, rolling 3-year basis (7-9% net total return p.a.)
Target Risk	3-5% p.a. on a rolling 3-year basis
Liquidity	Daily
Style	Multi-Strategy   Fund of Fund

### Fund Top Holdings

Sub-Fund Name	Sub-Fund Investment Style	Sub-Fund Allocation (%)
Systematic US Equity Absolute Return Fund	Systematic Equity Market Neutral	17.6%
Systematic Asia Pacific Equity Absolute Return Fund	Systematic Equity Market Neutral	17.5%
Systematic Multi-Strategy Fund	Systematic Fixed Income	17.4%
Tactical Opportunities Fund	Global Macro	17.5%
Systematic Style Factor Fund	Style Premia	15.0%
Asia Pacific Absolute Return Fund	Fundamental Equity Long Short	5.0%
Global Equity Absolute Return Fund	Fundamental Equity Long Short	5.0%
Emerging Companies Absolute Return Fund	Fundamental Equity Long Short	5.0%

Source: BlackRock, 31 July 2024. Due to rounding error, percentages may not sum to 100%. Fund Inception: 8 September 2023. The BlackRock Global Liquid Alternatives Fund is only available to wholesale clients. Capital allocations are as of beginning of month. 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. Net performance is calculated net of ongoing fees and expenses. Net performance of the BlackRock Global Liquid Alternatives Fund S2 Share Class is calculated on the basis of a 1.25% management fee. Please refer to the Fund's product disclosure statement for more information.

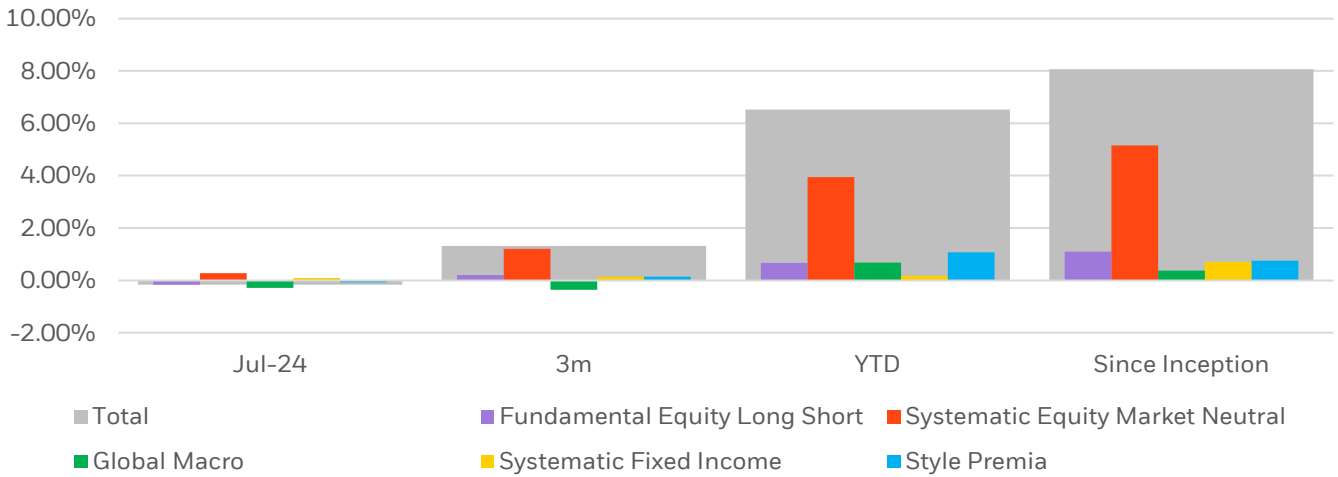
# BlackRock Global Liquid Alternatives Fund – S2

# BlackRock® Fund Performance

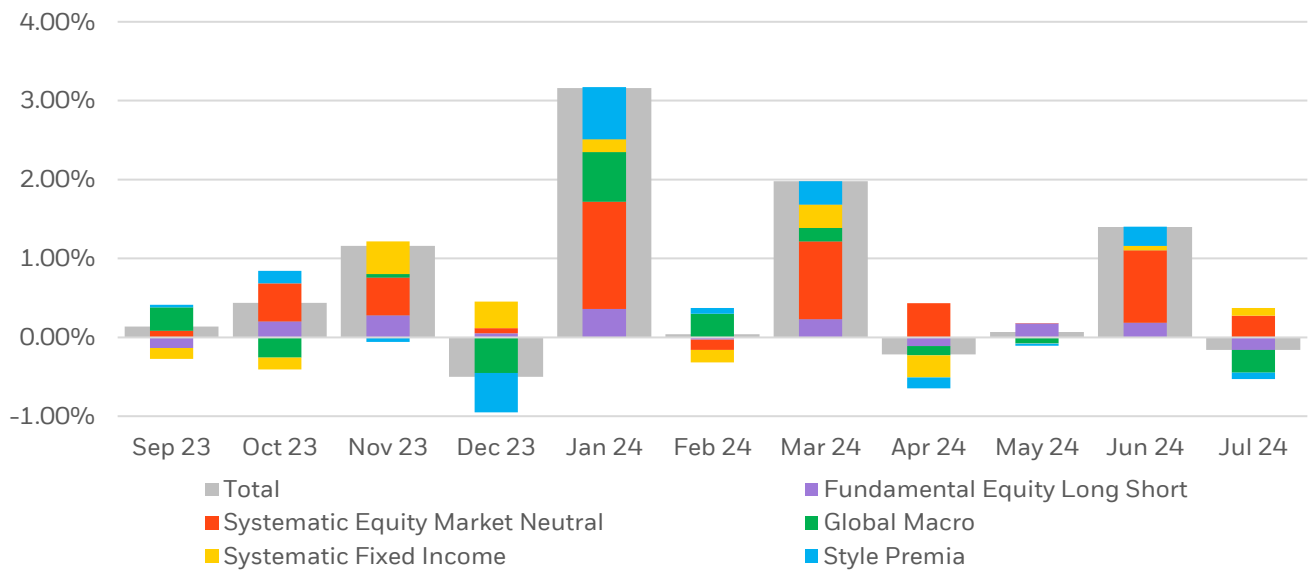
Monthly Performance Update

July 2024

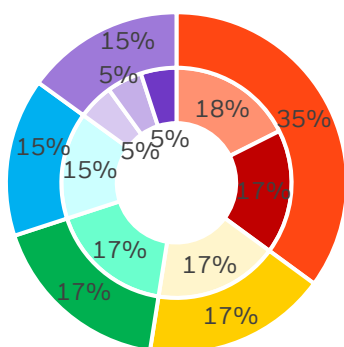
## Fund Alpha Attribution by Strategy (gross of fees) – Summary



## Fund Alpha Attribution by Strategy (gross of fees) – By Month



## Fund Capital Allocation



- Systematic Equity Market Neutral**
  - Systematic Asia Pacific Equity Absolute Return Fund
  - Systematic US Equity Absolute Return Fund
- Global Macro**
  - Tactical Opportunities Fund
- Systematic Fixed Income**
  - Systematic Multi-Strategy Fund
- Fundamental Equity Long Short**
  - Asia Pacific Absolute Return Fund
  - Emerging Companies Absolute Return Fund
  - Global Equity Absolute Return Fund
- Style Premia**
  - Systematic Style Factor Fund

Source: BlackRock, 31 July 2024. Due to rounding error, percentages may not sum to 100%. Fund Inception: 8 September 2023. Past performance is not a reliable indicator of future performance. Portfolio is subject to change.

# BlackRock Global Liquid Alternatives Fund – S2

BlackRock®

**Sub-Fund  
Performance**

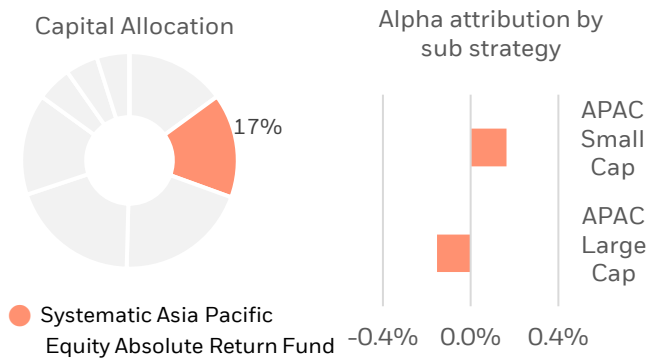
Monthly Performance Update

July 2024

## Systematic Equity Market Neutral

### Systematic Asia Pacific Equity Absolute Return Fund

The Systematic Asia Pacific Equity Absolute Return Fund delivered positive performance over the month. This was driven by the Small Cap sub strategy while the Large Cap sub strategy weighed on the performance over the period.



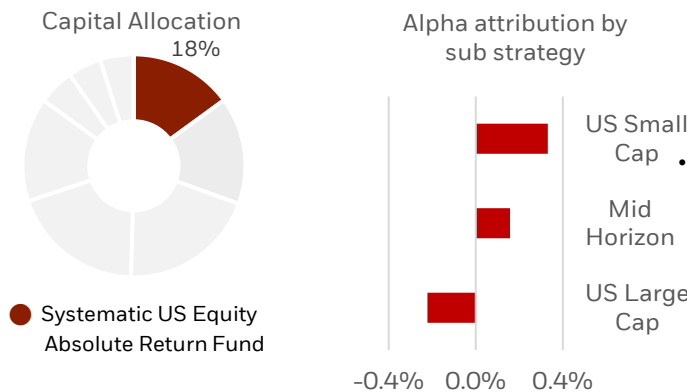
- **Top contributors:** The Small Cap sub strategy was the main driver of performance over the month. Signs of a longer-term reversal in market trends, particularly in Japan and Taiwan, contributed positively to the performance. IT in Taiwan, especially electronic equipment and semiconductors, drove most of the performance. Industrials were the main contributors to returns in Small Cap, with strong performance across Japan, Australia, Taiwan, Malaysia, and newly added Vietnam. A long position in the Japanese Professional Services company Weathernews was a key contributor, benefiting from machine-learned insights and strong quality characteristics.

- **Top detractors:** The Large Cap sub strategy struggled across the board, with China being the epicenter of the weakness. Both fundamental (quality and valuation-based measures) and sentiment-based measures (retail sentiment and broker revisions) struggled. Japan saw muted negative performance, unable to offset the weak returns from China. Long positions in Electronic equipment companies in onshore China and Semiconductor firms in Taiwan hurt the fund performance in the second half of July.

## Systematic Equity Market Neutral

### Systematic US Equity Absolute Return Fund

The Systematic US Equity Absolute Return Fund delivered positive returns over the month. Performance was mainly driven by the Small cap followed by the Mid Horizon sub strategy. The Large Cap sub strategy was the sole detractor over the period.



- **Top contributors:** The fund's positive performance was primarily driven by significant strength in fundamentals in the Small Cap sub strategy. The Mid Horizon sub strategy was also additive over the period. More than 100% of the return was idiosyncratic as residual style factor exposure was a drag alongside industry positioning. Health Care, Financials, and Industrials were the main sectors driving returns, with long positions in Small Cap Biotech firms being key contributors.

- **Top detractors:** The Large Cap sub strategy weighed on the performance in the month. Sentiment was a drag, particularly within Semiconductors and Life Sciences. Weakness in IT, especially in Semiconductor companies was a significant detractor. However, long positions in Capital Markets firms provided some offset.

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.

# BlackRock Global Liquid Alternatives Fund – S2

# BlackRock®

## Sub-Fund Performance

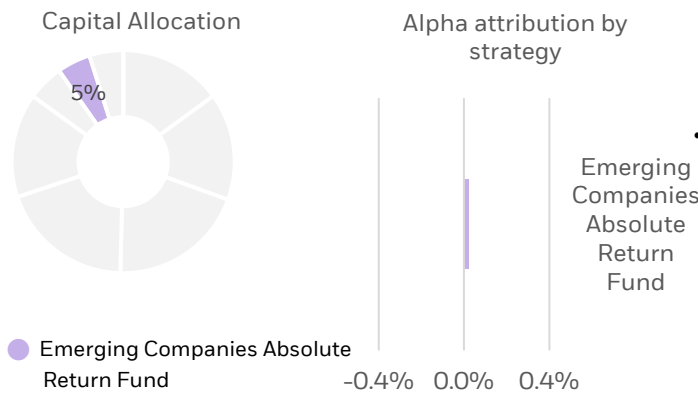
### Monthly Performance Update

### July 2024

#### Fundamental Equity Long / Short

### Emerging Companies Absolute Return Fund

The Emerging Companies Absolute Return Fund delivered slightly positive returns over the month.



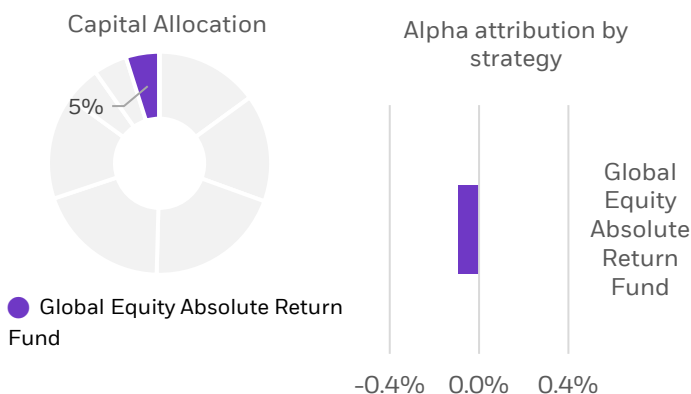
- Top contributors:** From a positioning perspective, the top 10 contributors were all long positions. The main contributor was Breedon, which delivered resilient H1 results in a period dominated by adverse weather and subdued market conditions. Breedon continues to be impacted by negative volumes but has continued to make headway with pricing increases and cost efficiencies to protect profitability while it waits for a volume recovery. Another major contributor was Grafton which also delivered a resilient trading update, highlighting the diversification of its business by geography. Positioning in CRH was another major contributor which rose on an improving outlook for US construction allied to the “Trump trade”. Ultimately, all 3 are differentiated cyclical companies that have track records in winning share, exhibiting pricing power, improving unit cost economics, and making value accretive acquisitions.

- Top detractors:** The top 10 detractors comprised of 7 long and 3 short positions. The major detractor was ASML, which fell on softer Q3 guidance for bookings, despite beating comfortably on Q2. Another major detractor was LPL Financial which fell in the month despite robust results which showed continued strong net inflows. Positioning in Novo Nordisk, was another major detractor, which fell in the month on little stock specific news, caught up in the rotation away from YTD winners

#### Fundamental Equity Long / Short

### Global Equity Absolute Return Fund

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. The shares faced some profit taking during the month following its excellent run, compounded by some very early-stage data from Roche with their own oral GLP-1 product. 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.

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.

# BlackRock Global Liquid Alternatives Fund – S2

BlackRock®

**Sub-Fund  
Performance**

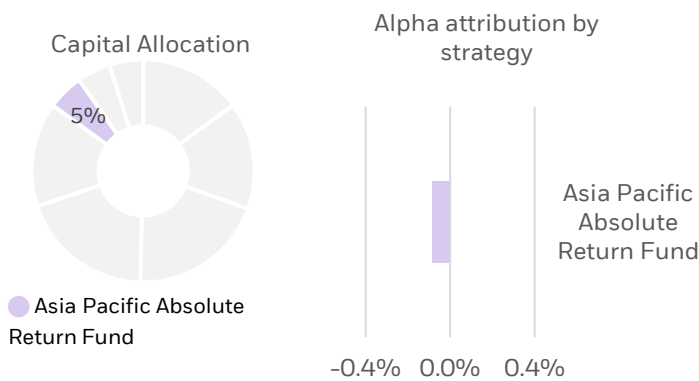
Monthly Performance Update

July 2024

## Fundamental Equity Long / Short

### Asia Pacific Absolute Return Fund

The fund delivered negative performance over the month, with long exposure in China and Taiwan being the predominant detractors. At the sector level, IT and consumer discretionary weighed on the performance while positioning in Industrials, consumer staples, and real estate exposure supported the performance over the month.

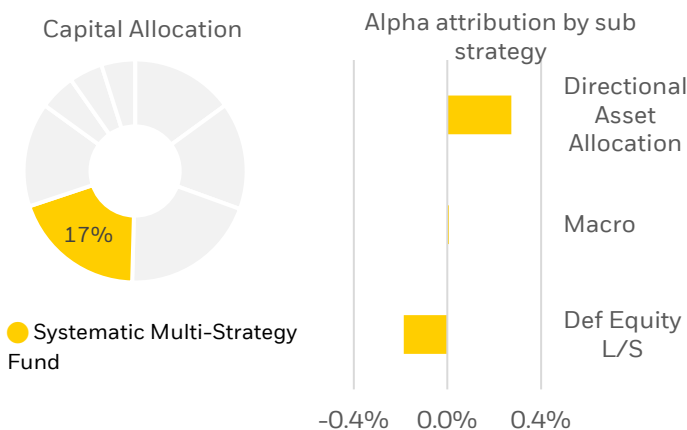


- **Top detractors:** Positioning in China's New Oriental Education was a major detractor, as stock price was negatively impacted by the departure of its live-streaming star Dong Yuhui as well as a miss in margin guidance for the first time since the regulatory crackdown. Another major detractor was Kanzhun, a Chinese online recruitment platform, which weighed on returns due to investors' growing concerns on weakening recruitment demand amid prolonged macro weakness particularly in white-collar service sectors such as Internet and Finance. Positioning in Phison Electronics, a Taiwanese NAND controller company, was also among the top detractors. The company retreated amid the tech pull-back.
- **Top contributors:** Thai telco, AIS, was a major contributor over the month. The telecom sector had consolidated from three to two players last year. Investors are starting to see early benefits despite initial skepticism driving interest and flow support. Hyundai Rotem, was among the best performers in July after reporting strong earnings growth in the second quarter of 2024, driven by increased expectations for a new defense-related tanks contract with Poland. The increasing likelihood of a Trump presidency also helped the defense subsector stocks, as it is a key focus area for Trump's election campaign. Seatrium Limited, a Singapore-listed rig-builder operating in Singapore, US and Brazil, rebounded after a weak June performance. The company announced a profit warning for 1H24 numbers suggesting meaningful progress in its turnaround story.

## Systematic Fixed Income

### Systematic Multi-Strategy Fund

The Systematic Fixed Income Component implemented through the Systematic Multi-Strategy Fund delivered positive performance over the month.



- **Top contributors:** The Directional Asset Allocation sub strategy contributed positively over the month, benefitting from the global market rally. The Macro sub strategy also contributed positively, driven by inflation tactical allocation timing and curves strategies.
- **Top detractors:** The Defensive Equity Long / Short sub strategy detracted over the period, driven by positioning within communication, technology as well as both consumer cyclical and non-cyclical sectors.

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.

# BlackRock Global Liquid Alternatives Fund – S2

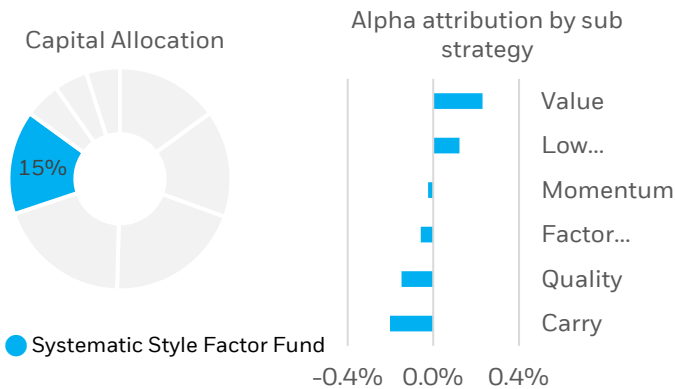
BlackRock®

Monthly Performance Update

July 2024

## Style Premia

### Systematic Style Factor Fund

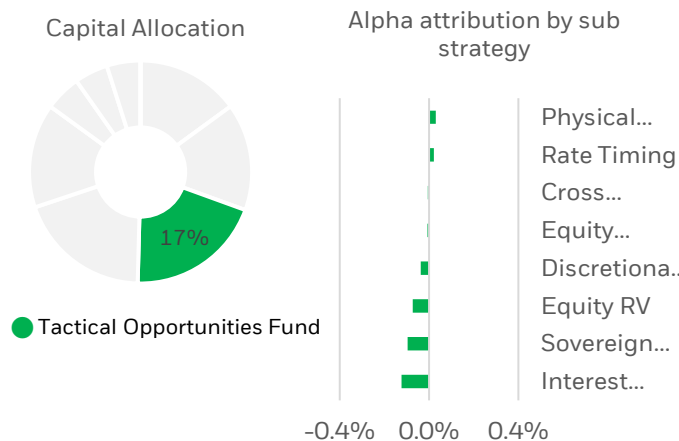


The Style Premia component implemented through the Systematic Style Factor Fund delivered negative performance over the month.

- **Top detractors:** The main detractors for the month were Carry, Quality and Factor Timing sub strategy. Momentum sub strategy also weighed on the fund performance.
- **Top contributors:** Low Volatility and Value factor strategies supported the fund performance over the month.

## Global Macro

### Tactical Opportunities Fund



The Fund's global macro component is implemented by the Tactical Opportunities Fund. The Fund delivered negative returns over the month.

- **Top detractors:** 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. A 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. The fund'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. Equity relative value positioning also detracted, driven by a long Japan versus short in US equities as the Bank of Japan (BoJ) raised their policy rate as well as signaled hawkishly through year.
- **Top contributors:** A 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).

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.



# BlackRock Global Liquid Alternatives Fund – S2

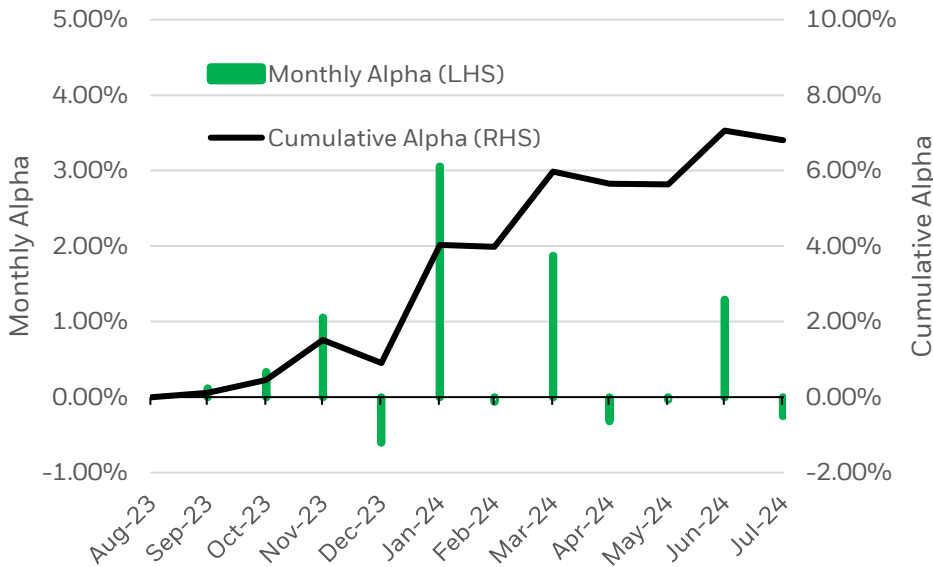
## Monthly Performance Update

# BlackRock

## Fund Performance

July 2024

### Fund Monthly and cumulative alpha (net of fees)



### Fund Monthly performance (net of fees)

Date	Jan	Feb	Mar	Apr	May	July	July	Aug	Sep	Oct	Nov	Dec	YTD
2023									0.36%	0.67%	1.40%	-0.24%	2.21%
2024	3.42%	0.28%	2.23%	0.03%	0.33%	1.64%	0.10%						8.25%

Source: BlackRock, 31 July 2024. Fund inception: 8 September 2023. Performance is net of fees and expenses, using S2-share class in Australian dollars with distributions reinvested. Past performance is not a reliable indicator of future results. For illustrative purposes only.

#### Contact Information

Telephone: 1300 366 100 Facsimile: 1300 366 107  
 Email: [clientservices.aus@blackrock.com](mailto:clientservices.aus@blackrock.com) Website: [www.blackrock.com/au](http://www.blackrock.com/au)

#### 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

Issued by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFSL 230 523 (BIMAL) for the exclusive use of the recipient, which warrants by receipt of this material that it is a wholesale client as defined under the Australian Corporations Act 2001 (Cth). This material provides general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances. Refer to BIMAL's Financial Services Guide on its website for more information. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction. Information provided is for illustrative and informational purposes and is subject to change. It has not been approved by any regulator. This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. BIMAL is a part of the global BlackRock Group which comprises of financial product issuers and investment managers around the world. BIMAL is the issuer of financial products and acts as an investment manager in Australia. BIMAL is the responsible entity and issuer of units in the Australian domiciled managed investment schemes referred to in this material, including the Australian domiciled iShares ETFs. Any potential investor should consider the latest product disclosure statement (PDS) before deciding whether to acquire, or continue to hold, an investment in any BlackRock fund. BlackRock has also issued a target market determination (TMD) that describes the class of consumers that comprises the target market for each BlackRock fund and matters relevant to their distribution and review. The PDS and the TMD can be obtained by contacting the BIMAL Client Services Centre on 1300 366 100. In some instances the PDS and the TMD are also available on the BIMAL website at [www.blackrock.com/au](http://www.blackrock.com/au). An iShares ETF is not sponsored, endorsed, issued, sold or promoted by the provider of the index which a particular iShares ETF seeks to track. No index provider makes any representation regarding the advisability of investing in the iShares ETFs. Further information on the index providers can be found in the BIMAL website terms and conditions at [www.blackrock.com/au](http://www.blackrock.com/au). This material may include references to funds that are not registered for public distribution in Australia. Any such funds will be subject to the laws and regulations as required by their country of domicile and registration which may differ from those in Australia and therefore may not necessarily provide the same level of protection to investors as schemes registered in Australia and subject to Australian regulations and conditions. BIMAL, its officers, employees and agents believe that the information in this material and the sources on which it is based (which may be sourced from third parties) are correct as at the date of publication. While every care has been taken in the preparation of this material, no warranty of accuracy or reliability is given and no responsibility for the information is accepted by BIMAL, its officers, employees or agents. Except where contrary to law, BIMAL excludes all liability for this information. Any investment is subject to investment risk, including delays on the payment of withdrawal proceeds and the loss of income or the principal invested. While any forecasts, estimates and opinions in this material are made on a reasonable basis, actual future results and operations may differ materially from the forecasts, estimates and opinions set out in this material. No guarantee as to the repayment of capital or the performance of any product or rate of return referred to in this material is made by BIMAL or any entity in the BlackRock group of companies. No part of this material may be reproduced or distributed in any manner without the prior written permission of BIMAL. © 2024 BlackRock, Inc. or its affiliates. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS, ALADDIN, iSHARES and the stylised i logo are registered and unregistered trademarks of BlackRock, Inc. or its affiliates. All other trademarks are those of their respective owners.

### Key Fund Terms

APIR	BLK6340AU
ISIN	AU60BLK63405
Inception Date	8 September 2023
Buy/Sell Spread	0.00%/0.00%
Management Fee	1.25%
Performance Fee	0%
AUM	A\$2.2M
Benchmark	RBA Cash Rate
Minimum initial investment	A\$500,000
Redemptions and Applications	Daily (before 1pm Sydney time on any Business Day)
Lock-up Period	None
Domicile	Australia
Custodian	J.P. Morgan Chase Bank