

- ▶ This newly available fund has one of the highest outperformance targets in the long/short Australian equities market (in the Lonsec peer group).
- ▶ The underlying strategy has exceeded its investment objectives since its launch in December 2001.\*
- ▶ The Fund is managed by an outstanding local investment team that leverages research from over 1,000 global investment professionals.
- ▶ Backed by BlackRock's highly regarded risk management systems.

### Investment objective

The BlackRock Australian Equity Opportunities Fund (the Fund) aims to provide returns (before fees) of 8% per annum above the benchmark (S&P/ASX 200 Accumulation Index) over rolling three year periods, through holding long and short positions across the Australian equity market.

The Fund targets 100% net market exposure and, through its underlying investments, has a maximum long exposure of 100% of NAV and a maximum short exposure of 100% of NAV.

At all times, through underlying investments in swaps and/or SPI futures contracts, the Fund is fully invested in the Australian equity market as defined by the S&P/ASX 200 Accumulation Index. By also obtaining exposure to a long/short strategy, the Fund aims to achieve superior returns to the S&P/ASX200 Accumulation Index.

### Fund strategy

The Fund aims to outperform the benchmark by gaining exposure to long and short positions across the Australian equity market. Key insights captured in our investment process include:

- ▶ **Analyst expectations:** Reactions to changing earnings forecasts are monitored to discern shifts in investor behaviour. We have found that investors generally under-react to changing earnings forecasts. This tendency allows us to predict the relative performance of stocks.
- ▶ **Relative valuation:** Company financial data is assessed to arrive at what we believe to be the underlying value of individual firms. Valuation models take into account asset values, earnings prospects and the potential for variability in forecasts over short and long term horizons.
- ▶ **Earnings quality:** Company financial data is analysed to determine earnings quality and sustainability. Measures of earnings quality and sustainability embrace financial strength, as well as discretionary accounting decisions made by company management and business operating efficiency.
- ▶ **Market signals:** We believe that the selling/buying of shares by market participants can signal prospective share price outperformance or underperformance over the medium term.
- ▶ **Timing:** By analysing market data, we are able to identify the dominance of specific investment styles, such as growth and value, at certain points in the investment cycle.

## FACT SHEET

### Key features

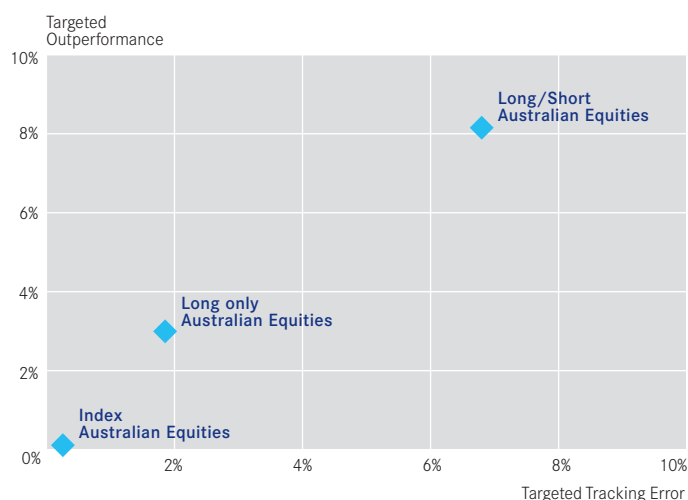
- ▶ Potential for superior returns relative to the S&P/ASX 200.
- ▶ The Fund is always fully invested in the Australian equity market through swaps and SPI futures contracts.
- ▶ Opportunity to add value through holding both long and short positions, rather than being constrained to just long only.
- ▶ Diversification through its varied exposure to a wide breadth of securities across the Australian stock market.
- ▶ A fee structure which is aligned with investor goals; that is, paying a performance fee only when superior performance is generated.
- ▶ The Fund benefits from BlackRock's significant buying power and scale, which helps to lower transaction and borrowing costs, and assists in delivering outperformance.
- ▶ Investing with the world's largest investment manager.

\* Past performance is not a reliable indicator of future performance. The BlackRock Australian Equity Opportunities Fund invests in the BlackRock Equitised Long Short Fund (inception date 18/12/2001).

## Portfolio fit

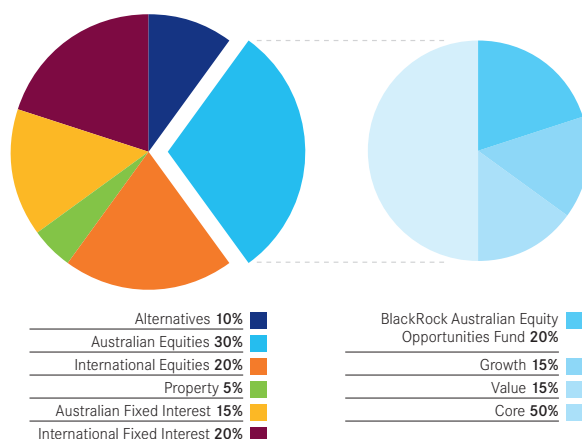
The graph below shows how long/short Australian equities investment strategy is positioned against indexed Australian equities and long only Australian equities investment strategies.

Investment strategies employed by other BlackRock funds



As the Fund always remains exposed to the Australian equity market, it could conceivably form part of the Australian equities allocation of a diversified portfolio, in a manner similar to that illustrated in the example below.

Example of an Australian equities allocation of a diversified portfolio



## Fees and other costs

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in and out of the Fund</b>		
<b>Establishment Fee</b> The fee to open your investment.	Nil	Not applicable
PLUS		
<b>Contribution Fee</b> The fee on each amount contributed to your investment.	Nil	Not applicable
PLUS		
<b>Withdrawal Fee</b> The fee on each amount you take out of your investment.	Nil	Not applicable
PLUS		
<b>Termination Fee</b> The fee to close your investment.	Nil	Not applicable
<b>Management Costs</b>		
<b>Management Fee</b> The fees and costs for managing your investment.	0.30% p.a.	The Management Fee is calculated in relation to the Net Asset Value (NAV) of the Fund. It is not deducted directly from your account. Instead this cost is deducted from the assets of the Fund. The fee is generally paid to us monthly in arrears (usually at the end of a month). The amount of this fee can be negotiated.
<b>Performance Fee</b> The fees and costs for managing your investment.	30%	The Performance Fee, if payable, is accrued and calculated daily and is generally paid to us from the assets of the Fund on a monthly basis.
<b>Service Fees</b>		
<b>Investment Switching Fee</b> The fee for changing investment options.	Nil	No specific switching fee is applicable, however, appropriate buy/sell spreads will apply.

Further information about fees and costs including transaction costs can be found in the "Fees and other costs" section of the PDS.

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### Further information

[www.blackrock.com.au](http://www.blackrock.com.au)

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