



BlackRock Fixed Income Global Opportunities Fund (Aust) (Class S Units)

This report has been prepared for financial advisers
and wholesale clients only



High Investment Grade

January 2026

INTRODUCTION

Key Principles

SQM Research considers (but is not restricted to) the following key review elements within its assessment:

1. Business profile - product strategies and future direction
2. Marketing strategies and capabilities, market access
3. Executive Management / Oversight of the investment management firm
4. Corporate Governance / fund compliance / risk management
5. Investment team and investment process
6. Fund performance, investment style, market conditions, investment market outlook
7. Recent material portfolio changes
8. Investment liquidity
9. Investment risks
10. Fund/Trust fees and expenses

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Report Date: 30 January 2026

Star Rating**	Description	Definition
4.5 stars and above	Highest Investment Grade	<i>In SQM Research's view, the Fund has substantial potential to meet its investment objectives (over the medium-to-long term). Most funds with this rating score highly for a significant majority of SQM's key areas of assessment.</i>
4.25 stars	High Investment Grade	<i>In SQM Research's view, the Fund has considerable potential to meet its investment objectives (over the medium-to-long term). Most funds with this rating score highly for a majority of SQM's key areas of assessment.</i>
4 stars	High Investment Grade	<i>In SQM Research's view, the Fund has considerable potential to meet its investment objectives (over the medium-to-long term). Most funds with this rating score highly for a majority of SQM's key areas of assessment.</i>
3.75 stars*	Investment Grade	<i>In SQM Research's view, the Fund has the potential to meet its investment objectives (over the medium-to-long term). Most funds with this rating score reasonably well in some of SQM's key areas of assessment, although SQM has identified some areas for improvement.</i>
3.5 stars*	Low Investment Grade	<i>In SQM Research's view, the potential of meeting its investment objectives (over the medium-to-long term) is uncertain. Most funds with this rating score reasonably well across a minority of SQM's key areas of assessment, and SQM has identified some areas for improvement.</i>
3.25 stars	Non-Investment Grade	<i>In SQM Research's view, the potential of meeting its investment objectives (over the medium-to-long term) is very uncertain. Most funds with this rating do not score well across a majority of SQM's key areas of assessment, and SQM has identified several areas for improvement.</i>
3 stars	Non-Investment Grade	<i>In SQM Research's view, the potential of meeting its investment objectives (over the medium-to-long term) is very uncertain. Most funds with this rating do not score well across a majority of SQM's key areas of assessment, and SQM has identified several areas for improvement.</i>
Below 3 stars	Avoid	<i>In SQM Research's view, the potential of meeting its investment objectives (over the medium-to-long term) is highly unlikely. SQM Research has multiple material concerns surrounding the Fund.</i>
Event-driven Rating		Definition
Withdrawn		<i>The rating is withdrawn and no longer applicable. Significant issues have arisen since the last report was issued, and investors should avoid or redeem units in the fund.</i>
Discontinued – Withdrawn		<i>The manager, after agreeing to be reviewed, has pulled out of the process and/or has not responded.</i>
Hold		<i>Rating is suspended until SQM Research receives further information. A rating is typically put on hold for a period of two days to four weeks. Dealer groups should not be making further investments into this fund until SQM has completed its additional investigations.</i>

* It is strongly recommended advisers conduct additional due diligence over and above base requirements when considering such rated funds.

** The definitions in the table above are not all encompassing and not all individual items mentioned will necessarily be relevant to the rated Fund. Users should read the current rating report for a comprehensive assessment.

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SQM Rating ★★★★★

High Investment Grade.

Fund Description	
Fund Name	BlackRock Fixed Income Global Opportunities Fund (Aust) (Class S Units)
APIR code	BLK5060AU
Asset Class	Fixed Income
Management and Service Providers	
Fund Manager	BlackRock Investment Management (Australia) Limited
Responsible Entity/Trustee	BlackRock Investment Management (Australia) Limited
Custodian	JP Morgan
Fund Information	
Fund Inception Date	04-Aug-23
Fund Size	\$14.4 million (as of 31 December '25)
Return Objective (per PDS)	The Fund seeks to maximise total return
Internal Return Objective	N/A
Risk Level (per PDS)	N/A
Internal Risk Objective	Typically, 2% - 4%
Benchmark	N/A
Number of stocks/positions	6,857
Fund Leverage	Expected gross notional leverage 500%
Portfolio Turnover	107.76% in CY25
Top 10 Holdings Weight	45.85%
Investor Information	
Management Fee	0.60% (inc. GST)
TCR (Total Cost Ratio)	0.64% (inc. GST)
Buy Spread	0.00%
Sell Spread	0.00%
Performance Fee Rate	Nil
Minimum Application	\$500,000
Redemption Policy	Daily
Distribution Frequency	Annually
Investment Horizon	5 Years
Currency Hedging Policy	Passively Hedged. This Australian fund feeds into the Luxembourg-domiciled USD feeder fund. Currency exposure between the two is passively hedged through holding AUD-hedged shares. However, currency exposures between the USD base currency of the feeder fund and its securities denominated in various currencies are actively managed.

Fund Summary

Description

The **BlackRock Fixed Income Global Opportunities Fund (Aust.) (S Class Units) (the "Fund")** is a managed investment scheme available to retail and wholesale investors in Australia. The Fund invests in the **Fixed Income Global Opportunities** strategy (the "**FIGO Strategy**") through an investment in the **Fixed Income Global Opportunities Fund** (the Underlying Fund), a sub-fund of BlackRock Global Funds domiciled in Luxembourg. The S Class share class of the Underlying Fund into which the Fund invests is hedged into Australian dollars. The Fund provides exposure to a global, diversified fixed income strategy which is characterised by the following:

- A broad, global diversified fixed-income strategy that seeks to maximise total return;
- Less reliance than other fixed interest funds on duration to generate returns;
- An aim to achieve attractive returns regardless of the interest rate environment;
- A portfolio that invests at least 70% of its total assets in fixed-income transferable securities denominated in various currencies issued by governments, agencies, and companies worldwide, where the full spectrum of available securities, including non-investment grade, may be used;
- A flexible approach to managing currency exposure;
- An investment philosophy whereby a diversified approach "*to generate a little bit of money a lot of times*", coupled with broad sector and duration flexibility, is considered critical to generating durable and attractive returns;
- A flexible duration band, which the Manager notes has averaged 0–4 years since inception;
- An investment approach that integrates top-down macro analysis with bottom-up security and sector analysis.

FIGO is the Fund Manager's flagship fixed-income strategy within Global Fixed Income. The strategy aims to generate consistent, attractive and diversified returns per unit of return volatility (risk-adjusted returns) in varied market environments while retaining the general risk profile of

traditional fixed income investments. The strategy is not managed relative to a benchmark, providing portfolio managers with flexibility to allocate and rotate across sectors within the global fixed-income universe in search of sources of risk-adjusted returns. **No single trade or position is intended to dominate the return or risk profile** of the strategy, reflecting an emphasis on diversification, risk budgeting and disciplined position sizing.

The Fund is structured as an open-ended, unlisted, registered managed investment scheme.

Fund Rating

The Fund has achieved the following rating:

Star Rating	Description
4.25 stars	High Investment Grade

Previous Rating: 4.25 stars (Issued January 2025)

SQM Research's Review & Key Observations

About the Manager

BlackRock Investment Management (Australia) Limited is a subsidiary of BlackRock, Inc., a publicly traded investment management firm with common stock listed on the New York Stock Exchange, which provides a broad range of investment management and technology services to institutional and retail clients worldwide. As of 30 September 2025, BlackRock Inc. managed US\$13.5 trillion across equity, fixed income, alternatives, multi-asset, and cash management strategies for its clients. BlackRock has been profitable over the past ten years. The business is largely fee-based, thereby generating strong recurring cash flow from operations.

The firm has a substantial team of fixed-income managers supported by over 300 global sector specialists, research analysts and investment professionals using a highly developed proprietary risk management software system.

Responsible Entity

The Board of Directors of the Responsible entity/Trustee (BlackRock Investment Management (Australia) Limited) consists of **4** directors, **0** of whom are independent. SQM Research prefers the inclusion of independent members on the Board of Directors – it is a meaningful way to enhance governance and oversight. Board members have an average of **28.5** years of industry experience.

The Responsible Entity's Compliance Committee composition was not fully disclosed. The RE was not able to disclose the Individual members of the Responsible Entity's Compliance Committee as it does not have consent to do so. The Responsible Entity did confirm that it has appointed an independent Compliance Committee that oversees compliance activities in relation to the schemes and that as of 30 November 2025, the composition of the Compliance Committee comprises **three external members** and **one internal member**. The average tenure of these Committee members is 6 years, and the average industry experience is approximately 29 years.

Investment Team

The Fund and the FIGO Strategy in which it invests are managed by three **Lead Portfolio Managers (LPMs)**, **Rick Rieder**, **Russell Brownback** and **Aidan Doyle** who are jointly and primarily responsible for the day-to-day management of the strategy and the Fund, including setting the overall investment strategy and overseeing the management of the Fund.

Mr Rieder (**Chief Investment Officer of Global Fixed Income**) has more than 35 years of investment experience and joined BlackRock in 2009. He is ultimately responsible for FIGO's investment decisions, strategic direction, and risk oversight. Mr Brownback (**Deputy CIO of Global Fixed Income**) also joined in 2009 and brings over 30 years of industry experience, including prior leadership across multiple US and emerging market bond trading desks. Mr Brownback plays a central role in FIGO's cross-sector relative-value assessment, macro-micro regime identification, and portfolio construction. Mr Doyle joined BlackRock in 2010 and brings 15 years of experience across global rates, FX, multi-sector portfolio construction, and relative-value implementation.

The lead portfolio managers are supported by BlackRock's Global Fixed Income platform, which includes over 300 sector specialists, research analysts, and investment professionals worldwide. The Manager applies a team-based approach to portfolio management, with ongoing interaction through daily global research calls, sector forums and real-time collaboration across credit, securitised assets, emerging markets debt, rates and FX teams. Independent oversight is also provided by BlackRock's Risk & Quantitative Analysis (RQA) group, which undertakes stress testing, scenario analysis and liquidity oversight.

Within Fundamental Fixed Income, the research analysts are organised by industry and are responsible for actively following news/events in their sector that are relevant to names in the portfolios and any potential opportunities. Analyst coverage of specific names, and hence several names, will change depending on portfolio positioning and where analysts and portfolio managers jointly believe they can generate the best risk-adjusted return. Indicatively, the Fund Manager believes that the optimal number of core names for an analyst to cover intensively is approximately 30, with an additional 30 under higher-level surveillance.

The Fund Manager applies a team approach to portfolio management because it believes that this has substantial benefits over one that is dependent on the investment expertise of only one or two people.

The three Lead Portfolio Managers:

- Oversee the entire investment process;
- Identify the current investment regime, using bottom-up insights derived from deep micro research, such as on companies, governments and consumer trends, fully supported by the firm's research capacity;
- Allocate risk to each sector specialist who then decides how to use their risk budget in security selection, with oversight from the Lead portfolio managers; and
- Use macro-overlay to help manage downside risk by hedging positions, generally smoothing the Fund's volatility of returns over a market cycle.

SQM Research believes there is key person risk inherent in the roles of each of the three Lead Portfolio Managers.

1. Investment Philosophy and Process

Investable Universe

The Fund has broad flexibility to invest anywhere across the global fixed-income universe. The FIGO strategy invests opportunistically across the spectrum of fixed-income sectors and securities. Allocations to all sectors are unconstrained and FIGO may invest significantly in non-investment grade bonds, non-dollar-denominated bonds, and bonds of emerging market issuers. The fund seeks to maintain risk within a range of 2-4%.

Philosophy / Process / Style

The Fund Manager believes that:

- A diversified approach “to generate a little bit of money a lot of times”, coupled with broad sector and duration flexibility is critical to generating durable and attractive returns; and
- No investment is risk-free and risk cannot be eliminated but proprietary technology platforms may help manage risk.

The investment process used to manage the Fund has:

- The extensive resources of a large-scale investment management firm to gain market insights from specialists in a wide range of fixed-income market sectors;
- Judgment of an investment team of three extensively experienced lead portfolio managers led by Mr. Rieder;
- A focus on what the portfolio managers consider to be the best investment opportunities globally - in the most efficient and effective form.

The investment team seeks to manage duration risk within a band that ranges from -2 years to +7 years. Typically, the duration in the fund ranges from 0 to 4 years. In addition to fixed interest sector and security allocation, managing duration within a band provides the potential for excess returns (alpha) regardless of the direction of interest rates.

Portfolio Biases/Preferences

FIGO is managed as an unconstrained global fixed income strategy with no stated structural regional or sector bias, allowing the portfolio to rotate across developed and emerging market rates, investment grade and high yield credit, securitised assets and currencies as relative value and risk-adjusted opportunities emerge. The Manager emphasises diversification at both the sector and position level, noting that historically no single source of alpha has contributed more than 20% of aggregate performance. Consistent with this approach, the Manager's 10-year monthly volatility comparison shows FIGO has exhibited lower volatility than several traditional fixed income sectors and broadly in line with the global aggregate.

Liquidity

FIGO maintains a highly liquid profile by allocating the majority of assets to high quality securities. Liquidity is monitored daily through BlackRock's Aladdin and RQA systems, ensuring positions can be adjusted without material market impact. Cash, derivatives, and diversified holdings further support the strategy's liquidity management. Under normal market conditions, BlackRock reasonably expects, should the need arise, to be able to realise at least 80% of the Fund's assets at the value ascribed to those assets in calculating the Fund's NAV within 10 days.

Leverage

This Fund employs economic leverage (through the use of derivatives) but not through borrowing. The Fund Manager does not target any particular level of leverage; it can vary significantly over time and is provided for information only. The gross notional leverage is expected to average 500% over time (and averaged 500% in the last financial year). **SQM Research notes that the Manager indicated in the review meeting for this strategy that leverage could be expected to average closer to 400%.**

2. Performance & Risk

Return Objective

The return objective stated in the PDS is: “The Fund seeks to maximise total return”. The Fund does not have a stated benchmark in the PDS.

For comparison purposes, SQM Research has compared the Fund with a Reference Index, the Bloomberg Global Aggregate Total Return Hedged Index AUD, as well as versus returns of a peer group of global bond funds that are available in Australia and are widely used.

Due to the Fund's short track record (the Fund's inception date is 4 August 2023, and it started receiving flows in August 2024), SQM Research has used returns for the BlackRock FIGO (Aust) (Class D Units) throughout the report, which was established in September 2014. SQM Research notes that while the gross returns of the Class D and Class S Units will be the same, the net returns will be slightly different due to a very slight difference in fees charged.

Material Risks

Advisers and Investors should refer to the 'Risks' section of the PDS. Risks other than those mentioned in this section (or the PDS) may also have a material adverse impact on the Portfolio's performance or value.

Material risks which are associated with the Fund include:

Interest rate risk: When interest rates rise, the market value of bonds typically declines.

Credit risk: The risk that a bond issuer is unable to repay principal and/or make interest payments.

Risk Objective

The Fund's PDS states does not specify a stated risk level. The Fund's TMD states that the Fund has a risk band of 3 ("medium").

Fund Performance to 31 December 2025 (% p.a.)							
Total Return	1-Month	3-Month	6-Month	1-Year	3-Year	5-Year	Inception
Fund	0.21	1.25	3.47	7.69	5.64	1.91	2.80
Reference Index	-0.23	0.69	1.72	4.42	3.98	-0.59	2.26
Peer Average	0.21	0.65	2.17	5.20	6.12	3.66	3.89
Alpha	0.44	0.56	1.75	3.28	1.66	2.50	0.54

With distributions reinvested. Returns beyond one year are annualised. Return history starts Sep-2014

Reference Index: Bloomberg Global Aggregate TR Hdg AUD

Fund Returns refers to Class D Units

Length of Track Record

The Class D Units have a history of 11.3 years (or 136 months).

Observations and analysis of returns will have material statistical meaning as a result of the sample size of observations.

Strengths

- The experience and stability of the well-qualified lead management team with an average of over 25 years of relevant fixed-income market experience. The team is supported by a large number of fixed-income sector specialists to source and analyse ideas for excess returns.
- The parent company's size and scale provide portfolio managers with purchasing power and improve pricing and access to new issuance.
- The investment philosophy is to use a diversified and diligent approach to generate a little bit of money a lot of times.
- The broad sector and duration flexibility that is needed to generate durable excess returns.
- A well-diversified portfolio invested across 40+ countries, 30+ currencies and over 1,000 securities.

- A strong risk management orientation and a substantial investment in proprietary analytical risk management systems that provide timely and valuable information to portfolio managers for their use in making investment decisions and calibrating risk positions.
- The strategy (as measured by the BlackRock FIGO (Aust) (Class D Units)) has outperformed the reference index over all periods that SQM measures.

Weaknesses

- The strategy has underperformed peers in longer-dated periods.
- There is key person risk inherent in the roles of each of the three Lead Portfolio Managers.
- The potential for any leverage that may be used to magnify the effects of portfolio allocation and selection mistakes.

Other Considerations

- The Fund's flexibility in allocation across fixed-interest markets allows it to achieve desired returns in changing market environments.

- A market environment with moderate to high volatility levels that provides trading opportunities in conjunction with ample liquidity to implement trade ideas is advantageous.
- When volatility falls to extremely low levels, credit spreads become very compressed, and the rewards for taking credit or structural risk are lower.
- When liquidity is diminished to the point where it is difficult to execute trades or implement strategies, the ability to capture dislocations in securities or sectors can be compromised, and the expected alpha will be lower.
- While the targeted duration risk band of the underlying strategy has been changed to 0 to 7 years, the PDS of the S Class units still allows for duration risk to be managed between -2 and +7 years. Having said that, SQM Research notes that the duration risk of the S Class units is expected to match that of the strategy given how the units invest.

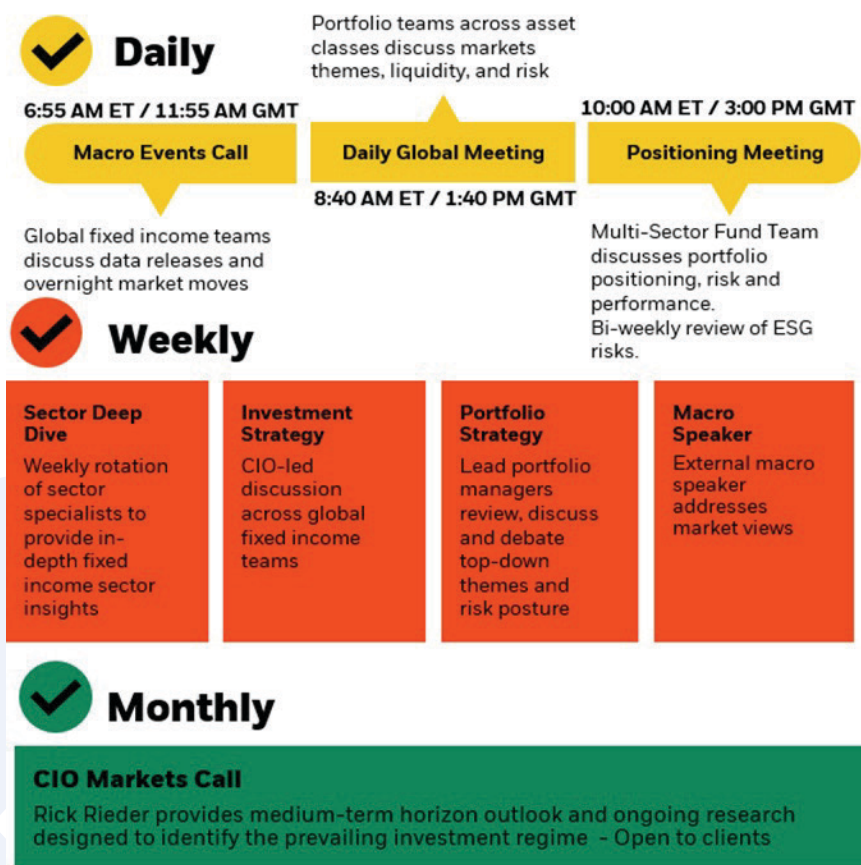
Fund Metrics

- Interest Rate Duration: 4.19
- Credit Spread Duration: 4.61
- Fund leverage: The average gross leverage was 500% between the 1st of September 2024 and the 31st of August 2025.
- Credit Quality:
 - Investment Grade: 74.05%
 - Below Investment Grade: 30.82%
- Fixed Rate: 68.28%
- Floating Rate: 41.93%

Key Changes Since the Last Review

- No changes to the investment process since the previous review.

Investment Process Diagram



Process Description

Investment Process

Screening/ Idea Generation

FIGO does not rely on a single mechanical screening tool. Instead, screening is embedded within a continuous research process that combines sector specialist input with portfolio manager oversight. Specialists across credit, securitised assets, emerging markets and rates use a range of quantitative and fundamental tools to identify potential opportunities, including relative valuation models, liquidity assessments, balance sheet analysis and issuer-level risk metrics. The team also applies a top-down regime identification framework to filter opportunity sets based on macro conditions, technical factors and cross-market pricing anomalies. A risk budgeting framework is used to further guide where incremental risk can be allocated and which sectors or securities are suitable for inclusion.

Idea generation also comes from sources beyond formal screening, including corporate earnings reviews, issuer engagements, macro and policy developments, market dislocations, cross-asset relative value signals and insights shared through daily global research meetings. Portfolio managers synthesise these inputs with broader regime assessments to prioritise higher-conviction opportunities across the global fixed-income universe.

Research/Investment Selection

FIGO's research and investment selection process integrates bottom-up fundamental analysis with top-down regime identification to allocate risk where the Manager assesses valuation, liquidity and structural trends to be most favourable. The process is supported by BlackRock's Global Fixed Income platform, including

more than 300 sector specialists, research analysts and investment professionals who contribute issuer-level analysis, market intelligence and relative value views across credit, securitised assets, emerging markets and global rates. Screening and research are embedded within the ongoing work of these specialist teams and are complemented by continuous interaction through global research calls and sector forums, which facilitates the sharing of information and timely identification of evolving opportunities.

At the portfolio level, sector and market tilts are informed by a regime assessment led by the portfolio management team. This assessment considers macroeconomic conditions, policy direction, supply and demand dynamics, market liquidity and cross-market valuations. Based on this framework, specialist teams across investment grade and high yield credit, securitised assets, emerging market debt and global rates generate bottom-up ideas and relative value recommendations. FIGO is described as unconstrained and does not maintain structural sector or regional biases; exposures are rotated as valuations and market conditions evolve. Over time, the strategy is intended to generate returns from multiple sources, including carry/income and idiosyncratic alpha, with risk budgeting used to guide where incremental risk is deployed and to avoid excessive reliance on any single return driver.

Credit and security selection is primarily bottom-up and seeks to identify instruments offering attractive risk-adjusted return potential on a liquidity-adjusted basis. In corporate credit, issuer selection considers balance sheet strength, cash flow resilience, refinancing needs, covenant protections and access to funding markets, with the full spectrum of credit quality (including non-investment grade) able to be utilised. In securitised markets, analysis focuses on collateral quality, tranche structure, credit enhancement and security-specific liquidity through the cycle. For emerging markets exposures, the assessment incorporates sovereign and issuer fundamentals, external vulnerabilities, policy credibility and political risk, alongside local market technicals and currency considerations where relevant.

Macro assessment is not positioned as a traditional directional forecasting exercise. Instead, the portfolio managers interpret macro conditions through the lens of bottom-up information flow (including corporate earnings, consumer trends and policy settings) and structural themes to determine the prevailing regime and the appropriate portfolio risk posture. This informs the desired balance between duration exposure, curve positioning, credit risk, currency positioning and liquidity.

Duration is managed flexibly within the strategy's stated band, with the Manager noting that duration has averaged around 0–4 years since inception, while also indicating that duration can move to more extreme levels (up to 7 years) when conditions warrant. Curve and duration exposures may be implemented and adjusted using liquid instruments such as futures and swaps, supporting targeted positioning while maintaining risk discipline.

Portfolio construction emphasises diversification, disciplined position sizing and risk budgeting. Lead portfolio managers allocate risk budgets across sectors and specialist teams, with position sizes set by expected return contribution, downside risk under stress scenarios and liquidity standards. Independent oversight from risk and analytics resources, including stress testing and scenario analysis, supports ongoing monitoring of risk concentrations and liquidity, with the objective of maintaining a diversified portfolio where no single trade or position dominates the overall risk and return profile.

Portfolio Construction

Portfolio construction for the strategy is unconstrained, providing the investment team with flexibility to actively position the portfolio across quality, sector, geographic region and duration, subject to the limits and constraints applicable to the Fund and the underlying vehicle. In accordance with the Manager's relative value investment philosophy, higher-level investment and sector allocation decisions are made with regard to the team's broad secular view of markets, with risk then allocated across sectors and individual securities based on where the team assesses the most attractive risk-adjusted opportunities exist.

Position sizing and limit decisions vary by asset class but are primarily driven by the expected risk contribution of each exposure to the overall portfolio, including from both duration and credit/spread risk perspectives. Consistent with the unconstrained approach, country, sector and security exposures are generally not constrained on a standalone basis, provided their aggregate contribution remains consistent with the strategy's active risk budget, which the Manager states has a maximum 7% absolute risk limit. The Manager also states a typical risk objective of 2-4% (annualised volatility terms) for the strategy, with portfolio construction focused on diversification and disciplined position sizing such that no single exposure is intended to dominate portfolio outcomes.

The portfolio managers, sector specialists and BlackRock's Risk & Quantitative Analysis (RQA) team monitor positions

and risk on a daily basis, alongside other internal oversight functions. Where concerns arise in relation to an issuer or position, these are escalated through daily investment discussions and managed through position adjustment, hedging or risk re-allocation as required.

Sector Allocation

Maturity Profile	Weight
Cash	-12.97%
0-1 Yr	20.83%
1-3 Yrs	7.14%
3-5 Yrs	17.16%
5-10 Yrs	21.91%
10 Yrs +	43.53%

Top 5 Holdings*

Name	Fixed/Float	Public/Private	Weight %	Currency
UMBS 30YR TBA (REG A)	Fixed	Public	10.49%	USD
UMBS 30YR TBA (REG A)	Fixed	Public	3.20%	USD
UMBS 30YR TBA (REG A)	Fixed	Public	2.02%	USD
UMBS 30YR TBA (REG A)	Fixed	Public	1.52%	USD
SPAIN (KINGDOM OF)	Fixed	Public	1.31%	EUR

* As reported to SQM on the return of the RFI – holdings will change over time.

Sell Discipline

There is no automatic sell process or stop-loss procedure in place. Sell decisions are made on a discretionary basis following consideration of quantitative analysis, fundamental credit research and portfolio manager judgement. Sector specialists set and regularly update price targets and conviction levels as issuer fundamentals, technical conditions and security-specific risks evolve, and positions are reduced or exited where relative value deteriorates or where the expected return no longer compensates for the risk being taken. Securities may also be sold to realise gains following strong performance, mitigate losses, respond to credit deterioration or downgrade risk, or to reflect changing securitised-market dynamics (including prepayment expectations). The team may also sell to adjust duration, convexity or yield curve exposures, or to rotate into sectors and securities offering superior risk-adjusted value under the prevailing regime and risk budget.

Sector Profile	Weight
Sov / Govt	11.72%
IG Corp	8.75%
High Yield	17.16%
Loans	0.00%
Emerg. Mkts	14.25%
Hybrids	5.78%
MBS	21.35%
Structured	28.59%
Cash	-12.97%
Other	5.36%

Risk Management

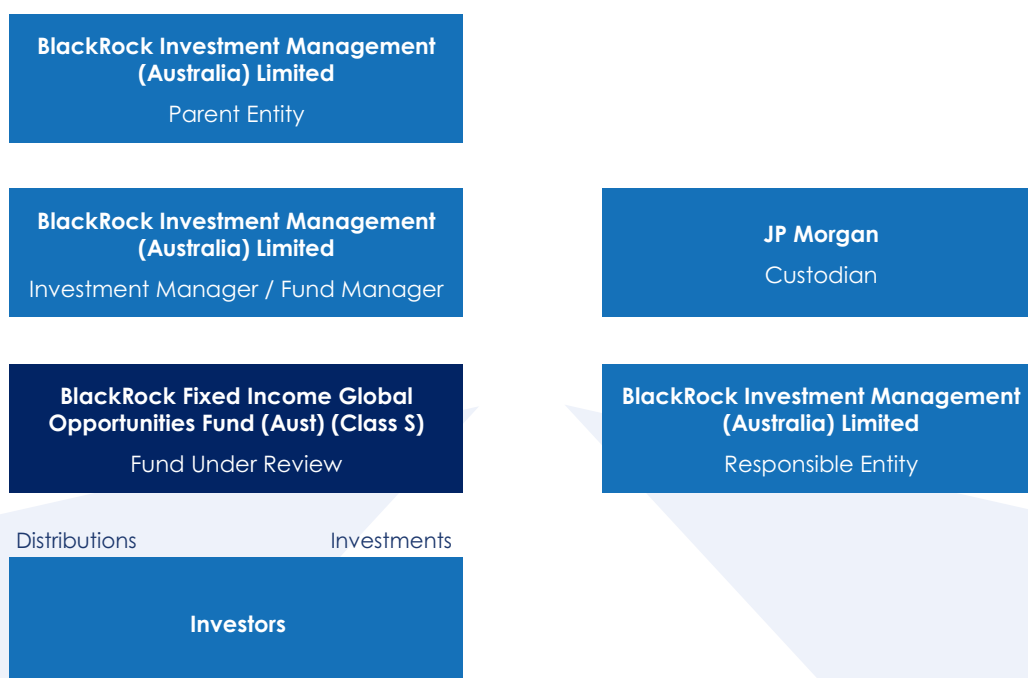
FIGO employs a multi-layered risk management framework combining portfolio manager oversight, independent monitoring by BlackRock's Risk & Quantitative Analysis (RQA) team, and daily analytics through the Aladdin platform. RQA undertakes scenario and stress testing, liquidity monitoring and exposure reporting to support adherence to established risk parameters. At the security level, sector specialists assess credit quality, structural protections, spread volatility and liquidity conditions, with risks reviewed as fundamentals and technical conditions evolve. At the portfolio level, the lead portfolio managers manage interest rate, yield curve, sector and currency risks through diversification, controlled position sizing and ongoing risk budgeting.

Derivatives (including futures, swaps, options, CDS and FX forwards) are used for efficient implementation and hedging. FX exposures are actively managed, with hedging applied where appropriate to reduce unwanted currency volatility.

The table below outlines limits on the Fund's asset allocation and other risk parameters:

Fund Constraints and Risk Limits	Permitted Range or Limit
Investment Policies	The Fund invests at least 70% of its total assets in fixed income transferable securities denominated in various currencies issued by governments, agencies and companies worldwide. The full spectrum of available securities, including non-investment grade, may be utilised. Currency exposure is flexibly managed.
Bond Credit Quality	Maximum 70% below investment-grade exposure
Maximum Liquidity Permitted	Single-name equities, equity futures, equity options, preferred equity, and convertible securities are limited to 10% in net delta-adjusted terms of NAV.
ESMA UCITS Collateral Rules	<p>Cash collateral can only be reinvested into one of the following:</p> <ul style="list-style-type: none"> • AAA Rated Money Market Fund (ICS) • High Quality (min AA-) Government Bonds • Time Deposits • Repo • Left in Cash <p>The collateral positions received should be capped at a maximum of 20% of NAV per issuer; this is inclusive of any cash collateral reinvestment.</p> <p>The following undue influence rules should run over the collateral positions received:</p> <ul style="list-style-type: none"> • 10%* of the voting shares of a single issuing body • 10% of the non-voting shares of a single issuing body • 10% of the debt securities of a single issuing body • 25% of the units of a Fund • 10% of the money market instruments of a single issuing body <p>*A conservative value of 10% was used; reg limit is 20% for the UK and Ireland but 10% for Lux and Germany.</p>
Bond Duration / Maturity	Duration band: -2 to 7years (at portfolio level)
Global Exposure	<p>Internal limit of 99% one day VaR figure should not exceed 1.12% under normal circumstances.</p> <p>Global exposure to derivatives must not exceed the NAV of the fund.</p>
Maximum exposure to single security	10.00%
Maximum exposure to single stock/company	10.00%

Key Counterparties



Governance

Management Risk

Funds management businesses rely on the operational capabilities of key counterparties. A critical element is the ability of the Responsible Entity to monitor operational performance and to meet the regulatory and statutory responsibilities required. For any investment fund, there is a risk that a weak financial position or management

performance deterioration of key counterparties could temporarily or permanently compromise their performance and competency. This can adversely affect financial or regulatory outcomes for the Fund or associated entities.

Based on the materials reviewed, SQM Research believes that the Manager and associated key counterparties are reasonably qualified to carry out their assigned responsibilities. Management risk is rated as modest.

Management & People

Name	Responsibility / Position	Location	Years at Firm	Years in Industry
Rick Rieder	CIO of Global Fixed Income	New York	16.0	38.0
Russell Brownback	Deputy CIO of Global Fixed Income	New York	16.0	37.0
Aidan Doyle	Portfolio Manager	London	15.0	15.0

Staffing Changes

Departures			
Date	Name	Responsibility	Reason for Departure
31-Mar-23	Bob Miller	Portfolio Manager	Retired

Additions			
Date	Name	Position / Responsibility	Previous Position / Employer
31-Oct-22	Russell Brownback	Portfolio Manager	Portfolio Manager / BlackRock

SQM Research observes that the levels of investment experience and company tenure are strong across the investment team. The size and nature of staff turnover are not an issue of concern, in SQM's view.

Fees and Costs	Fund	Peer Avg**
Management Fee (% p.a.)	0.60%	0.60%
Expense Recovery / Other Costs (% p.a.)	–	–
Performance Fee (%)	0.00%	4.68%
Total Cost Ratio TCR (% p.a.)	0.64%	0.64%
Buy Spread (%)*	0.00%	0.11%
Sell Spread (%)*	0.00%	0.11%

* This spread is the difference between the Fund's application price and withdrawal price and reflects transaction costs relating to the underlying assets.

** Peer average is based on data provided by SQM's data provider. SQM is not responsible for any errors or omissions. The peer group average Performance Fee includes those that do not charge a performance fee i.e. (0%). SQM observes that funds that charge a performance fee tend to charge a lower management fee than those that do not.

Management Fee

The management fee includes GST and is net of any applicable Reduced Input Tax Credits (RITC). The Management Fee includes the Responsible entity/Trustee fees as well as the investment manager fees.

Performance Fee

The Fund does not charge a performance fee

SQM Research observes that:

- *The Fund management fee is the same as the peer group average.*
- *The Total Cost Ratio (TCR) is the same as the peer group average.*

Risk/Return Data to 31 December 2025							
Total Return	1-Month	3-Month	6-Month	1-Year	3-Year	5-Year	Inception
Fund	0.21	1.25	3.47	7.69	5.64	1.91	2.80
Reference Index	-0.23	0.69	1.72	4.42	3.98	-0.59	2.26
Peer Average	0.21	0.65	2.17	5.20	6.12	3.66	3.89
Alpha	0.44	0.56	1.75	3.28	1.66	2.50	0.54
Metrics	1-Year	3-Year	5-Year	Inception			
Tracking Error (% p.a.) - Fund	1.60	1.76	2.55	3.42			
Tracking Error (% p.a.) - Peer Average	2.01	3.69	4.11	3.67			
Information Ratio - Fund	2.05	0.94	0.98	0.16			
Information Ratio - Peer Average	0.36	0.61	1.05	0.04			
Sharpe Ratio - Fund	2.43	0.44	-0.22	0.17			
Sharpe Ratio - Peer Average	2.00	2.77	1.14	1.43			
Volatility - Fund (% p.a.)	1.53	3.51	3.61	3.80			
Volatility - Peer Average (% p.a.)	0.90	1.31	1.71	1.49			
Volatility - Reference Index (% p.a.)	1.93	4.25	4.87	3.89			
Beta based on stated Reference Index	0.47	0.76	0.64	0.59			

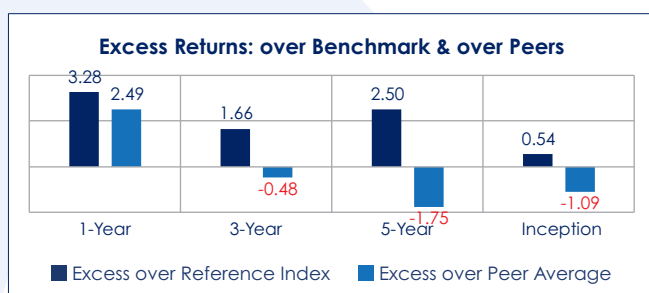
Distributions reinvested. Returns beyond one year are annualised. Return history starts Sep-2014

Reference Index: Bloomberg Global Aggregate TR Hdq AUD

Quantitative Insight¹

Note: Unless otherwise stated, all return and risk data reported in this section are **after-fees** and for **periods ending Dec-2025**. As in other sections of the report, analysis is of the BlackRock FIGO (Aust) D Class Units. The differences in net returns between D Class Units and S Class Units are due to slight differences in the fees charged.

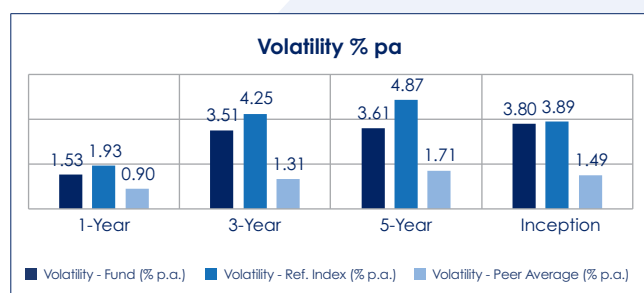
Excess Returns (Alpha)



The Fund has displayed strong performance across all periods when compared with the reference index. The Fund has underperformed peers across longer-dated periods that SQM Research measures.

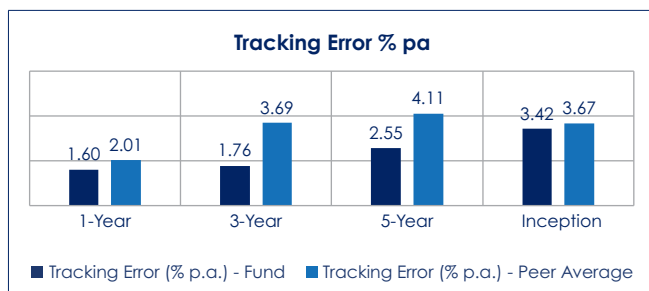
The **return outcomes**, as described above, are above the PDS objective and are above SQM's expectations for the Fund relative to its fee level and volatility.

Risk



The Fund's **volatility** (annualised standard deviation of monthly returns) has tended to be lower than reference index and higher peers.

¹ Note: Sharpe and Information Ratios are not reliable comparison tools in periods where both the Fund and its peers/benchmark record a negative result



The Fund's **tracking error** (annualised standard deviation of monthly **excess** returns) has tended to be lower than peers.

The **risk outcomes**, as described above regarding volatility and tracking error are in line with the PDS statements about risk and are consistent with SQM's expectations for this Fund.

Drawdowns

Drawdown Summary			
Drawdown Size (peak-to-trough)			
	Fund	Ref. Index	Peers
Average	-2.52%	-1.92%	-1.18%
Number	9	13	7
Smallest	-0.06%	-0.00%	-0.20%
Largest	-9.12%	-14.50%	-3.40%
Length of Drawdown (in months)			
	Fund	Ref. Index	Peers
Average	no data	no data	no data

Length of Drawdown = time from peak to trough and back to the previous peak level

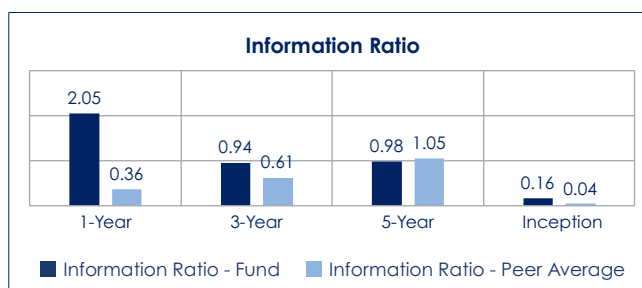
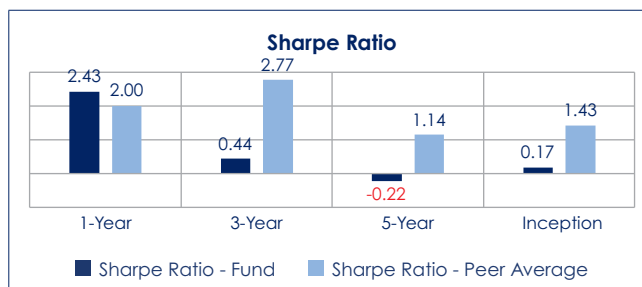
Average drawdowns have been modestly worse than the reference index and worse than the peer average.

Upside/Downside Capture

	Downside Capture		Upside Capture	
	3 years	Inception	3 years	Inception
Fund	45.6%	40.7%	92.6%	70.7%
Peer Avg	-48.7%	-23.6%	53.1%	45.6%

For a cash benchmark, downside capture is not valid.

Risk-Adjusted Returns



The Fund's risk-adjusted returns (as measured by Sharpe and Information ratios) have been worse than the peer average in the longer dated periods which SQM Research measures.

Correlation of Fund to Asset Classes

Market	3 years	Inception	Market Indexes
Aust Bonds	+77.5%	+36.6%	Bloomberg AusBond Composite 0+Y TR
Aust Equity	+72.8%	+70.7%	S&P/ASX 300 TR
Global Bonds	+91.5%	+60.5%	Bloomberg Global Aggregate Hdg AUD
Global Equity	+26.3%	+46.4%	MSCI World Ex Australia NR AUD

Correlation Key

Low	High	Description
0%	20%	low, weak
20%	40%	modest, moderate
40%	70%	significant, material
70%	90%	strong, high
90%	100%	substantial

Tail Risk

(The analysis in the table below looks at the **tail risk performance relationship of the Fund to the ASX300**, a practice that SQM has set as common across asset classes in Fund reviews. This approach recognises that for the large bulk of financial planner clients, their key traditional asset class **risk** regarding **size** and **volatility** is to Australian equities. Exploring that relationship is useful regardless of the asset class of the Fund itself, as it is helpful to understand how a Fund has acted in times of Australian equity market stress in terms of softening or exaggerating the negative performance experienced at such times.)

The table below details the **largest negative monthly returns** for the ASX 300 **since the inception of the Fund**. This is compared to the Fund's performance over the same months.

Extreme Market Returns vs Fund Return Same Month

Index: S&P/ASX 300 TR

From Sep-14 to Dec-25

Rank	Date	Market	Fund	Difference
1	Mar-20	-20.83%	-7.44%	+13.39%
2	Jun-22	-8.97%	-2.18%	+6.78%
3	Feb-20	-7.76%	+0.03%	+7.79%
4	Aug-15	-7.70%	-0.25%	+7.45%
5	Jan-22	-6.45%	-1.20%	+5.26%
6	Sep-22	-6.29%	-2.77%	+3.52%
7	Oct-18	-6.16%	-0.24%	+5.92%
8	Jan-16	-5.45%	-0.82%	+4.63%
9	Sep-14	-5.37%	+0.00%	+5.37%
10	Jun-15	-5.32%	-0.53%	+4.79%
Totals		-80.31%	-15.41%	+64.90%

No. of Months

Correlation	+90.8%	Positive Return	1
Capture	+19.2%	Outperform	10

Tail Risk Observations:

The data in the table above indicate that the Fund displays material **defensive characteristics** in the face of extreme Australian equity tail risk.

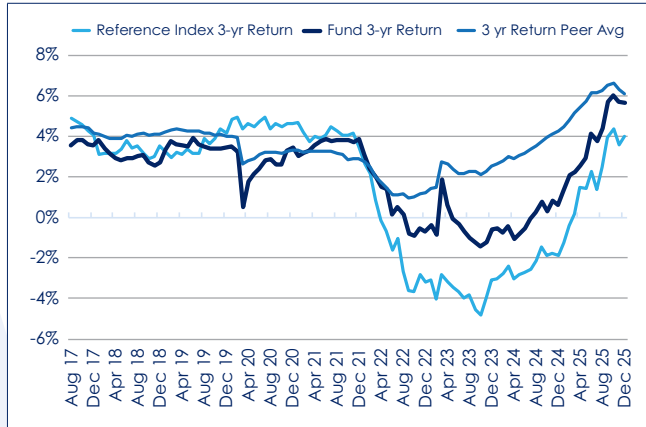
Annual Returns

Year	Fund	Benchmark	Peer Avg	vs. Bench	vs. Peers
2015	+1.57	+3.33	+3.13	-1.76	-1.56
2016	+4.16	+5.24	+4.85	-1.07	-0.68
2017	+5.03	+3.68	+4.81	+1.35	+0.22
2018	-0.95	+1.65	+2.58	-2.60	-3.53
2019	+6.45	+7.19	+4.38	-0.74	+2.07
2020	+5.01	+5.09	+3.05	-0.08	+1.96
2021	+0.21	-1.53	+1.38	+1.74	-1.17
2022	-6.95	-12.28	-0.68	+5.33	-6.27
2023	+5.42	+5.31	+7.04	+0.12	-1.61
2024	+3.83	+2.23	+6.60	+1.60	-2.77
Dec-25	+7.69	+4.42	+5.32	+3.28	+2.37

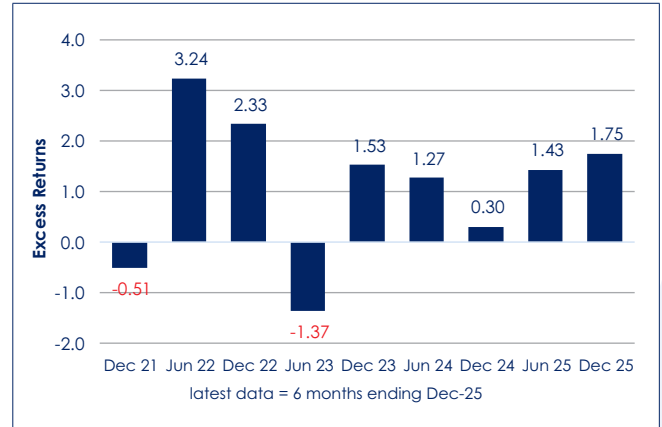
2025 data = 12 months ending Dec-25

Return and Risk

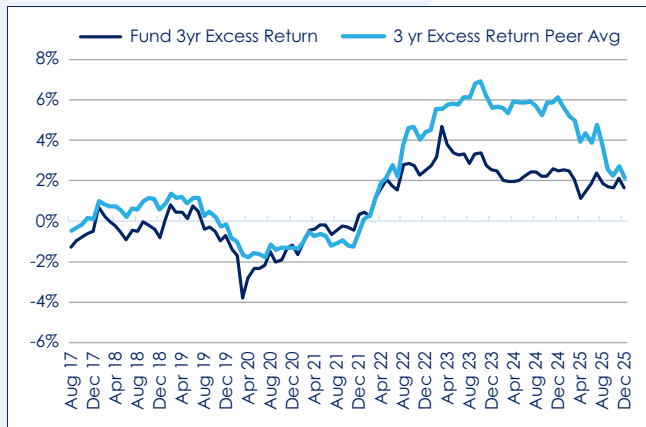
Rolling Returns



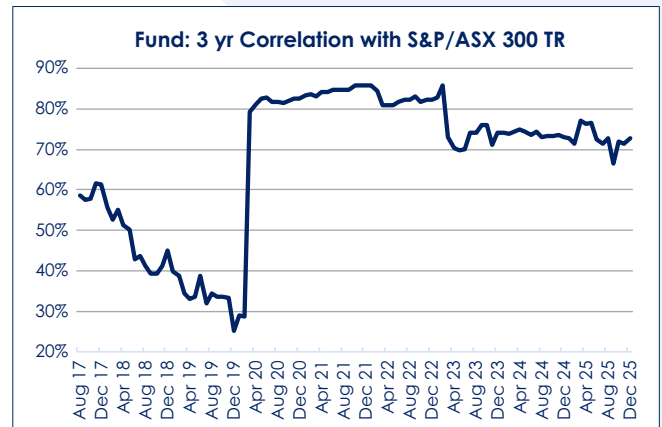
Fund Excess Return Half Yearly



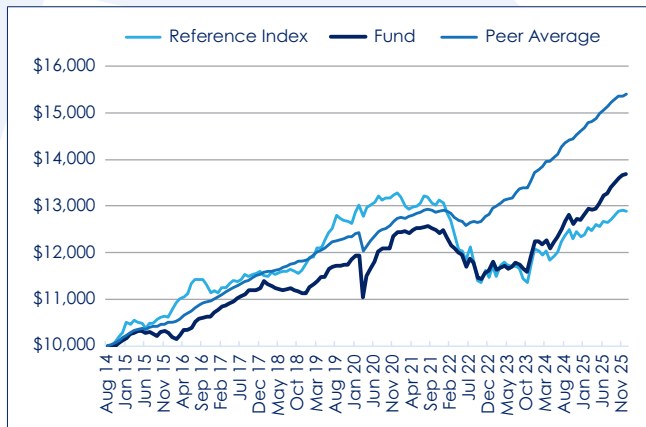
Rolling Excess Returns



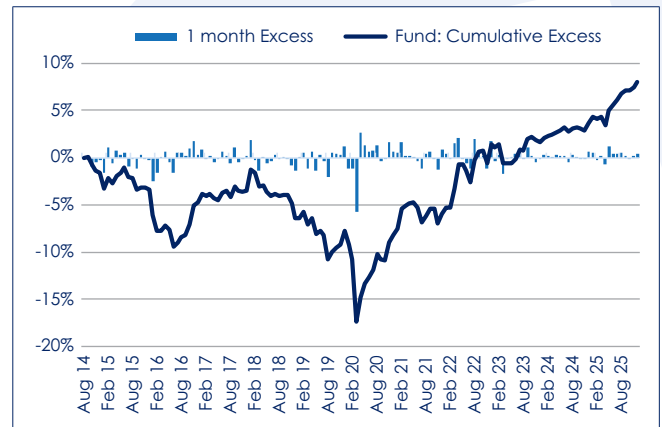
Rolling Correlation



Growth of \$10,000

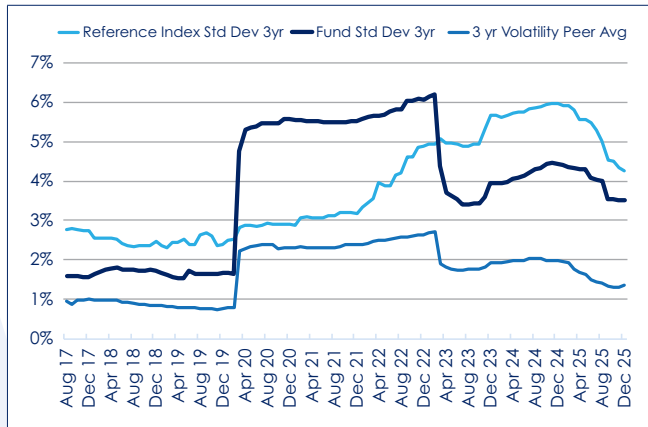


Cumulative Excess Returns

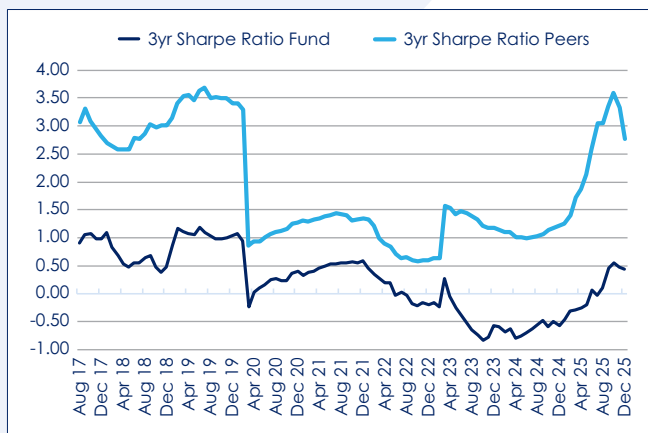


Return and Risk

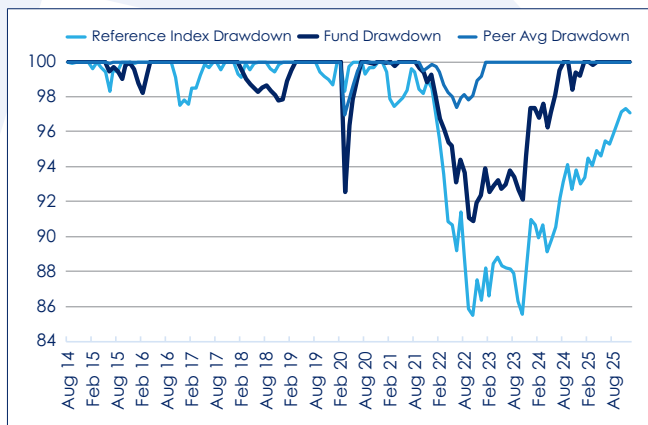
Rolling Volatility



Rolling Sharpe Ratio



Drawdowns



Drawdown

A drawdown tracks the path of the Fund's accumulated NAV (with dividends reinvested). It is measured over the period of a peak-to-trough decline and the subsequent recovery back to that previous peak level. The total return over that entire period is, of course, zero. The metric of interest, the drawdown itself, is quoted as the percentage change between the peak and the trough over that period. Funds typically have multiple drawdowns of varying size and length over their lifetime. The table above shows how many drawdowns have occurred and their average peak-to-trough size.

Alpha

SQM defines **Alpha** as the excess return compared to the Benchmark and is calculated as

$$\text{Alpha} = \text{Fund Return} - \text{Benchmark Return}$$

A General Note on Distributions for Managed Funds

The Responsible Entity of a Managed Fund will provide for a regular schedule of distributions, such as monthly/quarterly/semi-annual or annual. This is subject to the Fund having a sufficient distributable income. The official total distributable income available to pay to investors is determined for the period of that Fund's financial year. By distributing the net taxable income of the Fund to investors each year, a Fund itself should not be liable for tax on its net earnings.

If a Fund makes distributions more frequently than once over the financial year, those distributions will be based on estimates of the distributable income for that distribution period. The final total amount of distributable income available for passing on to investors can only be calculated after the close of the financial year, based on the Fund's taxable income for that year.

If the total distributions a Fund pays out exceed total taxable income for that particular financial year, the excess amount may be treated as a return of capital rather than income. This will possibly have tax implications for the investor.

Due to the considerations outlined above, there may be periods in which no distributions are made, or a Fund may make additional distributions.

A Fund's ability to distribute income is determined by the performance of the Fund and general market conditions. Accordingly, there is no guarantee that a Fund will make a distribution in any distribution period.

Total Cost Ratio (TCR)

Managed Investment Schemes: The TCR for Managed Investment Schemes, Exchange Traded Products, and Investment Bond funds is an addition of the Investment Management Fees and Costs (including admin fees), Performance Fee Costs, and the impact of dollar-based fees.

Superannuation funds: The TCR for Superannuation and Pension funds is an addition of the Investment Management Fees and Costs (including admin fees), Performance Fee Costs, Administration Fees and Costs, the impact of dollar-based fees and a deduction of Super OTC Derivative Costs.

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