

## 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	HFRI DIVERSIFIED FOF INDEX	BLOOMBERG AUSBOND COMPOSITE INDEX	RBA CASH
<b>NET RETURNS</b>				
1 MONTH	-0.71%	0.25%	-1.51%	0.01%
3 MONTHS	3.11%	1.00%	0.31%	0.03%
1 YEAR	9.46%	13.45%	-1.54%	0.11%
3 YEARS (p.a.)	5.54%	6.37%	4.14%	0.64%
5 YEARS (p.a.)	5.33%	5.69%	3.06%	0.99%
SINCE INCEPTION (p.a.) <sup>1</sup>	6.36%	4.21%	4.00%	1.51%
TOTAL RETURN SINCE INCEPTION <sup>1</sup>	68.03%	41.55%	39.14%	13.48%
<b>RISK</b>				
STANDARD DEVIATION SINCE INCEPTION (p.a.) <sup>1</sup>	5.77%	4.74%	3.02%	0.23%

<sup>1</sup> Inception date is 15 May 2013.

## MANAGER ALLOCATION

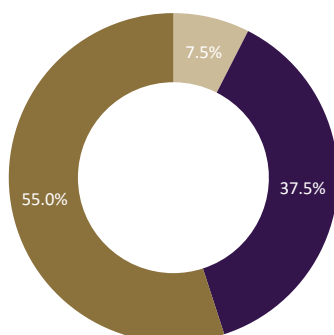
Total number of managers being allocated to: 11

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

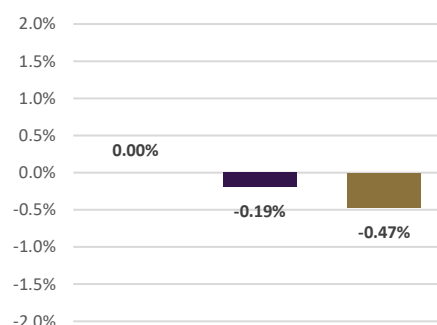
**BETA:** Long/short managers whose returns can be dependent on the direction of the equity market.  
Manager allocation: 6 managers

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

## STRATEGY TARGET ALLOCATION



## STRATEGY CONTRIBUTION TO PERFORMANCE BEFORE NWQ FEES



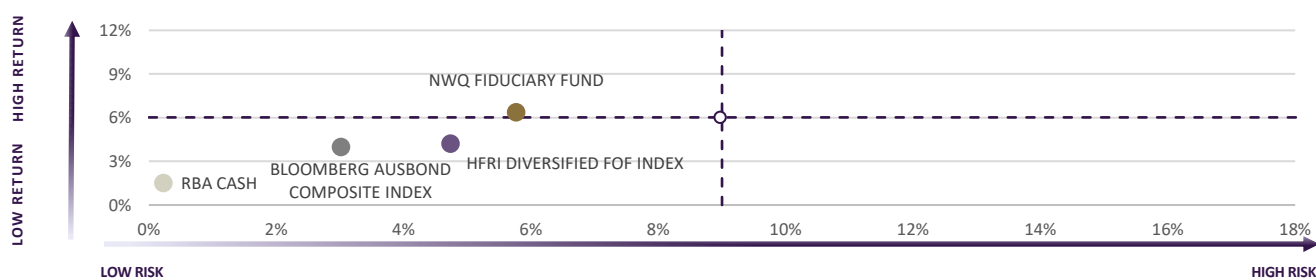
## COMMENTARY

The NWQ Fiduciary Fund (Fund) returned -0.71% in September compared with the HFRI benchmark return of +0.25%. The Fund has returned +8.97% for the calendar year, outperforming the HFRI benchmark return of +5.50% over the same period.

Risk sentiment was broadly negative in September with bond yields rising sharply on fears that interest rate hikes may come sooner than previously forecast. The concerns over rising inflation due to supply side disruptions were exacerbated by rising commodity prices, particularly in the energy complex. The Fed's preferred measure of inflation recorded a 4.3% rise over the 12 months to August, the highest rate since 1991. While Fed Chair Powell continues to stick to the narrative that higher inflation is 'transitory' there are growing concerns that it may be more persistent and broad-based. This uncertainty seems to be reflected among Fed policymakers with more than half now forecasting rate hikes in 2022. Equity markets fell in the US (-4.65%), Europe (-3.01%), and Australia (-1.85%) but rose in Japan (+5.50%). The Australian equity market was led lower by the Materials (-8.11%) and Healthcare (-4.86%) sectors, while the Energy (+16.83%) and Utilities (+2.50%) sectors gained.

It was a mixed month for the Fund, which was up +0.24% through the 24<sup>th</sup> of September at which point the Australian equity market was down -1.72%. Fund performance during this period underscores its ability to protect investor capital and deliver positive returns in falling markets. However, it was a disappointing end to the month with two of the Fund's high conviction managers underperforming in the final week of the month. We remain of the view that the Fund's low net exposure to the equity market and zero direct exposure to the bond market should serve investors well if equity and bond markets continue to be challenged.

## RISK VS. RETURN SINCE INCEPTION MAY 2013

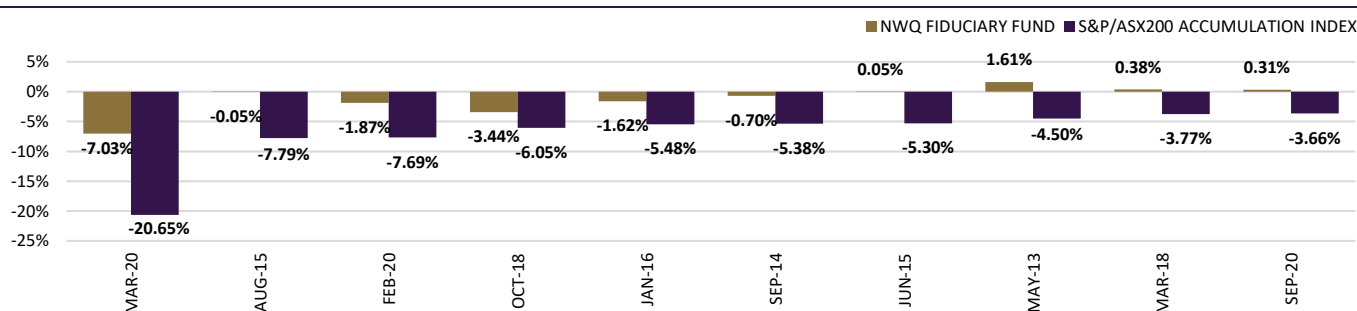


○ Risk return benchmark is RBA Cash Rate + 4.0-5.0% p.a. with the maximum allowable risk budget of 9% p.a. as measured by the standard deviation of monthly returns

## MONTHLY NET RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2021</b>	1.41%	-1.07%	-0.63%	4.13%	0.76%	1.05%	1.12%	2.69%	-0.71%				<b>8.97%</b>
<b>2020</b>	1.90%	-1.87%	-7.03%	1.31%	2.31%	2.30%	5.13%	1.93%	0.31%	-0.53%	-0.94%	1.93%	<b>6.42%</b>
<b>2019</b>	0.44%	1.68%	-0.58%	0.16%	-0.72%	-0.03%	3.21%	0.85%	0.07%	0.56%	0.39%	1.68%	<b>7.91%</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>	HWL EBSWORTH	<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 30/09/2021):</b>	WHOLESALE A: 1.2498	WHOLESALE B: 1.2438
<b>REDEMPTIONS:</b>	MONTHLY WITH 30 DAYS NOTICE		DIRECT: 1.0813	INDIRECT: 1.1182

\*Incentive fee calculations only

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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.**

**HFRI Diversified Fund of Funds Index:** FOFs classified as 'Diversified' exhibit one or more of the following characteristics: invests in a variety of strategies among multiple managers; historical annual return and/or a standard deviation generally similar to the HFRI Fund of Fund Composite index; demonstrates generally close performance and returns distribution correlation to the HFRI Fund of Fund Composite Index. A fund in the HFRI FOF Diversified Index tends to show minimal loss in down markets while achieving superior returns in up markets.

**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.

**S&P/ASX200 Accumulation 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.

**Traditional Balanced Fund:** The Traditional Balanced Fund is a composite index adapted from Morningstar's Multisector Balanced Index and is comprised of the following asset classes: Australian Shares (S&P/ASX300 TR), International Shares (MSCI World Ex-Australia NR AUD), Australian Listed Property (S&P/ASX300 A-REIT TR), International Listed Property (FTSE EPRA/NAREIT Developed NR Hdg AUD), Unlisted Property (S&P/ASX300 A-REIT TR), Australian Fixed Interest (Bloomberg AusBond Composite 0+Y TR AUD), International Fixed Interest (BarCap Global Aggregate TR Hdg AUD), and Australian Cash (RBA Bank accepted Bills 90 Days).

**Note:** Investors generally cannot invest directly in any of the other indices mentioned above. These indices are presented for reference purposes only. The statistical data 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.