BlackRock Customised Portfolio Service (M001)

Offering your clients a professionally managed share portfolio

About the Service

The BlackRock Customised Portfolio Service (M001) (the "Service") is a Separately Managed Accounts solution which offers you a simple service to manage the direct equity holdings of your clients' investment portfolios.

The Service enables your clients to tap into the advantages of professionally managed investment models whilst still retaining beneficial ownership of the assets held in their account.

How does the Service work?

Each client has a separate account into which their investments are allocated. This personal portfolio is constructed using one or a range of Model Portfolios, as selected by you, to meet your client's individual needs and objectives. BlackRock then purchases the securities so that they reflect the model or combination of models chosen.

On an ongoing basis, the investment teams (Model Portfolio Managers) responsible for management of the Model Portfolios, manage them with BlackRock executing any trades required to reflect any changes the teams make.

Why invest your clients in the Service?

Professionally managed direct equity holdings
Your clients get exposure to the share market, and all the benefits of investing in this asset class, with the additional advantage of having their portfolio professionally managed through a choice of Model Portfolios.

Portfolio transparency
Your clients can see the underlying stocks 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
Each client's shares, across any number of Model Portfolios, are grouped so that they behave like a single share portfolio ("blending"). Shares 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 Service.

Low brokerage fees
Trades are executed at wholesale rates (generally costing around 5 basis points per trade) and the number of trades are reduced by the blending and netting that occurs within the Service.

Individual Tax Packaging
Each of your clients is able to optimise their tax parcels. And unlike many other managed investment schemes, your clients don't inherit other investors' capital gains.

Access iShares® Exchange Traded Funds
Your clients have access to international equity markets through the Service via a range of iShares® Exchange Traded Funds (ETFs), into which the international Model Portfolios invest directly. These ETFs seek to replicate indices that offer exposure to the world's developed and emerging markets (see the next page for the list of international Model Portfolios available).

A comprehensive range of investment options
The Service has a diverse suite of Model Portfolios, from a number of leading Fund Managers and Research Houses, covering Australian equities, Australian listed property, international strategies, alternatives and cash (see the next page for the full list of Model Portfolios available).

Margin or investment lending capability*
Your clients have the option to gear their investments with one of a number of investment or margin loan providers who are affiliated with the Service including:

- Colonial Geared Investments
- Leveraged Equities
- BT Margin Lending

*Please note that not all Model Portfolios are available on each lender's recommended list.

Why use the Service?

Spend less time managing your clients' direct equity portfolios
Once your clients are signed-up to the Service and you have allocated them into one or a number of Model Portfolios, the Service is completely automated. Unless you choose to re-weight your clients' portfolios, they can be left to be managed in accordance with the Model Portfolios you have selected.

Automated reporting
The automated reporting feature offers 15 basic reports. This means you can produce a range of reports (such as reports showing the underlying securities, Model Portfolios or portfolio performance or a client's tax situation), at the click of a button. All the reports use data from the close of business the day before – or for any time period selected.

Tax consequences easily managed
Capital Gains Tax (CGT) consequences are easily managed. This includes distributions of realised CGT, tax free and tax deferred, when calculating CGT positions. As data is available from the close of business the day before, with the exception of Listed Property Trusts (LPTs), you can see your clients' tax positions instantly.

Easy to move clients into the Service and add to their current holding
Setting up a client in the Service is as easy as completing forms and having the client transfer the money into the Service. Should your clients already hold existing stocks, these stocks can be "in specie transferred" into the Service and filtered into the chosen Model Portfolios. Your clients can add to their investment via a direct debit to the Service.

A flexible fee structure
If you have clients on different types of fee structures and on different rates, the Service is flexible and enables you to have each of your clients on a different pricing structure (refer to table below for further information).

No additional licensing required
The BlackRock Customised Portfolio Service is a registered Managed Investment Scheme. If you are licensed to advise on managed funds, no additional authorisations are required.

Connectivity with planning software
The Service has connectivity with XPlan and Coin Software, the industry's leading financial planning software providers, enabling consolidated reporting of all your clients' investments.

Your choice of investment options

ThreeSixty Research has approved 29 Model Portfolios for use by Advisers

Australian Equities
- Arnhem Australian Equity (AA0001)
- Ausbil Dexia Australian Active Equity (AD0001)
- Ausbil Dexia Australian Emerging Leaders (AD0002)
- iShares S&P/ASX High Dividend 200 (IS0016)
- JBWere Growth (JB0001)
- JBWere Income (JB0002)
- Perennial Value Australian Shares (PE0002)
- SPDR S&P/ASX 200 (ST0001)
- ThreeSixty Imputation (TH0001)
- ThreeSixty Blue-Chip Income Generating (TH0001)
- Three-Sixty Small Companies (TH0001)
- ThreeSixty Premium Listed SPS (TH0001)

Property
- SPDR S&P/ASX 200 Listed Property (ST0002)

International Equities
- iShares S&P Global 100 (IS0001)
- iShares S&P 500 (IS0002)
- iShares S&P Europe 350 (IS0003)
- iShares MSCI EAFE (Europe, Asia & Far East) (IS0004)
- iShares MSCI Emerging Markets (IS0005)
- iShares FTSE China 25 (IS0006)
- iShares MSCI Hong Kong (IS0007)
- iShares MSCI Japan (IS0008)
- iShares MSCI Singapore (IS0009)
- iShares MSCI South Korea (IS0010)
- iShares MSCI Taiwan (IS0011)
- iShares Russell 2000 (IS0012)
- iShares S&P MidCap 400 (IS0013)
- iShares S&P SmallCap 600 (IS0014)

Alternatives
- ETFS Physical Gold (GO0001)

Cash
- BlackRock Cash Model (XX9999)

Monthly Model Portfolio performance data and quarterly updates are available online at www.blackrockinvestments.com.au/cps. To sign-up to receive monthly performance emails, simply call 1300 366 101 or email cps@blackrock.com.

How you register to provide the Service

1. Visit www.blackrockinvestments.com.au/rd/mlc and click on the 'New User Registration' button.
2. Enter your details on the Customised Portfolio Service registration form and click on the submit button.
3. Within 24 hours you will be emailed your user ID and password, and the User Guides.

Fees^		
Minimum investment	No minimum investment	
Adviser Service Fees#	Up to 1.10% p.a.	
Fees when money is moved into or out of the Service		
Establishment Fee#	Up to 4.40%	
Adviser Contribution Fee#	Up to 4.40% of each cash contribution	
Withdrawal Fee	Nil	
Termination Fee	Nil	
Management Costs		
Administration Fee	First $500,000	0.60% p.a.
	$500,001 – $1,000,000	0.44% p.a.
	$1,000,001 – $2,000,000	0.33% p.a.
	More than $2,000,000	Nil
Investment Fee*	Each Model Portfolio has its own fee structure	
Performance Fee*	Each Model Portfolio has its own fee structure	

^ Inclusive of GST and net of RITC.
# Negotiable with a financial adviser.
* Details of these fees are available in the BlackRock Customised Portfolio Service (M001) Product Disclosure Statement (PDS).

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