

ADVANCE BALANCED MULTI-BLEND FUND

As at 30 November 2017

FUND PERFORMANCE*

	1 month (%)	3 months (%)	1 year (%)	2 years (% pa)	3 years (% pa)	5 years (% pa)
Growth return	1.44	5.07	-5.36	-6.91	-4.91	0.24
Distribution return	0.00	0.30	19.19	15.56	12.27	8.56
Total return	1.44	5.38	13.83	8.65	7.35	8.81

FUND AND MARKET UPDATE

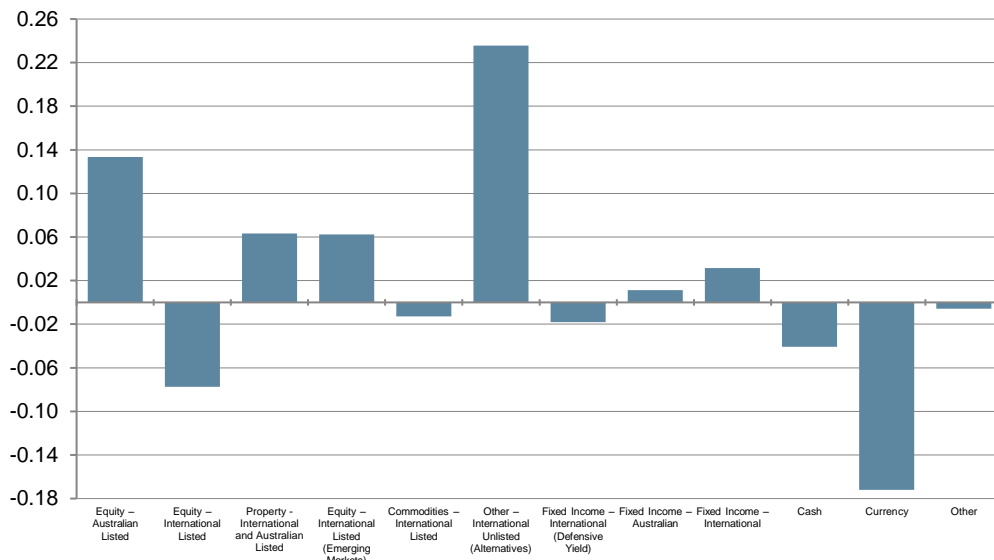
The Advance Balanced Multi-Blend Fund achieved a strong positive absolute performance for the month, although the fund marginally underperformed its benchmark for the month as a result of underperformance from the Australian and International shares sector funds, which underperformed on a gross basis, 0.5% and 0.40% respectively. Over the last 12 months however, the fund exceeded the benchmark as a result of overall positioning bias towards equities, contributions from our active managers, and remaining relatively neutral with currencies.

Domestically, the Reserve Bank of Australia (RBA) held rates steady in November and is now widely viewed as being 'on hold' for an extended period. In its November statement on monetary policy, the Bank made minimal changes to its economic growth forecasts: it expects economic activity to pick-up, with growth of 3.25% – 3.5% expected in late 2018 and 2019. China has also become considerably more important, now becoming the largest contributor to inbound tourist numbers, with 117,900 visitors from mainland China coming to Australia in September, ahead of New Zealanders, on 111,300, for the first time. In the year to September, a record 1,347,400 tourists came to Australia from China, up 12.6% over the year, and surpassing tourists from New Zealand, which totalled 1,347,300 visitors over the past year. Elsewhere the Prime Minister Malcolm Turnbull announced a Royal Commission into the banking sector, ostensibly to restore public faith in the country's financial system.

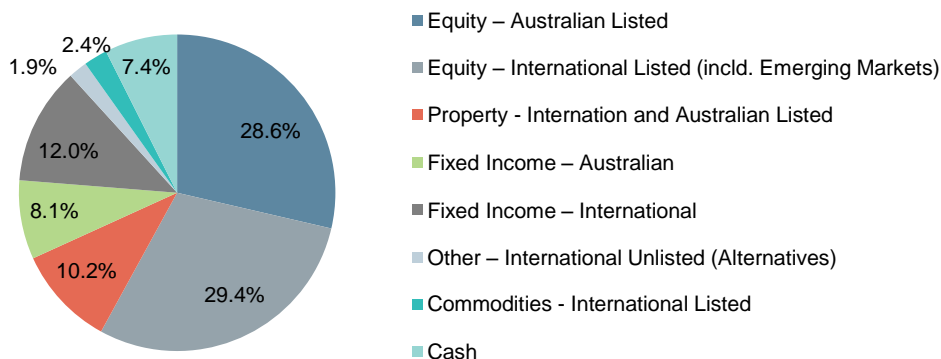
Globally, the US equity markets pushed higher in November on the back of solid corporate earnings and synchronised global economic growth, although the European markets retreated in November after two straight months of gains, and the UK stock market fell in November as continued uncertainty in domestic politics outweighed confidence in the UK's economic outlook.

The US economy grew faster than first thought in the third quarter, recording its quickest pace in three years, supported by healthy business spending on equipment and a rebound in government investment. Gross domestic product (GDP) grew at a 3.3% annual rate in the September quarter, up from the Commerce Department's initial estimate of 3%. It remained the first time since 2014 that the US economy had shown growth of 3% or more for two straight quarters. Activity in China's crucial manufacturing sector picked up in November, on the back of robust global demand for Chinese exports. The Japanese economy grew for a seventh consecutive quarter, the longest streak in nearly two decades according to the country's Cabinet Office. Politics cast a pall over the European markets as German coalition talks unexpectedly collapsed, leading to doubts that Chancellor Angela Merkel could form a government after the weaker-than-expected performance of her Christian Democratic Union (CDU) party in September's general election. At month's end, Germany was still without a government, with the uncertainty overshadowing generally healthy economic news.

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)	\$3,651.69	
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	\$1500	\$500
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 manager	SAA ranges (%)
Equity – Australian	Alphinity, Bennelong, BT Investment Management, Celeste, FIL Limited, OC Funds, Schroders, Sigma, Tribeca	9-49
Equity – International	AQR, Ardevora, MFS, River & Mercantile, T.Rowe Price, TT International, Wellington, Citi Transition Management	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

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