

BlackRock GSS Index Model Portfolios

March 2025



ANNUAL STRATEGIC ASSET ALLOCATION (SAA) REVIEW

We recently conducted our annual review of the portfolios’ strategic asset allocation (SAA), where we re-assessed the latest capital market assumptions, investment universe and strategic holdings of the portfolios. These SAA changes were implemented during the latest portfolio rebalance on 6th March.

KEY SAA CHANGES

- Re-align growth/defensive split back towards long-term target** amid greater dispersion of potential market outcomes
- Reduce Australian equities** against the backdrop of elevated valuations and relatively weak domestic earnings outlook
- Reduce Australian fixed income** to fund an increase in cash allocation

ASSET CLASS VIEWS

Asset Class	View	Rationale
Growth/Defensive Split	Trim	Following a risk-on stance in 2024, we’re moving the growth/defensive split back to the long-term target given greater dispersion of potential market outcomes. For example, the Balanced portfolio is now 50/50 compared to 51/49 last year.
Growth Assets		
Australian Equities	Decrease	Less favourable capital market assumptions driven by a mediocre domestic earnings outlook and elevated valuations lead us to reduce Australian equities in favour for Developed market equities.
Developed ex AU Equities	Increase	We increase our allocation to international equities given a more favourable outlook relative to Australian equities. Notably, expected returns for international equities are relatively higher than those domestically, driven by ongoing earnings strength in the US.
Defensive Assets		
Australian Fixed Income	Decrease	Ongoing resiliency in Australia’s labor market may limit the extent of the RBA’s easing cycle and cap the upside for domestic bonds. We reduce Australian bonds in favour of cash.
Cash	Increase	We increase cash exposure given attractive yields for short-end rates.

Source: BlackRock, as of latest SAA review on 6th March 2025.

SAA CHANGES

	Asset Class	Fund	Conservative	Balanced	Growth	High Growth	Total Growth	Conservative - Change	Balanced - Change	Growth - Change	High Growth - Change	Total Growth - Change
Growth Assets	Australian Equities	BlackRock GSS Australian Equities Index Fund	9.0%	16.0%	24.0%	29.0%	33.0%	-2.5%	-3.5%	-4.9%	-4.6%	-5.9%
	International Equities	BlackRock GSS Unhedged International Equities Index Fund	15.0%	23.0%	32.0%	39.5%	46.0%	2.5%	1.0%	-1.9%	-0.3%	1.0%
	International Equities	BlackRock GSS Hedged International Equities Index Fund	6.0%	11.0%	14.0%	17.5%	19.0%	-1.9%	1.5%	4.0%	4.5%	4.0%
Defensive Assets	Australian Fixed Income	BlackRock GSS Australian Bond Index Fund	35.0%	25.0%	13.5%	4.0%	0.0%	0.0%	0.0%	-3.5%	-3.2%	0.0%
	International Fixed Income	BlackRock GSS Global Bond Index Fund	25.0%	16.0%	10.0%	5.0%	0.0%	-1.9%	-1.9%	1.0%	0.7%	0.0%
	Cash	Platform Cash	10.0%	9.0%	6.5%	5.0%	2.0%	2.0%	2.0%	3.5%	3.0%	0.0%
Growth assets			30.0%	50.0%	70.0%	86.0%	98.0%					
Defensive assets			70.0%	50.0%	30.0%	14.0%	2.0%					

Source: BlackRock, as of latest SAA review on 6th March 2025.

IMPORTANT INFORMATION

Issued by BlackRock Investment Management (Australia) Limited ABN 13 006 165 975, AFSL 230 523 (BIMAL).

This material provides general advice only and does not take into account your individual objectives, financial situation, needs or circumstances. Before making any investment decision, you should assess whether the material is appropriate for you and obtain financial advice tailored to you having regard to your individual objectives, financial situation, needs and circumstances. Refer to BIMAL's Financial Services Guide on its website for more information. This material is not a financial product recommendation or an offer or solicitation with respect to the purchase or sale of any financial product in any jurisdiction.

Information provided is for illustrative and informational purposes and is subject to change. It has not been approved by any regulator.

This material is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. BIMAL is a part of the global BlackRock Group which comprises of financial product issuers and investment managers around the world. BIMAL is the issuer of financial products and acts as an investment manager in Australia.

BlackRock model portfolios themselves are not funds issued by BIMAL. They are offered through third party platform providers which are not affiliated with BIMAL. Any potential investor should consider the latest PDS issued by the third party platform provider before deciding whether to acquire, or continue to hold, an investment. BlackRock model portfolios included in these materials are provided for illustrative and educational purposes only. They do not constitute research, and they are not personal advice from BIMAL. BIMAL is not responsible for determining the appropriateness or suitability of any BlackRock model portfolios, or any of the securities included therein. BlackRock model portfolios include investments in units of funds. Investors will indirectly bear fund expenses in respect of portfolio assets allocated to funds. Information concerning BlackRock model portfolios – including holdings, performance and other characteristics – may vary materially from any portfolios or accounts derived from BlackRock model portfolios included in these materials. There is no guarantee that any investment strategy or model portfolio will be successful or achieve any particular level of results.

BIMAL, its officers, employees and agents believe that the information in this material and the sources on which it is based (which may be sourced from third parties) are correct as at the date of publication. While every care has been taken in the preparation of this material, no warranty of accuracy or reliability is given and no responsibility for the information is accepted by BIMAL, its officers, employees or agents. Except where contrary to law, BIMAL excludes all liability for this information.

Any investment is subject to investment risk, including delays on the payment of withdrawal proceeds and the loss of income or the principal invested. While any forecasts, estimates and opinions in this material are made on a reasonable basis, actual future results and operations may differ materially from the forecasts, estimates and opinions set out in this material. No guarantee as to the repayment of capital or the performance of any product or rate of return referred to in this material is made by BIMAL or any entity in the BlackRock group of companies.

No part of this material may be reproduced or distributed in any manner without the prior written permission of BIMAL.

©2025 BlackRock, Inc. All Rights reserved. BLACKROCK, BLACKROCK SOLUTIONS, iSHARES and the stylised i logo are registered and unregistered trademarks of BlackRock, Inc. or its subsidiaries in the United States and elsewhere. All other trademarks are those of their respective owners.

Disclaimer from Netwealth Investments Limited: This document is issued by BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975, AFSL 230523) ('BlackRock'), in its capacity as the Model Manager for the Blackrock GSS Index models. The Blackrock GSS Index models are issued by Netwealth Investments Limited ('Netwealth') (ABN 85 090 569 109, AFSL 230975) in its capacity as the responsible entity and custodian of the Netwealth Managed Account Service. The BlackRock GSS Australian Bond Index Fund - ARSN 160 229 014, BlackRock GSS Australian Equities Index Fund - ARSN 094 491 853, BlackRock GSS Unhedged International Equities Index Fund - ARSN 094 492 243, BlackRock GSS Hedged International Equities Index Fund - ARSN 624 583 946 and BlackRock GSS Global Bond Index Fund - ARSN 624 583 937 are issued by Netwealth Investments Limited ('Netwealth') (ABN 85 090 569 109 AFSL 230975) in its capacity as the responsible entity. This information has been prepared and issued by Blackrock, and has not been approved by Netwealth. Netwealth and its related parties, employees and directors are not responsible for any information included within this document, and will not accept liability in connection with any loss or damage suffered by any person arising from reliance on this information.