

## BlackRock Equity Yield Focus

Model (BR0005)

MAR 2024

**Market Overview**

The S&P/ASX300 Accumulation had its strongest month in 2024 so far, registering a return of 3.26%.

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.

Mesoblast (+88.1%), the biotechnology firm, was the best performing stock of the month as the FDA notified the company that the available clinical data from its phase 3 study MSB-GVH000 appears sufficient to support its Biologics License Application for remestemcel-L. Lake Resources (-41.7%), the lithium exploration company, was the worst performing stock of the month. The company raised A\$20m at A\$0.07 a share to shore up its balance sheet as the firm looks for alternative financing for its Kachi project.

**Performance as at 31 March 2024**

	Gross %	Out-performance % <sup>^</sup>	Benchmark % <sup>*</sup>
1 Month	2.47%	-1.37%	3.84%
3 Months	3.70%	-1.41%	5.10%
6 Months	13.31%	-1.34%	14.65%
1 Year	17.55%	0.78%	16.77%
3 Years (pa)	13.32%	4.08%	9.24%
5 Years (pa)	11.16%	1.99%	9.17%
10 Years (pa)	11.26%	2.95%	8.32%
Since inception (pa) <sup>*</sup>	9.44%	1.81%	7.63%

<sup>\*</sup> S&P/ASX 300 Accumulation Index.

<sup>^</sup>Shows the difference between Portfolio Gross Return and Benchmark Return.

<sup>#</sup> 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.

## Summary

<b>Model Portfolio Name</b>	BlackRock Equity Yield Focus
<b>Model Code</b>	BR0005
<b>Model inception date</b>	4/11/2005
<b>Principal investment objective</b>	Tax effective and growing income stream
<b>Can derivatives be used?</b>	Yes
<b>Indicative number of stocks</b>	Up to 40
<b>Minimum Model investment</b>	No fixed minimum*
<b>Model Provider's Fees*</b>	
<b>Investment Fee</b>	0.40% p.a.
<b>Performance Fee applicable?</b>	No
<b>Benchmark Index</b>	S&P/ASX 300 Accumulation Index^

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

^ Adjusted for franking credits.

## About the Model Portfolios

### Investment objective

The primary aim of the BlackRock Equity Yield Focus Model Portfolio (the "Model") is to provide the investor with a tax effective and growing income stream sourced primarily from dividend payments by companies listed on the Australian Stock Exchange. Through investing in equity markets there is also the prospect of capital gains over time.

### Investment strategy

The investment objective of the Model is pursued by investing in a moderately diversified portfolio of shares, whilst maintaining low portfolio turnover levels. The Model invests in stocks which are expected to pay grossed-up dividend yields (including anticipated special dividends) in excess of the market average over the medium term. A portfolio of these stocks is developed in a manner which aims to ensure that industry exposures are diverse.

### Designed for investors who...

- Seek a tax-effective income stream with some capital growth
- Accept the risk that some volatility will be experienced