

ADVANCE BALANCED MULTI-BLEND FUND

As at 30 September 2017

FUND PERFORMANCE*

	1 month (%)	3 months (%)	1 year (%)	2 years (% pa)	3 years (% pa)	5 years (% pa)
Growth return	0.74	1.48	(9.44)	(7.90)	(5.56)	(0.29)
Distribution return	0.29	0.29	18.36	15.39	12.18	8.52
Total return	1.03	1.77	8.92	7.49	6.63	8.22

FUND UPDATE

The Advance Balanced Multi-Blend Fund returned a positive absolute return over the September quarter and for the year to September 30, a period where risk assets continued to strongly outperform. Total returns from equity markets particularly international equities helped drive portfolio values higher over the past 12 month period, gaining just under 16.0% (unhedged, +2.5% for the quarter), whilst domestic equity returns were lower returning just over 8.3% for the year (+0.8% for the quarter). In particular Emerging Markets and Asian equities outperformed across both periods with sentiment towards the regions aided by a slower appreciation in the USD and a stronger global growth outlook. Asset returns outside of equity markets however were disappointing particularly across fixed income markets given the focus on a future rising interest rate environment over the past 12 months. Both domestic fixed income (-0.5% 1yr and -0.1% for the quarter) and international fixed income (+0.4% for 1 year and +0.9% for the quarter) markets underperformed cash over the 12 month period (+1.8%). Given the higher weighting to growth assets and equities in particular the overall Fund performance was strong. Investment manager performances across all assets outperformed their respective markets reflecting a solid outperformance of the Fund relative to its asset market benchmark as the Funds Asset Allocation positioning remained aligned to its strategic targets.

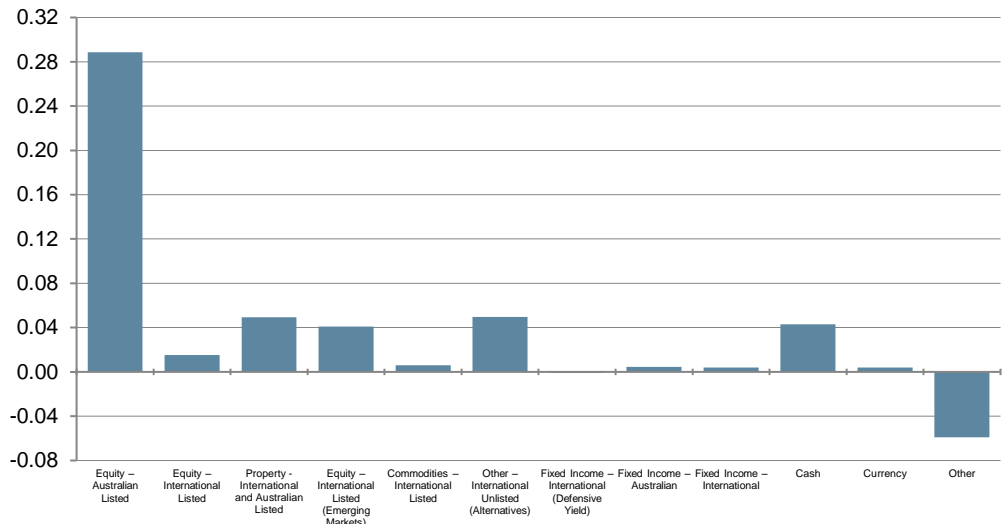
MARKET COMMENTARY

Continued signs that the world economy is growing in synchronisation for the first time in 10 years buoyed world markets in September, with improving economic data in the US, Europe and Japan, while China's managed slowdown continues to be closely watched. Australia's record economic expansion has moved into its 27th year, with September's national accounts showing GDP grew by 0.8% in the June quarter, for annual economic growth of 1.8%. The Reserve Bank of Australia kept the official cash rate on hold at 1.5% in September, re-emphasising rising household debt as its major area of concern. The US Federal Reserve announced that it would start to reduce the size of its balance sheet, having let it swell from US\$850 billion prior to the Global Financial Crisis to US\$4.5 trillion during its "quantitative easing" program. In October, the Fed will begin what must be called "quantitative tightening," as it stops replacing portions of the bonds that mature each month. Eurozone manufacturing PMI hit a six-year high in September, while the IHS Markit composite PMI figure defied a consensus estimate of a fall to rise to 56.7 in September from 55.7 in August, its highest level since May. The latest Eurostat figures showed the Eurozone economy grew by 0.6% in the second quarter, or 2.3% on an annual basis.

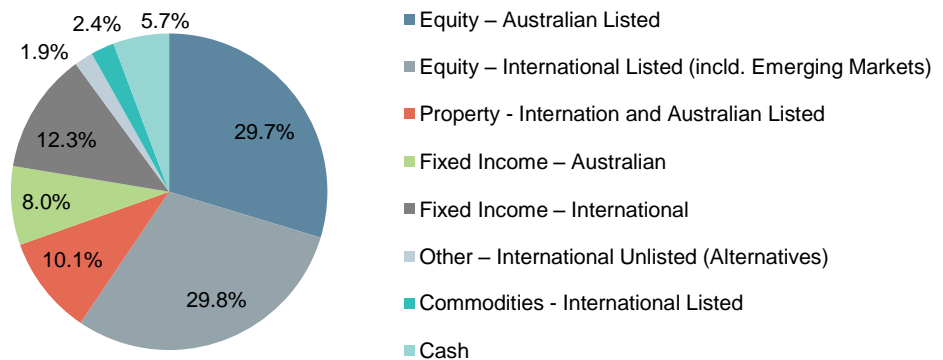
The S&P/ASX 200 Index was down a fractional amount in September on a total return basis, once again assisted by its small-cap companies. The US indices continued their strong gains in September, with the S&P 500 and the Nasdaq Composite Index closing September at record highs, and the Dow Jones Industrial Average just 7 points short of its previous record close. The S&P 500 added 2.1% on a total return basis, while the Dow Jones also gained 2.1% and the

Nasdaq Composite was up 1.1%. The US dollar regained ground against the euro and the yen over September. The euro lost 0.8% against the dollar, while the dollar picked up 2.3% against the yen. The US unit also lost 4.0% against the sterling, while the Australian dollar continued to weaken against its US counterpart, to the tune of 1.4%. The Aussie also fell against the euro, giving up 0.6%

SECTOR CONTRIBUTION TO EXCESS GROSS RETURN – 3 MONTHS (%)



ACTUAL ASSET ALLOCATION~



BENEFITS OF INVESTING IN THE FUND

The Fund invests in a diverse mix of assets with both income-producing assets (around 30%) of cash and fixed interest, and growth assets (around 70%) including shares and property and has a moderate to high level of risk. The Multi-Blend approach is based on the belief that the different styles of each manager when combined, can produce a more consistent outcome for investors by minimising style and portfolio risk with a potential for long-term capital growth and enhanced performance through active management.

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.

KEY FEATURES

	Wholesale	Retail
Total assets (AUD millions)	\$3,556.82	
APIR code	ADV0050AU	ADV0023AU
Date established	May 1998	April 1992
Distribution frequency	Quarterly	Quarterly
Minimum investment¹	\$5,000 (\$1,500 for Regular Savings Plan)	\$1,500 (\$1,000 for Regular Savings Plan)
Minimum withdrawal	\$1,500.00	\$500.00
Entry fee²	Nil	4.10% maximum
Management costs^{2,3}	0.79% pa	1.94% pa
Buy/sell spread (%)³	00.20/0.20	Nil

¹ Refer to the Product Disclosure Statement for further information.

² Includes the effect of GST (net of RITC) and an estimate of performance fees paid for the 12 months ended 31 March 2017 of 0.01%.

³ The Management Costs and buy-sell spread included in this fact sheet do not include the impact of RG 97 enhanced fees and costs disclosures and you should refer to the Product Disclosure Statement for further information.

ASSET ALLOCATION RANGES

Asset class	Investment managers	SAA ranges (%)
Equity – Australian Listed	Alphinity, Bennelong, BT Investment Management, Celeste, FIL Limited, OC Funds, Schrodgers, Sigma, Tribeca, Vinva	9-49
Equity – International Listed	AQR, Ardevora, MFS, River & Mercantile, T.Rowe Price, TT International, Wellington, MSCI World ex Australia (Citi)	9-49
Property – Australian and International Listed	BlackRock, Heitman, Phoenix , Principal	0-25
Fixed Income – Australian	Aberdeen, AMP, BT Investment Management, Henderson	0-33
Fixed Income – International	BT Investment Management, Kapstream, Standish, Wellington	0-32
Other – Defensive Alternatives	AB Custom, RV Capital	9-54
Commodities – International Listed	Henderson	0-7
Cash	BT Investment Management, IMS	0-25

* 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

~ The market exposure (asset allocation) and holdings of the fund may change significantly each day. Allocations may not equal 100% due to rounding.

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ADVANCE
ASSET MANAGEMENT

The Fund is issued by Advance Asset Management Limited (Advance) ABN 98 002 538 329 AFSL No. 240902. This fact sheet contains general information only and does not take into account individual financial circumstances. Investors should consider the PDS and whether the Fund is appropriate to their circumstances, and seek professional advice before investing in the Fund. A Product Disclosure Statement (PDS) for the Fund is available at www.advance.com.au or via 1800 819 935 or from your financial adviser. Financial advisers, please call 1300 361 864. Past performance is not a reliable indicator of future performance. Performance figures are calculated using withdrawal values and assume that income is reinvested. Annual management fees and expenses have been taken into account; however, no allowance has been made for entry fees, tax or any rebates that may be given. Advance is a member of the Westpac Group, which includes Westpac Banking Corporation ABN 33 007 457 141 ("Westpac"). An investment in the Fund does not represent an investment in, deposit with or other liability of Westpac or any other member of the Westpac Group. It is subject to investment risk, including possible delays in repayment and loss of income and principal invested. Neither Westpac nor any other member of the Westpac Group stands behind or otherwise guarantees the capital value of an investment in a Fund or the performance of a Fund. AD10038B-0917sx