

# ADVANCE BALANCED MULTI-BLEND FUND

As at 28 February 2021

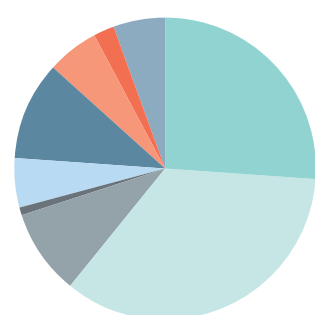
## FUND OVERVIEW

	Wholesale	Retail
Inception date	May 1998	April 1992
APIR code	ADV0050AU	ADV0023AU
Fund size (AUD millions)	\$2,088.45	
Investment objective	To provide moderate to high total returns (before fees and taxes) over the medium term from a combination of capital growth and income through a diversified mix of growth and defensive assets.	
Recommended investment timeframe	5 years	
Minimum initial investment	\$5,000	Closed to new investors
Distribution frequency	Quarterly	
Management costs (%) pa <sup>1</sup>	0.71	1.39
Buy/sell spread (%)	0.17 / 0.19	0.00 / 0.00

## PERFORMANCE REVIEW<sup>2</sup>

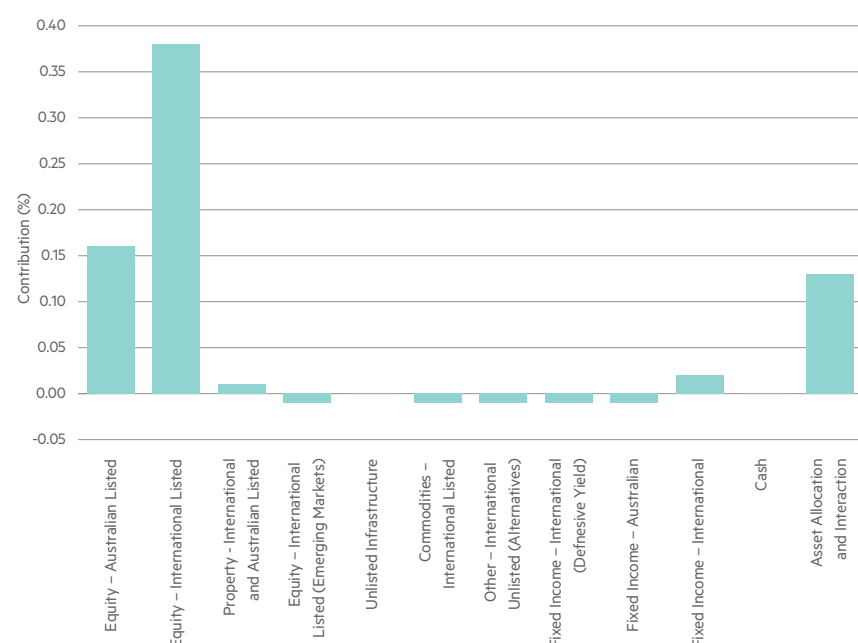
	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	Since Inception % pa
Total Net return	1.58	2.71	7.59	6.72	8.38	6.26
Growth return	1.58	1.75	1.21	0.45	(1.78)	(1.02)
Distribution return	0.00	0.96	6.38	6.27	10.16	7.28

## ACTUAL ASSET ALLOCATION<sup>3</sup>



Equity – Australian Listed	26.21%
Equity – International Listed (incl. Emerging Markets)	34.78%
Property – International and Australian Listed	9.02%
Unlisted Infrastructure	1.05%
Fixed Income – Australian	5.08%
Fixed Income – International	10.69%
Other – Defensive and Growth Alternatives	5.55%
Commodities – International Listed	2.29%
Cash	5.33%

## CONTRIBUTION TO EXCESS RETURN<sup>4</sup>



## FUND UPDATE

The Advance Balanced Multi-Blend Fund produced a positive return over the month of February.

Reflation trades dominated the market on the prospect of Biden's \$1.9 trillion fiscal stimulus and vaccine rollout. The improved growth and higher inflation expectations drove global bond yields higher. Subsequent weak demand at the US 7-year Treasury auction saw the bond market sell off sharply. The US 10-year Treasury benchmark yield hit its highest level since March last year (1.40%).

Over the month the US 10-year Treasury yield moved 34bps higher, the Australian 10-year government bond yield jumped 78bps higher, while credit spreads marginally narrowed. As a result, International Fixed Interest as measured by the Bloomberg Barclays Global-Aggregate Total Return AUD Hedged Index returned -1.6% and the domestic fixed interest market, as represented by the Bloomberg Ausbond Composite 0+ Yr Index returned -3.6%.

Equity markets had a strong start of the month driven by positive sentiment, before stalling due to the bond market sell-off. Long 'duration' growth stocks underperformed value stocks given the current reflationary market expectations. The MSCI World ex Australia Net Return AUD Hedged Index returned 2.7% and unhedged international equity exposure returned 1.6%, as the Australian Dollar appreciated against most developed market peers over the month.

The Australian equity market, as represented by the S&P/ASX 300 Accumulation Index, gained 1.5% over the month. Emerging market equities underperformed developed markets in AUD terms, with the MSCI Emerging Markets Net Total Return Index returning -0.1%. Domestic listed property returned -2.5% whereas global listed property returned 2.7%, as measured by the S&P/ASX 300 A-REIT Index and the FTSE EPRA/NAREIT Developed AUD Hedged Net Total Return Index, respectively.

Funds with higher allocations to growth assets outperformed those with a lower allocation to growth assets.

## ASSET ALLOCATION RANGES

Asset class	Investment managers	SAA Ranges %
Equity – Australian Listed	BlackRock; FIL Limited; First Sentier Investors Realindex; Nikko AM; Pental; Platypus; Solaris; Vinva	6 – 46
Equity – International Listed	AQR; Ardevora; BlackRock; First Sentier Investors Realindex; Pental; River & Mercantile; T.Rowe Price; Wellington	12 – 52
Property – Australian and International Listed	BlackRock; Heitman; Principal	0 – 22
Unlisted Infrastructure	First Sentier Investors	0 – 18
Fixed Income – Australian	AMP; Janus Henderson; Pental	0 – 26
Fixed Income – International	Kapstream; Mellon; PIMCO; Wellington; Western Asset; TCW; TwentyFour	0 – 32
Other – Defensive and Growth Alternatives	Angelo, Gordon & Co.; BlackRock; CVC Credit Partners; ICG; PIMCO; RV Capital; Wellington;	0 – 22
Commodities – International Listed	Janus Henderson	0 – 7
Cash	BlackRock; Pental	0 – 25

- 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](http://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.
- 4 The Contribution to Excess Return is calculated using Gross performance.

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The information in this document has been prepared by Advance Asset Management Limited ABN 98 002 538 329 AFSL 240902 ('Advance').

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