Portfolio Update

7 JULY 2026

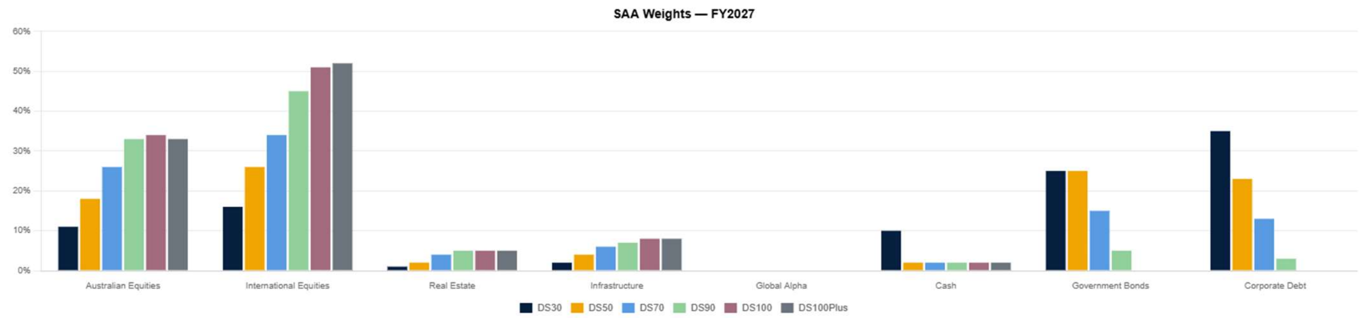
PORTFOLIO CHANGE AND RATIONALE

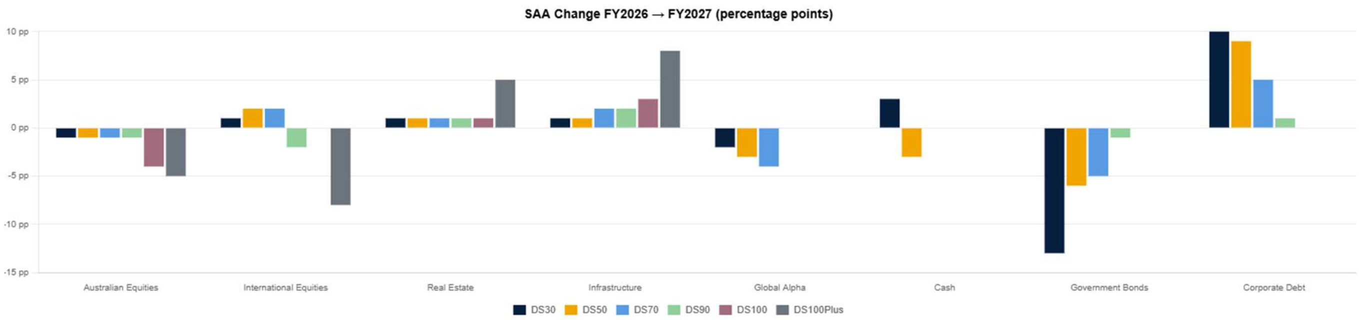
Our Investment Committee (IC) has approved the 2026 Strategic Asset Allocation review. Four long term scenarios were considered, with the set being the same as last year with some minor changes to capital market assumptions due to the evolving macro environment and different starting point valuations.

One of the most significant outcomes of this review was the removal of the structural allocation to alternatives (global alpha) due to a higher level of confidence that traditional market betas can deliver returns over a long-term horizon. Growth exposure across traditional asset classes has risen as a result, including REITs and infrastructure. Given we hold no alternatives currently, this increase is being funded from equities. We can still hold alternatives tactically when the investment environment for traditional asset classes is less favourable.

The other major change is an increase in corporate debt versus government bonds. In our sticky inflation and deglobalisation scenarios, government bonds perform very poorly. The probability of these scenarios (as voted by our Investment Committee) rose this year, which has shifted the SAAs away from government bonds. Foreign currency exposure is also rising in the portfolios in this year's review due to a change in expected currency return, which is leading a switch away from passive hedged global equities towards unhedged equities.

The changes to our neutral SAA for each portfolio are presented in the chart below.





Alongside SAA changes, we are also making some changes to the manager mix in the portfolios. We are removing the Asia ex Japan ETF from the portfolio following a period of exceptional performance predominately driven by semi-conductor stocks. These names are now priced for perfection and given the momentum and concentration present the risk of a correction is high. More broadly, despite our positivity around AI, we are increasing portfolio diversification by adding an equal-weighted S&P 500 ETF as well as a diversified and risk-controlled global active extension fund. The Vinva Global Alpha Extension Fund is being added across most portfolios, while the 100Plus Portfolio is instead gaining an allocation to the Plato Global Alpha Fund. Within credit, Perpetual Diversified Income Fund is being introduced to portfolios, as credit exposure is increasing across the lower risk profiles.

Perpetual Diversified Income Fund

The fund is managed by a team of credit specialists led by Perpetual's Head of Credit and Fixed Income, Vivek Prabhu, supported by a team of nine additional fixed income investors. It is a well-diversified core credit offering, comprising between 100-200 securities across government bonds, corporate bonds, bank debt, structured and property credit. Portfolio construction is driven by both bottom-up fundamental credit selection and top-down macroeconomic analysis. Portfolio managers may also use derivatives to aid in overall risk management of the portfolio. We believe the fund is one of the leading options in the peer group, with a proven history of investing through a range of credit environments and navigating major market events.

Vinva Global Alpha Extension Fund

The fund is managed by Vinva Investment Management (Vinva), which is majority-owned by employees, providing strong alignment of interests and supporting staff retention. The investment team of 15 professionals is led by Morry Waked, Managing Director and Head of Investments, who is highly experienced and prior to founding Vinva, he was Global Head of Active Equities at Barclays Global Investors. The systematic investment process is robust, resulting in an active extension global equity portfolio typically 120% long and 20% short, with net equity exposure close to 100%. It is relatively diversified with approximately 500 stocks (long and short), and has relatively benchmark-aware constraints, such as tight sector and country bands. We believe the fund is an attractive offering having generated strong risk-adjusted returns since inception and pleasingly, each of the broad seven groupings of the investment signals have contributed positively to performance.

Plato Global Alpha Fund

The fund is managed by Plato Investment Management's (Plato) highly experienced portfolio managers, David Allen and Charles Lowe, supported by a wider investment team of 18 professionals. The systematic investment process is robust, targeting high-quality companies trading at discounts to intrinsic value that are supported by positive sentiment. The resulting active extension global equity portfolio is highly diversified with 1,500-2,000 stocks (long and short), typically 140-150% long and 40-50% short, with net equity exposure close to 100%. We believe the fund represents a differentiated approach to systematic investing, supported by robust risk management and a proprietary red flag system, and generating strong outperformance since inception.

PORTFOLIO CHANGES

	Changes	Dynamic	DS30	DS50	DS70	DS90	DS100	DS100+
Australian Equities		**-1.0%**	**-1.0%**	**-1.0%**	**-2.0%**	**-2.0%**	**-4.0%**	**-3.5%**
iShares Australian Equity Index Fund	▼	-1.0%	-1.0%	-1.0%	-2.0%	-2.0%	-4.0%	-1.0%
CC Sage Capital Equity Plus Fund	▼							-1.5%
Betashares Geared Australian Equity	▼							-1.0%
Global Equities						**-1.0%**	**0.5%**	**-1.5%**
Betashares S&P 500 Equal Weight ETF	▲	3.0%	2.0%	2.5%	3.5%	4.5%	5.0%	5.0%
Vinva Global Alpha Extension Fund	▲	3.0%	3.0%	3.5%	4.0%	5.0%	6.0%	
Plato Global Alpha Fund	▲							5.0%
iShares Hedged International Equity Index Fund	▼	-3.0%	-3.0%	-3.5%	-4.5%	-6.5%	-5.5%	-6.5%
iShares International Equity Index Fund	▼	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	
Vanguard FTSE Asia ex Japan Shares Index ETF	▼	-2.0%	-1.0%	-1.5%	-2.0%	-3.0%	-4.0%	-5.0%
Real Estate		**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**3.0%**
UBS CBRE Property Securities Fund	▲	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	3.0%
Infrastructure					**1.0%**	**2.0%**	**2.5%**	**2.0%**
ClearBridge Global Infra. Income Fund (Hedged)	▲				1.0%	2.0%	2.5%	2.0%
Cash		**-10.0%**		**-6.0%**	**-4.0%**	**-4.0%**		
Vanguard Cash Reserve Fund	▼	-10.0%		-4.0%	-4.0%	-4.0%		
Mutual Cash Term Deposits and Bank Bills	▼			-2.0%				
Government Bonds		**5.0%**	**-6.0%**		**2.0%**	**3.0%**		
PIMCO Wholesale Plus Global Bond Fund	▲	5.0%						
Macquarie True Index Australian Fixed Interest Fund			-6.0%		2.0%	3.0%		
Corporate Debt		**5.0%**	**6.0%**	**6.0%**	**2.0%**	**1.0%**		
Perpetual Diversified Income	▲	5.0%	6.0%	6.0%	2.0%	1.0%		

ASSET CLASS POSITIONING

The table below shows the tactical positioning compared to the SAA upon completion of these changes. Growth assets are neutral with an overweight to global equities partly offset by underweight to Australian equities. We retain our overweight to corporate debt and underweight to government bonds.

	Strong Underweight	Underweight	Neutral	Overweight	Strong Overweight
Australian Equities	○	●	○	○	○
Global Equities	○	○	○	●	○
Property	○	○	●	○	○
Infrastructure	○	○	○	●	○
Government Bonds	○	●	○	○	○
Corporate Debt	○	○	○	●	○
Cash	○	○	●	○	○
Total Growth vs Defensive	○	○	●	○	○

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