

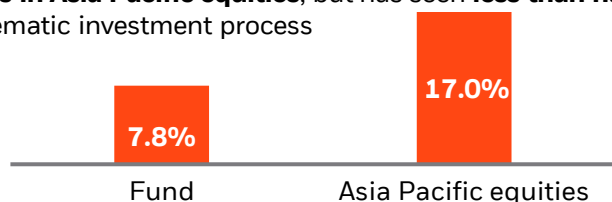
# Targeting consistent positive returns in Asia Pacific stock markets

## BSF Systematic Asia Pacific Equity Absolute Return Fund

### Flagship Asian Market Neutral Absolute Return strategy

Long/short approach and broad diversification **aim to reduce volatility and seek consistent positive returns** regardless of market direction

The Fund **invests in Asia Pacific equities**, but has seen **less than half the volatility** through its systematic investment process

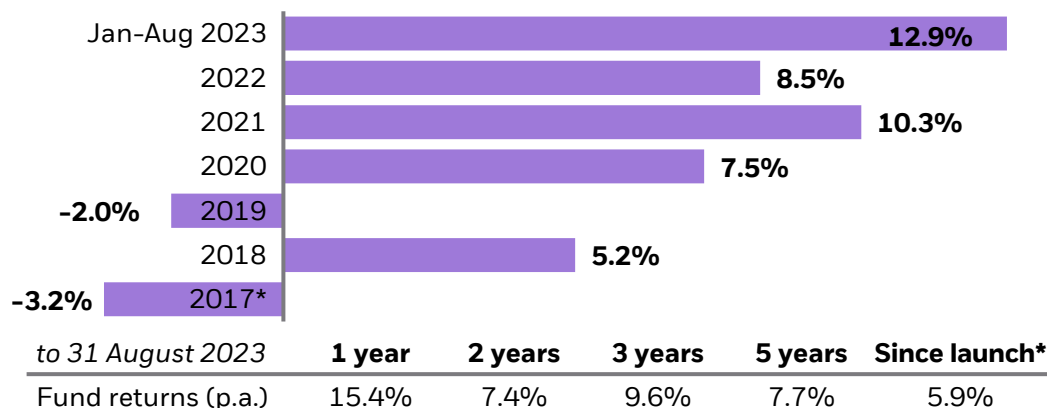


Source: Morningstar, as of 31 Jul 2023.

**Low correlation<sup>1</sup>** to key asset classes for a diversifying source of return in portfolios

vs Global bonds	0.12	vs US stocks	0.05
vs Commodities	0.11	vs Asian stocks	0.09

### Fund returns by year (USD A2 class)



Source: BlackRock, 31 Aug 2023.

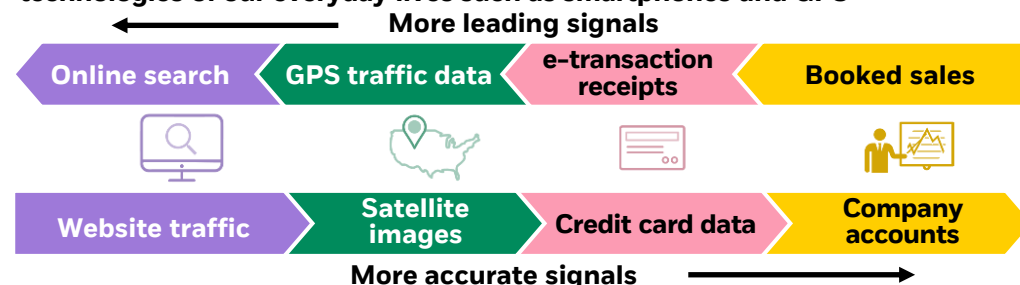
### Systematic Investing and Alternative Data

Cutting-edge research through machine learning & AI insights and our big data platform enable the Fund to invest across 4,500 Asia Pacific stocks

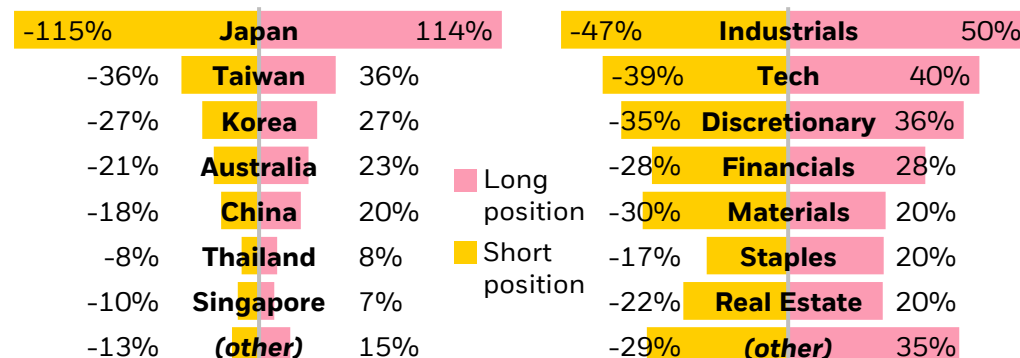


Forms of **Artificial Intelligence (AI)** help extract **investment insights** from Chinese, Japanese and Korean news, broker reports and financial blogs

Alternative data is physical, unstructured or non-financial data generated by the technologies of our everyday lives such as smartphones and GPS






Fund is highly diversified by geography and GICS industry sector



Source: BlackRock, 31 Jul 2023.

## Key facts

	<b>Jeff Shen, PhD</b> Co-CIO of Systematic Active Equity <b>25+ years' experience</b>		<b>Ryan Kim</b> Portfolio Manager <b>20+ years' experience</b>		<b>Rui Zhao, PhD</b> Portfolio Manager <b>15+ years' experience</b>
<b>Share classes:</b>		A2 SGD-H	A2 USD		
<b>Bloomberg tickers:</b>		BLRCARA	BSAPA2U		
<b>Launched:</b>		22 February 2017		<b>Management fee:</b>	1.50% p.a.
<b>Fund size:</b>		US\$50 million		<b>Other ongoing costs:</b>	0.49% p.a.
<b>No. of holdings:</b>		2,000-3,000		<b>Performance fee:</b>	20% (subject to high watermark and hurdle)
<b>No of long positions:</b>		750-2,000			
<b>No. of short positions:</b>		750-2,000		<b>Net market exposure:</b>	~0%
<b>Largest country weight:</b>		5%		<b>Largest single holding:</b>	5%
<b>Largest sector weight:</b>		10%		<b>Forecast volatility:</b>	7-10% p.a.

Source: BlackRock, as of 31 Aug 2023. A2 refers to accumulating classes; "-H" denotes currency hedged class

## Systematic Active Equities

**Pioneers in systematic investing** with over 35 years of research and innovation, including 25 years of alternatives investing

### Core Research

38 professionals

### Portfolio Management

45 professionals

### Investment Strategy

20 professionals



## Awards<sup>3</sup>



## BSF Systematic Asia Pacific Equity Absolute Return Fund seeks to deliver:



### Consistent alpha

Focused on delivering **consistent**, low-volatility **returns** regardless of market direction



### Diversification

Seeks to provide **true portfolio diversification** as a complementary solution to broad asset classes



### Systematic process

Investment process enhanced by AI, alternative data, big data, and **innovative technology**, that allows us to analyse the complex Asia Pacific markets

## Important Disclosures

Sources: BlackRock, Morningstar, as of 31 Aug 2023. Figures shown include past performance. Past performance is not a reliable indicator of current or future results and should not be the sole consideration when selecting a product or strategy. The Fund is actively managed, and the manager has discretion to select investments and is not constrained by any benchmark in this process. Performance for A2 share class, net in USD on a NAV pricing with income reinvested as at end August 2023 and assumed a 5% Front End Load where indicated. Past performance is not necessarily indicative of future performance. **The Fund's performance with maximum 5% sales charge applied: -7.22% (year-to-date), 9.64% (1-year), 7.74% (3-years), 6.58% (5-years), 5.03% (since inception), 3.05% (2022), 4.78% (2021), 2.17% (2020), -6.88% (2019), -0.10% (2018), -8.79% (2017).**

\*Inception 22 February 2017. <sup>1</sup>using daily returns of the Fund's USD A2 class, MSCI All Country Asia Pacific Index, S&P 500 Index, Bloomberg Global Aggregate Index, and Bloomberg US

Aggregate Index from 22 Feb 2017 to 30 Apr 2023. <sup>3</sup>USD A2 class, rating attained in Apr 2023.

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**BlackRock**

# Important disclosures

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The Fund may use or invest in financial derivatives.

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## Fund specific risks of the BSF Systematic Asia Pacific Equity Absolute Return Fund

Equities and equity-related securities can be affected by daily stock market movements. Fixed Income securities can be affected by changes to interest rates, credit risk and potential or actual credit rating downgrades. Non-investment grade FI securities can be more sensitive to these events. ABS and MBS may have high levels of borrowing and not fully reflect the value of underlying assets. FDIs are highly sensitive to changes in the value of the asset they are based on. The impact is greater where FDIs are used in an extensive or complex way.

### Smaller Company Investments

Shares in smaller companies typically trade in less volume and experience greater price variations than larger companies.

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

### Combined Risks (Equity, Credit, ABS/MBS)

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.

### Absolute Return Risk - Style Advantage

'Absolute Return' funds may not move in line with market trends or fully benefit from a positive market environment. Emerging markets are generally more sensitive to economic and political conditions than developed markets.

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 Share Class 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.

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.