

ADVANCE BALANCED MULTI-BLEND FUND

As at 30 September 2022

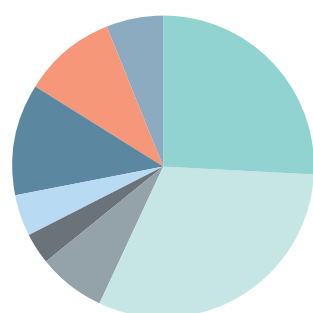
FUND OVERVIEW

	Wholesale	Retail
Inception date	May 1998	April 1992
APIR code	ADV0050AU	ADV0023AU
Fund size (AUD millions)	\$1,511.27	
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

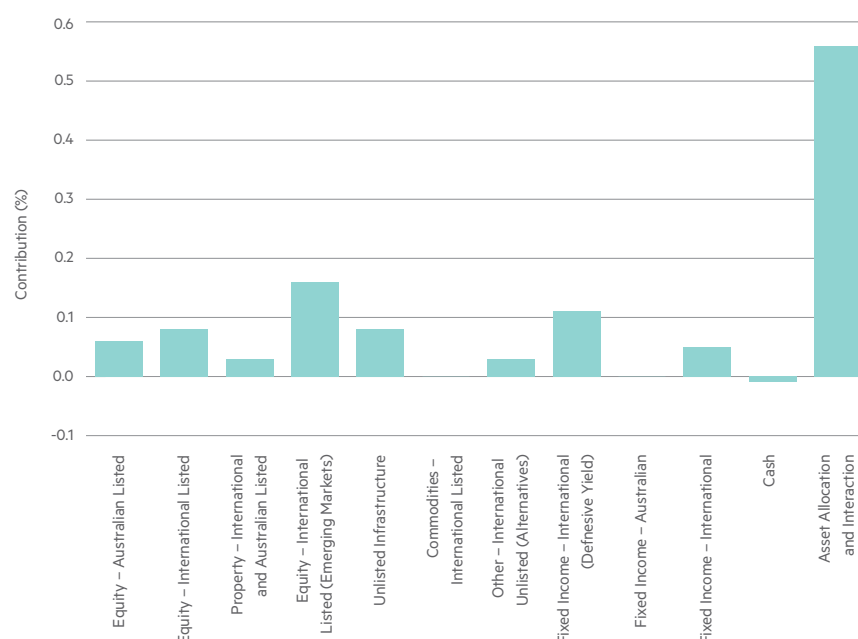
	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	Since Inception % pa
Total Net return	(4.53)	(1.37)	(10.36)	1.75	4.57	5.75
Growth return	(4.54)	(1.38)	(18.00)	(6.38)	(2.91)	(1.78)
Distribution return	0.01	0.01	7.64	8.13	7.47	7.53

ACTUAL ASSET ALLOCATION³



Equity – Australian Listed	25.91%
Equity – International Listed (incl. Emerging Markets)	31.14%
Property – International and Australian Listed	6.34%
Unlisted Infrastructure	3.60%
Fixed Income – Australian	4.72%
Fixed Income – International	13.00%
Other – Defensive and Growth Alternatives	10.85%
Cash	4.44%

CONTRIBUTION TO EXCESS RETURN⁴



FUND UPDATE

The Advance Balanced Multi-Blend Fund produced a negative return over the month of September.

Higher-than-expected US inflation has spurred a risk asset sell-off as the market recalibrated to higher interest rate expectations of 4% and above in the US by the end of this year with less likelihood of rate cuts in 2023. The Federal Reserve delivered its third consecutive 75 basis points rate hike and moved its target rate to a range of 3.00%-3.25%, the highest level since 2008. Energy concerns continued to plague Europe, German CPI was reported at 10.9% year on year and pressures remained for European central banks to turn more hawkish. Financial markets turmoil was further fuelled by the UK government's fiscal plan and its ramification on UK gilts market.

The domestic equity market, as represented by the S&P/ASX 300 Accumulation Index, returned -6.3% over the month. International Equities, as measured by the MSCI World ex Australia Net Return AUD Hedged Index, returned -8.9%. Unhedged international equities returned -3.2%, outperforming hedged exposure as a result of a stronger USD. Emerging Market Equities, as measured by the MSCI Emerging Markets EM AUD Net Total Return Index, returned -5.9%.

Listed properties sold off as higher interest rates weighed on valuations. Domestic listed property as measured by the S&P/ASX 300 A-REIT Index returned -13.6% and global listed property as measured by the FTSE EPRA/NAREIT Developed AUD Hedged Net Total Return Index, returned -11.8% over the month.

Fear of contagion elevated bond market volatility. UK 10yr gilt yields moved 129bps up to 4.09%, joined by a 57bps increase in German 10yr yield and 62bps increase in Italian 10yr bond yield. The US 10-year Treasury yield also moved 64bps higher to 3.83% over the month and the Australian 10-year government bond yield moved 29bps higher to 3.89%. Credit spreads also widened. As a result, the international fixed interest market, as measured by the Bloomberg Barclays Global-Aggregate Total Return AUD Hedged Index, returned -3.5%; and the domestic fixed interest market, as represented by the Bloomberg Ausbond Composite 0+ Yr Index, returned -1.4%.

Over the month both growth and defensive oriented portfolios had negative results.

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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