
FYG Evidence Based Model Portfolios Monthly Assessment March 2021

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Introduction

The purpose of this paper is to provide readers with a brief comparison of FYG model portfolios against their benchmarks, using various metrics and time periods. It also serves as an annual fee comparison between the type of funds FYG uses to construct these model portfolios and the Australian wholesale fund market. In addition, there are two charts highlighting the annual weighting of positive and negative annual returns in Australian and US markets to highlight the benefit of patience, discipline and time when investing.

FYG Planners Pty Ltd believe the data provided should be helpful to investors wanting to compare historical results of portfolios built according to our investment philosophy and portfolio construction process.

The benchmarks are non investable indices, but index portfolio management is available to every investor and generally involves modelling a portfolio on a pre-determined, usually externally designed, group of securities, known as an index or indices. e.g. ASX All Ordinaries, S&P 500 or MSCI World. These portfolios are passively managed and "track" the relevant index deliberately.

The Asset Class portfolio's recommended by FYG Planners are based on several academically accepted principles, from some of the world's 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

Gross Profitability Predicts Higher Returns – Robert Novy-Marx, University of Rochester 2013

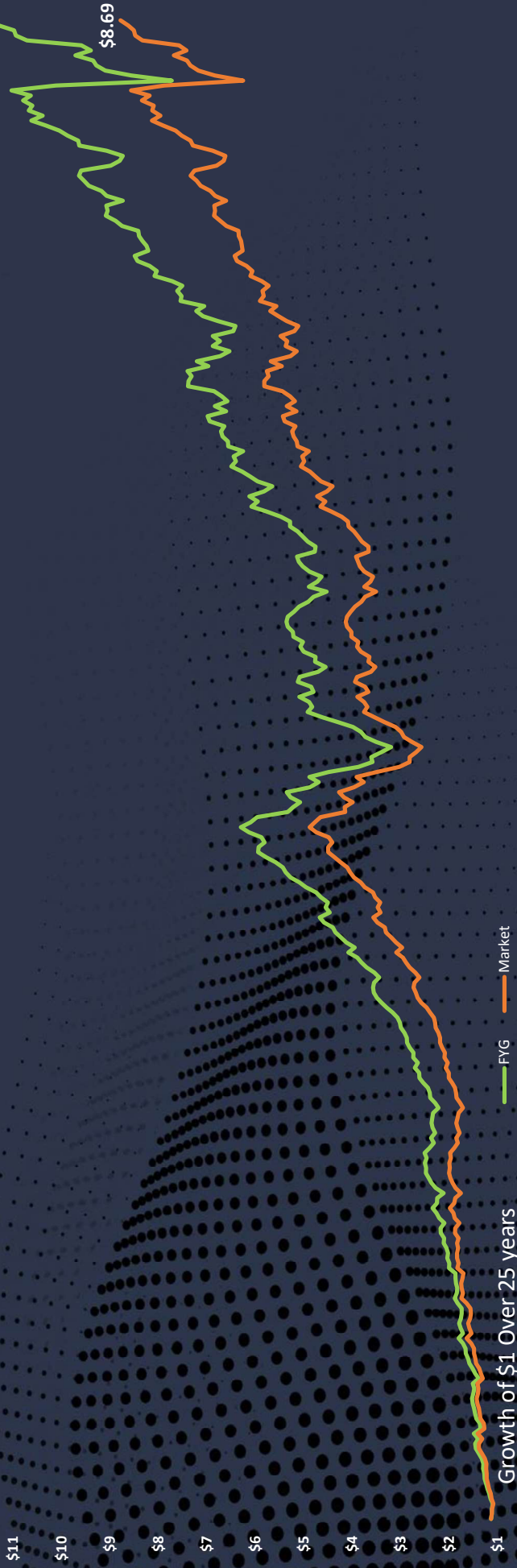
Based on the above academic foundations, FYG Planners Pty Ltd have compiled this report from an Australian perspective to compare:

- 1) Our highly structured & systematic factor-based equity portfolios with the Australian All Ordinaries Index and a composite of MSCI World ex Australia Market Index Unhedged & Hedged indices.
- 2) Our systematic factor-based equity portfolios ranging from 90% to 50% allocated to growth assets, against index-based portfolios using the same asset allocation benchmark.

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.

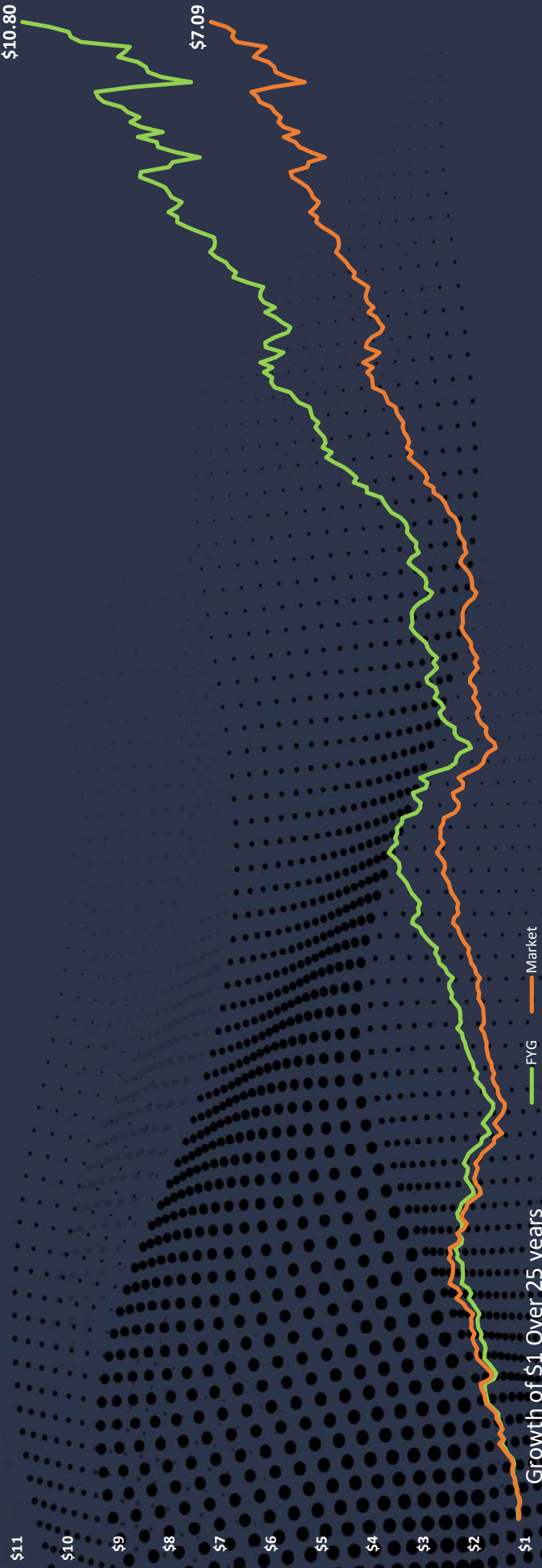
FYG Australian Equities vs Market: March 2021



Periodic Performance	1 Year	3 Years	5 Years	10 Years	25 Years
FYG Portfolio	50.31%	9.90%	11.43%	8.10%	10.25%
Market Portfolio	41.14%	10.09%	10.57%	7.97%	9.03%
Outperformance/Underperformance	9.17%	(-0.19%)	0.86%	0.13%	1.22%

For detailed information on portfolio constructions used in this comparison please refer to Sources and Descriptions of Data.

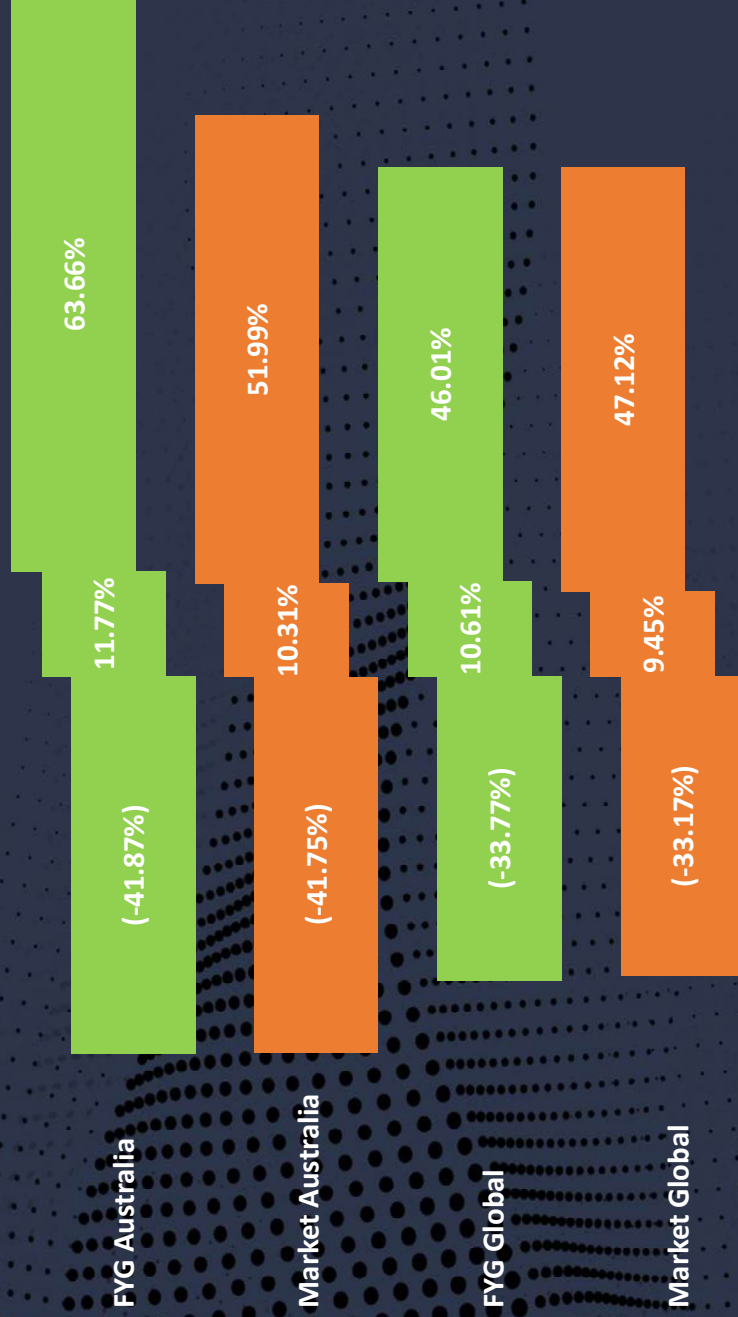
FYG Global Equities vs Market: March 2021



Periodic Performance	1 Year	3 Years	5 Years	10 Years	25 Years
FYG Portfolio	44.38%	12.13%	13.66%	13.22%	9.99%
Market Portfolio	35.23%	12.66%	13.45%	12.82%	8.15%
Outperformance/Underperformance	9.15%	(-0.53%)	0.21%	0.40%	1.84%

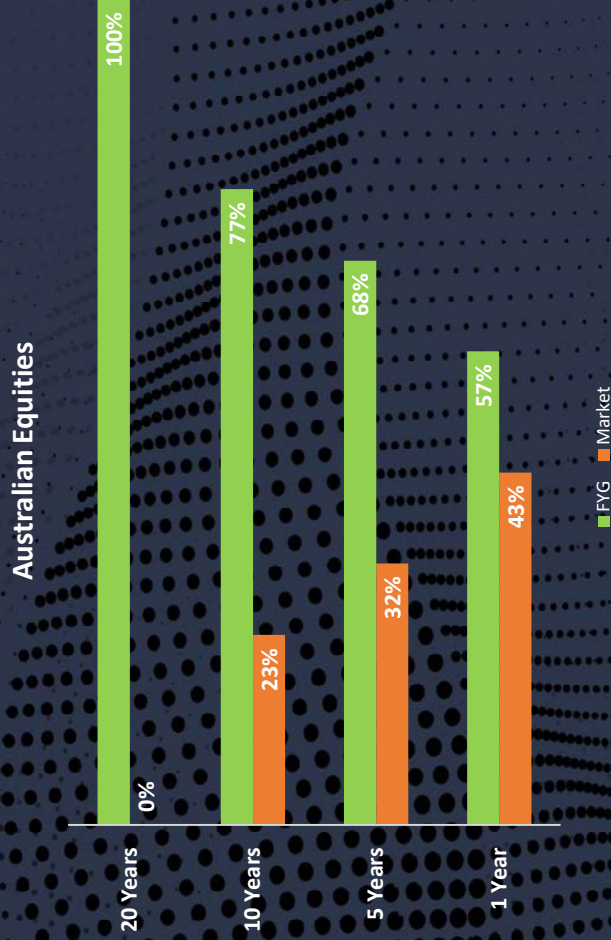
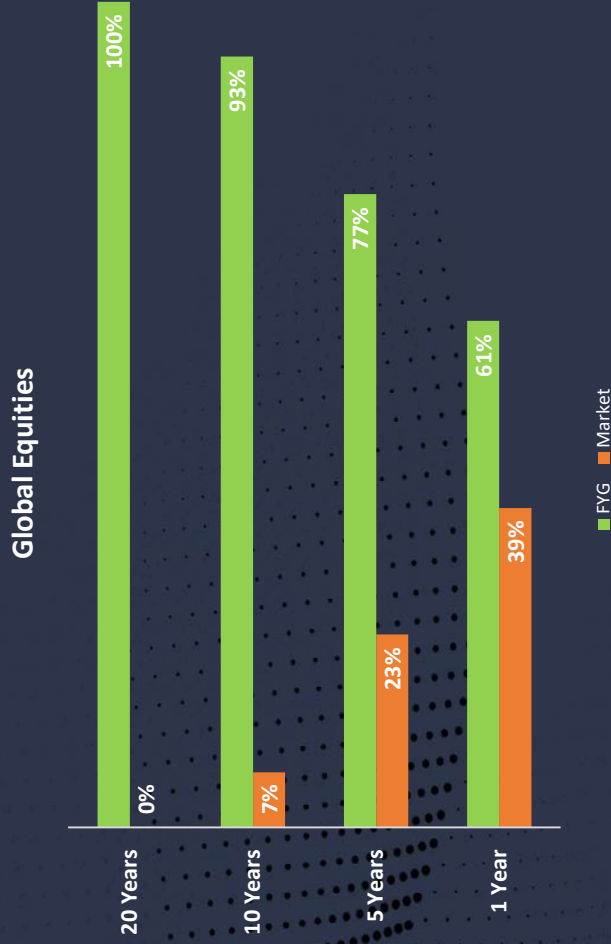
For detailed information on portfolio constructions used in this comparison please refer to Sources and Descriptions of Data.

Equities: Best/Worst & Average Year Over Prior 20 Years



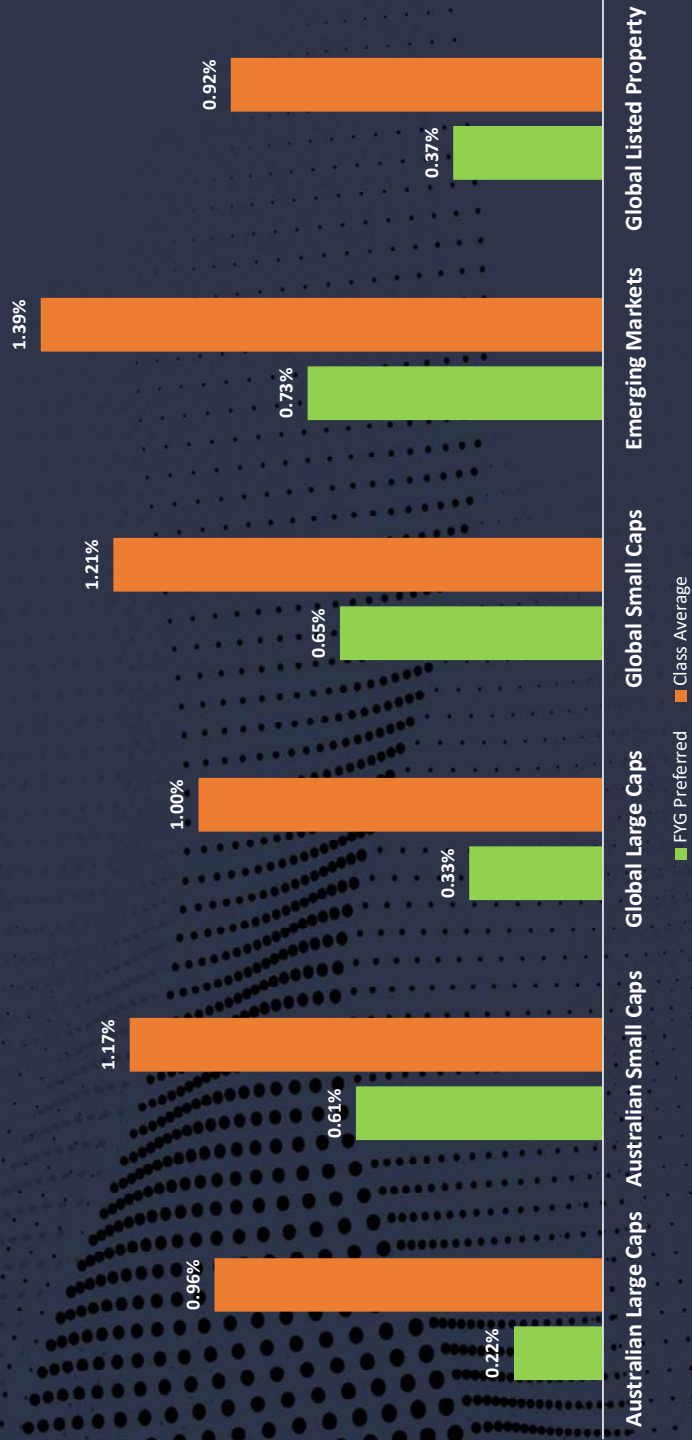
The best & worst returns over standard rolling periods. For detailed information on portfolio construction please refer to Sources and Descriptions of Data.

Monthly Rolling Periods FYG vs Market Over Prior 25 Years



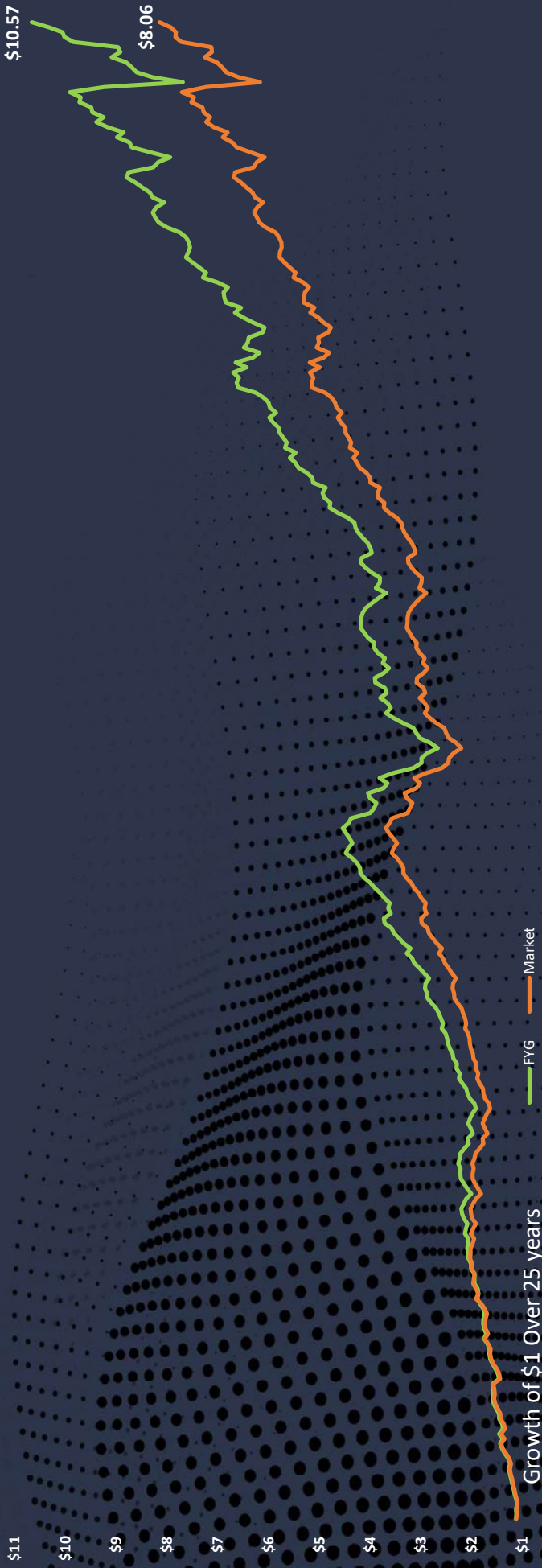
For detailed description of data used to compile chart please refer to Sources and Descriptions of Data.

2021 Fee Comparison to FYG Across Asset Class Universe



For detailed description of data used to compile chart please refer to Sources and Descriptions of Data.

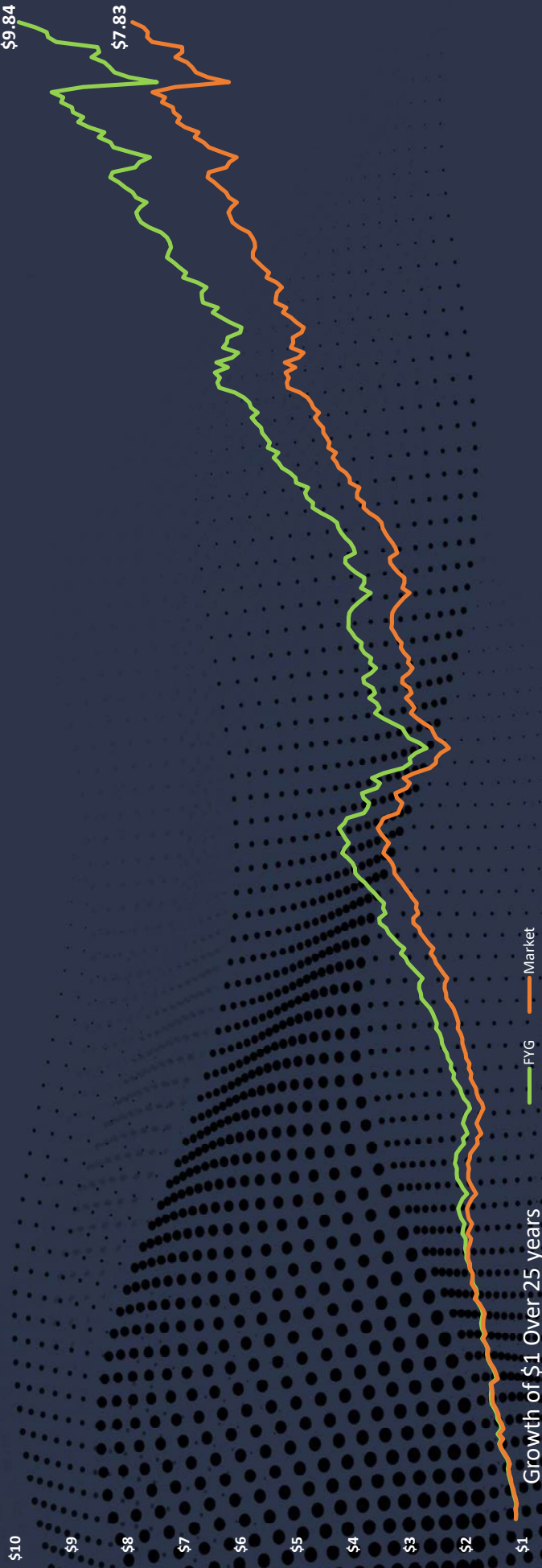
FYG 90% Growth Portfolio vs Market: March 2021



Periodic Performance	1 Year	3 Years	5 Years	10 Years	25 Years
FYG Portfolio	39.16%	9.90%	11.17%	9.97%	9.89%
Market Portfolio	32.56%	10.23%	10.78%	9.77%	8.70%
Outperformance/Underperformance	6.60%	(-0.33%)	0.39%	0.20%	1.19%

For detailed information on portfolio constructions used in this comparison please refer to Sources and Descriptions of Data.

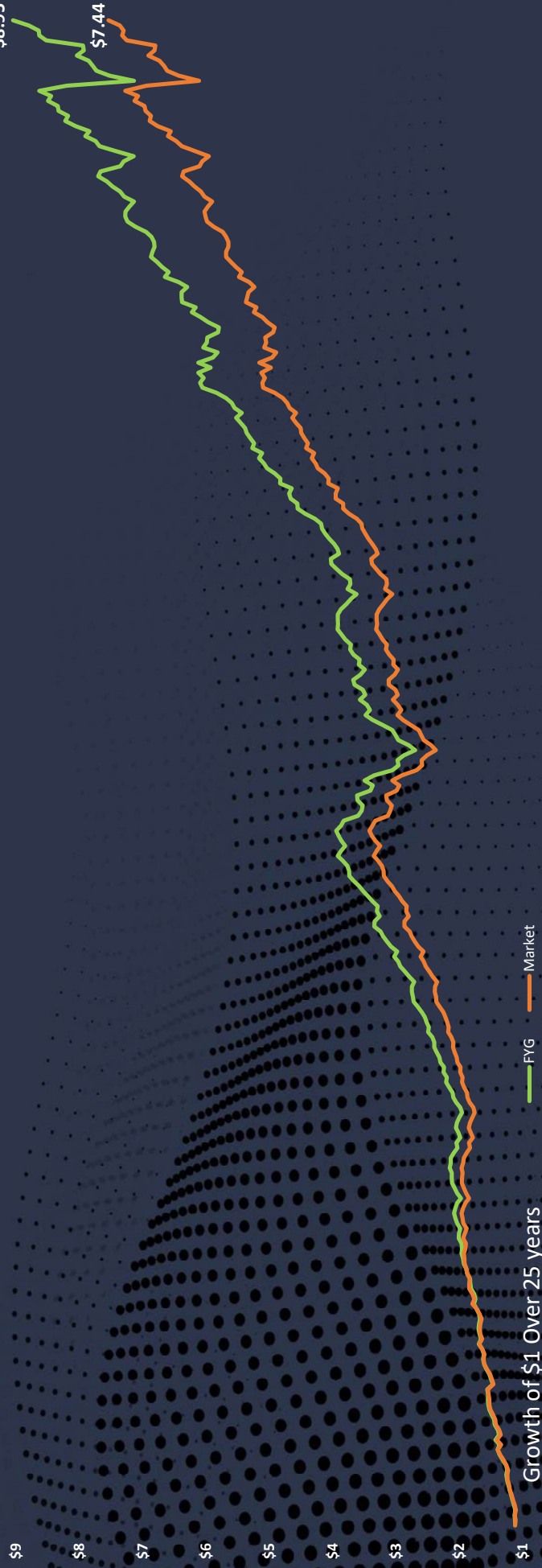
FYG 80% Growth Portfolio vs Market: March 2021



Periodic Performance	1 Year	3 Years	5 Years	10 Years	25 Years
FYG Portfolio	33.07%	9.12%	10.05%	9.44%	9.58%
Market Portfolio	28.06%	9.42%	9.74%	9.28%	8.58%
Outperformance/Underperformance	5.01%	(-0.30%)	0.31%	0.16%	1.00%

For detailed information on portfolio constructions used in this comparison please refer to Sources and Descriptions of Data.

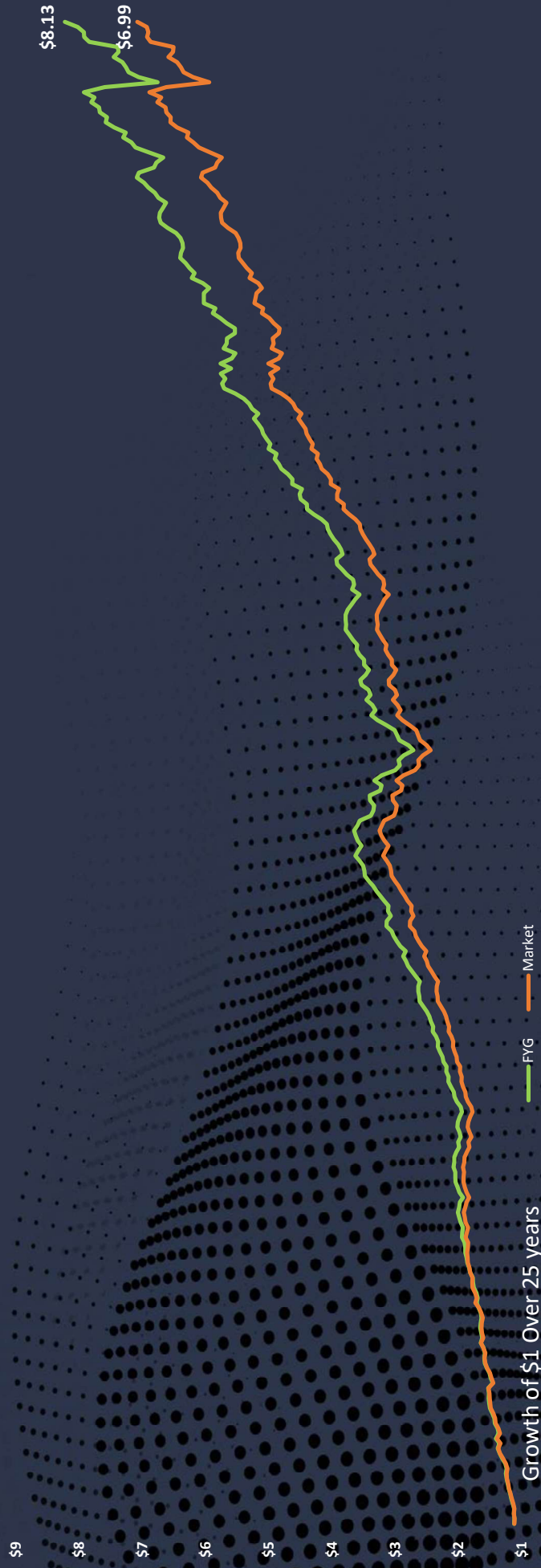
FYG 70% Growth Portfolio vs Market: March 2021



Periodic Performance	1 Year	3 Years	5 Years	10 Years	25 Years
FYG Portfolio	27.14%	8.33%	8.82%	8.89%	9.16%
Market Portfolio	23.74%	8.62%	8.58%	8.80%	8.36%
Outperformance/Underperformance	3.40%	(-0.29%)	0.24%	0.09%	0.80%

For detailed information on portfolio constructions used in this comparison please refer to Sources and Descriptions of Data.

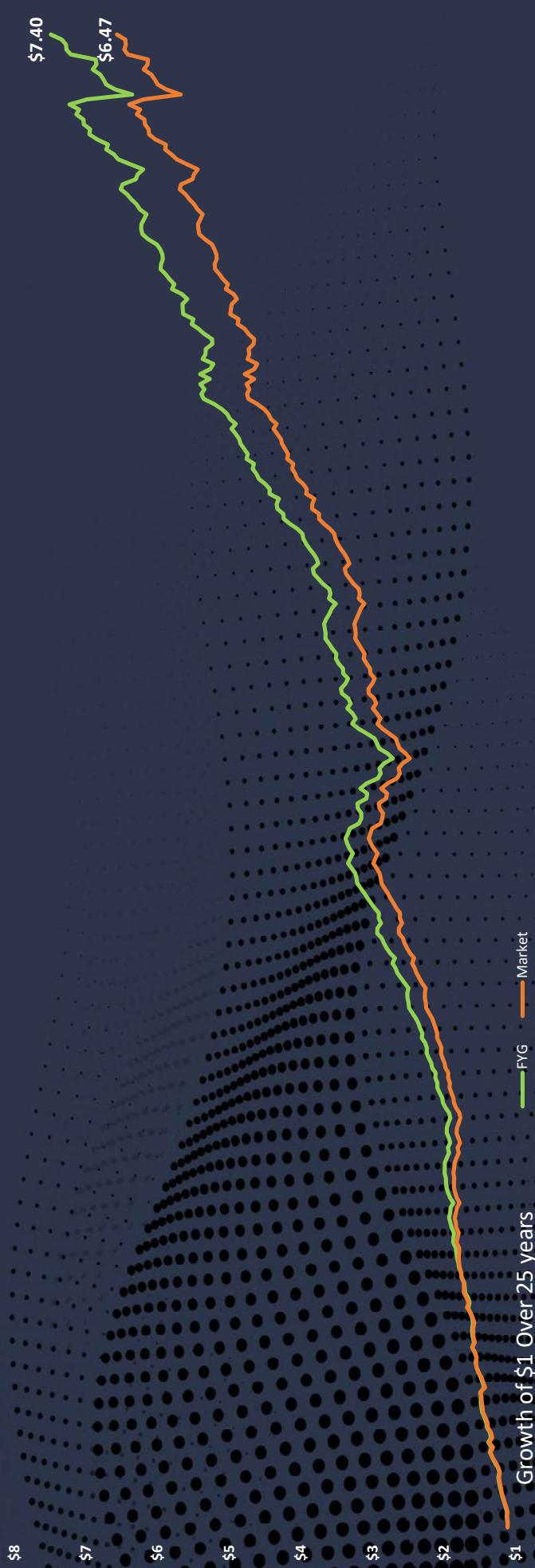
FYG 60% Growth Portfolio vs Market: March 2021



Periodic Performance	1 Year	3 Years	5 Years	10 Years	25 Years
FYG Portfolio	22.00%	7.57%	7.86%	8.25%	8.74%
Market Portfolio	19.50%	7.82%	7.67%	8.18%	8.09%
Outperformance/Underperformance	2.50%	(-0.25%)	0.19%	0.07%	0.65%

For detailed information on portfolio constructions used in this comparison please refer to Sources and Descriptions of Data.

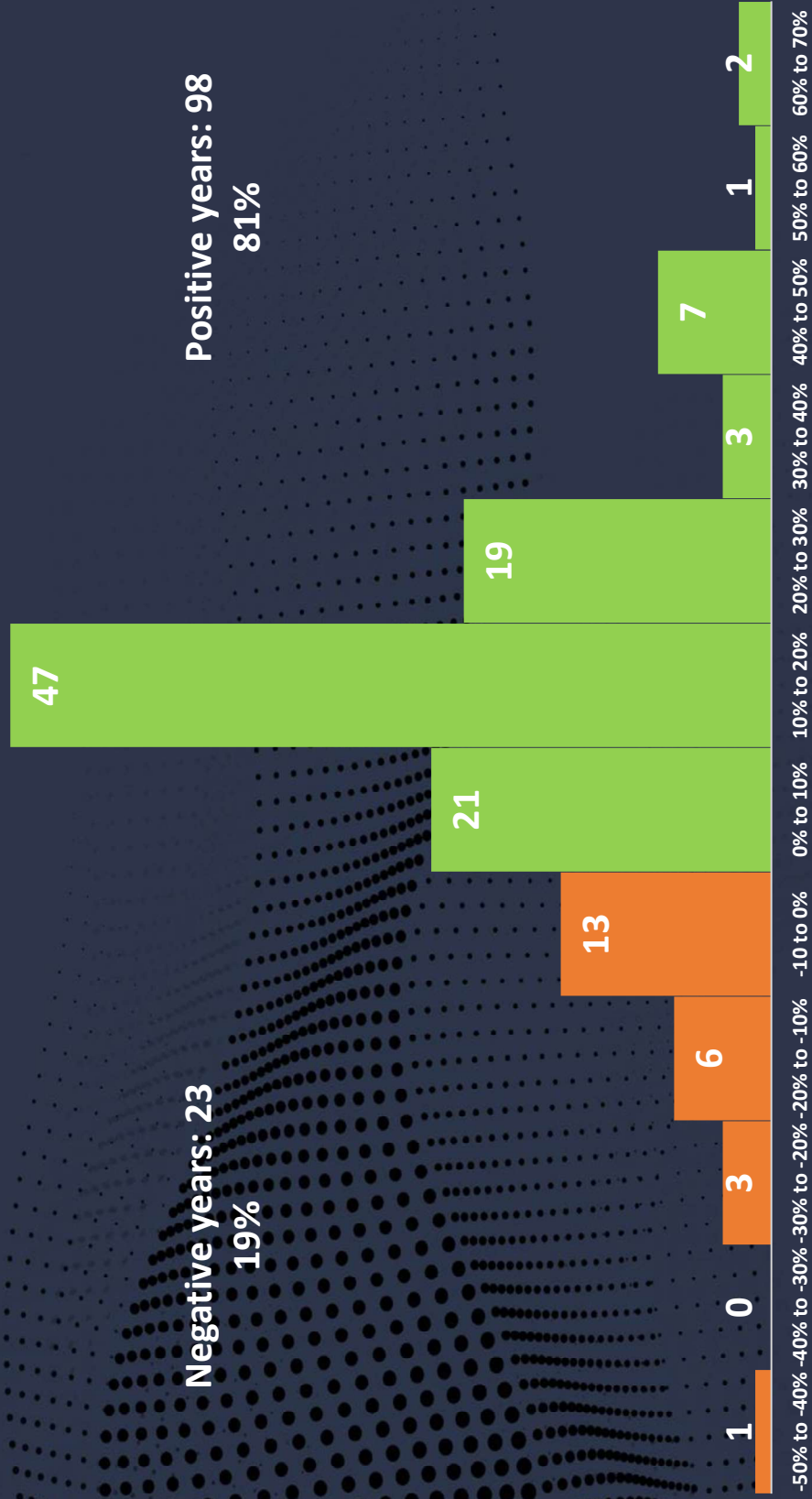
FYG 50% Growth Portfolio vs Market: March 2021



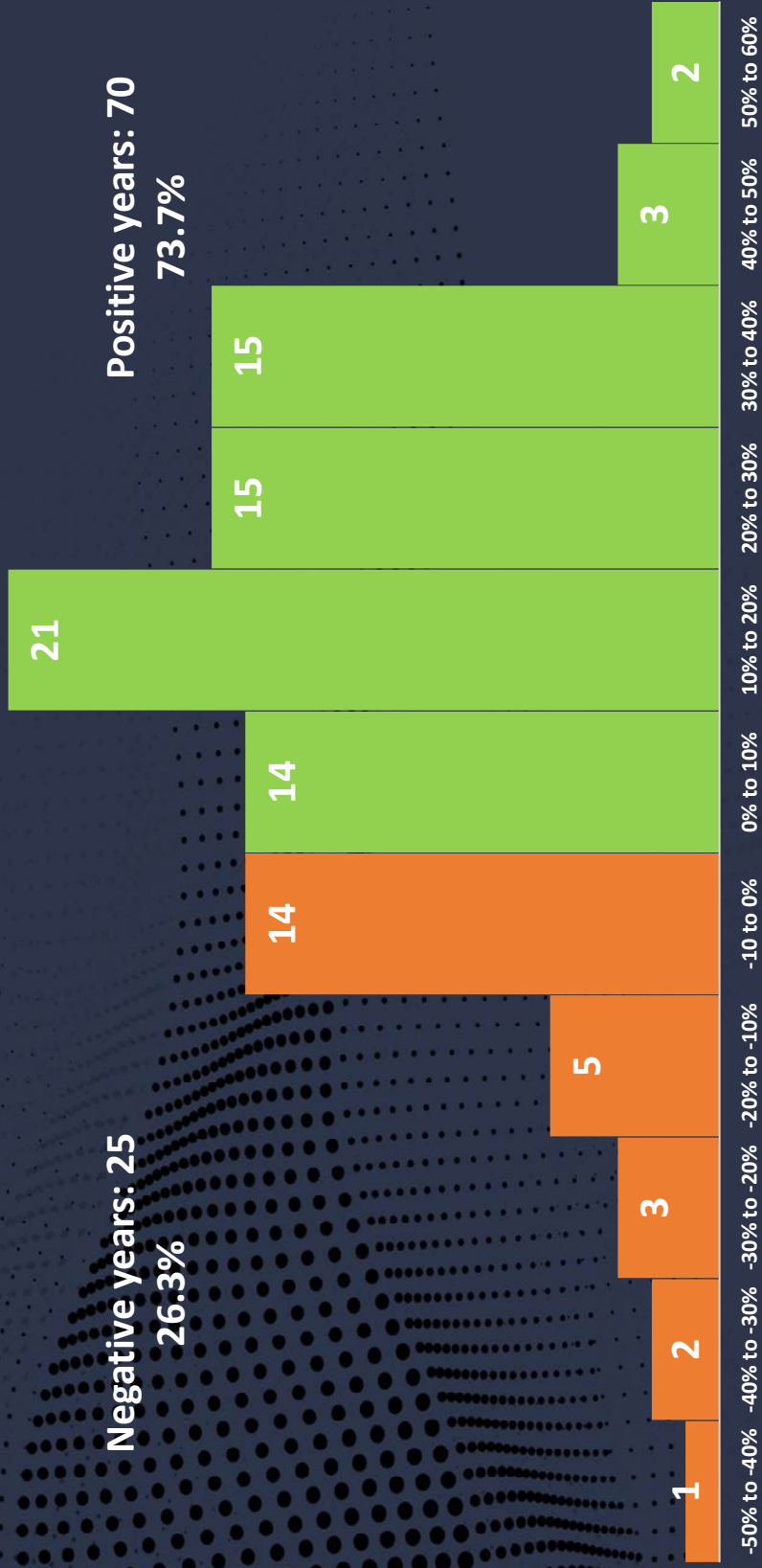
Periodic Performance	1 Year	3 Years	5 Years	10 Years	25 Years
FYG Portfolio	18.15%	6.87%	7.10%	7.59%	8.33%
Market Portfolio	15.94%	7.07%	6.92%	7.52%	7.76%
Outperformance/Underperformance	2.21%	(-0.20%)	0.18%	0.07%	0.57%

For detailed information on portfolio constructions used in this comparison please refer to Sources and Descriptions of Data.

Australian Sharemarket Annual Distribution 1900-2020



US Sharemarket Annual Distribution 1926-2020



For detailed information on portfolio constructions used in this comparison please refer to Sources and Descriptions of Data.

Sources and Descriptions of Data

FGY Australian Equities: Dimensional Australia Core Equity Index 100%. Constructed under AUD Rebalance: Per 12 Months.

Market Australia: S&P/ASX All Ordinaries Index (Total Return) 100%. Constructed under AUD Rebalance: Per 12 Months.

FGY Global Equities: Dimensional Australia Global Core Equity Index (AUD) 50.0%. Dimensional Australia Global Core Equity Index (hedged to AUD) 50.0%. Constructed under AUD Rebalance: Per 12 Months.

Market International: MSCI World ex Australia Index (net div., AUD) 50.0%. MSCI World ex Australia Index (hedged to AUD) 50.0%. Constructed under AUD Rebalance: Per 12 Months.

FGY 90% Growth Portfolio: Bloomberg AusBond Bank Bill Index 2.00%, Dimensional Australia Global Core Equity Index (AUD) 19.2500%, Dimensional Australia Core Equity Index 42.500%, Dimensional Emerging Markets Index (AUD) 4.00%, Dimensional Global Real Estate Securities Composite Strategy 5.00%, Bloomberg Barclays Global Aggregate Bond Index (hedged to AUD) 8.00%, MSCI World ex Australia Index (net div., AUD) 19.2500%, MSCI World ex Australia Index (net div., AUD) 4.00%, MSCI Emerging Markets Index (gross div., AUD) 8.00%, MSCI World ex Australia Index (Total Return) 42.500%, MSCI World ex Australia Index (hedged to AUD) 19.2500%, S&P/ASX 300 A-REIT Index (Total Return) 2.500%, S&P/ASX All Ordinaries Index (Total Return) 42.500%. Constructed under AUD Rebalance: Per 12 Months.

Market 90% Growth Portfolio: Bloomberg AusBond Bank Bill Index 2.00%, Bloomberg Barclays Global Aggregate Bond Index (hedged to AUD) 8.00%, MSCI World ex Australia Index (net div., AUD) 19.2500%, MSCI World ex Australia Index (hedged to AUD) 19.2500%, S&P/ASX 300 A-REIT Index (Total Return) 2.500%, S&P/ASX All Ordinaries Index (Total Return) 42.500%. Constructed under AUD Rebalance: Per 12 Months.

FGY 80% Growth Portfolio: Bloomberg AusBond Bank Bill Index 2.00%, Bloomberg Barclays Global Aggregate Bond Index (hedged to AUD) 13.00%, Dimensional Australia Global Core Equity Index (AUD) 16.7500%, Dimensional Australia Global Core Equity Index (hedged to AUD) 16.7500%, Dimensional Australia Core Equity Index (AUD) 3.00%, Dimensional Emerging Markets Index (gross div., AUD) 5.00%, Constructed under AUD Rebalance: Per 12 Months.

Market 80% Growth Portfolio: Bloomberg AusBond Bank Bill Index 2.00%, Bloomberg Barclays Global Aggregate Bond Index (hedged to AUD) 13.00%, FTSE World Government Bond Index 1-5 Years (hedged to AUD) 5.00%, MSCI Emerging Markets Index (gross div., AUD) 3.00%, MSCI World ex Australia Index (net div., AUD) 16.7500%, MSCI World ex Australia Index (hedged to AUD) 16.7500%, S&P/ASX 300 A-REIT Index (Total Return) 3.500%, S&P/ASX All Ordinaries Index (Total Return) 36.500%. Constructed under AUD Rebalance: Per 12 Months.

FGY 70% Growth Portfolio: Bloomberg AusBond Bank Bill Index 2.00%, Bloomberg Barclays Global Aggregate Bond Index (hedged to AUD) 13.00%, Dimensional Australia Global Core Equity Index (AUD) 15.00%, Dimensional Australia Global Core Equity Index (hedged to AUD) 15.00%, Dimensional Australia Core Equity Index (AUD) 10.00%, FTSE World Government Bond Index 1-5 Years (hedged to AUD) 15.00%, MSCI World ex Australia Index (net div., AUD) 15.00%, MSCI World ex Australia Index (hedged to AUD) 13.00%, FTSE World Government Bond Index 1-5 Years (hedged to AUD) 15.00%, MSCI World ex Australia Index (net div., AUD) 15.00%, MSCI World ex Australia Index (hedged to AUD) 13.00%, S&P/ASX 300 A-REIT Index (Total Return) 5.00%, S&P/ASX All Ordinaries Index (Total Return) 30.0%. Constructed under AUD Rebalance: Per 12 Months.

Market 70% Growth Portfolio: Bloomberg AusBond Bank Bill Index 2.00%, Bloomberg Barclays Global Aggregate Bond Index (hedged to AUD) 13.00%, Dimensional Australia Global Core Equity Index (AUD) 12.500%, Dimensional Australia Global Core Equity Index (hedged to AUD) 12.500%, Dimensional Australia Core Equity Index (AUD) 10.00%, FTSE World Government Bond Index 1-5 Years (hedged to AUD) 10.00%, MSCI World ex Australia Index (net div., AUD) 12.500%, MSCI World ex Australia Index (hedged to AUD) 12.500%, S&P/ASX 300 A-REIT Index (Total Return) 7.00%, S&P/ASX All Ordinaries Index (Total Return) 25.00%. Constructed under AUD Rebalance: Per 12 Months.

FGY 60% Growth Portfolio: Bloomberg AusBond Bank Bill Index 2.00%, Bloomberg AusBond Composite 0+ Yr Index 8.00%, Bloomberg Barclays Global Aggregate Bond Index (hedged to AUD) 10.00%, Dimensional Australia Global Core Equity Index (AUD) 12.500%, Dimensional Australia Global Core Equity Index (hedged to AUD) 12.500%, Dimensional Australia Real Estate Securities Composite Strategy 7.00%, FTSE World Government Bond Index 1-5 Years (hedged to AUD) 20.0%. Constructed under AUD Rebalance: Per 12 Months.

Market 60% Growth Portfolio: Bloomberg AusBond Bank Bill Index 2.00%, Bloomberg AusBond Composite 0+ Yr Index 8.00%, Bloomberg Barclays Global Aggregate Bond Index (hedged to AUD) 10.00%, FTSE World Government Bond Index 1-5 Years (hedged to AUD) 20.0%, MSCI World ex Australia Index (net div., AUD) 12.500%, MSCI World ex Australia Index (hedged to AUD) 12.500%, S&P/ASX 300 A-REIT Index (Total Return) 5.00%, S&P/ASX All Ordinaries Index (Total Return) 25.00%. Constructed under AUD Rebalance: Per 12 Months.

FGY 50% Growth Portfolio: Bloomberg AusBond Bank Bill Index 2.00%, Bloomberg AusBond Composite 0+ Yr Index 12.00%, Bloomberg Barclays Global Aggregate Bond Index (hedged to AUD) 10.00%, Dimensional Australia Global Core Equity Index (AUD) 10.7500%, Dimensional Australia Global Core Equity Index (hedged to AUD) 10.7500%, Dimensional Australia Real Estate Securities Composite Strategy 7.00%, FTSE World Government Bond Index 1-5 Years (hedged to AUD) 25.00%. Constructed under AUD Rebalance: Per 12 Months.

Market 50% Growth Portfolio: Bloomberg AusBond Bank Bill Index 2.00%, Bloomberg AusBond Composite 0+ Yr Index 12.00%, Bloomberg Barclays Global Aggregate Bond Index (hedged to AUD) 10.00%, FTSE World Government Bond Index 1-5 Years (hedged to AUD) 25.00%, MSCI World ex Australia Index (net div., AUD) 10.7500%, MSCI World ex Australia Index (hedged to AUD) 10.7500%, S&P/ASX 300 A-REIT Index (Total Return) 3.500%, S&P/ASX All Ordinaries Index (Total Return) 21.500%. Constructed under AUD Rebalance: Per 12 Months.

Rolling Monthly Returns FGY vs Market Over Prior 25 Years: This is a comparison of FGY Australian Equities and the Market-Australia Equities and the Market-International constructions. For 1-year periods the comparison is run on a rolling span of 12 months with a step interval of 1 month, there are 300 monthly results compared for the Australian and Global returns. For 5-year periods the comparison is run on a rolling span of 60 months with a step interval of 1 month, there are 300 monthly results compared for the Australian and Global returns. For 10-year periods the comparison is run on a rolling span of 120 months with a step interval of 1 month, there are 300 monthly results compared for Australian returns and 256 monthly results compared for Global returns. For 20-year periods the comparison is run on a rolling span of 240 months with a step interval of 1 month, there are 232 monthly results compared for Australian returns and 136 monthly results compared for Global returns.

Fee Comparison to FGY Across Asset Class Universe: This is comparison is run on an annual basis with data sourced from Lonsac Research. **Australian Large Caps (FYG Preferred)** is represented by Dimensional Australian Large Companies Trust. **Australian Large Caps (Class Average)** is represented by the average ICR of 230 wholesale funds available to Australian investors. **Australian Small Caps (FYG Preferred)** is represented by Dimensional Australian Small Company Trust. **Australian Small Caps (Class Average)** is represented by the average ICR of 193 wholesale and funds available to Australian investors. **Global Large Caps (FYG Preferred)** is represented by Dimensional Global Large Company Trust. **Global Large Caps (Class Average)** is represented by the average ICR of 163 wholesale and funds available to Australian investors. **Global Small Caps (FYG Preferred)** is represented by Dimensional Global Small Company Trust. **Global Small Caps (Class Average)** is represented by the average ICR of 16 wholesale funds available to Australian investors. **Emerging Markets (FYG Preferred)** is represented by Dimensional Emerging Markets Trust. **Emerging Markets (Class Average)** is represented by the average ICR of 41 wholesale funds available to Australian investors. **Global Listed Property (FYG Preferred)** is represented by Dimensional Global Real Estate Trust Inc. **Global Listed Property (Class Average)** is represented by the average ICR of 101 wholesale funds available to Australian investors.

Australian Sharemarket Annual Distribution: Historical returns are based on the All-Ordinaries Accumulation Index, which includes dividends. April 2000 - Present: S&P/ASX All Ordinaries Index (Total Return). Source: S&P/ASX 1980 - March 2000: ASX All Ordinaries Accumulation Index. Source: ASX. Data from 1900 - 1979 supplied by AXA/ANP is inconsistent using regional indices with different methodologies to record share price index movements. Returns in AUD. Copyright 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

US Sharemarket Annual Distribution: January 1990 - Present: S&P 500 Index, Total Returns in USD. Source: Standard & Poors Index Services Group. January 1926 - December 1989: S&P 500 Index Source: Ibbotson data courtesy of © Stocks, Bonds, Bills and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated works by Roger C. Ibbotson and Rex A. Sinquefeld). Copyright 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

Performance for periods greater than one year are annualised unless marked with an asterisk. Data presented may be based on a combination of simulated and actual returns. Simulated returns do not represent actual performance of assets during a period. Returns presented are historical and different investments bring different degrees and types of risk, there can be no assurance that the future performance of any portfolio construction or managed fund referred to in this report will be profitable or correspond to the historical performance. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. This report includes data provided by DFA Australia Limited (ABN 46 065 937 671, Australian financial services licence no. 238093) ("DFA") & Lonsac Research Pty Ltd (ABN 11 151 658 561 AFSL 421 445 (Lonsac)). While care has been taken to compile the data in this report and FGY Planners believe the data to be accurate at the time of publication, we do not accept any responsibility for any inaccuracies and no guarantee can be given about the completeness or accuracy of this report.