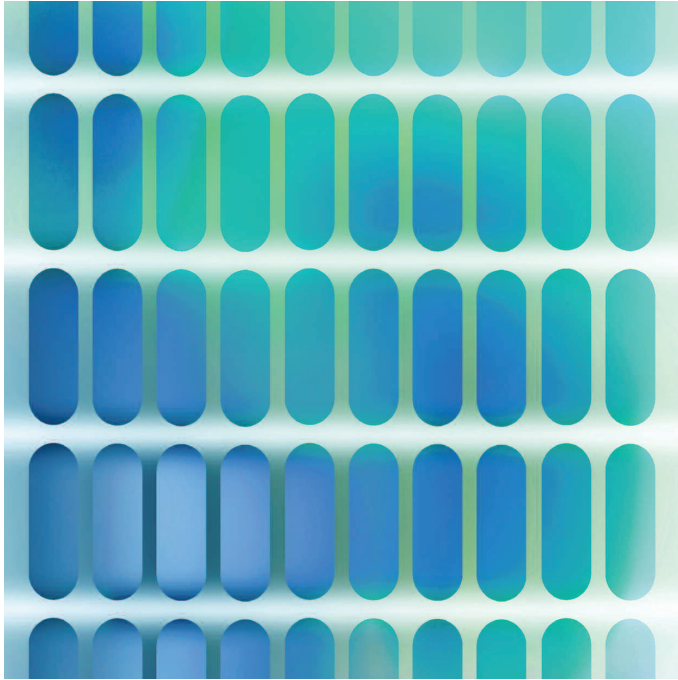


# BlackRock's Capital Protected Top 20

## Fact Sheet

For Adviser use only

# BLACKROCK



BlackRock's Capital Protected Top 20 is a new offering, available through the Separately Managed Accounts (SMA), that provides investors exposure to blue chip securities within the S&P/ASX 20 Index with the added assurance of 100% capital protection on maturity.

### Investment Strategy

BlackRock's Capital Protected Top 20 offers investment in the BlackRock Top 20 Price Index Model Portfolio, which aims to match the return of the S&P/ASX 20 Index before taking into account Model Portfolio fees and expenses. The Index is comprised of the 20 largest and most liquid securities in the Australian stock market. The Model Portfolio may invest in securities that have been, or are expected to be, included in the Index.

### Key features

- **100% Capital Protection** if your clients hold their investment until maturity.
- **Maintain exposure to the top 20 Australian shares.** Even if capital protection is applied, a portion of your clients' investment maintains exposure to the market until maturity, i.e. the investment will never be fully locked into cash.
- **Beneficial ownership** of the underlying securities. Your client is the beneficial owner of the securities in their Personal Portfolio. As a result they are able to access franking credits and perform individual tax parceling.
- **Income is paid to your clients' linked bank account** on a monthly basis.
- **Tax deductible fees.** A portion of the Capital Management Fee is tax deductible, as well as the entire Administration Fee.
- **Portfolio transparency.** Investors can see the underlying securities they own as an individual portfolio online. They can also view the daily performance and valuations of their portfolio, dividends and franking credits as they are received, purchases and sales, and any associated brokerage costs.
- **Fewer trades.** Investors' securities, allocated across any number of investment models, are grouped so that they behave like a single share portfolio (blending). Securities are also 'netted', where prospective purchases and sales are matched against each other before market trades take place. Blending and netting occurs automatically at an individual level and across the entire SMA.
- **Low brokerage costs.** All trades are executed at wholesale rates (generally costing less than 5 basis points per trade) and the number of trades are reduced through the process of blending and netting that occurs within the SMA.

### Who should consider investing

The Capital Protected Top 20 should be considered by investors who:

- seek exposure to Australian equities through a portfolio of large capitalisation stocks;
- are happy to receive index returns without any active investment management; and
- accept the risk of significant price fluctuations.

## How Capital Protection works

BlackRock has entered into a capital protection agreement with Deutsche Bank, AG to provide 100% capital protection over your clients' account by managing a Capital Protection Strategy. The components of the Capital Protection Strategy are:

1. a Dynamic Management Strategy that involves varying the securities exposure if threshold values are breached; and
2. a Static Strategy that maintains exposure to securities at all times.

Managing the Capital Protection Strategy with these components ensures that your clients will receive their capital protected amount at maturity.

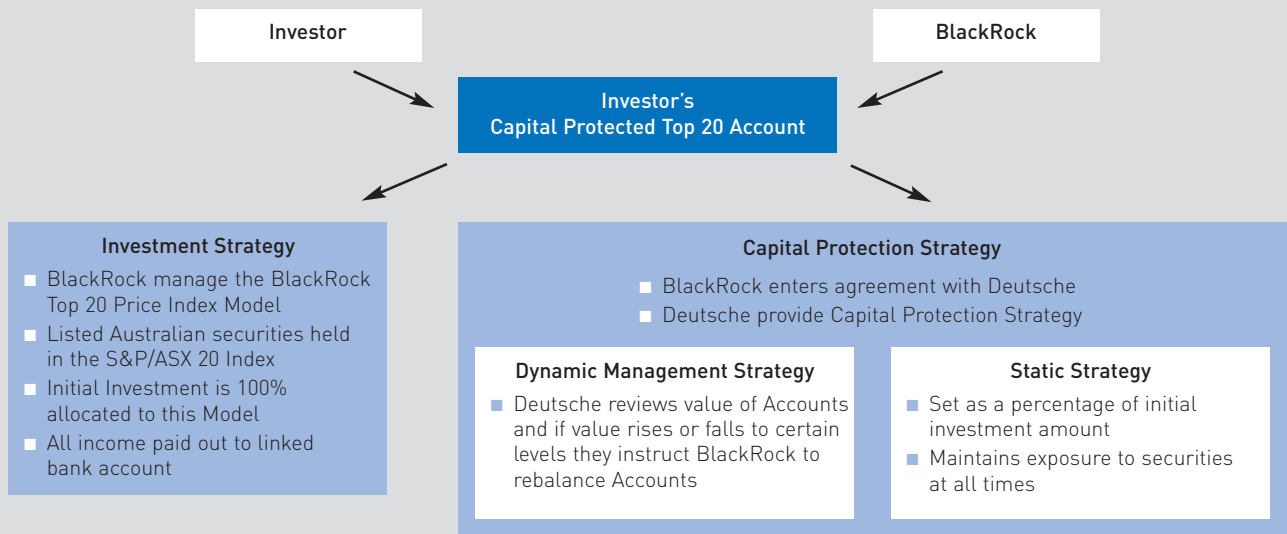
The Dynamic Management Strategy is an actively managed approach whereby Deutsche will review the value of accounts in the Capital Protected Top 20. If the value of the security holdings falls to a certain level they will reduce the exposure to securities. The proceeds of the reduction are invested in a cash deposit with Deutsche. This strategy seeks to ensure that capital protection can be achieved at maturity. If the value of accounts rises again to a certain level, the allocation to securities would be increased.

The Static Strategy ensures a portion of your clients' initial investment maintains exposure to the Model Portfolio (the underlying securities). It achieves this by setting a percentage of the initial investment amount to remain exposed to securities. It is important to note that as the market moves, the value of this set component will also vary.

## Investing in the BlackRock Capital Protected Top 20

<b>Model Portfolio Name and Code</b>	BlackRock Top 20 Price Index Model (BR0013) referred to as Investment Strategy
<b>Investment Period</b>	7 years
<b>Offer End Dates</b>	30 June, 1 November & 1 March annually
<b>Minimum Investment Amount</b>	\$50,000
<b>Fees</b>	<ol style="list-style-type: none"> <li>1. Administration Fee: up to 0.60% p.a.</li> <li>2. Capital Management Fee: 3.50% p.a.</li> <li>3. Adviser Service Fee: up to 1.10% p.a.</li> </ol> <p>All fees are deducted from a linked bank account.</p>
<b>Early Withdrawals</b>	Partial withdrawals are not allowed and capital protection does not apply on early withdrawal. An Early Withdrawal Fee is applicable and is calculated daily.

## Overview of the Capital Protected Top 20



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## Further information

If you have any queries relating to any of this information, or to obtain a copy of the Capital Protected Top 20 Product Disclosure Statement (PDS) please contact your Account Manager or our Adviser Services Centre.

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