

ADVANCE INTERNATIONAL SHARES MULTI-BLEND FUND

As at 31 December 2020

FUND OVERVIEW

| | Wholesale | Retail |
|--------------------------------------|--|-------------------------|
| Inception date | 31 August 1998 | 30 June 1994 |
| APIR | ADV0053AU | ADV0028AU |
| Fund size (AUD millions) | \$1,728.05 | |
| 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 | 0.95 | 1.55 |
| Buy/sell spread (%) | 0.20 / 0.20 | 0.00 / 0.00 |

FUND PERFORMANCE²

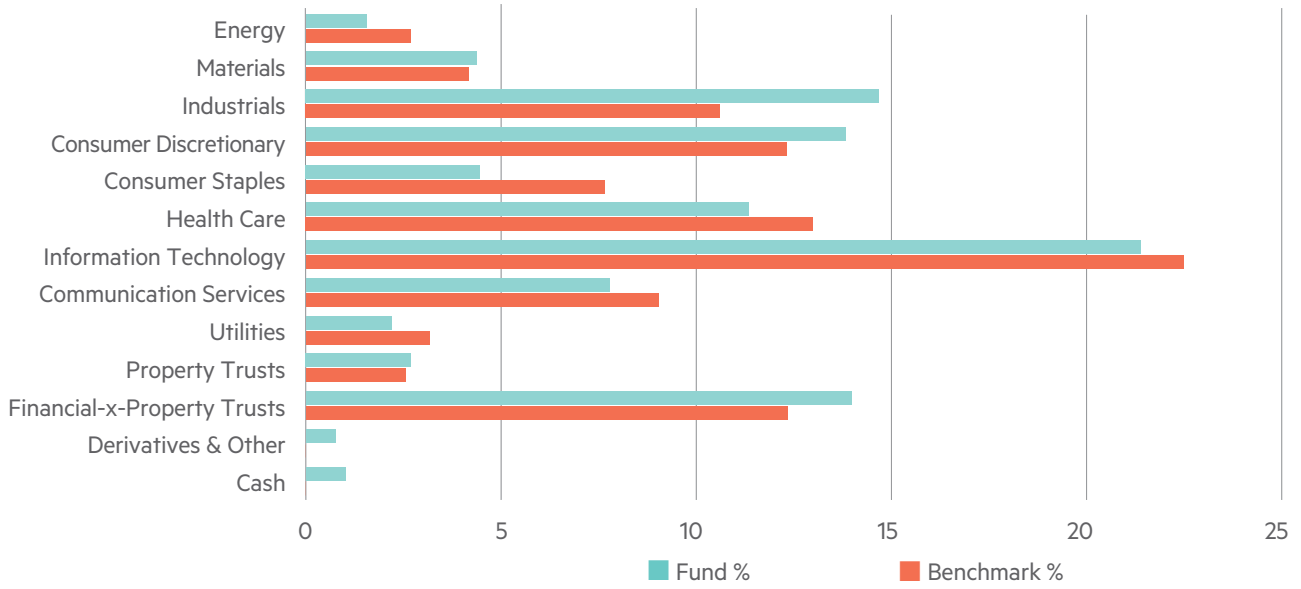
| | 1 month % | 3 months % | 1 year % | 3 years % pa | 5 years % pa | Since Inception % pa |
|---------------------|--------------|---------------|-------------|-----------------|-----------------|-------------------------|
| Total Net return | (0.08) | 8.70 | 7.06 | 10.32 | 10.60 | 4.15 |
| Growth return | (0.11) | 8.66 | 2.26 | 3.64 | (6.13) | (2.36) |
| Distribution return | 0.03 | 0.04 | 4.80 | 6.69 | 16.72 | 6.51 |
| Benchmark return~ | (0.50) | 5.68 | 5.73 | 11.16 | 10.94 | 5.81 |

~ Benchmark: MSCI World Ex Australia (Standard) Index (Net Dividends) in Australian dollars.

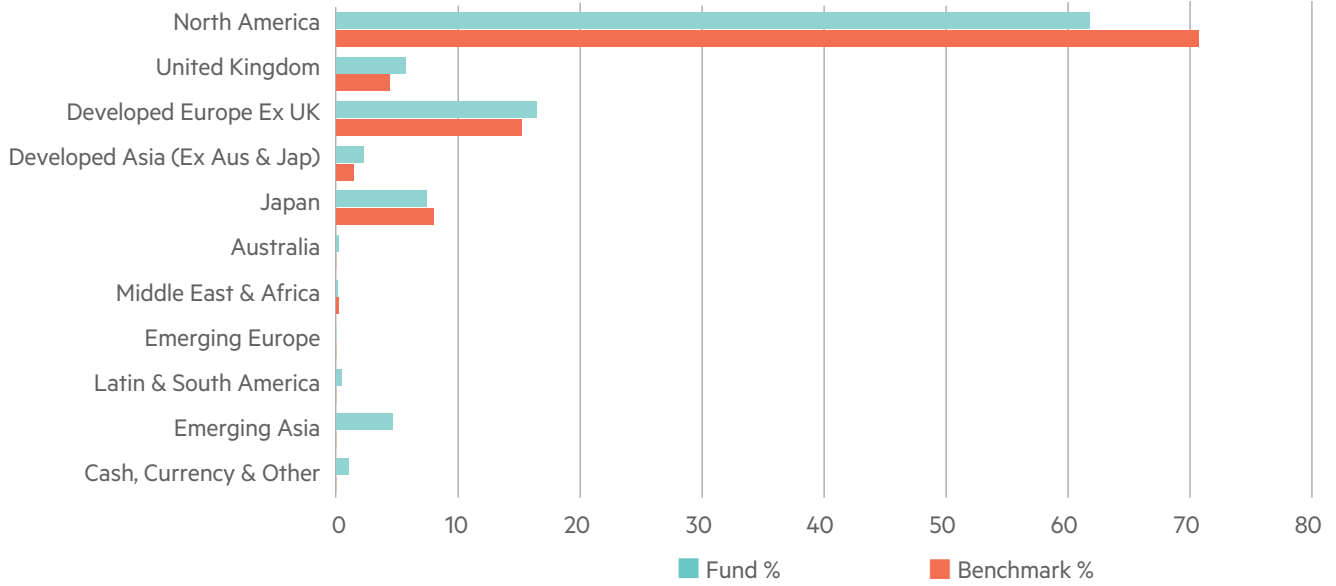
TOP 10 HOLDINGS

| | Fund (%) | Benchmark (%) |
|---------------------------------|----------|---------------|
| Facebook, Inc. | 1.52 | 1.31 |
| Apple Inc. | 1.33 | 4.52 |
| Charles Schwab Corporation | 1.30 | 0.16 |
| Alphabet Inc. | 1.29 | 2.10 |
| Amazon.com, Inc. | 1.15 | 2.76 |
| Mastercard Incorporated | 0.96 | 0.63 |
| Microsoft Corporation | 0.95 | 3.18 |
| JPMorgan Chase & Co. | 0.90 | 0.77 |
| UnitedHealth Group Incorporated | 0.89 | 0.66 |
| London Stock Exchange Group Plc | 0.64 | 0.08 |

SECTOR ALLOCATIONS³



REGIONAL ALLOCATIONS³



FUND UPDATE

The Advance International Shares Fund returned 8.70% over the December quarter, outperforming the MSCI World ex-Australia Index (The Index) in AUD by 3.02%.

Performance from the underlying managers was broadly positive, as managers with a higher focus on cyclical recovery outperformed, while other managers successfully rotated their portfolio to benefit from the sharp rotation against momentum and towards value. The strongest performer and contributor to relative performance was T. Rowe Price whose position in financials held the portfolio in good stead. On the other side, AQR was the only detractor as the quantitative process can underperform at market inflection points.

A key contributor from a country perspective was positive stock selection in the United States. From a sector perspective the strongest contribution came from positive stock selection in Information Technology, followed by positive stock selection in Financials. At an individual stock level, the overweight holdings in Charles Schwab as well as the underweight holding in Microsoft were the largest contributors to performance.

From a country perspective, the only detractor over the quarter was an ex-benchmark position in Cyprus. At an aggregate sector level, no active sector positions detracted from relative performance. At an individual stock level, the overweight to Alibaba and underweight to Tesla were the largest detractors.

In the December quarter the MSCI World ex-Australia (Net Dividends) Index rose 5.68 % in AUD terms. The Australian dollar rose 7.43% against the US Dollar over the quarter and hence this detracted from unhedged returns. Global equities began the quarter with negative performance amid soaring COVID-19 cases throughout the United States and Europe as well as uncertainty of future fiscal support and the US election. However, after the election and with positive vaccine news equity markets rallied hard in November. Pfizer, AstraZeneca and Moderna announced Vaccine candidates throughout November which led to a wave of optimism and a rotation into shares that had been most impacted by Covid-19 (Financials, Energy, Travel and Leisure stocks). Further evidence of a 'risk on' quarter was the MSCI Emerging Markets Index returning 11.18% in AUD terms. The market is pricing in continued earnings growth and a broad economic recovery returning global GDP levels to their previous peak sometime in late 2021. However, risks remain to this narrative including geopolitical tension, policy mistakes and a resurgence of COVID-19.

- 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.

Advance Asset Management, GPO Box B87, Perth WA 6838

Customer Relations 1800 819 935 Adviser Services 1300 361 864 Fax (02) 9274 5211

advance.com.au

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