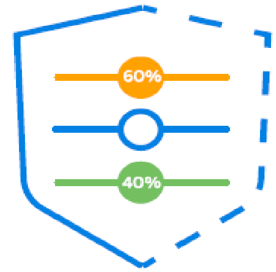
Milliman SmartShield Balanced

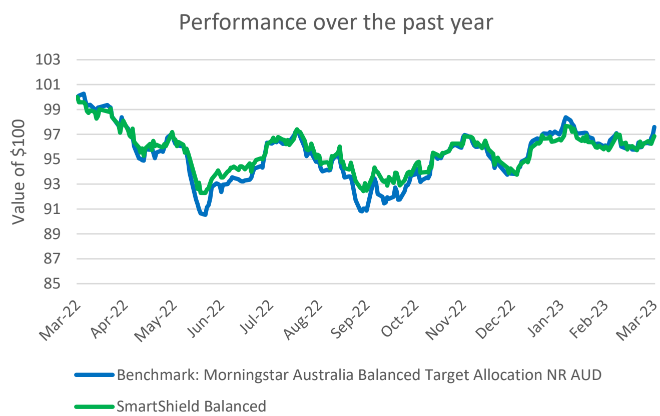


Q1 2023

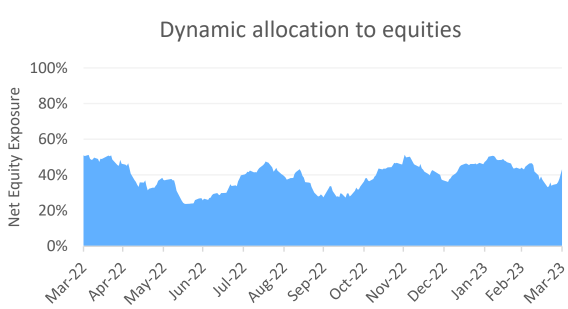
MARKET SNAPSHOT

The first quarter of 2023 has been eventful, with the focus remaining on the challenge to keep inflation at bay in the midst of strong labour market data from developed economies. Further fuelling the volatility was the collapse of Silicon Valley Bank and Credit Suisse banks. Despite the challenges, equity markets have remained strong, and notably showed resilience in recovering quickly from sell-offs on the back of investor optimism that central banks are more likely to put a pause on rate hikes in light of slower economic growth and the banking sector. Ultimately, ASX 200 and MSCI World ex Australia (AUD) were up +3.5% and +9.2% respectively for the quarter, but experienced material peak to trough movements of -8.7% and -4.1% respectively during this period.

The risk management strategy within the SmartShield portfolios reacted as expected in this environment, with hedge levels increasing in response to the heightened volatility and mini sell-offs. This helped reduce the peak to trough movements of the SmartShield Balanced portfolio from -2.7% to -2%. However, the sharp recovery in early January and late March led to the risk management strategy giving up on some of the upside. For the quarter, SmartShield Balanced portfolio delivered a return of 2.75%. Although this was lower than the benchmark's return of 3.99%, the portfolio's volatility reduced significantly from 6.5% to 4.9%.



SMARTSHIELD OVERLAY



Over the past year, the hedge level of the portfolio has fluctuated due to the market's volatility caused by ongoing inflationary pressures and central bank rate hikes, conflicting with the optimistic future rate and inflationary expectation of market participants. These opposing factors have resulted in elevated volatility and short market drawdowns followed by quick recoveries, this led to the net equity exposure within the SmartShield portfolios fluctuating between 33% and 51%.

The portfolio ended Q1-2023 with the risk management strategy positioned mildly defensively, with the dynamic equity exposure sitting at 43% (maximum equity exposure sits at 60%). This level is expected to provide some dampening of market returns in the short term. In the long-term, the strategy is expected to provide material cushioning if the markets enter a sustained period of drawdown, and participate well on the upside if volatility subsides.

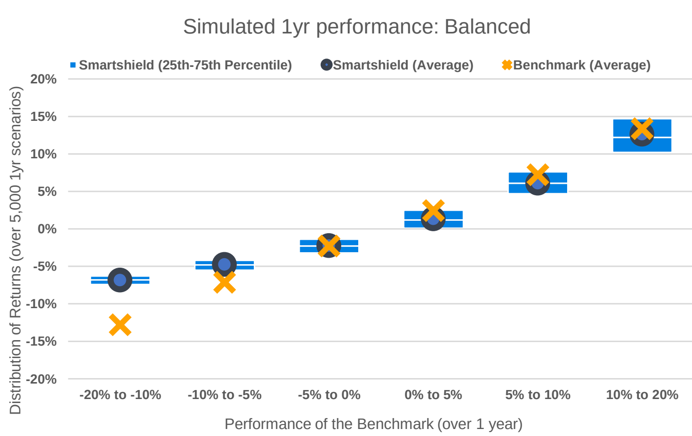
PERFORMANCE OUTLOOK

As we advance into 2023, it continues to be characterised by uncertainties concerning the possibility of an economic recession and how central banks will adjust their monetary policy.

As we move through this environment, managing risk is as important as ever, giving investors the confidence to stay invested, whatever the market conditions.

As a result of the SmartShield overlay's ability to dynamically adjust the hedge levels, the portfolio is well positioned should we enter into a case of a sustained market drawdown.

The portfolio's tilt toward growth assets will also allow it to participate on the upside once volatility and sentiment recovers to normal levels.



PERFORMANCE (net of fees[1])	1 month[2]	3 months[2]	6 months	1 year	Since Inception p.a.[3]
SmartShield Balanced	0.89%	2.75%	4.75%	-3.14%	0.14%
Benchmark: Morningstar Aus Balanced Target Allocation NR AUD	1.54%	3.99%	7.39%	-2.41%	1.71%

RISK METRICS SINCE INCEPTION	Volatility (Annualised)	Max Drawdown
SmartShield Balanced	7.17%	-12.36%
Benchmark: Morningstar Aus Balanced Target Allocation NR AUD	9.41%	-14.01%

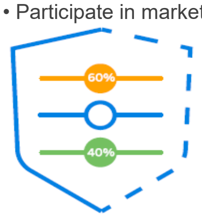
[1]Performances are calculated net of underlying investment cost and management fee. Fees applied on the benchmark = 90bps, it represents the average management fee charged by investible multi-asset diversified portfolios as published by Morningstar research.

[2]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).

[3]Inception Date: 3rd Mar 2020

BENEFITS

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



PORTFOLIO HOLDINGS

60% GROWTH ASSETS
iShares S&P 500
iShares MSCI EAFE
Vanguard Australian Shares
Even Keel - Global & Domestic Risk management Classes

40% DEFENSIVE ASSETS
BetaShares Australian High Interest Cash
Vanguard Australian Fixed Interest
Vanguard Global Aggregate Bond AUD Hedged
Cash

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