

Market Overview

The S&P/ASX200 Accumulation Index edged higher in June registering a +1.01% return, which was not enough to turn around the negative performance over the quarter (-1.05%).

The quarter to June saw increasing concern around rising inflation, with the most recent monthly indicator registering +4.0% y/y (vs +3.6% the month before). Elsewhere, GDP growth slowed with the latest reading at the start of June showing growth of +0.1% (SA q/q), slowing from the previous reading of +0.3% (SA q/q). Unemployment remains relatively low, currently at 4% (as of May 24), and recent retail sales have seen a slight bounce (+0.6% for May 24). In June, the RBA decided to hold the Official Cash Rate at 4.35%, however, with concerns around inflation rising, some commentators are suggesting an increasing probability of another rate hike at the next meeting in August.

The best performing sector for the quarter was Utilities (+13.3%), boosted by AGL and Origin. Financials (+4.0%), Information Technology (+2.9%), Health Care (+1.9%), and Consumer Staples (+0.2%) all performed better than the market in Q2. Energy (-6.8%) was the worst performing sector, impacted by declining oil prices. Real Estate (-6.0%) was also a poor performer with concerns around higher inflation and the prospect of higher rates for longer likely having an effect. Materials (-5.9%), Communication Services (-4.9%), Industrials (-4.5%), and Consumer Discretionary (-2.7%) all had underwhelming quarters too.

The best performing stock of the quarter was Telix Pharmaceuticals (+44.7%), which rose after reporting promising data from its Phase I ProstACT SELECT trial for TLX591 at the end of May. The worst performing stock of the quarter was Fletcher Building (-29.4%), which fell after management warned of a profit downgrade during an FY guidance update in May where they highlighted weakening demand in the materials and distribution sectors.

Performance as at 30 June 2024

BlackRock Concentrated Australian Share 1

	Gross	Out-performance ^A	Benchmark*
1 Month	0.46%	0.29%	0.17%
3 Months	-1.17%	-0.12%	-1.05%
6 Months	1.43%	-2.47%	3.9%
1 Year	10.09%	-2.29%	12.38%
3 Years (pa)	7.64%	1.20%	6.44%
5 Years (pa)	9.34%	2.08%	7.26%
10 Years (pa)	9.04%	1.09%	7.95%
Since inception (pa)*	8.91%	1.39%	7.52%

* S&P/ASX200 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.