

BlackRock GSS Index Models

June 2025

MODEL PERFORMANCE COMMENTARY

Total portfolio returns were positive in Q2 amid a broad-based market rally: The GSS Index Models delivered returns ranging from +3.6% (Conservative) to +7.6% (Total Growth) in Q2 2025. Australian and Developed Market equities contributed as stocks bounced back strongly from their April lows and benefited from a temporary pause in US tariffs and robust corporate earnings. The appreciation of the Australian dollar also meant that the allocation to hedged Developed Market equities outperformed the allocation to unhedged Developed Market equities, although both delivered positive returns in Q2. Both Australian and Global Fixed Income further added to performance over the quarter.



Top Contributors*

Developed equities
Australian equities



Top Detractors*

N/A

MODEL PERFORMANCE SNAPSHOT

GSS Conservative Index Model	3M	6M	1 YR	3 YRS (p.a.)	5 YRS (p.a.)	Since inception (p.a.)
Portfolio (%)	3.6	3.0	8.6	7.1	4.1	4.5
Benchmark (%)	3.6	4.0	8.6	6.7	3.8	4.3

The Conservative model portfolio has an inception date of 19 April 2018. The benchmark is the Morningstar Aus Moderate Target Allocation NRA\$

GSS Balanced Index Model	3M	6M	1 YR	3 YRS (p.a.)	5 YRS (p.a.)	Since inception (p.a.)
Portfolio (%)	4.8	3.4	10.6	9.9	6.9	6.5
Benchmark (%)	4.8	4.4	10.4	9.0	6.3	6.1

The Balanced model portfolio has an inception date of 19 April 2018. The benchmark is the Morningstar Aus Balanced Target Allocation NRA\$

GSS Growth Index Model	3M	6M	1 YR	3 YRS (p.a.)	5 YRS (p.a.)	Since inception (p.a.)
Portfolio (%)	6.0	3.8	12.7	12.7	9.7	8.5
Benchmark (%)	6.0	5.0	12.3	11.4	8.9	7.9

The Growth model portfolio has an inception date of 19 April 2018. The benchmark is the Morningstar Aus Growth Target Allocation NRA\$

GSS High Growth Index Model	3M	6M	1 YR	3 YRS (p.a.)	5 YRS (p.a.)	Since inception (p.a.)
Portfolio (%)	6.9	4.2	14.2	14.9	11.8	9.9
Benchmark (%)	7.1	5.3	14.0	14.0	11.6	9.6

The High Growth model portfolio has an inception date of 19 April 2018. The benchmark is the Morningstar Aus Aggressive Target Allocation NRA\$

GSS Total Growth Index Model	3M	6M	1 YR	3 YRS (p.a.)	5 YRS (p.a.)	Since inception (p.a.)
Portfolio (%)	7.6	4.4	15.3	16.6	13.5	11.2
Benchmark (%)	7.1	5.3	14.0	14.0	11.6	10.2

The Total Growth model portfolio has an inception date of 2 October 2018. The benchmark is the Morningstar Aus Aggressive Target Allocation NRA\$

Source: BlackRock, Morningstar, as of 30 June 2025. Past performance is not a reliable indicator of future performance. The model performance shown is hypothetical and for illustrative purposes only. The performance may not represent the performance of an actual account or investment product and is not the result of any actual trading. Performance is estimated and net of underlying fund fees, but gross of platform fees and does not include brokerage and commissions that may be incurred in the trading of financial products within the model portfolio. Actual investment outcomes may vary. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Material differences may exist between portfolios and benchmarks being compared, such as, investment objectives, fees and expenses, types of investments made, countries or markets covered. * Contributors and detractors to total returns.

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MARKET OVERVIEW

Global risk assets staged a rebound in the second quarter, buoyed by strong corporate earnings, a temporary pause in trade tariffs and the resumption of US-China trade negotiations. The MSCI World Index (hedged) rose 9.4% over Q2 in Australian dollar terms, with volatility remaining elevated amid ongoing trade policy uncertainty and heightened geopolitical tensions in the Middle East. Fixed income markets, as represented by the Bloomberg Barclays Global Aggregate Index (hedged), experienced large swings over the quarter given concerns around debt sustainability, but managed to add 1.5% across the period.

United States

In the US, the S&P 500 surged 10.9% for the quarter and by 5.1% in June (in local currency terms) to reach new record highs, with Information Technology and Communication Services among the best performing sectors. The Trump Administration's trade policy approach was a key market driver, having announced sweeping tariffs across a range of countries in early April followed by a 90-day pause to allow for negotiations with individual trading partners. Moody's downgrade of the US credit rating also saw renewed fiscal concerns, particularly as a narrow vote in the House of Representatives advanced the White House's proposed large tax bill. The US Federal Reserve (Fed) left rates unchanged in Q2, mindful that further cuts could add further upward pressure to wage growth and tariff-related inflation risks. On the data front, core inflation printed at 2.8% year-on-year in May which was below expectations, while faster-moving weekly indicators showed companies delaying capital expenditure and hiring decisions. Meanwhile, corporate earnings for Q1 rose strongly by 13% year-on-year, marking the second consecutive quarter of double-digit earnings growth.

Europe

European equities, as represented through the Euro Stoxx 50 Index, advanced 2.7% in Q2 but fell -1.1% in June (in local currency terms). A surge in defence-related spending supported markets amid several European initiatives to spend over €800 billion on national security projects. Late in June, NATO leaders also agreed to lift their pledge to spend 5% of their country's GDP on defence amid growing geopolitical fragmentation. Meanwhile, the European Central Bank (ECB) cut interest rates twice by 25 basis points, balancing softer economic activity indicators against still-elevated services inflation, although the central bank signalled that their current easing cycle is approaching its end.

In the UK, the FTSE 100 Index added 3.2% over the quarter and was flat over June (in local currency terms), helped by limited direct exposure to the proposed US tariffs. Domestically, a tight labour market kept core inflation stubborn which prompted the Bank of England (BoE) to adopt a cut-hold-cut pattern that left the base rate unchanged at 4.50% in June having cut rates by 25 basis points in May. Meanwhile, fiscal headwinds persisted as the UK economy faces domestic challenges from tax hikes and spending cuts, while headline inflation printed at 3.4% year-on-year in May.

Asia

China's CSI 300 Index rose 2.4% over the quarter and by 3.3% in June (in local currency terms). Chinese equities were choppy as tit-for-tat tariffs escalated early in Q2 before trade tensions with the US eased following a meeting in Geneva between US Treasury Secretary, Scott Bessent, and Chinese Vice Premier, He Lifeng. However, progress remained fragile, and non-tariff tensions with the US – such as tech restrictions and student visa controls – resurfaced throughout the quarter. Domestically, China's growth slowed after a Q1 rebound, with weak consumer confidence, subdued credit demand, and persistent deflationary pressure clouding the outlook. Policymakers adopted a selective stance and have refrained from broad-based easing despite growing calls for stimulus. Retail sales grew 6.4% year-on-year in May, but home prices and industrial output weakened by quarter-end.

Source: BlackRock, as of 30 June 2025.

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Japanese markets, as represented by the Nikkei 225 Index, closed the quarter and month up 13.9% and 6.8% respectively (in local currency terms) to outperform their developed market peers. Ongoing corporate governance reforms by Japanese firms have continued to attract foreign equity flows, while the Japanese yen's weakness in Q2 also helped bolster earnings for exporters. The Bank of Japan (BoJ) held the policy rate at 0.5% in Q2 and is expected to proceed cautiously with policy normalisation, with BoJ Governor, Kazuo Ueda, stating the central bank will raise rates once there is "more conviction that underlying inflation will approach 2% or hover around that level" after decades of disinflation. Meanwhile, Japan's core inflation, which excludes volatile fresh food costs, accelerated to 3.7% year-on-year in May, which marks the highest reading since January 2023.

Australia

The S&P/ASX 300 Accumulation Index ended the quarter up 9.5% and rose 1.4% in June with Information Technology and Financials the best performing sectors. The Reserve Bank of Australia (RBA) cut rates by 25 basis points in Q2 to 3.85%, citing softer inflation and a desire to support household demand. However, the RBA's tone remained cautious with the central bank acknowledging upside risks to services inflation and volatility in global interest rate markets. In terms of politics, the Labor government secured a strong mandate in the May Federal Election with re-elected Treasurer, Jim Chalmers, citing a focus on improving Australia's productivity during the government's second term. Domestic data was mixed across the period with unemployment hovering at 4.1% in May, while retail sales grew marginally by 0.2% which was below economist expectations. Australian house prices, as represented by the CoreLogic Home Value index, posted gains of 0.6% in June and 1.4% for the quarter.

Fixed Income

Global fixed income markets rose over Q2 despite significant volatility and a sell-off in longer-dated sovereign debt. European government bonds outperformed their US counterparts amid ECB rate cuts and concerns that persistent US deficits could lead to lower demand for US Treasury bonds. Over the quarter, the US 10-year yield experienced large swings – rising in the first half before falling in June – ultimately ending the period up 2 basis points. By contrast, the German 10-year yield declined by 13 basis points, while the Australian 10-year yield also declined by 22 basis points to end June at 2.6% and 4.2% respectively. The fall in rates pushed bond prices higher. The Australian composite bond index gained 2.6% across the period, while the Global Aggregate index (hedged) also managed to deliver 1.5%. Riskier parts of the fixed income market, namely corporate credit and emerging market debt indices realised gains as credit spreads remained tight while emerging market bonds benefited from rate cuts by EM central banks and US dollar weakness.

Commodities & FX

Commodity markets and energy prices were generally weaker over the quarter. Oil prices experienced heightened volatility in June given the escalation in the Israel-Iran conflict but ultimately declined 8.1% in Q2 as geopolitical tensions cooled following an agreed ceasefire. Industrial metals were weaker as Iron Ore declined 4.9% amid uneven Chinese demand while Copper fell 0.7%. Gold rose by 5.7% over the quarter, supported by continued central bank buying and increased demand for safe-haven assets against the backdrop of geopolitical uncertainty. Within currencies, the US dollar fell 6.6% in Q2 against its developed market peers, while the Australian dollar appreciated 5.3% against the US dollar across the period.

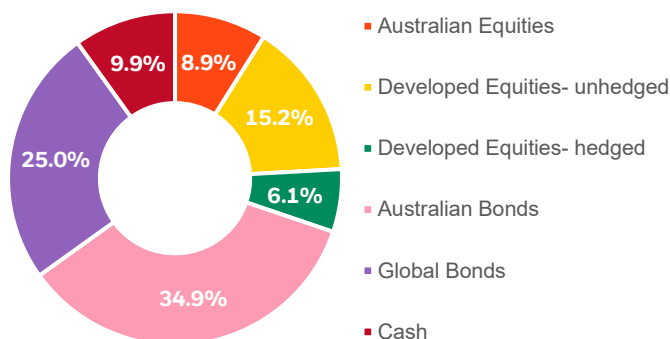
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CURRENT HOLDINGS & ASSET ALLOCATION

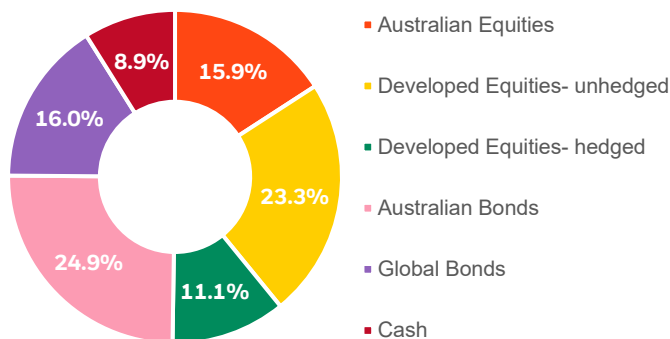
GSS Conservative Index Model

Netwealth Code	Name	Weight (%)
NET0009AU	BlackRock GSS Unhedged International Equities Index Fund	15.2
NET2119AU	BlackRock GSS Hedged International Equities Index Fund	6.1
NET0001AU	BlackRock GSS Australian Equities Index Fund	8.9
NET5702AU	BlackRock GSS Global Bond Index Fund	25.0
NET0023AU	BlackRock GSS Australian Bond Index Fund	34.9
	Cash	9.9



GSS Balanced Index Model

Netwealth Code	Name	Weight (%)
NET0009AU	BlackRock GSS Unhedged International Equities Index Fund	23.3
NET2119AU	BlackRock GSS Hedged International Equities Index Fund	11.1
NET0001AU	BlackRock GSS Australian Equities Index Fund	15.9
NET5702AU	BlackRock GSS Global Bond Index Fund	16.0
NET0023AU	BlackRock GSS Australian Bond Index Fund	24.9
	Cash	8.9



Source: BlackRock, as of 30 June 2025.

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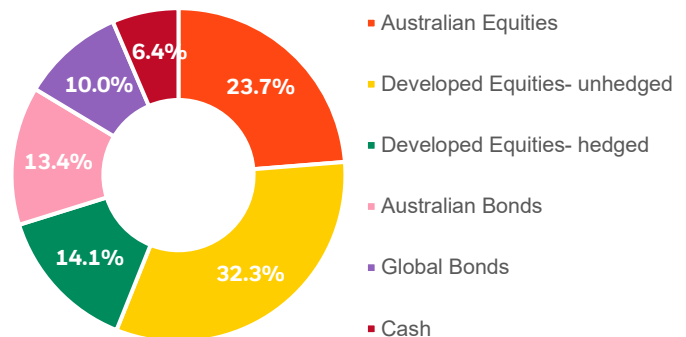
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CURRENT HOLDINGS & ASSET ALLOCATION

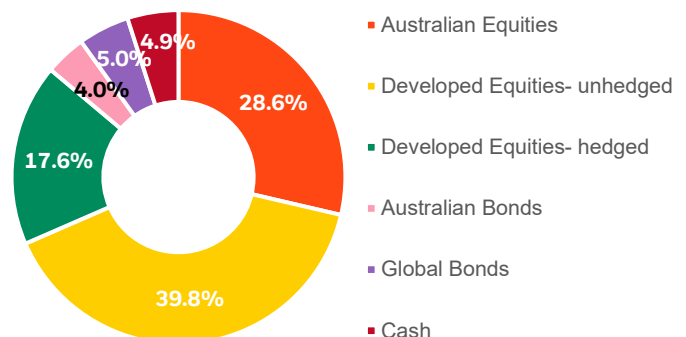
GSS Growth Index Model

Netwealth Code	Name	Weight (%)
NET0009AU	BlackRock GSS Unhedged International Equities Index Fund	32.3
NET2119AU	BlackRock GSS Hedged International Equities Index Fund	14.1
NET0001AU	BlackRock GSS Australian Equities Index Fund	23.7
NET5702AU	BlackRock GSS Global Bond Index Fund	10.0
NET0023AU	BlackRock GSS Australian Bond Index Fund	13.4
	Cash	6.4



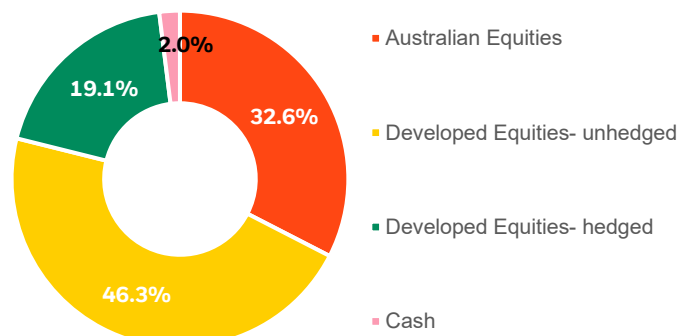
GSS High Growth Index Model

Netwealth Code	Name	Weight (%)
NET0009AU	BlackRock GSS Unhedged International Equities Index Fund	39.8
NET2119AU	BlackRock GSS Hedged International Equities Index Fund	17.6
NET0001AU	BlackRock GSS Australian Equities Index Fund	28.6
NET5702AU	BlackRock GSS Global Bond Index Fund	5.0
NET0023AU	BlackRock GSS Australian Bond Index Fund	4.0
	Cash	4.9



GSS Total Growth Index Model

Netwealth Code	Name	Weight (%)
NET0009AU	BlackRock GSS Unhedged International Equities Index Fund	46.3
NET2119AU	BlackRock GSS Hedged International Equities Index Fund	19.1
NET0001AU	BlackRock GSS Australian Equities Index Fund	32.6
	Cash	2.0



Source: BlackRock, as of 30 June 2025.

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BlackRock GSS Index Models

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PERFORMANCE COMMENTARY – UNDERLYING FUND RETURNS (QUARTERLY)

BlackRock GSS Unhedged International Equities Index Fund

- International equities were positive over the second quarter of 2025 with the Unhedged International Equity Index Fund gaining 6.0% in Q2 as global stocks rebounded strongly from their lows in early April.
- Risk assets benefited from robust corporate earnings, a temporary pause in tariffs and the resumption of US-China trade negotiations, however volatility remained elevated amid ongoing trade policy uncertainty and heightened geopolitical tensions in the Middle East.
- Equity performance diverged across geographies, with Japanese stocks (as represented by the Nikkei 225 Index) rising 13.9% as ongoing corporate governance reforms continued to attract foreign equity inflows. US equities (as represented by the S&P 500 Index) bounced back to reach new record highs, while European and Australian shares also recorded gains over the quarter.

BlackRock GSS Hedged International Equities Index Fund

- Global equities rose in Q2 with the Hedged International Equity Index Fund up 9.5% over the quarter, as sharemarkets were buoyed by the temporary tariff reprieve and resilient economic data.
- The appreciation of the Australian dollar saw hedged international equities outperform that of unhedged equities, as it meant that the rise in global share prices was protected against any adverse currency moves.

BlackRock GSS Australian Equities Index Fund

- Australian equities outperformed unhedged global equities over the quarter, with the Australian Equity Index Fund up 9.5% across the period. On a sector basis, Information Technology and Financials were the best performing domestic sectors, while the Materials sector modestly declined over the quarter.

BlackRock GSS Global Bond Index Fund

- Global fixed income markets rose across Q2 despite experiencing large price swings and significant volatility in longer-dated sovereign debt. European government bonds outperformed their US counterparts amid central bank rate cuts and concerns that persistent US budget deficits could lead to lower demand for US Treasury bonds.
- Over the quarter, the US 10-year yield experienced large swings – rising in the first half before falling in June – ultimately ending the period relatively unchanged, while the German 10-year yield declined to end Q2 at 2.6%. The fall in rates pushed bond prices higher and the Global Bond Index Fund was up 1.5% across the period.

BlackRock GSS Australian Bond Index Fund

- Australian bonds outperformed their global counterparts, with the Australian Bond Index Fund gaining 2.7% over the quarter.
- Domestic bond yields fell in Q2 as the RBA cut rates by 25 basis points at their May meeting. Meanwhile, Australian core inflation is tracking within the central bank's target band of 2-3% for the first time since 2021, while the labour market remains robust with unemployment stable at 4.1%.

BlackRock Cash Fund

- The RBA cut the official cash rate to 3.85% over the quarter, citing softer inflation and a desire to support household demand. Markets are currently pricing several additional rate cuts by the end of the 2025.

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