

ADVANCE LAUNCHES THREE NEW FUNDS

23 August 2011

For immediate release:

Advance Asset Management has launched three new sector multi-blend funds:

- Advance Alternative Strategies Multi-Blend Fund
- Advance Asian Shares Multi-Blend Fund; and
- Advance Cash Multi-Blend Fund.

The new funds take the total number of Advance's sector multi-blend funds to nine. In addition, Advance has five diversified multi-blend funds.

Head of Advance Investment Solutions, Patrick Farrell, said the new funds reflect Advance's multi-manager focus.

"This approach reflects best practice implementation and allows us to maximise the expertise of our investment team," Mr Farrell said.

About the new funds

Advance Alternative Strategies Multi-Blend Fund

Mr Farrell said the role of alternative strategies within a portfolio is becoming increasingly important because of their ability to provide solid returns with a low correlation to equity investments when structured correctly.

"Alternative strategies provide an additional layer of diversification, with the aim to increase and stabilise overall returns. Our view is that global dynamics could lead to further volatility in financial markets which we believe provides significant opportunities for alternative strategies."

To gain additional in-depth global knowledge and expertise in the growth alternative strategies sector, Advance has partnered with Ramius Alternative Solutions LLC to co-manage the Alternative Strategies Multi-Blend Fund.

"We view the partnership with Ramius as an extension of our own investment capabilities. This is a complex asset class, so by combining Ramius' expert knowledge of the specialist alternative asset managers and strategies with our macro views of the market environment, we can effectively capitalise on available opportunities," Mr Farrell said.

A member of BT Financial Group

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Media release

The diversified multi-blend funds have been investing into the Advance Alternative Strategies Multi-Blend Fund since 1 June 2011. From 22 August 2011, the fund is available for investment by direct investors as well investment platforms, with the launch of its own wholesale PDS.

Advance Asian Shares Multi-Blend Fund

Although Advance's diversified multi-blend funds have had an exposure to Asian equities for some time through the Advance Asian Equity Fund, the financial landscape has altered significantly over the last few years in the wake of the GFC.

"We've spent a considerable amount of time researching an improved approach to our Asian equities exposure, which will benefit both existing investors in the Advance Asian Equity Fund and our diversified multi-blend fund investors," Mr Farrell said.

"We continue to believe the Asian region has the potential for superior returns relative to global markets based on long-term structural reasons."

The Advance Asian Equity Fund will become the Advance Asian Shares Multi-Blend Fund – to take advantage of Advance's award-winning multi-blend fund investment process. All existing investors in the Advance Asian Equity Fund will automatically be invested into the new structure. Investors will gain access to the benefits of manager and strategy diversification through a multi-manager approach using two Asian-based investment managers – TT International and Wellington.

Advance Cash Multi-Blend Fund

Advance is also changing the structure of the Advance Cash Management Fund to take advantage of its award-winning multi-blend fund investment process.

Investors will gain access to the benefits of manager and strategy diversification through a combination of two cash investment managers – BT Investment Management Limited and IMS Funds Management Limited.

"Having multiple investment managers reduces the specific risk around adopting a single investment team and process. We can manage issues that potentially arise with underlying investment managers more effectively through the ability to easily direct funds to another investment manager in the fund," Mr Farrell said.

New shorter form Product Disclosure Statements

Advance is one of the first asset managers to adopt the new shorter form PDSs designed to standardise disclosure documentation and meet new regulatory requirements by reducing it to just eight pages. All funds have been transitioned to this new format from 22 August 2011.

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Initial investment

The minimum wholesale initial investment for all funds has been lowered to \$A5,000 with the launch of the new PDSs.

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ABOUT ADVANCE'S MULTI-BLEND FUNDS

All Advance multi-blend funds will now carry the prefix 'Advance' in their name.

Advance's nine sector multi-blend funds are:

Advance Australian Shares Multi-Blend Fund
 Advance Australian Smaller Companies Multi-Blend Fund
 Advance International Shares Multi-Blend Fund
 Advance Property Securities Multi-Blend Fund
 Advance Australian Fixed Interest Multi-Blend Fund
 Advance International Fixed Interest Multi-Blend Fund
 Advance Alternative Strategies Multi-Blend Fund (new)
 Advance Asian Shares Multi-Blend Fund (new)
 Advance Cash Multi-Blend Fund (new)

Advance's five diversified multi-blend funds are:

Advance Defensive Multi-Blend Fund
 Advance Moderate Multi-Blend Fund
 Advance Balanced Multi-Blend Fund
 Advance Growth Multi-Blend Fund
 Advance High Growth Multi-Blend Fund

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