

ADVANCE BALANCED MULTI-BLEND FUND

As at 31 July 2020

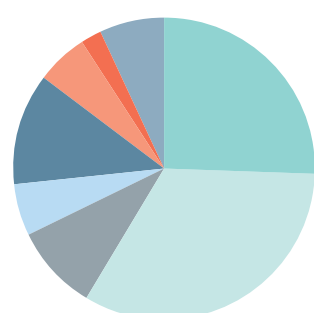
FUND OVERVIEW

	Wholesale	Retail
Inception date	30 May 1998	April 1992
APIR	ADV0050AU	ADV0023AU
Fund size (AUD millions)	\$1,994.21	
Investment objective	To provide moderate to high total returns (before fees and taxes) over the medium term from a combination of capital growth and income through a diversified mix of growth and defensive assets.	
Recommended investment timeframe	5 years	
Minimum initial investment	\$5,000	Closed to new investors
Distribution frequency	Quarterly	
Management costs (%) pa ¹	0.79	1.94
Buy/sell spread (%)	0.20 / 0.23	0.00 / 0.00

PERFORMANCE REVIEW²

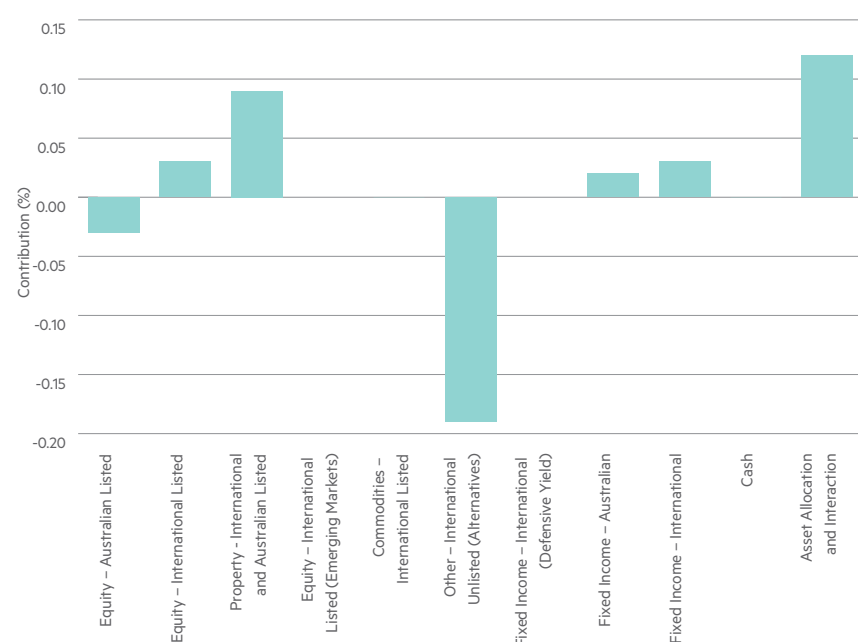
	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	Since Inception % pa
Total Net return	1.33	5.41	(2.90)	5.30	4.87	5.92
Growth return	1.33	0.84	(7.62)	(0.62)	(4.77)	(1.45)
Distribution return	0.00	4.57	4.72	5.91	9.65	7.37

ACTUAL ASSET ALLOCATION³



Equity – Australian Listed	25.79%
Equity – International Listed (incl. Emerging Markets)	32.97%
Property – International and Australian Listed	9.06%
Unlisted Infrastructure	0.13%
Fixed Income – Australian	5.54%
Fixed Income – International	11.89%
Other – Defensive and Growth Alternatives	5.73%
Commodities – International Listed	2.14%
Cash	6.75%

CONTRIBUTION TO EXCESS RETURN⁴



FUND UPDATE

The Advance Balanced Multi-Blend Fund produced a positive return over the month of July.

Equities markets continued to rebound over the month as world economies gradually reopened at different rates. Risk-on sentiment largely dominated the market, supported by stronger-than-expected economic recoveries, continuous fiscal stimulus measures and vaccine news. However, volatility is expected to persist into the second half of the calendar year given the US election, ongoing US-China tensions and the repercussions of the pandemic and subsequent lockdowns yet to manifest.

The Australian equity market, as represented by the S&P/ASX 300 Accumulation Index, gained 0.6% over the month. Developed international equities, as measured by the MSCI World ex Australia Net Return AUD Hedged Index, returned 3.3% over the month. The Australian Dollar continued to appreciate against most developed market peers and as a result, unhedged international equities exposures underperformed currency hedged exposures, returning 0.6%. Emerging market equities outperformed developed markets, with the MSCI Emerging Markets Net Total Return Index returning 4.6%. Domestic listed property gained 0.6% and global listed property gained 1.2%, as measured by the S&P/ASX 300 A-REIT index and the FTSE EPRA/NAREIT Developed AUD Hedged Net Total Return Index respectively.

Nominal yields have continued to grind lower over the month under Central Banks bond buying and QE programmes. The US 10-year Treasury yield was down 13bps and the Australian 10-year government bond yield was down 6bps for the month. Credit spreads continued to contract over the month, as a result, international fixed interest market, as measured by the Bloomberg Barclays Global-Aggregate Total Return AUD Hedged index returned 1.0% and domestic fixed interest market as represented by the Bloomberg Ausbond Composite 0+ Yr Index returned 0.4%.

Over the month funds with higher allocations to growth assets outperformed those with a higher allocation to defensive assets, due to equities markets outperforming fixed interest assets.

ASSET ALLOCATION RANGES

Asset class	Investment managers	SAA Ranges %
Equity – Australian Listed	BlackRock; FIL Limited; First Sentier Investors Realindex; Nikko AM; Pental; Platypus; Solaris; Vinva	6-46
Equity – International Listed	AQR; Ardevora; BlackRock; First Sentier Investors Realindex; Pental; River & Mercantile; T.Rowe Price; Wellington	12-52
Property – Australian and International Listed	BlackRock; Heitman; Principal	0-22
Unlisted Infrastructure	First Sentier Investors	0-18
Fixed Income – Australian	AMP; Janus Henderson; Pental	0-26
Fixed Income – International	Kapstream; Mellon; PIMCO; Wellington; Western Asset; TCW; TwentyFour	0-32
Other – Defensive and Growth Alternatives	Angelo, Gordon & Co.; BlackRock; CVC Credit Partners; ICG; PIMCO; RV Capital; Wellington;	0-22
Commodities – International Listed	Janus Henderson	0-7
Cash	BlackRock; Pental	0-25

- 1 The Management Costs included in this fact sheet are inclusive of the Management Fee and any Performance Fees and includes the effect of GST (net of RITC). They do not include other indirect costs. Refer to the Product Disclosure Statement and online disclosures for further information.
- 2 Past performance is not a reliable indicator of future performance. The Fund performance is net of management costs and relates to the wholesale class of investment only. If you are an investor in the retail class of investment, you can obtain up to date returns at advance.com.au. Growth and Distribution returns may not equal the Total Net return due to rounding.
- 3 Allocations may not equal 100% due to rounding.
- 4 The Contribution to Excess Return is calculated using Gross performance.

Advance Asset Management, GPO Box B87, Perth WA 6838

Customer Relations 1800 819 935 Adviser Services 1300 361 864 Fax (02) 9274 5211

advance.com.au

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Advance is the responsible entity of the Advance Balanced Multi-Blend Fund, ARSN 087 296 375 ('Fund'). A Product Disclosure Statement ('PDS') for Wholesale investors is available for the Fund and can be obtained by calling the Contact Centre on 1800 819 935, or visiting www.advance.com.au, the Retail Fund is closed to new investors. The Financial Services Guide ('FSG') for Advance can be obtained via www.advance.com.au.

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