

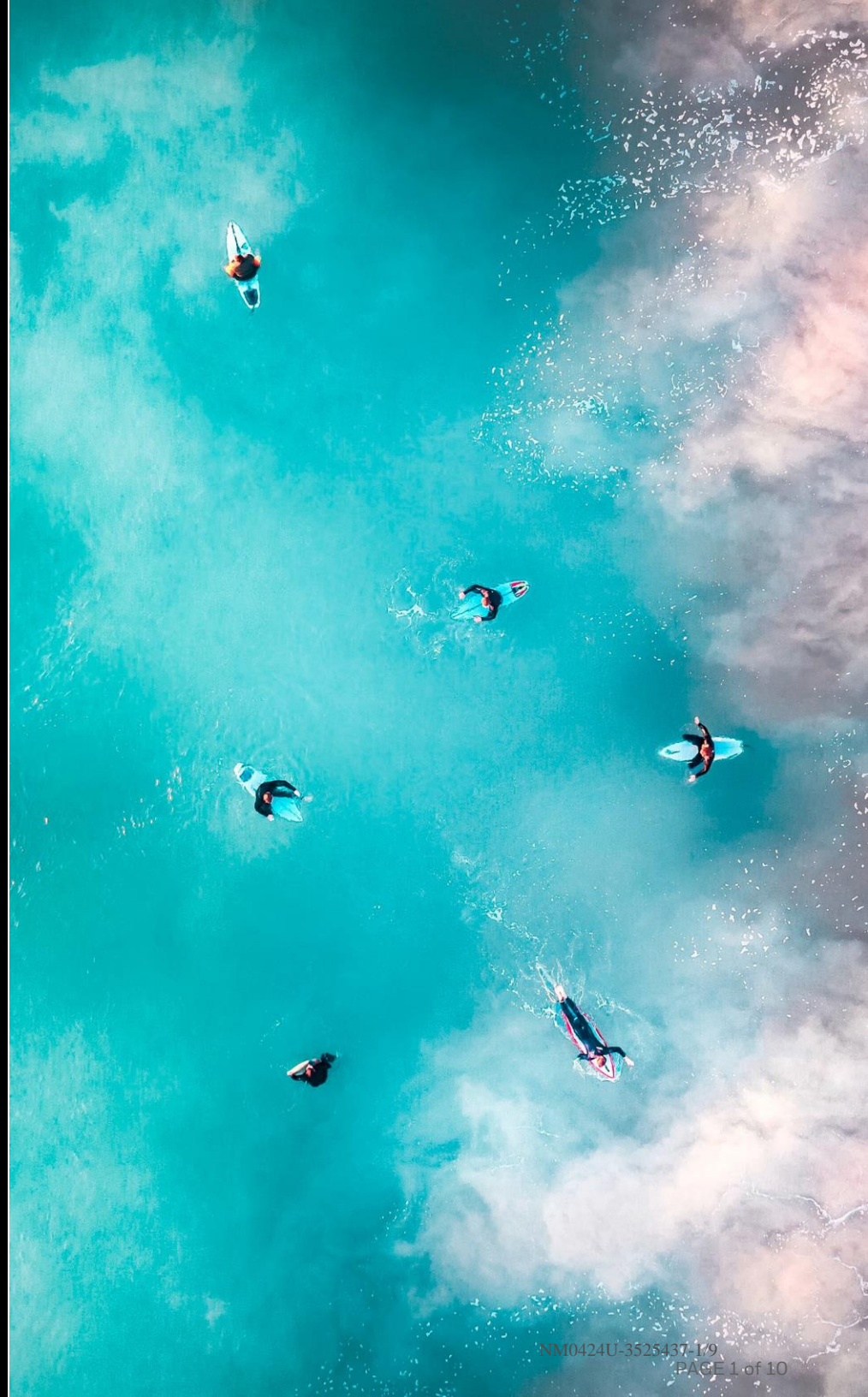
# Enhanced Strategic Models

## Balanced Model Portfolio Summary

Powered by

**BlackRock**

Information in relation to BlackRock model portfolios in this material is provided for illustrative purposes, is general advice and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should 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. It does not constitute research, and it is not personal advice from BIMAL to any client or potential client. It is 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. Onward distribution of this material to a registered financial adviser's own retail clients is only permissible in the course of providing personal financial product advice. 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 or potential client. 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. BlackRock is not affiliated with any third party, including registered financial advisers, distributing this material. Please review IMPORTANT INFORMATION at the end of this material and consult your financial adviser for more information.



# TRADE RATIONALE

As of 3/04/2024

We recently conducted our annual strategic asset allocation (SAA) review, where we re-assessed the latest capital market assumptions, investment universe and strategic holdings of the portfolio. These SAA changes were implemented on 3rd April 2024, along with our latest tactical asset allocation (TAA) trades. The following summarises the key changes made in the portfolio.

## KEY TRADES

**Maintain a “risk-on” stance:** Ongoing resilience in economic fundamentals, upward revisions to forward earnings, and higher return expectations for equities over bonds lead us to continue favouring growth assets.

**Add new asset classes for further portfolio diversification:** We add Global Listed Infrastructure and Property, along with Gold as new asset classes in our annual SAA review. Infrastructure acts as a defensive growth asset that can deliver equity-like returns with lower volatility whilst offering inflation protection. REITs are also in a favourable position to benefit from the peaking of interest rates, and Gold can offer further diversification through its negative beta to growth assets.

**Increase FX hedge ratio:** We increase the hedge ratio within growth assets given the potential for the Australian dollar to strengthen following depreciation of the currency in 2023. A higher currency hedge ratio would better protect the value of the portfolio in the event of a stronger Australian dollar.

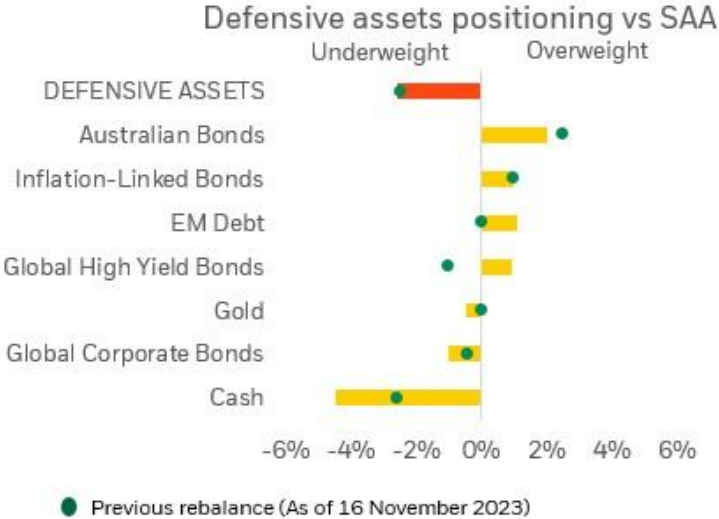
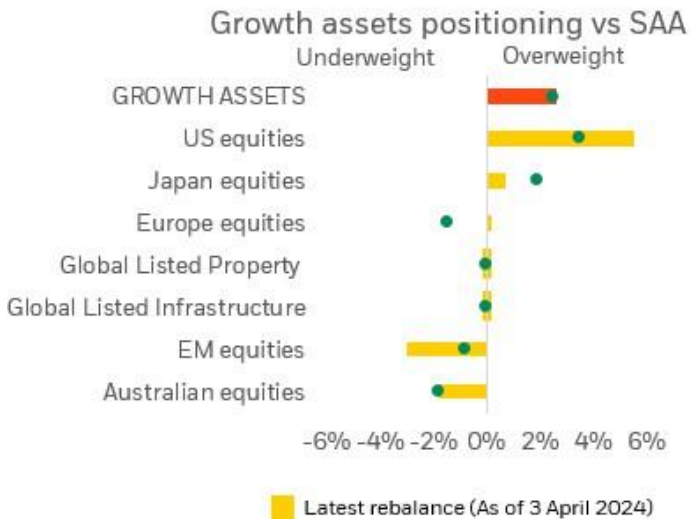
**Re-calibration of cross-sectional equity tilts:** Japanese equities have outperformed the broad market in 2023 and year-to-date, leading us to take some profits in this position to fund an increase in US and European equities.

**Reduce cash to fund inflation-linked bonds:** We believe inflation may settle above central banks’ target bands, which continues to underpin our preference for inflation-linked bonds.

Notes: For more information on the SAA Changes, please refer to the SAA Note under “Additional Resources”.

This information should not be relied upon as investment advice, research, or a recommendation by BlackRock regarding (i) the funds, (ii) the use or suitability of the model portfolios or (iii) any security in particular. Only an investor and their financial professional know enough about their circumstances to make an investment decision.

LATEST TACTICAL POSITIONING (VS. SAA)



# PERFORMANCE COMMENTARY

As of 31/03/2024

## Market Commentary

**Risk assets continued to rally over the quarter:** Global equities, as measured by the MSCI All Country World Index (unhedged), delivered positive returns of 13.2% over the quarter amid investor hopes for a soft economic landing and bullish sentiment regarding artificial intelligence (AI). Fixed income markets, as represented by the Bloomberg Global Aggregate Index (hedged), declined 0.3% over the quarter as markets pushed out the timing and magnitude of central bank rate cuts amid sticky inflation.

**Equity rally was broad-based:** Both Developed market and Emerging market equities recorded strong returns in Q1, driven by resilient economic data and the AI-fuelled rally. Japanese equities, as represented by the Nikkei 225 Index, outperformed most major markets, rising by 21.5% in Q1 (in local currency terms), buoyed by robust corporate earnings and strong wages growth.

**Fixed income returns were mixed:** Global bonds underperformed Australian bonds in Q1 amid the re-pricing of interest rate expectations. The Global Aggregate Index (hedged) was down 0.3%, while the Australian composite bond index rose 1.0% over the period. Meanwhile, riskier parts of the fixed income market delivered positive returns, with high yield corporate credit and emerging market debt indices realising gains as credit spreads tightened.

## Performance commentary

**Total portfolio returns were positive in Q1,** supported by the broad-based rally in both Developed and Emerging market equities. US and Japanese equities were amongst the largest positive contributors to total returns, while the allocation to Australian fixed income also added value. Tactical positioning relative to the strategic asset allocation was also positive over the quarter, as the preference for Japanese and US equities, along with the reduced exposure to Global fixed income added value to the portfolio. Over the long-term horizon, the strategy has continued to outperform its peer group median, with both the strategic and tactical asset allocation delivering value over time.

Notes: Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

Performance figures represent past performance and are not indicative of future performance. Current performance may be higher or lower than that shown. Performance is estimated and net of underlying fund fees, but gross of platform fees and does not include brokerage and commissions that may be incurred in the trading of financial products within the model portfolios. Actual investment outcomes may vary. Unless otherwise stated, performance for periods greater than one year is annualised and performance calculated to the last business day of the month. The model performance shown is hypothetical and for illustrative purposes only. The performance does not represent the performance of an actual account or investment product and is not the result of any actual trading.

# Latest Holdings (%)

Allocation as of 3/04/2024

	As of Date	*Balanced (50/50)
<b>Latest Allocation</b>	3/04/2024	53.6/46.4
<b>Australian Equities</b>		<b>17.7</b>
IOZ	iShares Core S&P/ASX 200 ETF	17.7
<b>Emerging Market Equities</b>		<b>4.0</b>
IEM	iShares MSCI Emerging Markets ETF (AU)	3.0
IZZ	iShares China Large-Cap ETF (AU)	1.0
<b>Developed Market Equities</b>		<b>25.9</b>
IEU	iShares Europe ETF (AU)	3.7
IHVV	iShares S&P 500 AUD Hedged ETF	4.6
IJP	iShares MSCI Japan ETF (AU)	1.7
IVE	iShares MSCI EAFE ETF (AU)	1.0
IVV	iShares S&P 500 ETF	14.9
<b>Property &amp; Infrastructure</b>		<b>6.0</b>
GLIN	iShares Core FTSE Global Infrastructure (AUD Hedged) ETF	4.5
GLPR	iShares Core FTSE Global Property Ex Australia (AUD Hedged) ETF	1.5
<b>Australian Fixed Income</b>		<b>33.0</b>
IAF	iShares Core Composite Bond ETF	20.2
IGB	iShares Treasury ETF	4.8
ILB	iShares Government Inflation ETF	8.0
<b>International Fixed Income</b>		<b>8.4</b>
AESG	iShares Global Aggregate Bond ESG (AUD Hedged) ETF	1.4
IHCB	iShares Core Global Corporate Bond (AUD Hedged) ETF	1.5
IHEB	iShares JP Morgan USD Emerging Markets Bond (AUD Hedged) ETF	2.1
IHHY	iShares Global High Yield Bond (AUD Hedged) ETF	3.4
<b>Alternatives</b>		<b>2.5</b>
GLDN	iShares Physical Gold ETF	2.5
<b>Cash</b>		<b>2.5</b>
18357	BlackRock Cash Fund	2.5
ISEC	iShares Enhanced Cash ETF	-

# Changes to Holdings (%)

Allocation as of 3/04/2024

		*Balanced (50/50)
<b>Australian Equities</b>		<b>0.5</b>
IOZ	iShares Core S&P/ASX 200 ETF	+0.5
<b>Emerging Market Equities</b>		<b>-2.9</b>
IEM	iShares MSCI Emerging Markets ETF (AU)	-0.7
IKO	iShares MSCI South Korea ETF (AU)	-1.0
IZZ	iShares China Large-Cap ETF (AU)	-1.2
<b>Developed Market Equities</b>		<b>-2.5</b>
IEU	iShares Europe ETF (AU)	-1.3
IHV	iShares S&P 500 AUD Hedged ETF	-0.5
IJP	iShares MSCI Japan ETF (AU)	-1.2
IVE	iShares MSCI EAFE ETF (AU)	+1.0
IVV	iShares S&P 500 ETF	+4.0
WVOL	iShares MSCI World ex Australia Minimum Volatility ETF	-4.5
<b>Property &amp; Infrastructure</b>		<b>6.0</b>
GLIN	iShares Core FTSE Global Infrastructure (AUD Hedged)	+4.5
GLPR	iShares Core FTSE Global Property Ex Australia (AUD Hedged) ETF	+1.5
<b>Australian Fixed Income</b>		<b>-0.5</b>
IAF	iShares Core Composite Bond ETF	-3.3
IGB	iShares Treasury ETF	-1.2
ILB	iShares Government Inflation ETF	+4.0
<b>International Fixed Income</b>		<b>-0.2</b>
AESG	iShares Global Aggregate Bond ESG (AUD Hedged) ETF	-0.6
IHCB	iShares Core Global Corporate Bond (AUD Hedged) ETF	-1.6
IHEB	iShares JP Morgan USD Emerging Markets Bond (AUD Hedged) ETF	+0.1
IHHY	iShares Global High Yield Bond (AUD Hedged) ETF	+1.9
<b>Alternatives</b>		<b>2.5</b>
GLDN	iShares Physical Gold ETF	+2.5
<b>Cash</b>		<b>-2.9</b>
18357	BlackRock Cash Fund	-
ISEC	iShares Enhanced Cash ETF	-2.9

# Performance (%)

As of 31/03/2024

Model	Last Month (%)	3 Month (%)	Year to Date (%)	1 Year (%)	3 Year (%)	5 Year (%)
*Balanced (50/50)	2.20	5.28	5.28	10.29	4.77	5.41

Inception date for the Conservative (15/85), Moderate (30/70), Balanced (50/50), Growth (70/30), Aggressive (85/15) models are **31/01/2015**. Inception date for the All Growth (98/2) model is **8/09/2022**.

Performance figures represent past performance and are not indicative of future performance. Current performance may be higher or lower than that shown. Performance is estimated and net of underlying fund fees, but gross of platform fees and does not include brokerage and commissions that may be incurred in the trading of financial products within the model portfolios. Actual investment outcomes may vary. Unless otherwise stated, performance for periods greater than one year is annualised and performance calculated to the last business day of the month. The model performance shown is hypothetical and for illustrative purposes only. The performance does not represent the performance of an actual account or investment product and is not the result of any actual trading.



# IMPORTANT INFORMATION

## IMPORTANT INFORMATION

The use of Advisor Centre is subject to BlackRock Terms of Use.

The data collected through the Advisor Centre is treated pursuant to BlackRock Privacy Notices.

Information and materials available in the Adviser Centre are issued by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFSL 230 523 (**BIMAL**) for the exclusive use of registered financial advisers in Australia only, unless stated otherwise.

These materials provide general advice only and do not take into account your client's individual objectives, financial situation, needs or circumstances. Before making any investment decision on your client's behalf, you should assess whether the material is appropriate for your client and provide financial advice tailored to your client having regard to your client's individual objectives, financial situation, needs and circumstances. Refer to BIMAL's Financial Services Guide on its website for more information. These materials are 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.

These materials are 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.

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 is the responsible entity and issuer of units in the Australian domiciled managed investment schemes referred to in these materials, including the Australian domiciled iShares ETFs. Any potential investor should consider the latest PDS before deciding whether to acquire, or continue to hold, an investment in any BlackRock fund. BlackRock has also issued a target market determination (TMD) that describes the class of consumers that comprises the target market for each BlackRock fund and matters relevant to their distribution and review. The PDS and the TMD can be obtained by contacting the BIMAL Client Services Centre on 1 300 366 100. In some instances the PDS and the TMD are also available on the BIMAL website at [www.blackrock.com/au](http://www.blackrock.com/au). An iShares ETF is not sponsored, endorsed, issued, sold or promoted by the provider of the index which a particular iShares ETF seeks to track. No index provider makes any representation regarding the advisability of investing in the iShares ETFs. Further information on the index providers can be found in the BIMAL website terms and conditions at [www.blackrock.com/au](http://www.blackrock.com/au).

BIMAL, its officers, employees and agents believe that the information in these materials 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.

Investment comparisons are for illustrative purposes only. Material differences may exist between product, service or performance being compared, such as, investment objectives, fees and expenses, types of investments made, countries or markets covered.



## Enhanced Strategic Models

---

To better understand the similarities and differences between investments, including investment objectives, risk, fees and expenses, it is important to read of PDS.

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.

MASSH0424A/S-3501834