

# Advance Australian Shares Multi-Blend Fund - Retail Units

## Fund overview

<b>ARSN</b>	087 296 008
<b>APIR</b>	ADV0025AU
<b>Commencement date</b>	26 June 1994
<b>Fund size (AUD)</b>	\$26.2m
<b>Benchmark</b>	S&P/ASX 300 Accumulation Index
<b>Recommended investment timeframe</b>	At least 5 years
<b>Risk label</b>	High
<b>Minimum initial investment</b>	Closed to new investors
<b>Distribution frequency</b>	Quarterly
<b>Investment management fee pa*</b>	1.40%

\*Additional fees and charges may apply.

## 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.

## Investment strategy

The Fund predominantly invests in a wide range of Australian shares listed, or expected to be listed, on the Australian Securities Exchange.

## Investment managers

As the Responsible Entity, Advance Asset Management Limited ('AAML') selects investment managers for Advance Australian Shares Multi-Blend Fund - Retail Units ('the Fund') and we manage and monitor the managers on your behalf. Therefore we may remove, replace, or appoint additional investment managers at our discretion at any time.

For information on the Fund's investment managers, please refer to the Manager List for the Fund available at [mercer.com.au/mercerfunds](https://mercer.com.au/mercerfunds).

## Performance review

Total return	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	7 years % pa
After fees and costs <sup>1,2</sup>	1.5	0.5	13.3	10.1	5.4	7.4
Benchmark	1.7	1.0	14.4	11.1	7.1	8.9

Notes: **Past performance is not a reliable indicator of future performance.**

- Returns are calculated using month end exit prices and assume distributions are reinvested. Returns over 12 months are annualised.
- Performance figures are calculated after deduction of investment management fees and costs, and any applicable performance fees.

## Market update

In June, global equities, commodities and REITs posted strong returns, while bonds were generally flat with credit outperforming government bonds.

Markets continue to price in a soft landing as news flow remains focused on falling headline inflation, a potential end to the global interest rate hiking cycle and broad economic resilience, despite challenges for some sectors, such as regional banks.

Inflation continues to edge down in most major economies raising hopes that the hiking cycle is near an end in most regions. Although the Federal Reserve kept rates on hold for the first time in over a year, forward guidance was more hawkish than expected, which weakened the positive momentum that markets carried during the first half of the month. The ECB and RBA hiked rates by 25bps each, while the Bank of England was compelled to hike by 50bps, given stubbornly elevated levels of inflation in the UK. China continued to ease as its expected economic recovery has been underwhelming. Labour markets remain resilient, with unemployment only marginally rising in some regions, however, remaining close to multi-decade lows.

Volatility in rate markets fell in June, following the resolution of the debt ceiling talks, and the pause in monetary tightening in the US. Bond yields rose slightly in June, while credit spreads slightly decreased during the month.

Over June, Hedged Developed Markets Overseas Shares returned 5.6%, US stocks outperformed emerging markets and other international developed markets. Value and growth stocks delivered similar results in June, although year to date growth has significantly outperformed value. Japan contributed significantly to the outperformance of developed markets, gaining 7.5% in June, as the Bank of Japan continues to stimulate the economy. Emerging Markets Shares (UH) gained 0.9%, held back by weakness in China. Latin America was the standout in emerging markets as the recovery in commodities provides a tailwind for its equities.

Hedged Overseas Government Bonds returned -2.3% over the month, as bond yields generally increased during June. In the US, the 10-year bond yield rose by 16bps. In developed markets outside the US, 10-year yields fell by 3bps in Japan, while yields rose 20bps in the UK, and 13bps in the Eurozone. US inflation expectations, as measured by the 10-year inflation breakeven rate, was unchanged and ended June at 2.2%.

Australian Shares returned 1.7%, underperforming their overseas counterparts in June. Materials (4.6%) and Financials (3.1%) were the strongest sectors, meanwhile Healthcare (-6.4%), and Communication Services (-1.0%) were the largest detractors.

## Australian shares

The Australian share market underperformed its hedged overseas counterpart over the month as the S&P/ASX300 Index returned 1.7%. The S&P/ASX 50 Accumulation Index was the strongest relative performer, returning 2.1%, while the S&P/ASX Small Ords was the weakest with a flat return over the month.

The best performing sectors were Materials (4.6%) and Financials (3.1%), while the weakest performing sectors were Healthcare (-6.4%) and Communication Services (-1.0%). The largest positive stock contributors to the index return were BHP, Fortescue Metals and CBA with absolute returns of 7.9%, 16.3% and 3.6%, respectively. In contrast, the most significant detractors were CSL, Transurban and Telstra with absolute returns of -9.4%, -3.7% and -1.1%, respectively.

## Further Information

Please contact your financial adviser or:

**Go to** [mercer.com.au/mercerfunds](https://mercer.com.au/mercerfunds)  
**Email** [InvestorHelpAU@mercer.com](mailto:InvestorHelpAU@mercer.com)  
**Call** 1300 728 928

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