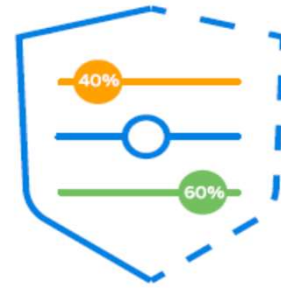


Milliman Smartshield Moderate

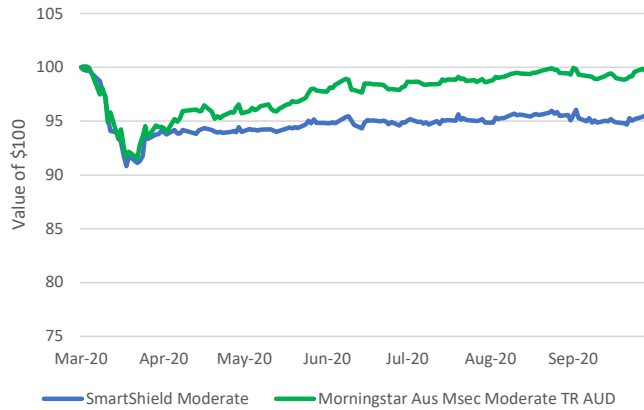
Quarter in Review - Q3 2020



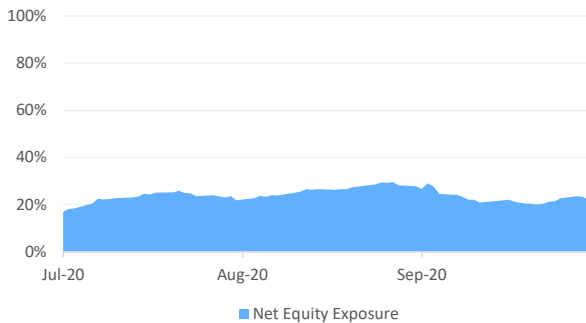
MARKET SNAPSHOT

This year has been a year unlike any other and Q3 has continued this trend. After an initial easing of lockdown measures across the country, a second wave of COVID infections in Melbourne led to an even harsher lockdown. Similarly across the world, new infections have been growing at an even greater pace. Equity markets have responded in mixed fashion. The ASX200 endured a rollercoaster ride to close down 1.5% this quarter while the S&P 500 steadily gained 8.5% thanks to significant stimulus from the US Fed.

Market volatility remains elevated as investors weigh new stimulus against rising infections with a vaccine still far off into the horizon at the end of Q3. The market implied volatility (VIX) on the ASX200 bounced around to ultimately end at 21.48 points while on the S&P 500, this dropped to 26.37 pts (both still much higher than pre-pandemic levels). The Aussie Dollar continues to strengthen against the US Dollar, gaining 3.8% to end the quarter at 71.62 US Cents, muting some of the gains seen in international equities.



SMARTSHIELD OVERLAY



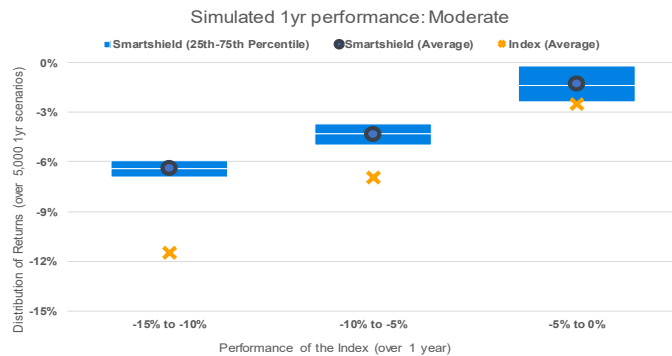
The risk management overlay continued to play a critical role throughout the third quarter as market remains volatile. The market volatility in Q3 was predominately a function of uncertainties surrounding the duration of COVID pandemic and the November US Presidential Election.

With market volatility remaining high and a significant level of uncertainty, the level of hedging increased over this quarter in response. Smartshield Moderate portfolio ended the September quarter with net equity exposure at 21.5%.

PERFORMANCE OUTLOOK

At the end of Q3-2020, a number of key risk events remains front and centre in investors' minds; namely the November US presidential election, the uncertainties surrounding Brexit and no clear end to the pandemic in sight. As many people learn to live in the new "Covid-Normal" world with inherent levels of uncertainties, providing them a level of comfort with their life savings is more important than ever before.

Investors continue to have material exposure to growth assets and are expected to participate if markets recover from here. However, with market volatility remaining at elevated levels, the dynamic risk management strategy is well positioned to quickly react and shield your clients from a severe market sell-off.



PERFORMANCE	1 month	3 months	6 months	1 year	2 year	Since Inception
SmartShield Moderate	-0.58%	0.13%	1.31%			-4.98%
Benchmark: Morningstar Aus Msec Moderate TR AUD	-0.17%	1.15%	5.15%			-0.71%

RISK METRICS SINCE INCEPTION	Volatility (Annualised)	Max Drawdown
SmartShield Moderate	6.93%	-9.26%
Benchmark: Morningstar Aus Msec Moderate TR AUD	8.52%	-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</p> <ul style="list-style-type: none"> iShares S&P 500 iShares MSCI EAFE Vanguard Australian Shares Vanguard Australian Property Even Keel - Global & Domestic Risk management Classes <p>60% DEFENSIVE ASSETS</p> <ul style="list-style-type: none"> BetaShares Australian High Interest Cash Vanguard Australian Fixed Interest Vanguard Global Aggregate Bond AUD Hedged Cash

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