

# ADVANCE DEFENSIVE MULTI-BLEND FUND

As at 31 March 2022

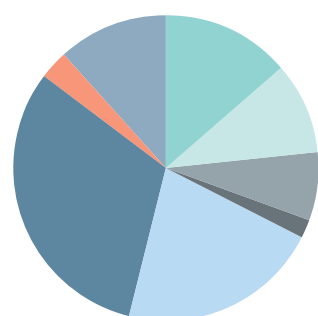
## FUND OVERVIEW

|                                      | Wholesale   | Retail                  |
|--------------------------------------|---|-------------------------|
| Inception date                       | 30 September 1998   | May 1992                |
| APIR code                            | ADV0049AU   | ADV0022AU               |
| Fund size (AUD millions)             | \$446.15  |                         |
| Investment objective                 | To provide income with a low risk of capital loss over the short to medium term, with some capital growth over the long term. |                         |
| Recommended investment timeframe     | 3 years   |                         |
| Minimum initial investment           | \$5,000   | Closed to new investors |
| Distribution frequency               | Monthly   |                         |
| Management costs (%) pa <sup>1</sup> | 0.58  | 1.19                    |
| Buy/sell spread (%)                  | 0.10 / 0.10   | 0.00 / 0.00             |

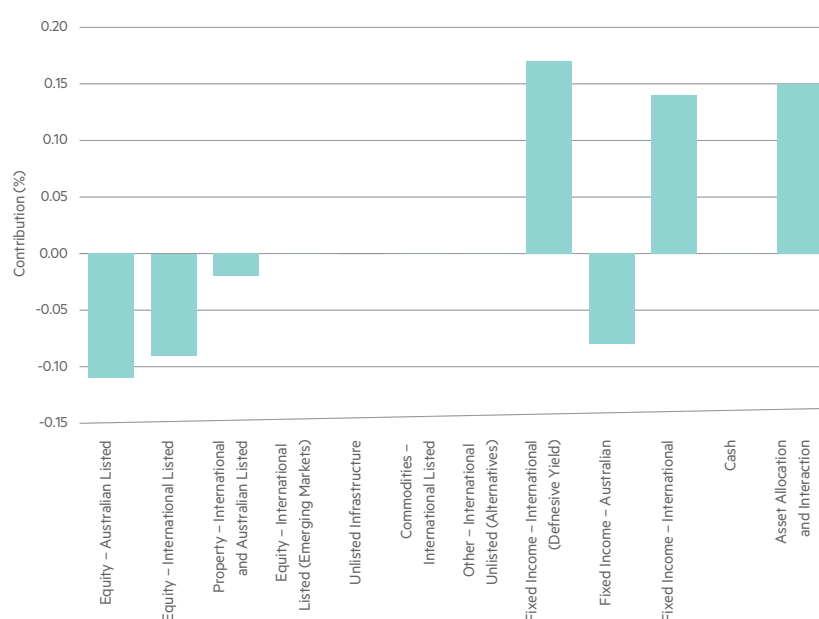
## PERFORMANCE REVIEW<sup>2</sup>

|                     | 1 month % | 3 months % | 1 year % | 3 years % pa | 5 years % pa | Since Inception % pa |
|---------------------|-----------|------------|----------|--------------|--------------|----------------------|
| Total Net return    | (0.52)    | (3.53)     | 1.32     | 3.22         | 3.91         | 5.36                 |
| Growth return       | (0.61)    | (3.68)     | (2.71)   | (0.95)       | (0.62)       | (0.18)               |
| Distribution return | 0.10      | 0.15       | 4.03     | 4.16         | 4.52         | 5.54                 |

## ACTUAL ASSET ALLOCATION<sup>3</sup>



## CONTRIBUTION TO EXCESS RETURN<sup>4</sup>



## FUND UPDATE

The Advance Defensive Multi-Blend Fund produced a negative return over the month of March.

Risk sentiment improved into the end of March, as the ongoing Russia/Ukraine war showed signs of de-escalation after multiple rounds of peace talks. Additionally, the disruptions to energy and expected agricultural supplies, following the conflict, will likely maintain the current upward pressure on commodity prices in coming months. Elsewhere the US Federal Reserve continued its hawkish tone and started hiking interest rates by 25bps in March.

Strong commodity prices continued to support domestic equities and the Australian Dollar. The domestic equity market, as represented by the S&P/ASX 300 Accumulation Index, returned 6.9% over the month. International Equities, as measured by the MSCI World ex Australia Net Return AUD Hedged Index, returned 2.9%. Unhedged international equities returned -0.9%, underperforming hedged exposure as the AUD appreciated against its major global peers. Emerging Market Equities underperformed, returning -5.6%, led by a sell-off in Chinese stocks amid record high COVID cases and new rounds of lockdowns across multiple regions in China.

Domestic listed property as measured by the S&P/ASX 300 A-REIT Index returned 1.4% and global listed property as measured by the FTSE EPRA/NAREIT Developed AUD Hedged Net Total Return Index, returned 4.7% over the month.

Higher cash rate and inflation expectations shifted yield curves higher. The Australian 10-year government bond yield moved 70bps higher to 2.84% and the US 10-year Treasury yield moved 51bps higher to 2.34% over the month. As a result, both Australian and International Fixed Interest experienced the worst monthly drawdown over the past 30 years, the domestic fixed interest market, as represented by the Bloomberg Ausbond Composite 0+ Yr Index, returned -3.7% and the International Fixed Interest as measured by the Bloomberg Barclays Global-Aggregate Total Return AUD Hedged Index, returned -2.1%.

Funds allocated to growth assets outperformed those with a higher allocation to defensive assets over the month.

## ASSET ALLOCATION RANGES

| Asset class                                    | Investment managers  | SAA Ranges % |
|--|--|--------------|
| Equity – Australian                            | BlackRock; FIL Limited; First Sentier Investors Realindex; Yarra Capital; Pental; Platypus; Solaris; Vinva   | 0 – 31       |
| Equity – International                         | Ardevora; BlackRock; First Sentier Investors Realindex; Pental; River & Mercantile; T.Rowe Price; Wellington | 0 – 32       |
| Property – Australian and International Listed | BlackRock; Heitman; Principal  | 0 – 20       |
| Unlisted Infrastructure                        | First Sentier Investors; Roc Capital; JPM  | 0 – 17       |
| Fixed Income – Australian                      | AMP Capital; Janus Henderson; Pental   | 2 – 42       |
| Fixed Income – International                   | Angelo, Gordon & Co.; ICG; Kapstream; Mellon; PIMCO; Sound Point; TCW; TwentyFour; Wellington; Western Asset | 10 – 50      |
| Other – Defensive and Growth Alternatives      | Acadian; Magnetar; SouthPeak   | 0 – 19       |
| Cash   | BlackRock; Pental  | 0 – 34       |

- 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](http://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.

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The information in this document has been prepared by Advance Asset Management Limited ABN 98 002 538 329 AFSL 240902 ('Advance').

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