

18 September 2012

Dear Investor,

## Proposed change in Responsible Entity for BlackRock Customised Portfolio Service

The purpose of this communication is to inform investors that BlackRock Investment Management (Australia) Limited is seeking to retire as the Responsible Entity ("RE") of the BlackRock Customised Portfolio Service, which forms part of the Separately Managed Accounts ("SMA") ARSN 114 818 530.

The proposed replacement RE is Praemium Australia Limited, the current provider of the investment platform technology and related services for the SMA.

Further detail on the proposed change of RE will be provided to investors in due course, however some of the key features for investors to consider in transitioning to the new RE (Praemium) are likely to include:

Key features
REDUCED administration fees
ENHANCED reporting capability and system functionality
CONTINUITY in underlying technology and simple transition for clients

### *Reason for the change*

Following a recent review of our SMA business, BlackRock believes that a company that focuses on portfolio administration would be best placed to leverage its strengths to continue to develop the SMA and offer investors a market-leading solution over the long term.

Praemium has been the underlying service provider to the SMA since inception and operates an SMA in the UK. As a result they are in a unique position to develop the SMA into the future.

We recommend that you read the information on the following page for further detail on the proposed change and investor vote.

### *Further Information*

The following website contains further information on the proposed change in RE [www.cpschangeover.com.au](http://www.cpschangeover.com.au). For any queries on the proposed change, please contact our dedicated information line on 1800 821 475.

For any other enquiries about your investment in the SMA, please contact your adviser or BlackRock's Client Services Centre on 1300 366 100 or at [cps@blackrock.com](mailto:cps@blackrock.com).

Yours sincerely



**Scott Phillips**  
Head of Retail, Australia  
BlackRock

# BLACKROCK

## Further Information

### *Proposed change in Responsible Entity*

BlackRock wishes to advise of its intention to retire as Responsible Entity ("RE") of the Separately Managed Accounts ARSN 114 818 530 ("SMA"), to allow the appointment of Praemium Australia Limited ACN 117 611 784 ("Praemium") as the replacement RE.

Subject to the satisfaction of certain conditions agreed with Praemium, BlackRock intends to convene a meeting of investors to approve the retirement of BlackRock and the appointment of Praemium as its replacement RE. If certain conditions are not satisfied or investor approval is not obtained, the change in RE will not take place.

The proposed change of RE will have minimal impact on the day-to-day operation of the SMA and the service levels currently experienced by investors.

### *Proposed Investor Vote*

Under section 601FL of the Corporations Act, if the RE of a registered managed investment scheme wishes to retire, it must call a meeting of investors to explain its reasons for wanting to retire and to enable investors to vote on a resolution to choose the new RE. In order for the resolution to be successful, at least 50% of investors by reference to funds under management must vote in favour of the appointment of the new RE.

Subject to the satisfaction of certain conditions agreed with Praemium, we anticipate holding this meeting in late 2012 or early 2013. Notice of Meeting documents will be sent to investors approximately one month prior to the meeting.

### *Do I need to do anything now?*

At this stage, no action is required.

BlackRock will continue acting as RE with no alteration to the current operation of the service.

### *Information about Praemium*

Praemium is one of Australia's leading suppliers of portfolio administration and Separately Managed Account systems, using cutting edge technology to deliver cost-effective investment administration and portfolio management services to some of Australia's leading financial institutions.

Administering assets in excess of A\$43 billion, Praemium is an ASX listed company and has offices in Australia and the United Kingdom.

Some key reasons why Praemium is well positioned to develop the SMA business are as follows:

- The BlackRock SMA is a logical fit within the Praemium business given their background in portfolio administration and management of a similar SMA service in the United Kingdom;
- Praemium already supports the day to day operation of the BlackRock SMA by providing rebalancing technology, data management, asset pricing, corporate action updates and trade execution management;
- Praemium have a clear vision for the future of the SMA, including plans for enhanced reporting and system functionality;
- Praemium's intention to retain the existing team that manage the SMA, which coupled with their intimate understanding of the SMA will result in an experienced and dynamic team; and
- By combining all aspects of the service under a single provider, Praemium will be able to offer reduced administration fees.