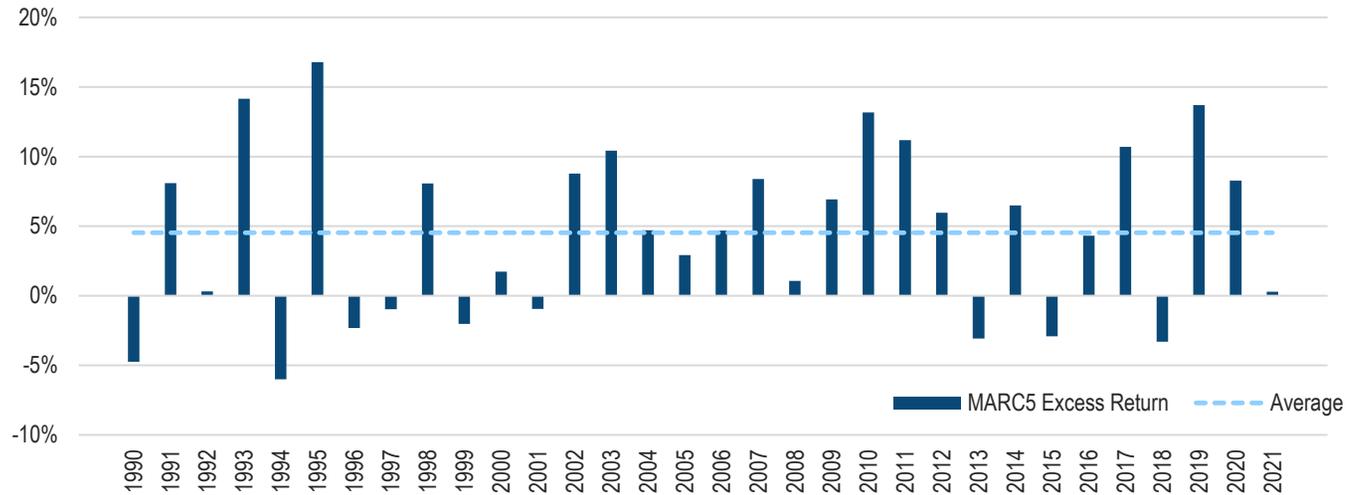


S&P MARC 5% INDEX

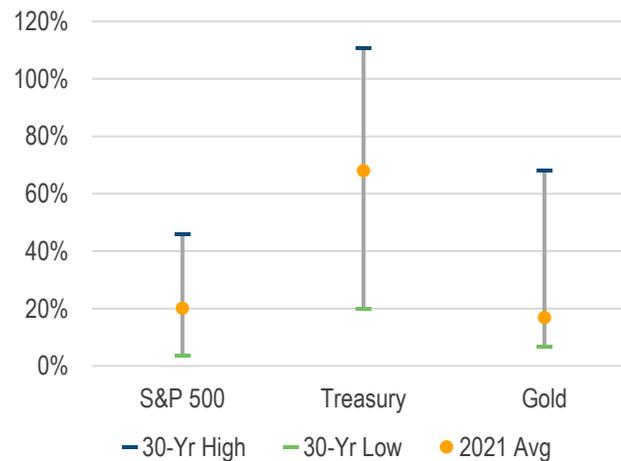
2021 Performance Review

- In 2021, despite negative returns from bonds and gold, the S&P MARC 5% Excess Return Index finished the year essentially flat, generating a positive return of 0.3%.
- Out of the 31 calendar years prior to 2021, the index finished the year with a return of 0.50% or lower 10 times. In 9 of those instances, the index earned a positive return in the subsequent year, averaging 9.1%.
- In 2021, the index's average allocation to stocks was on par with previous years.
- The index's average allocation to U.S. Treasuries was greater than its longer-term average. Treasuries endured their worst return since 2013.
- The index's average allocation to gold in 2021 was less than its longer-term average allocation, but gold had its worst year since 2015.

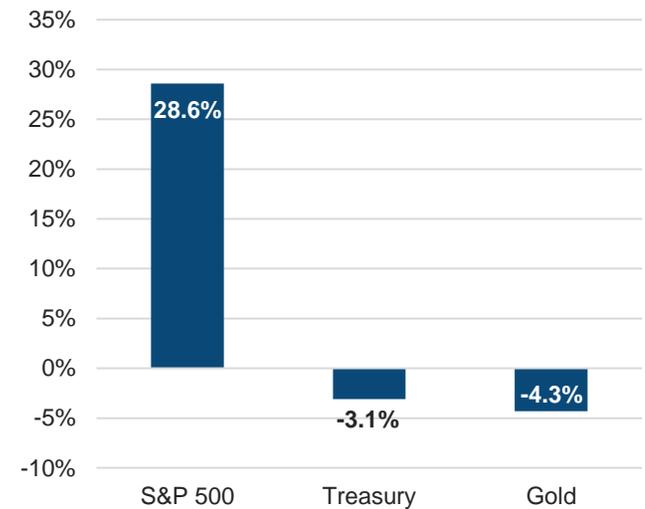
Calendar Year Returns: S&P MARC 5% Excess Return Index



MARC5 Index Weights



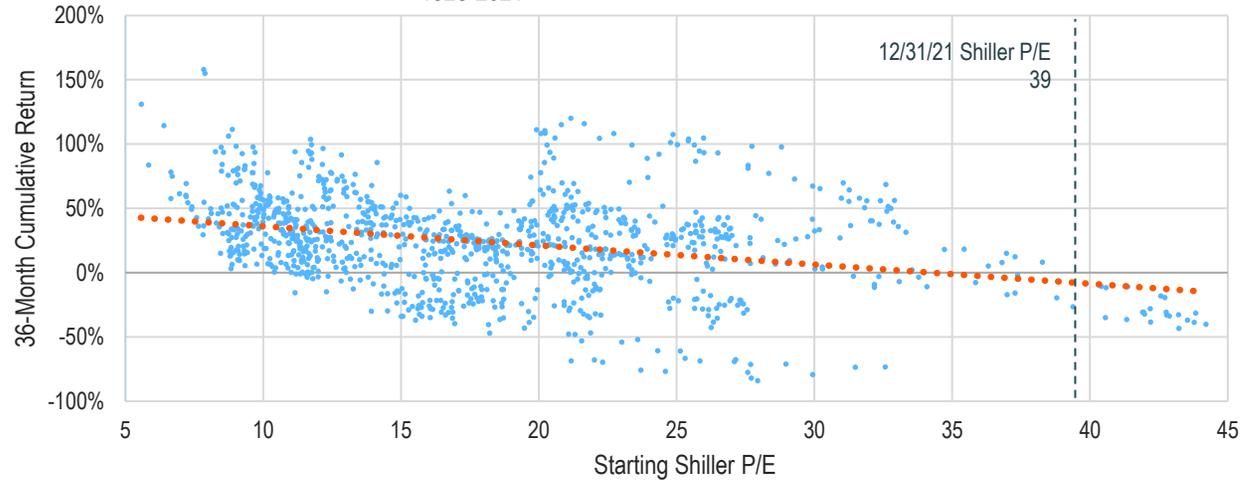
2021 Returns



ASSET CLASS PERFORMANCE

- **Equities:** In 2021, the S&P 500 generated its third consecutive positive calendar year return and its 12th out of the last 13.
- The rise in equity prices has pushed their valuation to the high end of their historical range. As indicated in the Shiller P/E Chart, higher starting valuations have historically been associated with lower future returns.
- The expectations for tighter monetary policy and higher rates in the months ahead echo the sentiment in 2013. When rates started to rise, the S&P 500 briefly stalled, but went on to finish the year up 30%. The following year in 2014, equities were up 13.6% and MARC 5 was up 6.5%
- **Treasury:** The 10-yr UST also generated its first negative return after two consecutive years of positive returns.
- Changes in the yield have been a function of changing inflation expectations and of the Fed's response to them.
- After more than doubling the size of its balance sheet since early 2020, the Fed has more recently indicated its intention to slow the pace of asset purchases. It also increased its projections for the number of rate hikes in the coming years. The long-term policy rate expectation has remained unchanged.
- **Gold:** After two consecutive years of double-digit returns, gold in 2021 earned its lowest return since 2015. The decline in the price of gold runs counter to conventional thinking surrounding gold as an inflation hedge.
- Amidst record levels of growth in the money supply, inflation crept steadily higher in 2021, rising from 1.4% at the start of the year to 6.8% by year end.

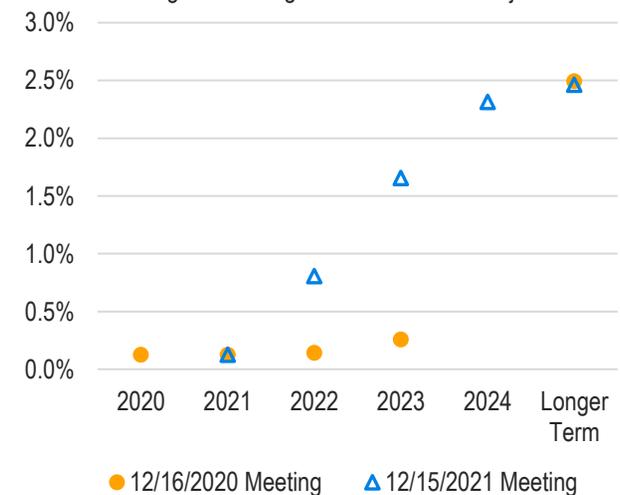
Shiller P/E vs. Subsequent S&P 500 Return:
1928-2021



Real 5-Yr Yield vs. Subsequent Gold Return:
2003-2021



Fed Dot Plot:
Weighted Average Fed Funds Rate Projections



Chicago

71 South Wacker Drive
Chicago, IL 60606
+1 855 645 5462

London

11 Old Jewry
London
EC2R 8DU
UK
+44 0 20 7847 1557

Amsterdam

Haaksbergweg 75
Amsterdam
1101 BR
Netherlands
+31 6 211 70 583

Sydney

32 Walker Street
North Sydney, NSW 2060
Australia
+610 2 8090 9100

Milliman Financial Risk Management LLC is a global leader in financial risk management to the retirement savings industry. Milliman FRM provides investment advisory, hedging, and consulting services on approximately \$150 billion in global assets (as of March 31, 2021). Established in 1998, the practice includes more than 200 professionals operating from three trading platforms around the world (Chicago, London, and Sydney). Milliman FRM is a subsidiary of Milliman, Inc.

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in healthcare, property & casualty insurance, life insurance and financial services, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

For more information, visit milliman.com/FRM

The information, products, or services described or referenced herein are intended to be for informational purposes only. This material is not intended to be a recommendation, offer, solicitation or advertisement to buy or sell any securities, securities related product or service, or investment strategy, nor is it intended to be relied upon as a forecast, research or investment advice.

The products or services described or referenced herein may not be suitable or appropriate for the recipient. Many of the products and services described or referenced herein involve significant risks, and the recipient should not make any decision or enter into any transaction unless the recipient has fully understood all such risks and has independently determined that such decisions or transactions are appropriate for the recipient. Investment involves risks. Any discussion of risks contained herein with respect to any product or service should not be considered to be a disclosure of all risks or a complete discussion of the risks involved. Investing in foreign securities is subject to greater risks including: currency fluctuation, economic conditions, and different governmental and accounting standards.

The recipient should not construe any of the material contained herein as investment, hedging, trading, legal, regulatory, tax, accounting or other advice. The recipient should not act on any information in this document without consulting its investment, hedging, trading, legal, regulatory, tax, accounting and other advisors. Information herein has been obtained from sources we believe to be reliable but neither Milliman Financial Risk Management LLC ("Milliman FRM") nor its parents, subsidiaries or affiliates warrant its completeness or accuracy. No responsibility can be accepted for errors of facts obtained from third parties.

The materials in this document represent the opinion of the authors at the time of authorship; they may change, and are not representative of the views of Milliman FRM or its parents, subsidiaries, or affiliates. Milliman FRM does not certify the information, nor does it guarantee the accuracy and completeness of such information. Use of such information is voluntary and should not be relied upon unless an independent review of its accuracy and completeness has been performed. Materials may not be reproduced without the express consent of Milliman FRM. Milliman Financial Risk Management LLC is an SEC-registered investment advisor and subsidiary of Milliman, Inc.