Trade Notice – Scheduled Quarterly Rebalance

Enhanced Strategic Model Portfolios – Aggressive

November 2023

Key Takeaways

Move to a cautiously "risk-on" stance and re-calibrate cross-country exposures

Lean further into Japanese and US equities while moving away from Australian and European equities

Add exposure to Korean equities given more favourable trading signals and an upturn in the export cycle

Marginally increase duration to neutral and go "up-in-quality" within fixed income to act as a ballast to equity risk

KEY TRADES IN OUT-OF-CYCLE REBALANCE

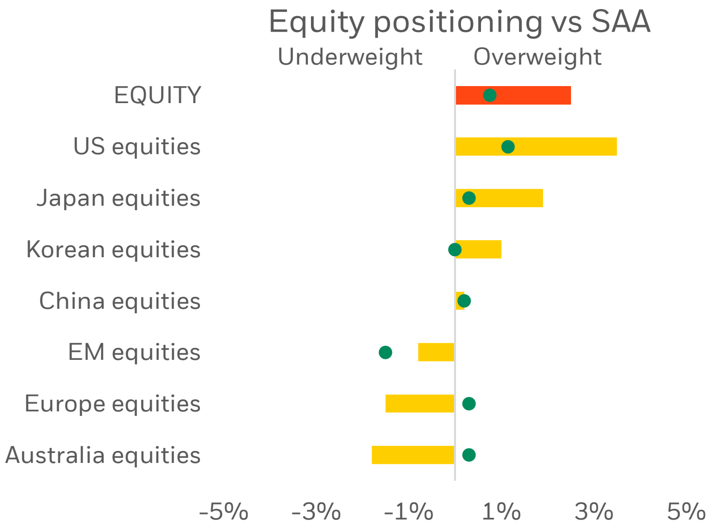
- **Move the portfolio to a more "risk-on" stance:** We see the recent pullback in markets and ongoing resilience in fundamentals as an opportunity to lean more meaningfully pro-risk into year-end. Specifically, valuations appear more attractive following the market correction over the third quarter and, in our view, creates a buyable dip in certain markets.

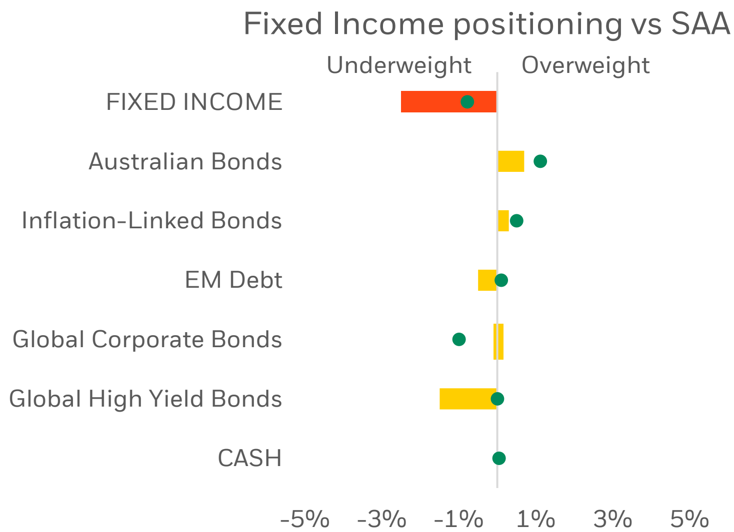
- **Recalibrate cross-sectional equity positioning:** Within equities, we prefer Japanese and US equities over that of Australian and European equities. Shareholder-friendly reforms and upward revision in earnings expectations creates a structural tailwind for Japanese equities, while a relatively less fragile economic backdrop and favorable trading signals leads us to favour US equities over that of European and Australian equities.

- **Add allocation to South Korean equities:** Positive momentum signals create a favourable backdrop for Korean equities, while fundamentals remain supported by a bottoming in the export cycle with both tech and non-tech exports rebounding.

- **Marginally increase duration and quality of fixed income to hedge equity risk**: We increase the portfolio duration back to neutral to act as a diversifier to equity risk, while also increasing the exposure to higher-quality investment-grade credit over more risky debt like global high yield.

PORTFOLIO POSITIONING CHANGES (AGGRESSIVE MODEL)





Latest rebalance (As of 16 November 2023)

Previous rebalance (As of 16 August 2023)

ASSET ALLOCATION

Portfolio Constituents & Weights – 16 November 2023		Aggressive
Indirect Cost Ratio (% p.a.)		0.21%
Equity		**87.50%**
International Equity		**57.30%**
IVV	iShares S&P 500 ETF	18.90%
IHVV	iShares S&P 500 (AUD Hedged) ETF	9.10%
IVE	iShares MSCI EAFE ETF	1.00%
IEU	iShares Europe ETF	8.00%
IJP	iShares MSCI Japan ETF	3.90%
WVOL	iShares Edge MSCI World Minimum Volatility ETF	6.00%
IEM	iShares MSCI Emerging Markets ETF	5.70%
IZZ	iShares China Large-Cap ETF	3.70%
IKO	iShares MSCI South Korea ETF	1.00%
Australian Equity		**30.20%**
IOZ	iShares Core S&P/ASX 200 ETF	30.20%
Fixed Income		**9.50%**
International Fixed Income		**3.00%**
AESG	iShares Global Aggregate Bond ESG (AUD Hedged) ETF	1.00%
IHCB	iShares Core Global Corporate Bond (AUD Hedged) ETF	1.00%
IHHY	iShares Global High Yield Bond (AUD Hedged) ETF	0.00%
IHEB	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF	1.00%
Australian Fixed Income		**6.50%**
IAF	iShares Core Composite Bond ETF	2.00%
IGB	iShares Treasury ETF	3.20%
ILB	iShares Government Inflation ETF	1.30%
Cash		**3.00%**
ISEC	iShares Enhanced Cash ETF	1.00%
BAUBIL	AusBond Bank Bill Index	2.00%

Source: BlackRock, as of latest rebalance on 16 November 2023.
Notes: Indirect Cost Ratio only includes the underlying sub-fund fees, but excludes investment management, platform and transaction fees.

IMPORTANT INFORMATION

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