

ADVANCE BALANCED MULTI-BLEND FUND

As at 31 July 2022

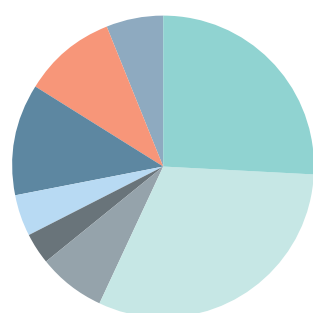
FUND OVERVIEW

	Wholesale	Retail
Inception date	May 1998	April 1992
APIR code	ADV0050AU	ADV0023AU
Fund size (AUD millions)	\$1,620.92	
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	0.71	1.39
Buy/sell spread (%)	0.17 / 0.17	0.00 / 0.00

PERFORMANCE REVIEW²

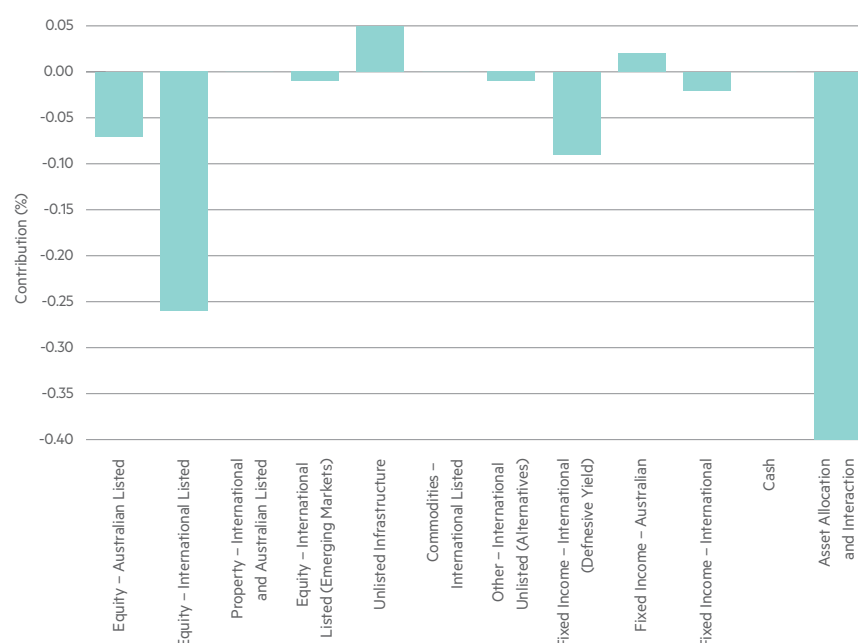
	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	Since Inception % pa
Total Net return	3.86	(2.79)	(5.88)	3.71	6.05	6.02
Growth return	3.86	(10.92)	(14.39)	(4.58)	(1.58)	(1.58)
Distribution return	0.00	8.13	8.52	8.29	7.63	7.60

ACTUAL ASSET ALLOCATION³



Equity – Australian Listed	26.00%
Equity – International Listed (incl. Emerging Markets)	31.19%
Property – International and Australian Listed	7.08%
Unlisted Infrastructure	3.32%
Fixed Income – Australian	4.40%
Fixed Income – International	11.99%
Other – Defensive and Growth Alternatives	10.14%
Cash	5.88%

CONTRIBUTION TO EXCESS RETURN⁴



FUND UPDATE

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

Risk sentiment improved despite another uptick in the US headline CPI to 9.1% YoY in July, and a second consecutive 75bps interest rate hike from the US Federal Reserve. Investors speculated a peak in headline inflation and a less hawkish policy setting going forward, following a period of mixed economic signals and the US entering a technical recession over the first half of 2022. Domestically, the Reserve Bank of Australia continued to raise interest rates by 50bps to help contain higher inflation, currently reported as 6.1% YoY in the second quarter of 2022.

The domestic equity market, as represented by the S&P/ASX 300 Accumulation Index, returned 6.0% over the month. International Equities, as measured by the MSCI World ex Australia Net Return AUD Hedged Index, returned 8.0%. Unhedged international equities returned 6.4%, underperforming a hedged exposure as the AUD appreciated against its major global peers. Emerging Market Equities underperformed, returning -1.7%.

Listed property rallied after a large drawdown over the previous quarter. Domestic listed property, as measured by the S&P/ASX 300 A-REIT Index, returned 11.8% and global listed property, as measured by the FTSE EPRA/NAREIT Developed AUD Hedged Net Total Return Index, returned 7.7% over the month.

The growing concerns of a looming recession pushed longer-term bond yields lower. The Australian 10-year government bond yield moved 38bps lower to 3.06% while the US 10-year Treasury yield moved 10bps higher to 2.65% over the month. The domestic fixed interest market, as represented by the Bloomberg Ausbond Composite 0+ Yr Index, returned 3.4% and the International Fixed Interest, as measured by the Bloomberg Barclays Global-Aggregate Total Return AUD Hedged Index, returned 2.5%.

Funds allocated to growth assets outperformed those with a higher allocation to defensive assets over the month.

ASSET ALLOCATION RANGES

Asset class	Investment managers	SAA Ranges %
Equity – Australian Listed	BlackRock; FIL Limited; First Sentier Investors Realindex; Pental; Platypus; Solaris	6 – 46
Equity – International Listed	Ardevora; BlackRock; First Sentier Investors Realindex; Pental; T.Rowe Price; Wellington; Aikya; Guardcap	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	Macquarie; Janus Henderson; Pental	0 – 26
Fixed Income – International	Angelo, Gordon & Co.; ICG; Kapstream; PIMCO; Sound Point; TCW; TwentyFour; Wellington; Western Asset; IIMG	0 – 34
Other – Defensive and Growth Alternatives	Acadian; Magnetar; PineBridge; SouthPeak; Bridgewater	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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