

BlackRock Customised Portfolio Service

Customisations Quick Reference Guide

This guide has been written to provide you with a user friendly resource that you can easily refer to when tailoring your clients' portfolios.

The aim of this document is to:

- ▶ provide you with a summary of customisations;
- ▶ enable you to gain a better understanding of customisations; and
- ▶ clearly outline how to use customisations effectively.

Minimum trade size

Your clients may determine a minimum trade size. This means that securities in their personal portfolios will generally only be traded if the trade size is greater than or equal to that of the specified minimum trade size.

A minimum trade size is applied per security, per trade. If your PDS does not state a minimum trade size, and if you have not set a minimum trade size, then a default minimum trade size will be applied. This default is 0.2% of your client's account value per security, per trade for accounts under \$50,000, and \$100 per security, per trade for client's accounts valued at \$50,000 and above.

When determining a minimum trade size your clients should carefully consider the following:

- ▶ the number of securities held in their personal portfolios
- ▶ additional contribution amounts to be made to their personal portfolios
- ▶ the overall investment amount

Setting a minimum trade size per security will generally ensure that trades (buys or sells) of a value less than the nominated amount will not be executed.

Setting a minimum trade size may also result in the performance of your clients' personal portfolios deviating from the performance of the model portfolio(s). A low minimum trade size will result in closer alignment with the model portfolio, but is also likely to increase the number of transactions in your clients' personal portfolios.

A minimum trade size of more than 1% of the account value may result in trades that have an adverse impact on your clients' personal portfolios eg. personal portfolios may be overdrawn.

1. Number of units

An order will not be created for your clients' personal portfolios unless it is for at least the specified number of units.

2. Percentage of account value

An order will not be created for your clients' personal portfolios unless the value is at least the specified percentage of the total value of the account.

3. Dollar amount

An order will not be created for your clients' personal portfolios unless its value is at least the specified dollar amount.

Please note that minimum trade sizes do not apply if the linked model(s) sell out of a security. Market movements may also result in an executed trade being less than the minimum trade size.



Tolerances: Number of Units % of Account Value Dollar Amount

Note: If you do not have a value for a field tolerance – you must enter '0'.

Example:

- ▶ 20 units. Only trades of at least 20 units of each security will be executed
- ▶ 20 BHP @ \$34.20 = \$684.00 investment in BHP
- ▶ 20 TLS @ \$3.20 = \$64.00 investment in TLS

Example:

- ▶ 0.20% of \$100,000 portfolio = \$200. Only trades of at least \$200 for each security will occur
- ▶ 0.20% of \$50,000 portfolio = \$100. Only trades of at least \$100 for each security will occur
- ▶ 0.20% of \$10,000 portfolio = \$20. Only trades of at least \$20 for each security will occur

Example:

- ▶ \$200. Only trades of at least \$200 for each security will occur

Security substitution

Your clients' personal portfolios can be customised through security substitution, which allows them to avoid acquiring securities that they do not wish to hold, or already have sufficient exposure to, outside of the Customised Portfolio Service.

1. Security for Security


The model(s) target allocation to the excluded security will be added to the model's target allocation of the replacement security. Trading of the replacement security will mirror the model manager's buy and sell decisions on the excluded security. This is in addition to any trading of the replacement security, if it is in any of the model(s) your clients' personal portfolios are subscribed to. For example, RIO will trade in place of BHP in the model(s) shown in the image.

2. Security for Cash

The model(s) target allocation to the excluded security will be added to the target cash position of your clients' personal portfolios. If your clients wish to use this substitution, enter AUDCASH in the replacement security field.

3. Reallocate Security

The excluded security will not be bought, and the model(s) target allocation to it will be pro-rated among the other securities and cash in the model(s).



Excl. Security Code	Description	Repl. Security Code	Description
Delete BHP	BHP BILLITON LTD	RIO	RIO TINTO LTD

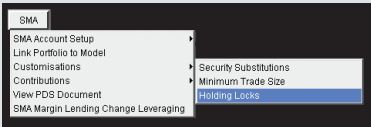
Excl. Security Code	Description	Repl. Security Code	Description
Delete BHP	BHP BILLITON LTD	AUDCASH	MAIN CASH ACCOUNT

Excl. Security Code	Description	Repl. Security Code	Description
Delete BHP	BHP BILLITON LTD		

Holding lock

Locking enables a client's personal portfolio to retain a specified minimum quantity of a security.

- ▶ A client's personal portfolio will only buy more of the security if the model(s) target allocation is greater than the client's personal portfolio holding of the security.
- ▶ Any additional holding above the minimum quantity will be included in trading.
- ▶ We will not sell the security below the minimum quantity.



Security Code	Description	Holding to Retain
BHP	BHP BILLITON LTD	100

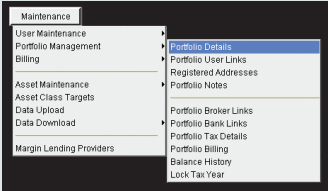
Fee payment options

1. Fee offset - ticked

Fees are deducted from your client's linked bank account on a monthly basis.

2. Fee offset - un-ticked

Fees are deducted from your client's cash position within their personal portfolio. This may result in a sell down of securities to replenish cash.



6. Direct Debit Authorisation

Regular Contribution Plan: Monthly Contribution:

Fee Offset: Subsequent new deposits can be made via Direct Debit:

6. Direct Debit Authorisation

Regular Contribution Plan: Monthly Contribution:

Fee Offset: Subsequent new deposits can be made via Direct Debit:

5. Nominated Bank Account (For cash withdrawals and direct debits)

* Bank: Westpac
 * BSB: 033000
 * Account Number: 000123456
 * Account Name: BLACKROCK

Re-invest Dividends back into the Portfolio?:

5. Nominated Bank Account (For cash withdrawals and direct debits)

* Bank: Westpac
 * BSB: 033000
 * Account Number: 000123456
 * Account Name: BLACKROCK

Re-invest Dividends back into the Portfolio?:

Income reinvestment

1. Re-invest dividends back into the Portfolio - ticked

Income will be re-invested according to the model(s) security and cash weight allocations.

2. Re-invest dividends back into the Portfolio - un-ticked

Income will be paid to your client's nominated bank account. Income will be paid at the start of the month for income received in the previous month. For example, income received in May will be paid to the nominated bank account at the start of June.

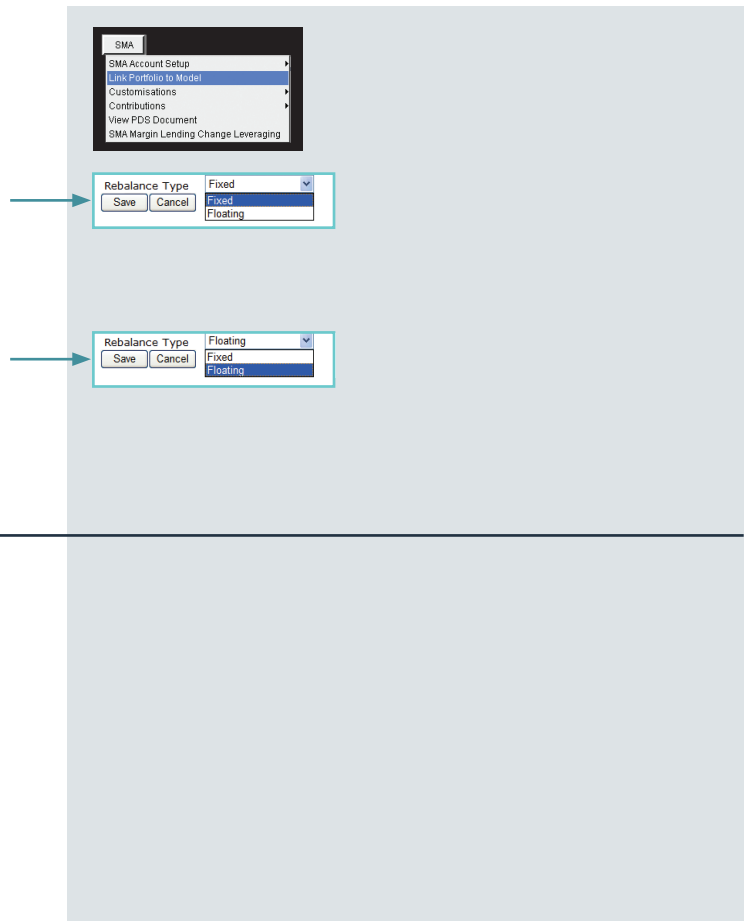
Model portfolio weighting

1. Fixed

The clients' personal portfolios will re-weight at every rebalance back to the original model portfolio weighting. Please note this may cause more trades in the portfolio, subject to minimum trade size.

2. Floating

This will allow the model portfolio weighting to float with the performance of the model. This means that when the selected model portfolios perform differently from each other, the relative proportion of the clients' personal portfolios attributable to each model portfolio, will move (float) away from the model portfolio weights that were originally selected.



Contributions

Additional contributions are invested into the model or combination of models according to current weightings. The actual investment in securities will vary according to, the security weights of the model(s) your clients are invested in, the amount of the additional contribution, and be subject to minimum trade size.

For example, if your clients contribute an additional \$1,000 and they subscribe 50% to two separate models, \$495 will be invested in each model and \$10 will be added to their cash position.

Issued by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFS Licence Number 230523 (BlackRock). BlackRock is the responsible entity for the Separately Managed Accounts (ARSN 114 818 530), referred to in this Guide as the Customised Portfolio Service (CPS). A Product Disclosure Statement (PDS) for the CPS is available from BlackRock. You should consider the PDS in deciding whether to acquire, or continue to hold, the CPS. BlackRock, its officers, employees and agents believe that the information in this document is correct at the time of compilation, but no warranty of accuracy or reliability is given and no responsibility arising in any other way for errors or omissions (including responsibility to any person by reason of negligence) is accepted by BlackRock, its officers, employees or agents. This document contains general information only and is not intended to represent general or specific investment or professional advice. The information does not take into account an individual's financial circumstances. An assessment should be made as to whether the information is appropriate in individual circumstances and consideration should be given to talking to a financial or other professional adviser before making an investment decision. No guarantee as to the capital value of investments in the CPS nor future returns is made by BlackRock.

For further information, or assistance with the customisations of your clients' personal portfolios, please contact our Adviser Services Centre:

Telephone: 1300 366 101

Email: clientservices.aus@blackrock.com

BLACKROCK