

# BlackRock Monthly Investment Commentary



**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.

Dear Adviser, welcome to the latest round up of news and events for the Transact – BlackRock MPS.

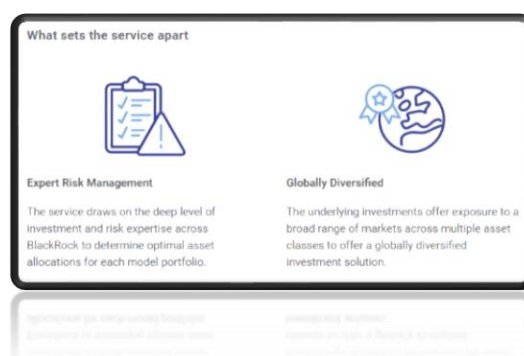
## Introducing our new MPS webpage and TOL landing page

Last month we introduced our new Transact – BlackRock MPS landing page on the Transact platform. More intuitive and easier to navigate, this is your go to 'hub' for the MPS, giving you access to a range of essential due diligence materials, reports and investment commentaries.

To complement this, we have updated our webpage on the Transact website. Here you'll find the latest news and events for the MPS. You will also find a range of BlackRock investment insights and guides here.

For the MPS landing page log into Transact and go to: Templates > Transact – BlackRock MPS

Access the MPS webpage via the Transact – BlackRock TOL page, or [click here](#).



## Market volatility and investing during uncertain times

We've seen significant volatility in markets in 2025 which is a timely reminder of the importance of diversification within investment portfolios. One of the key features of the Transact – BlackRock MPS is the broad range of assets that the models have access to, to ensure that they can deliver positive returns across a wide variety of market regimes. This diversification helps to limit the impact of events in any particular region or company.

BlackRock have created a series of conversation starters, compiled for use with retail clients, and designed specifically for engaging with clients during market downturns. [Click here](#) to view and download them.



## BlackRock Monthly Investment Update

### Your monthly update from the investment team at BlackRock.

#### BlackRock February market commentary

- A decline in consumer confidence, trade tariff concerns, and softening economic data caused equities to fall marginally over the month.
- Real estate markets rallied in February led by the healthcare and telecoms sector, supported by expectations of falling borrowing costs and appealing market valuations.
- Government bonds rose over the month, as softening economic data and easing inflationary pressure increased expectations of central bank rate cuts over the year.
- Increasing uncertainty about the future diplomatic relationship between the US and Europe pushed the value of safe haven investments higher.
- The pound demonstrated broad strength during February, rising versus the euro, dollar and Swiss franc. By contrast, it slipped marginally versus the yen.

#### Outlook and current positioning

The MPS is positioned to capture the three important trends that we expect to drive markets during 2025.

- Robust economic backdrop - The global economy looks to be in good shape, supported by strong growth and falling interest rates. To capitalise on this trend, we are tilting into equity markets. We also hold listed property on the expectation that upcoming rate cuts will reduce mortgage costs and improve the sector's profitability. Finally, we maintain a preference for emerging markets' high yield debt, given the relatively higher yields in emerging markets.
- Exceptionalism for the USA - We expect that the 'America First' political agenda, Silicon Valley's leadership in Artificial Intelligence, and a strong domestic labour market will cause US economic growth to outstrip that of other developed markets, whilst also stoking US inflation. This motivates us to tilt our equity market exposure towards the US while also holding a material position in the dollar. By contrast, we are underweight in US Government bonds, where we expect interest rates to remain on hold.
- Interest rates could fall further - We expect inflation outside of the US to remain contained during 2025, creating room for further rate cuts. In anticipation of easing prices, we have removed the broad commodity exposure from the funds, instead holding gold which tends to perform well as interest rates fall. We maintain an elevated exposure to UK gilts, given attractive yields, the softening growth and inflation picture in the UK and restrained government spending.

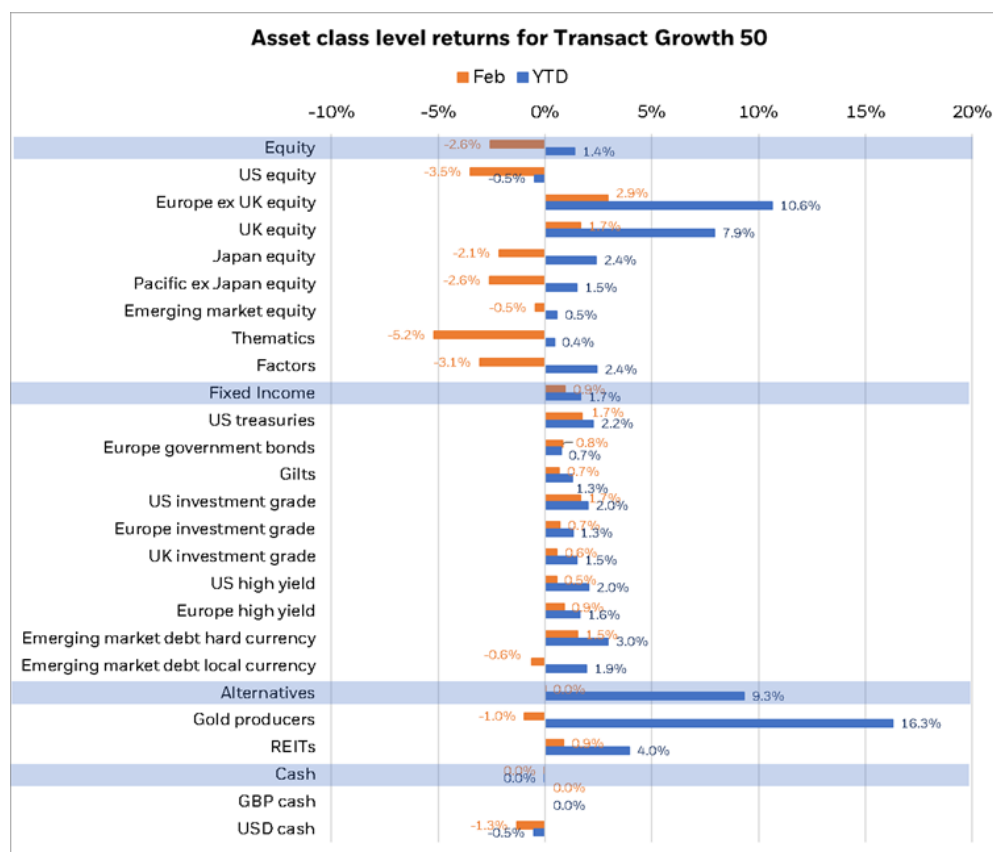
#### Performance commentary

- The Transact models fell in February, driven by negative equity market returns. The positive returns within the fixed income and alternatives holdings helped to cushion the falls.
- Several of the active positions within portfolios added value, most materially our tilt towards property within the alternatives portion of the portfolios.
- Our currency hedging positions also added value, given our preference for sterling over euro and dollar and holdings in yen.
- By contrast, our elevated equity exposure and preference for US versus other developed markets detracted. Additionally, our tilt towards shorter duration bonds detracted from performance.

	February	Year to Date	1 Year	2 Year (Annualised)	Since Inception (Annualised)
<b>Growth 25</b>	0.16%	1.82%	7.01%	6.25	4.36%
<b>Growth 40</b>	-0.37%	1.83%	8.25%	7.80	5.76%
<b>Growth 50</b>	-1.08%	1.62%	9.35%	9.37	7.28%
<b>Growth 60</b>	-1.45%	1.70%	10.44%	10.78	8.46%
<b>Growth 70</b>	-1.89%	1.63%	11.52%	11.76	9.27%
<b>Growth 80</b>	-2.37%	1.49%	12.37%	12.74	10.24%
<b>Growth 95</b>	-2.54%	1.35%	12.48%	13.41	11.01%

**Source:** BlackRock, as of 28 February 2025. The figures shown relate to past performance. Past performance is not a reliable indicator of current or future performance and should not be the sole actor of consideration when selecting a product or strategy. Performance is gross of Investment Manager Annual Payment and Platform Fees. Inception Date is 06 September 2022.

## Asset class returns for the Transact – BlackRock MPS



**Source:** BlackRock, Aladdin as at 28/02/2025. Charts show the total return of the ETFs/Index Mutual Funds within the Transact models grouped into their respective asset classes. Returns are estimated and gross of fees. 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.

### **We'd like your feedback...**

Your feedback helps us to continually improve the service. We'd particularly like to hear from you if there are any third-party due diligence or research tools that you'd like us to consider linking to. For this or any feedback please drop an email to [TransactMPS@integrafin.co.uk](mailto:TransactMPS@integrafin.co.uk) or get in touch via the contact details below.

### **Get in touch**

If you'd like to discuss any aspect of the Transact – BlackRock MPS please speak to your usual contact or you can speak directly to the Transact MPS Manager, Ben Roberts on

Mobile: 07717 846574

Email: [broberts@integrafin.co.uk](mailto:broberts@integrafin.co.uk)



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'Transact' is operated by Integrated Financial Arrangements Ltd, 29 Clement's Lane, London EC4N 7AE  
Tel: (020) 7608 4900 Email: [info@transact-online.co.uk](mailto:info@transact-online.co.uk) Web: [www.transact-online.co.uk](http://www.transact-online.co.uk)

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