



FYG Model Portfolios

versus

Index and Active Portfolio Management

March 2019



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Introduction

The purpose of this paper is to provide readers with a brief explanation of three investment portfolio management processes and a set of data that highlights the performance of each process of various time periods. FYG Planners Pty Ltd believe the data provided should be helpful to investors wanting to compare the historical results achieved by each investment management process.

Active investment management involves adopting an approach to managing investment assets that sees the individual or investment professionals backing their opinion about the future performance of a market, market sector or individual security. It is the predominant investment process used today around the world.

History has shown active management to be less than optimal in the longer term with well over 50% of active funds delivering returns below their most relevant index over longer periods of time. History has also shown that over time investors have been generally unsuccessful at selecting "future" superior performing managed investments. Studies in the USA by independent research firm Dalbar Inc. have also regularly shown investor returns rarely match financial market returns due to poor investment timing decisions.

Index portfolio management involves, generally an institution, modelling their portfolio on a pre-determined, usually externally designed, group of securities, known as an index. e.g: All Ordinaries, Dow Jones or MSCI. These portfolio's are passively managed and "track" the relevant index deliberately.

The Asset Class portfolio's recommended by FYG Planners are based on a few academically accepted principles, from some of the worlds leading finance experts, such as those noted below:

Genuine Diversification Reduces Risk - Harry Markowitz 1952 (Nobel Prize Winner)

Cost of Capital is the Investors Expected Rate of Return - Merton Miller 1961 (Nobel Prize Winner)

Risk & Return are Related - William Sharpe 1964 (Nobel Prize Winner)

Equity Markets are Efficient - Professor Eugene Fama 1966 (Nobel Prize Winner)

Small Cap Stocks outperform Large Cap Stocks but with Greater Volatility - Rolf Banz, University of Chicago 1981

Asset Allocation rather than Stock Selection and Market Timing Dominate Investment Performance - Garry Brinson, Randolph Hood and Gilbert Beebower 1983 & 1991 study of 91 major pension funds in the USA.

Distressed Stocks (High Book to Market) Outperform Healthy Stocks (Low Book to Market) - Professor Eugene Fama and Professor Kenneth French, University of Chicago 1992

Based on the above academic foundations, FYG Planners Pty Ltd have compiled this report from an Australian perspective to compare:

- 1) Our highly structured Asset Class equity portfolios with the Australian All Ordinaries Index and the MSCI World Market Index (Unhedged)
- 2) Our Asset Class moderate, balanced and growth portfolios with index based portfolios using the same asset allocation benchmark.
- 3) Our balanced and growth portfolios with the most comparable wholesale balanced and growth funds offered by some of Australia's largest investment management institutions.

We believe the long term results are so consistent and the evidence so compelling that we only recommend investors adopt this approach to investing. For further information we recommend that you read our more comprehensive "Investment Philosophy" before deciding to invest.

NB: You should also read very carefully the qualifying notes that follow the quantitative data in order to understand the limitations of this document.

The Industry Superannuation Funds returns data is sourced from Super Ratings. Super Ratings is an independently owned organisation that specialises in researching Australia's major superannuation funds. FYG Planners Pty Ltd cannot be responsible for any inaccuracies in the Super Ratings data.

Asset Class Investing
March 2019
Australian Equities versus Market

Time Period Measured	Asset Class Portfolio		Market Index		Result Improvement	
	Annualised Return	Standard Deviation	Annualised Return	Standard Deviation	Improvement In Investment Results	Standard Deviation Difference
25 years from 1/04/1994 to 31/03/2019	10.25%	16.33%	8.96%	15.54%	1.29%	-0.79%
20 years from 1/04/1999 to 31/03/2019	9.44%	17.69%	8.37%	16.97%	1.07%	-0.72%
15 years from 1/04/2004 to 31/03/2019	8.78%	18.88%	8.63%	18.32%	0.16%	-0.56%
10 years from 1/04/2009 to 31/03/2019	10.40%	16.45%	10.48%	14.79%	-0.08%	-1.67%
5 years from 1/04/2014 to 31/03/2019	7.15%	12.53%	7.49%	10.56%	-0.34%	-1.96%
4 years from 1/04/2015 to 31/03/2019	6.19%	14.30%	6.09%	11.70%	0.10%	-2.60%
3 years from 1/04/2016 to 31/03/2019	12.14%	10.96%	11.27%	7.92%	0.87%	-3.04%
2 years from 1/04/2017 to 31/03/2019	6.38%	4.40%	7.38%	5.37%	-1.00%	0.97%
1 years from 1/04/2018 to 31/03/2019	9.54%	N/A	11.25%	N/A	-1.71%	N/A

Qualifying Comments

- 1) The Asset Class portfolio includes holdings of 50% Large Cap stocks, 30% Value stocks and 20% Small Cap stocks using our preferred investment manager. Returns shown are before investment management, administration or advice fees.
- 2) The Market Index Portfolio in this table is the All Ordinaries Accumulation Index ignoring any investment or trading costs.
- 3) Standard deviations shown indicates the Asset Class Portfolio to be less variable where the "Standard Deviation Difference" column is a positive number noted in blue. If the figure is Red then the portfolio is more variable.
- 4) The investment return data series has been calculated using a software program provided by Dimensional Fund Advisers (Aust) Ltd. The software is called "The Returns Program". FYG Planners Pty Ltd believe the data series to be accurate but do not accept any responsibility for any inaccurate data calculated by the Returns Program.
- 5) The investment returns shown above are historical and in some cases have been simulated from the most appropriate market data. Future investment returns may bear no resemblance to past returns as financial market returns may be very different as may be the rate of inflation in future.
- 6) Investment returns for the Asset Class portfolio take into account past structural changes made by FYG Planners Pty Ltd to our standard model portfolios.
- 7) Monthly data points and Annual rebalance data are used to produce this report.

Asset Class Investing
March 2019
Australian Equities versus Market

Time Period Measured		Asset Class Portfolio	Market Index	Result Difference
		Annualised Return	Annualised Return	Improvement In Investment Results
From 1/04/1995	To 31/03/1996	-3.32%	-2.17%	-1.16%
From 1/04/1996	To 31/03/1997	23.00%	20.71%	2.29%
From 1/04/1997	To 31/03/1998	18.77%	13.44%	5.33%
From 1/04/1998	To 31/03/1999	17.11%	16.51%	0.60%
From 1/04/1999	To 31/03/2000	14.24%	9.73%	4.52%
From 1/04/2000	To 31/03/2001	9.22%	14.12%	-4.89%
From 1/04/2001	To 31/03/2002	12.30%	2.31%	10.00%
From 1/04/2002	To 31/03/2003	21.43%	12.29%	9.14%
From 1/04/2003	To 31/03/2004	-11.08%	-11.78%	0.70%
From 1/04/2004	To 31/03/2005	29.70%	24.81%	4.89%
From 1/04/2005	To 31/03/2006	26.32%	25.03%	1.30%
From 1/04/2006	To 31/03/2007	28.33%	29.37%	-1.04%
From 1/04/2007	To 31/03/2008	22.11%	22.34%	-0.22%
From 1/04/2008	To 31/03/2009	-6.58%	-6.02%	-0.56%
From 1/04/2009	To 31/03/2010	-28.88%	-31.30%	2.41%
From 1/04/2010	To 31/03/2011	48.80%	44.01%	4.79%
From 1/04/2011	To 31/03/2012	4.28%	4.80%	-0.52%
From 1/04/2012	To 31/03/2013	-4.78%	-6.20%	1.42%
From 1/04/2013	To 31/03/2014	16.83%	17.80%	-0.97%
From 1/04/2014	To 31/03/2015	10.29%	13.19%	-2.89%
From 1/04/2015	To 31/03/2016	11.07%	13.25%	-2.17%
From 1/04/2016	To 31/03/2017	-9.83%	-8.05%	-1.79%
From 1/04/2017	To 31/03/2018	24.62%	19.49%	5.13%
From 1/04/2018	To 31/03/2018	3.31%	3.65%	-0.34%
From 1/04/2018	To 31/03/2019	9.54%	11.25%	-1.71%
Superior Results		13	12	Average Improvement 1.37%

Qualifying Comments

- 1) The Asset Class portfolio includes holdings of 50% Large Cap stocks, 30% Value stocks and 20% Small Cap stocks using our preferred investment manager. Returns shown are before investment management, administration or advice fees. Returns shown are annual returns.
- 2) The Market Index Portfolio in this table is the All Ordinaries Accumulation Index ignoring any investment or trading costs.
- 3) The investment return data series has been calculated using a software program provided by Dimensional Fund Advisers (Aust) Ltd. The software is called "The Returns Program". FYG Planners Pty Ltd believe the data series to be accurate but do not accept any responsibility for any inaccurate data calculated by the Returns Program.
- 4) The investment returns shown above are historical and in some cases have been simulated from the most appropriate market data. Future investment returns may bear no resemblance to past returns as financial market returns may be very different as may be the rate of inflation in future.
- 5) Investment returns for the Asset Class portfolio take into account past structural changes made by FYG Planners Pty Ltd to our standard model portfolios.

Asset Class Investing
March 2019
International Equities versus Market

Time Period Measured	Asset Class Portfolio		Market Index		Result Improvement	
	Annualised Return	Standard Deviation	Annualised Return	Standard Deviation	Improvement In Investment Results	Standard Deviation Difference
25 years from 1/04/1994 to 31/03/2019	9.40%	19.64%	6.97%	19.00%	2.43%	-0.64%
20 years from 1/04/1999 to 31/03/2019	7.80%	20.13%	4.20%	17.97%	3.59%	-2.16%
15 years from 1/04/2004 to 31/03/2019	9.08%	18.94%	7.33%	15.86%	1.75%	-3.08%
10 years from 1/04/2009 to 31/03/2019	14.80%	13.99%	12.13%	12.03%	2.66%	-1.96%
5 years from 1/04/2014 to 31/03/2019	10.48%	10.83%	12.61%	11.68%	-2.14%	0.85%
4 years from 1/04/2015 to 31/03/2019	7.93%	10.56%	8.93%	9.02%	-1.00%	-1.55%
3 years from 1/04/2016 to 31/03/2019	12.46%	7.49%	13.66%	1.81%	-1.20%	-5.68%
2 years from 1/04/2017 to 31/03/2019	8.83%	5.34%	12.64%	0.46%	-3.81%	-4.88%
1 years from 1/04/2018 to 31/03/2019	5.12%	N/A	12.32%	N/A	-7.20%	N/A

Qualifying Comments

- 1) The Asset Class portfolio includes holdings of 50% Large Cap stocks, 30% Value stocks and 20% Small Cap stocks using our preferred investment manager. Returns shown are before investment management, administration or advice fees.
- 2) The Market Index Portfolio in this table is the MSCI World Index ignoring any investment, trading costs or currently hedging.
- 3) Standard deviations shown indicates the Asset Class Portfolio to be less variable where the "Standard Deviation Difference" column is a positive number noted in blue. If the figure is Red then the portfolio is more variable.
- 4) The investment return data series has been calculated using a software program provided by Dimensional Fund Advisers (Aust) Ltd. The software is called "The Returns Program". FYG Planners Pty Ltd believe the data series to be accurate but do not accept any responsibility for any inaccurate data calculated by the Returns Program.
- 5) The investment returns shown above are historical and in some cases have been simulated from the most appropriate market data. Future investment returns may bear no resemblance to past returns as financial market returns may be very different as may be the rate of inflation in future.
- 6) Investment returns for the Asset Class portfolio take into account past structural changes made by FYG Planners Pty Ltd to our standard model portfolios.
- 7) Monthly data points and Annual rebalance data are used to produce this report.

Asset Class Investing
March 2019
International Equities versus Market

Time Period Measured		Asset Class Portfolio	Market Index	Result Difference
		Annualised Return	Annualised Return	Improvement In Investment Results
From 1/04/1994	To 31/03/1995	1.34%	4.48%	-3.14%
From 1/04/1995	To 31/03/1996	20.89%	12.54%	8.34%
From 1/04/1996	To 31/03/1997	11.73%	9.13%	2.60%
From 1/04/1997	To 31/03/1998	47.02%	55.98%	-8.97%
From 1/04/1998	To 31/03/1999	4.66%	18.29%	-13.63%
From 1/04/1999	To 31/03/2000	24.53%	26.79%	-2.26%
From 1/04/2000	To 31/03/2001	0.03%	-6.88%	6.91%
From 1/04/2001	To 31/03/2002	-1.50%	-12.40%	10.89%
From 1/04/2002	To 31/03/2003	-27.98%	-33.05%	5.07%
From 1/04/2003	To 31/03/2004	37.95%	13.88%	24.07%
From 1/04/2004	To 31/03/2005	15.00%	9.10%	5.90%
From 1/04/2005	To 31/03/2006	30.88%	28.04%	2.84%
From 1/04/2006	To 31/03/2007	8.48%	1.89%	6.59%
From 1/04/2007	To 31/03/2008	-14.58%	-14.38%	-0.20%
From 1/04/2008	To 31/03/2009	-33.55%	-24.56%	-8.99%
From 1/04/2009	To 31/03/2010	41.82%	15.34%	26.48%
From 1/04/2010	To 31/03/2011	10.52%	0.69%	9.83%
From 1/04/2011	To 31/03/2012	1.31%	0.39%	0.93%
From 1/04/2012	To 31/03/2013	15.30%	11.14%	4.16%
From 1/04/2013	To 31/03/2014	31.89%	33.93%	-2.04%
From 1/04/2014	To 31/03/2015	21.28%	28.63%	-7.35%
From 1/04/2015	To 31/03/2016	-4.60%	-4.12%	-0.48%
From 1/04/2016	To 31/03/2017	20.10%	15.73%	4.37%
From 1/04/2017	To 31/03/2018	12.67%	12.97%	-0.30%
From 1/04/2018	To 31/03/2019	5.12%	12.32%	-7.20%
Superior Results		14	11	2.58%
				Average Improvement

Qualifying Comments

- 1) The Asset Class portfolio includes holdings of 50% Large Cap stocks, 30% Value stocks and 20% Small Cap stocks using our preferred investment manager. Returns shown are before investment management, administration or advice fees. Returns shown are annual returns.
- 2) The Market Index Portfolio in this table is the MSCI World Index ignoring any investment, trading costs or currency hedging.
- 3) The investment return data series has been calculated using a software program provided by Dimensional Fund Advisers (Aust) Ltd. The software is called "The Returns Program". FYG Planners Pty Ltd believe the data series to be accurate but do not accept any responsibility for any inaccurate data calculated by the Returns Program.
- 4) The investment returns shown above are historical and in some cases have been simulated from the most appropriate market data. Future investment returns may bear no resemblance to past returns as financial market returns may be very different as may be the rate of inflation in future.
- 5) Investment returns for the Asset Class portfolio take into account past structural changes made by FYG Planners Pty Ltd to our standard model portfolios.

Asset Class Investing
March 2019
FYG 50/50 Portfolio versus Market

Time Period Measured	Asset Class Portfolio		Market Index		Result Improvement	
	Annualised Return	Standard Deviation	Annualised Return	Standard Deviation	Improvement In Investment Results	Standard Deviation Difference
25 years from 1/04/1994 to 31/03/2019	8.15%	7.56%	7.61%	7.38%	0.54%	-0.18%
20 years from 1/04/1999 to 31/03/2019	7.35%	7.73%	6.64%	7.27%	0.71%	-0.46%
15 years from 1/04/2004 to 31/03/2019	7.27%	8.33%	7.04%	7.86%	0.24%	-0.47%
10 years from 1/04/2009 to 31/03/2019	8.57%	6.33%	8.41%	5.36%	0.16%	-0.96%
5 years from 1/04/2014 to 31/03/2019	6.85%	5.59%	7.59%	6.15%	-0.74%	0.56%
4 years from 1/04/2015 to 31/03/2019	5.31%	5.02%	5.68%	4.95%	-0.37%	-0.07%
3 years from 1/04/2016 to 31/03/2019	7.52%	3.17%	7.87%	3.05%	-0.35%	-0.12%
2 years from 1/04/2017 to 31/03/2019	6.04%	2.60%	7.35%	4.13%	-1.31%	1.54%
1 years from 1/04/2018 to 31/03/2019	7.89%	N/A	10.32%	N/A	-2.43%	N/A

Qualifying Comments

- 1) The Asset Class Portfolio returns represent the historical results of the FYG Planners Pty Ltd 50/50 model portfolio over the relevant period and include any structural changes introduced by the FYG Investment Committee.
- 2) The Market Index Portfolio includes the results of:
 - 10% UBS Warburg 90 Day Bank Bill Index
 - 40% UBS Warburg Australian Bond Composite Index
 - 9% S&P/ASX Property Trusts Accumulation Index
 - 25% S&P ASX 500 Accumulation Index
 - 16% MSCI World Accumulation Index Unhedged
- 3) Standard deviations shown indicates the Asset Class Portfolio to be less variable where the "Standard Deviation Difference" column is a positive number noted in Blue. If the figure is Red then the portfolio is more variable.
- 4) The investment return data series has been calculated using a software program provided by Dimensional Fund Advisers (Aust) Ltd. The software is called "The Returns Program". FYG Planners Pty Ltd believe the data series to be accurate but do not accept any responsibility for any inaccurate data calculated by the Returns Program.
- 5) The investment returns shown above are historical and in some cases have been simulated from the most appropriate market data. Future investment returns may bear no resemblance to past returns as financial market returns may be very different as may be the rate of inflation in future.
- 6) Monthly data points and Annual rebalance data are used to produce this report.

Asset Class Investing
March 2019
FYG 40/60 Portfolio versus Market

Time Period Measured	Asset Class Portfolio		Market Index		Result Improvement	
	Annualised Return	Standard Deviation	Annualised Return	Standard Deviation	Improvement In Investment Results	Standard Deviation Difference
25 years from 1/04/1994 to 31/03/2019	8.48%	9.17%	7.78%	8.83%	0.70%	-0.33%
20 years from 1/04/1999 to 31/03/2019	7.62%	9.51%	6.74%	8.95%	0.88%	-0.56%
15 years from 1/04/2004 to 31/03/2019	7.58%	10.21%	7.25%	9.57%	0.33%	-0.63%
10 years from 1/04/2009 to 31/03/2019	9.34%	7.65%	9.04%	6.42%	0.30%	-1.23%
5 years from 1/04/2014 to 31/03/2019	7.48%	6.54%	8.13%	6.79%	-0.65%	0.25%
4 years from 1/04/2015 to 31/03/2019	5.79%	6.10%	6.10%	5.69%	-0.31%	-0.41%
3 years from 1/04/2016 to 31/03/2019	8.49%	3.85%	8.67%	3.36%	-0.18%	-0.49%
2 years from 1/04/2017 to 31/03/2019	6.58%	2.63%	7.83%	4.29%	-1.26%	1.66%
1 years from 1/04/2018 to 31/03/2019	8.45%	N/A	10.91%	N/A	-2.46%	N/A

Qualifying Comments

- 1) The Asset Class Portfolio returns represent the historical results of the FYG Planners Pty Ltd 40/60 model portfolio over the relevant period and include any structural changes introduced by the FYG Investment Committee.
- 2) The Market Index Portfolio includes the results of:
 - 10% UBS Warburg 90 Day Bank Bill Index
 - 30% UBS Warburg Australian Bond Composite Index
 - 10% S&P/ASX Property Trusts Accumulation Index
 - 30% S&P ASX 500 Accumulation Index
 - 20% MSCI World Accumulation Index Unhedged
- 3) Standard deviations shown indicates the Asset Class Portfolio to be less variable where the "Standard Deviation Difference" column is a positive number noted in Blue. If the figure is Red then the portfolio is more variable.
- 4) The investment return data series has been calculated using a software program provided by Dimensional Fund Advisers (Aust) Ltd. The software is called "The Returns Program". FYG Planners Pty Ltd believe the data series to be accurate but do not accept any responsibility for any inaccurate data calculated by the Returns Program.
- 5) The investment returns shown above are historical and in some cases have been simulated from the most appropriate market data. Future investment returns may bear no resemblance to past returns as financial market returns may be very different as may be the rate of inflation in future.
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Asset Class Investing
March 2019
FYG 30/70 Portfolio versus Market

Time Period Measured	Asset Class Portfolio		Market Index		Result Improvement	
	Annualised Return	Standard Deviation	Annualised Return	Standard Deviation	Improvement In Investment Results	Standard Deviation Difference
25 years from 1/04/1994 to 31/03/2019	8.85%	10.81%	8.01%	10.37%	0.84%	-0.44%
20 years from 1/04/1999 to 31/03/2019	7.91%	11.29%	6.85%	10.62%	1.05%	-0.67%
15 years from 1/04/2004 to 31/03/2019	7.93%	12.02%	7.54%	11.22%	0.39%	-0.80%
10 years from 1/04/2009 to 31/03/2019	10.17%	9.01%	9.77%	7.57%	0.40%	-1.45%
5 years from 1/04/2014 to 31/03/2019	8.15%	7.61%	8.79%	7.62%	-0.63%	0.01%
4 years from 1/04/2015 to 31/03/2019	6.29%	7.29%	6.59%	6.57%	-0.30%	-0.72%
3 years from 1/04/2016 to 31/03/2019	9.55%	4.57%	9.62%	3.68%	-0.08%	-0.89%
2 years from 1/04/2017 to 31/03/2019	7.16%	2.51%	8.48%	4.39%	-1.32%	1.88%
1 years from 1/04/2018 to 31/03/2019	8.96%	N/A	11.63%	N/A	-2.68%	N/A

Qualifying Comments

- 1) The Asset Class Portfolio returns represent the historical results of the FYG Planners Pty Ltd 30/70 model portfolio over the relevant period and include any structural changes introduced by the FYG Investment Committee.
- 2) The Market Index Portfolio includes the results of:
 - 5% UBS Warburg 90 Day Bank Bill Index
 - 25% UBS Warburg Australian Bond Composite Index
 - 10% S&P/ASX Property Trusts Accumulation Index
 - 35% S&P ASX 500 Accumulation Index
 - 25% MSCI World Accumulation Index Unhedged
- 3) Standard deviations shown indicates the Asset Class Portfolio to be less variable where the "Standard Deviation Difference" column is a positive number noted in Blue. If the figure is Red then the portfolio is more variable.
- 4) The investment return data series has been calculated using a software program provided by Dimensional Fund Advisers (Aust) Ltd. The software is called "The Returns Program". FYG Planners Pty Ltd believe the data series to be accurate but do not accept any responsibility for any inaccurate data calculated by the Returns Program.
- 5) The investment returns shown above are historical and in some cases have been simulated from the most appropriate market data. Future investment returns may bear no resemblance to past returns as financial market returns may be very different as may be the rate of inflation in future.
- 6) Monthly data points and Annual rebalance data are used to produce this report.

Asset Class Investing
March 2019
FYG 20/80 Portfolio versus Market

Time Period Measured	Asset Class Portfolio		Market Index		Result Improvement	
	Annualised Return	Standard Deviation	Annualised Return	Standard Deviation	Improvement In Investment Results	Standard Deviation Difference
25 years from 1/04/1994 to 31/03/2019	9.24%	12.46%	8.16%	11.87%	1.07%	-0.59%
20 years from 1/04/1999 to 31/03/2019	8.39%	13.33%	6.96%	12.37%	1.44%	-0.96%
15 years from 1/04/2004 to 31/03/2019	8.29%	13.99%	7.80%	12.87%	0.49%	-1.12%
10 years from 1/04/2009 to 31/03/2019	10.46%	11.03%	10.22%	8.99%	0.24%	-2.04%
5 years from 1/04/2014 to 31/03/2019	8.17%	8.80%	8.96%	8.35%	-0.79%	-0.45%
4 years from 1/04/2015 to 31/03/2019	6.44%	9.13%	6.78%	7.75%	-0.34%	-1.38%
3 years from 1/04/2016 to 31/03/2019	10.48%	6.01%	10.42%	4.19%	0.06%	-1.82%
2 years from 1/04/2017 to 31/03/2019	7.18%	1.69%	8.69%	4.09%	-1.50%	2.39%
1 years from 1/04/2018 to 31/03/2019	8.39%	N/A	11.61%	N/A	-3.23%	N/A

Qualifying Comments

- 1) The Asset Class Portfolio returns represent the historical results of the FYG Planners Pty Ltd 20/80 model portfolio over the relevant period and include any structural changes introduced by the FYG Investment Committee.
- 2) The Market Index Portfolio includes the results of:

5% UBS Warburg 90 Day Bank Bill Index
 15% UBS Warburg Australian Bond Composite Index
 10% S&P/ASX Property Trusts Accumulation Index
 42% S&P ASX 500 Accumulation Index
 28% MSCI World Accumulation Index Unhedged
- 3) Standard deviations shown indicates the Asset Class Portfolio to be less variable where the "Standard Deviation Difference" column is a positive number noted in Blue. If the figure is Red then the portfolio is more variable.
- 4) The investment return data series has been calculated using a software program provided by Dimensional Fund Advisers (Aust) Ltd. The software is called "The Returns Program". FYG Planners Pty Ltd believe the data series to be accurate but do not accept any responsibility for any inaccurate data calculated by the Returns Program.
- 5) The investment returns shown above are historical and in some cases have been simulated from the most appropriate market data. Future investment returns may bear no resemblance to past returns as financial market returns may be very different as may be the rate of inflation in future.
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Asset Class Investing
March 2019
FYG 10/90 Portfolio versus Market

Time Period Measured	Asset Class Portfolio		Market Index		Result Improvement	
	Annualised Return	Standard Deviation	Annualised Return	Standard Deviation	Improvement In Investment Results	Standard Deviation Difference
25 years from 1/04/1994 to 31/03/2019	9.55%	14.50%	8.23%	13.51%	1.33%	-0.99%
20 years from 1/04/1999 to 31/03/2019	8.64%	15.56%	6.88%	14.15%	1.76%	-1.42%
15 years from 1/04/2004 to 31/03/2019	8.51%	16.20%	7.98%	14.47%	0.53%	-1.73%
10 years from 1/04/2009 to 31/03/2019	11.16%	12.89%	10.78%	10.30%	0.38%	-2.59%
5 years from 1/04/2014 to 31/03/2019	8.62%	10.35%	9.41%	9.19%	-0.79%	-1.16%
4 years from 1/04/2015 to 31/03/2019	6.77%	10.98%	7.14%	8.76%	-0.37%	-2.22%
3 years from 1/04/2016 to 31/03/2019	11.60%	7.47%	11.31%	4.60%	0.29%	-2.87%
2 years from 1/04/2017 to 31/03/2019	7.46%	0.71%	9.14%	3.66%	-1.69%	2.95%
1 years from 1/04/2018 to 31/03/2019	7.96%	N/A	11.77%	N/A	-3.81%	N/A

Qualifying Comments

- 1) The Asset Class Portfolio returns represent the historical results of the FYG Planners Pty Ltd 10/90 model portfolio over the relevant period and include any structural changes introduced by the FYG Investment Committee.
- 2) The Market Index Portfolio includes the results of:
 - 5% UBS Warburg 90 Day Bank Bill Index
 - 5% UBS Warburg Australian Bond Composite Index
 - 5% S&P/ASX Property Trusts Accumulation Index
 - 50% S&P ASX 500 Accumulation Index
 - 35% MSCI World Accumulation Index Unhedged
- 3) Standard deviations shown indicates the Asset Class Portfolio to be less variable where the "Standard Deviation Difference" column is a positive number noted in Blue. If the figure is Red then the portfolio is more variable.
- 4) The investment return data series has been calculated using a software program provided by Dimensional Fund Advisers (Aust) Ltd. The software is called "The Returns Program". FYG Planners Pty Ltd believe the data series to be accurate but do not accept any responsibility for any inaccurate data calculated by the Returns Program.
- 5) The investment returns shown above are historical and in some cases have been simulated from the most appropriate market data. Future investment returns may bear no resemblance to past returns as financial market returns may be very different as may be the rate of inflation in future.
- 6) Monthly data points and Annual rebalance data are used to produce this report.

Asset Class Investing
March 2019
FYG 30/70 Portfolio versus A Selection of Actively Managed Funds

Annualised Portfolio Returns					
Time Period Measured	Asset Class Portfolio	BT Wholesale Balanced Returns	CFS Wholesale Diversified	MLC Wholesale Horizon 4 Balanced	OnePath Wholesale Managed Growth
7 years from 1/04/2012 to 31/03/2019	9.94%	8.68%	10.87%	9.57%	8.83%
6 years from 1/04/2013 to 31/03/2019	9.32%	8.15%	10.41%	9.09%	8.33%
5 years from 1/04/2014 to 31/03/2019	8.15%	7.46%	9.26%	8.04%	7.54%
4 years from 1/04/2015 to 31/03/2019	6.29%	4.75%	7.40%	5.96%	5.45%
3 years from 1/04/2016 to 31/03/2019	9.55%	7.18%	10.57%	9.25%	8.58%
2 years from 1/04/2017 to 31/03/2019	7.16%	6.29%	9.32%	7.50%	6.96%
1 years from 1/04/2018 to 31/03/2019	8.96%	5.52%	11.19%	7.94%	7.25%

Qualifying Comments

- 1) The Asset Class Portfolio returns represent the historical results of the FYG Planners Pty Ltd 30/70 model portfolio over the relevant period and include any structural changes applied by the FYG Investment Committee.
- 2) The performance of the wholesale funds offered by each institution have been grossed up by their management expense rate in order to compare pre-fee returns in all data.
- 3) Wholesale product performance data was provided by Morningstar Research. Whilst the data is believed to be reliable, FYG Planners Pty Ltd takes no responsibility for inaccuracies in the Morningstar data.
- 4) The investment return data series has been calculated using a software program provided by Dimensional Fund Advisers (Aust) Ltd. The software is called "The Returns Program". FYG Planners Pty Ltd believe the data series to be accurate but do not accept any responsibility for any inaccurate data calculated by the Returns Program.
- 5) The investment returns shown above are historical and in some cases have been simulated from the most appropriate market data. Future investment returns may bear no resemblance to past returns as financial market returns may be very different as may be the rate of inflation in future.

Asset Class Investing
March 2019
FYG 15/85 Portfolio versus A Selection of Actively Managed Funds

Annualised Portfolio Returns					
Time Period Measured	Asset Class Portfolio	BT Wholesale- Future Goals	MLC Wholesale Horizon 5 Growth Portfolio	SUMMIT Select- Active Growth	Suncorp Capital Growth
7 years from 1/04/2012 to 31/03/2019	10.28%	10.29%	10.43%	10.92%	10.73%
6 years from 1/04/2013 to 31/03/2019	9.67%	9.70%	9.99%	10.04%	9.97%
5 years from 1/04/2014 to 31/03/2019	8.38%	8.54%	8.63%	8.43%	8.87%
4 years from 1/04/2015 to 31/03/2019	6.62%	5.46%	6.30%	6.21%	6.25%
3 years from 1/04/2016 to 31/03/2019	11.05%	9.14%	10.25%	10.13%	10.28%
2 years from 1/04/2017 to 31/03/2019	7.41%	7.49%	8.13%	7.89%	8.09%
1 years from 1/04/2018 to 31/03/2019	8.45%	6.11%	8.41%	8.24%	7.54%

Qualifying Comments

- 1) The Asset Class Portfolio returns represent the historical results of the FYG Planners Pty Ltd 15/85 model portfolio over the relevant period and include any structural changes applied by the FYG Investment Committee.
- 2) The performance of the wholesale funds offered by each institution have been grossed up by their management expense rate in order to compare pre-fee returns in all data.
- 3) Wholesale product performance data was provided by Morningstar Research. Whilst the data is believed to be reliable, FYG Planners Pty Ltd takes no responsibility for inaccuracies in the Morningstar data.
- 4) The investment return data series has been calculated using a software program provided by Dimensional Fund Advisers (Aust) Ltd. The software is called "The Returns Program". FYG Planners Pty Ltd believe the data series to be accurate but do not accept any responsibility for any inaccurate data calculated by the Returns Program.
- 5) The investment returns shown above are historical and in some cases have been simulated from the most appropriate market data. Future investment returns may bear no resemblance to past returns as financial market returns may be very different as may be the rate of inflation in future.

Supplementary Fund Data

Name of Fund	Date of Inception	Size of Fund (\$m) Net Assets	APIR Code
BT Wholesale Balanced Returns Fund	1/12/1989	\$40.8	BTA0806AU
BT Wholesale - Future Goals Fund	1/07/1999	\$11.4	BTA0125AU
Colonial FS Wsale - Wsale Diversified Fund	18/07/1995	\$270.1	FSF0008AU
Dimensional - Australian Large Company Trust	6/09/2000	\$552.3	DFA0103AU
Dimensional - Australian Short Term Fixed Interest Trust	8/06/1999	\$489.6	DFA0100AU
Dimensional - Australian Small Company Trust	2/10/2000	\$273.9	DFA0104AU
Dimensional - Australian Value Trust	8/06/1999	\$700.9	DFA0101AU
Dimensional - Diversified Fixed Interest Trust	1/09/2001	\$2,329.0	DFA0108AU
Dimensional - Global Large Company Trust	18/08/2000	\$150.1	DFA0105AU
Dimensional - Global Small Company Trust	18/08/2000	\$416.9	DFA0106AU
Dimensional - Global Value Trust	26/08/1999	\$531.7	DFA0102AU
MLC Inv Trust Balanced (Multi - Manager) Fund	1/01/1998	\$1,713.7	MLC0260AU
MLC Inv Trust Growth (Multi - Manager) Fund	1/01/1998	\$492.5	MLC0265AU
OnePath WS - Managed Growth	31/03/1998	\$31.4	MMF0115AU
SUMMIT Select - Active Growth Units	1/09/1999	\$200.8	NMM0109AU
Suncorp Growth Fund	26/02/1996	\$88.6	SUN0020AU

Data Sources

Information for this table was sourced from Van Eyk/Lonsec.

Data dated: 31/03/2019

Note: The Suncorp Wholesale Balanced Fund was replaced by the BT Wholesale Balanced Returns Fund December 2014

