

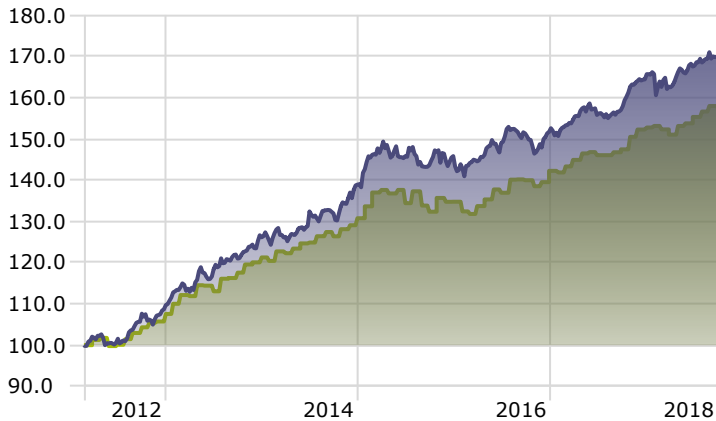
HUB24 Portfolio Review

The last quarter was an interesting one to navigate for portfolios. Australian Equities were a poor relative performer, but they were overshadowed by the negative performance of the Emerging Markets. So whilst Global Equities performed well over the quarter, and having a mild overweight to them and Australian equities was a positive for Asset Allocation, the allocation to Emerging Markets dragged on relative performance. Also having a reduced overall exposure to the market hurt in strong overall market conditions, but this means that we are taking less equity market risk in a heightened risk environment (which we believe is prudent). Being unhedged in our Global allocations (i.e. having exposure to global currencies, mostly the US Dollar instead of the AUD) also helped performance. Those portfolios with fixed income allocations did well over the quarter, outperforming traditional Fixed Income indices with our allocations to shorter dated, high quality Australian Corporates. Our allocations to alternative sources of return hurt performance though – with diversified Beta continuing its run of poor performance, and Dalton Street Capital suffering from a breakdown in the relationship between the US lead market and Asian subordinate market signals (which it relies on). These breakdowns have happened historically before, and always proved transitory, so we are not currently concerned about the recent run of performance.

Market Outlook

October has begun with a sell-off in Global Sovereign bonds sparking a rout across most asset classes, including equities, corporate bonds, emerging market bonds and various currencies. Innova have repeatedly warned about the risk of a bond market selloff not being zero, yet the market pricing that probability at or near zero. Time will tell if this short term upset turns into something more sinister but should be a wakeup call to most market participants who have relied on historical relationships, and assumed that they will hold into the future – that is that bonds will go up in price if stocks go down. Unfortunately any true student of history knows this isn't always the case, and so given the amount of uncertainty in the world around trade tariffs, Government deficits in the US, the rise of populism, Central Bank tightening and extremely indebted household here in Australia, Innova believe questioning the norm is a fiduciary responsibility. The outlook is clearly uncertain, so we will attempt to navigate this environment by following our common-sense process – steer clear of expensive assets, buy into the cheaper priced assets and be more diversified when uncertainty is high (such as now).

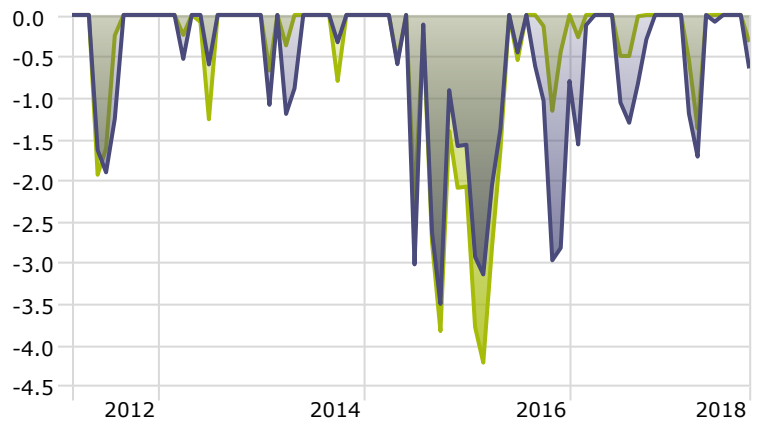
Investment Growth



■ HUB24 Balanced

■ Australia Fund Multisector Balanced

Historical Drawdown



■ HUB24 Balanced

■ Australia Fund Multisector Balanced

Objective

To achieve returns after management fees that on average exceed CPI by 3.3% p.a. over periods of five years or more. The portfolio aims to provide investors with a diversified mix of defensive and growth assets, with a greater allocation to growth. The higher allocation to growth assets is expected to lead to capital appreciation over time, with a moderate level of income. Some capital volatility is expected.

Performance (Net of fees, pre tax, annualized for periods greater than 1 year)

As of Date: 30/09/2018

	Return						
	1 Month	3 Months	1 Year	2 Years	3 Years	5 Years	Since Inception
HUB24 Balanced	-0.65	1.41	8.21	5.96	5.91	6.96	8.38
Australia Fund Multisector Balanced	-0.33	1.41	6.82	6.11	6.03	6.09	7.23

Inception Date: 01/03/2012

As of 30/09/2018

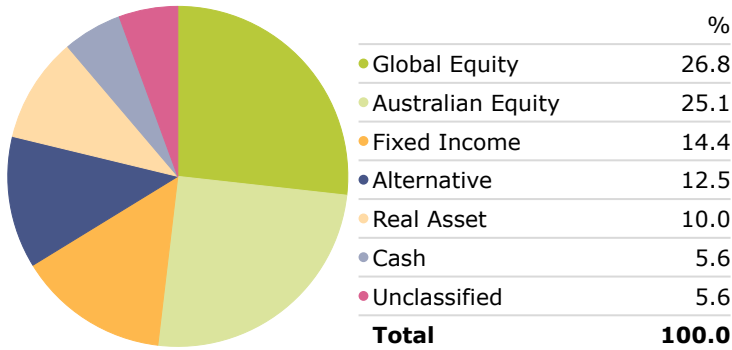
HUB24 Balanced Monthly Update



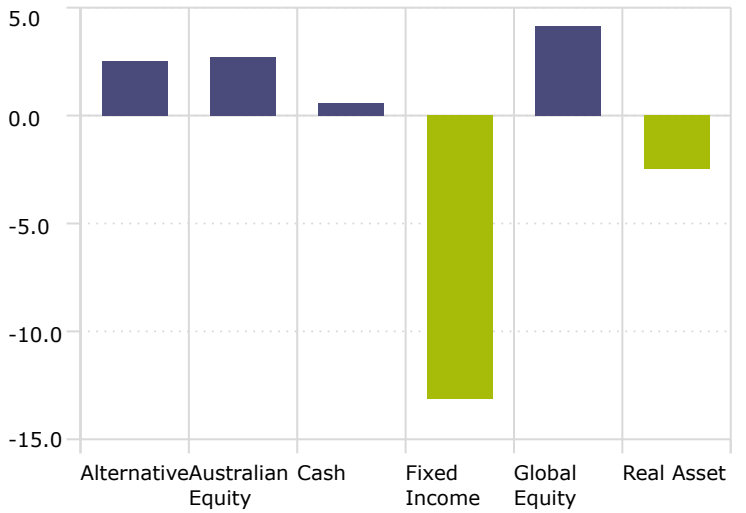
AVAILABLE ON
HUB24

HUB24 Balanced - Portfolio Holdings

Portfolio Date: 30/09/2018

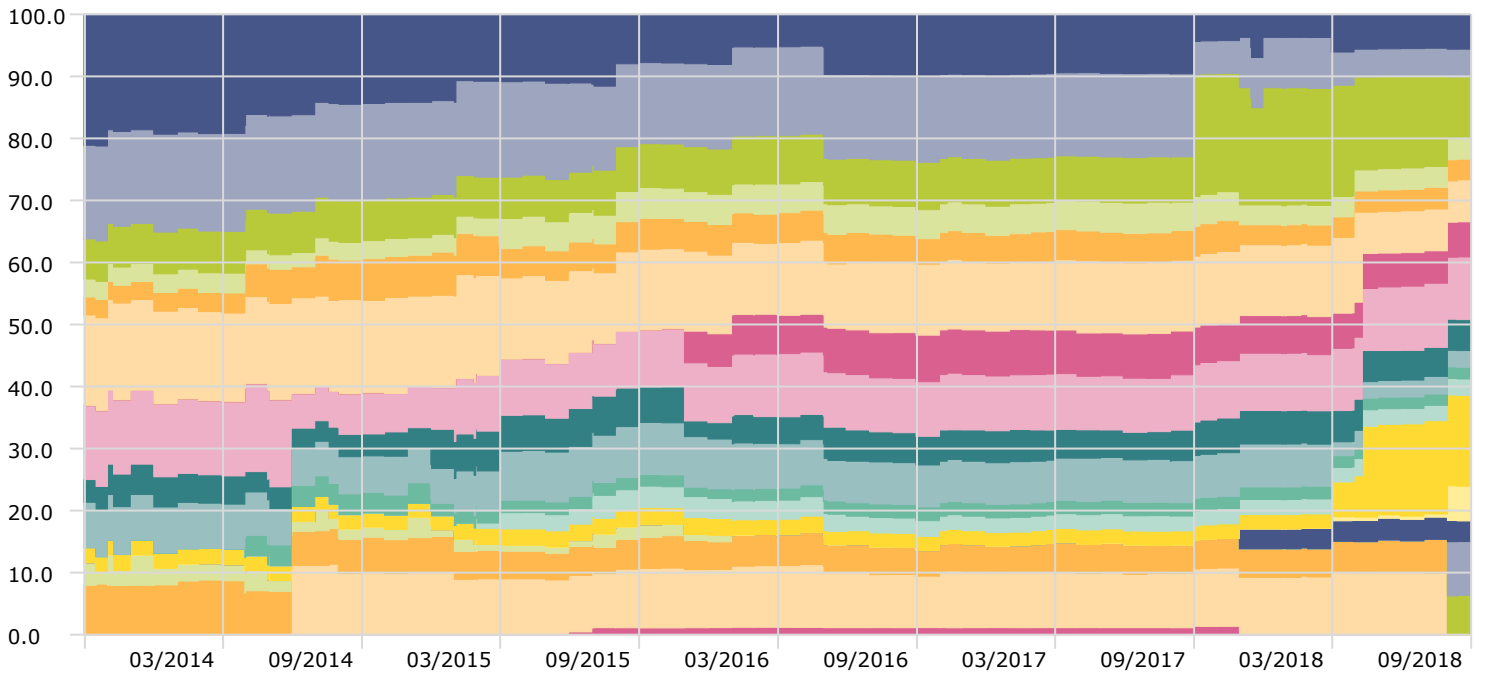


Tactical Over/Under Weights %



Historical Strategy Allocation

Time Period: 1/10/2013 to 30/09/2018



- Cash
- Global Infrastructure
- Diversified Alternative Beta
- Global Equity - Quality - Hedged
- Global Equity
- Australian Equity - Alpha
- Australian Equity - Quality
- High Quality Fixed Rate Debt
- Australian Listed Property
- Australian Equity
- Volatility Trading
- Unclassified
- Australian Equity - Value
- Australian Equity - Low Volatility
- High Quality Floating Rate Corporate Debt
- Global Equity - Long Short
- Trending Following
- Asian Equity
- Global Listed Property
- Gold Bullion
- Inflation Linked Bond

Source: Morningstar Direct

As of 30/09/2018

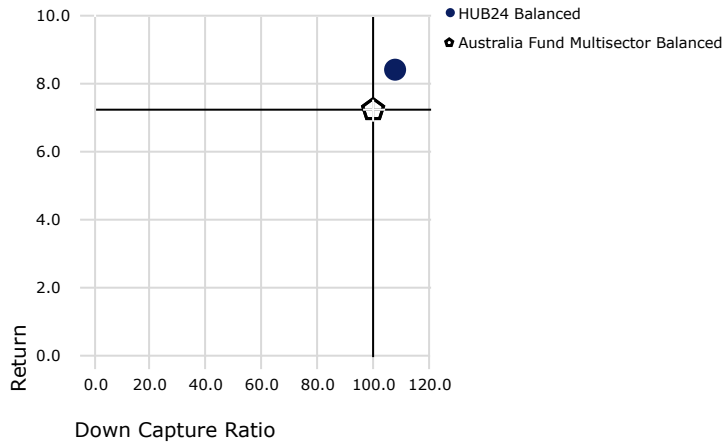
HUB24 Balanced Monthly Update



Risk-Reward

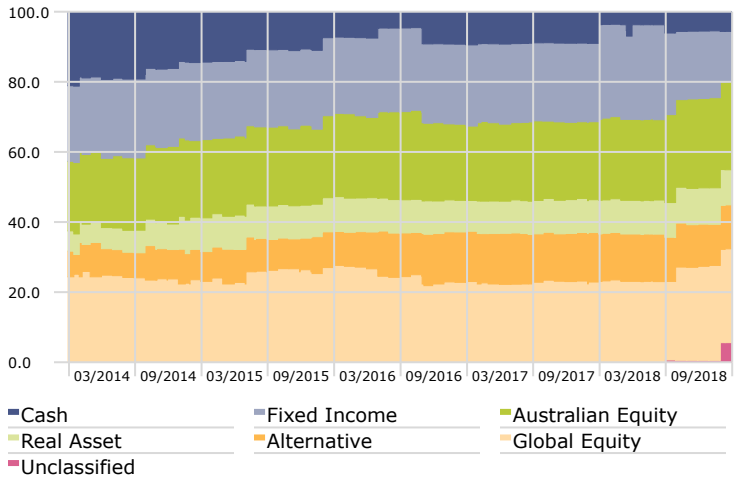
Time Period: Since Common Inception (1/03/2012) to 30/09/2018

Calculation Benchmark: Australia Fund Multisector Balanced



Asset Allocation

Time Period: 1/10/2013 to 30/09/2018



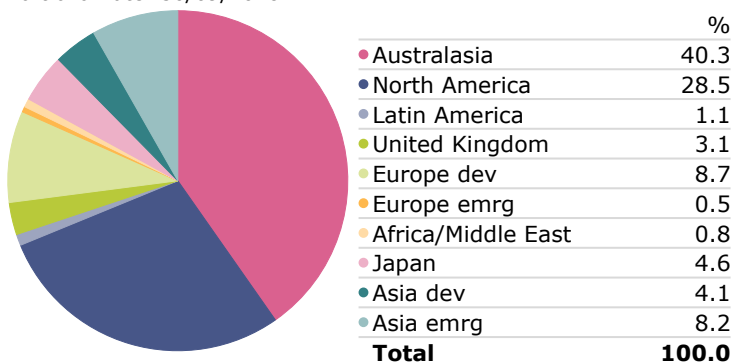
HUB24 Balanced - Top Holdings

Portfolio Date: 30/09/2018

Top Holdings	Portfolio Weighting %
DNR Capital Aus Eq High Conviction	10.1
Dimensional Global Value Trust	8.0
Antipodes Global Fund - Class P	6.8
Macquarie Income Opportunities	6.7
Schroder Equity Opps	6.3
CFM Institutional Systematic Diversified	5.7
MCP Master Income Trust	5.1
iShares Core Cash ETF	4.7
Vanguard Australian Government Bond ETF	4.4
Firetrail Australian High Conviction	4.4
Bennelong Concentrated Australian Eq	4.3
Capital Group New Perspective (AU)	4.0
CFS WS Glb Listed Infrastructure-Class A	3.4
State Street Australian Lstd Prpt Idx Tr	3.3
SPDR® Dow Jones Global Real Estate ETF	3.3

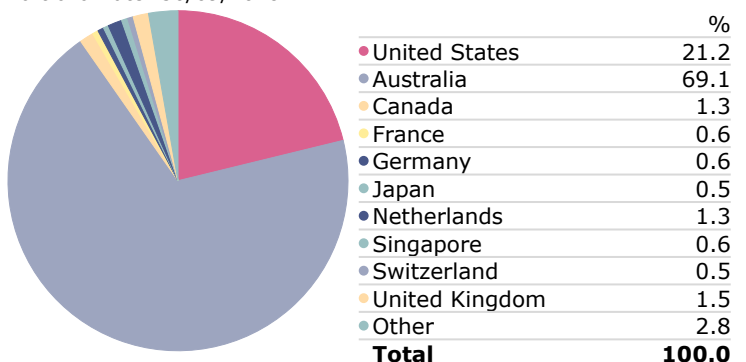
HUB24 Balanced - Equity Regional Exposure

Portfolio Date: 30/09/2018



HUB24 Balanced - Fixed-Inc Country Exposure

Portfolio Date: 30/09/2018



As of 30/09/2018

HUB24 Balanced Monthly Update



AVAILABLE ON
HUB24

Important Information

This document has been prepared by Innova Asset Management Pty Ltd, ABN 99 141 597 104, which is a Corporate Authorised Representative of Fortnum Private Wealth Ltd, AFSL 357306.

The performance reporting in this document is a representation only. Innova Asset Management has used a calculation methodology to simulate the performance of the relevant Investment Program as constructed by Innova Asset Management since commencement, net of all fees and commissions at the fund/security level, and gross of other fees and commissions. Simulated performance does not reflect the performance of any specific account. Each account will have its own unique performance history, due to factors including varied methods of implementation, fee and tax structures. Therefore, simulated performance may vary significantly compared to that of any specific account.

This is not an offer of securities or financial products, nor is it financial product advice. This document has been prepared without taking into account your individual objectives, financial situation or needs. Neither Innova Asset Management nor Fortnum Private Wealth guarantees the performance of the Investment Program or the repayment of capital invested. Investments are subject to investment risk, including possible delays in repayments and loss of income and principal invested. Past performance is not a reliable indicator of future results.

Although non-Fund specific information has been prepared from sources believed to be reliable, we offer no guarantees as to its accuracy or completeness. Any performance figures are not promises of future performance and are not guaranteed. Opinions expressed are valid at the date this document was published and may change. All dollars are Australian dollars unless otherwise specified.

* Other service fees may apply. Please refer to the relevant disclosure document available.