



iShares ESG Model Portfolios and BlackRock GSS ESG Screened Model Portfolios

This report has been prepared for financial advisers only



Superior

March 2024

INTRODUCTION

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SQM Research considers (but is not restricted to) the following key review elements within its assessment:

1. Business profile - product strategies and future direction
2. Marketing strategies and capabilities, market access
3. Executive Management / Oversight of the investment management firm
4. Corporate Governance / fund compliance / risk management
5. Investment team and investment process
6. Fund performance, investment style, market conditions, investment market outlook
7. Recent material portfolio changes
8. Investment liquidity
9. Investment risks
10. Fund/Trust fees and expenses

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<https://interprac.com.au/wp-content/uploads/2021/07/InterPrac-FSG-Part-1-v12.0.pdf>

Report Date: 5 March 2024

Star Rating*	Description	Definition	
4½ stars and above	Outstanding	Highly suitable for inclusion on APLs <i>SQM Research believes the Fund has considerable potential to outperform over the medium-to-long term. Past returns have typically been quite strong. Product disclosure statement (PDS) compliance processes are of a high-calibre. There are no corporate governance concerns. Management is extremely experienced, highly skilled and has access to significant resources.</i>	High Investment grade
4¼ stars	Superior	Suitable for inclusion on most APLs <i>SQM Research considers the Fund has substantial potential to outperform over the medium-to-long term. Past returns have tended to be strong. PDS compliance processes are high-quality. There are no material corporate governance concerns. Management is of a very high calibre.</i>	High Investment grade
4 stars	Superior	Suitable for inclusion on most APLs <i>In SQM Research's view, the Fund has an appreciable potential to outperform over the medium-to-long term. Historical performance has tended to be meaningful. PDS compliance processes are strong. There are very little to no corporate governance concerns. Management is of a high calibre.</i>	High Investment grade
3¾ stars	Favourable	Consider for APL inclusion <i>SQM Research concludes the Fund has a moderate potential to outperform over the medium-to-long term. Past performance has tended to be reasonable. Management is experienced and displays investment-grade quality. There are no corporate governance concerns, or they are of a minor nature.</i>	Approved
3½ stars	Acceptable	Consider for APL inclusion <i>In SQM Research's view, the potential for future outperformance in the medium-to-long term is somewhat uncertain. Historical performance has tended to be modest or patchy. Management is generally experienced and capable. SQM Research has identified weaknesses which need addressing in order to improve confidence in the Manager.</i>	Low Investment grade
3¼ stars	Caution Required	Not suitable for most APLs <i>In SQM Research's opinion, the potential for future outperformance in the medium-to-long term is very uncertain. Historical performance has tended to be disappointing or materially below expectations. PDS compliance processes are potential substandard. There are possible corporate governance concerns. Management quality is not of investment-grade standard.</i>	Unapproved
3 stars	Strong Caution Required	Not suitable for most APLs <i>In SQM Research's opinion, the potential for future outperformance in the medium-to-long term is unlikely. Historical performance has tended to be unacceptable. There may be some material corporate governance concerns. SQM Research has a number of concerns regarding management.</i>	Unapproved
Below 3 stars	Avoid or redeem	Not suitable for most APL inclusion	Unapproved
Event-driven Rating		Definition	
Hold		<i>Rating is suspended until SQM Research receives further information. A rating is typically put on hold for a period of two days to four weeks.</i>	
Withdrawn		<i>Rating no longer applies. Significant issues have arisen since the last report date. Investors should consider avoiding or redeeming units in the fund.</i>	

* The definitions in the table above are not all encompassing and not all individual items mentioned will necessarily be relevant to the rated Fund. Users should read the current rating report for a comprehensive assessment.

Summary	2
Fund Summary	3
SQM Research's Review & Key Observations	5
Strengths of the Portfolio	7
Weaknesses of the Portfolio	7
Other Considerations	7
Key Changes since the Last Review	8
Investment Process & Portfolio Construction	9
Investment Process Diagram	9
Process Description	9
Corporate Governance / Business Strategy	14
Key Counterparties	14
Parent Company	14
Investment Manager / Fund Manager	14
Responsible Entity	14
Management Risk	14
Funds under Management (FUM)	15
Management & People	16
Investment Team	16
Staffing Changes	16
Remuneration and Incentives	17
Product Features - Fees, Redemption Policy	18
Performance Fee	18
Quantitative Analysis	19
Quantitative Insight	19
Return and Risk	22
Risk Constraints and Limits	24
Glossary	25

SQM Rating

Superior. Suitable for inclusion on most APLs.

Fund Description	
Fund Name	iShares ESG Model Portfolios & BlackRock GSS ESG Screened Model Portfolios
Portfolio code	Varies as per Risk Profile and Platform
Asset Class	Multi-Asset
Management and Service Providers	
Fund Manager	BlackRock Investment Management (Australia) Limited
Responsible Entity	Platform Dependent
Fund Information	
Fund Inception Date	03-Aug-21
Fund Size	\$76.2 million (as at 31 Jan '24)
Return Objective	To match or outperform the return of a long-run, composite multi-asset class benchmark, while achieving better sustainability and ESG credentials relative to a standard market-capitalisation weighted portfolio. There are 5 portfolios, each with a different Strategic Asset allocation (SAA) and % allocation to growth assets: Conservative (15%), Moderate (30%), Balanced (50%), Growth (70%), and Aggressive (85%)
Internal Return Objective	As above
Risk Level	Conservative: 3 – Low to medium Moderate and Balanced: 4 - Medium Growth: 5 - Medium to high Aggressive: 6 - High
Internal Risk Objective	Not stated
Benchmark	The return on the relevant long-run SAA, which is a Multi-Asset Diversified Benchmark with ESG considerations
Number of stocks/positions	7 underlying ETFs/index funds (including platform cash)
Fund Leverage	None
Portfolio Turnover	Low
Top 10 Holdings Weight	Risk profile dependent. For the Balanced model, the top 10 holdings account for 14.6% of the portfolio as of 31 January 2024 on a look-through basis
Investor Information	
Management Fee	All Models: 0.05%
TCR (Total Cost Ratio)	Conservative: 0.16% p.a. Moderate: 0.15% p.a. Balanced: 0.14% p.a. Growth: 0.12% p.a. Aggressive: 0.11% p.a. These fees apply to the iShares ESG Model Portfolios. For Fees on the BlackRock GSS ESG Screened Model Portfolios, please refer to the fees section of the report.
Buy Spread*	0.03%
Sell Spread*	0.03%
Performance Fee Rate	Nil
Minimum Application	Platform Dependent
Redemption Policy	Daily
Distribution Frequency	As per underlying ETFs
Investment Horizon	3-5 Years
Currency Hedging Policy	Fully hedged for fixed income, while the global equity hedge ratio may change based on the annual SAA review

*Note: Performance-related details in this report, including the Quantitative Analysis section, refer to the 'Balanced' (50/50) option unless otherwise indicated. Other risk options of the Models/ SMAs will have different asset allocations and other features that result in different returns. *Refers to the transaction costs relating to the turnover of the portfolio.*

Fund Summary

Description

The **iShares ESG Model Portfolios and BlackRock GSS ESG Screened Model Portfolios (the “Portfolios”)** are multi-asset class managed accounts that are invested in **exchange-traded funds and index funds** within each asset class. The target benchmark asset allocation is reviewed and updated annually.

The ESG Model range aims to match or outperform a **long-run, composite multi-asset class benchmark** while achieving better sustainability credentials relative to a standard market-capitalisation weighted portfolio. BlackRock determines the strategic asset class weights that feed into the composite multi-asset benchmark. **MSCI and Bloomberg** are responsible for the composition of the underlying asset class benchmarks.

The investment process encompasses the following:

- An annual, strategic asset allocation process leveraging a well-researched global framework built by BlackRock.
- Completing a comprehensive due diligence process on BlackRock group products to determine an investment universe of suitable managed funds and ETFs (Underlying Funds) the portfolios may invest in, to implement the SAA.

- Underlying Funds that sit on the BlackRock Sustainable Investing Platform and are classified as having a Screened and/or Uplift investment approach are preferred for inclusion in the portfolios to meet the portfolios' SAA.
- Efficient & cost-effective implementation via iShares Exchange Traded Funds (ETFs) and Index Funds.

The ESG Portfolios offer five risk profiles: **Conservative, Moderate, Balanced, Growth and Aggressive.**

The portfolios are designed as long-term **strategic asset allocations (SAA)**, benefiting from diversification across asset classes, including Australian and international equities and Australian and international fixed income.

The iShares ESG models are currently offered via four platforms, including **BT Panorama, HUB24, Praemium and Macquarie**. The BlackRock GSS ESG Screened models are currently offered only on **Netwealth**.

A series of portfolio/risk profile options are offered across several platform administration systems. See the Product Summary Table below.

This Report is applicable to all the investment profiles/portfolio options in the product suite. However, the **Balanced Portfolio as tracked on BlackRock’s internal Aladdin platform** is used in this Report as the prime example of the product suite. It is the key focus of analysis and the subject of all quantitative charts and tables throughout the Report unless otherwise specified.

Product Rating

Each investment option in the suite of Model Portfolios listed in the table below, as well as the full suite of the GSS ESG Screened Portfolios, has achieved the following rating:

Star Rating	Description	Definition	Investment Grading
4.25 stars	Superior	Suitable for inclusion on most APLs	High Investment Grade

Previous Rating: 4.00 stars (Issued Mar 2023)

Product Suite Summary

Code					
Investment Option	Conservative	Moderate	Balanced	Growth	Aggressive
Return Objective	To match or outperform the return of a long-run, composite multi-asset class benchmark while achieving better sustainability credentials relative to a standard market-capitalisation weighted portfolio	To match or outperform the return of a long-run, composite multi-asset class benchmark while achieving better sustainability credentials relative to a standard market-capitalisation weighted portfolio	To match or outperform the return of a long-run, composite multi-asset class benchmark while achieving better sustainability credentials relative to a standard market-capitalisation weighted portfolio	To match or outperform the return of a long-run, composite multi-asset class benchmark while achieving better sustainability credentials relative to a standard market-capitalisation weighted portfolio	To match or outperform the return of a long-run, composite multi-asset class benchmark while achieving better sustainability credentials relative to a standard market-capitalisation weighted portfolio
Benchmark	SAA Diversified Benchmark with ESG considerations	SAA Diversified Benchmark with ESG considerations	SAA Diversified Benchmark with ESG considerations	SAA Diversified Benchmark with ESG considerations	SAA Diversified Benchmark with ESG considerations
Reference Index	Morningstar Aus Conservative Target Allocation NR AUD Index	Morningstar Aus Moderate Target Allocation NR AUD Index	Morningstar Aus Balanced Target Allocation NR AUD Index	Morningstar Aus Growth Target Allocation NR AUD Index	Morningstar Aus Aggressive Target Allocation NR AUD Index
Risk Objective	Conservative	Moderate	Balanced	Growth	Aggressive
FUM (\$m)	\$0.8	\$3.3	\$25.5	\$24.9	\$21.7
SAA Defensive Assets	15.00%	30.00%	50.00%	70.00%	85.00%
SAA Growth Assets	85.00%	70.00%	50.00%	30.00%	15.00%

Product Suite Returns						
Performance (% p.a.)						as at 31-Jan-24
Conservative	1-Month	3-Month	6-Month	1-Year	Inception	
Portfolio	0.21	6.13	2.86	4.54	-1.57	
Reference Index	0.38	5.52	3.26	3.41	-0.92	
Moderate	1-Month	3-Month	6-Month	1-Year	Inception	
Portfolio	1.00	7.91	3.92	7.96	0.10	
Reference Index	0.60	7.37	3.62	5.48	-0.11	
Balanced	1-Month	3-Month	6-Month	1-Year	Inception	
Portfolio	1.96	10.31	5.28	12.10	2.15	
Reference Index	0.97	8.99	4.19	7.53	1.17	
Growth	1-Month	3-Month	6-Month	1-Year	Inception	
Portfolio	2.90	12.67	6.63	16.37	4.31	
Reference Index	1.29	10.71	4.74	9.42	2.86	

Aggressive	1-Month	3-Month	6-Month	1-Year	Inception
Portfolio	3.63	14.39	7.64	19.80	6.03
Reference Index	1.74	12.11	5.30	11.99	4.43

SQM Research's Review & Key Observations

About the Manager

The Investment Manager of the Portfolios is **BlackRock Investment Management (Australia)** Limited (the "Investment Manager" or "Blackrock").

It is a subsidiary of Blackrock Inc, which is listed on the New York Stock Exchange and provides a broad range of investment management and technology services to institutional and retail clients worldwide.

Blackrock Inc has a range of specialist investment teams that manage portfolios in each asset class as well as multi-asset class portfolios.

Investment Team

The model portfolios are overseen by the **Multi-Asset Strategies and Solutions (MASS)** team in Australia. The MASS team is responsible for building the strategic asset allocation and investment research and is also responsible for the day-to-day portfolio management functions and investment strategy.

The BlackRock MASS team is based in Sydney and Hong Kong.

The team of investment strategists and portfolio managers is led by **Michael McCorry**, the Australia Chief Investment Officer (CIO), with Karsten Kumpf serving as the Head of Portfolio Management MASS APAC. Ilyas Chabane is the Head of Model Portfolio Solutions APAC and is supported by Tatiana Bernard who is the Lead Model Manager, and Ron Montgomery who is a Model Manager. Katie Petering, Uwe Helmes, Beatrice Yeo, and Upasana Khera are the Team's Investment/Product Strategists.

SQM Research observes that the **key-person risk** of the Fund is **low**.

1. Investment Philosophy and Process

Investable Universe

Authorised investments are iShares ETFs and BlackRock index funds that meet the Team's investment and ESG/Sustainability criteria.

These funds are passively managed and designed to mimic the performance of the underlying indices (e.g. MSCI Australia IMI Custom ESG Leaders Index, Bloomberg MSCI SRI Australian Aggregate index etc.).

The model portfolios were designed as long-term strategic asset allocations, benefiting from diversification across asset classes, including Australian and international equities and Australian and international fixed income.

As of the latest strategic allocation review in February 2023, the portfolios are made up of 7 building blocks (including platform cash).

Philosophy / Process / Style

The investment philosophy is based on the belief that each asset class has a return premium and risk associated; hence strategic asset allocation in a multi-asset context can be beneficial in improving the risk and return of the portfolio.

For the Portfolios, systematic insights are employed mainly at the asset allocation level, while ESG factors are taken into account at the security selection level (within each ETF and index-managed fund that is held in the Portfolios).

The ESG model portfolios embed this global investment philosophy into its portfolio construction process, where the portfolios seek to optimally balance long-term returns, risks and costs as per the objective of five risk profiles: Conservative, Moderate, Balanced, Growth and Aggressive while incorporating sustainability and ESG considerations where applicable.

The Team has an investment philosophy that underlies all investment strategies. It believes that an optimal investment outcome can best be achieved through understanding, measuring, forecasting, and managing the three dimensions of investment performance; return, risk, and cost.

The aim is to use systematic insights identified by research in order to establish the asset allocation, ensure that exposures are considered for each profile of risk for its premia or diversification, and that forecasts of transaction costs are considered in the portfolio-construction process.

The strategic asset allocation (SAA) is reviewed annually to evolve the portfolio and incorporate changes to BlackRock's Capital Market Assumptions. The SAA is implemented efficiently using a combination of ASX-listed ETFs and Australian-domiciled index funds that meet the Team's strict investment and sustainability criteria. Each asset class building block (with the exception of cash) tracks an index that applies an ESG-screening and/or uplift methodology based on MSCI's ESG Leaders/SRI Index methodology, and the portfolios are rebalanced quarterly to ensure asset class weights stay close to target allocations.

BlackRock has a three-stage investment process.

The first stage is using investment research to forecast returns, risks, and transaction costs.

The second stage is creating and implementing optimal portfolios from these return, risk, and transaction-cost forecasts.

The third stage is performance attribution. In the last stage, realised investment performance is measured along with the efficacy of return, risk, and transaction-cost models. This provides a feedback loop to the first stage.

These model portfolios are designed as long-term strategic holdings that seek to track their respective diversified benchmarks closely and do not explicitly target any outperformance.

Each sub-fund used to implement the SAA exposures is a highly liquid index fund/ETF with low tracking error to their own sub-benchmarks. All of the portfolio's total return is expected to be driven by the SAA. The Manager does not seek to generate additional active returns in these strategies. The expected total return of the portfolio depends on the capital market assumption (CMAs).

2. Performance & Risk

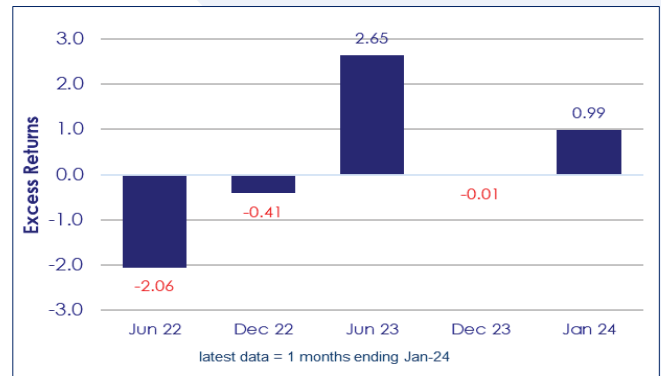
Return Objective

The return objective is "to match or outperform the return of a long-run, composite multi-asset class benchmark while achieving better sustainability credentials relative to a standard market-capitalisation weighted portfolio."

There are 5 portfolios, each with a different Strategic Asset allocation (SAA) and % allocation to growth assets: Conservative (15%), Moderate (30%), Balanced (50%), Growth (70%), and Aggressive (85%)."

The benchmark for each Portfolio is the total return on the Strategic Asset Allocation. **However, for comparative purposes, the reference index referred to in this report, and referenced in the strategy's PDS, is the Morningstar Aus Balanced Target Allocation NR AUD Index.**

Model Excess Returns %: Half-yearly (net of fees)



Length of Track Record

The iShares ESG Portfolios have a relatively short history of **2.5 years** (or 30 months). Observations and analysis of returns will have slight statistical meaning due to the sample size of observations. SQM Research notes that returns, volatility, and other risk measures can be "noisy" and less reliable when quantified using a small sample size of observations.

Risk Objective

The risk levels of the Portfolios, using the APRA Standard Risk Measures (SRM) classification, are:

Conservative: "3 – Low to medium"; **Moderate and Balanced:** "4 - Medium"; **Growth:** "5 - Medium to high"; **Aggressive:** "6 – High"

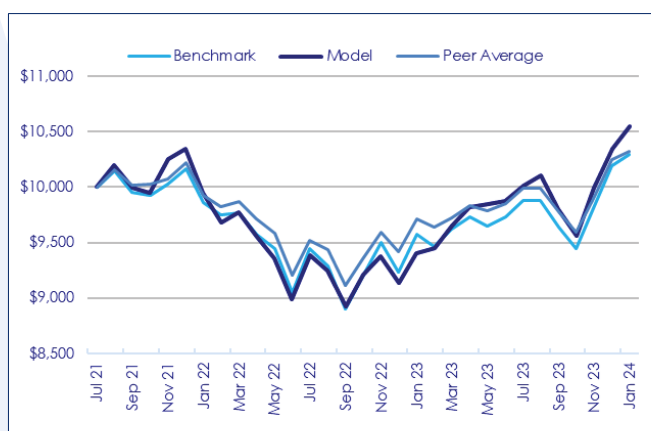
Fund Performance to 31 January 2024 (% p.a.)					
Total Return	1-Month	3-Month	6-Month	1-Year	Inception
Model	1.96	10.31	5.28	12.10	2.15
Reference Index	0.97	8.99	4.19	7.53	1.17
Peer Average	0.75	7.26	3.54	6.53	1.50
Alpha	0.99	1.32	1.09	4.57	0.98

With dividends reinvested. Returns beyond one year are annualised. Return history starts Aug-2021

Reference Index: Morningstar AUS Balance Tgt Alloc NR AUD

Return data used in quantitative analysis is for the Balanced (50/50) Model, and tracked on Blackrock's internal platform - Aladdin

Growth of \$10,000 – Balanced Portfolio



Strengths of the Portfolio

- Blackrock is a well-known and reputable fund manager with funds under management of US\$10.01 trillion as at 31 Dec. 2023.
- The investment team is well-resourced and benefits from access to support services as part of the broader Blackrock Group.
- A highly qualified and experienced investment team with senior PMs who have direct investing experience. The key person risk is low.
- The FUM of the overall Portfolio has grown materially since its inception.
- The use of low-cost ETFs and index funds means that the overall cost of the Portfolios is very low compared to its active peers.
- The process for setting and reviewing the Strategic Asset Allocation (SAA), the main driver of returns and controller of risks, is strong.

- The remuneration and incentives for the investment staff are aligned with the objectives of the Portfolios.
- The Model has outperformed both its Reference Index and Peers since Inception.

Weaknesses of the Portfolio

- The full allocation of the Portfolios goes into a passive/index strategies, which somewhat limits the ability of the Portfolios to generate outperformance (vs. the relevant asset class index) via the active selection of stocks/bonds.
- Compared to the flagship strategy offered by the manager, the investable universe is small. While the broad asset building blocks are available, there is currently limited scope to make intra-asset tactical tilts in order to generate excess returns.
- The Portfolio has a short track record.

Other Considerations

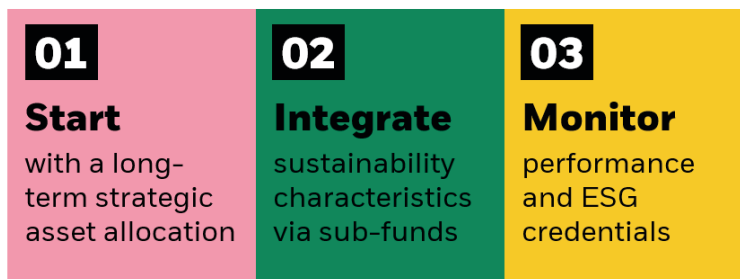
- These model portfolios are designed as long-term strategic holdings which seek to track their respective diversified benchmarks closely and do not explicitly target any outperformance. Each sub-fund used to implement the SAA exposures is a highly liquid index fund/ETF with low tracking error to their own sub-benchmarks. All of the portfolio's total return is expected to be driven by the SAA. The Manager does not seek to generate additional active returns in these strategies. The expected total return of the portfolio depends on the capital market assumption (CMAs).

- The BlackRock GSS ESG Screened Portfolios (accessible via Netwealth) are almost identical to the iShares ESG Portfolios – apart from the use of Institutional S Class Share Classes of '*iShares ESG Screened Global Bond Index Fund*' and '*iShares ESG Australian Bond Index Fund*'. Functionally, this results in the underlying blended management fee of the BlackRock GSS ESG Screened Balanced Portfolio being **5 bps lower** than the iShares ESG Balanced Model Portfolio.
- As a general comment on some of the Funds in this space (not just this Strategy): Advisers and Investors should be aware that Sustainable/ESG/Ethical concepts are subjective and, therefore, dependent on individual opinions.
- As a general comment on some of the Funds in this space (not just this Strategy), the performance of certain sectors/stocks has been better than the ASX equities index for various timeframes – for example, some of the materials/energy/oil/coal stocks have outperformed over the last few years, on different occasions. Therefore, in some cases, those Funds may be foregoing performance (alpha) by always excluding those stocks. That said, it is entirely appropriate if an investor's decision to invest in Sustainable/ESG/Ethical Funds is a higher priority than performance (alpha) from certain industries or stocks, and implemented as such.

Key Changes since the Last Review

- Chris Downing, who was the previous Head of Model Portfolio Solutions (APAC) has moved back to BlackRock's U.S. office to be with his family. The transition from Mr. Downing to Ilyas Chabane was not a surprise and appears to have been seamless.

Investment Process Diagram



Process Description

Investment Process

Research and Portfolio Construction Process

Screening

Underlying Funds that sit on the BlackRock Sustainable Investing Platform (detailed below) and are classified as having a Screened and/or Uplift investment approach are preferred for inclusion in the portfolios to meet the portfolios' SAA. Notably, Underlying Funds that adopt a Screened approach seek to constrain investments by avoiding issuers or business activities with certain ESG characteristics, while Underlying Funds that adopt an Uplift approach seek to invest in issuers who have demonstrated improved ESG characteristics when compared with a stated universe or benchmark (e.g. an improved ESG score or lower carbon footprint relative to a standard market-capitalisation weighted benchmark).

Idea Generation

The idea-generation process hinges on a mix of systematic and discretionary decisions. The construction of the **strategic asset allocation (SAA)** is a key component of the overall portfolio construction.

The Manager uses a **mean-variance optimisation framework** to determine the SAA, where they use BlackRock's capital market assumptions.

For discretionary investment decisions, they are influenced by various forums: global investment meetings, Blackrock Investment Institute, and discussions with other portfolio managers with local expertise, distilled with the model manager's own views & applied on the model universe, and discussed with the Australian investment committee.

Research

The investment process includes both top-down and bottom-up processes.

The process consists of the following key components:

1. An annual Strategic Asset Allocation (SAA) process leveraging a well-researched global framework built by BlackRock Security Selection within asset classes in line with the ESG-based benchmark portfolios.
2. Completing a comprehensive due diligence process on BlackRock group products to determine an investment universe of suitable managed funds and ETFs (Underlying Funds) the portfolios may invest in, to implement the SAA.
3. Underlying Funds that sit on the BlackRock Sustainable Investing Platform and are classified as having a Screened and/or Uplift investment approach are preferred for inclusion in the portfolios to meet the portfolios' SAA.

Investment Process

Research and Portfolio Construction Process

...continued

The investment team believes that superior investment outcomes are best achieved through a disciplined, objective investment process, which seeks to systematically capture return premiums while managing risks and implementation costs through optimisation-based portfolio construction methods:

- **Return:** Fundamentally based, top-down macroeconomic analysis, leading to return forecasts. The expected returns for the Portfolios are forecasted over 5 to 10 years, but these are reviewed once a year.
- **Risk:** Proprietary portfolio & risk management systems designed to produce diversified portfolios that only take compensated risks.
- **Cost:** Trading costs integrated into portfolio construction using proprietary transaction cost models.

Research and proprietary tools are used at the following stages:

Start with a long-term strategy

- Strategic portfolio construction by reviewing the latest Capital Market Assumptions (CMAs) (i.e., return and risk forecasts).
- Incorporate an annual SAA review which reflects the latest outlook for returns and risks in the various asset classes.

Integrate sustainability considerations via underlying building blocks

- Invest the Portfolios predominantly in iShares ESG ETFs and BlackRock index-managed funds that are classified as having a Screened and/or Uplift investment approach.
- In the case of the BlackRock GSS ESG Model Screened Portfolios, Class S funds are used for the iShares ESG Australian Bond Index Fund and iShares ESG Screened Global Bond Index Fund, as opposed to Class D funds which are used for the iShares ESG Model Portfolios. **This results in slightly lower Underlying Fund Fees for the GSS ESG Screened Model Portfolios.**

There are multiple investment committee reviews that the research process goes through. There is an investment committee in Australia where performance, risk and any investment decision are discussed.

Investment positioning is also presented and discussed at the global investment committee, which outputs a global advisory model which acts as a reference.

There is also a **research approval board** in charge of the research created by the investment team, which is responsible for:

- Reviewing the proposed research often with the help of a referee for each project after the research has been presented to various colleagues and seeking feedback.
- Replying to the researcher(s) with a report of elements to investigate, change, and further analysis needed.
- After the answer to the Report is presented to the committee, the committee votes for the approval or rejection of the strategy.

Investment Process

Research
and Portfolio
Construction
Process

...continued

Portfolio Construction

The investment process for the ESG models is implemented in the following steps:

Define the objective

The ESG model portfolios aim to match or outperform a long-run, composite multi-asset class benchmark while achieving better sustainability credentials relative to a standard market-capitalisation weighted portfolio.

Determine the Strategic Asset Allocation (SAA)

There is a review of the **SAA every year**, with the portfolios **rebalanced back to benchmark weight** on a quarterly basis..

The investment team aims to maximise risk-adjusted returns of the Portfolios via an optimisation-based portfolio construction process that seeks to capture return premiums whilst managing risk and implementation costs. The Team uses a proprietary mean-variance optimisation approach in its asset allocation framework, which takes into account inter-asset correlations.

An important component in the annual review of the SAA is setting the **Capital Markets Assumptions (CMA)**. This is done through a process of generating forward-looking long-term asset class expected returns, risk, and correlations that allow for the generation of the optimal SAA.

The investment team uses a multi-factor approach to provide a forecast of expected returns based on prevailing market conditions. It believes that the ideal weighting of each investment will be based on its exposure to three key market risks in addition to a cash component:

- Interest rate risk
- Credit risk
- Equity risk

These three risks need to be balanced in order to construct a risk-managed portfolio. Not only is interest rate risk used to seek a premium relative to other investment options, but it also helps provide shock absorption during economic downturns.

The cash, bond, credit, and equity premia are estimated through proprietary quantitative research using either a bottom-up or top-down approach. The forecasted premia will guide the attractiveness of these exposures and will justify increasing or decreasing some of these allocations.

A discretionary overview of the process is considered to review the information that would not be captured by this model (for example, Covid), with these reviews, and subsequent discretionary rebalances, occurring on average 1-2 times per quarter.

The SAA for each portfolio is also the basis of the multi-asset class benchmark, whereby the benchmark return is the return on the SAA, assuming that the return in each asset class matches the returns of the underlying funds for that asset class.

Investment Process

Research and Portfolio Construction Process

...continued

Selection of underlying building blocks

After updating the target SAA benchmark, BlackRock incorporates sustainability considerations as follows:

1. BlackRock completes a comprehensive due diligence process on BlackRock group products to determine an investment universe of suitable managed funds and ETFs (Underlying Funds) the portfolio may invest in, to implement the SAA. This process takes into account the parameters of the underlying ETFs/funds and their benchmarks, e.g. expected tracking error, expected transaction cost, implementation efficiency, turnover, and ESG criteria.
2. Underlying Funds that sit on the BlackRock Sustainable Investing Platform are preferred for inclusion in the portfolios to meet the portfolio's SAA. The BlackRock Sustainable Investing Platform is the suite of products managed by the BlackRock Group which use ESG data as a portfolio construction input. A subset of those products also seek to achieve long-term sustainability outcomes per each product's specific objectives. An Underlying Fund must fall within one of the following four categories of investment approaches to be included on the BlackRock Sustainable Investing Platform:
 - a. Screened: Seeks to constrain investments by avoiding issuers or business activities with certain ESG characteristics.
 - b. Uplift: Seeks to invest in issuers who have demonstrated improved ESG characteristics when compared with a stated universe or benchmark.
 - c. Thematic: Seeks to make targeted investments in issuers whose business models may benefit and drive long-term sustainability outcomes. These strategies aim to capitalise on long-term industry or societal trends through the pursuit of specific ESG themes.
 - d. Impact: Seeks to invest in issuers which generate positive, measurable, and additional sustainability outcomes.
3. BlackRock predominately selects Underlying Funds that are classified as Screened or Uplift for inclusion in the ESG model portfolios. When evaluating potential Underlying Funds within these two categories, BlackRock focuses on the following:
 - a. Underlying funds that adopt exclusionary screens. Exclusionary screens limit exposure to certain activities such as oil and natural gas reserves, thermal coal-based power generation, controversial weapons, tobacco, and United Nations Global Compact Violators.; and
 - b. Underlying funds that seek to invest in issuers who have demonstrated improved sustainability characteristics when compared with a stated universe or benchmark (e.g. a non ESG equivalent universe or benchmark) – for example, an improved ESG score or lower carbon footprint relative to a standard market-cap weighted benchmark.

Ongoing monitoring rebalancing and feedback

The portfolio is tracked and monitored on the Aladdin platform in the form of a paper portfolio. The manager believes that this allows for efficient portfolio management, ESG analytics, performance reporting, attribution, and risk management.

Investment Process

Research and Portfolio Construction Process

...continued

The ongoing portfolio management and monitoring of the underlying sub-funds are carried out by the BlackRock Multi-Asset Strategies & Solutions (MASS) team in Australia.

In addition, the portfolios are supported by the BlackRock Risk and Quantitative Analytics (RQA) group. RQA provide separate risk oversight and monitoring for each investment team and portfolio at BlackRock.

Risk Management

The main risk management process is the diversification of asset allocation across asset classes at the SAA stage of the investment process.

Portfolio Characteristics

Portfolio Turnover

Since inception, portfolio turnover has been low (< 50%) and is expected to remain low.

The model holdings undergo an annual SAA review whereby allocation, asset classes and holdings are reviewed and refreshed.

Liquidity

All underlying building blocks are either listed ETFs or Index Funds that track highly liquid and well-defined market indices.

The liquidity risk is managed prudently through a thorough analysis of the liquidity characteristics of the underlying securities to which a fund is exposed.

Leverage

This Fund does not employ direct leverage (through borrowing by the Portfolio) **or** economic leverage (through the use of derivatives).

Key Counterparties



Parent Company

The parent company is **BlackRock Inc** which is listed on the New York Stock Exchange and provides a broad range of investment management and technology services to institutional and retail clients worldwide.

As of December 2023, BlackRock manages US \$10.01 trillion across equity, fixed income, alternatives, multi-asset, and cash management strategies for its clients. The firm's diversified investment platform and technology offerings have provided stable financial results allowing BlackRock to be profitable while expanding its operating margins over time.

BlackRock's liquidity position is strong, and its businesses are largely fee-based, thereby generating strong recurring cash flow from operations. Over the years, it has invested a great deal in technology and tools to assist with investment management. This includes its proprietary Aladdin system, which is used extensively for risk management, not only by BlackRock but by other investment managers.

Investment Manager / Fund Manager

The Investment Manager of the Portfolios is **BlackRock Investment Management (Australia) Limited**.

Governance

Responsible Entity

The Responsible entity depends on the platforms.

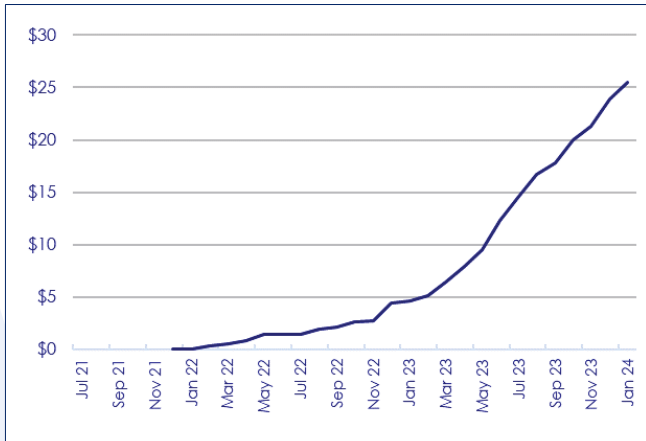
Management Risk

Investment management businesses rely on the operational capabilities of key counterparties. For any investment fund, there is a risk that a weak financial position or management performance deterioration of key counterparties could temporarily or permanently compromise their performance and competency. This can adversely affect financial or regulatory outcomes for the Portfolio or associated entities.

Based on the materials reviewed, SQM Research believes that the Manager and associated key counterparties are highly qualified to carry out their assigned responsibilities. Management risk is rated as low

Funds under Management (FUM)

FUM for Model under Review (\$mill) – ESG Balanced Model Portfolio



Distributions

Distributions will occur according to the practices and policies of the various platform providers. They will be subject to the availability and timing of distributable income flowing from the component funds within the models.

Payments of distribution are subject to the underlying Portfolio provider's distribution policy and the Platform in which the Portfolio is available for investment.

Name	Responsibility / Position	Location	Years at Firm	Years in Industry
Mike McCorry	Chief Investment Officer, Australia	Sydney	26.0	32.0
Karsten Kumpf	Head of Portfolio Management Multi Asset Strategies Australia	Sydney	17.0	17.0
Ilyas Chabane	Head of Model Portfolio Solutions, APAC	Hong Kong	10.0	14.0
Tatiana Bernard	Lead Model Manager	Sydney	7.0	11.0
Ron Montgomery	Model Manager	Sydney	18.0	22.0
Katie Petering	Strategist	Sydney	7.0	27.0
Uwe Helmes	Strategist	Sydney	7.0	14.0
Beatrice Yeo	Strategist	Melbourne	2.0	8.0
Upasana Khera	Strategist	Gurgaon	6.0	9.0

Investment Team

The model portfolios are overseen by the **Multi-Asset Strategies and Solutions (MASS)** team in Australia. The MASS team is responsible for building the strategic asset allocation and investment research and is also responsible for the day-to-day portfolio management functions and investment strategy. The Team draws on the full range of BlackRock’s investment capabilities to deliver investment outcomes. MASS constructs asset allocation strategies and whole portfolio solutions across a wide spectrum of commingled funds, separate accounts, and model portfolios.

The investment committee includes senior members from the MASS teams: Mike McCorry (CIO BlackRock Australia), Karsten Kumpf (Head of Portfolio Management MASS Australia), Ilyas Chabane (Head of Model Portfolio Solutions APAC), Tatiana Bernard (Lead Model Manager), and Ron Montgomery (Model Manager).

In July 2023, the previous Head of Model Portfolio Solutions APAC, Chris Downing relocated to BlackRock U.S. for personal reasons. Mr. Downing remains part of the global signal research process, but no longer has direct oversight over the model portfolios, being replaced by Mr. Chabane, who was previously the Lead Model Manager. A smooth transition occurred as Mr.

Chabane acted in Mr. Downing’s position for twelve months before the formal transition occurred.

During March 2023, Tatiana Bernard was appointed as a Lead Model Manager, to support the growth of BlackRock’s models business in Australia. Ms. Bernard was previously a Portfolio Manager within MASS, managing their suite of diversified multi-asset funds.

Katie Petering, Uwe Helmes, Beatrice Yeo, and Upasana Khera are the Team’s Investment/Product Strategists.

Collectively, the Team is responsible for reviewing the portfolios, identifying appropriate building blocks, and performing due diligence on sub-strategies that meet the Team’s strict investment and sustainability criteria.

To help ensure continuity of leadership and management, BlackRock applies a team approach to investment strategy, portfolio management, trading, client services, and operations for all of its investment teams rather than be dependent on the expertise of only one or two people.

In the event of future departures from the team, BlackRock would rely on the remaining team members and the broader MASS team to ensure continuity. **The strength of this process was highlighted during Mr. Downing’s departure.**

Staffing Changes

Departures			
Date	Name	Responsibility	Reason for Departure
01-Jul-23	Christopher Downing	Portfolio Manager	Relocated back to BlackRock San Francisco to be with family.



Additions			
Date	Name	Position / Responsibility	Previous Position / Employer
17-Jan-22	Beatrice Yeo	Strategist	Strategist/Vanguard
07-Mar-23	Tatiana Bernard	Portfolio Manager	Portfolio Manager/MASS Team, BlackRock

SQM Research observes that the levels of investment experience and company tenure are strong across the investment team. The size and nature of staff turnover are not an issue of concern, in SQM's view.

Remuneration and Incentives

The predominant compensation model includes a **salary and a discretionary bonus** reflecting firm, business area, and individual performance. For most investment professionals, compensation reflects investment performance and the success of the business or product area.

As professionals become more senior, the discretionary bonus becomes a higher percentage of total compensation. At senior levels, a more significant percentage of the annual bonus is paid in the form of restricted stock awards that vest pro rata over three years from the date of the award.

The proportion of this varies with the level of compensation. Selected investment professionals have a portion of their annual discretionary bonus awarded as deferred cash that notionally tracks investment in selected products managed by the employee. The intention of these awards is to align investment professionals with the investment returns of the products they manage through the deferral of compensation into those products.

Compensation decisions for employees are made once annually in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives.

Although the framework for compensation decision-making is tied to the financial performance of BlackRock, significant discretion is used to determine individual compensation based on the achievement of strategic and operating results and other considerations such as management and leadership capabilities.

Following the end of the performance year, BlackRock's Management Development and Compensation Committee approves the final bonus pool amount for the firm.

Discretionary Bonus for Investment Staff

Discretionary incentive compensation is a function of several components:

- The performance of BlackRock, Inc.
- The performance of the portfolio manager's group within BlackRock.
- The investment performance, including risk-adjusted returns, of the firm's assets under management or supervision by that portfolio manager relative to predetermined benchmarks.
- The individual's performance and contribution to the overall performance of these portfolios and BlackRock.

In most cases, these benchmarks are the same as the benchmark or benchmarks against which the performance of the accounts managed by the portfolio managers is measured.

Among other things, BlackRock's Chief Investment Officers make a subjective determination with respect to each portfolio manager's compensation based on the performance of the accounts managed by each portfolio manager relative to the various benchmarks.

Performance is generally assessed over trailing 1-, 3-, and 5-year periods relative to benchmarks plus a target for excess returns versus the benchmark as well as against peer groups.

SQM Research believes remuneration in the form of firm equity and client-focused performance bonuses act as strong incentives for optimising staff engagement, retention, and productivity. The intention (and SQM believes the effect) is to align staff performance with client and shareholder objectives. It focuses on the customers' needs and medium to long-term results.

Fees and Costs	Fund	Peer Avg
Management Fee % p.a.	0.05%	0.68%
Expense Recovery/Other Costs % p.a.	–	–
Performance Fee %	–	–
Total Cost Ratio TCR % p.a.	0.19%	0.68%
Buy Spread %*	0.03%	0.10%
Sell Spread %*	0.03%	0.10%

* This spread reflects transaction costs relating to the turnover of the portfolio.

Performance Fee

The Portfolio does not charge a performance fee

SQM Research observes that:

- *The Fund management fee is 0.05% p.a., which is 63 basis points lower than the peer group average of 0.68% p.a.*
- *The Total Cost Ratio (TCR) is 0.19% p.a., which is 49 basis points lower than the peer group average of 0.68% p.a.*
- *The TCR of the BlackRock GSS ESG Screened Balanced Model Portfolio is 0.14% p.a., which is 5 basis points lower than the TCR for the iShares ESG Balanced Model Portio – as mentioned above.*

Risk/Return Data to 31 January 2024					
Total Return	1-Month	3-Month	6-Month	1-Year	Inception
Model	1.96	10.31	5.28	12.10	2.15
Reference Index	0.97	8.99	4.19	7.53	1.17
Peer Average	0.75	7.26	3.54	6.53	1.50
Alpha	0.99	1.32	1.09	4.57	0.98
Metrics				1-Year	Inception
Tracking Error (% p.a.) - Model				2.56	2.87
Tracking Error (% p.a.) - Peer Average				2.06	2.94
Information Ratio - Model				1.79	0.34
Information Ratio - Peer Average				-0.18	0.08
Sharpe Ratio - Model				1.09	-0.01
Sharpe Ratio - Peer Average				0.31	-0.17
Volatility - Model (% p.a.)				7.46	8.90
Volatility - Peer Average (% p.a.)				6.14	6.78
Volatility – Reference Index (% p.a.)				7.09	8.54
Beta based on stated Benchmark				0.99	0.99

Distributions reinvested. Returns beyond one year are annualised. Return history starts Aug-2021

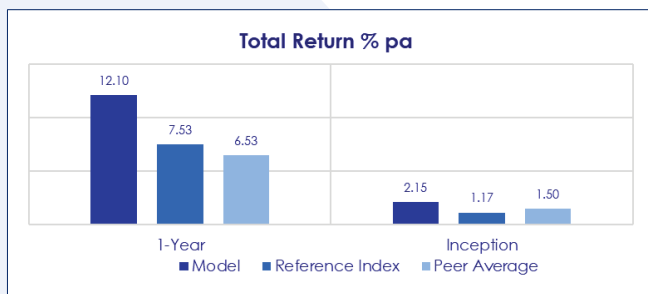
Reference Index: Morningstar AUS Balance Tgt Alloc NR AUD

Return data used in quantitative analysis is for the Balanced (50/50) Model, and tracked on Blackrock’s internal platform - Aladdin

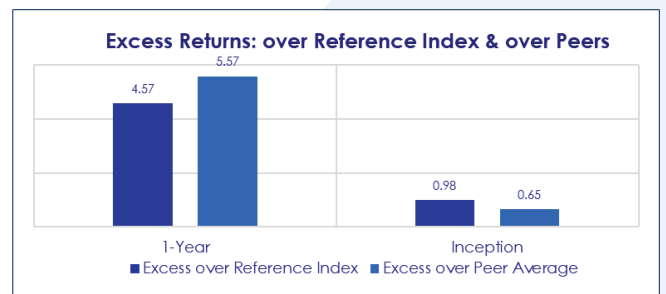
Quantitative Insight¹

Note: Unless otherwise stated, all return and risk data reported in this section are after-fees and for **periods ending Jan-2024 and for the *Balanced Portfolio***

Returns



Excess Returns (Alpha)

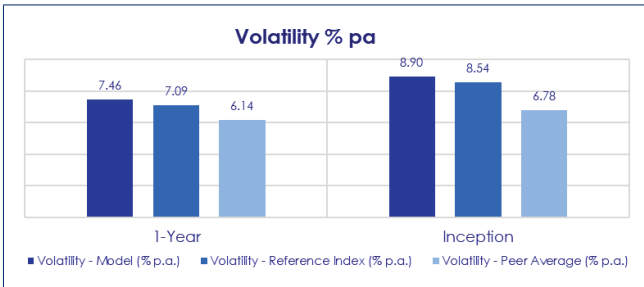


The Fund has outperformed both the reference index and its peers in the past year, and since inception. SQM Research notes that this outperformance has come over a relatively short period of time, offering only slight statistical meaning.

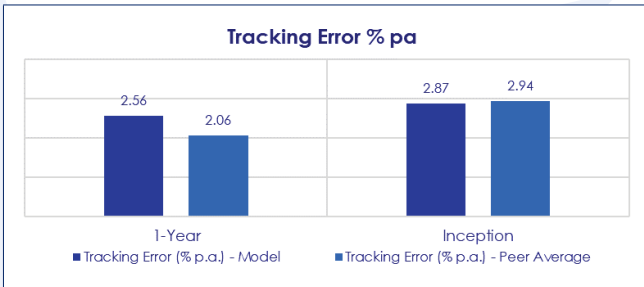
The **return outcomes** described above are consistent with the PDS objective and align with SQM's expectations for the Portfolio relative to its fee level and volatility.

¹ Note: Sharpe and Information Ratios are not reliable comparison tools in periods where both the Fund and its peers/benchmark record a negative result

Risk



The Portfolio's **volatility** (annualised standard deviation of monthly returns) has tended to be slightly higher compared to both the reference index, and peers.



The Fund's **tracking error** (annualised standard deviation of monthly **excess** returns) has tended to be around that of its peers peers.

The **risk outcomes** described above regarding volatility and tracking error align with the PDS statements about risk and are consistent with SQM's expectations for this Portfolio.

SQM has measured and reported tracking errors in the tables above. Since the Portfolio's benchmark has almost no volatility, the tracking error readings add no new information to observations gained from studying volatility. The Portfolio's tracking error is virtually identical to its volatility (standard deviation).

Drawdowns

Drawdown Summary			
Drawdown Size (peak-to-trough)			
	Model	Reference	Peers
Average	-8.12%	-7.29%	-6.12%
Number	2	2	2
Smallest	-2.48%	-2.12%	-1.83%
Largest	-13.76%	-12.45%	-10.73%
Length of Drawdown (in months)			
	Model	Reference	Peers
Average	13.5	14.0	14.0

Length of Drawdown = time from peak to trough and back to the previous peak level

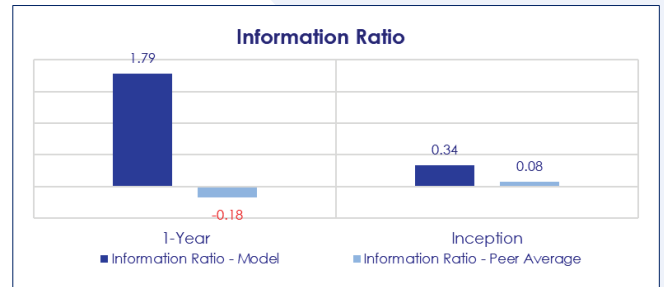
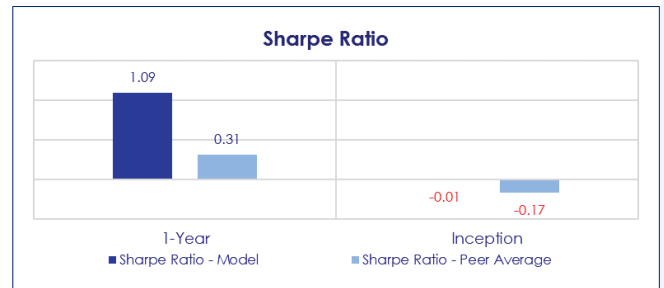
Average drawdowns have been slightly higher than both the peer average, and that of the reference index.

Upside/Downside Capture

	Downside Capture		Upside Capture	
	3 years	Inception	3 years	Inception
Portfolio	.	98.6%	.	106.4%
Peer Average	.	72.1%	.	76.8%

for a cash benchmark, downside capture is not valid

Risk-Adjusted Returns



The Portfolio's risk-adjusted returns (as measured by Sharpe and Information ratios) have been modestly better than the peer average.

Correlation of Fund to Asset Classes

Market	Inception	Market Indexes
Aust Bonds	+74.5%	Bloomberg AusBond Composite 0+Y TR
Aust Equity	+79.8%	S&P/ASX 300 TR
Global Bonds	+78.7%	Bloomberg Global Aggregate Hdg AUD
Global Equity	+89.4%	MSCI World Ex Australia NR AUD

Correlation Key

Low	High	Description
0%	20%	low, weak
20%	40%	modest, moderate
40%	70%	significant, material
70%	90%	strong, high
90%	100%	substantial



QUANTITATIVE ANALYSIS

Tail Risk

(The analysis in the table below looks at the **tail risk performance relationship of the Portfolio to the ASX300**, a practice that SQM has set as common across asset classes in Fund reviews. This approach recognises that for the large bulk of financial planner clients, their key traditional asset class **risk** regarding **size** and **volatility** is to Australian equities. Exploring that relationship is useful regardless of the asset class of the Fund itself, as it is helpful to understand how a Fund has acted in times of Australian equity market stress in terms of softening or exaggerating the negative performance experienced at such times.)

The table below details the **largest negative monthly returns** for the ASX 300 **since the inception of the Portfolio**. This is compared to the Portfolio's performance over the same months.

Extreme Market Returns vs Model Return Same Month

Index: S&P/ASX 300 TR From Aug-21 to Jan-24				
Rank	Date	Market	Model	Difference
1	Jun-22	-8.97%	-3.96%	+5.01%
2	Jan-22	-6.45%	-3.86%	+2.60%
3	Sep-22	-6.29%	-3.56%	+2.73%
4	Oct-23	-3.80%	-2.49%	+1.31%
5	Dec-22	-3.29%	-2.54%	+0.75%
6	Sep-23	-2.89%	-2.96%	-0.07%
7	May-22	-2.76%	-2.01%	+0.75%
8	Feb-23	-2.55%	+0.47%	+3.02%
9	May-23	-2.53%	+0.33%	+2.86%
10	Sep-21	-1.89%	-2.00%	-0.12%
Totals		-41.42%	-22.59%	+18.84%

			No. of Months
Correlation	+70.7%	Positive Return	2
Capture	+54.5%	Outperform	8

Tail Risk Observations:

The data in the table above indicate that the Portfolio displays moderate **defensive characteristics** in the face of extreme Australian equity tail risk (in the context of it being a **Balanced** Portfolio, not a defensive Fixed Interest Fund).

Snail Trail

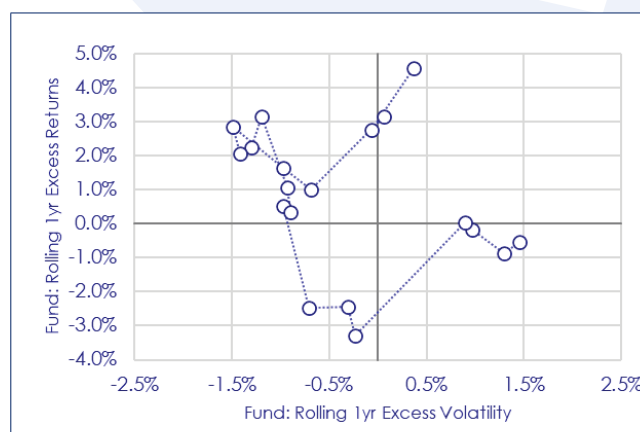
The snail trail chart and tables below show the combination of the Model's rolling 1-year excess returns and rolling 1-year excess volatility.

There are 19 observations in total.

The two tables below display the distribution of these observations and their overall frequency across the risk/return quadrants.

Snail Trail Distribution			
Frequency	Lo-Vol	Hi-Vol	Total
Hi-Return	10	3	13
Lo-Return	3	3	6
Total	13	6	19

19 rolling 1-year observations			
% of Total	Lo-Vol	Hi-Vol	Total
Hi-Return	52.6%	15.8%	68.4%
Lo-Return	15.8%	15.8%	31.6%
Total	68.4%	31.6%	100.0%



In assessing a snail trail it is important to note the following:

Q1 upper left-hand quadrant - higher return than the Fund's market index with lower volatility (less risk). This is the optimal position.

Q2 upper right-hand quadrant - higher return than the Fund's market index with higher volatility (more risk). This can often be a desirable position depending on the attractiveness of the Sharpe ratios produced in this zone. It is important to note that in the case of inflation or cash-style benchmarks, the Q1 top left-hand quadrant is unachievable as it is not possible to deliver lower volatility than what is virtually zero for the benchmark. In such cases, the Q2 zone is the optimal position.

Q3 lower left-hand quadrant - lower return than the Fund's market index with lower volatility (less risk). Less than ideal, and Sharpe ratios can assist in assessing the risk/return trade-off in this zone.

Q4 lower right-hand quadrant - lower return than the Fund's market index with higher volatility (more risk). The least desirable outcome.

Consistency

The more "bunched together" the cluster of dots, the more consistent is the performance. A second indicator of consistency is the trail's nomadic nature. Trails that roam across multiple quadrants over time are indicating **low consistency** in the Fund's risk-return profile. The quadrant that **contains the bulk** of the Fund's snail trail is likely to be more representative of the Fund's risk/return characteristics and identity.

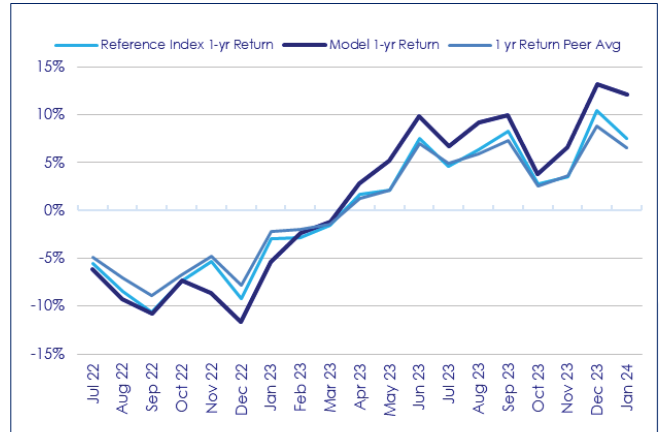
Annual Returns

Year	Model	Reference Index	Peer Avg	vs. Reference	vs. Peers
2022	-11.68	-9.22	-7.81	-2.45	-3.87
2023	+13.22	+10.46	+8.77	+2.76	+4.45
Jan-24	+1.96	+0.97	+0.75	+0.99	+1.21

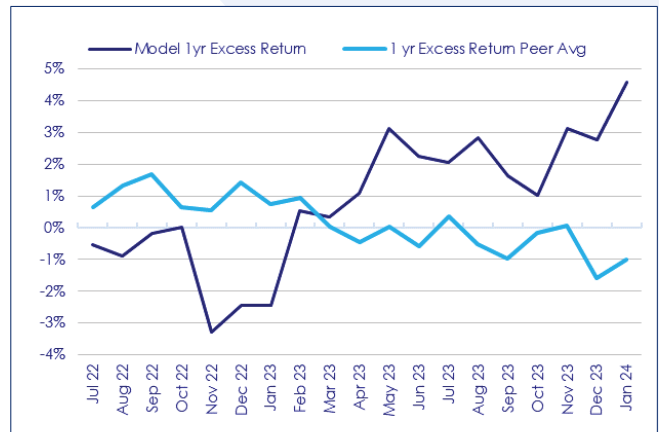
2024 data = 1 month ending Jan-24

Return and Risk

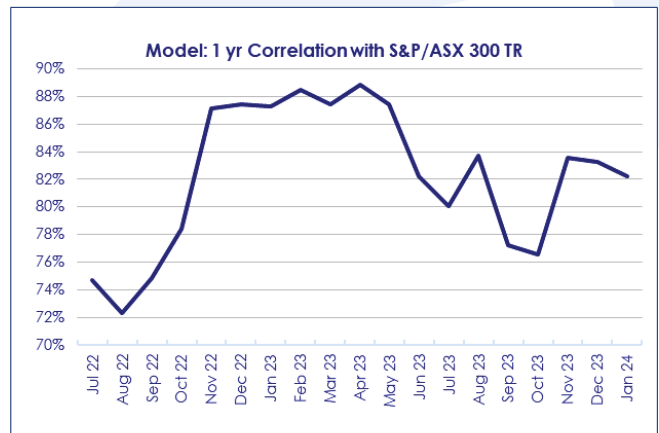
Rolling Returns



Rolling Excess Returns

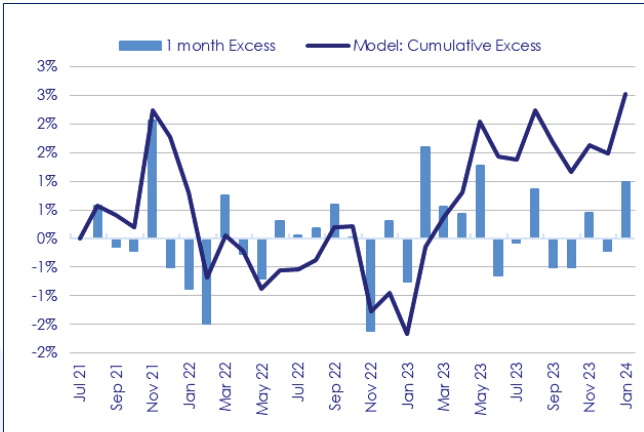


Rolling Correlation

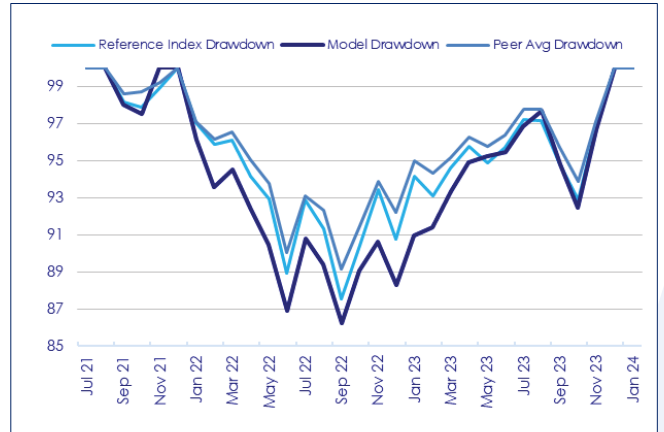


Return and Risk

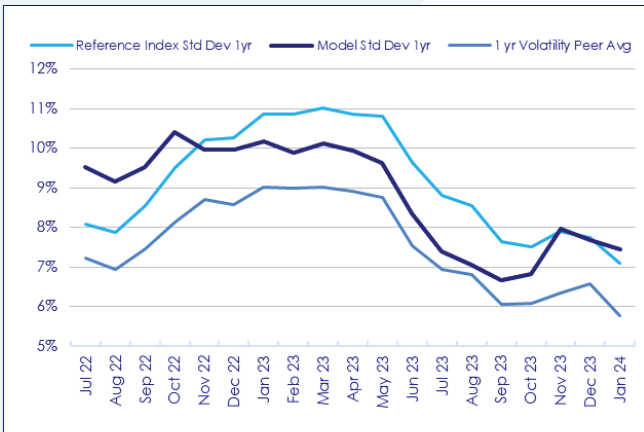
Cumulative Excess Returns



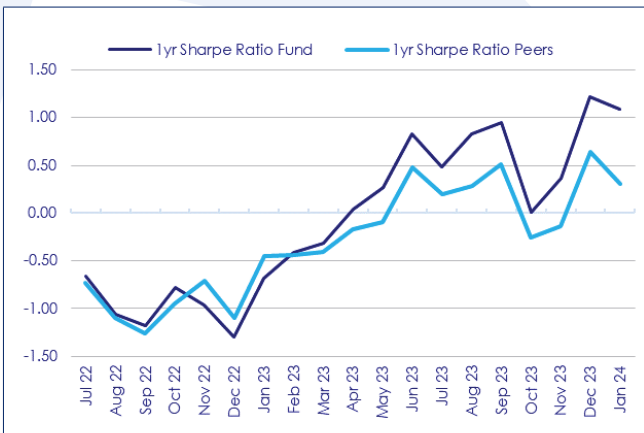
Drawdowns



Rolling Volatility



Rolling Sharpe Ratio



RISK CONSTRAINTS AND LIMITS

The table below outlines limits on the Portfolio's asset allocation and other risk parameters:

Fund Constraints and Risk Limits	Permitted Range or Limit
Australia Fixed Income	24% - 40%
International Fixed Income	0% - 20%
Australian Equity	10% - 30%
International Equity	25% - 45%
Cash	2% - 20%

Top 5 Holdings*

Ticker	Weight %
iShares ESG Australian Bond Index Fund	30.7%
iShares Core MSCI World ex Australia ESG ETF	25.5%
iShares Core MSCI Australia ESG ETF	19.9%
iShares ESG Screened Global Bond Index Fund	10.2%
iShares Core MSCI World ex Australia ESG (AUD Hedged) ETF	6.2%

* As reported to SQM at the report date – holdings will change over time.

Drawdown

A drawdown tracks the path of the Fund's accumulated NAV (with dividends reinvested). It is measured over the period of a peak-to-trough decline and the subsequent recovery back to that previous peak level. The total return over that entire period is, of course, zero. The metric of interest, the drawdown itself, is quoted as the percentage change between the peak and the trough over that period. Funds typically have multiple drawdowns of varying size and length over their lifetime. The table above shows how many drawdowns have occurred and their average peak-to-trough size.

Alpha

SQM defines **Alpha** as the excess return compared to the Benchmark and is calculated as

$$\text{Alpha} = \text{Fund Return} - \text{Benchmark Return}$$

A General Note on Distributions for Managed Funds

The Responsible Entity of a Managed Fund will provide for a regular schedule of distributions, such as monthly/quarterly/semi-annual or annual. This is subject to the Fund having a sufficient distributable income. The official total distributable income available to pay to investors is determined for the period of that Fund's financial year. By distributing the net taxable income of the Fund to investors each year, a Fund itself should not be liable for tax on its net earnings.

If a Fund makes distributions more frequently than once over the financial year, those distributions will be based on estimates of the distributable income for that distribution period. The final total amount of distributable income available for passing on to investors can only be calculated after the close of the financial year, based on the Fund's taxable income for that year.

If the total distributions a Fund pays out exceed total taxable income for that particular financial year, the excess amount may be treated as a return of capital rather than income. This will possibly have tax implications for the investor.

Due to the considerations outlined above, there may be periods in which no distributions are made or a Fund may make additional distributions

A Fund's ability to distribute income is determined by the performance of the Fund and general market conditions. Accordingly, there is no guarantee that a Fund will make a distribution in any distribution period.

Total Cost Ratio (TCR)

Managed Investment Schemes: The TCR for Managed Investment Schemes, Exchange Traded Products, and Investment Bond funds is an addition of the Investment Management Fees and Costs (including admin fees), Performance Fee Costs, and the impact of dollar-based fees.

Superannuation funds: The TCR for Superannuation and Pension funds is an addition of the Investment Management Fees and Costs (including admin fees), Performance Fee Costs, Administration Fees and Costs, the impact of dollar-based fees and a deduction of Super OTC Derivative Costs.

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