

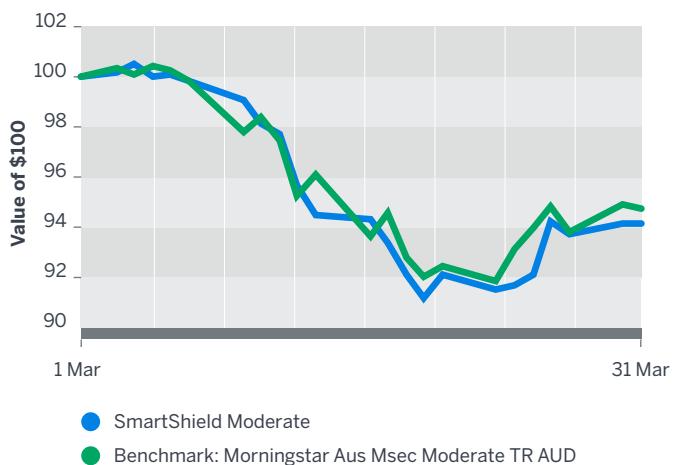
# Milliman SmartShield Moderate

## Month in Review – March 2020

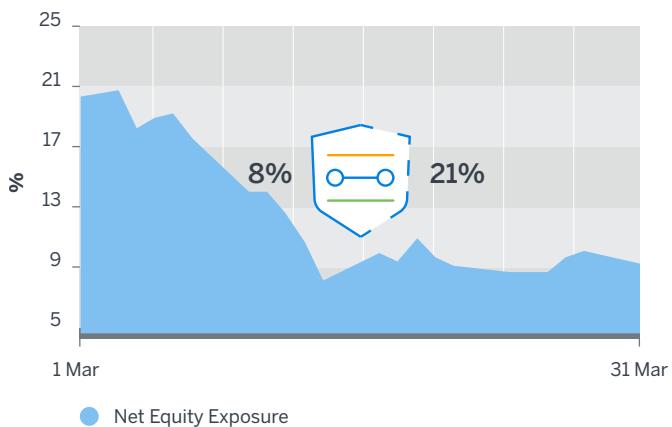
### MARKET SNAPSHOT

We entered March with much uncertainty around the economic impact of Covid-19. Following a dramatic sell off in late February, we continued to see equity markets around the world fall substantially and quickly. From the highs in February to the lows in March, global markets were down on average 35%.

World leaders promptly dropped cash rates to record lows, and announced substantial stimulus to the economy. Even with these record levels of government spending, the markets were highly volatile and concluded the turbulent month with significant losses across all major equity markets. At the end of the day, the question no one knows the answer to, is where to from here?



### SMARTSHIELD OVERLAY



At the beginning of March, the protection for investors had already kicked in strongly after the dramatic sell off at the end of February. As market volatility continued throughout March and falling markets were prevalent, the protection promptly reached its peak on the 13th March protecting investors from large falls over the coming 10 days.

With the portfolio benefiting from growth asset exposure peaking in February at 33%, the dynamic risk management reduced this exposure to only 8% in March, providing investors strong protection during unprecedented levels of volatility.

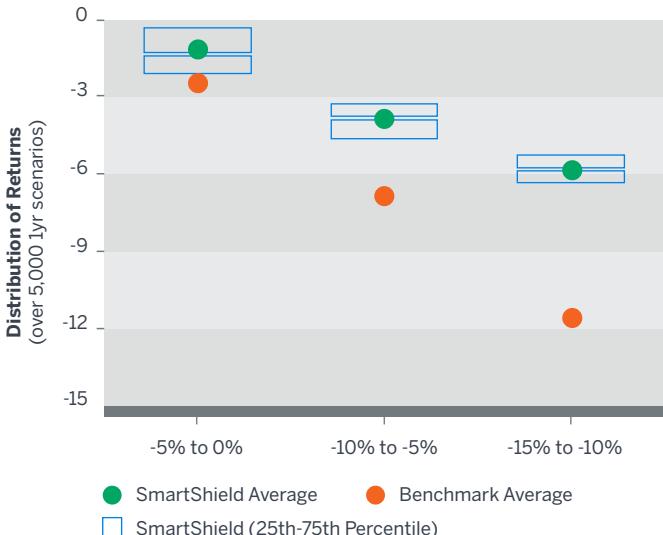
### PERFORMANCE OUTLOOK

With great uncertainty in the severity Covid-19 will have on the economy, it is difficult to see a clear path in how investment markets will perform over the coming 12 months.

With the speed and severity of the recent market declines the protection for the portfolio remain at high levels. If returns over the next 12 months decline, the SmartShield portfolio will protect investors to the tune of around half of that fall.

Importantly, the SmartShield approach to asset allocation and dynamic risk management, provides investors with exposure to growth assets and the benefit of positive returns in rising markets.

### SIMULATED 1 YEAR PERFORMANCE

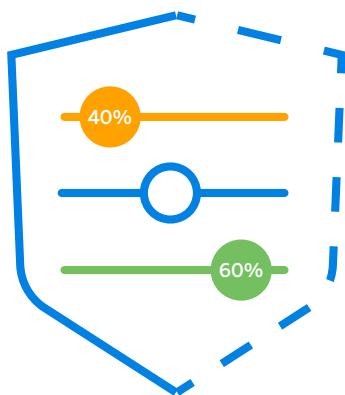


## PERFORMANCE

	1 month	3 months	6 months	1 year
SmartShield Moderate	-6.21%			
Benchmark: Morningstar Aus Msec Moderate TR AUD	-5.57%			
Relative performance to benchmark	-0.64%			

## BENEFITS

- Built-in portfolio protection
- Diversified
- Dynamically managed
- Low cost
- Flexibility & control
- Participate in market upside



## PORTFOLIO HOLDINGS

### 40% GROWTH ASSETS

iShares S&P 500  
iShares MSCI EAFE  
Vanguard Australian Shares  
Vanguard Australian Property  
Even Keel – Global & Domestic Risk Management Classes

### 60% DEFENSIVE ASSETS

BetaShares Australian High Interest Cash  
Vanguard Australian Fixed Interest  
Vanguard Global Aggregate Bond AUD Hedged  
Cash

## Key Contacts



**Nigel Crampton**  
**Head of Managed Accounts**  
Sydney, AU  
[nigel.crampton@milliman.com](mailto:nigel.crampton@milliman.com)  
+61 (0) 410 458 132



**Wade Matterson**  
**Practice Leader**  
Sydney, AU  
[wade.matterson@milliman.com](mailto:wade.matterson@milliman.com)

For more information about Milliman, please call or visit us at: +61 2 8090 9100 | [au.milliman.com](http://au.milliman.com)

## LIMITATIONS & DISCLAIMERS

Milliman Pty Ltd ABN 51 093 828 418 AFSL 340679 (**Milliman AU**) for provision to Australian financial services (**AFS**) licensees and their representatives, [and for other persons who are wholesale clients under section 761G of the Corporations Act]. Not for public use or distribution.

Past performance is not indicative of future results. Recipients must make their own independent decisions regarding any strategies or securities or financial instruments mentioned herein.

Milliman Pty Ltd does not make any representations that products or services described or referenced herein are suitable or appropriate for the recipient. Many of the products and services described or referenced herein involve significant risks, and the recipient should not make any decision or enter into any transaction unless the recipient has fully understood all such risks and has independently determined that such decisions or transactions are appropriate for the recipient.

Any discussion of risks contained herein with respect to any product or service should not be considered to be a disclosure of all risks or a complete discussion of the risks involved.

The recipient should not construe any of the material contained herein as investment, hedging, trading, legal, regulatory, tax, accounting or other advice. The recipient should not act on any information in this document without consulting its investment, hedging, trading, legal, regulatory, tax, accounting and other advisors.

Milliman Pty Ltd does not ensure a profit or guarantee against loss.