

# Sustainable Investing Simplified

## ESG Multi-Asset Model Portfolio SMAs

### A diversified sustainable portfolio in one click

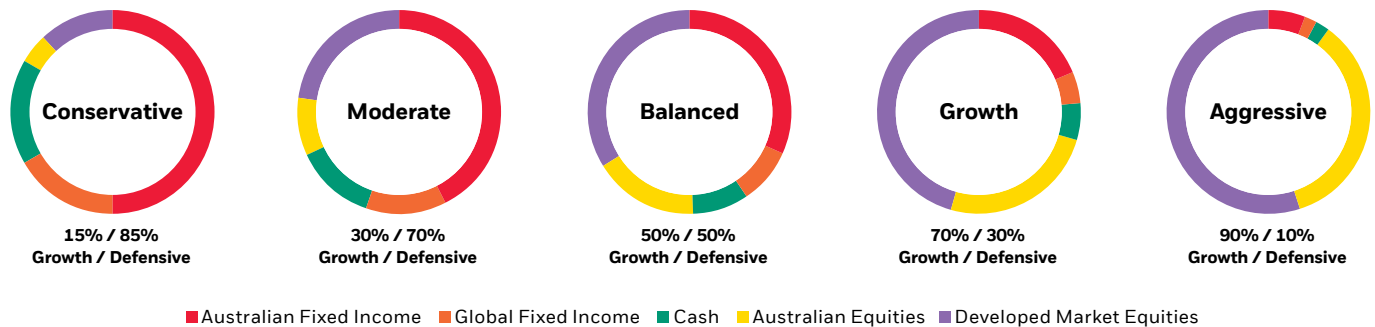
#### ESG focus with low-cost index building blocks

Leveraging ETFs and index funds to construct a diversified portfolio that targets an ESG uplift and a lower carbon footprint where applicable

#### Broad diversification with the efficiencies of a managed account

Simplifying the investment process with a transparent and targeted portfolio backed by a highly seasoned team

### Target the right allocation for you



### Achieving an ESG uplift and lower carbon footprint



#### Higher ESG scores<sup>1</sup>

relative to standard market-capitalisation weighted portfolio



#### Lower carbon footprint<sup>2</sup>

relative to standard market-capitalisation weighted portfolio

#### Indirect Cost Ratio<sup>3</sup>:

**0.10-0.17%**

per annum

#### Rating<sup>4</sup>:



Superior



as of March 2024

For illustrative purposes only and subject to change. Diversification and asset allocation may not fully protect you from market risk. This is not a recommendation to invest in any particular financial product. This material provides general information only. ESG score is only one factor to be considered when deciding whether to invest in a product.

1 ESG scores are calculated by MSCI. For more information around ESG scores, please refer to MSCI's methodology paper in the following link:

<https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology+%28002%29.pdf>

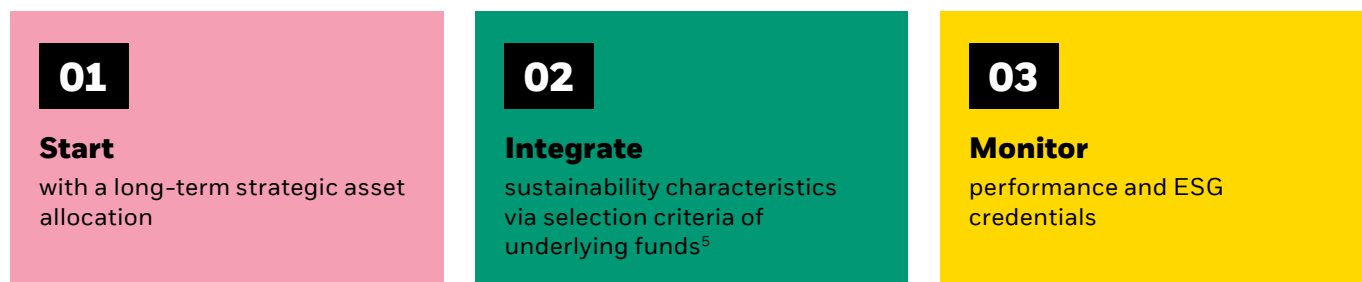
Higher ESG scores are relative to a broad market benchmark which uses standard (non-ESG) market-capitalisation weighted indices as building blocks. We use the following standard market-capitalisation weighted indices in the benchmark: Australian equity (S&P/ASX 300 Index), International equity (MSCI World ex Australia Index Unhedged & AUD Hedged), Australian fixed income (Bloomberg Ausbond Composite 0+Yr Index), International fixed income (Bloomberg Global Aggregate AUD Hedged Index).

2 Carbon metrics are calculated by MSCI. Carbon emissions are measured in terms of scope 1 (direct) and scope 2 (indirect) emissions normalised by the most recently available enterprise value including cash (EVIC) in million USD. For more information around the definitions of scope 1+2 emissions, please refer to <https://www.msci.com/our-solutions/esg-investing/climate-solutions/climate-data-metrics>

3 Indirect Cost Ratio only includes the underlying sub-fund fees, but excludes investment management, platform and transaction fees. Source: BlackRock as of March 2024. Rating is only one factor to be taken into account when deciding whether to invest in a product.

4 Rating and/or award is only one factor to be taken into account when deciding whether to invest in a product or use a service.














## A disciplined approach to ESG model portfolio construction



Source BlackRock. For illustrative purposes only.

<sup>5</sup> Sustainability characteristics vary by underlying funds. BlackRock does not consider asset class of cash (or cash equivalents) would raise a material risk of exposure to activities that are likely to be considered sensitive, controversial or to have an adverse sustainability impact.

## Limiting exposure to controversial sectors<sup>6</sup>

<b>CLIMATE</b>	 <b>Oil &amp; Natural Gas Reserves</b>	 <b>Thermal Coal</b>	
<b>SOCIAL VALUES/ ETHICS BASED</b>	 <b>Controversial Weapons</b>	 <b>Nuclear Weapons</b>	 <b>Civilian Firearms</b>
	 <b>Alcohol</b>	 <b>Adult Entertainment</b>	 <b>Gambling</b>
	 <b>Nuclear Power</b>	 <b>Conventional Weapons</b>	 <b>Tobacco</b>
<b>GLOBAL NORMS</b>	 <b>UNGC Violators</b>	 <b>ESG Controversies</b>	

<sup>6</sup> Exclusionary screens vary by sub-fund. In applying a screen, reliance may be placed on sector classification and/or revenue thresholds. A screen may not exclude an issuer if data about that issuer is unavailable. Screens typically do not exclude issuers involved in the extraction of certain fossil fuels (including metallurgical coal, and conventional crude oil) unless otherwise disclosed. Please refer to the following links for exact types and definitions of exclusions for each underlying building block.

Australian equities: [https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_Australia\\_IMI\\_Custom\\_ESG\\_Leaders\\_Index\\_Apr2021.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_Australia_IMI_Custom_ESG_Leaders_Index_Apr2021.pdf)

International equities: [https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_World\\_ex\\_Australia\\_Custom\\_ESG\\_Leaders\\_Index\\_Apr2021.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_World_ex_Australia_Custom_ESG_Leaders_Index_Apr2021.pdf)

Australian & International fixed income: [https://assets.bbhub.io/professional/sites/27/BBG-MSCI-Fixed-Income-ESG-Indices\\_20210928.pdf](https://assets.bbhub.io/professional/sites/27/BBG-MSCI-Fixed-Income-ESG-Indices_20210928.pdf)

Please note that the cash holdings (or cash equivalent) of the portfolio have no specific issuer names excluded from eligible purchases but does have minimum credit ratings applied to all eligible securities and concentration limits.

# Institutional capabilities for individual investors

**Local expertise,  
global resources**

**World-leading  
risk management  
technology  
Aladdin<sup>®7</sup>**

**Trusted  
investment  
views on global  
market insights**

**Proxy voting  
with largest  
stewardship  
team in industry**

## Surround sound support

Find your latest model resources on the Model Evaluator Tool  
@ <https://www.blackrock.com/authplatform/user/signin>

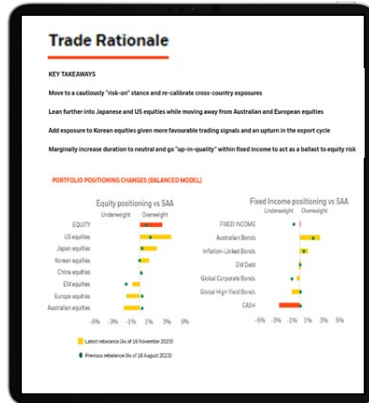
**Compare**  
Models by client objectives

**Stay Informed**  
At every rebalance

**White-Label**  
Your logo in client reports

**MODEL EVALUATOR**  
Explore available model portfolios

Model Family	Objective	Underlying Vehicle	Asset Allocation Approach	
Model Family A	Match or outperform benchmark	Managed Funds	Blended	
Model Name	Risk Profile	12M Yield	1Y Return	Risk
Model A	30/70	2.1%	6.8%	5.8%
Model B	50/50	2.2%	8.9%	7.7%
Model C	70/30	2.3%	10.9%	8.6%
Model D	85/15	2.4%	12.0%	11.0%
Model E	100/0	2.5%	12.8%	12.0%



**PRACTICE LOGO**

**Enhanced Strategic Models**

**Model Portfolio Summary**

Practice Group A

Performance Review

The model portfolios mentioned in this report refer to selected portfolios held together with BlackRock and Lazard. These refer to the disclosure at the end of this document for more details on the proximity between the two firms and the respective roles that each firm plays in creating and managing this solution. This document is provided for illustrative and educational purposes only. This information does not constitute research, investment advice or advice on a BlackRock investment recommendation from BlackRock to any client of a third party financial professional, and is intended for use only by such financial professional, in consultation with their client and with other information, as a resource to help build a portfolio or as an input to the development of investment advice for its own clients. Such financial professionals are responsible for making their own independent judgment as to how to use this information. BlackRock does not have investment discretion over, or direct control over, any portfolio or account derived from this information. Holdings, performance, and other characteristics of any portfolio or account derived from this information may vary materially from the information shown herein. Please review the disclosure at the end of this document for more information.

**BlackRock**

## Want to know more?

<https://www.blackrock.com/au/intermediaries/ishares/model-portfolios>

Email: [clientservices.aus@blackrock.com](mailto:clientservices.aus@blackrock.com) | Phone: 1300 366 100

Screenshots are conceptual, for illustrative purposes only, and subject to change.

7 World-leading risk management technology Aladdin<sup>®</sup> footnote <sup>7</sup>There is no guarantee that a positive investment outcome will be achieved. While proprietary technology platforms may help manage risk, risk cannot be eliminated.

The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 AFSL 421913. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme.

## IMPORTANT INFORMATION

Issued by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFSL 230 523 (**BIMAL**) for the exclusive use of the recipient, which warrants by receipt of this material that it is a wholesale client as defined under the Australian Corporations Act 2001 (Cth) and the New Zealand Financial Advisers Act 2008 respectively.

BIMAL is not licensed by a New Zealand regulator to provide 'Financial Advice Service' or 'Keeping, investing, administering, or managing money, securities, or investment portfolios on behalf of other persons'. BIMAL's registration on the New Zealand register of financial service providers does not mean that BIMAL is subject to active regulation or oversight by a New Zealand regulator.

This material provides general information only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should therefore assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances. Refer to BIMAL's Financial Services Guide on its website for more information. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction.

Information provided is for illustrative and informational purposes and is subject to change. It has not been approved by any regulator.

This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. BIMAL is a part of the global BlackRock Group which comprises of financial product issuers and investment managers around the world. BIMAL is the issuer of financial products and acts as an investment manager in Australia. BIMAL does not offer financial products to persons in New Zealand who are retail investors (as that term is defined in the Financial Markets Conduct Act 2013 (**FMCA**)). This material does not constitute or relate to such an offer. To the extent that this material does constitute or relate to such an offer of financial products, the offer is only made to, and capable of acceptance by, persons in New Zealand who are wholesale investors (as that term is defined in the FMCA).

BlackRock model portfolios themselves are not funds issued by BIMAL. They are offered through third party platform providers which are not affiliated with BIMAL. These materials must be preceded and accompanied by a product disclosure statement (PDS) issued by the third party platform providers that are responsible entities and product issuers of model portfolios. BlackRock model portfolios included in these materials are provided for illustrative and educational purposes only. They do not constitute research, and they are not personal advice from BIMAL to any client of a registered financial adviser. They are intended for use only by a registered financial adviser with other information as a resource to help build a portfolio or as an input in the development of investment advice for a registered financial adviser's own clients. Such registered financial advisers are responsible for making their own independent judgment as to how to use BlackRock model portfolios included in these materials. BIMAL is not responsible for determining the appropriateness or suitability of any BlackRock model portfolios, or any of the securities included therein, for any client of a registered financial adviser. BlackRock model portfolios include investments in units of funds. Investors will indirectly bear fund expenses in respect of portfolio assets allocated to funds. Information concerning BlackRock model portfolios – including holdings, performance and other characteristics – may vary materially from any portfolios or accounts derived from BlackRock model portfolios included in these materials. There is no guarantee that any investment strategy or model portfolio will be successful or achieve any particular level of results.

BIMAL, its officers, employees and agents believe that the information in this material and the sources on which it is based (which may be sourced from third parties) are correct as at the date of publication. While every care has been taken in the preparation of this material, no warranty of accuracy or reliability is given and no responsibility for the information is accepted by BIMAL, its officers, employees or agents. Except where contrary to law, BIMAL excludes all liability for this information.

Any investment is subject to investment risk, including delays on the payment of withdrawal proceeds and the loss of income or the principal invested. While any forecasts, estimates and opinions in this material are made on a reasonable basis, actual future results and operations may differ materially from the forecasts, estimates and opinions set out in this material. No guarantee as to the repayment of capital or the performance of any product or rate of return referred to in this material is made by BIMAL or any entity in the BlackRock group of companies.

No part of this material may be reproduced or distributed in any manner without the prior written permission of BIMAL.

© 2024 BlackRock, Inc. or its affiliates. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS, ALADDIN, iSHARES and the stylised i logo are registered and unregistered trademarks of BlackRock, Inc. or its affiliates. All other trademarks are those of their respective owners.

8183 – 17.4.24

