

BlackRock Equity Yield Focus

Model (BR0005)

DEC 2024

Market Overview

The S&P/ASX300 Accumulation Index ended the last quarter lower; after falling in October, the index had a strong November, before giving back much of the gains over December. However, the positive first and third quarters saw the index add a second year of double-digit returns.

Annual inflation, to the September quarter, fell to 2.8% after only rising 0.2% over the quarter – helped by lower petrol prices as the oil price weakened, and power prices which were muted by government rebates. However, the trimmed mean fell to 3.5% and remained above the RBA's target band. Wage growth slowed as the quarterly print was again 0.8%, taking annual growth to 3.5%. Unemployment fell to 3.9% with more full-time employment in October. Growth slowed as the economy grew 0.3% for the September quarter, taking annual growth to 0.8%, even as it was helped by increased government spending. The RBA once again held rates steady at 4.35% as they remained concerned about underlying inflation. The Australian dollar continued its fall against the USD, ending the year at 62.2c.

Financials (+5.9%) added the most for the quarter, powered by the banks, helped by insurers. Industrials (3.3%) the next best sector as professional services and transportation names added. The biggest drag came from the Materials (-11.9%) sector as the big miners and lithium names in particular struggled, and construction materials came under pressure. Real Estate (-6.3%), Energy (-5.4%) and Consumer Staples (-5.4%) were also negative contributors.

The best performing stock of the quarter was biotechnology firm Mesoblast (+165.0%) which jumped after being granted approval from the United States Food and Drug Administration for one of its therapies in children. The worst performing stock of the quarter was radiopharmaceutical company Clarity Pharmaceuticals (-50.2%), the company falling from its September high, posted after the company announced positive clinical trial results for prostate cancer.

Performance as at 31 December 2024

	Gross %	Out-performance % [^]	Benchmark % [*]
1 Month	-2.17%	0.90%	-3.08%
3 Months	-1.08%	-0.28%	-0.81%
6 Months	5.56%	-1.38%	6.94%
1 Year	8.81%	-2.58%	11.39%
3 Years (pa)	10.8%	3.74%	7.06%
5 Years (pa)	9.87%	1.91%	7.96%
10 Years (pa)	10.36%	1.85%	8.51%
Since inception (pa) [*]	9.31%	1.68%	7.63%

^{*} S&P/ASX 300 Accumulation Index.

[^] Shows 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.

Summary

Model Portfolio Name	BlackRock Equity Yield Focus
Model Code	BR0005
Model inception date	4/11/2005
Principal investment objective	Tax effective and growing income stream
Can derivatives be used?	Yes
Indicative number of stocks	Up to 40
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 300 Accumulation Index^

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

^ Adjusted for franking credits.

About the Model Portfolios

Investment objective

The primary aim of the BlackRock Equity Yield Focus Model Portfolio (the "Model") is to provide the investor with a tax effective and growing income stream sourced primarily from dividend payments by companies listed on the Australian Stock Exchange. Through investing in equity markets there is also the prospect of capital gains over time.

Investment strategy

The investment objective of the Model is pursued by investing in a moderately diversified portfolio of shares, whilst maintaining low portfolio turnover levels. The Model invests in stocks which are expected to pay grossed-up dividend yields (including anticipated special dividends) in excess of the market average over the medium term. A portfolio of these stocks is developed in a manner which aims to ensure that industry exposures are diverse.

Designed for investors who...

- Seek a tax-effective income stream with some capital growth
- Accept the risk that some volatility will be experienced