

ESG Model

Balanced Model Portfolio Summary

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Performance (%)

As of 31/07/2024

Model	Last Month (%)	3 Month (%)	Year to Date (%)	1 Year (%)	3 Year (%)	5 Year (%)
*Balanced (50/50)	1.79	4.26	8.36	12.10	-	-

The inception date for the model portfolios is **3/08/2021**.

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

PERFORMANCE COMMENTARY

As of 31/07/2024

Market Commentary

Markets saw a partial reversal over the month: Global equities, as measured by the MSCI All Country World Index (unhedged), experienced intra-month volatility amid economic growth concerns and lacklustre quarterly tech earnings, but ended the month up 3.9%. Fixed income markets, as represented by the Bloomberg Barclays Global Aggregate Index (hedged), rose 1.9% as softer inflation data cemented hopes for a less restrictive monetary policy stance.

Developed markets outperformed Emerging markets: Equity performance diverged across geographies, with Developed markets broadly advancing and Emerging market equities posting positive but relatively softer returns as Chinese economic activity remained subdued. Japanese equities, as represented by the Nikkei 225 Index, underwent sharp swings in July and declined 1.2% (in local currency terms) after having rallied strongly across the first half of the month and year, driven by the Bank of Japan's (BoJ) decision to hike interest rates.

Fixed income markets surged higher in July: Global bonds rose strongly over the month as bond yields declined alongside weaker economic data and heightened expectations for central bank rate cuts. The Bloomberg Barclays Global Aggregate index (hedged) finished the month up 1.9%, while the Australian composite bond index gained 1.5% over July. Riskier parts of the fixed income market, namely corporate credit and emerging market debt indices also realised gains across the period.

Performance commentary

Total portfolio returns were positive in July, supported by the positive gains across asset classes. Australian equities and Developed market equities contributed positively to total returns, while fixed income also added value amid the broad decline in yields which pushed bond prices higher. Meanwhile, the bias towards the Information Technology sector relative to a standard market-capitalisation weighted portfolio weighed on returns after adding value in the first half of the year, given the market correction experienced by the tech sector in July. Over the past year, the strategy has still largely achieved above peer group median performance relative to the Morningstar multi-sector peer group and continues to attain higher ESG scores and a lower carbon footprint relative to a non-ESG standard market-capitalisation weighted benchmark.

Notes: Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Please refer to the ESG metrics tab for more details on the ESG uplift and carbon reduction obtained from investing in the portfolio. The peer group median refers to the Morningstar multi-sector peer group.

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Latest Holdings (%)

Allocation as of 3/04/2024

	As of Date	*Balanced (50/50)
Latest Allocation	3/04/2024	51/49
Australian Equities		19.5
IESG	iShares Core MSCI Australia ESG ETF	19.5
Developed Market Equities		31.5
IHWL	iShares Core MSCI World ex Australia ESG (AUD Hedged) ETF	9.5
IWLD	iShares Core MSCI World Ex Australia ESG ETF	22.0
Australian Fixed Income		31.5
43334	iShares ESG Australian Bond Index Fund D	31.5
International Fixed Income		10.5
43753	iShares ESG Screened Global Bond Index Fund Class D	10.5
Cash		7.0
18357	BlackRock Cash Fund	3.0
BILL	iShares Core Cash ETF	4.0

Note: The BlackRock Cash Fund represents platform cash holdings held for operational purposes and is not an actual investment in the Fund.

TRADE RATIONALE

As of 3/04/2024

We recently conducted our annual strategic asset allocation (SAA) review, where we re-assessed the latest capital market assumptions, investment universe and strategic holdings of the portfolio. These SAA changes were implemented on 3rd April 2024.

KEY TRADES

Modestly increase growth/defensive split: Ongoing resilience in economic fundamentals, upward revisions to forward earnings, and higher return expectations for equities over bonds lead us to increase the allocation to growth assets within the portfolio.

Increase Australian equities: Relatively more favourable capital market assumptions lead us to have an increased allocation to Australian equities.

Increase FX hedge ratio: We increase the hedge ratio within equities given the potential for the Australian dollar to strengthen following depreciation of the currency in 2023.

Reduce cash and international fixed income: Relatively more attractive capital market assumptions lead us to increase Australian fixed income over that of cash and international fixed income.

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

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

STRATEGIC ASSET CLASS VIEWS

Asset Class	View	Rationale
Growth/Defensive Split	Increase	Higher expected returns and ongoing resiliency in forward earnings lead us to slightly increase the allocation to growth assets. For example, the Balanced portfolio is now 51/49 compared to 50/50 last year. We also increased the growth/defensive split for the Aggressive portfolio from 85/15 to 91/9 to better align to investors' risk appetite within this category.
Growth Assets		
Australian Equities	Increase	Relatively attractive valuations and higher dividend yields leads us to increase Australian equities marginally.
Developed ex AU Equities	Neutral	We reduce unhedged equities in favour for hedged equities to increase the currency hedge ratio. A higher currency hedge ratio would better protect the value of the portfolio in the event of a stronger Australian dollar.
Defensive Assets		
Australian Fixed Income	Increase	Relatively higher expected returns for Australian fixed income sees us increasing the exposure to Australian bonds over that of international fixed income and cash.
International Fixed Income	Decrease	We reduce International fixed income in favour for Australian fixed income based on the relative attractiveness of capital market assumptions.
Cash	Decrease	Reduce cash in favour for fixed income given higher expected returns for the latter.

Changes to Holdings (%)

Allocation as of 3/04/2024

		*Balanced (50/50)
Australian Equities		0.5
IESG	iShares Core MSCI Australia ESG ETF	+0.5
Developed Market Equities		0.5
IHWL	iShares Core MSCI World ex Australia ESG (AUD Hedged) ETF	+3.5
IWLD	iShares Core MSCI World Ex Australia ESG ETF	-3.0
Australian Fixed Income		-
43334	iShares ESG Australian Bond Index Fund D	-
International Fixed Income		-
43753	iShares ESG Screened Global Bond Index Fund Class D	-
Cash		-1.0
18357	BlackRock Cash Fund	-
BILL	iShares Core Cash ETF	-1.0


Note: The BlackRock Cash Fund represents platform cash holdings held for operational purposes and is not an actual investment in the Fund.

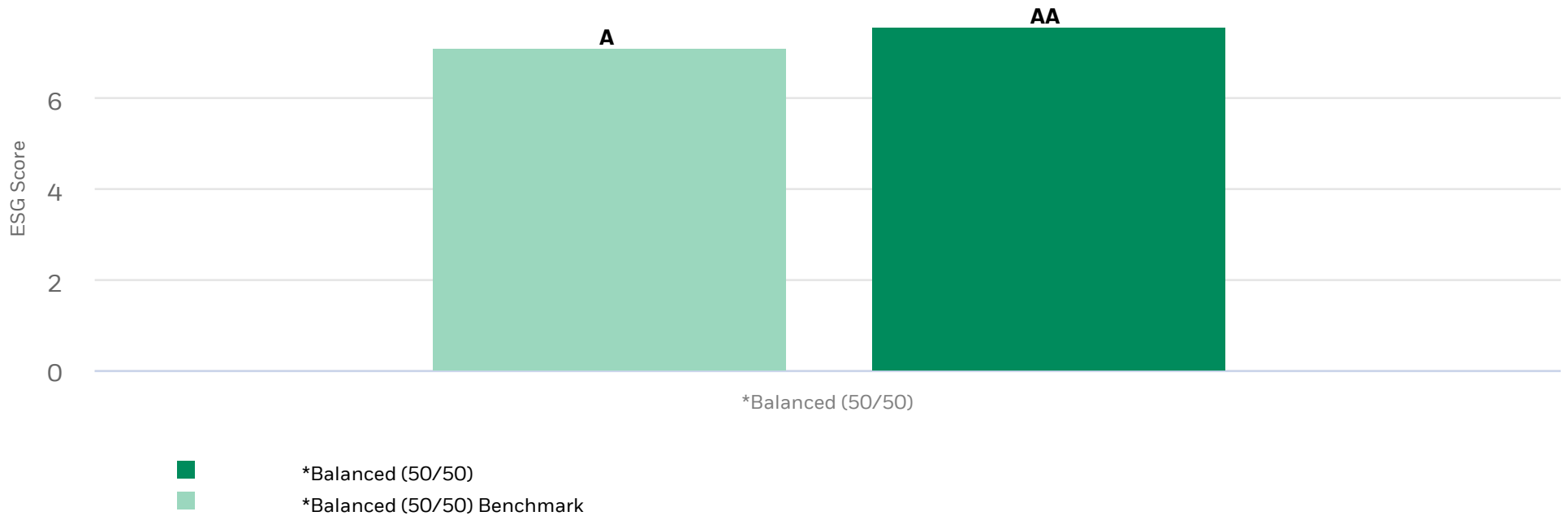
ESG METRICS

As of 31/07/2024

We quantify the ESG characteristics of the model portfolio by comparing its MSCI ESG Ratings and Carbon Emissions with a non-ESG Benchmark portfolio. The Non-ESG Benchmark portfolio refers to a portfolio that uses traditional non-ESG market indices as building blocks. The following charts show the ESG Uplift and Carbon Reduction obtained from investing in the model portfolio relative to a traditional non-ESG Benchmark.

ESG UPLIFT

 Higher ESG ratings relative to a non-ESG optimized benchmark

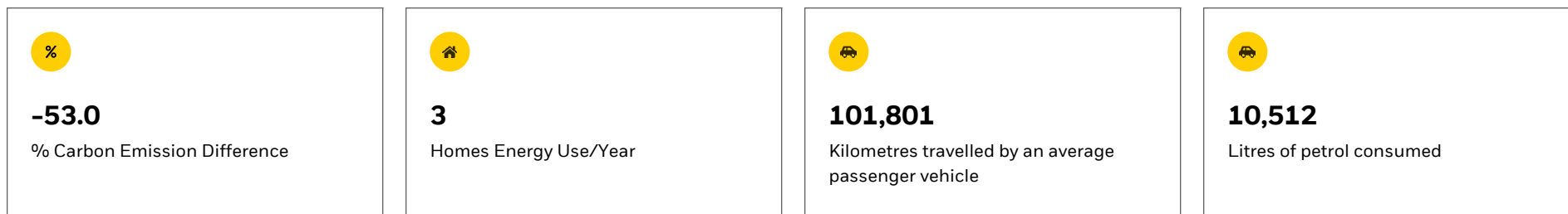


MSCI ESG RATING CCC(worst) to AAA(best)			ESG Category
CCC	B	→	Laggard
BB	A	→	Average
AA	AAA	→	Leader

LOWER CARBON FOOTPRINT

The following metrics illustrates the annual carbon emission reduction** obtained by investing one million USD in the ESG models relative to a non-ESG comparative benchmark (based on MSCI ESG Research analysis of portfolio companies' carbon emissions).

CARBON EMISSIONS REDUCTION EQUIVALENTS



Notes: Issuers of securities held by an Underlying Fund may meet or fail to meet BlackRock's or its index/data providers' sustainability criteria from time to time. In these circumstances, BlackRock will use reasonable efforts to invest, divest or otherwise respond to the change within a reasonable period (for example, at the following rebalance date) considering the materiality of the change, liquidity, and transaction costs. The methodology of index and data providers may differ.

Source: BlackRock, MSCI & Greenhouse Gas Equivalencies Calculator. For illustrative purposes only. This is not a recommendation to invest in any particular financial product. This material provides general information only. ESG scores and carbon emissions are only two factors to be considered when deciding whether to invest in a product.

*The non-ESG benchmark refers to a portfolio that uses standard (non-ESG) market-capitalisation weighted indices as building blocks. We use the following standard market-capitalisation weighted indices in the benchmark: Australian equity (S&P/ASX 300 Index), International equity (MSCI World ex Australia Index Unhedged & AUD Hedged), Australian fixed income (Bloomberg Ausbond Composite 0+ Yr Index), International fixed income (Bloomberg Global Aggregate AUD Hedged Index).

**Carbon emissions are measured in terms of scope 1 (direct) and scope 2 (indirect) emissions normalised by the most recently available enterprise value including cash (EVIC) in million USD. For more information around the definitions of scope 1+2 emissions, please refer to MSCI's website.

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