

Model Portfolio Update

MARCH QUARTER 2010

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BLACKROCK

BlackRock Resources (BR0011)

Market Overview

- March saw the Australian equity market have its biggest monthly gain in six months and recorded its highest monthly close since August 2008. In contrast the performance for the quarter as a whole was much more subdued with the S&P ASX/200 Accumulation Index ending the quarter up just 1.4%. Investor focus was centred on 'reporting season' as most ASX 200 companies reported earnings for the first half of the 2010 financial year. Overall earnings reports saw positive surprises outweighing negative ones, but guidance and outlook statements were frequently guarded.
- We see further evidence of earnings leverage to an improving economy in a generally better than expected reporting season, and we remain focused on the shape of the recovery. Continued strength in expectations for GDP growth, housing data and strengthening employment growth is encouraging, although we believe that the outlook for retail sales growth could be weaker than expected, with the roll off of fiscal stimulus more material than implied by the market. Strength in Asian economies, led by China, remains significant.
- Material stocks gained during the quarter helped by the establishment of quarterly coking coals contracts into Japan at around USD200/tonne. Bulk commodities prices were stronger in March and potentially positive Iron Ore pricing arrangements boosted positive sentiment within the sector.

Performance as at 31/3/2010

	Gross	S&P/ASX 200 Top 25 Resources Accum Index	Out-performance*
1 Month	8.41%	8.99%	-0.58%
3 Months	1.17%	0.67%	0.50%
6 Months	5.92%	5.54%	0.38%
1 Year	29.30%	30.12%	-0.83%
2 Years (pa)	3.91%	3.49%	0.43%
3 Years (pa)	8.72%	8.51%	0.21%
Since Inception (pa)^	9.45%	9.39%	0.05%

* Shows the difference between Portfolio Gross Return and Benchmark Return.

^ Model performance inception date: 22/2/2007

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 Resources Model Portfolio (the "Model") aims to track the performance of the top 25 stocks, ranked by their weight in their respective sector, when the Energy and Materials sectors of the S&P/ASX 200 Accumulation Index are combined.

Investment strategy

The investment objective of the Model is pursued by investing in a basket of securities listed on the ASX whose businesses are predominantly involved with the following activities: the construction or provision of oil rigs, drilling equipment and/or transportation of oil and gas products, coal and other consumable fuels and other energy related service and equipment, including seismic data collection; or, companies engaged in the exploration, production, marketing and refining.

The Model will also invest in companies that manufacture chemicals, construction materials, glass, paper, forest products and related packaging products, and metals, minerals and mining companies, including producers of steel.

Designed for investors who...

- Seek exposure to energy and material sectors of the ASX
- Are happy to receive market returns
- Accept the risk of significant price fluctuations

Top 10 Stocks as at 31/3/2010

Arrow Energy Ltd
BHP Billiton Ltd
Newcrest Mining Limited
Oil Search Ltd
Orica Ltd
Origin Energy Ltd
Rio Tinto Ltd
Santos Ltd
Woodside Petroleum Ltd
Worleyparsons Group Ltd

Summary

Model Portfolio name	BlackRock Resources
Model Code	BR0011
Model inception date	22/02/2007
Principal investment objective	To track the performance of the top 25 listed stocks of a 50/50 ranked combination of the Materials and Energy sectors of the ASX
Can derivatives be used?	No
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

* 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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