

ProActive Portfolios Managed Fund Model SMA Portfolio Update

12 February 2021

Summary

In October 2020, as part of our investment review process, we engaged Mercer for investment consulting, strategic and dynamic asset allocation, and portfolio construction advice.

Part of this process included Mercer undertaking a health check on the:

- Strategic Asset Allocation (SAA) including sub-asset class allocations for each of the portfolios.
- The suitability of Dynamic Asset Allocation (DAA) positions based on Mercer's most recent guidance.
- Overall portfolio construction including style bias, duration positioning, currency hedging, and active vs. passive allocations.
- The existing managers, with reference to both their risk, return, and style characteristics as well as our conviction in their ability to produce long-term, risk-adjusted alpha.

The results of the health check indicated that the existing SAA would likely result in the portfolios failing to meet their CPI objectives to a reasonable probability over the coming 10 years. Considering this, several changes will be made to improve overall portfolio diversification and structure. The aim is to improve the likelihood of meeting the long term portfolio return goals. The changes will include:

- The introduction of additional sub-asset classes to most portfolios.
- A rebalance of various factors within portfolios, including active vs. passive exposure, traditional vs. absolute return bond allocations, equity style balance, and the global vs. domestic equities exposure.
- Changes to the underlying manager mix, including new additions, removals, and rebalances.

We believe that the most important consideration for all portfolios is to ensure that they are well diversified across sub-strategies and are positioned for the upcoming synchronized global growth scenario that is central to our current DAA view. As such, the priority is to ensure that the large cash and defensive positioning within the portfolios will be reduced in favour of growth assets and that the Defensive portions of the portfolios are sufficiently in line with both DAA and overall market conditions as we head into a global growth scenario.

We will be looking to implement the following changes as opportunities arise while ensuring that both transaction costs and tax implications are minimised:

- Introduction of an Emerging Markets allocation
- Replacement of AREIT exposure with GREITs
- Expansion of strategy mix for Alternative assets
- Reduction in short duration Absolute Return strategies
- Additional manager rebalancing

We will continue to review the portfolios ongoingly with the DAA to be revisited quarterly. These will be progressed during the normal course of managing the portfolios.

In the following pages we cover the SAA review process, our DAA views on each asset class and the details around the changes being made.

Our SAA Process

The ProActive Portfolios SAA process utilises Mercer's forward-looking Capital Market Assumptions (CMS) to ensure that the portfolios are structurally aligned to the current market environment, whilst maintaining a reasonable probability of meeting return objectives within the risk parameters over a 20-year forward-looking horizon. Mercer's CMS is known as an "Economic Scenario Generator" in that it allows for projections of an economically and statistically consistent data set. Stochastically it creates many possible economic scenarios of the world ("trials") to create probability distributions. Projecting up to 90 years of Economic Scenarios to produce over 2,000 trials.

The recommended SAA represents the long-term neutral position of the portfolio. A Dynamic Asset Allocation (DAA) overlay is then applied to ensure that the portfolios are positioned to capture the "medium" term (1-3 year) outlook and to minimise transaction costs and is particularly important when reviewing existing investment positions. The SAA Growth vs. Defensive split for each portfolio has been maintained (except for the Conservative portfolio, where the growth asset allocation will be increased by 5% to improve the probability of meeting long term return targets). Within the Growth and Defensive asset classes, sub-strategy enhancements are to be made to ensure that long-term SAAs are inline with the stated investment objectives.

Growth assets:

- **Australian Small-Cap** exposure is to be increased for all risk profiles, except for the conservative portfolio where this minimal allocation has been removed. This is in line with Proactive's overall view of the volatility levels within this sub-strategy and its appropriateness for inclusion in conservative risk profiles. Additionally, small-cap allocations (as a percentage of total equity exposure) are now consistent across those risk profiles where it is appropriate for an allocation.
- Introduction of **Global Small Cap** exposure for growth-orientated portfolios.
- Introduction of dedicated **Emerging Market Equity** exposure for Growth and High Growth portfolios.
- A net increase to and a rebalance of the allocation between **Global Infrastructure** and **REITs**, including a gradual divestment of **AREITs** in favour of **GREITs**.
- Incorporated DAA via a **small increase to Growth Asset exposure** across most portfolios.

Defensive Assets

- **Cash Plus** and **Short Duration Credit** style allocations that currently dominate the defensive allocations of all portfolios will be reduced in favour of traditional **Domestic Government Bonds**.
- Additional diversification for fixed interest exposure will be introduced via a dedicated **Global Government Bond** allocation.
- Interest rate exposure vs. credit/absolute return exposure will be scaled up for each portfolio (higher equity allocation = more exposure to rate duration relative to credit/absolute return strategies).
- Incorporated DAA through a **reduction in cash in favour of alternate Fixed Interest allocations** compared with the current portfolio (excluding Moderate Growth portfolio).

The recommended SAA changes & relevant DAA positioning is summarised in appendix 1.

Dynamic Asset Allocation Views

International equities

While economic activity is likely to be weak over the next few months in the US, Europe, and other countries with renewed virus case increases, the outlook for 2021 Q2 and beyond is much improved. Over the DAA time horizon of 1 – 3 years, economies will be in an early/mid-stage recovery, which tends to be positive for risk assets. There are considerable excess savings and pent-up demand to be released by consumers while businesses are in the middle of a restocking cycle as inventories are at an almost ten year low. People will be eager to start spending on services, which could lead to a mini-boom through the middle of 2021 bringing developed economies led by the US back towards their 2019 levels. From there, we expect to transition into the normal early to mid-cycle part of the growth phase. Neither governments nor central banks will be in a

hurry to withdraw policy support as the recovery continues. Indeed, they are likely to increase support in case of any temporary setbacks. For companies, this means strong earnings growth from a low basis in an early cycle environment, potentially rising inflation, and ongoing policy support.

We will reposition the portfolios to benefit from an early cycle growth environment by being overweight growth assets. This is expressed as moving to an overweight in emerging market equities relative to developed market equities and moving global small caps to an overweight position (implementation will occur in the natural course of managing the portfolios).

Major Asset Class Views



Source: Mercer

Sub Asset Class Views: Global Equities

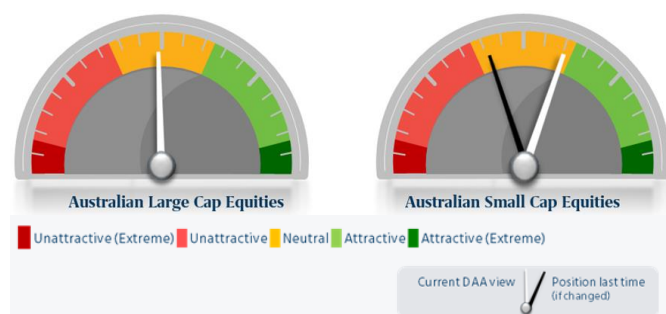


Source: Mercer

Australian Equities

Australia is better positioned than most other countries – not only in controlling COVID-19 but in driving growth during the recovery. The dial for Australian Small Cap Equity has increased towards favourable as a result of Australia's success and the improving economic outlook which is likely to be more supportive of small caps given the reduction in refinancing concerns and prospective returns on offer.

Australian shares have generally underperformed global share markets over the last 10 years (since October 2009, in local currency terms). There is now good reason to believe that this relative underperformance will reverse in the year ahead if the Australian economy recovers faster, cyclical sectors (like resources and financials) come back into favour versus growth stocks (like IT and healthcare), and as commodity prices rise.



Source: Mercer

Cash and Fixed Interest

Our primary focus in repositioning the portfolios is to sufficiently diversify defensive assets and support the focus on both liquidity and return/yield targets. The next decade will be challenging for bond investors. Given the 'lower for longer' return environment, which is particularly prevalent within defensive assets. We are looking to introduce allocations to non-government bond sectors and sub-strategies. While credit spreads have narrowed sharply over the last few months we think they could contract further given the outlook of continued economic recovery, the lack of yield available elsewhere, and the prospect of continued policy support. Indeed, if economic activity or financial markets weakened sharply the Fed and other central banks would likely directly support credit markets, given the inability to ease policy via QE or interest rates.

We will be reducing the cash allocation and re-allocate this to other defensive assets. The very low cash rates represent a large return drag across all portfolios, and whilst prudent as a defensive position, given the uncertainty prevalent in the early part of 2020, it is now impacting the probability of the portfolios meeting their objectives in the long-term.

We expect government bond yields to stay roughly where they are although a big move higher is more likely than a big move lower given current yield levels. We continue to prefer high-quality non-government bonds. However, within this space, we have switched our preference to securitized credit over investment-grade credit as the scope for a rally from here is smaller than it was for the latter while the former still gives us a higher spread margin with exposure to the consumer who we believe will continue to be resilient due to fiscal policy support.

Change Rationale

Fixed Interest Portfolio Structure

The next decade promises to be challenging for bond investors. The 'lower for longer' return environment is particularly prevalent within defensive assets. Our primary focus for 2021 will be to ensure that Defensive assets are sufficiently diversified and support the balance between liquidity, return/yield targets, and where required, the ability to partially offset equity market and potential (although diminished) deflationary risks.

Traditional Bonds & Credit

We are increasing the allocation to nominal (government bonds) for most portfolios to ensure an adequate balance between interest rate, credit, and manager risk within the portfolios. In relative terms, this increase is deliberately inconsistent between each portfolio risk level. From a portfolio construction perspective, we have increased the relative proportion of interest rate exposure (with a subsequent decrease in credit/absolute return exposure) as the portion of equity risk within a portfolio increases. This is to ensure that fixed interest assets within the portfolios can better offset equity risk.

For portfolios with large fixed interest exposure, while Investment Grade credit can provide additional diversification (from interest rate risk), we do note that the widening of credit spreads has since narrowed resulting in a lower level of forward looking returns from this sub-strategy.

Absolute Return (Fixed Interest) Strategies.

Mercer continues to support absolute return focused strategies in this asset class and has sought to further diversify the manager/strategy mix by including a globally focused absolute return strategy.

Cash

We are reducing the cash allocations and re-allocated to other defensive assets. The very low cash rates represent a return drag across all portfolios, and whilst prudent as a defensive positioning given the uncertainty prevalent in the early part of 2020, it is now impacting the probability of the portfolios meeting their objectives in the long-term. Default allocations to the platform cash account have been reduced to the minimum levels plus a small buffer.

Australian Equity Portfolio Structure

When looking at the overall Australian Equity Portfolio structure we have overlayed our “best of” ideas for building an Australian equity portfolio which aims to ensure the following characteristics:

- Active managers are utilised
- High conviction managers are employed
- Specialist allocation to small-cap manager is employed
- Style diversification without significant unintended style tilts
- Diversification of investment processes
- Highly regarded managers are employed
- Low correlation of active positions between managers (stock redundancy)
- Balanced distribution of risk between managers

Given elevated levels of research coverage and market participants in the large-cap spectrum of Australian equities, we believe it makes sense to include an allocation to defensive equity strategies, such as quality-biased equities, low volatility equities, or variable beta strategies. Whilst we note that the current high valuations are an increased risk for investors, we believe that the risk is likely to be higher for index-based strategies than for low volatility strategies.

As a result of this view, we will retain the AB Managed Low Volatility equity strategy but at a reduced allocation. The inclusion of an allocation to defensive equities as part of a diversified equity portfolio remains the most straightforward approach to improving the risk-adjusted returns and controlling overall portfolio beta.

The reduction to low volatility exposure enables us to reallocate a larger portion of the portfolio fee budget to mid-smaller cap managers in line with our DAA views. This means:

- Reduction in the value bias to ensure more style diversification without unintended style tilts.
- Introduction of Clime (small/micro focus vs. SGH small only). A dedicated small-cap allocation will help to reduce the security and sector concentration inherent in large-cap domestic equity exposures while simultaneously broadening the opportunity set for stock selection alpha.

For any given manager, however, there is likely to be a limited number of these opportunities or ‘best ideas’ that a manager can identify at a given time. Our view and observations are that a portfolio containing strictly these best ideas has a significantly higher potential for outperformance versus a broadly diversified portfolio. Overall, the Australian equity portfolio construction has favoured high-conviction managers. Noting, that for some of the more Conservative risk profiles these types of Managers due to their volatility profiles may not be suitable.

Advantages of employing high concentration managers:

- Avoids managers holding “benchmark hugging” stock positions.
- Risk can be managed at the total portfolio construction level through employing lowly correlated managers.
- Efficient use of fees.
- Best stock ideas have the larger positions.
- Uses the full opportunity set rather than a mega-cap focus.

International Equity Portfolio Structure

The International and Emerging Market Equity Sector’s contain inefficiencies that provide active managers with opportunities to add value over the broad sector benchmark, this is despite the most recent period which has seen the Median Active Manager (in the Global Equities space) struggle to outperform. As a result, we will be implementing the following:

- The active vs. passive allocation will be adjusted to ensure that there is a higher passive exposure for lower risk profiles vs. higher risk profiles.

- Introduction of the Hyperion Global equities strategy as a high conviction growth biased manager with significant capacity and a favourable fee arrangement.
- Dedicated small-cap exposure for higher risk profiles.

Emerging markets represent a significant and growing portion of the global equity opportunity set, with some key sectoral differences to the index of their developed counterparts, which provides investors with diversification benefits. Returns have been consistently more volatile, sometimes delivering substantial outperformance, but also often underperforming for extended periods, and attractive valuations provide investors with an opportunity to generate alpha. We will look to allocate to a dedicated Emerging Market Manager over time.

Property & Infrastructure Portfolio Structure

The role of real estate investments within a multi-asset class portfolio is to provide an alternative source of growth-like returns, diversification benefits and to act as a hedge against inflation. Returns are generated from the underlying properties' rental income stream and capital valuation changes in the land and buildings. It is important to note that listed property or real estate investment trusts (REIT) and infrastructure investments behave differently from unlisted (core) property. REIT returns are more volatile as their share prices are "marked to market" intraday and are subject to the changes in sentiment that affect listed equities. The underlying earnings from REITs are also more cyclical than the steady rental income from core, unlisted property. Sources of income from REITs in Australia may also include property development, funds management, and property management. Such REITs are classified as stapled securities.

Internationally, REITs are differentiated from Real Estate Operating Companies (REOCs) which derive income from property development and funds management activities. REOCs' earnings are more volatile, as non-rental income makes up a significant share of earnings.

The price volatility that comes with listing, the higher levels of gearing, and the significance of non-rental revenues mean that REITs are more likely to behave like equity than Unlisted property. As a result, REITs do not provide the same portfolio diversification benefits as unlisted property even though they may offer a wider range of property sectors (e.g. healthcare, storage, residential, and leisure). Historical correlations of Global REITs with global equities is comparatively high 0.75, and that rises further in times of market stress.

For listed property, the Australian REIT (A-REIT) market is too concentrated to warrant a separate allocation. Consolidation in the Australian listed property market has resulted in the top 5 companies comprising almost two-thirds of the market capitalisation. One stock, Westfield, accounts for more than a quarter of the local S&P/ASX 200 Property Index. Australian listed property exposure can be achieved via Global REITs (G-REITs). The A-REIT market makes up about 10% of the G-REIT benchmark (FTSE EPRA / NAREIT Developed Index) based on current market weights. G-REITs provide greater diversification at the stock, sector, and regional level and provide access to a broad and deep market, which continues to grow in Europe and Asia.

Manager Changes:

Implementation of the above asset allocation expansion has also necessitated the need for additional manager allocations within the portfolios. Additionally, Mercer has also reviewed the existing manager line-up and will be implementing a number of changes to existing managers to better align the portfolio with those managers for which Mercer holds higher conviction in their ability to meet stated investment objectives.

Underlying manager switches have been summarised in the table below followed by commentary on the underlying rationale for any removals or additions.

Existing Manager Lineup			New Manager Lineup		Status	Action	
Australian Equity	AB Managed Volatility Fidelity Australian Opportunities Hyperion Australian Growth Companies IML Australian Share SGH ICE Vanguard Australian Shares Index	→	Australian Equity	AB Managed Volatility	Existing	Adjust	
				Fidelity Australian Opportunities	New	Add	
International Shares	Antipodes Global P Magellan Global State Street Global Equity Vanguard Int'l Share Index (H)	→	International Equity (UH)	Hyperion Australian Growth Companies	Existing	Adjust	
				IML Australian Share	Existing	Adjust	
				SGH ICE	Existing	Adjust	
				Macquarie True index Australian Shares	New	Add	
Property & Infrastructure	Charter Hall Maxim Property Securities AMP Capital Core Infrastructure A	→	Australian Equity Small Cap	Vanguard Australian Shares Index	Existing	Remove	
				Clime Smaller Companies	New	Add	
Fixed Interest	Vanguard Australian FI Index Pendal Short Term Income Securities Ardea Real Outcome DDH Preferred Income	→	International Equity (H)	Antipodes Global P	Existing	Adjust	
				Magellan Global	Existing	Adjust	
				State Street Global Equity	Existing	Remove	
				Hyperion Global Growth Companies Fund	New	Add	
Alternatives	PineBridge Global Dynamic Asset Allocation	→	Developed Markets Small Cap (UH)	Vanguard International Share Index (H)	Existing	Reduce	
				Lazard Global Small Cap Fund	New	Add	
Cash	State Street Australian Cash Trust Platform Cash	→	ARIETs	Charter Hall Maxim Property Securities	Existing	Reduce	
				GREITs (H)	Quay Global Real Estate	New	Add
				Global Listed Infrastructure (H)	AMP Capital Core Infrastructure A	Existing	Remove
				Lazard Global Listed Infra Fund Hedged	New	Add	
			Australian Fixed Interest	Vanguard Australian Fixed Interest Index	Existing	Remove	
				Macquarie True Index Australian FI	New	Add	
			Global Govt Bonds	Colchester Global Government Bond Fund	New	Add	
			Australian Non-Govt Bonds	Pendal Short Term Income Securities	Existing	Remove	
			Short Duration High Income	DDH Preferred Income	Existing	Reduce	
				Ardea Real Outcome Fund	Existing	Adjust	
			Alternatives	Franklin Templeton Aust Abs. Return Bond	New	Add	
			Cash	PineBridge Global Dynamic Asset Allocation	Existing	Adjust	
				State Street Australian Cash Trust	Existing	Remove	
				Macquarie True Index Cash Fund	New	Add	
				Platform Cash	Existing	Reduce	

Manager Change Rationale:

Australian Equity	→	Australian Equity Large Cap	Vanguard Australian Shares will be replaced with the Macquarie True Index Australian Shares . The Macquarie funds tracks the same index as the vanguard option, but offers the index return on an after-fees (but before tax) basis. In practice, in order to deliver investors, the exact index return, Macquarie operates a portfolio that closely mirrors the underlying index along with a series of small active trades based on their in house quantitative model. Mercer's comfort with both the underlying strategy design and counterparty quality renders the Macquarie True Index series a compelling offering for passive market exposures.
		Australian Equity Small Caps	Introduced an additional dedicated small-cap allocation via the Clime Smaller Companies Fund . Mercer believes a dedicated small-cap allocation helps to reduce the security and sector concentration inherent in large-cap domestic exposures. Clime is a high-conviction and research-intensive manager with a longer-term focus than many of its peers. This introduction to the portfolios will broaden the opportunity set for stock selection alpha.
International Equity UH	→	International Equity UH	Hyperion Global Growth Companies fund has been introduced. The Hyperion strategy operates with a largely unconstrained, benchmark unaware mandate, resulting in a high conviction portfolio of generally 15-30 stocks. The investment process closely mirrors that of the long-running and highly successful domestic equity strategy. Mercer holds the investment team in high regard and believes the strategy operates with a clearly articulated and well executed philosophy, a well aligned investment team structure, and significant FUA capacity relevant to key competitors in the global equity space. State Street Global Equity was removed on the basis that it was largely unnecessary portfolio exposure given the exiting manager line up (which favours higher conviction, non-core managers) as well as the retained index exposure.
		Global Small Companies	In line with recommended SAA changes, the Lazard Global Small Cap Fund was added to the Growth, Moderate Growth, and Hig Growth portfolios. This is an actively managed, long-only, unhedged global small companies strategy. The bottom-up investment process produces a well diversified and generally benchmark aware portfolio of 60-90 stocks. The team's ability to effectively link in with the research of the wider global analyst platform and other regionally focused teams at Lazard provides the offering with a competitive edge.
AREITs	→	AREITs	No manager changes.
		GREITs (H)	Exposure to Charter Hall Maxim Property Securities was reduced in favour of Quay Global Real Estate as part of the SAA switch from AREITs to GREITs. The strategy remains true to its philosophy of being truly index unaware and high conviction. Central to its investment philosophy is a focus on rent based returns (as opposed to fund management fees or development), and sustainable total returns (not just discount to NAV).
Global Listed Infrastructure (H)	→	Global Listed Infrastructure (H)	AMP Capital Core Infrastructure will be replaced with the Lazard Global Listed Infrastructure Fund (H) . Lazard offers a global listed infrastructure strategy with a value-based investment philosophy and a deliberately narrow investment universe (relative to global benchmarks). Strategies of this nature generally offer better diversification outcome for portfolios with existing equity and property exposures. Lazard employs a successful and repeatable investment process along with a long term track record achieved by a stable and accomplished investment team.
Australian Fixed Interest	→	Australian Fixed Interest	Vanguard Australian Fixed Interest will be replaced with Macquarie True Index Australian Fixed Interest . Both options track the same Bloomberg Ausbond Composite Index however the Macquarie option offers the index return on an after-fees (but before tax) basis. In practice, Macquarie operates a portfolio (via a combination of fixed interest security, cash, and derivate positions) that closely mirrors the underlying index. Investors enter into a swap agreement with Macquarie which provides Macquarie with any excess returns achieved while simultaneously compensating investors for any underperformance.
Australian Non-Government Bonds		Australian Non-Government Bonds	The Pendal Short Term Income Securities option will be removed from all portfolios during this rebalance. While currently categorised as 'fixed interest' the fund is better described as a 'cash enhanced' strategy, a definition supported by its largely short term, highly liquid, and high rated portfolio of local securities. This definition is further supported by the funds stated return target, being just 50 bps above the bank bill index (before fees). Notwithstanding the funds solid performance history and our generally positive view of Pendal's fixed income capabilities, an allocation to a strategy of this style is no longer warranted given the go forward SAA structure of the Fixed Interest portfolio. Holdings in this fund are to be reallocated to existing portfolio strategies as well as the newly recommended Franklin Templeton exposure noted below.

Short Duration High Income (Absolute Return)	→	Short Duration High Income (Absolute Return)	<p>An allocation to the Franklin Templeton Australian Absolute Return Bond Fund was introduced for all portfolios. Mercer believes that absolute return fixed interest strategies (ARFI) continue to offer the potential for relatively stable excess returns and low correlations to other fixed income and/or equity exposures through the market cycle. We currently favour higher than normal allocations to ARFI based strategies in light of the low level of prevailing yields in many fixed income markets.</p> <p>This strategy is designed with an absolute return mindset and uses a disciplined stop-loss process to control downside volatility. The beta portfolio consists of high quality short-dated investment grade credit and is managed dynamically. This is supplemented with alpha trade ideas across numerous sleeves for excess return generation. This is a compelling offering in the Australian Absolute Return Fixed Income universe.</p>
		Global Government Bonds	<p>A small allocation to the Colchester Global Government Bond fund has been introduced to all portfolios in line with the long term SAA. The Colchester fund is a specialist global sovereign bond strategy with a clear and relatively simple (vs. the peer universe strategy). The fund invests only in sovereign bonds and takes active currency exposure mostly within developed markets. The fund does not invest in credit securities and does not seek to generate returns from more complex and nuanced fixed income trading strategies. The strategy is managed in a benchmark agnostic manner and portfolios can tend to be concentrated and have exposure to smaller (though still developed) markets.</p> <p>The strategy is a useful portfolio construction building block when seeking to diversify a portfolio heavy in domestic fixed income exposures, especially when deployed alongside ARFI strategies (as above) that specialise in the complex and nuanced fixed income sectors that Colchester forgoes.</p>
Cash	→	Cash	<p>Platform cash account holdings have been reduced to the minimum required level plus a small buffer. The remaining cash will be allocated to the Macquarie True Index Cash option. The strategy operates with a zero fee and is a passive option designed to deliver the exact return of the Bloomberg Ausbond Bank Bill Index on an after-fee (but before tax) basis.</p>

The portfolio changes will be made on **17 February 2021**. The updated holdings reports will be available on the Proactive Portfolios website shortly thereafter.

Appendix 1

Recommended SAA changes & relevant DAA positioning

	Conservative				Balanced				Moderate Growth				Growth				High Growth			
	Current	New SAA	+ DAA	= Target	Current	New SAA	+ DAA	= Target	Current	New SAA	+ DAA	= Target	Current	New SAA	+ DAA	= Target	Current	New SAA	+ DAA	= Target
Australian Equity	9.9%	15.0%	0.0%	15.0%	17.4%	20.0%	1.0%	21.0%	25.7%	25.0%	1.0%	26.0%	29.4%	30.0%	1.0%	31.0%	36.0%	38.0%	1.0%	39.0%
Australian Large Caps	8.3%	15.0%	-	15.0%	14.7%	16.0%	-	16.0%	22.1%	20.0%	-	20.0%	25.3%	24.0%	-	24.0%	31.3%	30.0%	-	30.0%
Australian Small Caps	1.5%	-	-	-	2.7%	4.0%	1.0%	5.0%	3.6%	5.0%	1.0%	6.0%	4.2%	6.0%	1.0%	7.0%	4.8%	8.0%	1.0%	9.0%
International Equity	8.7%	10.0%	0.0%	10.0%	13.7%	20.0%	-1.0%	19.0%	19.8%	25.0%	0.0%	25.0%	24.0%	30.0%	1.0%	31.0%	32.5%	37.0%	1.0%	38.0%
Developed Markets Equity (uh)	4.4%	7.0%	-1.0%	6.0%	7.1%	14.0%	-2.0%	12.0%	9.7%	16.0%	-2.0%	14.0%	12.3%	14.0%	-2.0%	12.0%	17.5%	20.0%	-2.0%	18.0%
Developed Markets Equity (h)	4.4%	3.0%	1.0%	4.0%	6.6%	6.0%	1.0%	7.0%	10.1%	4.0%	1.0%	5.0%	11.7%	4.0%	1.0%	5.0%	15.0%	3.0%	1.0%	4.0%
Developed Markets Small Cap (uh)	-	-	-	-	-	-	-	-	-	5.0%	1.0%	6.0%	-	6.0%	1.0%	7.0%	-	7.0%	1.0%	8.0%
Emerging Markets Equity (uh)	-	-	-	-	-	-	-	-	-	-	-	-	-	6.0%	1.0%	7.0%	-	7.0%	1.0%	8.0%
Property & Infrastructure	4.1%	10.0%	0.0%	10.0%	7.9%	10.0%	0.0%	10.0%	9.4%	10.0%	0.0%	10.0%	10.6%	10.0%	0.0%	10.0%	8.2%	7.0%	0.0%	7.0%
AREITs	1.4%	-	-	-	2.6%	-	-	-	2.6%	-	-	-	3.1%	-	-	-	2.4%	-	-	-
GREITs (h)	-	5.0%	-	5.0%	-	5.0%	-	5.0%	-	5.0%	-	5.0%	-	5.0%	-	5.0%	-	3.5%	-	3.5%
Global Listed Infrastructure - Active (h)	2.7%	5.0%	-	5.0%	5.2%	5.0%	-	5.0%	6.9%	5.0%	-	5.0%	7.5%	5.0%	-	5.0%	5.7%	3.5%	-	3.5%
Alternatives	7.4%	0.0%	0.0%	0.0%	8.2%	0.0%	0.0%	0.0%	9.1%	5.0%	0.0%	5.0%	9.9%	5.0%	0.0%	5.0%	10.6%	8.0%	0.0%	8.0%
Hedge Funds - Multistrategy (h)	7.4%	-	-	-	8.2%	-	-	-	9.1%	5.0%	-	5.0%	9.9%	5.0%	-	5.0%	10.6%	8.0%	-	8.0%
Fixed Interest	53.1%	55.0%	0.0%	55.0%	39.5%	45.0%	0.0%	45.0%	24.1%	30.0%	-1.0%	29.0%	15.6%	20.0%	-2.0%	18.0%	4.3%	7.0%	-2.0%	5.0%
Australian Fixed Interest Composite	3.7%	17.0%	-0.5%	16.5%	3.9%	16.0%	-	16.0%	3.7%	11.0%	-	11.0%	3.4%	8.0%	-	8.0%	1.7%	3.0%	-	3.0%
Australian Non Government Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Global Government Bonds (h)	-	11.0%	-0.5%	10.5%	-	9.0%	-1.0%	8.0%	-	6.0%	-	6.0%	-	5.0%	-	5.0%	-	2.0%	-	2.0%
Short Duration Absolute Return	49.4%	27.0%	1.0%	28.0%	35.6%	20.0%	1.0%	21.0%	20.4%	13.0%	-1.0%	12.0%	12.2%	7.0%	-2.0%	5.0%	2.6%	2.0%	-2.0%	0.0%
Cash	16.9%	10.0%	0.0%	10.0%	13.5%	5.0%	0.0%	5.0%	11.9%	5.0%	0.0%	5.0%	10.4%	5.0%	0.0%	5.0%	8.4%	3.0%	0.0%	3.0%
Cash (Bank Bills)	16.9%	10.0%	-	10.0%	13.5%	5.0%	-	5.0%	11.9%	5.0%	-	5.0%	10.4%	5.0%	-	5.0%	8.4%	3.0%	-	3.0%
Growth Assets	30.0%	35.0%	0.0%	35.0%	47.1%	50.0%	0.0%	50.0%	64.0%	65.0%	1.0%	66.0%	74.0%	75.0%	2.0%	77.0%	87.3%	90.0%	2.0%	92.0%
Defensive Assets	70.0%	65.0%	0.0%	65.0%	52.9%	50.0%	0.0%	50.0%	36.1%	35.0%	-1.0%	34.0%	26.0%	25.0%	-2.0%	23.0%	12.7%	10.0%	-2.0%	8.0%