

BT Wholesale Multi-manager Balanced Fund

Monthly report – 31 December 2022

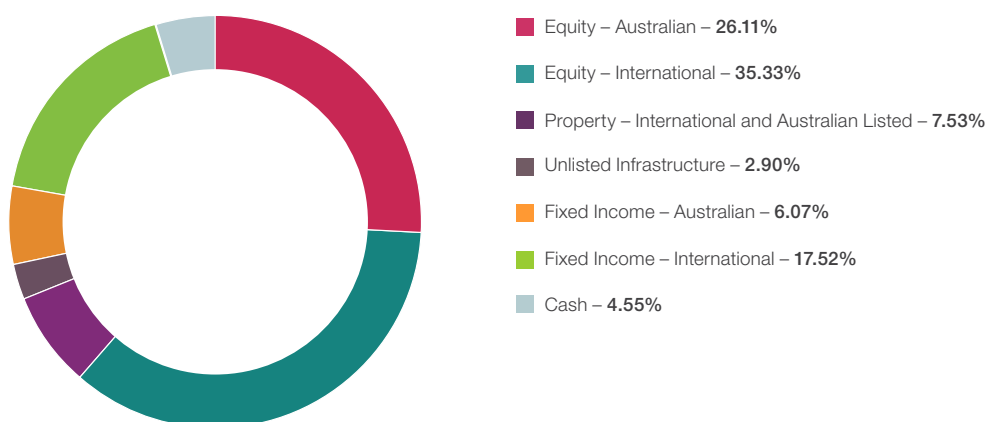
Fund overview

Inception date	22 October 2001
APIR code	BTA0221AU
Fund size (AUD millions)	\$2,494.30
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	\$500,000
Distribution frequency	Quarterly
Management costs (%) pa¹	0.71
Buy/sell spread (%)	0.29 / 0.00

Performance review²

Period ending 31 December 2022	1 month	3 months	1 year	3 years	5 years	Since inception
	%	%	%	% pa	% pa	% pa
Total Net return	(3.01)	4.92	(9.91)	1.99	4.20	5.20
Growth return	(3.01)	4.92	(15.19)	(3.29)	(0.91)	(1.85)
Distribution return	0.00	0.00	5.28	5.27	5.11	7.04

Actual asset allocation³



Fund update

The BT Wholesale Multi-manager Balanced 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	BlackRock; FIL Limited; First Sentier Investors Realindex; Yarra Capital; Pental; Platypus; Solaris	6 – 46
Equity – International	Aikya; Ardevora; BlackRock; First Sentier Investors Realindex; Guardcap; Hermes; Pental; T.Rowe Price; Wellington	16 – 56
Property – Australian and International Listed	BlackRock; Heitman; Principal	0 – 22
Infrastructure – Unlisted	First Sentier Investors, Roc Capital, JPM	0 – 18
Fixed Income – Australian	Macquarie; Janus Henderson; Pental	0 – 26
Fixed Income – International	Angelo, Gordon & Co.; IIMG; ICG; Kapstream; PIMCO; Sound Point; TCW; TwentyFour; Wellington; Western Asset	0 – 37
Cash	BlackRock; Pental	0 – 25

Footnotes

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. Performance returns are calculated net of management fees and costs. Growth and Distribution returns may not equal the Total Net return due to rounding.
3. Allocations may not equal 100% due to rounding.

For more information

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The information in this document has been prepared by Advance Asset Management Limited ABN 98 002 538 329 AFSL 240902 ('Advance').

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Advance is the responsible entity of the BT Wholesale Multi-manager Balanced Fund, ARSN 098 405 380 ('Fund'). A Product Disclosure Statement ('PDS') is available for the Fund and can be obtained by calling the Contact Centre on 132 135, or visiting www.bt.com.au. The Financial Services Guide ('FSG') for Advance can also be obtained via the Product Disclosure Statement page on bt.com.au. Any retail client should obtain and consider the PDS for the Fund and the FSG before deciding whether to acquire, continue to hold or dispose of units in the Fund. For the Target Market Determination for this product please refer to bt.com.au/tmd.

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