

BLACKROCK ADVANTAGE AUSTRALIAN EQUITY FUND

BLACKROCK AUSTRALIAN ALPHA TILTS FUND

BLACKROCK®

FUND UPDATE

31 March 2024

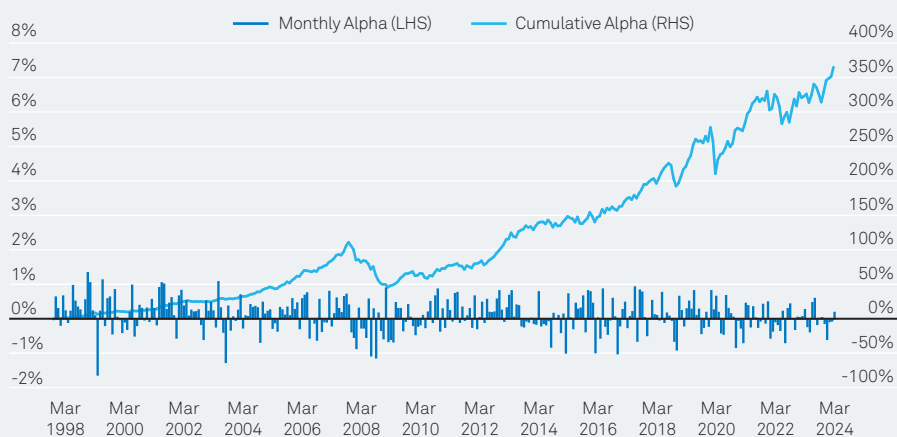
Investment Performance (%)

	1 Mth	3 Mths	CYTD	1 Yr	3 Yrs	5 Yrs	Since Incep
BlackRock Australian Alpha Tilts Fund* (Gross of Fees)	3.45	5.47	5.47	14.02	9.26	9.54	10.22
S&P/ASX 300 Accumulation Index	3.26	5.43	5.43	14.40	9.43	9.15	8.86
Outperformance (Gross of Fees)	0.18	0.05	0.05	-0.38	-0.17	0.38	1.36
BlackRock Australian Alpha Tilts Fund – Class S ** (Gross of Fees)	3.45	5.45	5.45	14.01	9.26	-	6.99
S&P/ASX 300 Accumulation Index	3.26	5.43	5.43	14.40	9.43	-	7.13
Outperformance (Gross of Fees)	0.18	0.02	0.02	-0.40	-0.17	-	-0.14
BlackRock Australian Alpha Tilts Fund – Class S ** (Net of Fees)	3.42	5.37	5.37	13.68	8.95	-	6.69
S&P/ASX 300 Accumulation Index	3.26	5.43	5.43	14.40	9.43	-	7.13
Outperformance (Net of Fees)	0.16	-0.05	-0.05	-0.72	-0.48	-	-0.44
Blackrock Advantage Australian Equity Fund^ (Net of Fees)	3.41	5.34	5.34	13.51	8.79	9.06	9.30
S&P/ASX 300 Accumulation Index	3.26	5.43	5.43	14.40	9.43	9.15	8.77
Outperformance (Net of Fees)	0.14	-0.09	-0.09	-0.90	-0.65	-0.09	0.53

*Fund inception: 31/10/1997. **Fund inception: 31/01/2020. ^Fund inception: 31/12/1996.

Past performance is not a reliable indicator of future performance. Gross returns are calculated before fees and taxes and assume reinvestment of distributions. 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, performance fees and expenses.

Fund Performance (Gross of Fees) to 31 March 2024



Visit [BlackRock.com.au](https://www.blackrock.com.au) for further information, including:

- Market Insights & Commentary
- Fund Performance
- Unit Prices

Performance Summary – March 2024

Fund v Market

The S&P/ASX300 Accumulation had its strongest month in 2024 so far, registering a 3.3% return for the month and 5.4% since the start of the year.

March saw Australia’s latest quarterly GDP numbers released. Seasonally adjusted real GDP growth came in at +0.2% (q/q) for the December quarter. The slowing economy, along with the latest monthly CPI indicator (+3.4% y/y), provided some optimism for the view that the RBA will begin cutting rates later this year. Elsewhere, however, the unemployment rate surprised back towards historic lows (3.8%) from 4.1% the previous month as the economy added 116,600 new jobs. In the midst of this, the RBA decided to hold the Official Cash Rate at 4.35% as it continues to wait and see how the economy develops under the current rate regime.

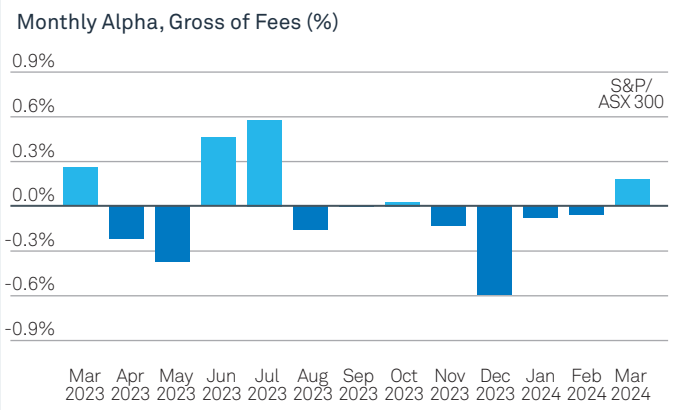
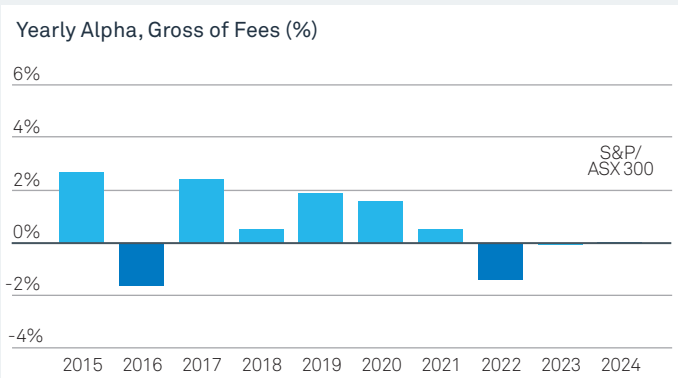
Nearly all sectors registered a positive return over the quarter, with the exception of the Materials sector (-3.6%), dragged lower by the miners. Information Technology (+24.2%) led the rally, perhaps buoyed by overseas tech names. Real Estate (+14.3%), helped by industrial REITs, Consumer Discretionary (+12.3%), on the strength of retailers, and broad-based gains in Financials (+10.5%) saw those three sectors post double digit gains.

The strategy gained slightly to start the year, with positive returns dominated by market returns. Financials led on the positive side, overweights across the sub-sectors adding, led by Virgin Money UK which was an acquisition target early March. Underweight miners also added to help Materials outperform, similarly underweight oil and overweight refiners saw the Energy sector contribute, and favourable positioning in Industrials added to performance. However, this was offset by poor positioning in Real Estate, and Health Care, with underweights in Information Technology also detracting. Earnings Direction was the best of the signal groups, supported by Earnings Quality, then Relative Valuation and Timing insights, as only Market insights detracted.

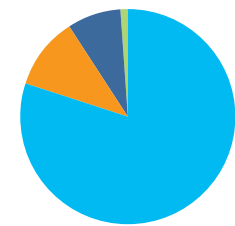
Investment Insights

The stock positions in the portfolio are based on combinations of our signals, which exhibited the following performance characteristics over the quarter:

- ▶ Relative Valuation signals were positive,
- ▶ Market signals were negative,
- ▶ Earnings Direction signals were positive,
- ▶ Earnings Quality signals were positive,
- ▶ Timing signals were positive.



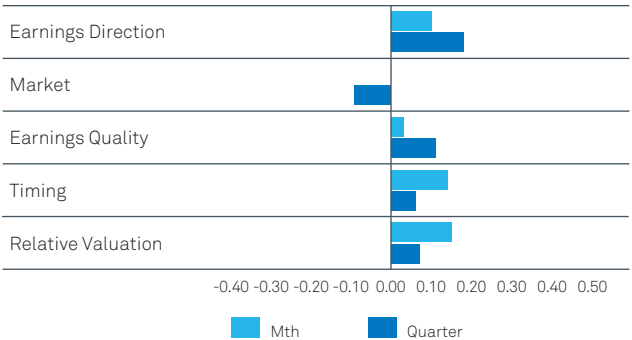
Risk Contributions (%)



Active Risk: 0.96%
Portfolio Beta: 0.99

Specific	81%
Style	11%
Industry	8%
Act Sys	1%

Insight Performance (%)



Past performance is not an indicator of future performance
Source: BlackRock.

Sector Exposure (%)

Sector	Weight
ENERGY	4.62
MATERIALS	21.43
INDUSTRIALS	6.78
CONSUMER DISCRETIONARY	8.34
CONSUMER STAPLES	4.07
HEALTHCARE	9.71
FINANCIALS EX A-REIT	28.75
A-REIT	6.24
INFORMATION TECHNOLOGY	3.81
COMMUNICATIONS SERVICES	2.99
UTILITIES	1.64

Top Contributors / Detractors

Contributors	Detractors
BHP GROUP LTD	REA GROUP LTD
VIRGIN MONEY UK PLC	SCENTRE GROUP
WOODSIDE ENERGY GROUP LTD	GOODMAN GROUP
QBE INSURANCE GROUP LTD	ARISTOCRAT LEISURE LTD
BRAMBLES LTD	SPARK NEW ZEALAND LTD

Top 10 Holdings

Stock
BHP GROUP LTD
COMMONWEALTH BANK OF AUSTRALIA
CSL LTD
ANZ GROUP HOLDINGS LTD
WESTPAC BANKING CORPORATION CORP
NATIONAL AUSTRALIA BANK LTD
RIO TINTO LTD
WOODSIDE ENERGY GROUP LTD
FORTESCUE LTD
MACQUARIE GROUP LTD DEF

Stock Selection

On a market adjusted basis, amongst the top contributors for the quarter was an overweight position in Virgin Money UK (VUK) and an underweight position in Arcadium Lithium (LTM). Amongst the largest detractors was an overweight position in Lendlease (LLC) and an underweight position in Wesfarmers (WES).

Top Contributors

VUK – The overweight position in Virgin Money UK came about through favourable Relative Valuation and Market insights. The firm first announced, then recommended, a potential deal for it to be acquired by a UK building society, in a cash transaction at a significant premium.

LTM – The underweight position in Arcadium Lithium came about as all insight groups were negative, led by Market and Relative Valuation. Weak worldwide demand for lithium led to lower prices, and lower quarterly profits for the firm.

Top Detractors

LLC – The underweight position in property name Lendlease was driven by weak Earnings Direction and Earnings Quality insights, notwithstanding the strength in Valuation insights. The firm reported lower core operating profits after tax and downgraded guidance, citing lower certainty of transaction timing and higher execution risks.

WES – The underweight position in conglomerate Wesfarmers was due to a range of negative views with only Earnings Quality being positive. The firm continued to drift higher after posting positive earnings, driven by strength in its Kmart group, allowing the company to increase dividends.

About the Fund

Investment Objective

The Fund aims to outperform the S&P/ASX 300 Accumulation Index before fees over rolling three-year periods, while maintaining a similar level of risk as its benchmark.

Fund Strategy

The highly risk-controlled strategy employs a scientific process to identify mis-priced stocks using a range of fundamental investment insights. These insights are the result of ongoing research by BlackRock's global team of investment professionals. The insights are broadly categorised as:

- ▶ Earnings Direction – anticipate changes in future earnings direction, which affects stock prices;
- ▶ Relative Valuation – analyse multiple measures of underlying fundamental value;
- ▶ Earnings Quality – assess the quality and sustainability of earnings;
- ▶ Market – focus on market and management behaviour that can influence stock prices; and
- ▶ Timing – consider theme and sector timing.

Should be considered by investors who ...

- ▶ Seek broad exposure to the Australian equity market.
- ▶ Seek a fund that uses a proven, risk-controlled scientific process, to maximise its potential to deliver competitive returns to investors.
- ▶ Have a long term investment horizon.

Fund Details

Blackrock Advantage Australian Equity Fund	
APIR Code	BAR0814AU
Fund Size	109 mil
Buy/Sell Spread	0.15%/0.15%
Management Fee	0.45%p.a.

BlackRock Australian Alpha Tilts Fund	
APIR	BGL0006AU
Fund Size	515 mil
Buy/Sell Spread	0.15%/0.15%
Number of Stocks in Fund	149
Number of Stocks in Benchmark	300
Tracking Error	1.09%

BlackRock Australian Alpha Tilts Fund – Class S	
APIR	BLK6723AU
Fund Size	202 mil
Buy/Sell Spread	0.15%/0.15%

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