

ADVANCE CASH MULTI-BLEND FUND

As at 30 April 2019

FUND PERFORMANCE*	1 month (%)	3 months (%)	6 months (%)	1 year (%)	2 years (% pa)	3 years (% pa)
Total return	0.19	0.60	1.12	2.22	2.13	2.21
Growth return	(0.01)	0.03	0.03	0.07	0.03	0.05
Distribution return	0.20	0.57	1.09	2.15	2.10	2.16
Benchmark return	0.16	0.50	0.99	2.02	1.88	1.88

Fund commenced June 2002. Performance commenced 1 February 2010.
Benchmark: Bloomberg AusBond Bank Bill IndexSM.

FUND UPDATE

The Fund outperformed the benchmark during the April quarter net of fees.

Portfolio performance was positive with Blackrock and Pental both adding to the portfolio's excess returns.

Portfolio positioning and investment themes remain consistent with prior quarters. The fund continues to remain conservatively positioned in more highly liquid short term securities. Less liquid commercial paper and asset backed securities have been replaced with highly liquid negotiable certificates of deposit (NCDs). It is also worth noting that the IMS mandate was replaced with a new mandate managed by BlackRock. This occurred in March 2019.

SUB SECTOR ALLOCATIONS~

Sector	Fund (%)
Bank Term Deposits	0.00
Bank Bills	0.00
Negotiable Certificates of Deposit	38.10
Promissory Notes	18.04
Floating Rate Notes	27.13
Other	3.45
Cash	13.28
Total	100.00

CREDIT

Credit Quality	Fund (%)
AAA	1.75
AA	22.84
A	4.23
BBB	1.78
BB	0.00
B	0.00
CCC and Lower	0.00
Not Rated / Derivatives	0.00
A-1+	14.16
A-1	21.70
A-2	20.27
A-3	0.00
Cash & Currency	13.28
Total	100.00

MARKET COMMENTARY

Australian bond yields fell at the front-end leading the curve to steepen during April. This was driven largely by growing expectations of a rate cut from the Reserve Bank of Australia (RBA). The Board's communication during the month was perceived as relatively dovish, including the discussion of a low-inflation and higher unemployment scenario that would require lower rates. Later in the period, a weaker-than-expected first quarter consumer price index (CPI) print fanned expectations further and by month-end the market was pricing a roughly 50% chance of such a move.

The first quarter inflation data revealed headline CPI was flat at 0.0%, while the RBA's preferred gauge (the trimmed mean) rose a sluggish 0.3% over the same period. Meanwhile, labour market data was mixed. While the unemployment rate ticked higher by 0.1% to 5.0%, it was driven by an increase in the participation rate as jobs growth was relatively strong at 26K. Similarly there were varied signals from leading indicators. Retail sales was strong at 0.8% month-on-month, however business confidence fell to 0%, a multi-year low.

The Australian 3 year yield fell by 12 basis points (bps) to 1.28%. At the very front-end, the 3 month the Bank Bill Swap rate (BBSW) dropped a more substantial 21bps to 1.56%. The spread between the BBSW and the overnight interest swap (BBSW-OIS) also narrowed further and funding pressures eased with the continued decline in repo rates.

INVESTMENT OBJECTIVE

To provide investors with a total investment return (before fees and taxes) that outperforms the benchmark over one year, maintaining liquidity, avoiding unnecessary risk and therefore seeking to maintain capital value.

BENEFITS OF INVESTING IN THE FUND

The Advance Cash Multi-Blend Fund is ideal for investors seeking manager and cash strategy diversification through a combination of two cash investment managers.

- * The Fund performance is net of management costs.
- ~ Allocations may not equal 100% due to rounding.

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ADVANCE
ASSET MANAGEMENT

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