

ADVANCE DEFENSIVE MULTI-BLEND FUND

As at 30 June 2019

FUND RETURNS*

	1 month (%)	3 months (%)	1 year (%)	2 years (% pa)	3 years (% pa)	5 years (% pa)
Growth return	(0.14)	0.72	3.51	2.14	0.91	(0.28)
Distribution return	1.73	1.83	2.84	3.58	4.39	4.71
Total return	1.59	2.55	6.35	5.72	5.30	4.43

Inception date: 30 September 1998

FUND UPDATE

The Advance Defensive Multi-Blend Fund produced a positive absolute return over the month of June contributing to positive 12 month performance.

International equities delivered the strongest return over the month driven by the US, returning 5.3% on an unhedged basis. The Federal Reserve's move to an easing bias supported equity markets, permeating to other developed markets, leading to strong performance for the Fund's allocation to risk assets over the month. The expectation of lower interest rates in the US resulted in the Australian Dollar gaining 1.2% vs the US Dollar over the month. More broadly, the Australian Dollar was marginally up for the month (+0.6% vs developed peers), gaining on Sterling and Yen but depreciating relative to the Euro, Canadian Dollar and Swiss Franc. The marginal appreciation in currency resulted in the Fund's currency hedged exposures outperforming its unhedged exposures during the month.

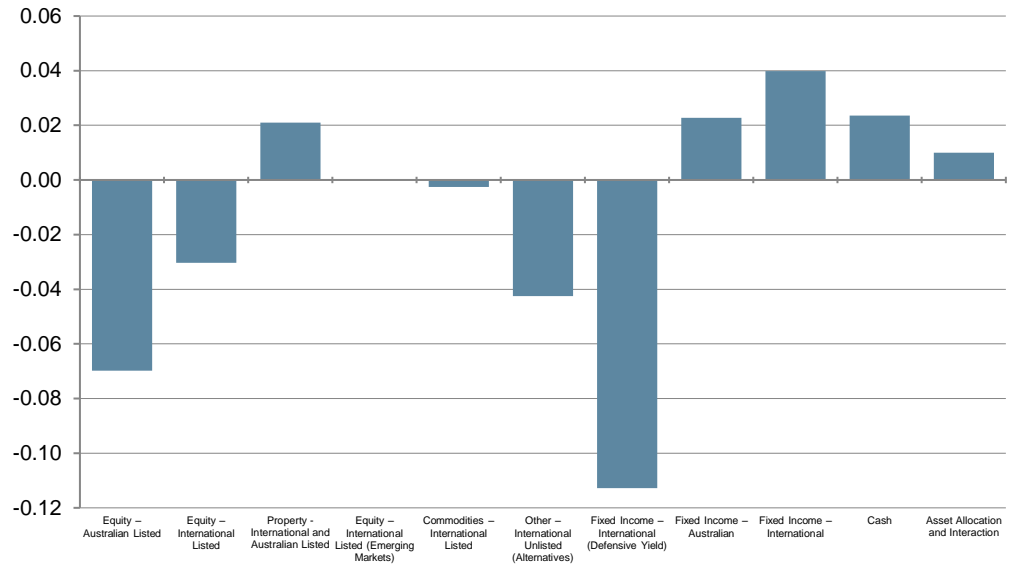
The change in Federal Reserve positioning also dictated the direction of fixed income markets. The US 10 year swap yield moved 16bps lower over the month, contributing to a 97bps decline over the 12 month period, this compares to similar moves in the Australian 10 year point where yields declined 14bps over the month and 127bps over the 12 month period. The expectation of lower rates in both markets has rewarded holders of fixed income assets, with domestic bonds, as measured by the Bloomberg Ausbond Composite 0+ Yr Index, delivering 1.0% over the month and international fixed interest returning 1.3% (Bloomberg Barclays Global-Aggregate Total Return Index AUD Hedged).

Credit spreads diverged globally with US spreads marginally widening, but domestic spreads further contracting. In both instances, rate movements overshadowed spreads, with rate movements proving to be the dominant factor in fixed income returns. The Fund's allocation to defensive assets continues to benefit from the expectation of lower interest rates globally.

The other big benefactor of interest rate movements has been Australian REITs, returning 4.2% over the month. International REITs returned 0.9%. The Fund continues to hold REIT assets while it funds allocations to unlisted property and infrastructure assets.

Over the month funds with higher allocations to growth assets outperformed those with higher allocations to defensive assets.

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



BENEFITS OF INVESTING IN THE FUND

The Fund invests in a diverse mix of assets with a majority (about 70%) in the defensive assets of cash and fixed interest and a modest investment (about 30%) in growth assets, such as shares and has a low to medium 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 capital 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 secure income with a low risk of capital loss over the short to medium term, with some capital growth over the long term.

KEY FEATURES

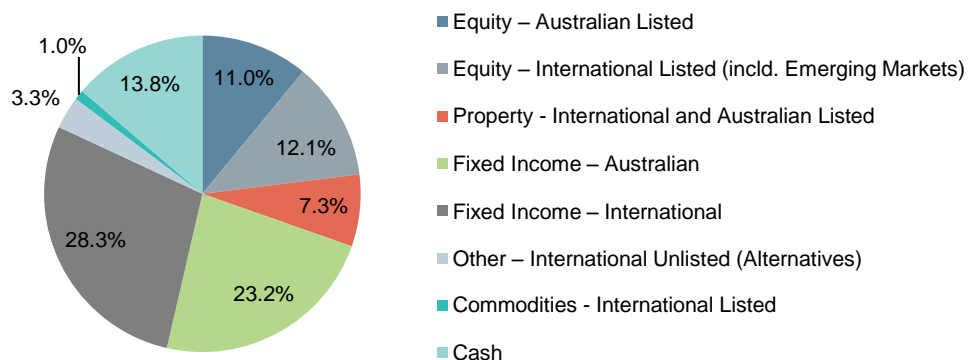
	Wholesale	Retail
Total assets (AUD millions)	\$642.01	
APIR code	ADV0049AU	ADV0022AU
Date established	September 1998	May 1992
Distribution frequency	Monthly	Monthly
Minimum investment¹	\$5,000 (\$1,500 for Regular Savings Plan)	\$1,500 (\$1,000 for Regular Savings Plan)
Minimum withdrawal	\$1,500.00	\$500.00
Entry fee²	Nil	4.10% maximum
Management costs^{2,3}	0.68% pa	1.73% pa
Buy/sell spread (%)³	-0.12/0.12	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

ACTUAL ASSET ALLOCATION⁻



ASSET ALLOCATION RANGES

Asset class	Investment manager	SAA ranges (%)
Equity – Australian	BlackRock, FIL Limited, Nikko AM, Pental, Platypus, Realindex, Solaris, Vinva	0-31
Equity – International	AQR, Ardevora, BlackRock, Realindex, River & Mercantile, T.Rowe Price, TT International, Wellington,	0-31
Property – Australian and International Listed	BlackRock, Heitman, Phoenix , Principal	0-20
Fixed Income – Australian	AMP, Pental, Janus Henderson	2-42
Fixed Income – International	Mellon, PIMCO, Wellington, Western Asset, TCW, TwentyFour, Kapstream	7-47
Other – Defensive Alternatives	BlackRock, PIMCO, Pental, RV Capital	0-22
Commodities – International Listed	Janus Henderson	0-6
Cash	Pental, BlackRock	0-34

* 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 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 Advance Defensive Multi-Blend Fund, ARSN 087 296 491 ('Fund'). A Product Disclosure Statement ('PDS') is available for the Fund and can be obtained by calling the Contact Centre on 1800 819 935, or visiting www.advance.com.au. The Financial Services Guide ('FSG') for Advance can also be obtained via the Product Disclosure Statement page on www.advance.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.

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