

BlackRock Concentrated Australian Models (BR0001)

MAR 2024

Market Overview

The S&P/ASX200 Accumulation had its strongest month in 2024 so far, registering a return of 3.27%.

In March, Australia's latest quarterly GDP numbers were released. The seasonally adjusted real GDP growth came in at +0.2% (q/q) for the December quarter. The slowing economy, along with the latest monthly CPI indicator (+3.4% y/y), provided some optimism for the view that the RBA will begin cutting rates later this year. Elsewhere, however, the unemployment rate surprised back towards historic lows (3.8%) from 4.1% the previous month as the economy added 116,600 new jobs. In the midst of this, the RBA decided to hold the Official Cash Rate at 4.35% as it continues to wait and see how the economy develops under the current rate regime.

All sectors registered a positive return except for Communication Services (-0.8%), which was dragged lower by REA Group (-3.8%) and Seek (-4.0%). Real Estate (+9.2%) was the best performing sector with broad-based performance buoyed by the continuing optimism on potential rate cuts later this year. Energy (+5.5%) was the next best performing sector, which saw positive performance for oil and gas producers after oil continued its positive start to the year. Elsewhere, Utilities (+4.8%), and Materials (+3.6%) both outperformed the index while Financials (+3.2%), Industrials (+2.8%), Consumer Staples (+2.5%), Information Technology (+2.5%), Health Care (+1.9%), and Consumer Discretionary (+0.8%) all dragged.

Life 360 (+60.4%), the US software maker, was the best performing stock of the month as it released a strong set of annual results at the start of March. Core Lithium (-23.8%), the lithium company, was the worst performing stock of the month. The firm released half-year earnings in March, in which it disclosed a net profit after tax of A\$-167.6m vs A\$-9.2m one year ago.

Performance as at 31 March 2024**BlackRock Concentrated Australian Share 1**

	Gross	Out-performance^A	Benchmark[*]
1 Month	3.50%	-0.32%	3.83%
3 Months	2.63%	-2.37%	5.00%
6 Months	12.62%	-1.94%	14.56%
1 Year	14.78%	-2.02%	16.8%
3 Years (pa)	11.47%	2.02%	9.44%
5 Years (pa)	11.62%	2.46%	9.16%
10 Years (pa)	9.37%	1.05%	8.32%
Since inception (pa) [*]	9.1%	1.42%	7.68%

^{*} S&P/ASX 200 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.