

**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.

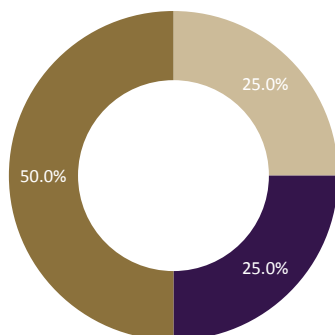
| PERFORMANCE                               | NWQ FIDUCIARY FUND | S&P/ASX200 ACCUMULATION INDEX | BLOOMBERG AUSBOND COMPOSITE INDEX | RBA CASH |
|---|--------------------|-------------------------------|-----------------------------------|----------|
| <b>NET RETURNS</b>                        |                    |                               |                                   |          |
| 1 MONTH                                   | 0.85%              | -2.36%                        | 1.51%                             | 0.08%    |
| 3 MONTHS                                  | 4.06%              | 4.24%                         | 3.54%                             | 0.27%    |
| 1 YEAR                                    | -1.76%             | 9.04%                         | 11.20%                            | 1.40%    |
| 3 YEARS (p.a.)                            | 2.92%              | 11.39%                        | 4.68%                             | 1.48%    |
| 5 YEARS (p.a.)                            | 4.21%              | 7.90%                         | 5.30%                             | 1.73%    |
| SINCE INCEPTION (p.a.)                    | 5.58%              | 8.56%                         | 5.16%                             | 1.91%    |
| <b>RISK</b>                               |                    |                               |                                   |          |
| STANDARD DEVIATION SINCE INCEPTION (p.a.) | 4.92%              | 10.96%                        | 2.59%                             | 0.14%    |

**MANAGER ALLOCATION**

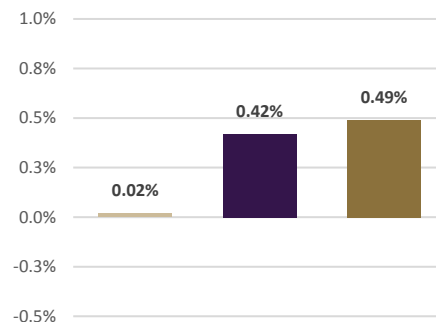
Total number of managers being allocated to: 7

- ALPHA:** Equity market neutral managers whose returns do not depend on the direction of the equity market.  
Manager allocation: 4 managers
- BETA:** Long/short managers whose returns can be dependent on the direction of the equity market.  
Manager allocation: 3 managers
- CASH & FIXED INCOME:** Allocation to an at-call cash account held for liquidity purposes.

**STRATEGY ALLOCATION**



**STRATEGY CONTRIBUTION TO PERFORMANCE BEFORE NWQ FEES**



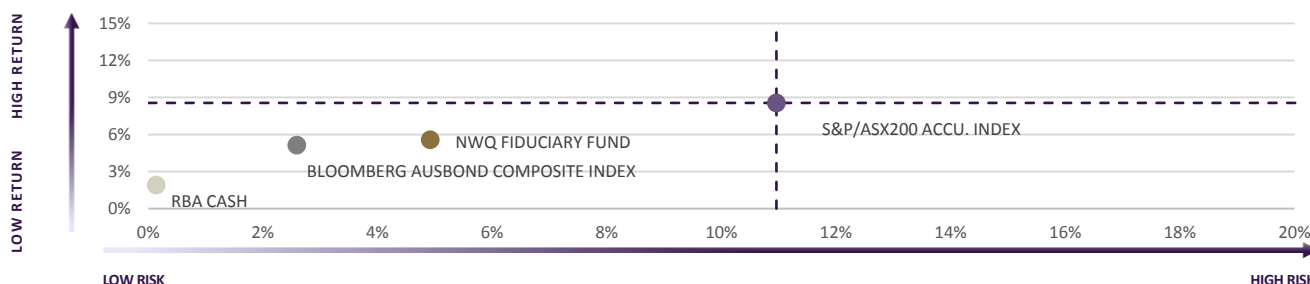
**COMMENTARY**

The NWQ Fiduciary Fund (Fund) delivered a return of +0.85% in August. Since inception, the Fund has returned 5.58% p.a.

August was a volatile month for global markets with the major equity indices falling sharply in the first half of the month. These initial losses were partially recovered by the end of the month with the Australian equity market recovering from an intra-month low of -5.63% to close down -2.36% for the month alongside markets in the US (-1.58%), Europe (-1.44%) and Japan (-3.72%). The heightened volatility was driven by increasing concern over the health of the US economy and further antagonism between the US and China. The ongoing deterioration in economic fundamentals across the globe is likely to continue to spur episodic volatility in global markets similar to that which we saw in August.

The deterioration in economic fundamentals came through in the August results season here in Australia with companies as a whole delivering weak aggregate earnings-per-share growth and flagging future headwinds in outlook statements. This presented the managers with opportunities on both the long and short sides of their portfolios, which is reflected in the fact that both the Beta (+0.42%) and Alpha (+0.49%) managers made positive contributions to the Fund's overall return in August.

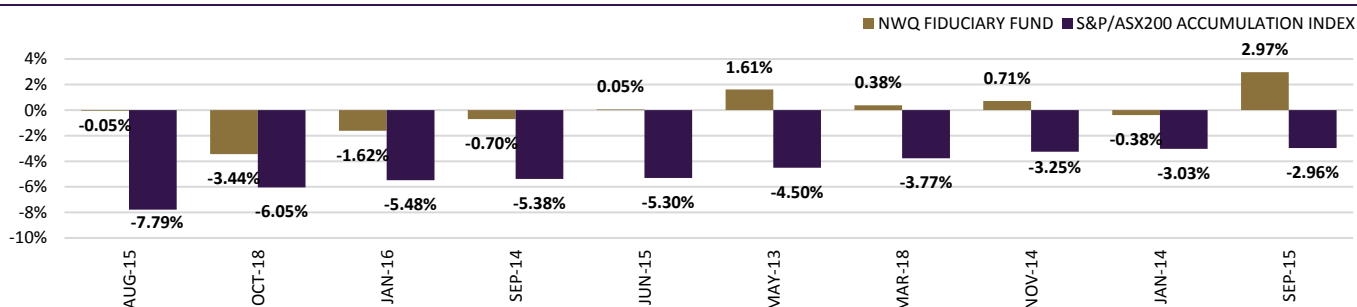
**RISK VS. RETURN SINCE INCEPTION MAY 2013**



**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% | 3.21%  | 0.85%  |        |        |        |        | <b>5.05%</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>RETAIL MANAGEMENT FEE:</b>      | DIRECT: 1.30% P.A.             | INDIRECT: 1.00% P.A.    |
| <b>APIR CODE:</b>          | NWQ001AU                            | <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>      | APEX FUND SERVICES (SYDNEY) 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 31/08/19):</b> | WHOLESALE A: 1.1162            | WHOLESALE B: 1.1096     |
| <b>REDEMPTIONS:</b>        | MONTHLY WITH 30 DAYS NOTICE         |                                    | DIRECT: 0.9736                 | INDIRECT: 1.0006        |

\*\*Incentive fee calculations only

**DISCLAIMER & DISCLOSURES**

This report has been prepared by NWQ Capital Management Pty Ltd (NWQ) (ABN 74 114 108 879), AFSL 318835, for use only by Australian wholesale clients. It is not intended to be a recommendation to invest. Before acting on the information contained in this report, investors should consider its appropriateness based on their personal circumstances, obtain a copy of the relevant offer document, and consult their investment advisor.

EQT Responsible Entity Services Limited ("EQT RES") (ABN 94 101 103 011), AFSL 223271, is the Responsible Entity for the NWQ Fiduciary Fund. EQT RES is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This report has been prepared by NWQ, to provide you with general information only. In preparing this report, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither NWQ, EQT RES nor any of its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product.

This report was prepared as a private communication to clients and is not intended for public circulation or publication or for the use of any third party, without the approval of NWQ. Whilst this report is based on information from sources which NWQ considers reliable, its accuracy and completeness cannot be guaranteed. Data is not necessarily audited or independently verified. Any opinions reflect NWQ's judgment at this date and are subject to change. NWQ has no obligation to provide revised assessments in the event of changed circumstances. To the extent permitted by law, NWQ, its directors and employees do not accept any liability for the results of any actions taken or not taken on the basis of information in this report, or for any negligent misstatements, errors or omissions.

This report is not intended as an offer or solicitation for the purchase or sale of any financial product which may only be made on receipt of the offering document for the relevant fund. NWQ, its affiliated companies, directors or employees advise that they and persons associated with them may have an interest in the financial products discussed and that they may receive brokerage, commissions, fees and other benefits and advantages, whether pecuniary or not and whether direct or indirect, in connection with the financial products mentioned in this report.

**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.