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Model Portfolio Update

Perennial Australian Property (PE0001) March Quarter 2010

Market Outlook

Generally, economic data continues to be positive, indicating strength in the Australian economy. Cyclical stocks continue to outperform for the moment. The residential market has remained very strong. However, stocks with residential exposure have, to a large extent, priced in this upside to earnings for at least the next one to two years. The office markets still remain tepid, with tenant demand recovering and stronger employment numbers indicating that demand will continue to recover. Retail continues to perform solidly, but will have limited upside in a recovery scenario.

The Portfolio continues to be positioned towards stocks with stable, recurring high quality income streams, with a focus on high quality assets displaying robust underlying fundamentals as well as strong balance sheets.

Model Portfolio Activity

During the quarter, the Portfolio increased its weighting to the Westfield Group and the GPT Group. The Portfolio also decreased its holdings in the Dexus Property Group.

Top 10 Holdings

- Westfield Group
- Stockland
- GPT Group
- Mirvac Group
- CFS Retail Property
- Goodman Group
- Dexus Property Group
- Commonwealth Prop
- ING Industrial Fund
- ING Office Fund

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About the Model Portfolio

The aim of the Perennial Australian Property Model Portfolio is to provide a total return (after model fees) that exceeds the S&P/ASX 200 Property Accumulation Index, measured over rolling three-year periods.

Model Portfolio Strategy

The Perennial Australian Property Model Portfolio invests in listed or soon to be listed, Australian property securities, with exposure to a number of property sectors, including commercial and retail sectors, which Perennial believes can offer superior capital growth and income. Perennial places emphasis on bottom-up property securities research.

The Model Portfolio will hold approximately 15 securities, with a minimum of 10 and a maximum of 20.

Model Portfolio Designed for Investors Who...

- Have an investment horizon of four years or more
- Seek exposure to Australian property markets.

Summary

Model Portfolio Name	Perennial Australian Property
Code	PE0001
Model inception date	01/07/2007
Principal investment objective	To provide a total return (after model fees) that exceed the S & P/ASX 200 Property Accum. Index, measured over rolling three-year periods. Strong absolute returns over medium to long term
Can derivatives be used?	No
Indicative number of stocks	10-20
Minimum Model investment	No fixed minimum*
Model Providers Fees*	
Investment Fee	0.60% p.a.
Performance Fee applicable	Yes
Benchmark Index	S&P/ASX 200 Property Accumulation Index

If you have any queries relating to any of this information or to obtain a copy of the Product Disclosure Statement, please contact BlackRock's Adviser Services Centre on 1300 366 101.

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