

The BlackRock Global Allocation Fund (Aust) looks to provide investors with access to the best investment opportunities worldwide by investing in global equities, fixed income and cash.

The Fund offers the potential for strong returns with low to moderate levels of risk through a flexible, research-intensive, value oriented investment approach.

The Fund is not constrained by asset allocation ranges or benchmarks and can invest in any asset class, anywhere, at anytime.

Investment aim

The objective of the Fund is to maximise total investment returns while managing risk and the Fund is generally diversified across markets, industries and issuers.

The types of securities and markets the Fund invests in will vary in response to changing market conditions and economic trends. For example, the Fund may be substantially invested in Japanese shares when they appear undervalued relative to other world share markets. Alternatively greater emphasis may be placed on fixed income securities when the risk of owning shares appears significant. With this approach, the Global Allocation Team strives to achieve attractive total returns, while spreading the risks associated with investing in only one asset class or market.

Using the BlackRock Global Allocation Fund (Aust) as a core portion of global equity exposure

The lower volatility profile of the BlackRock Global Allocation Fund (Aust) is ideally placed to be used as the core portion of a portfolio's global equity exposure. The rationale for adopting this approach centres on the ultimate aim of the Fund, and provides competitive, equity-like returns with a low to moderate level of risk. This may make the Fund an ideal "core" global equity holding for some investors.

The strategy of using BlackRock Global Allocation Fund (Aust) as the "core" global equity exposure could be combined with either satellite funds or tactical funds to create an overall global equity exposure for an investor. A core-satellite approach combines lower-risk investment (ie. "core") with satellite components, providing diversification while reducing risk.

A core-tactical approach combines a lower risk, broadly exposed global fund, with a few funds that as a financial adviser you believe will offer short-term (ie. "tactical") return opportunities (e.g. a tactical decision to have some exposure to resources and emerging markets or Japan or an absolute return/hedge fund).

The Fund is managed by the Global Allocation Team based in Princeton, New Jersey, USA. The Team has been managing the BlackRock Global Allocation Fund Inc. for over 22 years and uses the one investment process and implements identical strategies across all products.

FACT SHEET

Key features

- ▶ Opportunity to gain access to a global fund investment team with a strong long term performance history.
- ▶ Diversified global exposure to over 700 securities (listed and unlisted) in over 30 countries, including emerging markets.
- ▶ Focus on absolute returns and unconstrained by region, sector, asset allocation ranges or benchmarks.
- ▶ Flexible investment approach offering direct exposure to global equity markets, while retaining the ability to move into defensive fixed income investments when conditions demand.

Who should consider the Fund?

The BlackRock Global Allocation Fund (Aust) should be considered by investors seeking a single fund that offers broad global exposure, or an absolute return that is not constrained by MSCI benchmarks.

The Fund is a "one stop shop". Investors will benefit from the active security selection, which aims to take advantage of global investment opportunities wherever and whenever they arise.

Benefits of using the BlackRock Global Allocation Fund (Aust) in a client's portfolio

1. Flexibility to access global investment markets all in the one fund including:
 - i. Global shares (small, mid & large cap)
 - ii. Global fixed interest (govt/semi govt bonds, corporate debt, high yield, hybrids etc)
 - iii. Emerging market exposures
2. Aims to protect capital in down markets while providing equity like performance in up markets.
3. Access to a highly respected investment team who have provided consistent returns with low volatility.
4. Flexibility to invest across the capital structure of the business. For example, if the investment team identifies a company that it would like to invest in, and analysis shows that a better return would be achieved by investing in the corporate debt of the company rather than the equity, then the investment team has the ability to do this.



How to invest in the BlackRock Global Allocation Fund (Aust)

	Class C (Direct/Adviser)	Class D (Platform/Direct/Adviser)
Minimum initial investment*	\$5,000	\$5,000
Fees and charges		
Contribution fee	4%	Nil
Income distributions	June, December	June, December
Management costs	0.60% p.a.	0.20% p.a.
Performance fee	12.5% of any out-performance from previous high water mark	12.5% of any out-performance from previous high water mark
Buy/sell spread (entry & exit)	0.30%	0.30%
Withdrawal fee	Nil	Nil
Ongoing Service Commission (excl GST)	0.40%	Nil

* Applies for investments through a BlackRock PDS.

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Further information

www.blackrock.com.au

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