

ADVANCE CASH MULTI-BLEND FUND

As at 31 August 2018

FUND PERFORMANCE*

	1 month (%)	3 months (%)	6 months (%)	1 year (%)	2 years (% pa)	3 years (% pa)
Growth return	-	(0.01)	(0.04)	(0.06)	0.01	0.02
Distribution return	0.18	0.56	1.08	2.10	2.13	2.24
Total return	0.18	0.55	1.04	2.04	2.14	2.26
Benchmark return¹	0.17	0.51	0.99	1.85	1.81	1.95

Fund commenced June 2002. Performance commenced 1 February 2010.

¹ Benchmark: Bloomberg AusBond Bank Bill IndexSM.

FUND UPDATE

The Cash Multi-Blend marginally outperformed its benchmark during the month of August. The Fund is conservatively positioned with the weighted average life remaining low at 0.35 years. As at 31 August 2018, the yield of the Fund stands at 2.15% versus the benchmark at 1.84%.

At a manager level, both BTIM and IMS outperformed their respective benchmarks. Incremental value was added from carry and riding the yield curve. Duration added little incremental value as the fund's duration was broadly similar to that of the benchmark.

At a portfolio level, both the underlying managers continue to remain conservatively positioned in very high quality liquid short term securities. The headwinds for credit markets are rising as emerging market stresses continue to emerge, with Argentina the latest country to come under stress.

Against this backdrop, the overall view is to reduce the spread duration of the portfolio with capital preservation and liquidity remaining front of mind."

SUB SECTOR ALLOCATIONS~

Sector	Fund (%)
Bank Term Deposits	8.33
Bank Bills	0.00
Negotiable Certificates of Deposit	29.49
Promissory Notes	27.04
Floating Rate Notes	23.49
Other	1.43
Cash	10.21
Total	100.00

CREDIT

Credit Quality	Fund (%)
AAA	1.89
AA	21.05
A	2.99
BBB	0.00
BB	0.00
B	0.00
CCC and Lower	0.00
Not Rated / Derivatives	0.00
A-1+	27.51
A-1	18.38
A-2	17.97
A-3	0.00
Cash & Currency	10.21
Total	100.00

MARKET COMMENTARY

Australian bond yields fell with another flattening of the curve in August. During the month, the Reserve Bank of Australia (RBA) left rates on hold once again, with little change in their communication. This reaffirmed an outlook of no policy changes in the near-term and the market-implied probability of a hike in late 2019 decreased. This was reinforced by second quarter wage growth figures that revealed a 0.6% increase over the period, taking the year-on-year rate to a still subdued 2.1%. Employment figures were also discouraging with 3.9K jobs lost for the month and although the unemployment rate dropped to 5.3%, it was driven by a fall in the participation rate. Other economic data was mixed with better-than-expected retail sales growth of 0.4% despite falls in business conditions and consumer confidence.

INVESTMENT OBJECTIVE

To provide investors with a total investment return (before fees and taxes) that outperforms the benchmark over one year, maintaining liquidity, avoiding unnecessary risk and therefore seeking to maintain capital value.

BENEFITS OF INVESTING IN THE FUND

The Advance Cash Multi-Blend Fund is ideal for investors seeking manager and cash strategy diversification through a combination of two cash investment managers.

- * The Fund performance is net of management costs.
- ~ 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. AD10038ZK-0818sx