

ADVANCE BALANCED MULTI-BLEND FUND

As at 31 December 2022

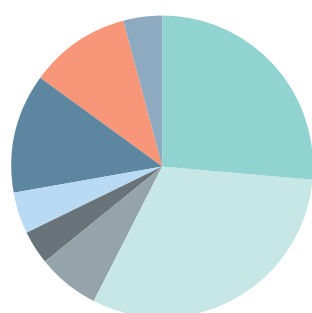
FUND OVERVIEW

	Wholesale	Retail
Inception date	May 1998	April 1992
APIR code	ADV0050AU	ADV0023AU
Fund size (AUD millions)	\$1,535.41	
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

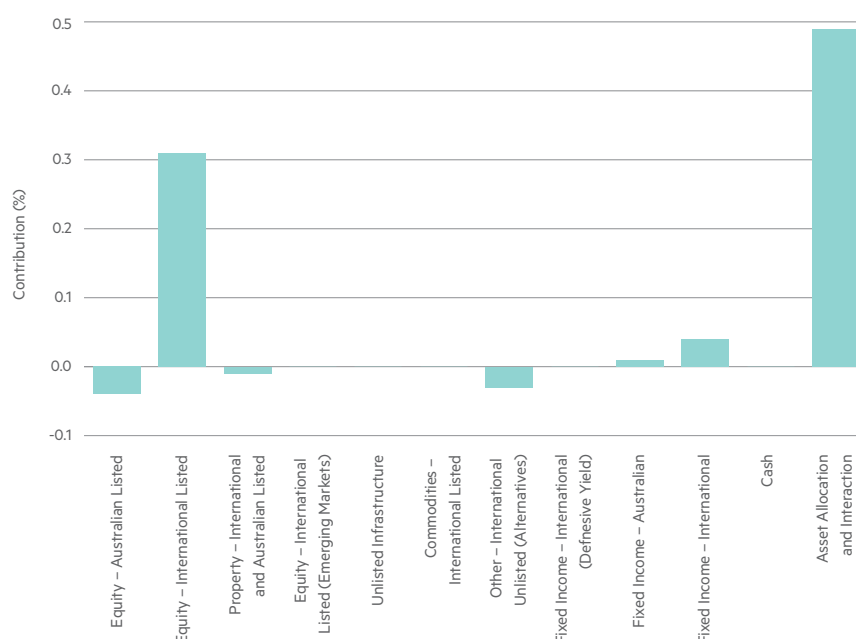
	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	Since Inception % pa
Total Net return	(2.14)	4.61	(8.89)	2.40	4.49	5.88
Growth return	(2.15)	4.59	(16.66)	(5.62)	(2.87)	(1.58)
Distribution return	0.01	0.01	7.77	8.02	7.36	7.46

ACTUAL ASSET ALLOCATION³



Equity – Australian Listed	26.49%
Equity – International Listed (incl. Emerging Markets)	31.18%
Property – International and Australian Listed	6.58%
Unlisted Infrastructure	3.56%
Fixed Income – Australian	4.68%
Fixed Income – International	12.70%
Other – Defensive and Growth Alternatives	10.74%
Cash	4.06%

CONTRIBUTION TO EXCESS RETURN⁴



FUND UPDATE

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

Following four consecutive hikes of 75bps this year, the US Federal Reserve decelerated the rate hike in December and lifted Federal Funds Target Rate by 50 basis points to a range between 4.25% and 4.50%. Despite another downside surprise on US November CPI, Fed officials reiterated the hawkish stance and indicated a higher terminal rate of above 5.00% over the next year. The European Central Bank delivered a 50 basis points hike and increased its deposit rate to 2.00% in line with market expectations. The Reserve Bank of Australia raised the cash rate target by 25 basis points to 3.10%. Risk sentiment was weak heading into the year end, with market concerns around recession risk heightened, signalled by contractionary Service PMI readings in the US.

The domestic equity market, as represented by the S&P/ASX 300 Accumulation Index, returned -3.3% over the month. International Equities, as measured by the MSCI World ex Australia Net Return AUD Hedged Index, returned -5.2%. Unhedged international equities slightly underperformed hedged exposure due to a weaker USD, returning -5.5%. Emerging Market Equities, as measured by the MSCI Emerging Markets EM AUD Net Total Return Index, returned -2.6%. Chinese offshore equities outperformed as the Chinese government shifts its focus away from Covid containment back towards economic growth.

Domestic listed property as measured by the S&P/ASX 300 A-REIT Index returned -4.0% and global listed property as measured by the FTSE EPRA/NAREIT Developed AUD Hedged Net Total Return Index, returned -3.8% over the month.

Global yield curves shifted higher. The US 10-year treasury yield moved 27bps higher to 3.88%, and the Australian 10-year government bond yield moved 52bps higher to 4.05% over the month. Domestic fixed interest, as measured by the Bloomberg Ausbond Composite 0+ Yr Index, returned -2.1%. International fixed interest markets, as measured by the Bloomberg Barclays Global-Aggregate Total Return AUD Hedged index, returned -1.3%.

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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