

iShares Australian Listed Property Index Fund

Rating issued on 03 Jul 2024 | APIR: BGL0108AU

Investment objective

To provide investors with the performance of the market, before fees, as measured by the return of the S&P/ASX 300 A-REIT Index.

Manager	BlackRock Investment Management (Australia) Limited
Distributor	BlackRock Investment Management (Australia) Limited
Sector	Property \ Australian Securities
Investment Style	Index - Traditional
RI Classification	Traditional
Absolute Risk	High
Relative Risk	Index
Investment Timeframe	5-6 Years
Benchmark	S&P/ASX 300 AREIT
Min Investment Amount	\$500,000
Redemption Frequency	Daily
Income Distribution	Quarterly
Fund Size (31 May 2024)	\$3.17B
Management Cost	0.20% p.a. Incl. GST
Performance Fee	N/A
Buy / Sell Spread	0.05% / 0.05%
Inception Date	16 Jul 2001

Fund facts

- High minimum initial investment requirement
- Full replication approach to indexing
- Advanced trade execution and risk management systems

Viewpoint

The Fund, managed by BlackRock Investment (BlackRock), adopts a full replication approach to indexing, seeking to track the S&P/ASX 300 A-REIT TR Index, before fees and expenses. Zenith believes the extensive resources dedicated to index enhancements and BlackRock's historical indexing experience positions the Fund well to deliver upon its investment objectives.

BlackRock was established in 1988 as the financial management group within the private equity firm, the Blackstone Group. BlackRock employs approximately 19,300 staff located in 38 countries across the world, with approximately \$US 10.47 trillion in funds under management, as at 31 March 2024.

Management of the Fund is the responsibility of BlackRock's Asia-Pacific ETF and Index Investment division (APAC Index Equity). The APAC Index Equity Portfolio Management team is led by Naoto Furukawa. In April 2023, Jane Kim assumed responsibility for the management of the Fund, following Derek Dei's internal transition and relocation to New York within BlackRock. Zenith does not expect Dei's departure to have a material impact on the Fund given its quantitative nature and BlackRock's highly-resourced investment team.

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 Australian Real Estate Investment Trusts (A-REITs).

To replicate the return of the underlying index, the team employs a passive, full replication investment approach, holding virtually all securities in the index at the appropriate benchmark weight. BlackRock implements return-enhancing strategies including internal crossing networks and transaction cost analysis. Zenith believes BlackRock's size and scale are a significant advantage, as it provides the Fund with considerable depth and breadth to save on transaction costs that would be incurred if the Fund were to trade on the open market.

Zenith believes BlackRock continues to benefit 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.



Fund analysis

Fund characteristics

Characteristic	Value
Expected Annual Turnover	10% p.a.

Investment objective and philosophy

The Fund aims to provide investors with the performance of the market, before fees, as measured by the S&P/ASX 300 A-REIT TR Index. Based on BlackRock's investment philosophy of total performance management, it aims to balance risk, returns and costs.

Due to its size, BlackRock can fully replicate the index in a cost-efficient manner. Costs are significantly reduced through BlackRock's ability to internally cross security positions between different funds. In addition, research into transaction cost modelling further minimises transaction costs. As BlackRock's size lends itself to running many funds, the internal crossing network is thus large.

Zenith believes the investment process is highly logical, with the full replication indexation method translating to low portfolio turnover and minimal transaction costs.

The end result is a portfolio that virtually holds each constituent security of the underlying index at its index weight. Given BlackRock's size, scale and experience in indexation products, Zenith believes the process is transparent and efficient, providing investors with cost-effective indexed exposure to A-REITs.

Portfolio applications

A-REITs offer investors the opportunity for higher income with some capital growth over the longer-term and diversification benefits. However, the total return expectation of A-REITs has historically been associated with higher volatility. Therefore, it's recommended that investors adopt a longer time frame when investing in A-REITs. As the A-REIT index is highly concentrated, Zenith recommends investors blend both domestic and global REIT exposures to increase diversification across securities, sub-sectors, regions and economic drivers.

The Fund aims to replicate the return of the S&P/ASX 300 A-REIT TR Index.

The Fund's portfolio turnover is expected to be approximately 5% to 10% p.a., in line with the benchmark, which Zenith considers to be low on an absolute basis. Given the nature of the strategy, the majority of expected turnover should be attributed to resizing existing positions and index rebalance trades rather than due to complete sales and new additions.

The Fund's returns are expected to come in the form of income and capital appreciation. Given the expected level of turnover, realised capital gains may be eligible for the capital gains discount.

Zenith believes the Fund may potentially be held as a stand-alone A-REIT exposure as part of an investor's well-diversified portfolio.

The Fund is likely to be attractive to cost-sensitive investors who are able to meet its minimum investment requirements.

However, investors considering exposure outside investment platforms should be aware of the relatively steep minimum investment requirement of \$A 500,000, which in Zenith's view is more reflective of institutional entry levels.

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

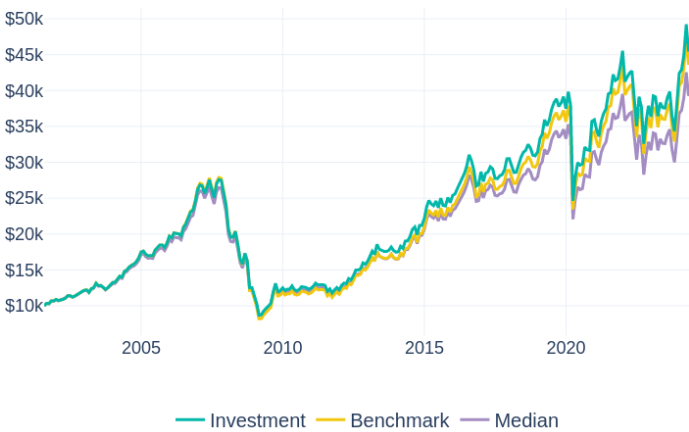
Performance as at 31 May 2024

Monthly performance history (% , net of fees)

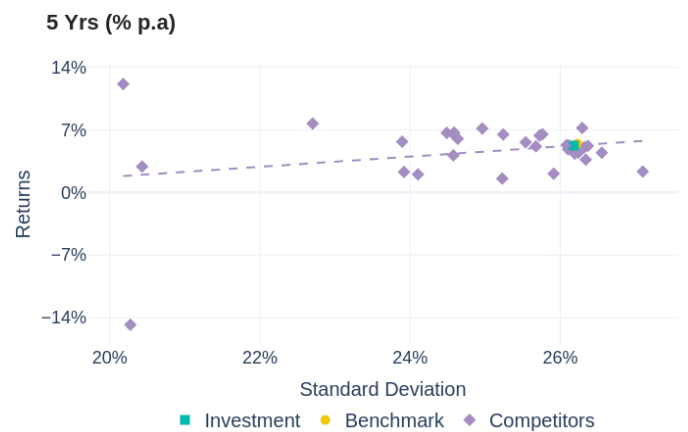
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	BM YTD*
2024	1.19%	4.73%	9.54%	-7.65%	1.89%								9.24%	9.33%
2023	8.03%	-0.36%	-6.86%	5.14%	-1.83%	-0.11%	3.87%	2.15%	-8.67%	-5.69%	10.90%	11.38%	16.68%	16.90%
2022	-9.47%	1.49%	1.43%	0.66%	-8.56%	-10.35%	11.73%	-3.65%	-13.59%	9.86%	5.78%	-4.04%	-20.22%	-20.05%
2021	-4.07%	-2.50%	6.29%	3.06%	1.76%	5.54%	0.45%	6.35%	-1.98%	0.59%	3.93%	5.24%	26.76%	27.04%
2020	6.25%	-4.68%	-35.11%	13.61%	7.03%	-1.22%	0.60%	7.89%	-1.15%	-0.30%	12.83%	0.60%	-4.15%	-3.97%

*S&P/ASX 300 AREIT

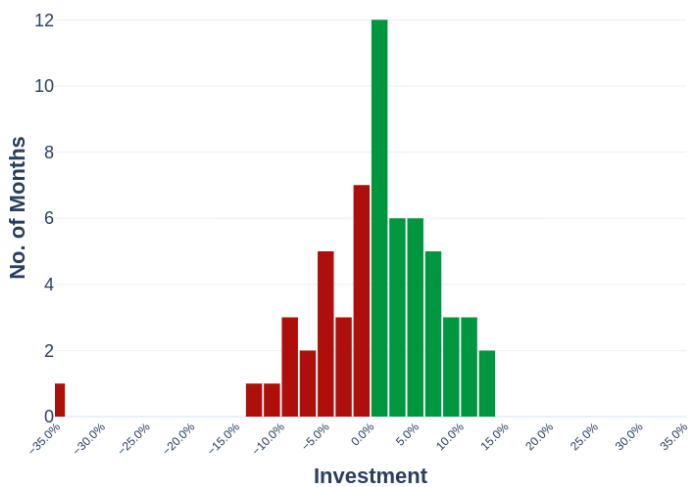
Growth of \$10,000



Risk / return



Monthly histogram



Minimum and maximum returns (% p.a.)





Absolute performance analysis

Instrument	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Investment	23.18%	7.33%	5.23%	9.30%	6.94%
Income	3.21%	2.76%	3.15%	4.02%	7.07%
Growth	19.96%	4.58%	2.08%	5.27%	-0.13%
Benchmark	23.39%	7.56%	5.44%	9.46%	6.75%
Median	22.56%	6.80%	4.69%	8.41%	6.26%
Cash	4.28%	2.31%	1.59%	1.84%	3.61%

Ranking within sector (p.a.)

Ranking within Sector	1 Yr	3 Yrs	5 Yrs	Inception
Fund Ranking	16 / 34	12 / 34	16 / 33	5 / 20
Quartile	2nd	2nd	2nd	1st

Absolute risk

Instrument	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Standard Deviation (% p.a.)					
Investment	22.50%	22.70%	26.18%	20.35%	18.03%
Benchmark	22.53%	22.73%	26.23%	20.39%	18.36%
Median	21.74%	22.18%	25.47%	19.73%	17.43%
Downside Deviation (% p.a.)					
Investment	12.89%	15.33%	20.05%	14.99%	13.38%
Benchmark	12.89%	15.32%	20.07%	15.00%	13.70%
Median	12.50%	15.09%	19.66%	14.66%	13.00%

Absolute risk/return ratios

Instrument	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Sharpe Ratio (p.a.)					
Investment	0.84	0.22	0.14	0.37	0.18
Benchmark	0.85	0.23	0.15	0.37	0.17
Median	0.84	0.20	0.12	0.33	0.15
Sortino Ratio (p.a.)					
Investment	1.47	0.33	0.18	0.50	0.25
Benchmark	1.48	0.34	0.19	0.51	0.23
Median	1.46	0.30	0.16	0.45	0.20

Investors should note that for consistency purposes Zenith benchmarks all Australian listed property funds against the S&P / ASX 300 A-REIT Accumulation index. All performance, consistency and Risk/Return data is referenced to the Zenith assigned benchmark.

All commentaries are as at 31 May 2024.

The Fund aims to track the performance of the S&P/ASX 300 A-REIT TR Index, before fees and expenses.

Over all assessed time frames, the Fund has matched the performance of the benchmark index on a gross basis and has therefore achieved its performance objective. As expected, the Fund has underperformed on a net basis by a level commensurate with the Fund's fee structure.

The Fund's volatility in returns (as measured by Standard Deviation) matches that of the benchmark index, which confirms BlackRock's ability to replicate the performance of the benchmark index.



Relative performance

Excess returns

Statistic	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Excess Return	-0.21%	-0.22%	-0.21%	-0.16%	0.19%
Monthly Excess (All Mkts)	8.33%	8.33%	11.67%	14.17%	32.85%
Monthly Excess (Up Mkts)	0.00%	0.00%	0.00%	7.89%	17.86%
Monthly Excess (Down Mkts)	25.00%	21.43%	30.43%	25.00%	56.60%

Capture ratios (% p.a.)

Statistic	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Downside Capture	100.02%	100.13%	100.05%	100.07%	97.97%
Upside Capture	99.61%	99.52%	99.46%	99.55%	99.14%

Tracking error (% p.a.)

Instrument	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Investment	0.05%	0.06%	0.07%	0.10%	0.62%
Median	0.91%	0.76%	0.99%	0.90%	1.28%

Information ratio

Instrument	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Investment	-4.41	-3.53	-2.89	-1.67	0.31
Median	-0.91	-0.99	-0.77	-1.18	-0.38

Beta statistics

Statistic	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Beta	1.00	1.00	1.00	1.00	0.98
R-Squared	1.00	1.00	1.00	1.00	1.00
Correlation	1.00	1.00	1.00	1.00	1.00

All commentaries are as at 31 May 2024.

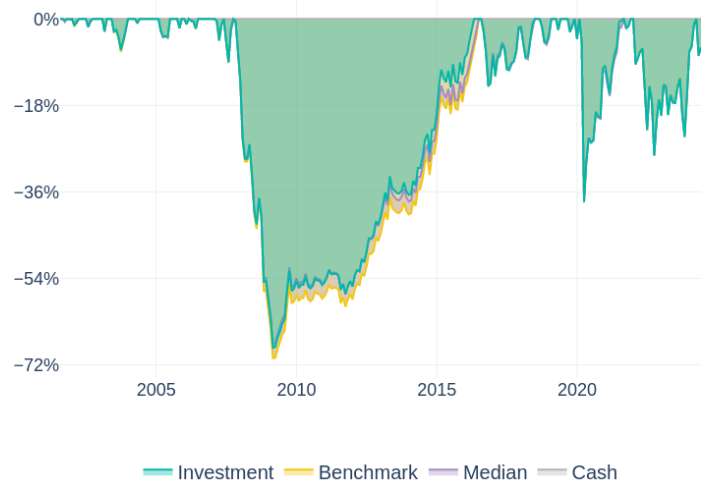
The Fund's Beta (market sensitivity), R-Squared and Correlation statistics all confirm that BlackRock has consistently replicated the performance of the benchmark index.

As expected, the Fund's Tracking Error, has been low over longer time frames, which again confirms that BlackRock has consistently replicated the performance of the benchmark index.

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.

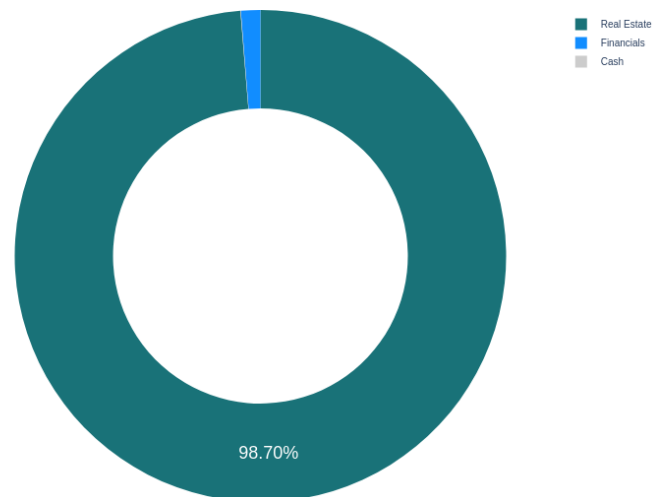
Please refer to terms relating to the provision of research at the end of the document.



All commentaries are as at 31 May 2024.

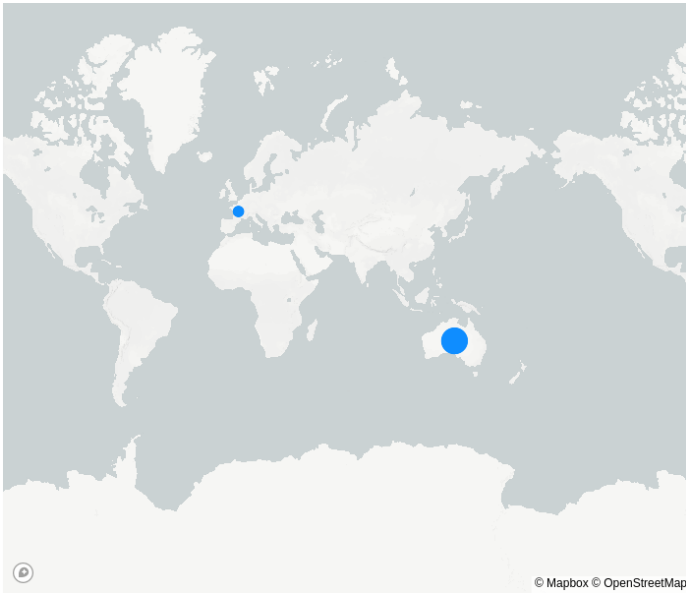
Given BlackRock employs a full replication, the Fund's drawdowns are commensurate with the underlying benchmark.

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.

Concentration risk: Much like the index that it fully replicates, the Fund is subject to high concentration in particular securities and sectors. With no absolute sector and security limits in place, potential imbalances may arise. For example, the top 10 holdings will typically represent approximately 80% of the Fund, and exhibit limited sectoral diversification. Investors can minimise such risks by maintaining a diversified strategic asset allocation.

Tracking Error Risk: As an index 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. However, BlackRock has shown a track record of managing international equities funds within tight Tracking Error constraints. This risk is also in part mitigated by the experience of the BlackRock investment team.

Key person risk: Zenith believes key person risk at BlackRock is minimal in terms of any potential impact on performance. Portfolio performance and risk management are highly reliant on the firm's processes and systems rather than the forecasting and trading skill of its portfolio managers. The firm actively seeks to promote staff internally, retaining knowledge of the business and its systems.

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.

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 into the portfolio.

Index construction

Index construction begins with the constituents of the ASX, with the 300 largest ASX-listed companies by market capitalisation added to the S&P/ASX 300 Index, subject to the following rules:

- A company that is currently included will only be removed if the free float market capitalisation of the company is lower than the free float market capitalisation of the 325th-ranked company on a selection day
- A company that is currently not included will only be included if the free float market capitalisation of the company is higher than the free float market capitalisation of the 275th-ranked company on a selection day

If the application of the above rules results in less than 300 companies being included in the index, ASX-listed companies with the highest free float market capitalisation are added until 300 constituents are held. Conversely, if more than 300 companies are included as a result of the above rules, ASX-listed companies with the lowest free float market capitalisation are removed until 300 constituents remain.

The index is further adjusted to comprise only A-REITs and mortgage REITs from the S&P/ASX 300.

The final index results in a market capitalisation-weighted index (consisting of 33 securities as at 30 April 2024 and is reviewed and rebalanced semi-annually, in March and September.

Responsible investment approach

BlackRock has an established Responsible Investment Policy, last updated in June 2024. In addition, BlackRock is a signatory of the Principles for Responsible Investment (PRI).

The Fund does not have any specific environmental, social and governance (ESG) exclusions. Given BlackRock's index replication approach, Zenith is comfortable with its approach to ESG.

Portfolio construction

It is anticipated that the Fund will hold virtually all securities in the index at the appropriate benchmark weight.

The Fund is expected to exhibit risk/return characteristics close to that of the benchmark. Therefore, the Fund is expected to exhibit only market risk and no security-specific risk. Zenith expects that slight differences in the returns of the Fund and the underlying benchmark will occur when there are changes to the composition of the index. Whilst BlackRock has a dedicated index research group that liaises with index providers and seeks to forecast index changes, material index revisions can have a significant impact on returns given that the Fund tracks the index.

BlackRock expects the Fund to be virtually fully invested, with futures being employed to equitise residual cash balances (typically less than 3%). Derivatives such as futures, forwards and options can also be used to manage risk and return. When derivative contracts are established they will always be backed by cash holdings and/or underlying assets. Derivative securities will not be used to gear the Fund.



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.

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 not to recognise buybacks that may be accretive, the Fund will mirror this. This may be to the detriment of investors.

Portfolio turnover is expected to be broadly similar to the benchmark, at approximately 10% p.a.

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

Risk management

As a product that fully replicates the underlying index, there is less focus on balancing the risk and returns of constituent securities, with BlackRock placing a greater emphasis on lower transaction costs and increasing performance through return enhancements.

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 into 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. The RQA has been organised as a matrix structure. There is a global head of each product/functional area as well as a regional head for each portfolio management centre. Zenith is comforted by the fact that the RQA is independent from 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. Implementation of positions is rules-based and is executed at the close of trade daily.

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)	0.20% p.a.	0.64% p.a.
Management Fees and Costs	0.20% p.a.	0.63% p.a.
Transaction Costs	0.00% p.a.	0.01% p.a.
Performance fees as at 30 Jun 2023	0.00%	0.00%
Performance fees description	N/A	
Management Cost	0.20% p.a.	0.75% p.a.
Buy / Sell spread	0.05% / 0.05%	0.19% / 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 'Property – Australian Securities' funds surveyed by Zenith. The list of funds incorporates active and index strategies across managed funds and exchange-traded funds (ETFs).

Overall, Zenith believes the Fund's fee structure to be fair, relative to peers. In addition, we believe the fees paid over the past three years (ending 30 June 2023) are justified given the Fund's risk adjusted performance over the same period. Also, when compared with other index offerings, we believe the fee structure is competitive.

(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 will be completed in the second half of 2024.

BlackRock employs approximately 19,300 staff located in 38 countries, with approximately \$US 10.47 trillion in FUM, as at 31 March 2024.

In a global context, BlackRock dedicates significant resources to the management of its range of index-orientated strategies, with index operations remaining a core business and contributor to overall group earnings. An industry leader within the indexing space, BlackRock enjoys considerable benefits of scale, aiding



trade execution and cost minimisation. With a long track record in the management of this style of investment, Zenith continues to retain high regard for BlackRock's capability in this market segment.

As at 31 May 2024, BlackRock managed \$A 1.8 billion in the strategy, with \$A 1.65 billion in the Fund.

Investment personnel

Name	Title	Industry Experience (yrs)	Tenure (yrs)	Location
Naoto Furukawa	APAC Head of Portfolio Management	35	29	Tokyo, Japan
Jane Kim	Head of APAC ex-Japan Index Equity Portfolio Management	13	9	Hong Kong, Hong Kong

Management of the Fund is the responsibility of BlackRock's Asia-Pacific ETF and Index Investment (APAC Index Equity) team. The APAC Index Equity portfolio management team is led by Naoto Furukawa, APAC Head of Portfolio Management. In April 2023, Jane Kim, Head of APAC ex-Japan Index Equity Portfolio Management assumed responsibility for the management of the Fund following Derek Dei's internal transition and relocation to New York within BlackRock. Zenith does not expect Dei's departure to have a material impact on the Fund given its quantitative nature and BlackRock's highly-resourced investment team.

The APAC Index Equity 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 Index Equity team is disseminated across two offices, Furukawa is based in Tokyo, while Kim works within a Hong Kong-based team of seven. 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 Index Equity 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 'Property – Australian Securities' sector consists of all long-only funds investing in the listed Australian property market. The sector incorporates active and index strategies across managed funds and exchange-traded funds (ETFs).

Zenith benchmarks all funds in the sector against the S&P/ASX 300 A-REIT Index, unless otherwise specified. The index is commonly employed by funds within this sector. The index is market-capitalisation weighted, resulting in companies with the largest market capitalisations receiving the heaviest weighting.

As at 30 April 2024, the listed Australian property market, as represented by the S&P/ASX 300 A-REIT Index, consists of 33 securities and is highly concentrated. In terms of constituents, the top 10 securities, by market capitalisation, represent approximately 83% of the index. The largest constituent, Goodman Group, represents approximately 36.5% of the index.

Typically, listed Australian property securities can be placed into the following categories:

- Industrial – investment in warehouses, factories, and industrial parks
- Office – investment in large to medium-scale office buildings generally in and around major cities
- Retail – investment in shopping centres
- Diversified – investment in a mixture of industrial, office and retail
- Other – hotels, cinemas, healthcare, childcare, retirement and storage

Given the rental income focus of the listed Australian property securities, funds in the sector are expected to display greater distribution consistency than the broader equities market. Despite this, it should be noted that several key securities in the index derive material income from activities other than rents, such as property development and funds management. As such, these securities can exhibit higher income volatility.

Sector risks

Funds within the Zenith 'Property – Australian Securities' sector are exposed to the following broad risks:

Market risk: As is the case with all listed securities, the biggest risk to performance is a sustained downturn in the domestic share market. This risk can be significantly reduced by investors adhering to the Fund's prescribed investment timeframe.

Specific security risk: This is the risk associated with an individual security. The price of shares in a company may be affected by unexpected changes in that company's operations such as changes in management or the loss of a significant tenant.

Concentration risk: At a sector level, investors should be aware that the S&P/ASX 300 A-REIT Index is highly concentrated. For example, the top 10 holdings will typically represent over 80% of the index, and historically the largest sector exposures in the index are retail and office.

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

Property risk: There are a number of factors that may affect the real estate sector, which include the cyclical nature of values, overbuilding and increased competition, property taxes and operating expenses, demographic trends and variations in rental income, changes in the appeal of properties to tenants, the level of gearing in the property market, and other real estate capital market influence.



Administration and operations

Responsible Entity	BlackRock Investment Management (Australia) Limited
---------------------------	---

Zenith rating

Report certification

Date of issue: 03 Jul 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
03 Jul 2024	Index Highly Recommended
10 Jul 2023	Index Highly Recommended
05 Jul 2022	Index Highly Recommended
29 Jun 2021	Index Highly Recommended
25 Jun 2020	Recommended
28 Jun 2019	Recommended

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.