

Market Overview

The S&P/ASX200 Accumulation Index finished the year with a positive quarter, registering a +8.40% rise.

Towards the end of the quarter, there were signs that inflation could be starting to abate: the latest monthly CPI indicator rose +4.9% in the 12 months to October, and the strengthening Australian Dollar was also a positive. Elsewhere, the RBA raised the Official Cash Rate by 25bps in November, after a higher-than-expected quarterly CPI reading (+5.4% Y/Y). Retail Spending was up and down throughout the quarter, with the latest reading for October coming in at -0.2%, and, while still strong, the latest unemployment readings (+3.9%) seemed to soften a little, perhaps suggesting that the impact of aggressive rate rises might be starting to hit the labour market.

Index performance for the quarter was broad across the market as the year ended with global optimism around inflation and interest rate projections: Real Estate (+15.8%), Health Care (+13.2%), Materials (+13.2%), Financials (+8.2%), Communication Services (+6.8%), and Information Technology (+6.5%) all did well. The only negatively performing sectors were Energy (-9.1%), and Utilities (-2.0%), which was dragged lower by Origin Energy – the company's share price dropped after the proposed takeover offer by Brookfield / EIG fell through.

The best performing stock for the quarter was Neuren Pharmaceuticals (+125.8%), which rose after providing a positive update on the Phase 2 trial of NNZ-2591, which reported significant improvement in children with Phelan-McDermid Syndrome. The worst performing stock for the quarter was Liontown Resources (-43.9%), which fell after Albermarle withdrew their indicative proposal to acquire the company.

Performance as at 31 December 2023

BlackRock Concentrated Australian Share 1

	Gross	Out-performance ^A	Benchmark [*]
1 Month	8.56%	0.50%	8.06%
3 Months	9.01%	0.61%	8.4%
6 Months	8.30%	0.60%	7.69%
1 Year	15.02%	2.30%	12.72%
3 Years (pa)	10.15%	1.47%	8.68%
5 Years (pa)	13.23%	2.98%	10.25%
10 Years (pa)	9.33%	1.34%	7.99%
Since inception (pa) [*]	9.06%	1.57%	7.49%

^{*} S&P/ASX200 Accumulation Index.

^AShows the difference between Portfolio Gross Return and Benchmark Return.

[#] Model performance inception date: 8/11/2005.

Past performance is no indicator of future performance. Long term performance returns show the potential volatility of returns over time. The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested. Fluctuation may be particularly marked in the case of a higher volatility Model and the value of an investment may fall suddenly and substantially. Model portfolio composition and performance have been based on theoretical tracking of the model portfolio and are gross of fees and do not take tax positions into account. Please note, actual portfolios may not perform in the same manner as the model depicted in this document, depending on the nature of your personal portfolio and any customisations. Rounding used in the presentation of data may result in minor variations.

About the Model Portfolios

Investment objective

The BlackRock Concentrated Australian Share 1 and 2 Model Portfolios ("Model Portfolios") aim to achieve capital growth by actively managing a concentrated portfolio of Australian shares and other securities and to provide investors with some tax effective income through the receipt of franked dividends.

Investment strategy

The investment objective of the BlackRock Concentrated Australian Share 1 and 2 Model Portfolios is pursued by investing in securities listed in the S&P/ASX 200 Accumulation Index which exhibit a growth outlook (or exhibit a bias to growth characteristics). Growth securities are generally stock that achieve steady cash flow generation capability. The BlackRock Concentrated Australian Share 1 and 2 Model Portfolios are created monthly. The portfolios invest in stocks in the S&P/ASX 200 Accumulation Index that are ranked well on measures of operating growth

Designed for investors who...

- Seek capital growth with some tax effective income; and
- Accept the risk of significant price fluctuations.

Summary

Model Portfolio Name	BlackRock Concentrated Australian Share 1
Model Code	BR0001
Model inception date	4/11/2005
Principal investment objective	Capital growth and some tax effective income
Can derivatives be used?	Yes
Indicative number of stocks	20 – 30
Minimum Model investment	No fixed minimum*
Model Provider's Fees*	
Investment Fee	0.40% p.a.
Performance Fee applicable?	No
Benchmark Index	S&P/ASX 200 Accumulation Index

1. On 14 June 2012, BR0001 and BR0003 adopted the same investment strategy as BR0012. As such, the investment strategy changed from a fundamental stock selection process to one based on a range of growth characteristics.

* Please refer to the Product Disclosure Statement for further details.