

# RM TAILORED CONSERVATIVE RISK PROFILE MULTI-ASSET PORTFOLIO



JUNE 2020

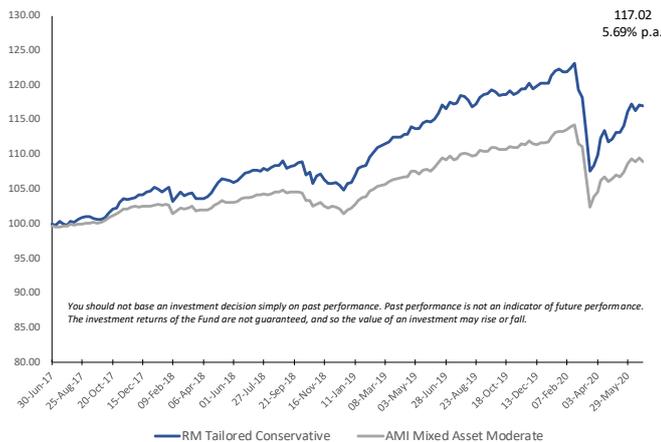
## Fund Facts

Investment Manager	Aro Asset Management
Asset Class	Equity
SMA Code	SMAAR03S
Minimum Portfolio Size	\$ 100,000
Management Fee	0.487%
Suggested Investment Horizon	7 years
Benchmark	Unaware
Investment Style	Style Neutral
Indicative Number of Holdings	15 to 30

## Description

The Risk Profile Portfolios invest in a mix of investments across various asset classes, using a combination of direct and multimanager investment approaches.

## Performance Chart



## Commentary

The ASX 200 recovered by 16.48% in the June quarter, from its low late March. The unprecedented monetary and fiscal stimulus around the globe has seen equity markets rally close to pre-COVID levels.

While recessionary factors continue to rise, with both real assets (property) and employment falling, the stock market continues to enjoy the flood of money offered by the public purse. It is hard to not see this bubble bursting, but in the meantime, it's also hard to ignore the strength of equity markets globally.

Our flag indicators had suggested US economy was likely to slow before the onset of COVID. The question is whether COVID has simply accelerated the economic slowdown, and we will now see a traditional market recovery, or will it create an economic melt-down.

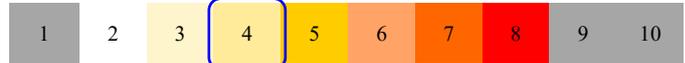
The market is predominantly forward looking, and as such, generally acts as a leading indicator. Previously a recession was announced only after the data had been processed when we have been in a recession for 6 months, with stock market subsequently rallying. The difference now is the announcement came before the data release.

We are still of the view that the market cannot sustain current levels, with earnings across the market dropping (with a few exceptions) and weak economic data, including employment, wage growth and consumer spending. The glut of money can only last so long.

Over the past 3 months, the Conservative portfolio has risen 6.7%, while AMI mixed Asset Moderate indicator rose 4.0%.

## STANDARD RISK MEASURE\*

\* Standard Risk Measure is based on industry guidelines



This portfolio is designed for investors seeking long term income and capital growth through exposure across a range of asset classes, with some capital stability, using a non-index weighted investment process.

## Fund Performance (gross of fees)

	Fund (%)	Index (%)*	Over/Under-Perform
3m	6.7	4.0	2.7
6m	-2.2	-2.0	-0.2
1y	0.5	-0.1	0.5
3y (% p.a.)**	17.2	9.5	7.7
From Inception - 01/07/2016 (% Total)	27.5	13.7	13.8

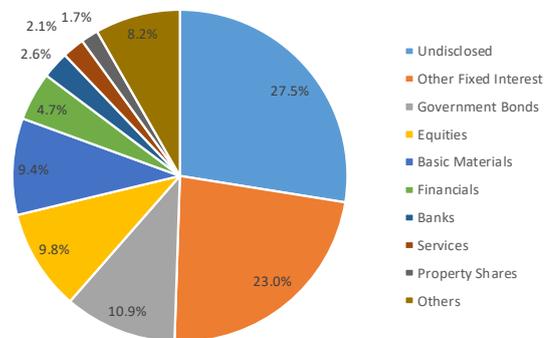
\* The index used is AMI Mixed Asset - Moderate

\*\* Combined performance of portfolio - Client portfolio used prior to March 2019; Macquarie SMA used post March 2019

## Top 10 Holdings

RM Tailored Conservative Top Holdings
BETASHARES CAPITAL LIMITED BETASHARES AUST HIGH INTEREST CASH ETF
SSGA SPDR S&P/ASX AUSTRALIAN GOVERNMENT BOND FUND ETF
WOODSIDE PETROLEUM
AUSTRALIA & NEW ZEALAND BKG GRP
BHP GROUP LTD
MAGELLAN FINANCIAL GROUP LTD
FEDERAL NATIONAL MORTGAGE ASSOC 4.0% BDS 01/05/39 USD1000
BRAMBLES LTD
NATIONAL AUSTRALIA BANK LTD 1.25% MKT RATE NTS(MIN 6%PERPETUAL)

## Sector Exposure



## Asset Class Allocation

