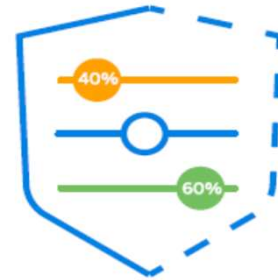


Milliman SmartShield Moderate

Quarter in Review - Q2 2021

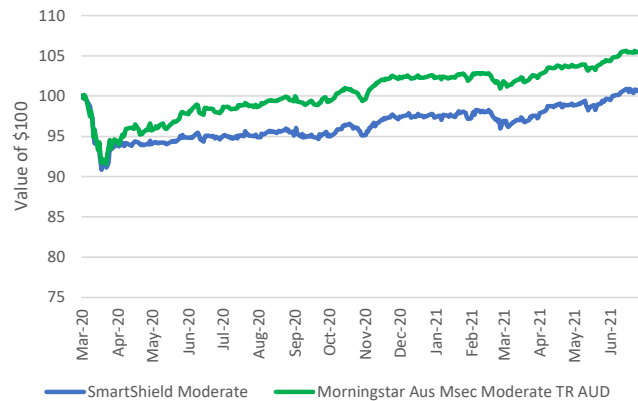


MARKET SNAPSHOT

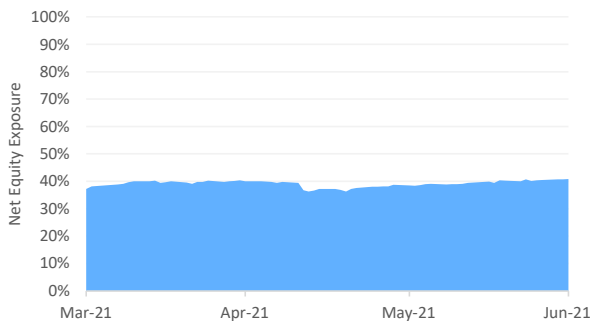
The post-pandemic recovery continues to progress strongly, with markets across the globe surging higher over the second quarter of 2021, partially driven by the impact of large scale stimulus spending from various governments such as the United States.

Market uncertainty remains high as fear continues to grow over the spread of the Delta-variant of the Coronavirus. In addition, Hawkish remarks from the US Federal Reserve in regards to rising inflationary expectations have contributed to an increase in market uncertainty as well.

The ASX200 surged higher in Q2, gaining +7.7% following the strong growth in the US where the S&P 500 closed the quarter up +8.2%. Volatility on the ASX200 increased marginally, up .18 pts to close the quarter at 12.2%. Due to the Hawkish pivot by the US Federal Reserve, the US Dollar rallied against other major currencies. AUD depreciated against USD by -1.3%, ending the 2nd quarter at 74.98 US cents.



SMARTSHIELD OVERLAY



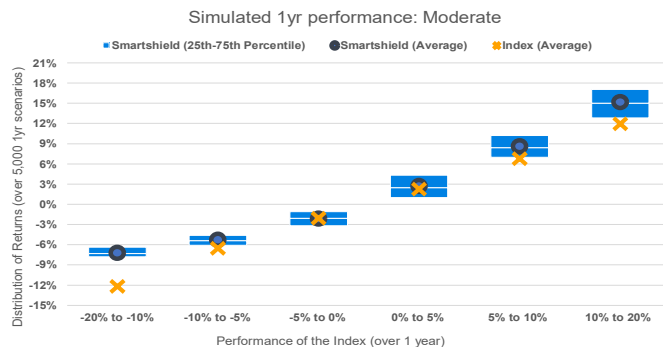
With the continued rally in the equities market supported by large stimulus packages and low interest rate environment, the hedge levels have been scaled back to allow the portfolio continued participation on the upside. If the market shows signs of drawdown, the hedge level will increase swiftly just like it did at the beginning of the pandemic. The moderate portfolio ended Q2-2021 with net equity exposure at 40%, which is at its full equity exposure.

The moderate portfolio performed ahead of the benchmark during Q2-2021, returning +3.80% compared to +3.35% in the benchmark. The out-performance was a result of the positive equities tilt in the portfolio as well as the scale back of dynamic hedging level in the relatively low vol and rising market environment.

PERFORMANCE OUTLOOK

Countries around the world are grappling with a new wave of COVID outbreak under a new variant, with many developed countries continuing to pump up its stimulus package to keep the economy going as well as fast tracking the vaccination roll-out. Inflation continues to be the hot topic of discussion in the US, specifically on whether the high inflation print as a result of supply shortage is transitory or not.

As we progress into another year dealing with the new 'COVID normal' environment and asset pricing inflationary pressures, providing investors protection with 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 expected to continue participating on the upside, should markets perform strongly going forward. In the event of any future market sell-offs, the dynamic risk management strategy is well positioned to act swiftly, as it did in 2020.



PERFORMANCE	1 month	3 months	6 months	1 year	2 year	Since Inception
SmartShield Moderate	1.48%	3.80%	3.88%	6.51%		0.81%
Benchmark: Morningstar Aus Msec Moderate TR AUD	1.39%	3.35%	3.46%	7.76%		4.33%

RISK METRICS SINCE INCEPTION	Volatility (Annualised)	Max Drawdown
SmartShield Moderate	5.68%	-9.26%
Benchmark: Morningstar Aus Msec Moderate TR AUD	6.17%	-8.55%

BENEFITS	PORTFOLIO HOLDINGS
<ul style="list-style-type: none"> Built-in portfolio protection Diversified Dynamically managed Low cost Flexibility & control Participate in market upside 	<p>40% GROWTH ASSETS iShares S&P 500 iShares MSCI EAFE Vanguard Australian Shares Vanguard Australian Property Even Keel - Global & Domestic Risk management Classes</p> <p>60% DEFENSIVE ASSETS BetaShares Australian High Interest Cash Vanguard Australian Fixed Interest Vanguard Global Aggregate Bond AUD Hedged Cash</p>

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