

## FUND OBJECTIVE

The NWQ Global Markets Fund (Fund), managed by NWQ Capital Management, is a diversified multi manager portfolio. The principal investment objective of the Fund is to produce returns commensurate with the volatility target of 15% p.a. as measured by the long term standard deviation of monthly returns. This is achieved through active allocations to a select number of liquid alternative managers that employ a variety of strategies. The Fund places emphasis on managers who demonstrate a rigorous and repeatable investment process that has delivered a strong track record.

PERFORMANCE	NWQ GLOBAL MARKETS FUND	S&P/ASX200 ACCUMULATION INDEX	BLOOMBERG AUSBOND COMPOSITE INDEX	RBA CASH
<b>NET RETURNS</b>				
1 MONTH	-1.73%	1.84%	-0.49%	0.08%
3 MONTHS	3.28%	2.37%	1.98%	0.25%
1 YEAR	6.05%	12.47%	11.13%	1.36%
SINCE INCEPTION (P.A.) <sup>1</sup>	5.21%	10.18%	9.81%	1.37%
<b>RISK</b>				
STANDARD DEVIATION SINCE INCEPTION (P.A.) <sup>1</sup>	7.99%	11.16%	2.61%	0.07%

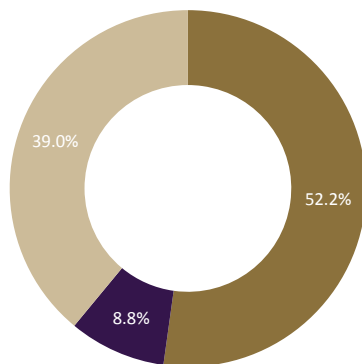
<sup>1</sup> Inception date is 1 September 2018.

## MANAGER ALLOCATION

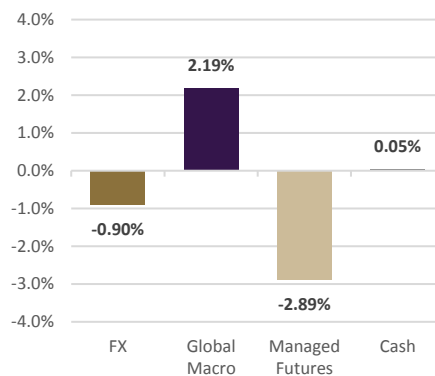
**Total number of managers being allocated to: 8**

- FX:** managers that typically trade foreign exchange spot and derivative contracts only.  
**Manager allocation:** 4 managers
- GLOBAL MACRO:** managers that typically trade futures and/or other derivative contracts based on non-price or economic data.  
**Manager allocation:** 1 managers
- MANAGED FUTURES:** managers that typically trade futures and/or other derivative contracts based on price or fundamental value.  
**Manager allocation:** 3 managers
- COMMODITIES:** managers that trade commodity futures or other derivative contracts only.  
**Manager allocation:** 0 managers

## STRATEGY ALLOCATION



## STRATEGY CONTRIBUTION TO PERFORMANCE BEFORE NWQ FEES



## COMMENTARY

The NWQ Global Markets Fund (Fund) returned -1.73% in the month of September. The Fund has returned +5.21% p.a. since inception in September 2018. Global markets continue to be caught between the conflicting currents of a global economic slowdown and heightened geopolitical risks on the one hand and central bank policies designed to stimulate growth on the other. In September this played out with a sharp sell-off in the bond market during the first half of the month that saw the US 10-year Treasury yield rise from 1.50% at the beginning of the month to 1.90% by the 13<sup>th</sup> (bond prices fall as yields rise). The reversal of this trend in the latter part of the month—Treasury yields fell back to 1.68% by the end of September—suggests that the mid-month meetings of both the ECB and Fed weighed heavily on investor sentiment. The ECB's announcement that it would lower its policy rate and restart its QE programme coupled with the Fed's announcement of a 0.25% reduction in the policy rate provided support for the bond market. These moves also conspired to dampen volatility across both equity (VIX fell from 18.9 to 16.2) and currency (CVIX fell from 7.8 to 7.0) markets, which is unusual given that September is historically one of the more volatile months. Equity markets in the US (+1.87%), Europe (+3.76%), Japan (+5.85%), and Australia (+1.84%) posted solid gains and the US Dollar was stronger (+0.47%).

This environment favoured managers that adopt a discretionary trading approach and collectively they made a positive contribution to the Fund's overall return (+0.62%) while the managers that adopt a systematic approach found this environment more challenging (-2.23%). The Fund's equity and currency exposures were positive contributors in September. There were modest losses from the Fund's fixed income and commodity exposures.

## FUND INFORMATION

<b>FUND NAME:</b>	NWQ GLOBAL MARKETS FUND	<b>SUBSCRIPTIONS/REDEMPTIONS:</b>	MONTHLY WITH 5 BUSINESS DAYS NOTICE
<b>APIR:</b>	NWQ8621AU	<b>MANAGEMENT FEE:</b>	1.50% P.A.
<b>INVESTMENT MANAGER:</b>	NWQ CAPITAL MANAGEMENT	<b>PERFORMANCE FEE:</b>	10.00%
<b>ADMINISTRATOR:</b>	APEX FUND SERVICES (SYDNEY) PTY LTD	<b>HURDLE**:</b>	RBA CASH RATE, HIGH WATER MARK
<b>AUDITOR:</b>	ERNST & YOUNG	<b>MINIMUM CONTRIBUTION:</b>	\$500,000
<b>LEGAL COUNSEL:</b>	HALL & WILCOX	<b>INCOME DISTRIBUTIONS:</b>	ANNUALLY AFTER JUNE 30
<b>DERIVATIVE COUNTERPARTY:</b>	DEUTSCHE BANK AG (LONDON)	<b>NAV PRICE (AS AT 30/09/19):</b>	1.0565

\*\*Incentive fee calculations only

## MONTHLY NET RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	-2.14%	-2.61%	2.90%	2.13%	-1.67%	0.11%	2.92%	2.11%	-1.73%				1.82%
2018	-	-	-	-	-	-	-	-	-0.38%	3.51%	-1.97%	2.64%	3.76%

## 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.