

# ADVANCE DEFENSIVE MULTI-BLEND FUND

As at 31 July 2019

## FUND RETURNS\*

|                            | 1 month<br>(%) | 3 months<br>(%) | 1 year<br>(%) | 2 years<br>(% pa) | 3 years<br>(% pa) | 5 years<br>(% pa) |
|----------------------------|----------------|-----------------|---------------|-------------------|-------------------|-------------------|
| <b>Growth return</b>       | 1.08           | 1.09            | 4.26          | 2.71              | 0.72              | (0.14)            |
| <b>Distribution return</b> | 0.00           | 1.75            | 2.75          | 3.54              | 4.37              | 4.68              |
| <b>Total return</b>        | 1.08           | 2.85            | 7.01          | 6.26              | 5.09              | 4.54              |

Inception date: 30 September 1998

## FUND UPDATE

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

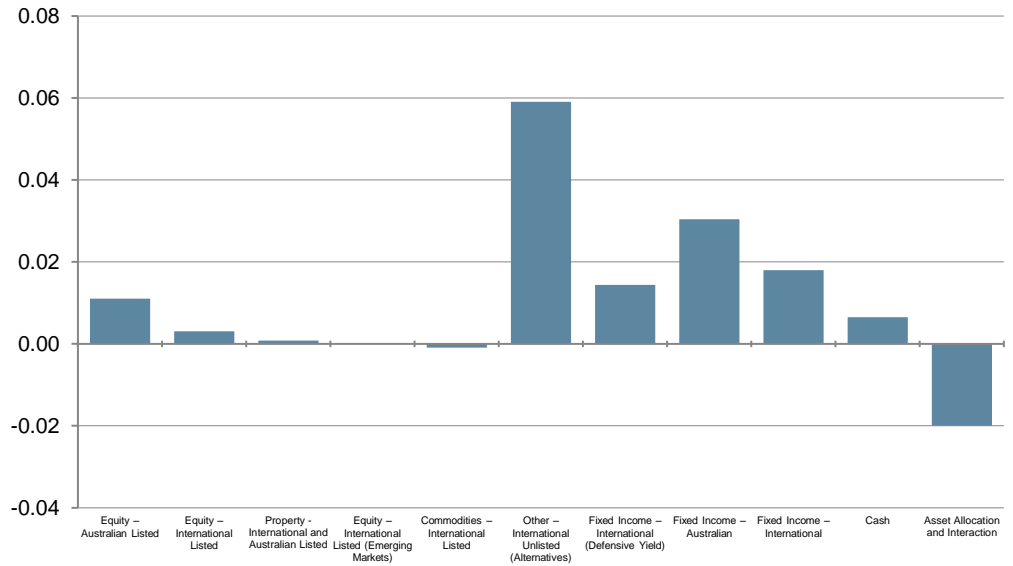
Australian equities delivered the strongest return over the month, returning 3.0% over the month as the Reserve Bank of Australia (RBA) delivered a second consecutive rate cut. The RBA's move coincided with central banks globally signalling that potential monetary easing or stimulus may be warranted in the future. This was positive for International equities, which delivered a 2.3% return on an unhedged basis over the month, and overshadowed the continued trade tensions between the US and China. The Australian Dollar depreciated against most developed peers and resulted in the Fund's unhedged exposures outperforming its currency hedged exposures during the month. Listed Real Estate Investment Trusts (REITs) also gained over the month, with Australian REITs returning 2.6% and International REITs returning 1.0%.

Both domestic and international fixed interest markets were positive over the month, as measured by the Bloomberg Ausbond Composite 0+ Yr Index delivering 0.9% and the Bloomberg Barclays Global-Aggregate Total Return Index AUD Hedged returning 0.7%. Yields continued their downward trajectory as a result central bank rate cuts, as a consequence of slowing global growth and inflation figures. The Australian 10 year government bond yield declined 14bps over the month, contributing to a 146bps decline over the 12 month period. The US 10 year swap yield moved slightly lower over the month, contributing to a 105bps decline over the 12 month period.

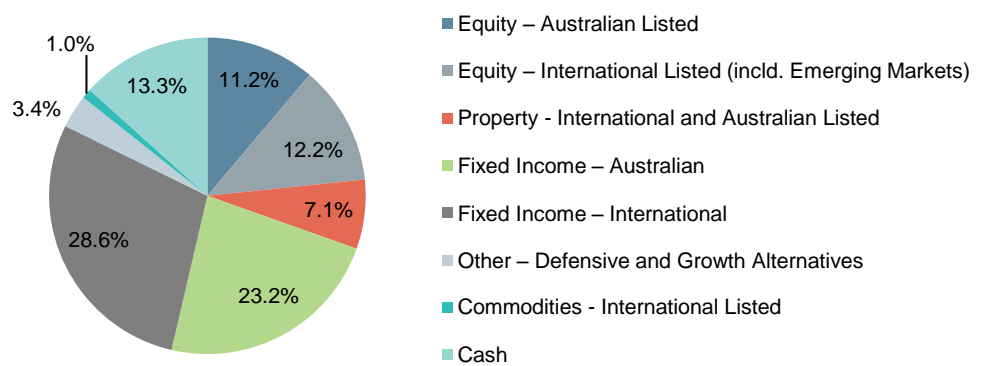
Both US and domestic credit spreads contracted marginally over the month. In both instances, rate movements overshadowed spreads, with rate movements proving to be the dominant factor in fixed income returns. The Fund's allocation to defensive assets continues to benefit from the expectation of lower interest rates globally.

Over the month Funds with a higher allocation to growth assets outperformed those with a higher allocation to defensive assets, due to equities broadly outperforming fixed interest assets.

## SECTOR CONTRIBUTION TO EXCESS GROSS RETURN –1 MONTH (%)



## ACTUAL ASSET ALLOCATION~



## 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 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                                     |
|--|--|--|
| <b>Total assets (AUD millions)</b>     | \$635.86                                   |  |
| <b>APIR code</b>                       | ADV0049AU                                  | ADV0022AU                                  |
| <b>Date established</b>                | September 1998                             | May 1992                                   |
| <b>Distribution frequency</b>          | Monthly                                    | Monthly                                    |
| <b>Minimum investment<sup>1</sup></b>  | \$5,000 (\$1,500 for Regular Savings Plan) | \$1,500 (\$1,000 for Regular Savings Plan) |
| <b>Minimum withdrawal</b>              | \$1,500.00                                 | \$500.00                                   |
| <b>Entry fee<sup>2</sup></b>           | Nil  | 4.10% maximum                              |
| <b>Management costs<sup>2,3</sup></b>  | 0.69% pa                                   | 1.73% pa                                   |
| <b>Buy/sell spread (%)<sup>3</sup></b> | 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 30 June 2018 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                            | BlackRock, FIL Limited, Nikko AM, Pandal, 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, Pandal, Janus Henderson   | 2-42           |
| Fixed Income – International                   | Mellon, PIMCO, Wellington, Western Asset, TCW, TwentyFour, Kapstream                                 | 7-47           |
| Other – Defensive and Growth Alternatives      | BlackRock, PIMCO, RV Capital   | 0-22           |
| Commodities – International Listed             | Janus Henderson  | 0-6            |
| Cash   | Pandal, 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](http://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](http://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](http://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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