

Milliman SmartShield GSS Series - Growth

Quarter in Review - Q4 2021



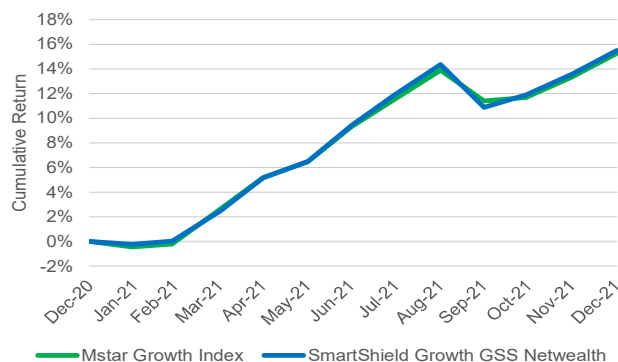
MARKET SNAPSHOT

The post-pandemic recovery has continued at a frenetic pace this quarter as investors reacted to the emergence of the Omicron-variant, on-going inflationary pressures and supply chain disruptions as well as central bank moves, to begin tapering of Quantitative Easing programs or rate-rises.

Equity markets still moved higher through the quarter, thanks to accommodating monetary and fiscal policy as well as strong earnings growth. However, the threat of new variants such as Omicron that could compromise existing vaccines, has created investor uncertainty throughout the quarter.

With NSW and Victoria ending their lockdowns, the ASX200 made modest gains across the quarter ending with the index up 1.6%. In the US, the S&P 500 performed strongly and jumped 10.7% thanks to continued strong earnings growth, across sectors such as Technology and Energy. The implied volatility of the ASX 200 fell slightly, ending the quarter at 10.6%, while in the US the VIX dropped 6 points to close at 17.2%.

Calendar Year 2021 Performance



SMARTSHIELD OVERLAY



Just like the situation at the start of the pandemic in March 2020, the hedge level is expected to increase in response to any large-scale market contraction.

The continued rally in equities this quarter, was supported by large stimulus packages and accommodating monetary policies. This meant hedge levels remained minimal and enabled the portfolio to participate on the market upside. The portfolio maintained an average equity exposure of 78%, which is close to its maximum level of 80% throughout Q4-2021.

The growth portfolio tracked its benchmark well during 2021, returning +15.5% compared to +15.3% for the benchmark on a net of fees basis.

PERFORMANCE OUTLOOK

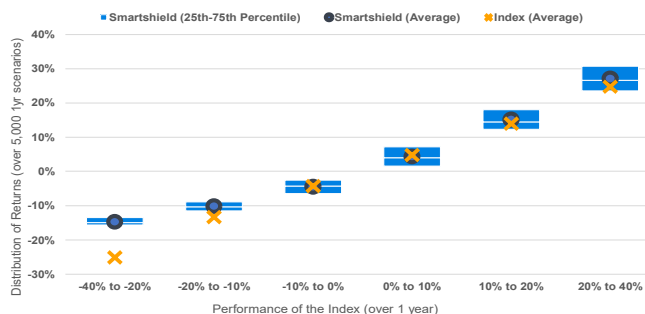
Many countries across the world including Australia, continue to face further Covid outbreaks from the Omicron variant.

Large proportions of developed economy populations have now been fully vaccinated and as we continue to move through the year under the 'COVID normal' environment — with current and on-going supply chain disruptions and inflationary pressures on the horizon — providing investors protection across their life savings, is as important as it has ever been.

As a result of the portfolio's tilt towards growth assets and the SmartShield overlay winding back its hedges, the portfolio is well-positioned, to continue participation in any continued market upside.

However, in the event of any future market sell-offs, the dynamic risk management strategy is placed to act swiftly, as it did in 2020.

Simulated 1yr performance: Growth



PERFORMANCE (net of fees ¹)	1 month	3 months	6 months	1 year	2 year	Since Inception
SmartShield GSS Series - Growth	1.70%	4.16%	5.56%	15.27%		13.72%
Benchmark: Morningstar Aus Msec Growth TR AUD	1.69%	3.48%	5.51%	15.33%		15.85%

RISK METRICS SINCE INCEPTION ²	Volatility (Annualised)	Max Drawdown
SmartShield GSS Series - High Growth	6.09%	-3.22%
Benchmark: Morningstar Aus Msec Aggressive TR AUD	6.42%	-3.56%

¹Performances 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.

²Inception Date: 7th Aug 2020

BENEFITS

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



PORTFOLIO HOLDINGS

80% GROWTH ASSETS

netwealth Australian Equities Index Fund
netwealth Unhedged International Equities Index Fund
Even Keel - Domestic Risk management Classes
Even Keel - Global Risk management Classes

20% DEFENSIVE ASSETS

netwealth Australian Bond Index Fund
netwealth Global Bond Index Fund
Cash

Key Contacts

Durand Oliver

Head of Distribution

Sydney, AU

durand.oliver@milliman.com

+61 (0) 403 148 057

Simon Ho

Portfolio Manager

Sydney, AU

simon.ho@milliman.com

+61 (0) 401 874 948

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

+61 2 8090 9100 | 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.