

ADVANCE MODERATE MULTI-BLEND FUND

As at 31 October 2022

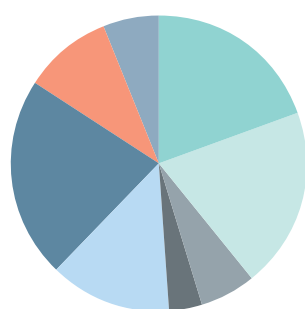
FUND OVERVIEW

	Wholesale	Retail
Inception date	June 2004	June 2004
APIR code	ADV0091AU	ADV0090AU
Fund size (AUD millions)	\$816.40	
Investment objective	To provide relatively stable total returns (before fees and taxes) over the short to medium term, with some capital growth over the long term through a diversified mix of growth and defensive assets.	
Recommended investment timeframe	4 years	
Minimum initial investment	\$5,000	Closed to new investors
Distribution frequency	Quarterly	
Management costs (%) pa ¹	0.63	1.33
Buy/sell spread (%)	0.14 / 0.14	0.00 / 0.00

PERFORMANCE REVIEW²

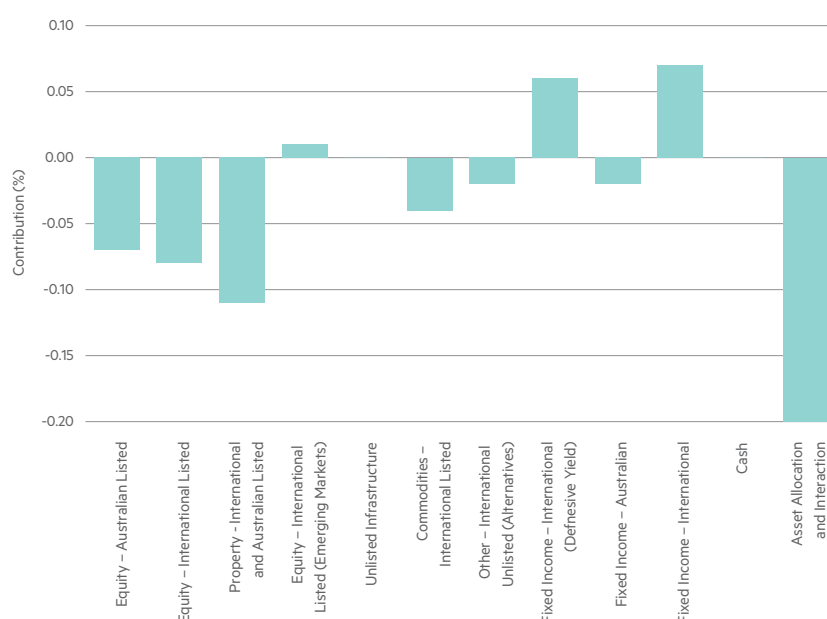
	1 month %	3 months %	1 year %	3 years % pa	5 years % pa	Since Inception % pa
Total Net return	2.54	(1.93)	(7.13)	1.48	3.61	5.67
Growth return	2.54	(1.94)	(12.96)	(5.39)	(2.38)	(0.78)
Distribution return	0.00	0.01	5.83	6.86	6.00	6.45

ACTUAL ASSET ALLOCATION³



Equity – Australian Listed	19.60%
Equity – International Listed (incl. Emerging Markets)	19.76%
Property – International and Australian Listed	6.02%
Unlisted Infrastructure	3.74%
Fixed Income – Australian	13.20%
Fixed Income – International	21.90%
Other – Defensive and Growth Alternatives	9.80%
Cash	5.98%

CONTRIBUTION TO EXCESS RETURN⁴



FUND UPDATE

The Advance Moderate Multi-Blend Fund produced a positive return over the month of October.

Risk sentiment improved over the month despite another higher-than-expected increase in US Core CPI of 6.6% YoY, and a Headline CPI increase of 8.2% YoY in September. Investors speculated a dovish pivot from the Fed post the November and December FOMC, where rate increases are expected to be kept at the current pace. Domestically, the Reserve Bank of Australia has slowed the pace of rate hikes and raised the cash rate target by 25 basis points, meanwhile headline inflation was reported at 7.3% YoY in the September quarter, expecting to peak in the December 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 7.2%. Unhedged International Equities returned 7.8%, outperforming hedged exposure as the AUD slightly weakened against its major global peers. Emerging Market Equities returned -2.6% over the month, China has significantly underperformed, with investors disappointed by its unwavering insistence on COVID-zero measures post its 20th National Congress.

Listed properties partially recovered from the previous drawdown. Domestic listed property as measured by the S&P/ASX 300 A-REIT Index returned 9.9% and global listed property as measured by the FTSE EPRA/NAREIT Developed AUD Hedged Net Total Return Index, returned 3.1% over the month.

Bond market volatility elevated to historical level over the month as the global bond market saw liquidity pressures, followed by immediate government interventions. The Australian 10-year government bond yield moved 13bps lower to 3.76% while the US 10-year Treasury yield moved 22bps higher to 4.05% over the month. The domestic fixed interest market, as represented by the Bloomberg Ausbond Composite 0+ Yr Index, returned 0.9% and the International Fixed Interest as measured by the Bloomberg Barclays Global-Aggregate Total Return AUD Hedged Index, returned -0.4%.

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	0 – 39
Equity – International Listed	Ardevora; BlackRock; First Sentier Investors Realindex; Pental; T.Rowe Price; Wellington; Aikya; Guardcap	2 – 42
Property – Australian and International Listed	BlackRock; Heitman; Principal	0 – 21
Unlisted Infrastructure	First Sentier Investors; Roc Capital; JPM	0 – 18
Fixed Income – Australian	Macquarie; Janus Henderson; Pental	0 – 35
Fixed Income – International	Angelo, Gordon & Co.; ICG; Kapstream; PIMCO; Sound Point; TCW; TwentyFour; Wellington; Western Asset; IIMG	2 – 42
Other – Defensive and Growth Alternatives	Acadian; Magnetar; PineBridge; SouthPeak; Bridgewater	0 – 19
Cash	BlackRock; Pental	0 – 29

- 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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