

BLACKROCK INDEXED AUSTRALIAN EQUITY FUND

BLACKROCK WHOLESALE INDEXED AUSTRALIAN EQUITY FUND

BLACKROCK®

FUND UPDATE

30 April 2017

Investment Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	Since Incep
BlackRock Wholesale Indexed Australian Equity Fund* (Gross of Fees)	0.98	6.57	5.75	17.52	7.26	10.77	8.68
S&P/ASX 300 Accumulation Index (Gross of Fees)	0.98	6.57	5.74	17.50	7.26	10.76	8.59
Outperformance (Gross of Fees)	0.00	0.00	0.00	0.03	0.00	0.00	0.10
BlackRock Indexed Australian Equity Fund^ (Net of Fees)	0.97	6.53	5.69	17.35	7.10	10.59	8.62
S&P/ASX 300 Accumulation Index (Net of Fees)	0.98	6.57	5.74	17.50	7.26	10.76	8.83
Outperformance (Net of Fees)	-0.02	-0.04	-0.06	-0.15	-0.16	-0.17	-0.21

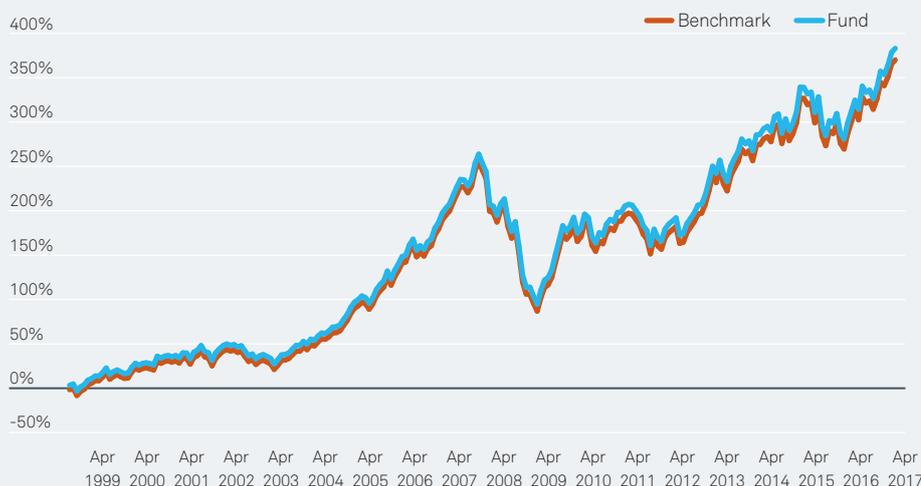
* Fund inception: 31/05/1998. ^Fund inception: 31/10/1998.

Past performance is not a reliable indicator of future performance. Gross returns are calculated before fees and taxes and assume reinvestment of distributions. Net performance is calculated on exit-to-exit price basis, e.g. net of ongoing fees, performance fees and expenses.

Visit BlackRock.com.au for further information, including:

- Market Insights & Commentary
- Fund Performance
- Unit Prices

Cumulative Fund Performance (Gross of Fees) to 30 April 2017



Market Review

The S&P/ASX300 Accumulation Index ended the month higher (+1.0%) performing well over the latter half of April. Initially the 'reflation trade' took a pause as investors considered weaker economic data from the US, the possibility of an unfavourable French Presidential election outcome, and rising geopolitical risks. By the end of the month the market had resumed its upward trajectory, as the French election looked less of an issue and the US released a plan for significant tax cuts. Commodities were mostly lower over the month, including oil, base metals and especially iron ore.

The RBA kept rates unchanged for the month, even as they noted higher debt levels in the rising housing market. The central bank noted that household borrowing continued to outpace household income, and looked to banks independently increasing interest rates and improving lending standards to help temper demand. The unemployment rate was better than expected, though the headline rate remained unchanged at 5.9%. Even though more full time jobs were created this was completely offset by a rise in the participation rate to 64.8%. Inflation for the first quarter rose by 0.5%, taking the annual number to 2.1% (underlying 1.8%) as the negative first quarter in 2016 rolled off. The 2017 number was pushed higher by rising fuel, energy and health care costs. The Australian dollar was not helped by weak commodity prices and fell ending the month at US74.8c.

Some large moves in a number of the larger companies helped drive sector returns. Industrials (+4.1%) was the best performing sector over the month, helped by gains in Transurban and Brambles. Other sectors that performed well included; Information Technology (+3.5%) led by Computershare, Health Care (+3.4%) mainly through CSL, and Utilities (+3.1%). The two worst performing sectors were Telecommunications (-9.5%), driven by the fall in Telstra after TPG Telecom signalled its intention to build a mobile network, and Consumer Staples (-2.5%) with Wesfarmers drifting lower.

The best performing stock for the month was Mesoblast (MSB +38.2%) with the company announcing a successful interim result for its phase 3 trial for chronic heart failure. The worst performing stock for the month was Ten Network (TEN -52.6%) after the company announced a large loss and that it would require an extension on a debt facility to remain as a going concern.

In Equity Capital Markets there were 29 significant transactions for the quarter, totalling \$2.0b. This consisted of 16 placements (\$843m), 5 entitlements (\$618m), 4 IPOs (\$544m), and 4 rights issues (\$40m).

About the Fund

Investment Objective

The Fund aims to match the performance of the S&P/ASX 300 Accumulation Index before fees.

Fund Strategy

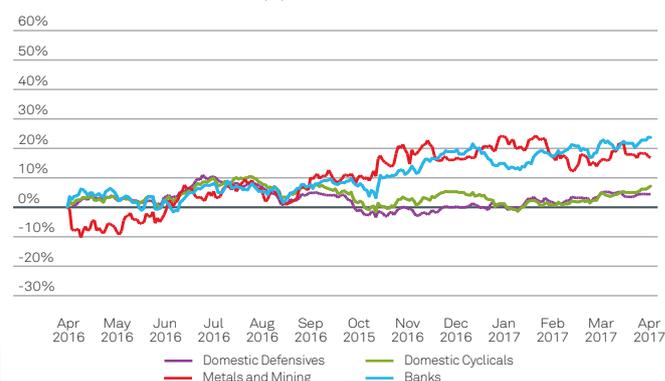
The strategy uses a full-replication approach to match the performance of the benchmark. This approach aims to purchase every security in the relevant index. We take into consideration the short-term transaction costs associated with acquiring a particular stock. Each security is held in the portfolio at, or close to, its index weight. As a result, security-level tracking error and security-specific risk are minimised.

Should be considered by investors who ...

- ▶ Seek broad exposure to the Australian equity market.
- ▶ Seek a fund that uses a full-replication approach.
- ▶ Seek a fund that minimises transaction costs and engages in securities lending and other value-adding strategies to offer investors returns that match those of the Australian share market before fees.
- ▶ Have a long term investment horizon.

Australian Market Drivers

Cumulative Factor Relative Return (%)



Global macro factors dominated the domestic market in January

Source: IRESS

Sector Exposure (%)

Sector	Weight
Energy	4.19
Materials	15.33
Industrials	6.87
Consumer Discretionary	4.94
Consumer Staples	6.96
Healthcare	6.93
Financials Ex A-Reit	38.29
A-Reit	8.42
Information Technology	1.25
Telecommunications Services	3.53
Utilities	2.72

Top 10 Holdings

Stock
Commonwealth Bank Of Australia
Westpac Banking Corporation
Australia And New Zealand Banking
National Australia Bank Ltd
BHP Billiton
CSL Ltd
Telstra Corporation Ltd
Wesfarmers Ltd
Woolworths Ltd
Macquarie Group Ltd

Fund Details

BlackRock Indexed Australian Equity Fund	
APIR Code	BGL0034AU
Fund Size	609 mil
Buy/Sell Spread	0.12%/0.12%
Management Fee	0.20% p.a.

BlackRock Wholesale Indexed Australian Equity Fund	
APIR	BGL0005AU
Fund Size	2,297 mil
Buy/Sell Spread	0.12%/0.12%
Number of Stocks in Fund	306
Number of Stocks in Benchmark	300
Tracking Error	0.04%

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