

Performance Report: April 2017

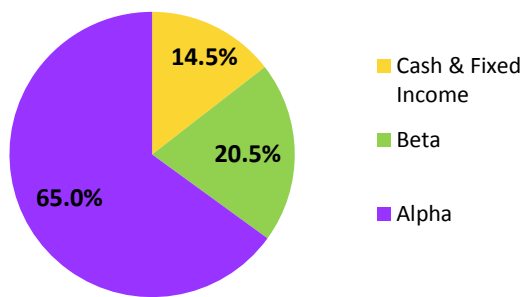
Fund Objective and Investment Approach

The NWQ Fiduciary Fund (Fund), managed by NWQ Capital Management, is a diversified multi manager portfolio. The principal investment objective of the Fund is to produce attractive positive returns irrespective of market direction. This is achieved through active allocations to selective fund managers that employ a variety of traditional and absolute return strategies. The Fund places emphasis on managers who demonstrate a rigorous and repeatable investment process that has delivered a strong track record.

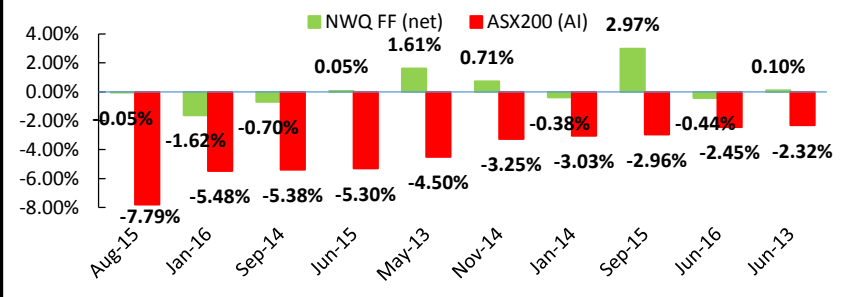
Monthly Net Returns

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	1.02%	-0.35%	0.21%	0.25%									1.13%
2016	-1.62%	-2.53%	-1.48%	0.27%	2.86%	-0.44%	1.88%	-1.54%	0.16%	-2.26%	-1.57%	-0.86%	-7.03%
2015	1.09%	1.73%	1.49%	0.10%	-0.19%	0.05%	4.19%	-0.05%	2.97%	1.80%	0.66%	2.23%	17.19%
2014	-0.38%	2.26%	1.29%	-0.95%	0.42%	-0.25%	1.78%	0.04%	-0.70%	-0.76%	0.71%	-0.40%	3.03%
2013	-	-	-	-	1.61%	0.10%	2.76%	0.79%	0.63%	2.00%	0.42%	1.41%	10.11%

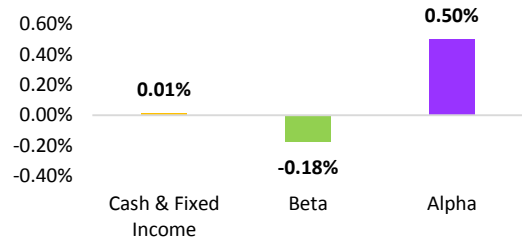
Strategy Allocation as at 30/04/2017



Performance During 10 Largest Down Market Months Since Inception



Strategy Performance Attribution (gross) – April 2017



Portfolio Statistics vs. Benchmarks

	Apr-17	CYTD	Last 12 Months	Inception Return (A)	Standard Deviation (A)	Sharpe Ratio (A)	Max Drawdown
NWQFF (net) [†]	0.25%	1.13%	-0.75%	5.74%	4.95%	0.72	-7.03%
ASX 200 (AI)	1.03%	5.90%	17.77%	8.06%	11.97%	0.53	-13.72%
Bloomberg Aus Bond Comp Index	0.75%	1.98%	2.60%	4.35%	2.66%	0.81	-3.08%
RBA Cash	0.12%	0.49%	1.57%	2.17%	0.12%	-	-

Manager Commentary – April 2017

The NWQ Fiduciary Fund (Fund) returned +0.25% in April and has returned +5.74% p.a. since its inception in May 2013. This is compared to the ASX 200 (AI) return of +8.06% over the same period. Notably, the Fund has achieved this performance with less than half of the risk of the Australian equity market (Fund volatility of 4.95% p.a. vs. 11.97% p.a. for the ASX200 (AI) Index).

Even with the known political uncertainties emanating from Western Europe and the United States, investors saw through these uncertainties in the first quarter and remained positive as demonstrated by numerous sentiment indicators such as consumer confidence. As the year has progressed this positive forward-looking soft data has been at odds with the actual reported hard data such as retail sales and credit growth. Over the past few weeks, market performance has stalled somewhat and is showing signs of fragility.

Now as we move into the second quarter, it is clear that economic activity has slowed and this was demonstrated by the 'risk-off' tone in the domestic equity market in the first three weeks of April with the market weaker (ASX200 (AI) -1.02%) through April 19, before recovering in the last week of the month to post a positive return (+1.03%). In this respect, the headline monthly numbers conceal the market's underlying fragility.

Australian bonds continued their upward trend in April (Bloomberg AusBond Comp Index +0.75%) as yields continued to fall showing a more sanguine outlook for growth. Currently, the markets do not expect RBA tightening to begin until well into 2018. Our view remains unchanged; the typical balanced fund has arguably never been more expensive with equity markets valuations looking stretched and bond yields at historic lows. The typical balanced portfolio is fragile and highly susceptible to risk events.

commentary continued overleaf...

Fund Information

Fund Name:	NWQ Fiduciary Fund	Retail Management Fee:	Direct: 1.30%	Indirect: 1.00%
Investment Manager:	NWQ Capital Management	Retail Incentive Fee:	Direct: 0.00%	Indirect: 0.00%
Administrator:	Custom House Fund Services (Australia) Pty Limited	Wholesale Management Fee:	Wholesale A: 0.50%	Wholesale B: 0.95%
Auditor:	Ernst & Young	Wholesale Incentive Fee:	Wholesale A: 5.00%	Wholesale B: 0.00%
Counsel:	Gilbert + Tobin, Sydney	Hurdle:**	RBA Cash Rate, High Water Mark	
Responsible Entity	OneVue RE Services Limited	Liquidity:	Monthly	
Reporting:	Monthly	Minimum Contribution:	\$25,000	
Subscriptions:	Monthly	Income Distributions:	Annually after June 30	
Redemptions:	Monthly with 30 days notice	NAV Price (as at 30/04/17)	Wholesale A: 1.0798	Wholesale B: 1.0772
			Direct: 0.9639	Indirect: 0.9650

[†] Performance reported for Wholesale A units. ^{**} Incentive fee calculations only

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Manager Commentary continued

After a difficult start to the month, global equities delivered positive returns in April (MSCI World Index +3.52% in AUD terms). The European reflation trade continues to remain strong (MSCI Europe TR Index +1.69% in EUR terms) and was supported by the result of the first round of voting in the French election where Macron emerged as the candidate most likely to be the next President. In the US, the S&P500 TR Index rose (+1.03% in USD terms) as investors were buoyed by some positive results during earnings season and reacted favourably to the first signs of the Trump administration's tax reform plan. Notwithstanding the heightened geopolitical tensions in Asia surrounding North Korea, Asian equities were also stronger (MSCI Asia ex Japan TR Index +2.18% in USD).

Taking a closer look at the sector-level performance in April, returns were generally positive across all sectors. The standout performers were Industrials (+4.37%), Information Technology (+3.90%), Healthcare (+3.17%), and Utilities (+3.14%). The outliers for the month were Telecoms (-9.89%), based largely on a Telstra downgrade, and Consumer Staples (-2.58%), based largely on the potential disruption of Amazon's entry into the Australian market.

The Fund encompasses allocations to nine underlying Australian-domiciled investment managers – five equity market neutral and four equity beta-correlated strategies, complemented by a modest cash allocation. The Fund is NWQ's flagship managed fund. It is an "all weather" portfolio solution constructed to generate a meaningful premium above cash with low correlation to equity markets and the ability to withstand negative market shocks.

There was a higher level of dispersion in the performance of the Fund's underlying managers in April with four of the nine managers delivering a positive return. In a month where there was elevated levels of market volatility, the Fund's Alpha managers made a positive contribution (+0.50%) to the Fund's overall performance. Disappointingly, however, in a month where the market was up, the Fund's Beta managers made a negative contribution to performance (-0.18%).

It remains the view of NWQ that there exists further potential for destructive equity and bond market volatility in the coming months. The timing and magnitude of this volatility is unknown; however it is known that current bond and equity market valuations are at elevated – and in some cases extreme – levels. Accordingly, the portfolio has an overweight allocation to Alpha, or market neutral strategies. We see this positioning as offering superior downside protection over conventional multi-asset strategies that are vulnerable to both bond and equity market drawdown risks.

Estimated look through equity beta was unchanged, closing the month at 25%.

Disclaimer & Disclosures

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Past performance is not a reliable indicator of future performance.

*Performance information presented above represents the performance of unit holders interests purchased at the inception of the Fund. Year-to-date returns experienced by individual investors will vary depending on their date of investment, as well as the timing of any additions to or redemptions from their investment in the Fund. **The month-end returns presented above are estimates and are subject to change.**

ASX 200 TR Index: The ASX 200 index is a market capitalisation-weighted and float-adjusted index comprised of the largest 200 companies listed on the Australian Securities Exchange. The index is adjusted for the effect of reinvested dividends, and is equal to the price level ASX 200 index plus the index value of reinvested dividends.

RBA Cash Rate: The RBA Cash Rate denotes the target rate set by the Reserve Bank of Australia at which financial institutions can borrow or charge to lend funds in the money market on an overnight basis. The returns associated with the RBA Cash Rate are those that would be earned on a sum on money lent in the money market for the duration of the relevant time frame.

Note:

Investors generally cannot invest directly in the ASX 200 TR Index or any of the other indices mentioned above. These indices are presented for reference purposes only. The statistical data regarding the ASX 200 TR Index, the Balanced Fund Benchmark and the other indices mentioned above has been obtained from sources believed to be reliable but NWQ does not represent that it is accurate or complete and should not be relied on as such. The indices (a) may be adjusted to reflect reinvestment of dividends, (b) are unmanaged, and (c) set forth the performance of well-known, broad-based market statistics. The indices are not necessarily representative of the management style of NWQ.