Product Assessment

Report as at 27 Mar 2024

Zenith
RECOMMENDED
INDEX

iShares Core FTSE Global Infrastructure (AUD Hedged) ETF

Rating issued on 27 Mar 2024 | Exchange Code: GLIN

Investment objective

To provide investors with the performance of the FTSE Developed Core Infrastructure 50/50 100% Hedged to AUD Net Tax Index before fees and expenses (including cost of hedging).

Manager	BlackRock Investment Management (Australia) Limited
Distributor	BlackRock Investment Management (Australia) Limited
Sector	International Shares \ Listed Infrastructure (Hedged)
Investment Style	Index - Traditional
RI Classification	Traditional
Absolute Risk	High
Relative Risk	Index
Investment Timeframe	7+ Years
Benchmark	FTSE Global Core Infrastructure 50/50 $A (Hgd) Composite
Min Investment Amount	N/A
Redemption Frequency	Daily
Income Distribution	Quarterly
Fund Size	Not Disclosed
Management Cost	0.15% p.a. Incl. GST
Performance Fee	N/A
Buy / Sell Spread	0.08% / 0.08%
Inception Date	16 May 2023

Fund facts

- Tracks the FTSE Developed Core Infrastructure 50/50 100% Hedged to AUD Net Tax Index
- 'Core' exposure to Infrastructure companies with high barriers to entry and predictable long-term cash flows
- A full replication approach to indexing, maintaining the flexibility to optimise the portfolio.

Viewpoint

Operated by BlackRock Investment (BlackRock), the Fund generally adopts a full replication approach to indexing, maintaining the flexibility to optimise the portfolio during periods of market stress. The Fund seeks to track the FTSE Developed Core Infrastructure 50/50 100% Hedged to AUD Net Tax Index. Zenith believes the extensive resources dedicated to index enhancements and BlackRock's historical indexation experience position the Fund well to deliver upon its investment objectives. Further, Zenith notes the low management cost of the Fund which positions it as an attractive option within the passive peer group.

BlackRock was established in 1988 as the financial management group within the private equity firm, the Blackstone Group. BlackRock employs approximately 19,800 staff located in 38 countries across the world, with approximately $US 10.01 trillion in funds under management, as at 31 December 2023.

Management of the Fund is the responsibility of BlackRock’s Asia-Pacific ETF and Index Investment portfolio management team (APAC EII), which is led by Naoto Furukawa. Furukawa is supported by Jane Kim, Head of APAC ex-Japan Index Equity Portfolio Management, alongside an investment team of six portfolio managers. Zenith believes the team responsible for the Fund is appropriately resourced given the nature of the investment process and input provided by the extensive global resources of BlackRock.

BlackRock's investment philosophy is predicated on total performance management, which seeks to balance risks, returns and costs in a systematic and repeatable manner. The key to adhering to this philosophy is a detailed understanding of the benchmark, index changes and the issuance of new securities. Consequently, BlackRock undertakes detailed portfolio analysis and benchmark research to support its portfolio construction and trade execution processes. Zenith believes the process is transparent and efficient, providing investors with a cost-effective indexed exposure to Listed Infrastructure.

The Fund adopts an index-based strategy, tracking the performance of a diversified portfolio of Infrastructure securities listed on exchanges in Developed Markets around the world. The Index was developed to create a balanced exposure to Infrastructure and draws from the FTSE Global Equity Index Series. These constituents are screened so that only companies with at least 65% of their revenue attributable to core Infrastructure activities are included. These companies are then capped by sector along the following lines: utilities (50%), transportation (30%) and other (20%). Market segments within utilities and transportation are also capped to create more positive diversification attributes in the Index. In addition, individual stocks are capped at 5%. Stocks are then adjusted with reference to their market capitalisation.

Zenith believes that the sector capping results in a more balanced sector diversification compared to many existing Infrastructure indices. The index holds approximately 140 names across various markets, though it should be noted that the US makes up around 50% of the index.

To replicate the return of the underlying index, the team generally employs a passive, full replication investment approach, holding virtually all securities in the index at the appropriate benchmark weight. Notwithstanding this, the team maintains the flexibility to optimise the portfolio for events including but not limited to corporate actions, suspended securities and during periods of market stress and dislocation. BlackRock implements return-enhancing strategies including internal crossing networks and transaction cost analysis.

This document has been prepared by Zenith. Zenith's Financial Services Guide is available at https://www.zenithpartners.com.au/important-information/financial-services-guide/ and full details regarding Zenith's contact details, research processes, ratings information and conflicts of interest are available at https://www.zenithpartners.com.au/our-solutions/investment-research/fund-research-regulatory-guidelines/

Fund analysis

Fund characteristics

Constraint	Value
Security numbers	140 (typically)

Investment objective and philosophy

The investment objective for the Fund is to closely match the total return of the FTSE Developed Core Infrastructure 50/50 100% Hedged to AUD Net Tax Index before fees and expenses. The Fund is managed on an accumulation basis with dividends of underlying stocks reinvested and paid at the quarterly distribution date.

Blackrock's approach is to utilise a full replication strategy in most market environments to mirror the returns and characteristics of the Index before fees and costs. BlackRock maintains the ability to apply an optimisation strategy to optimise the portfolio for events including but not limited to corporate actions, suspended securities and during periods of market stress and dislocation. BlackRock will aim to hold the Index constituents at their index weight according to the Index methodology.

Portfolio applications

Zenith believes the inclusion of Listed Infrastructure in an investor's International Equities exposure provides significant diversification benefits, with the potential to improve the risk/return profile of the overall portfolio.

Infrastructure securities have historically provided a long-term, reliable income stream, which is relatively resilient to changing economic conditions, is largely protected from inflation (based on income indexed to inflation) and provides less volatility with lower correlation to other asset classes over the medium to long term. Whilst Listed Infrastructure securities have historically been seen as a more defensive asset class with a lower correlation to the overall economic cycle, it should be noted that listed infrastructure securities can experience higher correlations with Global Equity markets in periods of extreme stress.

The Fund offers investors a cost-effective exposure to a balanced set of Infrastructure exposures that aims to generate an attractive mix of capital growth and income yield. The Fund may be blended with a growth style global equity fund or could be used as a relatively defensive standalone exposure to Global Equities, within a well-diversified portfolio.

The Fund's one-way portfolio turnover is expected to average approximately 0.67% p.a. (based on 5 years of index turnover data) . Given this expected level of turnover, the majority of the Fund's returns are expected to be delivered via capital appreciation in the unit price, rather than through the realisation of capital gains in income distributions. In addition, realised capital gains are highly likely to be eligible for the capital gains tax discount. As such, holding all else equal, the Fund may be more appealing to investors who are high marginal tax rate payers as it will result in superior after-tax return outcomes.

Fund responsible investment attributes

Key Information	Description
Zenith RI classification*	Traditional
Has Responsible Investment Policy	Yes
PRI Status	
PRI Signatory	Yes

*Zenith RI Classification scale:

- Traditional
- Aware
- Integrated
- Thematic
- Impact

Absolute performance

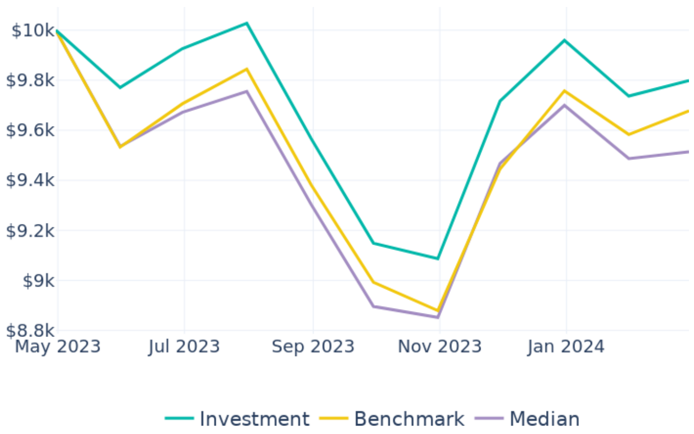
Performance as at 29 Feb 2024

Monthly performance history (%, net of fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	BM YTD*
2024	-2.24%	0.64%											-1.61%	-0.82%
2023					-2.29%	1.59%	1.02%	-4.59%	-4.37%	-0.68%	6.93%	2.50%	-0.41%	-2.42%

**FTSE Global Core Infrastructure 50/50 $A (Hgd) Composite*

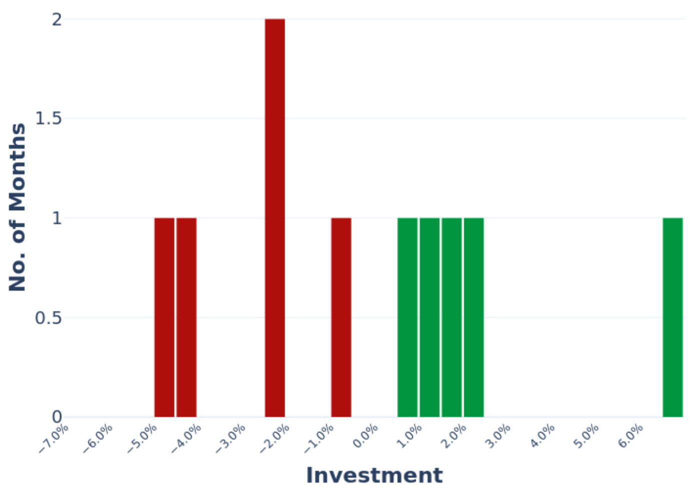
Growth of $10,000



Risk / return

Insufficient data for this chart

Monthly histogram



Minimum and maximum returns (% p.a.)

Absolute performance analysis

Instrument	1 Mth	3 Mths	6 Mths	Inception
Investment	0.64%	0.85%	2.43%	-2.01%
Benchmark	0.99%	2.46%	3.16%	-3.22%
Median	0.29%	0.49%	2.26%	-4.86%
Cash	0.34%	1.05%	2.09%	3.46%

Ranking within sector (p.a.)

Ranking within Sector	Inception
Fund Ranking	4 / 23
Quartile	1st

Absolute risk

Instrument
Standard Deviation (% p.a.)
Investment
Benchmark
Median
Downside Deviation (% p.a.)
Investment
Benchmark
Median

Absolute risk/return ratios

Instrument
Sharpe Ratio (p.a.)
Investment
Benchmark
Median
Sortino Ratio (p.a.)
Investment
Benchmark
Median

For consistency purposes Zenith benchmarks all 'International Shares - Listed Infrastructure (Hedged)' funds against the FTSE Global Core Infrastructure 50/50 $A (Hdg) Composite. All performance, consistency and Risk/Return data is referenced to the Zenith assigned benchmark. The FTSE Global Core Infrastructure 50/50 $A (Hdg) dates back to January 2010, for periods prior to this, Zenith has benchmarked all funds against the UBS Global Infrastructure & Utilities Index (Hgd).

All commentaries below are as at 28 February 2024.

The investment objective for the Fund is to provide returns (before management costs) that closely track the returns of the FTSE Developed Core Infrastructure 50/50 100% Hedged to AUD Net Tax Index.

Given the May 2023 inception date, the Fund's performance history is relatively short, making it difficult to draw any meaningful longer term conclusions.

Relative performance

Excess returns

Statistic	1 Mth	3 Mths	6 Mths	Inception
Excess Return	-0.35%	-1.61%	-0.73%	1.21%
Monthly Excess (All Mkts)	0.00%	0.00%	33.33%	40.00%
Monthly Excess (Up Mkts)	0.00%	0.00%	33.33%	20.00%
Monthly Excess (Down Mkts)	0.00%	0.00%	33.33%	60.00%

Capture ratios (% p.a.)

Statistic	1 Mth	3 Mths	6 Mths	Inception
Downside Capture	0.00%	124.75%	101.21%	85.52%
Upside Capture	64.49%	73.07%	93.96%	90.78%

Tracking error (% p.a.)

Instrument
Investment
Median

Information ratio

Instrument
Investment
Median

Beta statistics

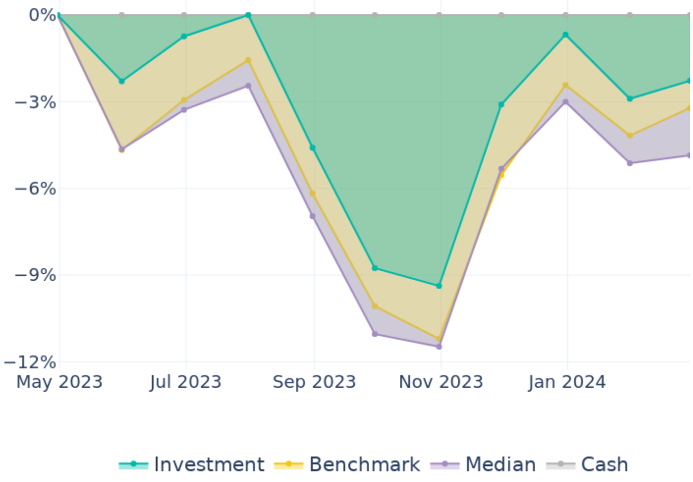
Statistic
Beta
R-Squared
Correlation

The following commentary is effective as at 29 February 2024.

Given the May 2023 inception date, the Fund's performance history is relatively short, making it difficult to draw any meaningful longer term conclusions.

Drawdown analysis (since inception)

Drawdown analysis assesses the relative riskiness of a Fund versus the benchmark, in reference to capital preservation. The maximum Drawdown is recorded as the percentage decline in the value of a portfolio from peak to trough (before a new peak is achieved). All Drawdown analysis is calculated commencing from the inception date of the Fund in question, and Drawdown analysis for the Fund and benchmark(s) are calculated independently. That is, the largest drawdown for the Fund and benchmark(s) will not always refer to the same time period.



The following commentary is effective as at 29 February 2024.

Given the May 2023 inception date, the Fund's performance history is relatively short, making it difficult to draw any meaningful longer term conclusions.

Product Exposures

Holdings as at 01 Jan 0001

Equity sector exposure

Equity country exposure

Fund commentary

Fund risks

Zenith has identified the following key risks of the Fund. Although Zenith believes the risks noted are all significant, we have listed them in order of importance. In addition, we have not intended to highlight all possible risks.

Tracking error risk: As an index replication strategy, a key risk facing the Fund is incurring excessive Tracking Error, the existence of which may see Fund performance deviate from that of its targeted benchmark.

An ETF may lag its underlying tracked index as a result of the ETF price not matching the movements in the index. This may be caused by large institutional trades which can move the ETF price away from its Net Asset Value (NAV). This risk should be broadly mitigated by the Authorised Participants, who in their capacity as market makers, will aim to remove these mismatches in prices. In addition, ETFs have a unique feature that allows large institutional orders to access the NAV of the underlying fund by an in-specie transfer in or out which removes a market impact for large flows.

Turnover risk: Increased index activity due to constituent changes and M&A activity may increase portfolio turnover, giving rise to issues surrounding taxation and efficiency regarding portfolio trading costs.

Counterparty risk: The effective functioning of Exchange Traded Products (ETPs) relies on numerous counterparties including the Authorised Participants. Any default of these parties' obligations is likely to have a negative impact.

Derivative risk: Derivative exposure is associated with numerous risks relating to execution, cost, liquidity and collateral obligations.

Security/asset selection

Stock selection is purely driven by index changes. Given BlackRock's full replication approach, during most market environments, stocks entering or exiting the Index are essentially required to be bought on the day that the changes are affected. However, in practice, weighting may differ if achieving full replication impacts the efficiency of the replication process. The Fund is passively managed to replicate the Index, with minimal investment discretion.

Index construction

The FTSE Developed Core Infrastructure 50/50 Hedged Index is constructed to limit the exposure of particular Infrastructure subsectors. Starting with the constituents of the FTSE Global Equity Index Series, constituents are screened using Industry Classification Benchmark (ICB) subsector classifications to determine which companies are eligible for inclusion in each core Infrastructure and Infrastructure-related sector.

Companies are considered a core Infrastructure index company if at least 65% of their revenue is attributable to core Infrastructure activities. These are then screened to include securities from Developed Markets only and constituents are weighted by their investable market capitalisation.

Each sector is then capped as follows:

- Utilities - 50%
- Transportation - 30% (broken into 22.5% heavy construction*, transport services** and businesses support services, 7.5% railroads, travel & tourism)
- Other - 20%***

** includes toll roads and other transport concessions*

***includes airport concessions*

****includes energy infrastructure, cellular towers*

Company weights are also capped at a maximum of 5%. Where target weights cannot be reached the company capping limit is relaxed in steps of 0.5% until all target weights have been reached.

Rebalancing of the Index is undertaken semi-annually. Any companies whose revenue attributable to core Infrastructure activities falls below 55% is excluded.

Overall, Zenith views the nature of the indexation methodology as robust and logical.

Responsible investment approach

BlackRock has an established Responsible Investment Policy, last updated in 2023.

The Fund does not have any specific environmental, social and governance (ESG) exclusions nor does BlackRock consider ESG issues in its construction of the Fund. Given BlackRock's index replication approach, Zenith is comfortable with its approach to ESG.

Zenith has assigned the Fund a Responsible Investment Classification of Traditional.

Portfolio construction

Generally, BlackRock adopts a full-replication approach, which requires the Fund to hold all index constituents of the FTSE Developed Core Infrastructure 50/50 100% Hedged to AUD Net Tax Index. Notwithstanding this, BlackRock maintains the ability to apply an optimisation strategy to replication during periods of market stress and dislocation. Any changes in the underlying index are required to be actioned for the Fund on the same day. Cashflow management is executed in a manner that provides an efficient outcome with regard to Tracking Error and transaction costs.

One of the drawbacks of a passive investment strategy is that the potential benefits of any corporate actions are subject to the decision making of the index. Given that BlackRock's primary objective is to track the index as closely as possible, it will typically elect to mirror the index regarding corporate actions. For example, if the index chooses to not recognise a rights issue, the Fund will mirror this. This may be to the detriment of investors.

BlackRock utilises its internal crossing network in the first instance to implement trades in order to minimise overall transaction costs. Zenith believes BlackRock's size and scale is a significant advantage, as it provides the Fund with considerable depth and breadth to implement internal crossings, allowing BlackRock to save on the transaction costs that would be incurred if the Fund were to trade on the open market. Trade execution is performed by a separate desk to the portfolio manager, highlighting a clear demarcation of responsibilities and expertise. Implementation of positions is rules-based and is executed at the close of daily trade.

Portfolio turnover is expected to be broadly similar to the benchmark, averaging 0.67% p.a. over a market cycle.

Overall, Zenith believes BlackRock's scale and proprietary software place the Fund in a strong position to deliver on its investment objectives.

Risk management

As a product that fully replicates the index, there is less focus on balancing the risk and returns of constituent securities, with BlackRock placing a greater emphasis on reducing transaction costs.

Zenith notes that index changes can cause cash drag on the portfolio due to delays in the transaction settlement process. Zenith believes this risk is effectively diminished through the scale of BlackRock's operations, which limits both transaction costs and the cash drag associated with liquidating positions. Zenith notes that BlackRock will equitise excess cash holdings through futures contracts to minimise the impact of significant inflows on the portfolio.

BlackRock's investment teams are supported by a specialist Risk and Quantitative Analysis team (RQA) that provides an additional layer of risk management and is independent of the portfolio management team. The team monitors the portfolio daily and serves as a check to ensure that the Fund is being managed according to guidelines. Zenith is comforted by the fact that the RQA is independent of BlackRock's investment functions, having separate reporting lines.

Portfolio turnover is reviewed on an annual basis whilst trading costs are reviewed at least semi-annually. Given the significant effect that trading costs can have on portfolio returns, Zenith considers this review process to be prudent.

Zenith believes BlackRock benefits greatly from one of the most advanced technology platforms in its peer group, which enables the investment team to have a comprehensive understanding of the inherent risks in the portfolio.

Investment fees

	Fund	Sector Average
Total Fees and Costs (RG 97)	Not disclosed	0.94% p.a.
Management Fees and Costs	Not disclosed	0.86% p.a.
Transaction Costs	Not disclosed	0.07% p.a.
Performance fees	N/A	0.01%
Performance fees description	N/A	
Management Cost	0.15% p.a.	0.83% p.a.
Buy / Sell spread	0.08% / 0.08%	0.17% / 0.16%

All fees and costs are inclusive of GST unless indicated otherwise. The Performance Fee shown is the performance fee disclosed in the PDS. It is calculated by taking the average performance fees charged over the last five financial years (or less if the investment or performance fee mechanism has not been in place for five financial years).

The sector average management cost (in the table above) is based on the average management cost of all flagship 'Listed Infrastructure (Hedged)' funds surveyed by Zenith. The list of funds includes actively managed, index replication, global and emerging market funds.

Overall, Zenith believes the Fund's fee structure is attractive relative to peers, given its stated objectives. However, there is insufficient performance data at this stage to conduct meaningful analysis on whether the fees paid are justified.

It should be noted that, as a safeguard in the absence of a natural market in which two investors are transacting in the Fund, market makers ensure the maximum spread is limited to a pre-agreed spread limit. However, it is important to note that bid/ask spreads tend to be at their highest and most volatile at the start and end of the trading day.

(The fees mentioned above are reflective of the flagship version only and may differ when the product is accessed through an alternate investment vehicle such as a platform).

About the fund manager

Organisation

BlackRock was established in 1988 as the investment management group within the private equity firm Blackstone Group. Following a number of ownership changes, BlackRock merged with Merrill Lynch Investment Management (MLIM) while retaining the BlackRock name. In 2009, BlackRock acquired Barclays Global Investments (BGI) and merged the two businesses. In January 2024, BlackRock also announced that it had entered into an agreement to acquire Global Infrastructure Partners (GIP), the world’s largest independent Infrastructure manager. It is anticipated that the transaction be will completed in the second half of 2024.

BlackRock employs approximately 19,800 staff located in 38 countries, with approximately $US 10 trillion in funds under management, as at 31 December 2023.

The Fund's market capitalisation was approximately $A 288.34 million as at 29 February 2024.

Investment personnel

Name	Title	Industry Experience (yrs)	Tenure (yrs)	Location
Naoto Furukawa	Head of EII Portfolio Engineering, Asia Pacific	26	26	Tokyo, Japan
Jane Kim	Head of APAC ex-Japan Index Equity Portfolio Management	14	8	Hong Kong, Hong Kong

Management of the Fund is the responsibility of BlackRock's Asia-Pacific ETF and Index Investment portfolio management team (APAC EII), which is led by Naoto Furukawa. Furukawa is supported by Jane Kim, Head of APAC ex-Japan Index Equity Portfolio Management, alongside an investment team of six portfolio managers.

The APAC EII team ensures that portfolios are optimised and trades are conducted in a sensible manner across BlackRock's suite of Asian Pacific index strategies.

The APAC EII team is disseminated across two offices. Furukawa is based in Tokyo, while San Francisco-based Hsui manages a Hong Kong based team of six. Although Zenith typically prefers centrally located teams, we acknowledge that investment management through indexation tends to be systematic and highly process driven. Given the span and sophistication of BlackRock's global operations, Zenith believes that the team's structure is appropriate.

APAC EII also has access to other BlackRock investment professionals and research teams around the world. Zenith believes one of BlackRock's key advantages is its ability to draw on broad resources.

Zenith believes the team responsible for the Fund is appropriately resourced given the nature of the investment process and input provided by the extensive global resources of BlackRock.

About the sector

Sector characteristics

The Zenith 'Listed Infrastructure (Hedged)' sector consists of global equity managers who specialise in investing across the following sub-asset classes: regulated utilities (electric, water, gas and integrated), transport concessions (airports, toll roads, railroads), energy Infrastructure (regulated and unregulated pipelines and storage), and communication Infrastructure (cellular towers, satellites and other network assets). The level of regulation, pricing power and competition differs significantly by sub-asset class.

The fundamental drivers of revenue within this asset class tend to be legislative change, macroeconomic factors and demographic trends. The universe of Infrastructure managers reviewed by Zenith typically targets Listed Infrastructure companies that own a large proportion of assets with Infrastructure characteristics.

Typical features of Infrastructure assets which can be supportive of a monopolistic environment include:

- High barriers to entry – assets normally require a significant initial capital investment, making it difficult for new entrants to compete with the incumbent provider.
- Regulation - regulated entities are often required to sell a particular service at an approved price that is sufficient to cover operating costs and provide a certain return on capital. Regulatory constraints may also prevent competing assets being constructed nearby.
- Inelastic Demand - due to the essential service and product provided to support a functioning society or economy (e.g. water, gas or electricity) a price increase will generally not result in a material decline in demand.
- Financial Leverage - operations typically require a significant level of debt, although the underlying asset's relatively stable and re-occurring income streams provide a greater level of certainty to financiers, generally resulting in access to capital.
- Long-life assets – while the assets generally require high initial capital investment, this is paid back through consistent cash flows over an extended life of the asset. It is also important to note that from an investor's perspective, the asset lifespan can be finite, in that many assets are government concessions that may not be renewed or extended.

Given the nature of the assets held within the Infrastructure sector, it is expected to display high earnings stability with a consistent earnings growth profile. As such, relative to broader global equities, Listed Infrastructure can display greater defensive attributes through the cycle. These attributes can include lower volatility and a higher, more consistent income distribution stream.

The Hedged classification indicates that funds in this universe are currency hedged, resulting in their returns being unaffected by fluctuations in the Australian dollar (AUD) versus other global currencies.

Sector risks

The broad risks of investing in Listed Infrastructure (Hedged) funds are comparable to broader International Equities, for example:

Market risk: Infrastructure companies tend to have a lower beta relative to broader Equity markets due to their more predictable earnings; however, significant market downturns can directly impact the returns of the Fund.

Specific security risk: This is the risk associated with individual securities. The price of shares in a company may be materially impacted by idiosyncratic factors such as changes in management or an adverse regulatory review.

Liquidity risk: This is the risk that a security or asset cannot be traded quickly enough due to insufficient trading volumes in the market. When trading volumes are low, sellers can significantly impact the price of a security when attempting to quickly exit a material position.

Currency risk: The risk that fluctuations in exchange rates between the Australian dollar and foreign currencies may cause the value of the fund's investments to decline significantly. In the event the fund is hedged to the AUD, the exposure to currency risk may be significantly reduced.

Sovereign/political risk: Zenith believes that Infrastructure companies have greater regulatory, political and sovereign risk when compared with broader Equities. The outcomes of regulatory decisions, political elections or changes to concessions can often be difficult to forecast with certainty and can materially impact Infrastructure companies.

Gearing/interest rate risk: Owing to the capital-intensive nature of the industry, Infrastructure assets often carry high levels of debt on the balance sheet. Rising interest rate conditions could materially impact operating cash flow, and valuations and make it more challenging to refinance debt.

Demand risk: Demand, usage or patronage for the service provided by an Infrastructure asset may vary unexpectedly over time.

Zenith rating

Report certification

Date of issue: 27 Mar 2024

Role	Analyst	Title
Analyst	Bonnie Corbett	Senior Investment Analyst
Sector Lead	Bonnie Corbett	Senior Investment Analyst
Authoriser	Bronwen Moncrieff	Head of Research

Association & relationship

ASIC Regulatory Guide RG79.164 requires Research Houses to disclose certain associations or relationships that they may have with a product issuer. We may receive remuneration from an issuer or investment manager for subscription to our other research/ data services or the research/ data services of our related entities. Conflict management arrangements are in place where we or our related entities provide research services to the product issuer or financial advisory businesses who provide financial planning services to investors and are also associated entities of product issuers. This is in accordance with the Zenith Group's Conflict of Interests Policy. Further details in relation to our relationships and associations are available on request.

Rating history

As At	Rating
27 Mar 2024	Index Recommended
16 Feb 2024	Not Rated - Screened Out

Last 5 years only displayed. Longer histories available on request.

In March 2021, Zenith implemented a new ratings methodology for products classified as Traditional Index. Any rating issued from this date forward for Traditional Index products only reflect this change in methodology, with the relevant Traditional Index ratings being Index Approved, Index Recommended and Index Highly Recommended. Ratings issued for Traditional Index products prior to March 2021 are retained for historical purposes in line with our regulatory requirements and were issued in line with Zenith's Fund Research Methodology. Further information in relation to Zenith's Traditional Index Research Methodology and Traditional Index Ratings can be found on the Zenith website.

Disclaimer and disclosure

Zenith Investment Partners (ABN 27 103 132 672) is the holder of Australian Financial Services Licence 226872 and is authorised to provide general financial product advice. This Product Assessment Report (report) has been prepared by Zenith exclusively for Zenith clients and should not be relied on by any other person. Any advice or rating contained in this report is limited to General Advice for Wholesale clients only, based solely on the assessment of the investment merits of the financial product. This report is current as at the date of issue until it is updated, replaced or withdrawn and is subject to change at any time without notice in line with Zenith's regulatory guidelines. Zenith clients are advised to check the currency of reports and ratings via Zenith's website for updates and should also verify information in relation to the fund with the relevant Fund Manager. Any advice contained in this report has been prepared without taking into account the objectives, financial situation or needs of any specific person who may read it, including target markets of financial products, where applicable. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek their own independent financial or tax advice, obtain a copy of, and consider any relevant PDS or offer document and consider the appropriateness of this advice in light of their own objectives prior to making any investment decision. Zenith charges an upfront flat fee to the Product Issuer, Fund Manager or other related party to produce research on funds that conform to Zenith's Research Methodology. Zenith's fee and Analyst remuneration are not linked to the rating outcome in any way. Views expressed in Zenith reports accurately reflect the personal, professional, reasonable opinion of the Analyst who has prepared the report. Zenith may also receive a fee for other non-research related services such as subscription fees for Zenith's research services and/or for the provision of investment consultancy services. Conflicts management arrangements are in place where Zenith provides research services to financial advisory businesses who provide financial planning services to investors and are also associated entities of the product issuers, with any such conflicts of interest disclosed within reports as appropriate. Full details regarding such arrangements are outlined in Zenith's Conflicts of Interest Policy.

Zenith's research process seeks to identify investment managers considered to be the 'best of breed' through a comprehensive, multi-dimensional selection process. Zenith utilises both quantitative and qualitative factors in its ratings models. Models maximise commonality across different asset classes while retaining flexibility for specialist asset classes and strategies. The selection process is rigorous in both its qualitative and quantitative analysis and each component is equally weighted. Zenith does not manage any proprietary assets and as such Zenith is able to choose investment managers with absolute independence and objectivity. More detailed information regarding Zenith's fund research methodology and Zenith's traditional index research methodology, coverage and ratings is available on Zenith's website at Fund Research Methodology and Traditional Index Research Methodology.

This report is subject to copyright and may not be reproduced, modified or distributed without the consent of the copyright owner. The information contained in this report has been prepared in good faith and is believed to be reliable at the time it was prepared, however, no representation, warranty or undertaking is given or made in relation to the accuracy or completeness of the information presented in this report. Except for any liability which cannot be excluded, Zenith does not accept any liability, whether direct or indirect arising from the use of information contained in this report. Past performance is not an indication of future performance.

Third Party data may be sourced from Financial Express, Refinitiv, Bloomberg and/or MSCI. Third party data and content used in this document has not been independently verified by Zenith and Zenith provides no warranty, representation or responsibility to update this document. Third Party data is the intellectual property of that third party and must not be reproduced, stored or transmitted without their consent.

Full details regarding the methodology, ratings definitions and regulatory compliance are available at Fund Research Regulatory Guidelines.

Zenith is not required to be licensed under New Zealand law or be registered on the FSPR. Zenith has not engaged or authorised any party to provide financial advice on its behalf to New Zealand investors.

Zenith ratings and research are prepared by Zenith and are not connected in any way to research and ratings prepared by any of our related entities.

This report refers to the Australian unit trust for the fund, and the fund and benchmark returns are all in AUD.

© 2024 Zenith Investment Partners. All rights reserved.

Zenith has charged BlackRock Investment Management (Australia) Limited a fee to produce this report.