

ADVANCE INTERNATIONAL 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	11.92	0.40	(10.39)	(10.94)	(5.56)
Distribution return	0.10	8.69	22.72	24.32	17.65
Total return	12.02	9.09	12.32	13.38	12.09
Benchmark return	11.50	12.30	12.81	13.71	12.78

Inception date: 30 September 1998
Benchmark: MSCI World Ex Australia (Standard) Index (Net Dividends) in Australian dollars

FUND UPDATE

The Advance International Shares Multi-Blend Fund outperformed the MSCI World Ex-Australia index in the first quarter of 2019.

At the underlying fund manager level performance was mixed, T Rowe Price and Ardevora were the largest contributors along with Wellington while River and Mercantile were flat for the quarter.

The two managers with a value orientation, AQR and Realindex suffered in a difficult environment for that investment style.

The key positive contributors for the fund was stock selection in the United States and the overweight position in China. Europe contribution was also positive driven by Germany which more than compensated for a difficult quarter for the United Kingdom stocks. From a sector perspective, a positive contribution came from strong stock selection within the Consumer Discretionary and Healthcare sectors. At an individual stock level, the overweight to Alibaba and Facebook were the largest positive contributors.

The largest detractor of the portfolio for the first quarter of the year was the positioning in LATAM and Emerging Europe. From a sector perspective, the underweight to Consumer Staples and the stock selection in Industrial and Energy were the largest detractors. At an individual stock level Biogen was the largest detractors having encountered issues with a drug trial.

ACTUAL ASSET ALLOCATION BY SECTOR⁻

	Fund (%)	Benchmark (%)
Energy	5.28	6.03
Materials	4.30	4.20
Industrials	11.96	11.24
Consumer Discretionary	11.91	10.52
Consumer Staples	6.00	8.71
Health Care	13.30	12.95
Information Technology	16.50	16.23
Telecommunication Services	7.49	8.44
Utilities	3.71	3.41
Property Trusts	3.18	3.20
Financial-x-Property Trusts	14.42	15.07
Derivatives & Other	0.48	0.00
Cash	1.46	0.00
Total	100.00	100.00

ACTUAL ASSET ALLOCATION BY REGION⁻

	Fund (%)	Benchmark (%)
North America	55.31	67.42
United Kingdom	4.88	5.98
Developed Europe ex UK	17.08	16.03
Developed Asia (ex Aus & Jap)	2.09	1.99
Japan	7.81	8.39
Australia	0.78	0.00
Middle East & Africa	0.42	0.19
Emerging Europe	0.27	0.00
Latin & South America	1.89	0.00
Emerging Asia	8.00	0.00
Cash, Currency & Other	1.46	0.00
Total	100.00	100.00

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 Global Equities were 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. There was also stimulus measures taken in China and Europe which buoyed the confidence of investors. All sectors were positive over the quarter. Information Technology (+17.6%) was the standout performer with Apple, Microsoft and Facebook all being large contributors to the benchmark return. Real Estate (+14.89%) closely followed as it benefitted from falling interest rates. Whilst it was a risk on environment, there was relative underperformance from more cyclical value orientated stocks.

TOP 10 HOLDINGS

	Fund (%)	Benchmark (%)
Alphabet Inc.	1.28	1.85
Facebook, Inc.	1.13	1.03
Microsoft Corporation	0.98	2.21
Amazon.com, Inc.	0.92	1.90
Apple Inc.	0.88	2.32
Alibaba Group Holding Ltd.	0.76	0.00
American Tower Corporation	0.69	0.22
Total SA	0.60	0.34
Tencent Holdings Ltd.	0.57	0.00
Intel Corporation	0.55	0.63

INVESTMENT OBJECTIVE

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

BENEFITS OF INVESTING IN THE FUND

The International Shares Multi-Blend Fund gives you the opportunity to participate in the performance of world markets outside of Australia. International shares provide the potential for capital growth and some income over time. Diversifying a portfolio beyond the Australian sharemarket may help reduce risk and improve returns. Managers are selected for their own investment style and process. The Multi-Blend approach is based on the belief that the different styles of each manager when combined, can produce a more consistent outcome for investors by minimising style and portfolio risk.

KEY FEATURES

	Wholesale	Retail
Total assets (AUD millions)	\$1,893.86	
Date established	September 1998	July 1994
Distribution frequency	Quarterly	Quarterly
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}	1.10% pa	2.10% pa
Regular Savings Plan ¹	Yes	Yes
Regular Withdrawal Plan ¹	Yes	Yes
Distribution reinvestment	Yes	Yes
Buy/sell spread (%) ³	0.20/0.20	Nil
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.

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ADVANCE
ASSET MANAGEMENT

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Advance is the responsible entity of the [Advance International Shares Multi-Blend Fund, ASRN 087 296 501 ('Fund')]. A Product Disclosure Statement ('PDS') 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 Financial Services Guide ('FSG') for Advance can also be obtained via the Product Disclosure Statement page on www.advance.com.au. Any retail client should obtain and consider the PDS for the Fund and the FSG before deciding whether to acquire, continue to hold or dispose of units in the Fund.

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