

# Milliman SmartShield High Growth

Q4 2024



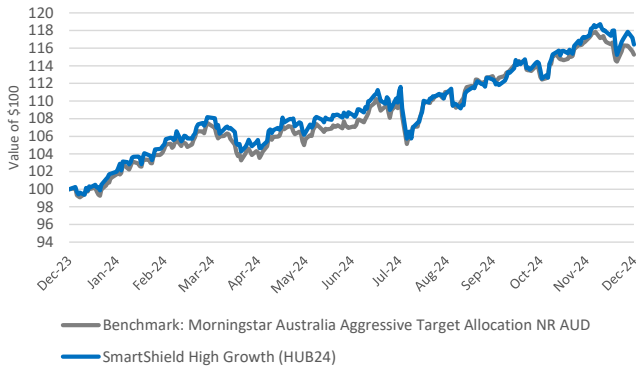
## MARKET SNAPSHOT

Q4-2024 presented mixed performances across global equity markets. US equities posted solid gains, driven by investor optimism following Donald Trump's presidential victory as markets anticipated his policies as favourable for growth. In contrast, European stocks declined due to recession fears and political instability in France and Germany. Japanese stocks made gains off of a weaker Yen.

In Australia, equities experienced a slight decline over the quarter, as sticky inflation prevented the Reserve Bank of Australia from cutting interest rates. This, coupled with a weakening Australian Dollar, weighed on market performance. The ASX 200 ended the quarter down -0.8%, bringing its annual return for 2024 to +11.4%. Meanwhile, the MSCI World ex Australia (AUD) index yielded a +12.1% return for the quarter, and +31.2% for the year.

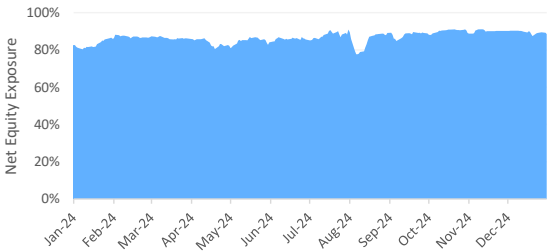
The SmartShield High Growth portfolio delivered strong performance this quarter, out-performing its benchmark with a return of +3.52% compared to the benchmark's +2.17%. Over the course of the 2024 calendar year, the portfolio continued to excel, achieving a return of +16.40% versus the benchmark's +15.27%. This performance highlights the effectiveness of the strategy's ability to dynamically dial back hedges in benign market environments, maximising participation in market upside.

Performance over the year



## SMARTSHIELD OVERLAY

Dynamic allocation to equities

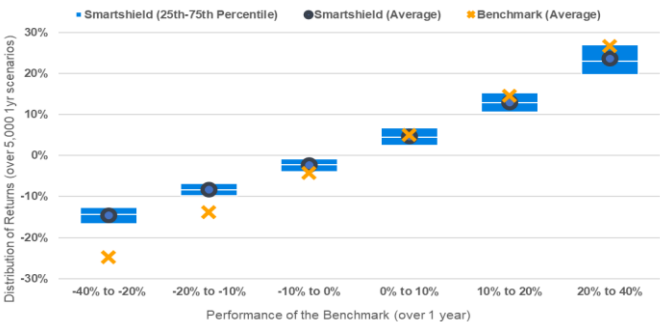


Amid the prevailing market optimism buoyed by robust economic data and the expectation of potential future rate cuts, the SmartShield High Growth portfolio systematically upheld a low hedge level.

This translated to a steady level in net equity exposure throughout Q4, with the portfolio maintaining close to its maximum allowable level of 90% net equity exposure. This positioning allows the portfolio to benefit from continued market upswings should it persist. However, the strategy remains poised to elevate the hedging level swiftly, in the event of a sustained and material market downturn.

## PERFORMANCE OUTLOOK

Simulated 1yr performance: High Growth



PERFORMANCE (net of fees <sup>1</sup> )	1 month <sup>2</sup>	3 months <sup>2</sup>	YTD	1 year	Since Inception p.a. <sup>3</sup>
SmartShield High Growth	-0.65%	3.52%	16.40%	16.40%	8.45%
Benchmark: Morningstar Aus Aggressive Target Allocation NR AUD	-1.21%	2.17%	15.27%	15.27%	8.58%

RISK METRICS SINCE INCEPTION	Volatility (Annualised)	Max Drawdown
SmartShield High Growth	8.40%	-13.89%
Benchmark: Morningstar Aus Aggressive Target Allocation NR AUD	12.80%	-23.58%

<sup>1</sup>Performances are calculated net of underlying investment cost and management fee. Fees applied on the benchmark = 90bps, it represents the average management fee charged by investible multi-asset diversified portfolios as published by Morningstar research.

<sup>2</sup>Aside from hedging strategy performance, short term performance relative to the benchmark differs due to imperfect performance tracking of the underlying sector ETFs against its benchmark on a month to month basis. This is mainly caused by difference in the period that performance is accounted for between various time zones, as well as difference in effective date of dividend distributions relative to the benchmark. These effects will largely be 'washed-out' when looking at a longer time horizon (e.g. 1 year).

<sup>3</sup>Inception Date: 3rd Mar 2020

## BENEFITS

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



## PORTFOLIO HOLDINGS

### 90% GROWTH ASSETS

Betashares Global Shares  
 Betashares Global Shares Currency Hedged  
 Vanguard Australian Shares  
 Even Keel - Global & Domestic Risk management Classes

### 10% DEFENSIVE ASSETS

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

## Key Contacts

### Durand Oliver

Head of Distribution

Sydney, AU

[durand.oliver@milliman.com](mailto:durand.oliver@milliman.com)

+61 (0) 403 148 057

### David Zhou

Business Development Manager

Sydney, AU

[david.zhou@milliman.com](mailto:david.zhou@milliman.com)

+61 (0) 413 213 240

For more information about Milliman, please call or visit us at:

+61 2 8090 9100 | [au.milliman.com](http://au.milliman.com)

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