

# BlackRock Global Unconstrained Equity Fund (AUST)

# BlackRock®

## FUND UPDATE

31 August 2024

### Investment Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	Since Incep
BlackRock Global Unconstrained Equity Fund (Aust) (Class D) (Net of Fees)	-0.26	1.65	11.51	-	-	-	20.37
MSCI All Country World Index NET (in AUD)	-1.21	4.46	17.38	-	-	-	22.78
Outperformance (Class D) (Net of Fees)	0.96	-2.82	-5.87	-	-	-	-2.41
BlackRock Global Unconstrained Equity Fund (Aust) (Class S) (Net of Fees)	-0.20	1.81	11.28	-	-	-	19.54
MSCI All Country World Index NET (in AUD)	-1.21	4.46	17.38	-	-	-	22.78
Outperformance (Class S) (Net of Fees)	1.01	-2.65	-6.10	-	-	-	-3.24

<sup>1</sup> Fund inception: 09/28/2023.

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.

Visit **BlackRock.com.au** for further information, including:

- Market Insights & Commentary
- Fund Performance
- Unit Prices

## Global Impact August 2024

### Market Overview

Global equity markets were impacted by significant volatility at the start of August but ultimately finished the month in positive territory.

In the US, markets fell at the start of the month on weaker than expected economic data, including the July jobs report, ISM manufacturing print, and an increase in the unemployment rate. By the end of August, signals that the Fed would likely cut interest rates in September were well received by market participants after the annual Jackson Hole Economic Symposium. European markets were also impacted by the volatility at the beginning of the month, however, sentiment improved by month-end as headline annual inflation in the Eurozone slowed to 2.2% in August from 2.6% in July—the lowest level in three years and close to the European Central Bank's (ECB) 2% target.

Most sectors ended the month in the black, with Real Estate, Health Care and Consumer Staples as the strongest performing sectors. Energy was the worst performing sector during August, with Information Technology and Communication Services also underperforming the market.

### Fund Performance and Stock Contributors

GLUE owns high quality businesses that we believe can sustain high returns over the long-term. Short-term performance is not an objective of the Fund; the purpose of the following remarks is to share company-specific developments only.

Net of fees, the fund outperformed the benchmark, MSCI World (AUD), in August. The fund's position in **Ferrari** was the biggest positive contributor as the company reported a strong set of quarterly results – highlighting a good product mix and personalisation as it beat analyst forecasts. The company upgraded full year sales guidance by 2% and EPS by 5%. Our position in **Floor and Décor**, which has been impacted by the protracted rate cycle, also performed well as optimism around US interest rates boosted sentiment around the company's outlook given its exposure to existing home sales. **Intuitive Surgical**, which posted strong Q2 earnings in July, continued to see share price

momentum in August. The company’s result was strong across the board, with the company highlighting robust initial demand for its new da Vinci 5 machine.

Elsewhere in the portfolio, **Spirax Group** posted weak H1 results: while group sales were in line, margins disappointed and the company revised down its full year guidance to mid-single digit growth and flattish margins. There were some positives to take with respect to its Watson Marlow business, a major growth driver with commentary suggesting an improvement in biopharma may come through late this year. **ASML** was another detractor in August. The company was impacted as fresh reports surfaced of potential export curbs on semiconductor manufacturing equipment to China. The company remains a de-facto monopoly in Extreme Ultra-Violet (EUV) lithography machinery and a key beneficiary of several structural tailwinds, which, we believe, will enable it to sustain high returns over the long-term.

As we have mentioned previously, while markets have been volatile year-to-date, we have continued to stick with our stock-led process and avoid whipsaw risk. Fundamentals drive share prices over time, and while market narratives and dislocations can create short-term volatility, remaining focussed on underlying businesses and their fundamentals can deliver compelling long-term alpha.

Top Holdings	
Holding	Weight %
NOVO NORDISK CLASS B	9.84
MICROSOFT CORP	9.30
ASML HOLDING NV	8.43
S&P GLOBAL INC	5.50
THERMO FISHER SCIENTIFIC INC	5.38
INTUITIVE SURGICAL INC	5.00
MASTERCARD INC CLASS A	4.94
FERRARI NV	4.93
META PLATFORMS INC CLASS A	4.75
CADENCE DESIGN SYSTEMS INC	4.63
Country Exposure	
Country	Weight %
United States	66.22
Denmark	9.84
Netherlands	8.43
France	7.56
Italy	4.93
United Kingdom	2.61

## About the Fund

### Investment Objective

The investment objective of the Fund is to achieve long-term capital growth by investing in a global portfolio of equity securities.

### Investment Strategy

The Fund aims to achieve its investment objective through investing in the BlackRock Global Unconstrained Equity Fund (Underlying Fund). The Underlying Fund is domiciled in Ireland and is a sub-fund of BlackRock Funds I ICAV, an Irish Collective Asset-management Vehicle. The Underlying Fund is managed by BlackRock Asset Management Ireland Limited and BlackRock Investment Management (UK) Limited has been appointed as Investment Manager (Investment Manager).

The Underlying Fund seeks to achieve its objective by investing at least 80% of its total assets in equity securities and equity-related securities (namely American Depositary Receipts (ADRs)

and Global Depositary Receipts (GDRs)) of companies domiciled in or exercising a significant part of their economic activity in global developed markets.

Investment decisions will be based on fundamental, company-specific research to identify and select the equity and equity-related securities that, in the opinion of the Investment Manager, have the potential to produce attractive long-term capital growth. The Investment Manager’s research looks at a range of factors when selecting companies in which to invest including, but not limited to, an analysis of their competitive advantages, the impact of structural (such as economic, demographic or technological) changes, the quality of management teams and their financial discipline. The Fund’s portfolio is expected to be concentrated.

The Fund and the Underlying Fund have an unconstrained investment style (that is, it will not take a benchmark index into account when selecting investments) and is not subject to any restrictions on the proportion of its assets that must be invested in any particular country, region or industry sector.

The Underlying Fund applies exclusionary screens to the companies within its investment universe. The Investment Manager then applies its proprietary Fundamental Insights Methodology to identify companies that would otherwise have been excluded by the exclusionary screens but that it considers to be appropriate for investment on the basis that they are “in transition” and focused on meeting sustainability criteria over time.

Where a company is identified as meeting the criteria in the Fundamental Insights Methodology for investment and is approved in accordance with the Methodology, it is eligible to be held by the Underlying Fund. Such companies are regularly reviewed.

In the event that the Investment Manager determines that a company fails the criteria in the Fundamental Insights Methodology (in whole or in part and at any time) or it is not engaging with the Investment Adviser on a satisfactory basis, it will be considered for divestment by the Underlying Fund in accordance with the Fundamental Insights Methodology.

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

- ▶ Seek to invest in a Fund which provides investors with access to a professionally managed portfolio of global equity securities.
- ▶ Have a long-term investment horizon. The securities held in the Underlying Fund’s portfolio have been selected based on BlackRock’s view that they have a sustained competitive advantage, and so will typically be held over a long-term horizon.
- ▶ Want to invest into an actively managed fund without benchmark constraints. In selecting securities for the Underlying Fund’s portfolio, the investment adviser is unconstrained by country, region or capitalisation limits.

### Fund Details

BlackRock Global Unconstrained Equity Fund (Aust) (Class D)	
APIR Code	BLK9425AU
Management Fee	0.95%
Fund Size	\$155,746.22
BlackRock Global Unconstrained Equity Fund (Aust) (Class S)	
APIR Code	BLK2713AU
Management Fee	0.30%
Fund Size	\$29,883.99

\* Fund size of the Australian Fund – excludes the AUM of the Underlying Fund into which the Fund invests.

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