

# Advance Alleron Australian Equity Growth Fund

## ADVANCE

SINGLE MANAGER FUND

As at 31 December 2011

Wholesale performance*	3 months	1 year	2 years	3 years	Since inception <sup>1</sup>
	% pa	% pa	% pa	% pa	% pa
Growth return	1.15%	-16.98%	-10.12%	1.29%	-8.28%
Distribution return	2.24%	3.08%	3.39%	3.98%	2.99%
Total return	3.38%	-13.89%	-6.73%	5.27%	-5.29%
Benchmark return <sup>2</sup>	2.12%	-10.54%	-4.68%	7.58%	-6.68%

\* 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](http://advance.com.au).

<sup>1</sup> Inception date: 31 October 2007

<sup>2</sup> Benchmark: S&P ASX 200 Accumulation Index

  

Fund update	<p>The Fund performed positively over the quarter with a return of 3.38% compared to the benchmark of 2.12%.</p> <p>Stocks that have contributed positively to performance on a relative basis included Cochlear Limited which announced that it had identified the root cause of the problem that resulted in its recent product recall. In addition, Iluka Resources Limited announced 80-90% price rises on some of its products for the first six months of 2012 while investors in the Suncorp Group Limited were comforted by the company confirming earnings guidance and continued sales of non core assets at or above book prices.</p> <p>Stocks that contributed negatively to performance included ResMed Inc whose stock was sold down after the company reported disappointing sales in the September quarter results. Despite Dart Energy Limited announcing a second potential UK gas sales agreement with BG Group, investors were disappointed in the delay of achieving gas certification targets. Newcrest Mining Limited revised production guidance for financial year 2012 downwards and the share price was affected by a falling gold price.</p>
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Actual asset allocation	Fund %	Benchmark %
	Energy	6.71%
Materials	20.67%	24.86%
Industrials	10.15%	6.89%
Consumer discretionary	5.48%	3.65%
Consumer staples	4.84%	8.14%
Healthcare	12.49%	3.59%
Financials	29.13%	32.74%
Information technology	0.00%	0.63%
Telecommunication services	2.59%	4.50%
Utilities	0.00%	1.62%
Real Estate Investment Trusts	4.44%	6.27%
Cash	3.49%	0.00%
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

  

Market commentary*	<p>The December quarter was positive for the US and Europe with Asia lagging behind. Market focus was still on European debt issues offset by positive US economic data. US broker MF Global filed for bankruptcy due to European debt investments. Six global central banks provided liquidity support to the financial system and European banks obtained €489 billion in low cost 3-year funding from the ECB.</p> <p>The Australian market rose less due to poor sentiment from profit downgrades by several major retailers and concerns about slowing Chinese growth. The RBA responded to a number of economic risk factors by reducing official interest rates by 0.5% to 4.25%. Standard &amp; Poors downgraded the four major Australian banks to AA – from AA. Corporate activity picked up with two mergers in the coal sector and most of the banks reported improved results despite low loan growth.</p>
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Top 10 holdings		Fund %	Benchmark %								
	BHP Billiton Limited	9.55%	11.44%								
	National Australia Bank Limited	6.09%	5.40%								
	Westpac Banking Corporation	5.95%	6.31%								
	Suncorp Group Limited	5.38%	1.12%								
	AMP Limited	4.46%	1.21%								
	Stockland Trust Group	4.44%	0.79%								
	Newcrest Mining Limited	4.09%	2.34%								
	Seek Limited	3.82%	0.19%								
	Coca-Cola Amatil Limited	3.60%	0.63%								
	Cochlear Limited	3.56%	0.36%								
<b>Investment objective</b>	To provide long-term capital growth by investing in Australian shares. The Fund aims to provide investors with a total investment return (before fees and taxes) that outperforms the S&P/ASX 200 Accumulation Index over five years or longer by predominantly investing in Australian growth equities.										
<b>Benefits of investing in Fund</b>	The Advance Alleron Australian Equity Growth Fund offers clients access to a concentrated portfolio of Australia's growth stocks chosen by a true high-conviction manager. Instead of buying into an indexhugging basket of big companies, investors can own an elite collection of highly scrutinised 'dream companies'.										
<b>Current investment manager</b>	<p><b>Investment manager:</b> Alleron Investment Management Limited (Alleron).</p> <p><b>Investment style:</b> Growth style bias.</p> <p>Alleron is a specialist Australian equities manager with a growth bias, and is best described as a high alpha manager, relying heavily on stock specific risk for its expected performance.</p> <p>Alleron is Sydney based and was established in October 2004, and has four investment professionals and a dedicated CEO, Barry Littler.</p>										
<b>Key features</b>	<table border="1"> <thead> <tr> <th data-bbox="376 1160 922 1207"></th> <th data-bbox="932 1160 1453 1207">Wholesale</th> </tr> </thead> <tbody> <tr> <td data-bbox="376 1216 922 1240">Fund size</td> <td data-bbox="932 1216 1453 1240">\$2.03 million</td> </tr> <tr> <td data-bbox="376 1249 922 1274">Ongoing fee (MER)<sup>1</sup></td> <td data-bbox="932 1249 1453 1274">0.89% pa</td> </tr> <tr> <td data-bbox="376 1283 922 1308">Buy/Sell spread (%)</td> <td data-bbox="932 1283 1453 1308">0.25/0.25</td> </tr> </tbody> </table> <p><sup>1</sup> Includes effect of GST.</p>				Wholesale	Fund size	\$2.03 million	Ongoing fee (MER) <sup>1</sup>	0.89% pa	Buy/Sell spread (%)	0.25/0.25
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Contact Centre: 1800 819 935

Adviser Services: 1300 361 864

advance.com.au

Advance Alleron Australian Equity Growth 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](http://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.

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