BLACKROCK DIVERSIFIED ESG GROWTH FUND

BLACKROCK®

FUND UPDATE **30 April 2024**

Investment Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	Inc
BlackRock Wholesale Diversified ESG Growth Fund (Gross of Fees)[1]	-2.17	3.05	4.52	10.03	4.93	6.36	7.99
Benchmark*	-1.94	3.18	4.68	10.35	5.43	6.45	7.05
Outperformance (Gross of Fees)	-0.22	-0.13	-0.16	-0.32	-0.50	-0.09	0.94
BlackRock Diversified ESG Growth Fund (Net of Fees)[2]	-2.23	2.86	4.26	9.18	4.14	5.58	7.30
Benchmark*	-1.94	3.18	4.68	10.35	5.43	6.45	7.28
Outperformance (Net of Fees)	-0.28	-0.32	-0.42	-1.17	-1.29	-0.87	0.02

[1] Fund inception: 31/10/1997. [2] Fund inception: 31/12/1996.

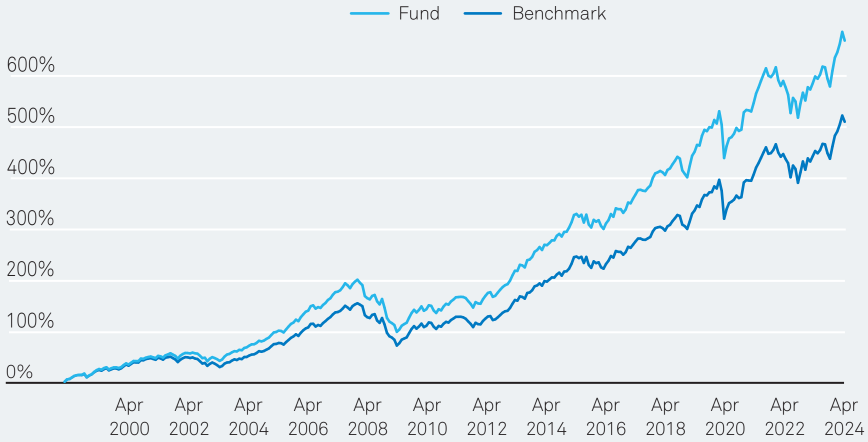
Past performance is not a reliable indicator of future performance. Performance for periods greater than one year is annualised.

* The benchmark is a diversified allocation of the S&P/ASX 300 Gross Total Return Index, MSCI Australia IMI Specified ESG Screened Index, MSCI World Index 4PM (hedged and unhedged in AUD), MSCI Emerging Markets Net Index (unhedged in AUD), FTSE Developed Core Infrastructure 50/50 Net Tax Index (unhedged in AUD), FTSE EPRA Nareit Developed Index Net TR Index (unhedged in AUD), Refinitiv Gold Fixing Price Index (unhedged in AUD), Bloomberg Barclays MSCI Australia 100mn ESG Index, Bloomberg AusBond Inflation Government 0+ Year IndexSM, Bloomberg AusBond Credit 0+ Yr Index, Bloomberg Barclays US Govt Inflation-Linked Index (hedged in AUD), ICE BofA Developed Markets HY Constrained Index (hedged in AUD), Bloomberg AusBond Bank Bill IndexSM.

Please note that effective from 31 March 2023 the index weights representing the performance benchmark for the BlackRock Diversified ESG Growth Fund have changed slightly to reflect the latest changes to the Fund's strategic asset allocation (i.e. the composite benchmark). This is reflected in the historical benchmark performance, with returns prior to 31 March 2023 reflecting those of the old benchmark weights while returns after this date reflect those of the updated benchmark weights.

Performance is calculated in Australian dollars and assumes reinvestment of distributions. Gross performance is calculated gross 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. Net performance is calculated on exit-to-exit price basis, e.g. net of ongoing fees and expenses.

Cumulative Performance (Gross of fees) to 30 April 2024



Performance Summary

Market Overview

Global markets retreated in April against the backdrop of upside inflation surprises across several developed economies and rising geopolitical tensions in the Middle East. Sovereign bond yields continued to trend higher as investors pared back the timing and magnitude of central bank rate cuts – resulting in negative returns for most fixed income asset classes. Global equities, as measured by the MSCI World Index (hedged), ended the month down 3.3% in Australian dollar terms, while Fixed Income markets, as represented by the Bloomberg Barclays Global Aggregate Index (hedged), declined 1.7%.

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

- Market Insights & Commentary
- Fund Performance
- Unit Prices

United States
In the US, the S&P 500 Index retreated from all-time highs and fell by 4.1% in April (in local currency terms), as robust economic data and sticky inflation prompted a repricing of future monetary policy easing. Interest-rate sensitive sectors like Real Estate and Information Technology underperformed, while Utilities delivered gains. The US Federal Reserve (Fed) held interest rates steady in its latest meeting, citing a "lack of further progress" in lowering inflation. While Fed Chair, Jerome Powell, acknowledged the hotter than expected core inflation of 3.7% for Q1, he ruled out the possibility of a rate hike in the next policy meeting. On the data front, US unemployment edged down to 3.8% in April, while the GDP report for Q1 showed robust private consumption despite a weak headline figure. Meanwhile, strong corporate earnings have acted as a backstop for markets, however investors have been quick to punish companies with weaker-than-expected forward guidance amid the highly uncertain outlook.

Europe
European equities, as represented through the Euro Stoxx 50 Index, fell 2.4% over the month (in local currency terms) alongside weaker earnings results and sticky price pressures. Core inflation printed above forecasts at 2.7% year-on-year, while the Eurozone saw economic growth of 0.5% annualised for Q1 which was ahead of market expectations. Meanwhile, the European Central Bank (ECB) reaffirmed that a first-rate cut is likely in June. However, the pace of cuts remains undecided and ECB President, Christine Lagarde, reiterated that the ECB will follow a "data-dependent" approach.

In the UK, the FTSE 100 Index outperformed its developed market peers and gained 2.7% in April (in local currency terms) to reach fresh record highs. Markets have priced in upcoming rate cuts by the Bank of England (BoE), which was previously one of the first central banks to tighten monetary policy, while economic growth continues to recover after the UK experienced a technical recession in Q4. Although inflation modestly declined to 3.2% annualised in March – which was slightly above expectations – BoE Governor, Andrew Bailey, described the fall as being in line with forecasts.

Asia
Following a period of underperformance, China's CSI 300 Index rose 2.0% in April (in local currency terms). Chinese equities rallied alongside positive corporate earnings, while new share market reforms announced by the Chinese regulator helped restore investor confidence. On the data front, China's Caixin PMI – which tracks both the services and manufacturing sector – provided some optimism and remained in expansionary territory at 52.7. China's Q1 GDP also surprised to the upside and grew 5.3% year-on-year driven by strong exports, however March inflation printed at 0.1% annualised which was weaker than expectations. Meanwhile, property concerns continue to weigh on the economy, with new home prices declining 2.7% in March compared to the year prior.

Japanese equities, as represented by the Nikkei 225 Index, fell 4.9% over the month (in local currency terms). The Bank of Japan (BoJ) kept policy unchanged and reiterated that its accommodative monetary stance will remain for the near-term. As a result, the Japanese yen depreciated against the US dollar to reach 34-year lows before rebounding due to suspected government intervention by the Ministry of Finance. The yen has been the worst-performing G10 currency this year, however this weakness has provided a tailwind for exports which rose 7.3% year-on-year in March. Investors continue to closely monitor for potential efforts by Japanese authorities to support the yen. Meanwhile, Japanese core consumer inflation slowed sharply to 1.6% annualised in April and undershot consensus projections.

Australia
The S&P/ASX 300 Accumulation Index declined 2.9% in April, with Real Estate and Consumer Discretionary among the worst performing sectors. Australia's headline inflation was stronger than expectations at 3.6% year-on-year for Q1, which saw markets contemplate the possibility of an additional rate hike by the Reserve Bank of Australia (RBA) later this year. Unemployment ticked up to 3.8% over the month, however the labour market remains historically tight. Retail sales also saw a reversal of February's gains and significantly surprised to the downside by falling 0.4%. Australian house prices, as represented by CoreLogic Home Value Index, continued their steady march upwards and rose 0.6% in April.

Fixed Income
Fixed income markets were weaker in April as markets repriced yields higher alongside sticky inflation and tight labour market data across most developed economies. Over the month, the US 10-year yield rose by 48 basis points, while the Australian 10-year yield increased by 46 basis points to end April at 4.7% and 4.4% respectively. The rise in rates pushed bond prices lower. The Global Aggregate index (hedged) finished the month down 1.7%, while the Australian composite bond index fell 2.0% over April. Riskier parts of the fixed income market were also weaker, as investment grade and high yield corporate credit declined and emerging market debt indices sold off over the period.

Commodities & FX
Commodity and energy prices trended higher over the month. Across industrial metals, Copper increased 13.0% in April while Iron Ore rebounded sharply to rise 17.8% – buoyed by improved demand and expectations of Chinese policy support following China's Politburo meeting in April. Gold further gained 2.5% across the period. Oil experienced significant volatility with prices spiking early in the month due to heightened tensions in the Middle East, before paring gains to close April up a modest 0.2%. Within currencies, the US dollar appreciated 1.6% over the month against its developed market peers, while the Australian dollar fell 0.7% against the US dollar.

Strategy Commentary – Apr 2024

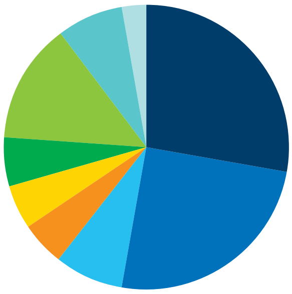
The BlackRock Diversified ESG Growth Fund recorded a negative return of -2.23% (after fees) in April. Global markets broadly declined as a re-pricing higher in sovereign bond yields, elevated tensions in the Middle East and ongoing US dollar strength weighed on investor sentiment.

In terms of absolute performance, growth assets mostly recorded losses which were led by Global Equities and Australian Equities, although Emerging Markets Equities were positive alongside a rebound in Chinese stocks. The allocation to Global Infrastructure and Global Property also detracted from performance over the month. The Fund's more defensive asset classes, including Australian Fixed Income, Australian Inflation Linked Bonds, Australian Investment Grade Corporate Bonds, US Inflation Linked Bonds and Global High Yield Corporate Bonds, also recorded negative returns. The defensive allocation to Gold contributed across the period.

On the active front, the Fund underperformed its diversified benchmark over the month by -0.28% (after fees). Emerging Market Equities was the largest detractor in April, as the allocation to the fundamental strategy underperformed due to security selection in Brazil and an overweight to Indonesia. Australian Equities detracted from alpha which was driven by positioning in Industrials and Energy along with an underweight within Materials. Global Equities were negative over the month as the systematic strategy underperformed, although partially offset by the fundamental strategy which contributed to active performance. Global Property was the largest contributor in April, driven by an underweight to US Industrials, although Global Infrastructure detracted. The Fund's global macro strategy which takes overweight and underweight positions across asset classes and regions (i.e., tactical asset allocation) modestly detracted as US equity positions weighed on performance.

In addition, the Fund's strategic asset allocation was updated at the end of March 2024, which led to an increased allocation to Australian Equities and a reduction in Global Equities. Within defensive asset classes, an increased allocation to Australian Investment Grade Corporate Bonds was funded by a slight decrease in exposure to Australian Inflation Linked Bonds, US Inflation Linked Bonds and Global High Yield Corporate Bonds.

Fund Allocation



	Fund	Benchmark
Australian Shares	27.91	28.00
International Shares	24.89	25.00
Emerging Markets Shares	8.03	8.00
Global REITs (unhedged)	4.97	5.00
Global Listed Infrastructure (unhedged)	5.03	5.00
Gold	5.40	5.00
Australian Bonds	13.50	13.50
International Bonds	7.54	7.50
Cash	2.74	3.00

These benchmark weights reflect both direct and indirect investments and the effect of derivatives. While the fund is managed to this benchmark as at the date of this document, the benchmark weights may vary after the issue date of this document.

About the Fund

Investment Objective

The Fund aims to achieve superior investment performance through providing returns that exceed those of the composite benchmark after fees, over rolling 3-year periods. The Fund will seek to meet its investment objective while taking into account the principles of environmental, social and governance (ESG) focused investing. The composite benchmark comprises a portfolio of published indexes, approximately 30% of which represent defensive assets and 70% of which represent growth assets.

Fund Strategy

BlackRock utilises its proprietary capital market assumptions, which produce long-term estimates of expected risk and return in each asset class. These are used to construct the Fund's strategic asset allocation (SAA) which sets the target allocations for various asset classes.

BlackRock then implements the SAA, and gains exposure to the targeted asset classes by investing in other pooled investment vehicles (Underlying Funds) which are managed by us or other entities within the BlackRock Group. These Underlying Funds have a range of active and index investment strategies. Each active strategy aims to add value over the strategic allocation, whilst controlling risk. In addition to long-only active funds, the Fund may invest in Underlying Funds with absolute return strategies to achieve the Fund's overall performance objective. BlackRock may adjust the SAA or its investment into Underlying Funds from time to time, including at periodic rebalances.

The selection of an Underlying Fund for inclusion in the strategy is the result of a comprehensive due diligence process. In selecting Underlying Funds, BlackRock takes into account ESG considerations as set out in section titled 'ESG approach within the Underlying Fund selection process' in the Fund's Product Disclosure Statement.

Should be considered by investors who ...

- Seek a fund that invests across a range of domestic and international asset classes in seeking to maximise the benefits of global diversification.
- Seek a fund that incorporates ESG considerations in constructing and implementing its strategic asset allocation.

Fund Details

BlackRock Wholesale Diversified ESG Growth Fund	
APIR	BGL0003AU
Fund Size	436 mil
Buy/Sell Spread	0.09%/0.09%

BlackRock Diversified ESG Growth Fund	
APIR	BAR0813AU
Management Fee	0.79% p.a.

BLACKROCK®