

ADVANCE ASIAN SHARES MULTI-BLEND FUND

As at 31 March 2019

FUND PERFORMANCE*	3 months (%)	1 year (%)	2 years (% pa)	3 years (% pa)	5 years (% pa)
Growth return	14.54	(13.40)	1.95	7.85	4.56
Distribution return	0.00	15.99	14.84	10.69	10.15
Total return	14.54	2.59	16.80	18.53	14.71
Benchmark return	10.43	2.35	13.17	14.90	12.27

MSCI AC Asia ex-Japan Index in AUD

FUND UPDATE

The Advance Asian Equities Multi-Blend Fund outperformed the MSCI All Country Asia ex-Japan Index over the first quarter of 2019.

Both Wellington and TT International outperformed the MSCI All Country Asia ex Japan over the quarter. The two managers did particularly well in stock selection in China and Korea.

At the Fund level, all the sectors contributed to the positive outcome this quarter apart from the underweight to Real Estate. The value add of the managers was concentrated particularly in Consumer Staples and Consumer Discretionary in China and Hong Kong with the biggest contributors there being an overweight to Wuliangye Yibin Co and Alibaba. The Industrial and Financial ex Property Trusts sectors did also contribute positively to the relative performance with good results for stocks like China Pacific Insurance (+33%) and Chicony Power techn (+25%).

Over the last three months, the overweight to the Indian market, which underperformed the index, negatively impacted the portfolio. At the sector level, stock selection in Communication Services penalised the fund with the underweight to Tencent and overweight to Baidu hurting the most.

MARKET COMMENTARY

Global equities rallied over the first quarter of the year, with the MSCI World ex Australia (Net Dividends) Index in AUD up 11.50%. This follows a disappointing December quarter where the Global equity market was down over 11%. The radical change in sentiment from one quarter to the next has been attributed by many market participants to a more 'dovish' stance from the US Federal Reserve. With an impending liquidity crunch now less likely investors were once again willing to hold risk assets in the view that the US Federal Reserve's stance will elongate the economic cycle. A more accommodating US monetary policy removes one of the headwinds for emerging markets. The MSCI All Country Asia ex-Japan (Net Dividends) Index in AUD returned 10.43% for the March quarter, after a 6% decline the previous quarter. In India, early polling information indicates Modi will be re-elected allowing his reform program to continue India which should be a positive going forward. There was positive news in China as the government is pursuing fiscal easing policies worth 1.7% of GDP which alleviates fears of a China slow-down. Consumer Discretionary (+20.28%) was the best performing sector, whilst Utilities (+3.23%) was the laggard albeit still positive on an absolute basis.

ACTUAL ASSET
ALLOCATION BY
SECTOR~

	Fund (%)	Benchmark (%)
Energy	2.44	4.66
Materials	1.90	4.61
Industrials	7.14	6.75
Consumer Discretionary	17.86	13.26
Consumer Staples	8.48	4.89
Health Care	1.14	2.83
Information Technology	14.18	16.58
Telecommunication Services	6.26	12.70
Utilities	1.30	3.25
Property Trusts	6.13	6.65
Financial-x-Property Trusts	28.06	23.83
Derivatives & Other	2.08	0.00
Cash	3.02	0.00
Total	100.00	100.00

ACTUAL ASSET
ALLOCATION BY
COUNTRY~

	Fund (%)	Benchmark (%)
China	38.23	37.33
Hong Kong	7.94	11.97
India	16.91	10.36
Indonesia	1.41	2.47
Korea	11.94	14.73
Malaysia	1.33	2.48
Philippines	2.04	1.25
Singapore	3.04	3.88
Taiwan	7.88	12.84
Thailand	1.09	2.65
Vietnam	0.20	0.00
Cash, Currency, Derivatives & Other	7.99	0.04
Total	100.00	100.00

TOP 10 HOLDINGS

	Fund (%)	Benchmark (%)
Alibaba Group Holding Ltd.	6.99	5.05
Samsung Electronics Co., Ltd.	5.06	4.57
Tencent Holdings Ltd.	3.74	5.61
China Construction Bank Corporation	3.46	1.76
Taiwan Semiconductor Manufacturing Co., Ltd.	2.81	4.19
Ping An Insurance (Group) Company of China, Ltd.	2.75	1.29
AIA Group Limited	2.47	2.57
ICICI Bank Limited	2.03	0.29
CNOOC Limited	2.01	0.71
Prudential Plc	1.82	0.00

INVESTMENT OBJECTIVE

To provide investors with a total return (before fees and taxes) that outperforms the benchmark over periods of five years or longer.

BENEFITS OF INVESTING IN THE FUND

The Advance Asian Shares Multi-Blend Fund is ideal for investors seeking to benefit from manager and strategy diversification through a multi-manager approach using Asian-based investment managers. A multi-manager structure is ideally suited to managing the higher market volatility and style-biased investment manager universe within the Asian region.

KEY FEATURES

	Wholesale	Retail
Total assets (AUD millions)	\$284.33	
Date established	May 2004	May 2004
Distribution frequency	Annually	Annually
Minimum investment ¹	\$5,000 (\$1,500 for Regular Savings Plan)	\$1,500 (\$1,000 for Regular Savings Plan)
Minimum withdrawal	\$1,500	\$500
Withdrawal period	5 business days	5 business days
Entry fee ²	Nil	4.10% maximum
Management costs ^{2,3}	1.25/1.25	1.25/1.25
Regular Savings Plan ¹	Yes	Yes
Regular Withdrawal Plan ¹	Yes	Yes
Distribution reinvestment	Yes	Yes
Buy/sell spread (%) ³	0.45/ 0.45	0.45/ 0.45
Exit fee	Nil	Nil

¹ Refer to the Product Disclosure Statement for further information.

² Includes the effect of GST (net of RITC).

³ The Management Costs and buy-sell spread included in this fact sheet do not include the impact of RG 97 enhanced fees and costs disclosures and you should refer to the Product Disclosure Statement for further information.

- * 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
- ~ Allocations may not equal 100% due to rounding.

Advance Asset Management, GPO Box B87, Perth WA 6838

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

advance.com.au

ADVANCE
ASSET MANAGEMENT

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