

## FAQ

### About Milliman Healthcare Inflation Exchange Traded Funds (ETFs)



#### What are the Milliman Healthcare Inflation ETFs?

The Milliman Healthcare Inflation ETFs seek to generate returns that are generally equivalent to the U.S. healthcare cost inflation rate. These portfolios are patterned on the Milliman Health Trend Guidelines\*, the most widely referenced measure of healthcare cost trends in the industry. This is not a generic healthcare sector fund. It is an actuarially informed strategy designed to track the specific cost pressures that impact the cost of healthcare.



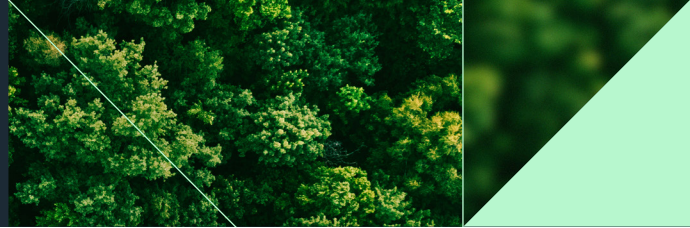
#### Why Milliman?

Milliman is uniquely positioned as both the leading healthcare industry actuarial expert and a globally respected provider of risk managed investing strategies. Milliman Financial Risk Management, the advisor to the ETFs, is a global leader in financial risk management for the retirement industry, providing investment advisory, hedging, and consulting services for approximately \$224.5 billion in global assets (as of December 31, 2025).



#### How can *Milliman's expertise benefit* investors in these funds?

Milliman leverages diverse expertise in actuarial science, healthcare, and finance to craft a wide array of investment options. These products are designed to meet the unique financial needs of various clients, including insurance companies, health systems and providers, pension funds, and individual investors, including retirees and pre-retirees. By combining deep healthcare industry knowledge with advanced financial modeling, Milliman delivers tailored solutions that aim to optimize returns and manage risk effectively.



## ETF Structure, Risks, and Portfolio

What is the *portfolio composition*?

The strategies seek to dynamically allocate across healthcare and related supply-chain equities, gold related derivatives, and U.S. Treasuries, aiming to align the expected returns of the asset portfolio with the forecasted trend as measured by Milliman's Health Trend Guidelines, the most precise and up-to-date measure for healthcare costs and inflation forecasting in America.



## Focus on Health Care Inflation

Why are these funds focused on healthcare inflation?

Healthcare costs have nearly tripled over the past two decades, growing at an average annual rate of 6.1%, more than double the 2–3% pace of general CPI inflation. (*Milliman Medical Index, May 27, 2025*) Traditional portfolio allocations, including broad equity, fixed income, and even TIPS, track general inflation but do not capture the unique trajectory of medical costs. Milliman, drawing on nearly 80 years of actuarial expertise and proprietary data covering approximately 60 million commercially insured lives, has developed the first ETFs designed to match the trajectory of healthcare inflation.

What role can these ETFs play in *managing health care cost risk* in a portfolio?

These ETFs can serve as a turnkey solution for potentially managing healthcare cost risk. By seeking to generate returns that are generally equivalent to or exceed U.S. healthcare cost inflation directly, it keeps allocations aligned with the trends in healthcare costs. The fund aims to protect capital during periods of market stress, helping preserve the purchasing power of dedicated healthcare dollars. The result is a straightforward, purpose-built solution that enables fiduciaries to treat healthcare cost inflation as a discrete, manageable risk within the broader portfolio.



## Comparisons and Choosing Between Options

How have investors *typically saved* for rising healthcare costs?

Historically, advisors have lacked a purpose-built investment tool to help clients hedge against healthcare-specific inflation. Traditional portfolio allocations, including broad equity, fixed income, and even TIPS, may be used to track general inflation but do not capture the unique trajectory of healthcare costs in the U.S.

How do these ETFs compare to similar products on the market?

The Milliman Healthcare Inflation Guard (MHIG) and Milliman Healthcare Inflation Plus (MHIP) ETFs introduce the concept of Healthcare Inflation Solutions as a strategic response to the growing challenge of financing healthcare in retirement. Unlike conventional investment products, this framework explicitly targets U.S. healthcare costs by seeking to integrate growth potential with risk management techniques, thereby offering a more dynamic and purpose-driven approach to accumulating healthcare savings.

What makes *these ETFs a better fit* for certain investors?

Investing in a healthcare-focused fund provides exposure to the healthcare sector, but it does not target inflation and may have a higher risk profile than the Milliman Healthcare Inflation Guard (MHIG) and Milliman Healthcare Inflation Plus (MHIP) ETFs.

How do these ETFs differ from a target date fund?

Target date funds aim for overall growth and risk management up to a specific date, and while they may offer some inflation protection through their asset choices, dedicated inflation protection is not their primary function. Inflation protection strategies, such as the Milliman Healthcare Inflation Guard (MHIG) and Milliman Healthcare Inflation Plus (MHIP) ETFs, are specifically designed to seek to generate returns that are generally equivalent to or exceed the U.S. healthcare cost inflation rate, in an attempt to maintain purchasing power regardless of time horizon.

What are the *key differences* of these funds?

The Milliman Healthcare Inflation Guard may be a suitable choice for investors with lower risk tolerance when addressing healthcare inflation. In contrast, the Milliman Healthcare Inflation Plus is designed for a higher level of capital appreciation, which comes with increased risk. Ultimately, the decision should be dictated by an individual's risk tolerance. Please consult a financial advisor and read the prospectus carefully before investing in the funds.



\*Milliman Health Trend Guidelines™ – a series of indices providing data on the cost, utilization, and unit cost of healthcare services – both in total and broken down separately for professional services, inpatient and outpatient services, as well as prescription pharmaceuticals. Data used to calculate the indices is provided by leading commercial health insurance plans and data firms that cover approximately 60 million insured individuals. Data is lagged on a trailing 3-month basis and then combined with up-to-date economic data that is correlated with the costs of healthcare noted above and used to forecast expected claims data for these services in the future. It is important to note that the indices created through the Milliman Health Trend Guidelines are not standard market indices. They do not measure the price or total return performance of securities, but rather serve as a guideline as to expected changes in the general cost of healthcare. These expected changes inform the investment process for the Milliman Health Trend Managed Accounts.

**Investing involves risk. Principal loss is possible. Risk of Estimating U.S. Healthcare Cost Inflation.** The Quantitative Model seeks to produce returns, before Fund fees and expenses, that are correlated to the U.S. healthcare cost inflation rate as measured by the MI Actuarial Analysis. The MI Actuarial Analysis is proprietary, and its measure of the U.S. healthcare cost inflation rate may differ materially from other U.S. healthcare cost inflation measures. **Model Calculation Risk.** The Fund may be adversely affected by imperfections, errors or limitations in the construction or implementation of the Quantitative Model and/or Milliman's ability to monitor and timely adjust the metrics or update the data or features underlying the Quantitative Model. The Quantitative Model relies on various sources of information to assess the criteria of the selected components, including information that may be based on assumptions and estimates, and there can be no guarantee that the Quantitative Model will produce the intended results. **Correlation Risk.** A number of factors may affect the Fund's ability to achieve a high degree of correlation with the U.S. healthcare cost inflation rate, as measured by the MI Actuarial Analysis, and there is no guarantee that the Fund will achieve a high degree of correlation. **Equity Securities Risk.** Equity securities are more volatile than those of fixed income securities. The prices of equity securities may fluctuate in response to issuer-specific activities, as well as factors unrelated to the fundamental condition of the issuer, including general market, economic and political conditions along with other factors. **ADRs Risk.** ADRs may expose the Fund to additional risks associated with non-uniform terms that apply to depository receipt programs, including credit exposure to the depository bank and to the sponsors and other parties with whom the depository bank establishes the programs, currency, political, economic, market risks and the risks of an illiquid market for ADRs. **Healthcare Sector Risk.** Factors such as extensive government regulation, restrictions on

government reimbursement for medical expenses, rising costs of medical products, services and facilities, pricing pressure, an increased emphasis on outpatient services, a limited number of products, industry innovation, costs associated with obtaining and protecting patents, product liability and other claims, changes in technologies and other market developments can adversely affect companies in the healthcare sector and, therefore, the Fund's returns. **Small and Medium Capitalization Companies Risk.** Investing in the securities of small and medium capitalization companies generally involves greater risk than investing in larger, more established companies. The securities of small and medium capitalization companies may be more volatile and less liquid than securities of larger, more established companies or the market averages in general. **Derivatives Risk.** The use of derivatives, including swaps, options and futures, involves a variety of risks, which may be different from, or greater than, the risks associated with investing in traditional securities, such as stocks and bonds. Changes in the value of a derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and a derivative instrument may expose the Fund to losses in excess of its initial investment. **Debt Securities Risk.** The prices of debt securities will be affected by changes in interest rates, the creditworthiness of the issuer and other factors. During periods of falling interest rates, an issuer of a callable bond may repay the security before its stated maturity, and the Fund may have to reinvest the proceeds in securities with lower yields, which would result in a decline in the Fund's income, or in securities with greater risks or with other less favorable features. An increase in interest rates will generally cause the value of fixed-income securities held by the Fund to decline, may lead to heightened volatility in the fixed-income markets and may adversely affect the liquidity of certain fixed-income investments. **U.S. Government Securities Risk.** U.S. Government securities are subject to interest rate risk, but generally do not involve the credit risks associated with investments in other types of debt securities. As a result, the yields available from U.S. Government securities are generally lower than the yields available from other debt securities. **TIPS Risk.** The value of inflation protected securities, such as TIPS, generally will fluctuate in response to changes in interest rates, generally decreasing when real interest rates rise and increasing when real interest rates fall. **Risks of Investing in Commodities.** Investing in commodities exposes the Fund to the risks of the commodities markets, which may subject the Fund to greater volatility than investments in traditional asset classes, such as stocks and bonds. Volatility in commodities markets may be caused by a number of factors, including changes in overall market movements, changes in inflation and changes in demand for such asset classes. Commodity prices can have significant volatility, and exposure to commodities can cause the value of the Shares to decline or fluctuate in a rapid and unpredictable manner. **Issuer Risk.**

The performance of the Fund depends on the performance of individual securities to which the Fund has exposure. The Fund may be adversely affected if an issuer of underlying securities held by the Fund is unable or unwilling to repay principal or interest when due. Changes in the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

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Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

**Carefully consider the Funds' investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Funds' prospectuses or, if available, the summary prospectuses which may be obtained by visiting [www.MillimanFunds.com](http://www.MillimanFunds.com). Read the prospectus carefully before investing.**

Milliman FRM is an SEC registered investment advisor (SEC# 801-73056) since 2012. You can find Milliman FRM's ADV filings at <https://adviserinfo.sec.gov/firm/summary/159377>.

The Milliman Healthcare Inflation Guard ETF (MHIG) and the Milliman Healthcare Inflation Plus ETF (MHIP) are distributed by Foreside Fund Services, LLC.

Are Not FDIC Insured | May Lose Value | Are Not Bank Guaranteed