

ADVANCE AUSTRALIAN SHARES MULTI-BLEND FUND

As at 31 December 2020

FUND OVERVIEW

	Wholesale	Retail
Inception date	31 May 1998	26 June 1994
APIR	ADV0045AU	ADV0025AU
Fund size (AUD millions)	\$2,042.16	
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.	
Recommended investment timeframe	5 years	
Minimum initial investment	\$5,000	Closed to new investors
Distribution frequency	Quarterly	
Management costs (%) pa ¹	0.75	1.40
Buy/sell spread (%)	0.30 / 0.30	0.00 / 0.00

FUND PERFORMANCE²

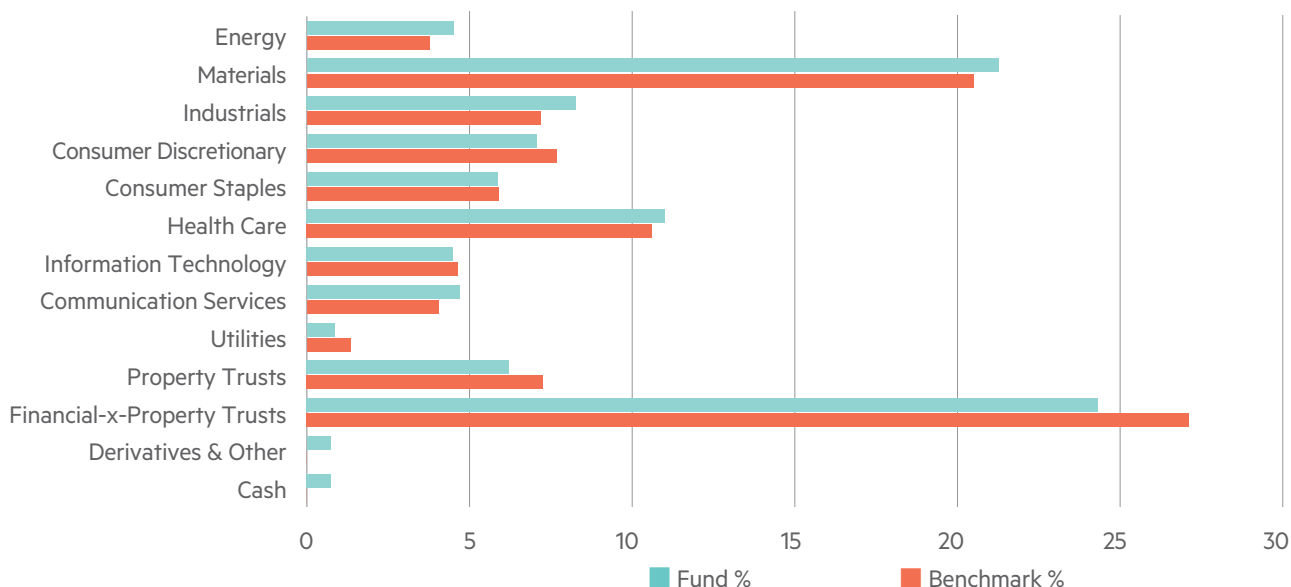
	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	Since Inception % pa
Total Net return	1.09	14.07	1.30	6.11	8.08	8.01
Growth return	0.63	13.55	(1.85)	(0.35)	(0.04)	(0.23)
Distribution return	0.46	0.52	3.15	6.45	8.11	8.24
Benchmark return~	1.32	13.79	1.73	6.87	8.84	8.47

Benchmark: S&P/ASX 300 Accumulation Index (Pre April 2010 ASX 200 Accumulation Index).

TOP 10 HOLDINGS

	Fund (%)	Benchmark (%)
BHP Group Limited	8.45	6.56
CSL Limited	6.64	6.76
Commonwealth Bank of Australia	5.83	7.65
Australia and New Zealand Banking Group Limited	3.93	3.38
Westpac Banking Corporation	3.77	3.67
National Australia Bank Limited	3.05	3.90
Macquarie Group Limited	2.78	2.47
Telstra Corporation Limited	2.55	1.86
Goodman Group	2.23	1.67
Aristocrat Leisure Limited	1.81	1.04

SECTOR ALLOCATIONS³



FUND UPDATE

The Advance Australian Shares Multi-Blend Fund returned 14.07% over the December quarter, outperforming the S&P/ASX 300 Accumulation Index by 0.28%.

Realindex was the largest positive contributor to relative performance and continues to benefit from greater optimism in the economy and their net overweight positions to banks within the Financials sector. Platypus, on the other hand, was the largest detractor from relative performance. Their sustainable growth approach to investing has worked well over 2020, however with the rotation towards value the fund detracted from performance this quarter.

At a sector level, positive stock selection in Industrials was the largest contributor to relative performance with an underweight to Transurban being the largest contributor. At a stock level, the underweight to Newcrest Mining Limited has been the largest contributor to performance. As the risk appetite of investors increased following positive vaccine news, the demand for safe haven assets such as Gold fell over the quarter which affected Newcrest Mining's share price.

Negative stock selection in Information Technology was the largest detractor from relative performance, closely followed by an underweight to Banks. At a stock level, the underweight to Afterpay was the largest detractor from performance as fundamental managers continue to find it difficult to justify the current valuation.

Australian equities performed strongly over the quarter, returning 13.79% as measured by the S&P/ASX 300, materially outperforming global equities (MSCI World ex Australia net dividends), which returned 5.68% over the same period. The difference is partly attributed to a stronger AUD which detracted from unhedged international equity exposure.

Following an uneasy few weeks in October, the November US elections and approval of several COVID-19 vaccines improved consumer sentiment and resulted in strong market performance. Australian economic data released during the period was also positive over the quarter. The headline inflation rate saw a rebound and was up by 1.6% for the previous quarter. Similarly, GDP for Q3 increased by 3.3% which contributed to the partial recovery of the -7% drop in Q2. The cash rate was reduced to another historical low of 0.10%, from a previous 0.25%.

The positive news saw a sharp rotation into Value stocks that have been underperformers year to date. Areas of the market that benefited most were financials, energy and materials. Conversely, stocks that had been performing well throughout 2020 such as Healthcare and defensive Consumer Staples underperformed over the quarter.

- 1 The Management Costs included in this fact sheet are inclusive of the Management Fee and any Performance Fees and includes the effect of GST (net of RITC). They do not include other indirect costs. Refer to the Product Disclosure Statement and online disclosures for further information.
- 2 Past performance is not a reliable indicator of future performance. 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. Growth and Distribution returns may not equal the Total Net return due to rounding.
- 3 Allocations may not equal 100% due to rounding.

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