

Market Overview

Global markets experienced volatility in the third quarter of 2024, causing the S&P/ASX200 Accumulation Index to dip in early August before rebounding and achieving a +7.79% return in the three months to September.

Despite recessionary concerns in the US, and global market volatility, the RBA held the Official Cash Rate steady at 4.35% throughout Q3. Over the same period, signs of declining inflation persisted, with the latest monthly reading of the CPI indicator registering +2.7% in the 12-months to August – although trimmed-mean CPI remained high at 3.4%. Elsewhere, year-on-year GDP growth declined to 1% in the 12 months to June (down from 1.3% the previous quarter), the unemployment rate remained steady, nudging up to 4.2% for August, and while retail sales were above expectations over Q3, they softened during the July period. In addition, the Australian Dollar appreciated 3.9% relative to its US counterpart over the quarter.

The September quarter saw a benign earnings season, which suggested an economy, although slowing, holding up better-than-expected. With optimism around inflation, some of the more rate-sensitive areas of the index performed well, with Information Technology (+16.2%) and Real Estate (+14.5%) the best performing sectors. Materials (+10.8%) reversed months' worth of decline at the end of September, driven by optimism on the impact of China stimulus. Elsewhere, Consumer Discretionary (+10.5%), Industrials (+10.4%), Financials (+8.3%), and Communication Services (+8.0%) all outperformed the market. Energy (-6.3%) was the worst performing sector as oil prices declined during the period. Utilities (-1.2%), Health Care (0.3%), and Consumer Staples (+2.3%) also all underperformed.

Zip Co. (+62.2%) – an addition to the index in July – was the best performing stock in the three months to September. The company delivered a solid FY24 result, achieving a significant turnaround in profitability and return to positive cash EBITDA. The worst performing stock over the quarter was Star Entertainment (-39.8%). Trading on the stock was held at the end of August, and throughout much of September, as the final report of the 2024 Independent Bell Inquiry was released, which highlighted several governance concerns.

Performance as at 30 September 2024

BlackRock Concentrated Australian Share 1

	Gross	Out-performance ^A	Benchmark [*]
1 Month	1.57%	-1.40%	2.97%
3 Months	3.93%	-3.85%	7.79%
6 Months	2.71%	-3.94%	6.65%
1 Year	15.27%	-6.50%	21.77%
3 Years (pa)	8.8%	0.36%	8.45%
5 Years (pa)	9.35%	0.98%	8.37%
10 Years (pa)	9.63%	0.70%	8.93%
Since inception (pa) [*]	9%	1.17%	7.83%

* S&P/ASX 200 Accumulation Index.

^AShows the difference between Portfolio Gross Return and Benchmark Return.

Model performance inception date: 8/11/2005.

Past performance is no indicator of future performance. Long term performance returns show the potential volatility of returns over time. The value of investments and the income from them can fall as well as rise and is not guaranteed. You may not get back the amount originally invested. Fluctuation may be particularly marked in the case of a higher volatility Model and the value of an investment may fall suddenly and substantially. Model portfolio composition and performance have been based on theoretical tracking of the model portfolio and are gross of fees and do not take tax positions into account. Please note, actual portfolios may not perform in the same manner as the model depicted in this document, depending on the nature of your personal portfolio and any customisations. Rounding used in the presentation of data may result in minor variations.

About the Model Portfolios

Investment objective

The BlackRock Concentrated Australian Share 1 and 2 Model Portfolios ("Model Portfolios") aim to achieve capital growth by actively managing a concentrated portfolio of Australian shares and other securities and to provide investors with some tax effective income through the receipt of franked dividends.

Investment strategy

The investment objective of the BlackRock Concentrated Australian Share 1 and 2 Model Portfolios is pursued by investing in securities listed in the S&P/ASX 200 Accumulation Index which exhibit a growth outlook (or exhibit a bias to growth characteristics). Growth securities are generally stock that achieve steady cash flow generation capability. The BlackRock Concentrated Australian Share 1 and 2 Model Portfolios are created monthly. The portfolios invest in stocks in the S&P/ASX 200 Accumulation Index that are ranked well on measures of operating growth

Designed for investors who...

- Seek capital growth with some tax effective income; and
- Accept the risk of significant price fluctuations.

Summary	
Model Portfolio Name	BlackRock Concentrated Australian Share 1
Model Code	BR0001
Model inception date	4/11/2005
Principal investment objective	Capital growth and some tax effective income
Can derivatives be used?	Yes
Indicative number of stocks	20 – 30
Minimum Model investment	No fixed minimum*
Model Provider's Fees*	
Investment Fee	0.40% p.a.
Performance Fee applicable?	No
Benchmark Index	S&P/ASX 200 Accumulation Index

1. On 14 June 2012, BR0001 and BR0003 adopted the same investment strategy as BR0012. As such, the investment strategy changed from a fundamental stock selection process to one based on a range of growth characteristics.

* Please refer to the Product Disclosure Statement for further details.