

iShares Australian Equity Index

Product Type
Wholesale

Legal Type
Investment Trusts

Fund Status
Open

Manager's Quarterly Comments 30 Jun 2019

The Index gained +8.0% over the quarter, outperforming most of its global peers and reaching its highest level in 10 years, following the unexpected re-election of the Liberal National coalition government in May. Economic data started the quarter with a flat inflation print for the Q1, the weakest quarterly result in three years, taking the annual inflation rate to +1.3% and further away from the RBA's target of 2-3%. GDP numbers were also disappointing (the weakest results since 2009), with the Australian economy up +0.4% over Q1 (compared to 1% for 1Q2018). Although higher commodity exports and strong government expenditure helped, the result was dragged down by weak household spending and the rapidly cooling residential construction sector. Unemployment remained steady at 5.1% with wages growth also failing to pick up. As expected, the RBA delivered a 25bps rate cut in June, with markets pricing in further easing within the next year. As a result, AUD softened against most major currencies and finished the quarter at US70.0c. Q2 was generally positive across sectors. Communications Services (+12.2%) was driven by the strong performance of Diversified Telecom Services companies. Health Care (+11.5%) was another positive sector driven by Health Care Equipment and Biotechnology. Financials (+10.8%) had a positive quarter helped by the four major banks. Transportation Infrastructure contributed to the performance of the Industrials (+9.1%) while Materials (+7.8%) benefitted from the strong performance of the gold miners as demand for the precious metal continued to lift the price higher. Consumer Discretionary (+6.0%) and Consumer Staples (+5.9%) also finished the quarter higher while Real Estate (+4.1%) was boosted by the surprise election result from the Liberal National coalition. The worst performing, and only negative sector, was Energy (-0.2%) as the drop in the oil price continued to be a drag on energy name.

PDS Objective

The Fund aims to provide investors with the performance of the market, before fees, as measured by the S&P/ASX 300 Accumulation Index (the "Index").

Fund Investment Strategy

The Fund aims to provide investors with the performance of the market, before fees, as measured by the S&P/ASX 300 TR Index (index). To achieve its investment objective the Fund invests substantially all of its assets in units of the iShares Wholesale Australian Equity Index Fund (underlying fund), another fund managed by the company which has the same investment strategy as the Fund. The underlying fund invests in the Australian stocks that form the index.

Fees

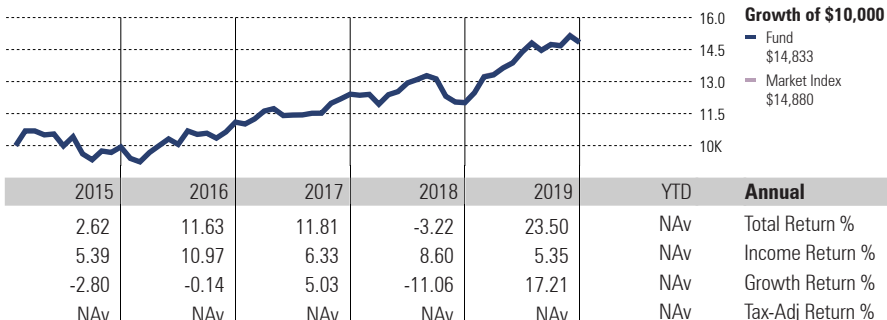
One-time

Entry Fee/Contribution Fee	0.00%
Exit Fee/Withdrawal Fee	0.00%
Buy/Sell Spread	0.16%

Annual

ICR pa (30 Jun 2018)	0.20%
Performance Fee pa (30 Jun 2018)	0.00%
Management Fee pa	0.20%
Admin Fee pa	0.00%

Performance 31 Dec 2019



Trailing	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr
Total Return %	3.10	23.50	10.15	8.89	7.59
Income Return %	1.87	5.35	6.75	7.31	5.83
Growth Return %	1.17	17.21	3.07	1.23	1.50
Tax Adjusted Return %	NAv	NAv	NAv	NAv	NAv
Market Index %	3.06	23.40	10.26	8.97	7.86

Market Index: S&P/ASX 200 TR AUD

Asset Allocation

Composition (30 Nov 2019)	% Assets
Domestic Equity	100.00
Int'l Equity	0.00
Listed Property	0.00
Unlisted Property	0.00
Dom Fixed Interest	0.00
Int'l Fixed Interest	0.00
Cash	0.00
Other	0.00

Risk Measures

	1yr	5yr	15yr
Standard Deviation	8.5	10.72	12.9
Sharpe Ratio	2.4	0.68	0.36
Alpha	0.33	-0.05	-0.26
Beta	0.99	1.0	1.0
R-Squared	99.95	99.96	99.93

Upside/Downside Capture

Upside Capture	99.73	99.26	99.27
Downside Capture	96.91	99.41	100.59
Batting Averages	58.33	55.0	41.11

Portfolio 31 Dec 2019

Top 10 Stock Holdings	Sector	% Assets	Top 5 Sector Weightings	% Assets
Commonwealth Bank of Australia	Financial Services	7.62	Financial Services	29.52
CSL Ltd	Healthcare	6.76	Basic Materials	17.06
BHP Group Ltd	Basic Materials	6.21	Healthcare	10.36
Westpac Banking Corp	Financial Services	4.51	Industrials	8.40
Australia and New Zealand Banking Group Ltd	Financial Services	3.86	Real Estate	7.69
National Australia Bank Ltd	Financial Services	3.85		
Woolworths Group Ltd	Consumer Staples	2.57	Top 5 Countries	% Assets
Wesfarmers Ltd	Consumer Staples	2.54	Australia	95.68
Macquarie Group Ltd	Financial Services	2.36	New Zealand	1.53
Telstra Corp Ltd	Telecommunications	2.28	United Kingdom	1.03
			United States	1.02
			Papua New Guinea	0.52

Sustainability Info 31 Oct 2019

Portfolio Sustainability Score	25 / 100
Environmental	6 / 100
Social	10 / 100
Governance	8 / 100

Based on 98% of AUM.

The Morningstar Portfolio Sustainability Score is an asset-weighted average of Sustainalytics' company-level ESG Risk Rating. The Sustainalytics' company-level ESG Risk Rating measures the degree to which a company's economic value may be at risk driven by ESG issues. The ESG Risk Rating evaluates the remaining unmanaged ESG risk exposure of a company after taking into account its management of such risks. The score is not an evaluation of the fund's performance or overall investment merit.

Operations**Investment Details**

APIR Code	BGL0034AU
Fund Inception	14 Aug 1998
Net Assets (Mil) 30 Nov 2019	\$1,098.16
Entry Price 10 Jan 2020	\$1.3964
Exit Price 10 Jan 2020	\$1.3941

Manager Info

Responsible Entity(RE)	BlackRock Investment Mgmt (AUS) Ltd
RE Telephone	02 9272 2200
RE Website	www.blackrockinvestments.com.au
Fund Manager	BlackRock Investment Mgmt (AUS) Ltd

Distribution

Distributions Frequency	Quarterly			
Year Ended 30 June	2016	2017	2018	2019
Distributed CPU	13.59	7.83	10.88	6.94

Managed Fund Investment Detail Disclosure Statement - Basic

PDS Objective

Under this section of the Product Disclosure Statement (PDS), the manager outlines the goals and investment horizon of the product.

Fund Investment Strategy

Taken directly from the PDS, this paragraph reveals the fund manager's investment approach to achieve their stated objective.

Performance

Growth of \$10,000: The graph compares the growth of \$10,000 in a fund with that of a capital market index chosen by Morningstar and with that of the average growth for all funds in its Morningstar peer group. The index is an unmanaged portfolio of specified securities. The index and the category average do not reflect any initial expenses however the category average returns are net of ongoing fees. A fund's portfolio may differ significantly from the securities in the index.

Total return reflects performance without adjusting for sales charges but is adjusted to reflect all actual ongoing fund expenses and assumes reinvestment of distributions. Growth return is the percentage change in the scheme's soft close exit price adjusted for any capital re-organisation. Income return is the total return less growth return and reflects the level of distributions from a fund. For Australian funds, performance is not adjusted for taxation. For New Zealand PIE funds, tax credits are added back to the performance. For New Zealand non-PIE funds returns are calculated net of tax. Trailing returns for periods over one year are annualised.

Tax-Adjusted return is a pre-liquidation performance calculation for Australian funds only that assumes the taxed distribution amount (as opposed to the gross distribution amount used in the total return calculation) is reinvested.

Asset Allocation

The composition graphic represents a breakdown of the fund's holdings into general investment classes based on surveyed data provided by the fund manager.

Top 10 Stock Holdings: The largest equity exposure of a fund's portfolio. Portfolio holdings information is based on the most recent information available to Morningstar.

Top 5 Sector Weightings: The Morningstar sector structure divides the stock universe into 129 industries ranging from semiconductors to medical equipment. These industries are classified into 41 industry groups, which are then used to construct 12 separate sectors.

Top 5 Countries: The largest geographical exposure of a fund's stock assets. Country assignments are based on the primary exchange where each stock is traded.

Risk Measures

Standard Deviation: A statistical measure of the volatility of the fund's returns.

Sharpe Ratio: A risk-adjusted measure to determine reward per unit of risk.

Alpha: A measure of the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta.

Beta: A measure of systematic risk with respect to a benchmark.

R-Squared: Reflects the percentage of a fund's performance that can be explained by movements in its benchmark.

Upside Capture Ratio: Measures fund manager's performance in up markets relative to the market (benchmark) itself. It is calculated by taking the fund's upside capture return and dividing it by the benchmark's upside capture return.

Downside Capture Ratio: Measures fund manager's performance in a down markets. A down-market is defined as those periods (months or quarters) in which market return is less than 0. It determines what percentage of the down-market was captured by the manager.

Batting Averages: A measure of a manager's ability to consistently beat the market. It is calculated by dividing the number of months in which the manager beat or matched an index by the total number of months in the period.

Fees

Entry Fee/Contribution Fee: The amount paid or payable against the initial, and any subsequent, contributions made into a product by or for a retail client for the product.

Exit Fee/Termination Fee: The amount paid or payable on the disposal of all interests held in a financial product.

Buy/Sell Spread: The difference between the price at which you can buy a unit and sell a unit on any given day. This is a transaction cost incurred by the investor that reflects the actual or estimated transaction costs incurred by the fund in dealing with the underlying securities.

ICR: The Indirect Cost Ratio is a ratio of the fund's management costs that are not deducted directly from a member's or product holder's account, to the fund's total average net assets. Note: A dollar-based fee charged directly against a member's account, such as management cost is not included in the indirect cost ratio.

MER: The Management Expense Ratio, usually expressed as an annual percentage figure as a proportion of the Net Asset Value of the Fund, is the amount of an investor's money invested the Fund Manager takes each year to pay for the costs of operating and marketing the Fund.

Performance Fee: The amount paid or payable, calculated by reference to the performance of a product or fund above a specified hurdle rate.

Management Fee: The percentage deducted from a fund's average net assets to pay the investment manager for managing the fund's investments. For tiered fee structures, it is the highest fee. It is collected from the prospectus.

Admin Fee: The percentage fee deducted for general

administration of the fund. For tiered fee structures, it is the highest fee.

Portfolio Sustainability Score

The Morningstar Portfolio Sustainability Score is an asset-weighted average of Sustainalytics' company-level ESG Risk Rating. The Sustainalytics' company-level ESG Risk Rating measures the degree to which a company's economic value may be at risk driven by ESG issues. The ESG Risk Rating evaluates the remaining unmanaged ESG risk exposure of a company after taking into account its management of such risks. The score is not an evaluation of the fund's performance or overall investment merit.

Portfolio Sustainability Score is rendered on a 0-100 scale, where lower scores are better, using an asset-weighted average of all covered securities. To receive a Portfolio Sustainability Score, at least 67% of a portfolio's assets under management must have a company ESG Risk Rating.

Operations

Minimum Initial Investment: The smallest investment amount accepted by the product to establish a new account.

Minimum Additional Investment: The amount required to make subsequent investments in the product.

Minimum Withdrawal: The smallest amount that can be taken out of the product at one time.

Distributions Frequency: The number of times per year a fund intends to distribute for the life of the offer document.