

**FUND OBJECTIVE**

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 selected Australian equity 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.

This report contains performance figures for a Wholesale A Investor where a management fee of 0.50% p.a. and a performance fee of 5.00% (subject to performance hurdle and high water mark) have been deducted along with estimated ordinary expenses of 0.50% p.a. and assuming the reinvestment of distributions. Past performance is no guarantee of future performance.

| PERFORMANCE                               | NWQ FIDUCIARY FUND | S&P/ASX200 ACCUMULATION INDEX | BLOOMBERG AUSBOND COMPOSITE INDEX | RBA CASH |
|---|--------------------|-------------------------------|-----------------------------------|----------|
| <b>NET RETURNS</b>                        |                    |                               |                                   |          |
| 1 MONTH                                   | -0.03%             | 3.70%                         | 1.04%                             | 0.10%    |
| 3 MONTHS                                  | -0.60%             | 7.97%                         | 3.05%                             | 0.35%    |
| 1 YEAR                                    | -5.42%             | 11.55%                        | 9.57%                             | 1.49%    |
| 3 YEARS (p.a.)                            | 1.66%              | 12.89%                        | 4.23%                             | 1.51%    |
| 5 YEARS (p.a.)                            | 3.75%              | 8.86%                         | 5.06%                             | 1.78%    |
| SINCE INCEPTION (p.a.)                    | 5.05%              | 8.72%                         | 4.89%                             | 1.94%    |
| <b>RISK</b>                               |                    |                               |                                   |          |
| STANDARD DEVIATION SINCE INCEPTION (p.a.) | 4.85%              | 11.00%                        | 2.57%                             | 0.13%    |

**MANAGER ALLOCATION**

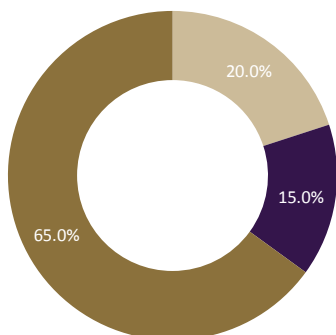
Total number of managers being allocated to: 7

**ALPHA:** Equity market neutral managers whose returns do not depend on the direction of the equity market.  
Manager allocation: 5 managers

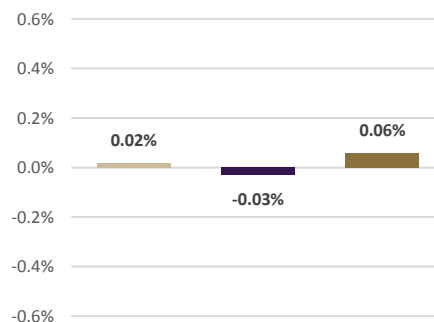
**BETA:** Long/short managers whose returns can be dependent on the direction of the equity market.  
Manager allocation: 2 managers

**CASH & FIXED INCOME:** Allocation to an at-call cash account held for liquidity purposes.

**STRATEGY ALLOCATION**



**STRATEGY CONTRIBUTION TO PERFORMANCE BEFORE NWQ FEES**



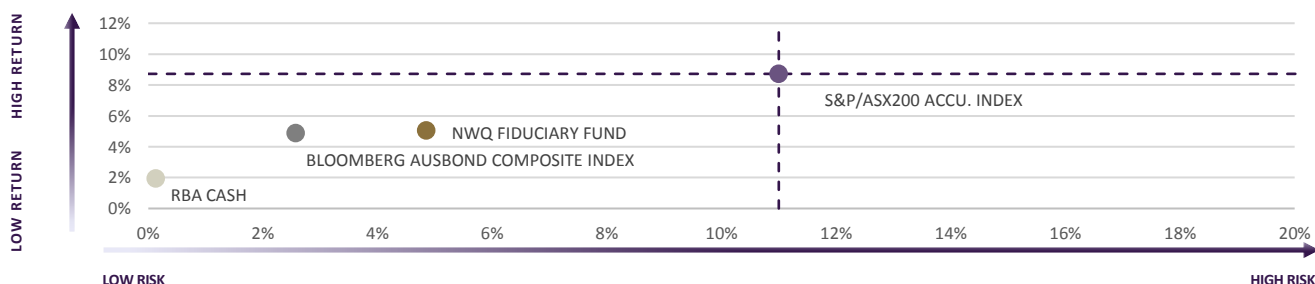
**COMMENTARY**

The NWQ Fiduciary Fund (Fund) delivered a return of -0.03% in June. Since inception, the Fund has returned 5.05% p.a.

Global equity markets rallied in June with US equities up +7.05%, European equities up +4.43%, and Japanese equities up +3.52%. The rebound in global equities was driven by optimism around progress on a trade deal between the US and China ahead of the G20 Summit in Japan and weakening economic data in the US lending support to the view that the Federal Reserve will move to cut interest rates. The Australian market was up +3.70% in June as the RBA moved to cut the official interest rate to 1.25% at the beginning of the month.

Equity and bond market pricing reflects two very different outlooks for the global economy. Equity investors are looking through falling earnings and expecting the Fed to step in and cut interest rates—and thereby the discount rate for valuations—to justify current multiples. In contrast, bond investors see deteriorating economic fundamentals and geopolitical risks as potentially leading to a recession in the near term. As these conflicting outlooks resolve themselves we are likely to see higher levels of volatility and in this scenario having a “market neutral” portfolio comprised of long/short managers is considered a sound way to navigate the potentially challenging times ahead.

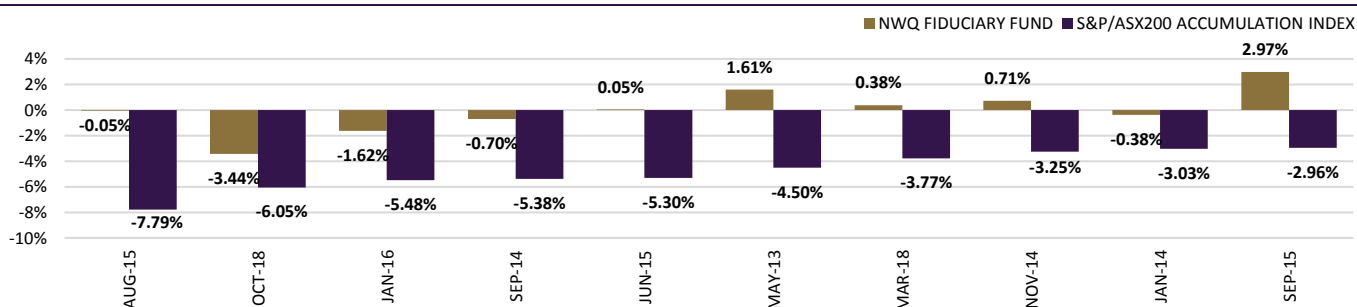
**RISK VS. RETURN SINCE INCEPTION MAY 2013**



**MONTHLY NET RETURNS**

|             | JAN    | FEB    | MAR    | APR    | MAY    | JUN    | JUL    | AUG    | SEP    | OCT    | NOV    | DEC    | YTD           |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|
| <b>2019</b> | 0.44%  | 1.68%  | -0.58% | 0.16%  | -0.72% | -0.03% |        |        |        |        |        |        | <b>0.92%</b>  |
| <b>2018</b> | 0.40%  | 0.45%  | 0.38%  | 0.62%  | 1.20%  | -0.16% | -0.58% | 0.80%  | -0.46% | -3.44% | -2.22% | -0.49% | <b>-3.55%</b> |
| <b>2017</b> | 1.02%  | -0.35% | 0.21%  | 0.25%  | 0.81%  | 0.86%  | -0.17% | -0.13% | 2.57%  | 2.50%  | 1.65%  | 2.80%  | <b>12.62%</b> |
| <b>2016</b> | -1.62% | -2.53% | -1.48% | 0.27%  | 2.86%  | -0.44% | 1.88%  | -1.54% | 0.16%  | -2.26% | -1.57% | -0.86% | <b>-7.03%</b> |
| <b>2015</b> | 1.09%  | 1.73%  | 1.49%  | 0.10%  | -0.19% | 0.05%  | 4.19%  | -0.05% | 2.97%  | 1.80%  | 0.66%  | 2.23%  | <b>17.19%</b> |
| <b>2014</b> | -0.38% | 2.26%  | 1.29%  | -0.95% | 0.42%  | -0.25% | 1.78%  | 0.04%  | -0.70% | -0.76% | 0.71%  | -0.40% | <b>3.03%</b>  |
| <b>2013</b> | -      | -      | -      | -      | 1.61%  | 0.10%  | 2.76%  | 0.79%  | 0.63%  | 2.00%  | 0.42%  | 1.41%  | <b>10.11%</b> |

**PERFORMANCE VS. S&P/ASX200 ACCUMULATION INDEX'S 10 WORST DOWN MONTHS (SINCE INCEPTION)**



**FUND INFORMATION**

|                            |  |                                    |  |
|----------------------------|--|------------------------------------|--|
| <b>FUND NAME:</b>          | NWQ FIDUCIARY FUND                             | <b>REDEMPTIONS:</b>                | MONTHLY WITH 30 DAYS NOTICE  |
| <b>APIR CODE:</b>          | NWQ001AU                                       | <b>RETAIL MANAGEMENT FEE:</b>      | DIRECT: 1.30% P.A.      INDIRECT: 1.00% P.A.   |
| <b>FUND SIZE:</b>          | A\$67M   | <b>RETAIL PERFORMANCE FEE:</b>     | DIRECT: 0.00%      INDIRECT: 0.00%   |
| <b>INVESTMENT MANAGER:</b> | NWQ CAPITAL MANAGEMENT                         | <b>WHOLESALE MANAGEMENT FEE:</b>   | WHOLESALE A: 0.50% P.A.      WHOLESALE B: 0.95% P.A.                                 |
| <b>ADMINISTRATOR:</b>      | CUSTOM HOUSE FUND SERVICES (AUSTRALIA) PTY LTD | <b>WHOLESALE PERFORMANCE FEE:</b>  | WHOLESALE A: 5.00%      WHOLESALE B: 0.00%   |
| <b>AUDITOR:</b>            | ERNST & YOUNG                                  | <b>HURDLE**:</b>                   | RBA CASH RATE, HIGH WATER MARK   |
| <b>LEGAL COUNSEL:</b>      | HALL & WILCOX                                  | <b>MINIMUM CONTRIBUTION:</b>       | \$25,000   |
| <b>RESPONSIBLE ENTITY:</b> | EQUITY TRUSTEES LIMITED                        | <b>INCOME DISTRIBUTIONS:</b>       | ANNUALLY AFTER JUNE 30   |
| <b>SUBSCRIPTIONS:</b>      | MONTHLY  | <b>NAV PRICE (AS AT 30/06/19):</b> | WHOLESALE A: 1.0848      WHOLESALE B: 1.0792<br>DIRECT: 0.9474      INDIRECT: 0.9731 |

\*\*Incentive fee calculations only

**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. 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.**

**S&P/ASX 200 Accum. Index:** 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 S&P/ASX 200 Accum. Index plus the index value of reinvested dividends.

**Bloomberg Ausbond Composite Index:** A capital accumulation index that includes all securities in the Treasury, Semi-Government, and Non-Government indices. The minimum issuance size is A\$100m and issues must carry a BBB- (S&P) rating or higher.

**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 of money lent in the money market for the duration of the relevant time frame.

**Note:** Investors generally cannot invest directly in the S&P/ASX 200 Accum. Index or any of the other indices mentioned above. These indices are presented for reference purposes only. The statistical data regarding the S&P/ASX 200 Accum. Index, and 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.