

ADVANCE BALANCED MULTI-BLEND FUND

As at 31 August 2021

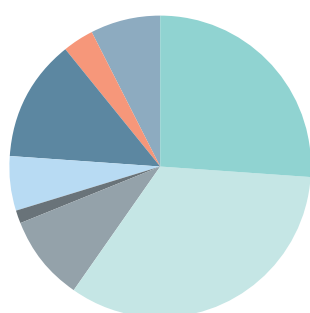
FUND OVERVIEW

	Wholesale	Retail
Inception date	May 1998	April 1992
APIR code	ADV0050AU	ADV0023AU
Fund size (AUD millions)	\$2,043.34	
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 ¹	0.73	1.39
Buy/sell spread (%)	0.17 / 0.19	0.00 / 0.00

PERFORMANCE REVIEW²

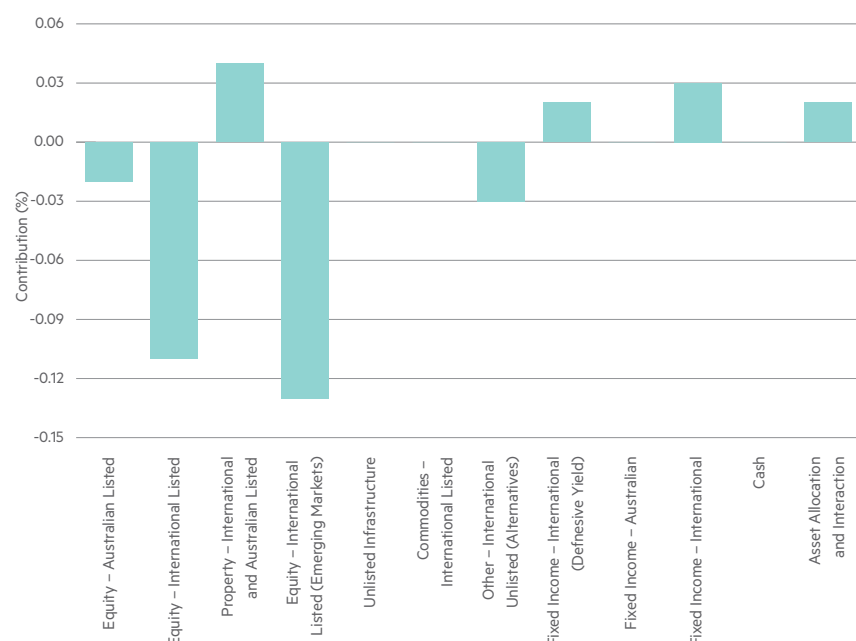
	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	Since Inception % pa
Total Net return	1.65	4.66	21.18	8.57	9.08	6.61
Growth return	1.65	(3.00)	9.09	1.09	(0.58)	(0.91)
Distribution return	0.00	7.66	12.09	7.47	9.65	7.52

ACTUAL ASSET ALLOCATION³



Equity – Australian Listed	26.34%
Equity – International Listed (incl. Emerging Markets)	33.40%
Property – International and Australian Listed	9.37%
Unlisted Infrastructure	1.32%
Fixed Income – Australian	5.82%
Fixed Income – International	13.14%
Other – Defensive and Growth Alternatives	3.33%
Cash	5.11%

CONTRIBUTION TO EXCESS RETURN⁴



FUND UPDATE

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

Risk assets had positive gains over the month, as investment markets anticipated continuing accommodative policies from central banks and a slower pace of QE tapering. This was despite volatility associated with Delta variant outbreaks, supply chain issues, Afghanistan, and the slowing of growth in China.

The domestic equity market, as represented by the S&P/ASX 300 Accumulation Index, gained 2.6% over the month. International Equities, as measured by the MSCI World ex Australia Net Return AUD Hedged Index, gained 2.7%. Unhedged international equity exposure outperformed hedged exposure as the USD strengthened, returning 3.1%. Emerging market equities returned 3.2%, as measured by the MSCI Emerging Markets Net Total Return Index. Chinese stock performance remained weak due to ongoing domestic regulatory issues and US-China tension. The Indian equity market, on the other hand, has been the top performer among major equity markets over the month.

Domestic listed property performed strongly with the S&P/ASX 300 A-REIT Index returning 6.4%, thanks to the increasing vaccination rate. Global listed property as measured by the FTSE EPRA/NAREIT Developed AUD Hedged Net Total Return Index, returned 1.5% over the month.

The narrative of transitory inflation still holds and the bond market priced long term inflation expectation consistently below the 2.5% mark. The Australian 10-year government bond yield moved 3bps lower to 1.16% over the month whereas the US 10-year Treasury yield moved 9bps higher to 1.31% as of month end. Investment Grade Credit spreads remained flat. As a result, the domestic fixed interest market, as represented by the Bloomberg Ausbond Composite 0+ Yr Index, returned 0.1% and the International Fixed Interest as measured by the Bloomberg Barclays Global-Aggregate Total Return AUD Hedged Index, returned -0.2%.

Funds with higher allocations to growth assets yielded higher returns to those with a higher allocation to defensive assets, due to stronger returns for growth assets.

ASSET ALLOCATION RANGES

Asset class	Investment managers	SAA Ranges %
Equity – Australian Listed	BlackRock; FIL Limited; First Sentier Investors Realindex; Yarra Capital; Pental; Platypus; Solaris; Vinva	6 – 46
Equity – International Listed	Ardevora; BlackRock; First Sentier Investors Realindex; Pental; River & Mercantile; T.Rowe Price; Wellington	14 – 54
Property – Australian and International Listed	BlackRock; Heitman; Principal	0 – 22
Unlisted Infrastructure	First Sentier Investors; Roc Capital; JPM	0 – 18
Fixed Income – Australian	AMP Capital; Janus Henderson; Pental	0 – 26
Fixed Income – International	Angelo, Gordon & Co.; ICG; Kapstream; Mellon; PIMCO; Sound Point; TCW; TwentyFour; Wellington; Western Asset	0 – 34
Other – Defensive and Growth Alternatives	Acadian; Magnetar; SouthPeak	0 – 20
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. 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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