Fact Sheet

BlackRock Global Ascent Fund

About the Fund

The BlackRock Global Ascent Fund ("Fund") is a multi-strategy global macro fund that seeks to exploit inefficiencies across global markets through the systematic application of BlackRock's investment insights. The strategy provides diversified exposure to currency, equity, fixed income and commodity alpha sources.

Fund objective

The Fund aims to provide investors with superior investment performance by providing returns (before fees) that consistently outperform the Reserve Bank of Australia's Cash Rate Target by 15% p.a. over rolling three year periods. The Fund is expected to incur active risk of 12–15% p.a. over this time.

In line with our ongoing research process, we may add additional strategies through time which we expect will reduce the total risk of the strategy without changing the return expectation of 15% p.a. above the benchmark. By total risk we mean the expected volatility of return of the fund over rolling three year periods.

Investment strategy

In pursuing its total return investment objective the Fund employs a long/short investment strategy by gaining exposure to Global Ascent Ltd. (the "GA Fund"), a US dollar denominated fund managed by BlackRock and domiciled in the Cayman Islands. The US dollar exposure of the GA Fund is hedged back into Australian dollars.

- **Total return:** Total return strategies generally aim to provide a return above a prevailing cash rate and are not linked to the return of the major equity or bond benchmarks over the medium to long-term.
- **Long/Short:** Long/short investment strategies are those that allow an investment Manager to take both positive (long) and negative (short) positions in assets.

BlackRock uses a balanced group of economically sound investment insights to develop forecasts of relative return for a large number of global assets. These forecasts are then combined with BlackRock's estimates of each asset's expected risk and expected transaction costs in order to construct the portfolio. This process aims to not expose the portfolio to risks for which BlackRock does not expect to be adequately compensated after expected transactions costs are taken into account.

The strategy typically holds long and short positions in more than 80 asset markets: 24 equity markets, 6 bond markets, 6 money markets, 32 currencies and 22 commodities. The positions are based on our combined view of relative value, the economic environment and market sentiment in each of these markets.

The strategy will typically be geared, and gains exposure to investment positions through derivatives. The gross market exposure is usually many times the value of its net asset value.

The Fund's total investment performance can be sub-divided into two main sources:

1. The first source is the performance relative to the return on cash (the RBA Cash Rate target). This performance is due to the difference in the investment performance of the assets in which the strategy holds a positive (long) position and the investment performance in the assets in which the strategy holds a negative (short) position; and
2. The return of cash (the RBA Cash rate target).

Portfolio construction – relative return forecasting signals

The strategy focuses on three groups of investment insights. These insights are used to rank the assets in the eligible universe:

- **Fundamental valuation:** BlackRock's research has shown that over the medium to long-term (2-5 years) fundamental value is an important determinant of assetreturns. BlackRock uses proven measures of fundamental and relative value to identify assets trading at prices deviating from their fundamental value.
- **Economic environment:** BlackRock's research has also shown that the economic environment that is expected in the future (12-18 months) is another important determinant of asset prices (and hence returns) over time.
- **Market sentiment:** These insights recognise that markets can and do deviate from their fundamental value over the short-term. They seek to measure changes in the level of optimism or pessimism across markets/industries.

Monthly performance summary (% since inception)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011	0.83	2.57	-1.68	0.39	-1.09								0.97
2010	-0.19	2.54	3.96	0.52	-2.55	-0.67	3.78	-2.88	4.33	1.63	2.44	1.84	15.44
2009	4.87	1.54	-2.60	1.38	2.73	0.26	1.70	-0.27	0.95	1.64	0.32	3.09	16.57
2008	-2.00	1.35	-1.56	1.21	0.79	6.29	1.73	-1.02	-6.18	-11.37	3.81	1.10	-6.85
2007	3.98	-2.84	4.76	4.91	3.61	-0.33	-1.54	-1.14	5.05	3.12	-9.55	-0.51	8.77
2006	3.15	2.16	3.19	0.85	-7.14	-0.79	2.33	-0.62	-2.30	4.48	-1.44	9.62	13.34
2005	0.13	3.22	-0.52	1.74	6.84	6.38	1.98	-7.92	7.31	3.69	1.37	-2.36	22.94
2004	8.11	-4.16	4.31	-3.48	-2.34	-1.54	-1.79	-2.99	-0.26	2.79	-0.58	4.39	1.69
2003	–	-0.34	3.03	11.39	11.59	7.79	-4.01	3.95	6.74	8.16	1.55	2.28	64.61

Cumulative Return:* 221.05%
Annualised Return: 15.57%
Annualised Volatility: 13.66%

*Since inception of performance calculation, February 2003.
Performance shown is net of all fees unless otherwise noted. Past performance is not a reliable indicator of future performance.

Summary of key product features

- The strategy may form part of an investor's core alternative allocation or as a portable alpha overlay. It provides an efficient means of capturing active returns from an asset allocation strategy
- Diversified portfolio: over 80 global markets with multiple investment horizons, and over 100 portfolio insights
- Low correlation to equity returns, interest rate moves and other active return sources
- Standalone team of nearly 50 dedicated investment professionals – over 20 researchers, 7 finance professors, 15 PhDs dedicated to on-going research
- The team looks to continually develop new and innovative insights aiming to deliver performance in evolving markets
- Highly liquid strategy
- Track record: Global Ascent has a consistent track record of success and we navigated the 2008 crisis with no lockups and no gates for our investors

The Fund should be considered by investors who...

- Seek an investment that uses total-return strategies across major asset classes and world markets to enhance portfolio returns while diversifying risk.
- Seek an investment that has a low correlation to equity returns, interest rate moves and other active return sources.
- Have a long term investment horizon.

BlackRock Global Ascent Fund	
Fund style	Multi-strategy global macro hedge fund
Inception date	February 2003
Performance target	15% per annum (gross)
Target risk	12% – 15%
Benchmark	Reserve Bank of Australia's Cash Rate Target
Management fee	2% p.a.
Performance fee	20% of performance in excess of the benchmark plus GST
AUM (mm)	$315
Currencies available	AUD
Status	Open
Liquidity	Monthly (10 calendar days notice)
Notice period	10 days
Minimum investment	$1 million
Domicile	Australia

Further information
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