

# Model Portfolio Update

MARCH QUARTER 2010

FOR INTERMEDIARY USE ONLY

# BLACKROCK

## BlackRock Property Securities Index (BR0007)

### Market Overview

- The A-REIT sector finished the March quarter down, recording a return of -1.5%, underperforming the broader Australian equity market
- While some positive signs of stabilisation emerged from reporting season, an air of caution was apparent – a cautious approach was taken by A-REITs in their outlook statements. Tactical allocation out of the A-REITs, profit taking by offshore funds off the back of a strong AUD, and a rally in bond yields were behind the sector weakening in March.
- The painful deleveraging process through heavily discounted capital raisings is now complete. Recent improvement in transactional activity and management commentary during reporting season has also provided evidence of asset values now stabilising. In the short term, it is likely we will see those REITs still trading at significant discounts to NTA to trade up closer to a now more stable NTA, particularly those with Australian assets. NTA stabilisation may also provide fertile ground for increased IPO activity. Other than this, focus continues to be on earnings and the search for leverage to any economic recovery. However it is also clear that the equity raisings have diluted earnings and the market will monitor closely the impact of rising interest rates on A-REIT debt costs.

### Performance as at 31/3/2010

	Gross	S&P/ASX 200 A-REIT Accum Index	Out-performance*
1 Month	-0.03%	-0.05%	0.03%
3 Months	-1.21%	-1.51%	0.30%
6 Months	-6.01%	-6.44%	0.44%
1 Year	41.95%	40.55%	1.39%
2 Years (pa)	-19.37%	-22.83%	3.46%
3 Years (pa)	-20.05%	-22.83%	2.78%
Since Inception (pa)^	-13.61%	-16.04%	2.43%

\* Shows the difference between Portfolio Gross Return and Benchmark Return.  
^ Model performance inception date: 16/8/2006

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 fund 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 Portfolio

#### Investment objective

The BlackRock Property Securities Index Model Portfolio (the "Model") seeks to match the total return of the S&P/ASX 200 A-REIT Accumulation Index, before taking into account Model fees and expenses.

#### Investment strategy

The investment objective of this Model is pursued by investing in a representative sample of securities held in the S&P/ASX 200 A-REIT Accumulation Index.

The index is comprised of listed vehicles classified as Property Trusts, in the Australian stock market. The Model may invest in securities that have been or are expected to be included in the index.

#### Designed for investors who...

- Seek exposure to listed property trusts
- Are happy to receive index returns without any active investment management
- Accept risks consistent with listed property trusts

### Top 10 Holdings as at 31/3/2010

Commonwealth Property Office Fund  
CFS Retail Property Trust  
Charter Hall Office REIT  
Dexus Property Group  
Goodman Group  
GPT Group  
ING Office Fund  
Mirvac Group  
Stockland Group  
Westfield Group

### Summary

Model Portfolio name	BlackRock Property Securities Index
Model Code	BR0007
Model inception date	24/07/2006
Principal investment objective	Match total return (income and growth) of the S&P/ASX 200 A-REIT Accumulation Index
Can derivatives be used?	No
Indicative number of stocks	Up to 30
Minimum Model investment	No fixed minimum*
Model Provider's Fees*	
Investment Fee	Nil
Performance Fee applicable?	No
Benchmark Index	S&P/ASX 200 A-REIT Accumulation Index

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

If you have any queries relating to any of this information or to obtain a copy of the BlackRock Customised Portfolio Service Product Disclosure Statement (PDS), please contact your Account Manager or Adviser Services on 1300 366 101.

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