

INVESTING IN AUSTRALIAN EQUITY

BlackRock®

February 2020

BlackRock Portfolio Analysis & Solutions (BPAS)

BlackRock has one of the most comprehensive ranges of equity strategies.



Index and Exchange Traded Funds



Factors



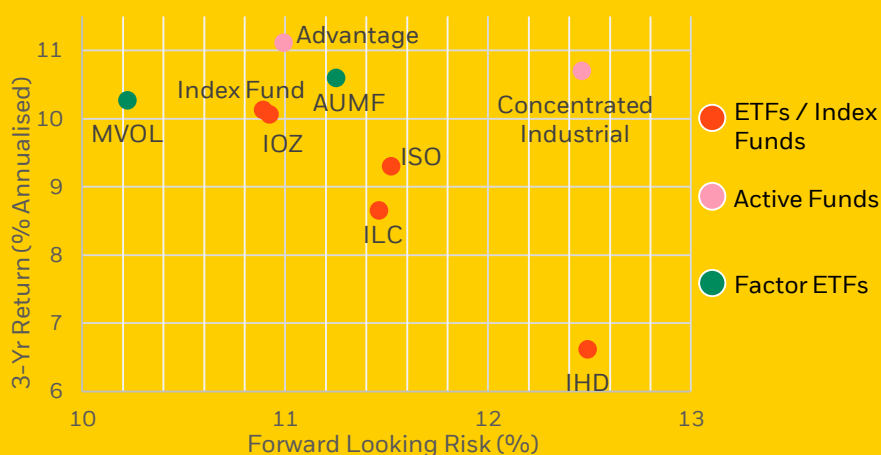
Alpha-Seeking

Australian Equity strategies can focus on or prioritise:

1. Market Return
2. Alpha Generation
3. Risk Management
4. Income Generation

Blending strategies can **diversify** sources of **return** and allows for more **robust risk management**.

Risk vs Return



Name	Ticker / APIR	Yield (%)	Forward-Looking Risk (%)*	Annualised Return* ** (%)	1 Yr	3 Yr	5 Yr
iShares Core S&P/ASX 200 ETF	IOZ	4.7	10.9	23.2	10.1	8.7	
iShares Core S&P/ASX 20 ETF	ILC	5.4	11.5	20.7	8.7	6.5	
iShares Core S&P/ASX Dividend Opportunities ETF	IHD	6.4	12.5	25.3	6.6	5.0	
iShares Core S&P/ASX Small Ordinaries ETF	ISO	7.3	11.5	20.4	9.3	10.0	
iShares Australian Equity Index Fund	BGL0034AU	5.1	10.9	23.5	10.1	8.9	
iShares Edge MSCI Australia Multifactor ETF	AUMF	4.5	11.3	21.4	10.6	-	
iShares Edge MSCI Australia Minimum Volatility ETF	MVOL	4.8	10.2	22.0	10.3	-	
BlackRock Advantage Australian Equity Fund	BAR0814AU	4.1	11.0	25.0	11.1	9.5	
BlackRock Concentrated Industrial Share Fund	BLK0012AU	2.1	12.5	24.8	10.7	-	

ETFs / Index Funds Active Funds Factor ETFs

Source: BlackRock, as at 31 December 2019.

Yield calculated as sum of distributions with ex-date in past year, divided by most recent NAV.

*Risk, or volatility, is a 1 year forward looking figure calculated using BlackRock Aladdin (BFRE World Model)

**Annualised returns are net of fees and don't include franking credits. Past performance is not indicative of future performance.

Example Australian Equity Portfolios

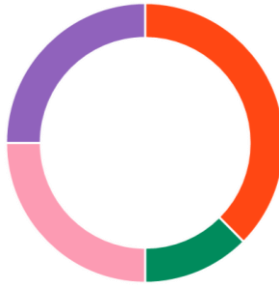
Weights detailed on page 3

Index Only



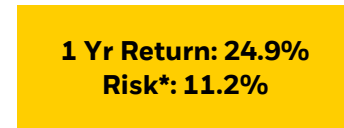
iShares Core S&P/ASX 200 ETF
iShares Edge MSCI Australia Minimum Volatility ETF

Blend Index, Factor & Alpha



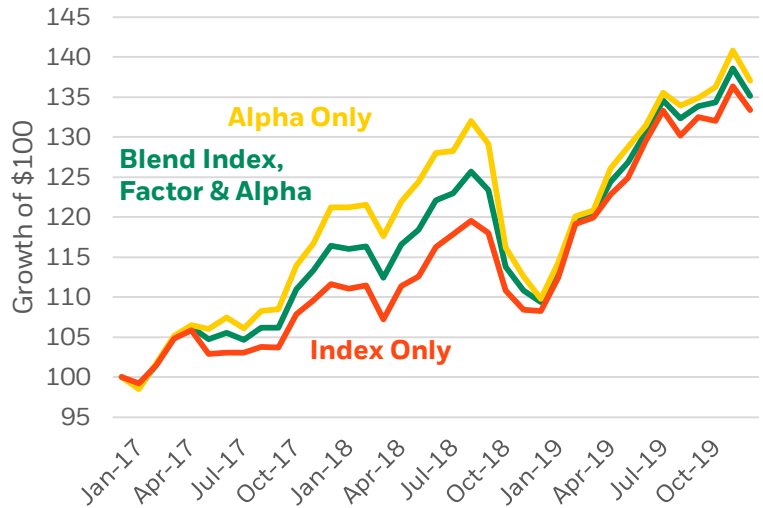
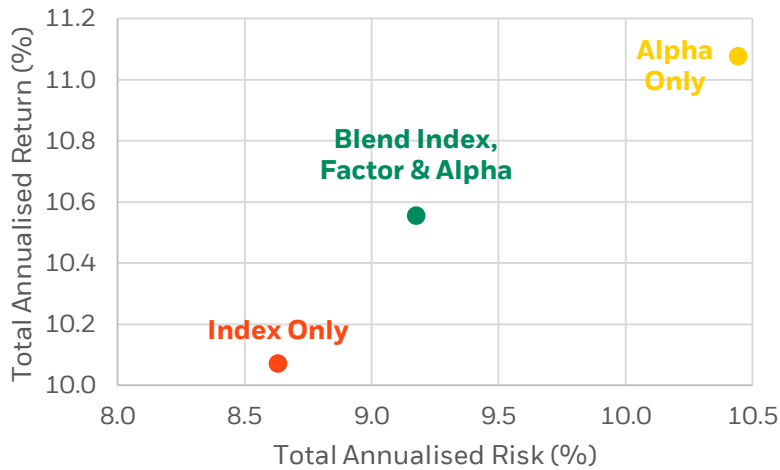
BlackRock Advantage Australian Equity Fund
BlackRock Concentrated Industrial Share Fund

Alpha Only



Historical Analysis: Risk-Return Performance

January 2017 to December 2019



Case Study: Reducing Concentration risk in Australia

Get away from Top-20 risk



Original Portfolio

Risk: 10.9%



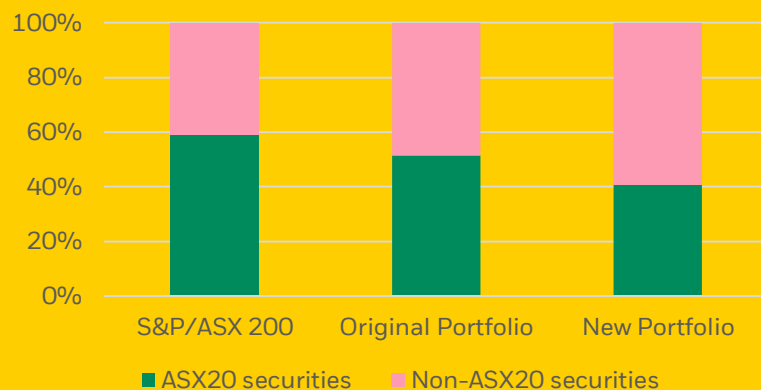
+ BCISF



New Portfolio

Risk: 10.8%

ASX20 Risk Contribution



Source: BlackRock, Morningstar Direct as at 31 December 2019. Past performance is not indicative of future results. *Risk, or volatility, is a 1 year forward looking figure calculated using BlackRock Aladdin (BFRE World Model). Forward-looking estimates as at 31 December 2019.

Want to know more?

www.blackrock.com/au

Portfolio Weights

Index Only: 100% iShares Core S&P/ASX 200 ETF (**IOZ**)

Blend Index, Factor & Alpha: 37.5% iShares Core S&P/ASX 200 ETF (**IOZ**), 12.5% iShares Edge MSCI Australia Minimum Volatility ETF (**MVOL**), 25% BlackRock Advantage Australian Fund (**BAR0814AU**), 25% BlackRock Concentrated Industrial Share Fund (**BLK0012AU**)

Alpha Only: 50% BlackRock Advantage Australian Equity Fund (**BAR0814AU**), 50% BlackRock Concentrated Industrial Share Fund (**BLK0012AU**)

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