

# BlackRock Managed Index Portfolios

## Sub-funds of BlackRock Strategic Funds

Monthly Update **March 2024**

### Market Update

Both developed and emerging stock markets gained over February. In fixed income, prices generally fell given investors anticipate central banks to cut rates later. Developed market equities were up 4.6% over the month. At a regional level, European equities returned 2.8%, while US equities and Japanese equities ended the month at 5.4% and 5.5%, respectively. Emerging markets increased by 4.8%. During the month, developed market bonds broadly delivered negative returns. US treasuries and UK gilts both decreased by 1.3% and 1.1%, respectively. In currencies, the Euro depreciated by 0.4% relative to the USD, while Sterling depreciated by 0.7% against the USD. In the US, headline inflation fell to 3.1% year-on-year from 3.4%, while the core inflation reading remained at 3.9% year-on-year in January. The Fed left its target rate range unchanged at 5.25-5.50% at the end of January. Powell signalled that a March rate cut was unlikely. US nonfarm payroll data showed 353,000 jobs were added in January. In Europe, headline inflation fell to 2.6% from 2.8% year-on-year, while core inflation declined to 3.1% year-on-year in February. The ECB continued to reduce the chances of an imminent interest rate cut. The eurozone composite PMI rose to 49.2 in February. In the UK, headline inflation remained steady at 4.0% year-on-year in January, while core inflation remained at 5.1% year-on-year. The Bank of England remained cautious around the prospect of interest rate cuts. Fixed income markets delivered mixed returns over February. US 10-year yields rose from 3.95% to 4.24%, with the two-year rising from 4.23% to 4.63%. Germany's 10-year yield rose from 2.16% to 2.40%, whilst the 2-year yield rose from 2.41% to 2.89%. The UK 10-year yields rose from 3.80% to 4.12%, while the 2-year yield rose from 3.23% to 4.31%. US and European high yield delivered slight positive results. Global investment grade credit performed negatively. Emerging market debt performed negatively in local currency, but positively in USD. Commodities delivered mixed returns, with crude oil rising by 2.3% while gold depreciated by 0.1%.

Funds	Defensive	Conservative	Moderate	Growth
Volatility Band	2-5% p.a.	5-8% p.a.	5-10% p.a.	10-15% p.a.
Standard Deviation*	4.65%	7.68%	8.84%	13.71%
OCF** (D Share Class)	0.50%	0.50%	0.50%	0.50%
Fixed Income	83.00%	57.60%	47.20%	15.20%
Equities	12.00%	39.40%	48.70%	84.80%
Non-Traditional	5.00%	3.00%	4.10%	0.00%

Source: BlackRock, 29/02/2024

IMPORTANT INFORMATION:\*Please see the footnotes for standard deviation description. \*\*Ongoing charges figure. Portfolio asset allocation does not include any residual cash or currency forward positions used description and further information on the for FX hedging purposes.

## Performance (1/2)

### Defensive

In February, markets saw a positive month for risk assets but, at the same time, government bonds struggled as inflation remained sticky. On the back of this, the portfolio delivered slightly negative performance. Within the country rotation sleeve, US equities once again were the top contributors, while other regions, including emerging markets, remained flat. The thematic sleeve remained muted as well. Within fixed income, we observed negative performance across the board, mainly with mid and long dated US treasuries and European government bonds, while shorter dated government bonds were flat. EM debt provided some relief to the portfolio with positive performance coming from Chinese bonds. Credit was muted overall, with European IG outperforming their US peers. Lastly, Gold acted as a good diversifier for the portfolio.

### Conservative

In February, markets saw a positive month for risk assets but, at the same time, government bonds struggled as inflation remained sticky. On the back of this, the portfolio delivered positive returns overall. Within the country rotation sleeve, US equities once again were the top contributors, while other regions, mainly emerging markets and Asia, provided some minor contributions. The thematic sleeve was also additive, with no significant contributors to highlight. Within fixed income, we observed negative performance across the board, mainly coming from European government bonds and mid-dated US treasuries. Shorter dated government bonds were flat. EM debt provided some relief to the portfolio with positive performance coming from Chinese bonds. Credit was slightly detracting, with HY bonds outperforming their IG peers. Lastly, Gold acted as a good diversifier for the portfolio.

### Moderate

In February, markets saw a positive month for risk assets but, at the same time, government bonds struggled as inflation remained sticky. On the back of this, the portfolio delivered positive returns overall. Within the country rotation sleeve, US equities once again were the top contributors, with the other regions, mainly emerging markets and Asia, providing some further contributions as well. The thematic sleeve was also additive, with no significant contributors to highlight. Within fixed income, we observed negative performance across the board, mainly coming from European government bonds and mid-dated US treasuries. Shorter dated government bonds were flat. EM debt provided some relief to the portfolio with positive performance coming from Chinese bonds. Credit was slightly detracting, with HY bonds outperforming their IG peers. Lastly, Gold acted as a good diversifier for the portfolio.

### Growth

In February, markets saw a positive month for risk assets but, at the same time, government bonds struggled as inflation remained sticky. On the back of this, the portfolio delivered strong positive returns overall. Within the country rotation sleeve, US equities once again were the top contributors, with the other regions, mainly emerging markets, Asia and Eurozone, providing some further contributions as well. The thematic sleeve was also additive, with Automation & Robotics contributing the most. Within fixed income, we observed small negative performance across the board, mainly coming from European government bonds. Instead, US treasuries and UK Gilts were muted. EM debt provided some relief to the portfolio with minor positive performance coming from Chinese bonds. Lastly, credit sleeve slightly dragged from performance with US and UK corporate bonds.

Source: BlackRock as of 29/02/2024. **The Fund is actively managed, and the investment adviser (IA) has discretion to select the Fund's investments and is not constrained by any benchmark in this process.**

## Performance (2/2)

BSF Managed Index Portfolios	ISIN	Inception date	February 2024	YTD 2024	1 Year	3 Year <sup>1</sup>	Since Inception <sup>1</sup>
Defensive – EUR D5 (dist)	LU1191062576	10/04/2015	-0.34%	-0.35%	4.52%	-1.60%	0.44%
Conservative – EUR D5 (dist)	LU1733247313	26/01/2018	0.96%	1.59%	8.58%	0.77%	1.77%
Moderate – EUR D5 (dist)	LU1191063038	10/04/2015	1.43%	2.29%	9.65%	2.21%	2.88%
Growth – EUR D5 (dist)	LU1191063541	10/04/2015	2.99%	4.68%	15.09%	4.36%	4.98%

BSF Managed Index Portfolios	ISIN	Inception date	2023	2022	2021	2020	2019	2018	2017	2016	2015
Defensive – EUR D5 (dist)	LU1191062576	10/04/2015	5.29%	-13.47%	3.87%	-0.22%	11.41%	-3.86%	3.56%	3.67%	-3.87%
Conservative – EUR D5 (dist)	LU1733247313	26/01/2018	8.68%	-14.66%	8.28%	0.99%	15.54%	-6.49%	-	-	-
Moderate – EUR D5 (dist)	LU1191063038	10/04/2015	8.69%	-14.13%	12.37%	0.37%	18.91%	-6.75%	8.52%	5.33%	-5.70%
Growth – EUR D5 (dist)	LU1191063541	10/04/2015	12.69%	-18.29%	19.03%	7.36%	23.36%	-8.40%	11.75%	5.87%	-6.44%

BSF Managed Index Portfolios	Morningstar Category Quartile <sup>2</sup>													AUM <sup>3</sup> (EURm)
	MTD	YTD	1YR	3YR	2023	2022	2021	2020	2019	2018	2017	2016	ITD	
Defensive	4	4	3	4	3	3	2	4	1	2	1	1	2	147
Conservative	3	3	2	3	2	3	3	3	1				2	104
Moderate	2	2	2	2	2	3	2	3	1	2	1	1	1	706
Growth	2	2	1	2	2	4	2	2	1	2	1	2	1	576

The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or a strategy. Source: BlackRock as of 29/02/2024.

<sup>1</sup>Since inception figures and 3 year figures are annualized. Since inception calculated since 10/04/2015. Fund performance is shown on an NAV basis, net of fees. Source: Morningstar, BlackRock as of 29/02/2024.<sup>2</sup>Morningstar Category Quartile of the BSF Managed Index Portfolios is based on the EUR D5 (dist) share classes of each profiles. AUM<sup>3</sup> is Assets Under Management, total fund size. See detail of the top 3 contributors/detractors on the next page. **The Fund is actively managed, and the investment adviser (IA) has discretion to select the Fund's investments and is not constrained by any benchmark in this process.**

## Top 3 contributors and detractors

Defensive	Contributors			Detractors		
	Holding	Allocation	Contribution	Holding	Allocation	Contribution
	iShares MSCI USA ESG Enhanced UCITS ETF	7.5%	34bps	iShares € Govt Bond Climate UCITS ETF	13.5%	-20bps
	iShares China CNY Bond UCITS ETF	4.9%	7bps	iShares \$ Treasury Bond 7-10yr UCITS ETF USD (Acc)	7.6%	-12bps
	iShares MSCI EM ESG Enhanced UCITS ETF	1.2%	4bps	iShares \$ Treasury Bond 3-7yr UCITS ETF	9%	-8bps
FX Hedges: -29 bps <sup>1</sup>						
Conservative	Contributors			Detractors		
	Holding	Allocation	Contribution	Holding	Allocation	Contribution
	iShares MSCI USA ESG Enhanced UCITS ETF	17.1%	79bps	iShares € Govt Bond Climate UCITS ETF	9.7%	-15bps
	iShares MSCI USA ESG Screened UCITS ETF	7.3%	34bps	iShares \$ Treasury Bond 3-7yr UCITS ETF	8.7%	-8bps
	iShares MSCI EM ESG Enhanced UCITS ETF	4%	14bps	iShares \$ Corp Bond ESG UCITS ETF	4.9%	-5bps
FX Hedges: -23 bps <sup>1</sup>						
Moderate	Contributors			Detractors		
	Holding	Allocation	Contribution	Holding	Allocation	Contribution
	iShares MSCI USA ESG Enhanced UCITS ETF	14.7%	69bps	iShares € Govt Bond Climate UCITS ETF	7.6%	-13bps
	iShares MSCI USA ESG Screened UCITS ETF	14.1%	66bps	iShares \$ Treasury Bond 3-7yr UCITS ETF	8.2%	-8bps
	iShares MSCI EM ESG Enhanced UCITS ETF	4.8%	17bps	iShares \$ Corp Bond ESG UCITS ETF	4%	-4bps
FX Hedges: -18 bps <sup>1</sup>						
Growth	Contributors			Detractors		
	Holding	Allocation	Contribution	Holding	Allocation	Contribution
	iShares MSCI USA ESG Screened UCITS ETF	19.1%	89bps	iShares € Govt Bond Climate UCITS ETF	4.9%	-5bps
	iShares MSCI USA ESG ENHANCE USDHA	17.3%	84bps	iShares \$ Corp Bond ESG UCITS ETF	2.5%	-2bps
	iShares S&P 500 Paris-Aligned Climate UCITS ETF	11.2%	46bps	iShares \$ Treasury Bond 7-10yr UCITS ETF USD (Acc)	0.9%	-1bps
FX Hedges: 35 bps <sup>1</sup>						

Source: BlackRock as of 29/02/2024. The performance period is from 31/01/2024 to 29/02/2024. <sup>1</sup>Exchange rate risks can be hedged by the fund management. Foreign currency exposures are managed flexibly from a risk management perspective, while hedging costs, particularly due to changing interest rate differentials, and the overall diversification effect of foreign currencies are regularly taken into consideration. Investing into foreign currencies in order to generate alpha is not part of the investment strategy.

## Portfolio changes and outlook

### Defensive

While global equity markets, particularly U.S. equities pushed higher in February, we saw some rate volatility on the fixed income side, with favourable payroll and manufacturing data coming out of the U.S.. Overall, we maintained a cautiously risk on positioning in February. We kept the equity-bond split constant and focussed on adjusting our regional equity positioning. We took the opportunity to trim our overweight in U.S. equities to take some profits, whilst reducing our underweight in European equities. Similar to the last rebalance, we continued to increase our exposure to Canadian equities. This helps us increase the portfolio's exposure to the energy sector, thereby protecting the portfolio from unexpected inflationary shocks as well as geopolitical risks.

With that, the largest overweights in the portfolio are in U.S. and Japanese equities, while we remain underweight in European equities and neutral on EM. Within fixed income, we remain slightly underweight in duration. We reduced our underweight in EUR IG credit given attractive spreads, funded from EUR government bonds to manage peripheral sovereign risk as well as from Sterling corporate bonds. Lastly, the portfolio's Gold exposure was increased to provide some diversification into the portfolio.

### Conservative

While global equity markets, particularly U.S. equities pushed higher in February, we saw some rate volatility on the fixed income side, with favourable payroll and manufacturing data coming out of the U.S.. Overall, we maintained a cautiously risk on positioning in February. We kept the equity-bond split constant and focussed on adjusting our regional equity positioning. We took the opportunity to trim our overweight in U.S. equities to take some profits, whilst reducing our underweight in European equities. Similar to the last rebalance, we continued to increase our exposure to Canadian equities. This helps us increase the portfolio's exposure to the energy sector, thereby protecting the portfolio from unexpected inflationary shocks as well as geopolitical risks.

With that, the largest overweights in the portfolio are in U.S. and Japanese equities, while we remain underweight in European equities and neutral on EM. Within fixed income, we remain neutral in duration. We reduced our underweight in EUR IG credit, funded from EUR government bonds to manage peripheral sovereign risk.

### Moderate

While global equity markets, particularly U.S. equities pushed higher in February, we saw some rate volatility on the fixed income side, with favourable payroll and manufacturing data coming out of the U.S.. Overall, we maintained a cautiously risk on positioning in February. We kept the equity-bond split constant and focussed on adjusting our regional equity positioning. We took the opportunity to trim our overweight in U.S. equities to take some profits, whilst reducing our underweight in European equities. Similar to the last rebalance, we continued to increase our exposure to Canadian equities. This helps us increase the portfolio's exposure to the energy sector, thereby protecting the portfolio from unexpected inflationary shocks as well as geopolitical risks.

With that, the largest overweights in the portfolio are in U.S. and Japanese equities, while we remain underweight in European equities and neutral on EM. Within fixed income, we remain neutral in duration. We reduced our underweight in EUR IG credit, funded from EUR government bonds to manage peripheral sovereign risk.

### Growth

While global equity markets, particularly U.S. equities pushed higher in February, we saw some rate volatility on the fixed income side, with favourable payroll and manufacturing data coming out of the U.S.. Overall, we maintained a cautiously risk on positioning in February. We kept the equity-bond split constant and focussed on adjusting our regional equity positioning. We took the opportunity to trim our overweight in U.S. equities to take some profits, whilst reducing our underweight in European equities. Similar to the last rebalance, we continued to increase our exposure to Canadian equities. This helps us increase the portfolio's exposure to the energy sector, thereby protecting the portfolio from unexpected inflationary shocks as well as geopolitical risks.

With that, the largest overweights in the portfolio are in U.S. and Japanese equities, while we remain underweight in European equities and neutral on EM. Within fixed income, we remain underweight in duration and kept our positioning largely unchanged.

**Source:** BlackRock as of 29/02/2024.

Portfolio allocations are subject to change and do not include any residual cash or currency forward positions used for currency hedging purposes. \$ refers to USD.

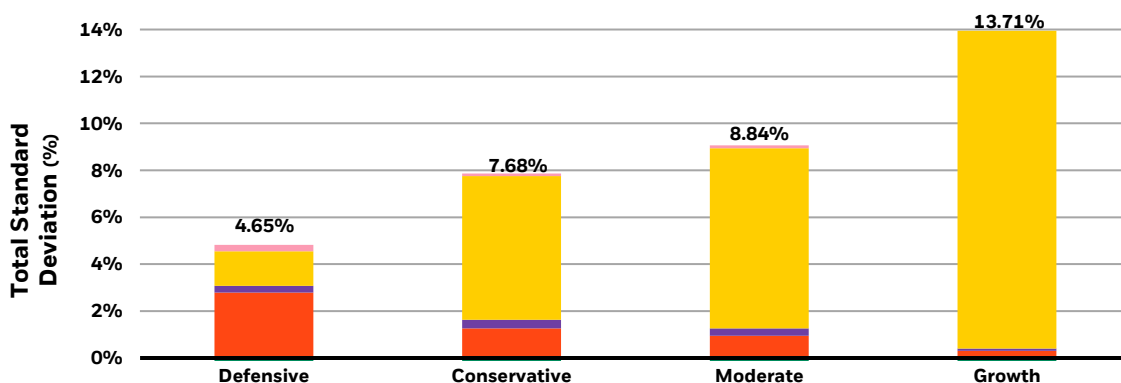
## Portfolio Allocations as of 29<sup>th</sup> February 2024

Portfolio	Defensive	Conservative	Moderate	Growth
<b>GOVERNMENT BONDS</b>	<b>56.4%</b>	<b>34.3%</b>	<b>27.9%</b>	<b>8.1%</b>
iShares eb.rexx® Money Market UCITS ETF (DE)	5.3%	-	-	-
iShares € Inflation Linked Govt Bond UCITS ETF	3.4%	2.5%	2.6%	-
iShares Core UK Gilts UCITS ETF	3.0%	1.6%	1.1%	1.0%
iShares \$ Treasury Bond 0-1yr UCITS ETF	-	3.3%	3.4%	-
iShares \$ Treasury Bond 1-3yr UCITS ETF	12.6%	6.6%	3.4%	-
iShares \$ Treasury Bond 3-7yr UCITS ETF	9.0%	8.7%	8.2%	1.2%
iShares \$ Treasury Bond 7-10yr UCITS ETF USD (Acc)	7.6%	0.5%	0.7%	0.9%
iShares \$ TIPS UCITS ETF	2.0%	1.4%	0.9%	-
iShares € Govt Bond Climate UCITS ETF	13.5%	9.7%	7.6%	5.0%
<b>INVESTMENT GRADE</b>	<b>13.9%</b>	<b>10.5%</b>	<b>8.9%</b>	<b>3.4%</b>
iShares € Corp Bond Interest Rate Hedged UCITS ETF	1.9%	-	-	-
iShares € Corp Bond ESG UCITS ETF	7.0%	3.5%	3.4%	-
iShares Core £ Corp Bond UCITS ETF	-	2.1%	1.5%	0.9%
iShares \$ Corp Bond ESG UCITS ETF	5.0%	4.9%	4.0%	2.5%
<b>HIGH YIELD</b>	<b>3.1%</b>	<b>3.5%</b>	<b>2.7%</b>	<b>-</b>
iShares EUR High Yield Corporate Bond ESG UCITS ETF	0.8%	2.1%	1.7%	-
iShares \$ High Yield Corp Bond ESG UCITS ETF	2.3%	1.4%	1.0%	-
<b>EMERGING MARKET DEBT</b>	<b>9.6%</b>	<b>9.3%</b>	<b>7.7%</b>	<b>3.7%</b>
iShares China CNY Bond UCITS ETF	4.9%	4.0%	3.3%	1.5%
iShares J.P. Morgan ESG \$ EM Bond UCITS ETF	3.1%	2.7%	2.6%	1.0%
iShares J.P. Morgan EM Local Govt Bond UCITS ETF	1.6%	2.6%	1.8%	1.2%
<b>DEVELOPED EQUITIES</b>	<b>10.8%</b>	<b>35.4%</b>	<b>43.9%</b>	<b>76.4%</b>
iShares Core FTSE 100 UCITS ETF GBP (Acc)	0.2%	0.6%	0.8%	1.0%
iShares MSCI Canada UCITS ETF USD	0.4%	1.4%	1.6%	3.1%
iShares MSCI World Small Cap ESG Enhanced UCITS ETF	-	-	1.5%	2.5%
iShares MSCI USA ESG ENHANCE USDHA	7.5%	17.1%	14.7%	17.3%
iShares MSCI Japan ESG Enhanced UCITS ETF	0.8%	2.6%	3.1%	5.2%
iShares MSCI EMU ESG Enhanced UCITS ETF	0.6%	2.6%	3.0%	5.4%
iShares Agribusiness UCITS ETF	0.2%	0.4%	0.6%	1.0%
iShares Automation and Robotics UCITS ETF	0.2%	0.5%	0.7%	1.2%
iShares Digital Security UCITS ETF	0.1%	0.5%	0.7%	1.3%
iShares Global Water UCITS ETF	0.2%	0.6%	0.8%	1.5%
iShares Ageing Population UCITS ETF	0.2%	0.7%	1.0%	1.7%
iShares MSCI USA ESG Screened UCITS ETF	-	7.3%	14.1%	19.1%
iShares S&P 500 Paris-Aligned Climate UCITS ETF	-	-	-	11.2%
iShares MSCI Pacific Ex-Japan ESG Leaders UCITS ETF USD (Acc)	0.4%	1.1%	1.3%	2.1%
iShares MSCI USA SRI UCITS ETF USD	-	-	-	2.8%
<b>EMERGING EQUITIES</b>	<b>1.2%</b>	<b>4.0%</b>	<b>4.8%</b>	<b>8.4%</b>
iShares MSCI EM ESG Enhanced UCITS ETF	1.2%	4.0%	4.8%	8.4%
<b>NON-TRADITIONAL</b>	<b>5.0%</b>	<b>3.0%</b>	<b>4.1%</b>	<b>-</b>
iShares Physical Gold ETC	5.0%	3.0%	4.1%	-

Portfolio allocations are subject to change and do not include any residual cash or currency forward positions used for currency hedging purposes. \$ refers to USD.

## Risk Contribution

These portfolios seek to provide a range of risk and return levels by diversifying across a wide variety of risks that can impact investments, such as interest rates, credit spreads, foreign exchange, equities and non-traditional exposures. The chart below leverages BlackRock's proprietary risk management system – Aladdin® – to show the contribution of individual risks. Please refer to the disclaimer for definitions.



	Defensive	Conservative	Moderate	Growth
Rate Risk	2.79%	1.27%	0.95%	0.31%
Credit Risk	0.29%	0.36%	0.31%	0.10%
FX Risk	-0.18%	-0.19%	-0.23%	-0.24%
Equity Risk	1.47%	6.12%	7.68%	13.54%
Other Risk	0.28%	0.12%	0.13%	0.00%
<b>Total Standard Deviation<sup>1</sup></b>	<b>4.65%</b>	<b>7.67%</b>	<b>8.84%</b>	<b>13.71%</b>

Diversification and asset allocation may not fully protect against market risk. While proprietary technology platforms may help manage risk, risk cannot be eliminated. **Source:** BlackRock, 29/02/2024. We aim to manage Defensive, Conservative, Moderate and Growth profiles within the risk bands of 2-5%, 5-8%, 5-10% and 10-15% over the long-term. However, this risk category is not guaranteed and may change over time. For the most up to date information please look at the KIID document on our website.

<sup>1</sup> Please read standard deviation disclaimer on page 6.

**Footnotes:**

Standard deviation shown as per latest rebalance for the portfolio and is a statistical estimate measuring how dispersed returns are around an average. Standard deviation is estimated on an ex-ante basis using the risk factor exposures and volatilities of the underlying funds, based on BlackRock Solutions multi-asset class risk models, and takes into account the correlations of these factors across the portfolio. Standard deviation is not meant to be a prediction of fund volatility and actual volatility of the portfolio will vary and may be higher.

Contribution to risk is an additive measure of risk. The contribution to risk of a factor exposure of the fund is calculated as the change in the total portfolio risk that results from a small incremental increase to that factor exposure. This risk measure takes into account correlations across exposures and captures the risk of these as well as how diversifying they are in the total portfolio. Risk contributions are designed to sum to equal the total volatility of the portfolio. Risk contribution factor exposures are: Total Risk contribution is the total standard deviation of the portfolio and is the sum of the risk contributions across rate, credit, FX and other risk.; Rate Risk contribution captures volatility associated with portfolio covariation with benchmark government interest rates.; Credit Risk contribution captures volatility associated with portfolio covariation with investment grade, high yield and distressed debt credit spreads over benchmark interest rates.; FX Risk contribution captures volatility associated with portfolio covariation with foreign exchange rate fluctuations.; Other Risk contribution captures the remaining portion of volatility that is idiosyncratic relative to Rate, Credit, Equity and FX Risk.

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## Risk Warnings

**Investors should refer to the prospectus or offering documentation for the funds full list of risks.**

**Capital at risk.** The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time and depend on personal individual circumstances.

## Fund-specific risks

### **BSF - BlackRock Managed Index Portfolio - Conservative**

Counterparty Risk, Credit Risk, Equity Risk, Liquidity Risk, ESG Screening Risk

### **BSF - BlackRock Managed Index Portfolios - Defensive**

Counterparty Risk, Credit Risk, Equity Risk, Liquidity Risk, ESG Screening Risk

### **BSF - BlackRock Managed Index Portfolios - Growth**

Counterparty Risk, Credit Risk ESG Screening Risk, Equity Risk, Liquidity Risk

### **BSF - BlackRock Managed Index Portfolios - Moderate**

Counterparty Risk, Credit Risk, Equity Risk, Liquidity Risk, Currency Risk, ESG Screening Risk

## Description of Fund Risks

### **ESG Screening Risk**

The benchmark index only excludes companies engaging in certain activities inconsistent with ESG criteria if such activities exceed the thresholds determined by the index provider. Investors should therefore make a personal ethical assessment of the benchmark index's ESG screening prior to investing in the Fund. Such ESG screening may adversely affect the value of the Fund's investments compared to a fund without such screening.

### **Counterparty Risk**

The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

### **Credit Risk**

The issuer of a financial asset held within the Fund may not pay income or repay capital to the Fund when due.

### **Currency Risk**

The Fund invests in other currencies. Changes in exchange rates will therefore affect the value of the investment.

### **Equity Risk**

The value of equities and equity-related securities can be affected by daily stock market movements. Other influential factors include political, economic news, company earnings and significant corporate events.

### **Liquidity Risk**

The Fund's investments may have low liquidity which often causes the value of these investments to be less predictable. In extreme cases, the Fund may not be able to realise the investment at the latest market price or at a price considered fair.

## Important Information

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