

Advance Asian Shares Multi-Blend Fund

ADVANCE

MULTI-BLEND FUND

As at 31 March 2012

Wholesale performance*	3 months	1 year	2 years	3 years	5 years
	% pa	% pa	% pa	% pa	% pa
Growth return	12.81%	-13.92%	-5.74%	0.68%	-6.06%
Distribution return	0.00%	0.59%	0.66%	0.68%	1.57%
Total return	12.81%	-13.33%	-5.07%	1.36%	-4.49%
Benchmark return ¹	12.53%	-7.21%	-0.80%	8.88%	-0.04%

¹ MSCI All Country Asia ex-Japan Index
 * The Fund performance relates to wholesale investors only. If you are a retail investor, you can obtain up to date returns at advance.com.au.
 Inception date: 31 May 2004

Fund update

The Asian Shares Multi-Blend Fund outperformed its benchmark over the quarter. The Fund increased 12.8%, whilst the MSCI AC Asia ex Japan Index rose 12.5%. At the underlying manager level, Wellington outperformed while TT International underperformed over the quarter.

Wellington's outperformance was primarily driven by strong stock selection in the financials, consumer staples and energy sectors. Stocks domiciled in India, Hong Kong and China contributed to relative performance. Within the financials sector, Philippines-based Security Bank and regional-Indian bank Jammu & Kashmir Bank performed well as both banks continued to deliver high returns while having solid balance sheets compared to peers. In the Consumer Staples sector, China Modern Dairy performed strongly over the quarter as did Thailand-based CP ALL, operator of the 7-Eleven franchise in Thailand. Stock selection in the Industrials sector detracted from relative returns. In particular, their overweight position in AirAsia contributed to underperformance as it was impacted by rising oil prices over the quarter. At the country level, value added by positive stock selection in India, Hong Kong and China more than offset negative stock selection in Malaysia and Singapore.

TT International underperformed the benchmark over the quarter. Strong stock selection in Hong Kong, Singapore and Taiwan was offset by disappointing performance in China and Korea. In Hong Kong, Wharf performed strongly with the portfolio taking profits during the quarter whilst Hon Hai in Taiwan and Keppel Land in Singapore were the fund's two biggest winners over the quarter. In Korea the disappointing stock selection was mainly due to SK Innovation, Daewoo Shipbuilding and Korean Air, while in China the big detractors were PICC Property & Casualty, CNOOC and China Southern Air. In terms of country positioning the benefit of being underweight Malaysia and overweight Thailand was offset by the impact of the cash weighting as markets rose strongly over the quarter. At sector level, stock selection in the consumer discretionary and financials sectors led the way. In the former, several auto focussed stocks performed strongly including Tata Motors (India), Baoxin Auto (China) and Great Wall Motor Company (China). However, in the Industrials sector the portfolio benefited from being overweight, but this was more than offset by disappointing stock selection within the sector due to China Southern Air, Daewoo Shipbuilding and Korea Air.

Actual asset allocation by sector	Sector	Fund %	Benchmark%
	Energy	6.50	7.59
	Materials	4.16	7.65
	Industrials	8.46	10.05
	Consumer Discretionary	15.73	9.80
	Consumer Staples	9.34	5.39
	Healthcare	0.00	0.86
	Information Technology	20.30	18.86
	Telecommunication Services	2.29	6.48
	Utilities	3.42	3.69
	Property Trusts	1.87	5.84
	Financial x Property Trust	25.38	23.80
	Other	0.00	0.00
	Cash	2.54	0.00
Total	100.00	100.00	

Actual asset allocation by region	Region	Fund %	Benchmark%
	China	20.81	23.94
	Hong Kong	15.04	11.26
	India	8.33	9.01
	Indonesia	1.86	3.79
	Korea	18.74	20.98
	Malaysia	3.32	4.68
	Philippines	1.97	1.08
	Singapore	6.99	7.08
	Taiwan	11.48	15.31
	Thailand	5.69	2.86
	Cash & Other	5.78	0.00
	Total	100.00	100.00

Market commentary	Actual asset allocation by sector
	<p>Asian equity markets enjoyed a strong first quarter. Numerous factors contributed to the gains, including generally positive economic data, supportive central banks and widespread relief that Europe's debt crisis was not spiralling out of control. Positive US economic data helped stoke the rally but Europe dominated the headlines. Investors were encouraged by the ECB's provision of liquidity to the European banking system via two long term refinancing operations (LTRO) helping ease concerns about the European banking system. In March, gains were tempered by Chinese premier Wen Jiabao's confirmation that Beijing had cut its annual growth target for 2012 to 7.5% from a long standing annual goal of 8%. However, the announcement failed to curtail the rally as it came as little surprise as well as evidence towards the end of the month that manufacturing activity in China was stronger than expected in March. Over the quarter, Asian shares, as measured by the MSCI AC Asia ex Japan Index, rose 12.5% in Australian dollar terms.</p> <p>All major country indices within the region posted gains in local currency terms over the quarter. The Philippines, Thailand and India were among the best performing markets over the quarter, while China, Indonesia and Malaysia lagged the broader market. India outperformed as the market rebounded from the heavy sell of last quarter. The Indian market held onto double-digit gains despite the largely negative response to the country's recent budget. India's performance was bettered only by the Philippines and Thailand which benefited from expectations of improved export demand and policy easing. China underperformed, reflecting some disappointing corporate earnings announcements and weakness in some of the industrial activity indicators. On the policy front, the central bank reduced reserve requirements by 0.5% in February. Malaysia underperformed, reflecting the relatively defensive characteristics of the market. Indonesia underperformed, having strongly outperformed wider emerging markets in 2011. From a sector point of view, technology and industrial stocks led gains on expectations that the improving global economic outlook would spur export demand.</p>

Top 10 holdings		Fund %	Benchmark%
	Samsung Electronics Co. Ltd.	5.36	4.68
	AIA Group Ltd.	2.69	1.16
	CNOOC Ltd.	2.39	1.38
	DBS Group Holdings Ltd.	2.22	0.75
	Hana Financial Group Inc.	2.12	0.31
	China Construction Bank Corp.	1.78	1.75
	KB Financial Group Inc.	1.73	0.50
	Hon Hai Precision Industry Co. Ltd.	1.72	1.33
	China Mobile Ltd.	1.68	2.50
	SembCorp Industries Ltd.	1.68	0.16

Investment objective	The Fund aims to provide long-term capital growth by investing in Asian (ex Japan) securities listed, or expected to be listed, on world stock exchanges. The Fund aims to provide investors with a total return (before fees and taxes) that outperforms the MSCI All Country Asia ex-Japan Index in Australian dollars over periods of five years or longer.
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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 two 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.
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Key features	Wholesale	Retail
Fund size	\$5.09 million	\$4.16 million
Date established	May-04	May-04
Distribution frequency	Annually	Annually
Minimum investment	\$5,000 (\$1,500 for <i>Regular Savings Plan</i> ¹)	\$1,500 (\$1,000 for <i>Regular Savings Plan</i> ¹)
Minimum withdrawal	\$1,500	\$500
Withdrawal period	5 business days	5 business days
Entry fee	Nil	4.10% maximum ²
Ongoing fee	1.25% ²	2.20% ²
Regular Savings Plan ¹	Yes	Yes
Regular Withdrawal Plan ¹	Yes	Yes
Distribution reinvestment	Yes	Yes
Buy/sell spread (%)	0.20%	0.45%
Exit fee	Nil	Nil

¹ Conditions apply.
² Includes effect of GST.

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advance.com.au

Advance Asian Shares Multi-Blend Fund is issued by Advance Asset Management Limited (Advance) ABN 98 002 538 329 AFSL No. 240902. A Product Disclosure Statement (PDS) for the Fund is available at www.advance.com.au or via 1800 819 935 or from your financial adviser. Financial advisers, please call 1300 361 864. This fact sheet contains general information only and does not take into account individual financial circumstances. Investors should consider the PDS and whether the Fund is appropriate to their circumstances, and seek professional advice before investing in the Fund. Past performance is not a guide to future performance. Past performance is not a reliable indicator of future performance. Advance is a member of the Westpac Group, which includes Westpac Banking Corporation ABN 33 007 457 141 ("Westpac"). An investment in the Fund does not represent an investment in, deposit with or other liability of Westpac or any other member of the Westpac Group. It is subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither Westpac nor any other member of the Westpac Group stands behind or otherwise guarantees the capital value of an investment in a Fund or the performance of a Fund. Performance figures are calculated using withdrawal values and assume that income is reinvested. Annual management fees and expenses have been taken into account; however, no allowance has been made for entry fees, tax or any rebates that may be given. Past performance is not a reliable indicator of future performance.