

# ADVANCE BALANCED MULTI-BLEND FUND

As at 31 March 2017

## FUND RETURNS

	1 month (%)	3 months (%)	1 year (%)	2 years (% pa)	3 years (% pa)	5 years (% pa)
<b>Growth return</b>	1.16	2.28	(1.95)	(5.78)	(1.08)	2.52
<b>Distribution return</b>	0.36	0.37	13.12	9.13	7.20	5.45
<b>Total return</b>	1.52	2.65	11.18	3.34	6.12	7.97

\* The Fund performance is net of investment fees and relates to wholesale investors only. If you are a retail investor, you can obtain up to date returns at [advance.com.au](http://advance.com.au)

Inception date: 31 May 1998.

## FUND UPDATE

The Advance Balanced Multi-Blend Fund returned a positive absolute return in March and for the quarter, a period where risk assets generally outperformed. Equity markets particularly domestic equities rallied ahead of global over the quarter whilst absolute return strategies and fixed income assets also performed strongly over the period resulting in strong relative returns from the portfolio's manager investments. The Fund's balanced weighting to growth and defensive assets resulted in a solid absolute performance for the quarter and outperformance compared to the Fund benchmark. Stronger equity market returns and manager performances across international equities on balance helped drive a strong absolute return over the period, while defensive allocations also outperformed.

## MARKET COMMENTARY

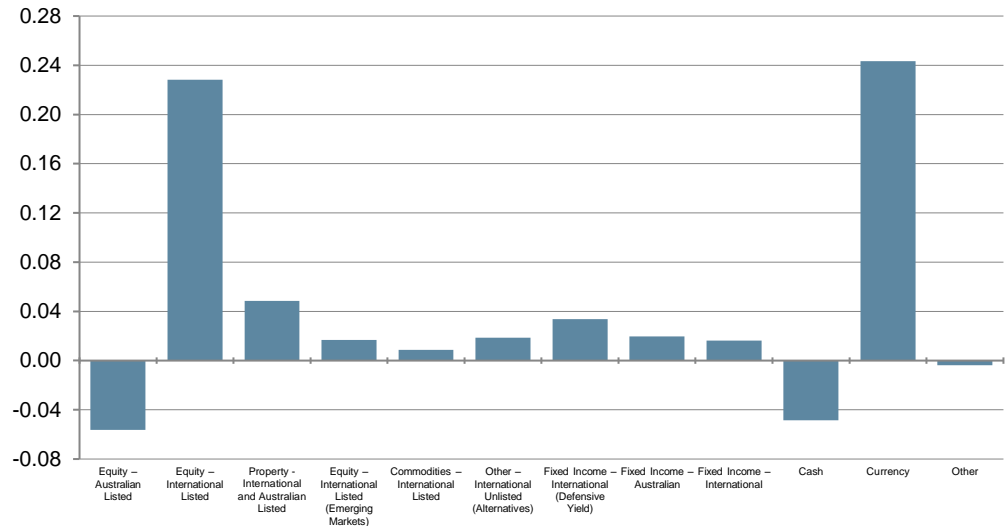
The quarter saw the majority of equity markets deliver solid gains, underpinned by improving economic data across most developed and emerging markets. The US equity market advanced to fresh all-time highs, with the Fed raising rates by a further 0.25%. The US labour market's continued improvement boosted economic activity through heightened consumption spending.

The political situation in Europe remains at the forefront of investors' minds. European Equities delivered gains despite the elevated political worries seemingly, for now pushing aside the 'unknowns' resulting from the UK triggering Article 50. The European Central Bank is expected to start cutbacks on government bond purchases in April.

In Australia, even with a strong balance of trade and positive manufacturing and consumer confidence survey results, we saw housing take centre stage that has elevated fears of rising household debt (being a future catalyst for economic slowdown). With the 2017-18 Federal Budget being announced on May 9, there is a risk that Australia's sovereign credit rating may be downgraded, despite the Government's commitment to returning the Budget to surplus in 2021.

In China, a pick-up in manufacturing activity and sustained property market strength buoyed the market and added to the sentiment behind the global reflation trade. Chinese authorities are targeting 6.5% growth over 2017, compared to 6.7% growth prior year, and are aware of the need to balance this with the high levels of debt seen in the economy. An unsustainable level of debt could result in a considerable downturn in economic growth at some point.

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



## 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.

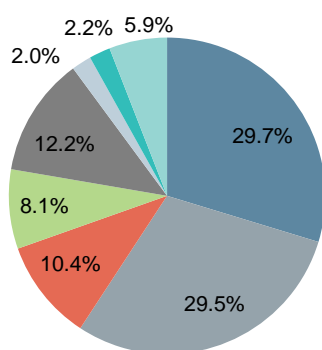
## KEY FEATURES

	Wholesale	Retail
<b>Total assets (millions)</b>	\$4,137.00	
<b>APIR code</b>	ADV0050AU	ADV0023AU
<b>Date established</b>	May 1998	April 1992
<b>Distribution frequency</b>	Quarterly	Quarterly
<b>Minimum investment</b>	\$5,000 (\$1,500 for Regular Savings Plan <sup>1</sup> )	\$1,500 (\$1,000 for Regular Savings Plan <sup>1</sup> )
<b>Minimum withdrawal</b>	\$1,500.00	\$500.00
<b>Entry fee</b>	Nil	4.10% maximum <sup>2</sup>
<b>Ongoing fee</b>	0.78% pa <sup>1,2</sup>	1.93% pa <sup>1,2</sup>
<b>Buy/sell spread (%)</b>	00.20/0.20	Nil

<sup>1</sup> Please refer to the Product Disclosure Statement and Application Form.

<sup>2</sup> Includes effect of GST (net of RITC). Performance fees also apply. This was 0.01% for the 12 months to 30 June 2016.

## ACTUAL ASSET ALLOCATION



- Equity – Australian Listed
- Equity – International Listed (incl. Emerging Markets)
- Property - Internation and Australian Listed
- Fixed Income – Australian
- Fixed Income – International
- Other – International Unlisted (Alternatives)
- Commodities - International Listed
- Cash

## ASSET ALLOCATION RANGES

Asset class	Investment managers	SAA ranges (%)
Equity – Australian Listed	Alphinity, Bennelong, BT Investment Management, Celeste, Contango, FIL Limited, OC Funds, Schroders, Sigma, Tribeca	9-49
Equity – International Listed	AQR, Ardevora, BlackRock, Lansdowne, MFS, AB Custom, River & Mercantile, T.Rowe Price, TT International, Wellington	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	0-20
Commodities – International Listed	Henderson	0-7
Cash	BT Investment Management, IMS	0-25

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**ADVANCE**  
ASSET MANAGEMENT

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