

ADVANCE DEFENSIVE YIELD MULTI-BLEND FUND

As at 30 November 2017

FUND PERFORMANCE*	1 month (%)	3 months (%)	6 months (%)	1 year (%)	2 year (% pa)	Since incept (% pa)
Growth return	0.08	0.24	-1.17	0.01	-1.01	0.49
Distribution return	0.00	0.10	2.28	3.42	3.51	2.46
Total return	0.08	0.34	1.12	3.43	2.50	2.96
Benchmark return	0.13	0.42	0.86	1.75	1.94	2.40

Benchmark: Bloomberg AusBond Bank Bill IndexSM.

FUND UPDATE

The Advance Defensive Yield Multi-Blend Fund underperformed the benchmark during the month of November on a net of fees basis.

Poor performances across the underlying BTIM and Standish strategies negated the strong performance from Kapstream.

Kapstream's allocation to high quality corporate credits contributed strongly to relative returns. Interest income from the portfolio's bond holdings remained the largest positive contributor to performance over the month. A long Australian interest rate position versus the US interest rates also aided returns as Australian yields continued to fall versus the US.

Over the month, BTIM's yield curve and cross-market strategies detracted. In Standish's case, currencies was the key driver of underperformance on the month. Yield curve and duration positioning also hurt Standish portfolios this month with short positions in the long end of the US curve detracting, and an overweight duration position in Turkey and South Africa also adding to underperformance.

ACTUAL ASSET
ALLOCATION BY
REGION[~]

Region	Fund (%)
North America	0.38
United Kingdom	-1.67
Developed Europe ex UK	6.23
Developed Asia (ex Aus & Jap)	3.18
Japan	0.77
Australia	36.62
Middle East & Africa	3.65
Emerging Europe	1.27
Latin & South America	2.62
Emerging Asia	1.73
Cash, Currency & Other	45.21
Total	100.00

ACTUAL ASSET
ALLOCATION BY
SECTOR[~]

Sector	Fund (%)
Corporate	60.00
Government Related	10.72
Securitized	16.39
Treasury	-32.39
Cash & Currency	45.21
Other	0.08
Total	100.00

CREDIT,
DURATION AND
MATURITY^{~£}

Years to Maturity	Fund (%)	Benchmark (%)
0-1 years	59.75	100.00
1-3 years	2.91	0.00
3-5 years	8.47	0.00
5-7 years	15.10	0.00
7-10yrs	7.76	0.00
10yrs+	6.02	0.00
Total	100.00	100.00

Effective Duration	Portfolio (Yrs)	Benchmark (Yrs)
<0yrs	-0.03	0.00
0-1 years	-0.11	0.13
1-3 years	0.74	0.00
3-5 years	0.12	0.00
5-7 years	0.40	0.00
7-10yrs	-0.58	0.00
10yrs+	0.47	0.00
Total	1.00	0.13

Credit Quality	Fund (%)
AAA	18.32
AA	7.94
A	19.83
BBB	31.98
BB	7.16
B	2.50
CCC and Lower	0.62
Not Rated / Derivatives	-42.76
A-1+	5.83
A-1	5.83
A-2	1.31
A-3	0.00
Cash & Currency	45.21
Total	100.00

INVESTMENT OBJECTIVE

To provide returns of 2% pa after fees above the benchmark over the short to medium term.

BENEFITS OF INVESTING IN THE FUND

- > Potential for an enhanced absolute return offering across a range of market conditions.
- > The Fund aims to deliver quarterly distributions to investors.
- > A team of experienced and dedicated professionals actively looking after your investment.
- > Advance has access to the best fund managers from around the world and for this Fund, we have appointed investment managers who have a shared commitment to provide the best outcome for investors. You also have access to their investment expertise, research and process through your investment in the Fund.
- > The Fund has the ability to invest in a broad range of suitable investments and has the ability to take advantage of opportunities across the globe.
- > A high level of transparency through informative and regular reporting.
- > Access to information about your investments 24/7 on our secure client website Investor Online at advance.com.au, enabling you to keep track of your investments.

FUND STRATEGY

The Fund invests in a diversified mix of fixed interest, cash and cash equivalent securities and instruments in both Australian and international markets, with an emphasis on liquidity and capital stability regardless of the overall direction of fixed interest and cash markets. The ability of the Fund's investment strategy to produce investment returns will be dependent on a number of factors including the asset allocation and investment selection skills of the investment managers, market conditions and specific risk factors. The Fund does not have specific diversification guidelines or limits. Although there are no geographical restrictions on where assets may be located, they will typically be located in Australia, Europe and the United States. The base currency of the Fund is Australian dollars however the assets of the Fund may be denominated in a variety of currencies.

There have been no material changes in the Fund's strategy this month.

FUND RISK PROFILE

3 Low – Medium. Low to medium risk of short-term loss. Likely to produce low to medium returns over the minimum suggested timeframe.

There have been no material changes in the Fund's risk profile this month.

KEY SERVICE PROVIDERS

The responsible entity of the Fund is Advance Asset Management Limited.

JP Morgan Chase Bank N.A. is the custodian and administrator of the Fund.

PwC is the external auditor of the financial statements of the Fund. In addition, an individual partner of PwC acts as the auditor of the Fund's Compliance Plan.

The underlying investment managers for the Fund are:

- Standish Mellon Asset Management Company LLC
- Kapstream Capital Pty Ltd
- BT Investment Management (Institutional) Limited

There have been no material changes in the Fund's key service providers this month.

KEY FEATURES

	Wholesale
Date established	October 2012
Distribution frequency	Quarterly
Minimum investment¹	\$5,000 (\$1,500 for Regular Savings Plan)
Minimum withdrawal	\$1500
Withdrawal period	5 business days
Entry fee²	Nil
Management costs^{2,3}	0.59% pa
Exit fee	Nil
Regular Savings Plan¹	Yes
Regular Withdrawal Plan¹	Yes
Distribution reinvestment	Yes
Total assets (AUD millions)	\$1,057.87
Month end redemption unit price	\$1.0257
Buy/sell spread (%)³	0.07/0.07

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 0.04%.

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

* The Fund performance is net of management costs.

~ Allocations may not equal 100% due to rounding.

† Where a negative number is shown, this may indicate the use of derivatives and physical securities to create short positions in the portfolio. Specifically, for the reporting of effective duration, negative numbers can also arise when security prices move in the same direction as interest rates where long positions are held in the portfolio.

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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. AD10038KK-0917sx