

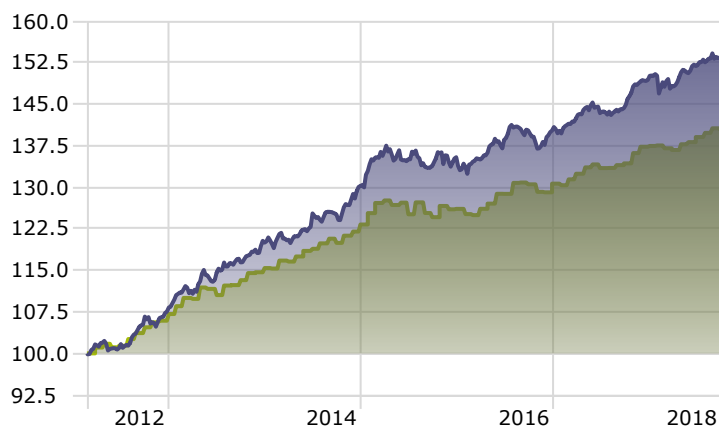
HUB24 Portfolio Review

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).

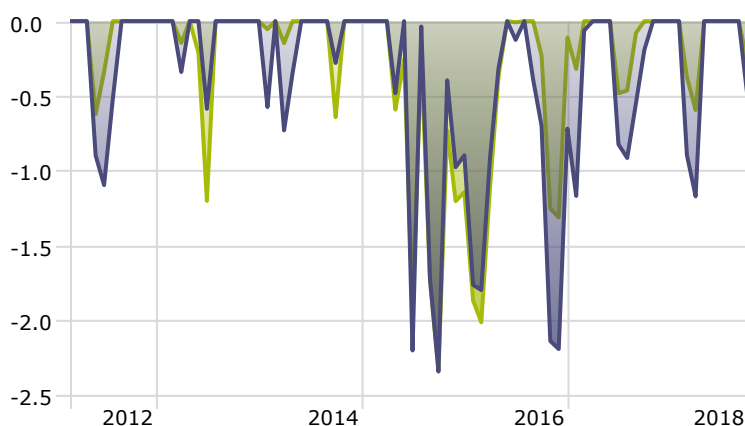
Investment Growth



■ HUB24 Moderate Conservative

■ Australia Fund Multisector Moderate

Historical Drawdown



■ HUB24 Moderate Conservative

■ Australia Fund Multisector Moderate

Objective

To achieve returns after management fees that on average exceed CPI by 2.7% p.a. over periods of four years or more. The portfolio aims to provide investors with a balanced mix of defensive and growth assets. Low capital volatility is targeted, along with a reasonable level of income.

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 Moderate Conservative	-0.49	1.02	6.32	4.58	4.75	5.62	6.72
Australia Fund Multisector Moderate	-0.27	0.87	4.46	3.73	4.10	4.46	5.38

Inception Date: 01/03/2012

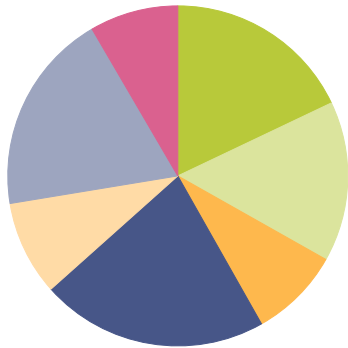
As of 30/09/2018

HUB24 Moderately Conservative Monthly Update



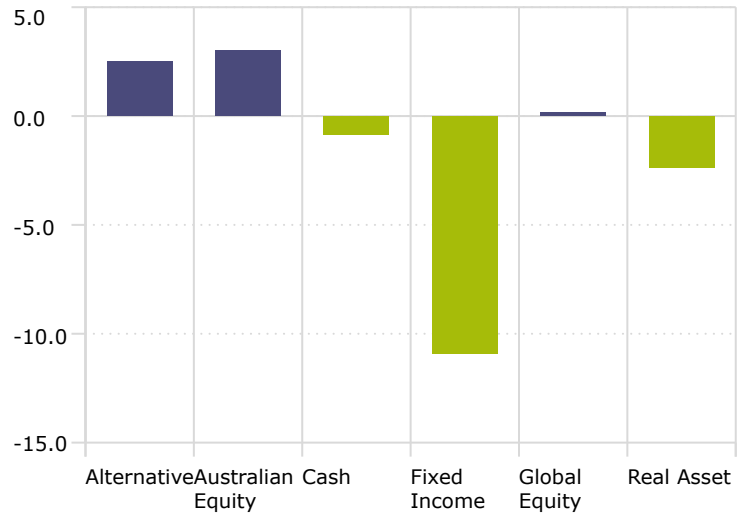
HUB24 Moderate Conservative - Portfolio Holdings

Portfolio Date: 30/09/2018



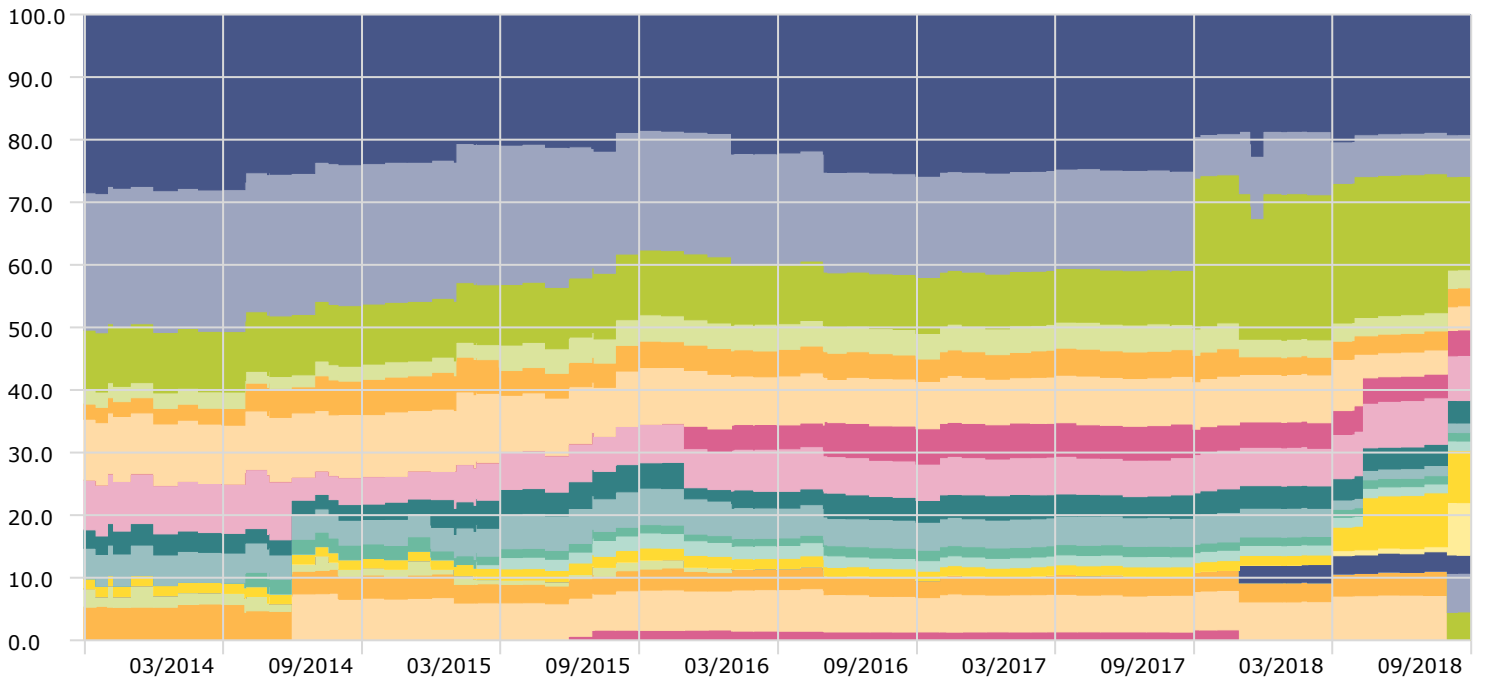
Asset Class	Percentage (%)
Australian Equity	17.9
Global Equity	15.2
Real Asset	8.6
Fixed Income	21.6
Alternative	9.0
Cash	19.2
Unclassified	8.4
Total	100.0

Tactical Over/Under Weights %



Historical Strategy Allocation

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



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

Source: Morningstar Direct

As of 30/09/2018

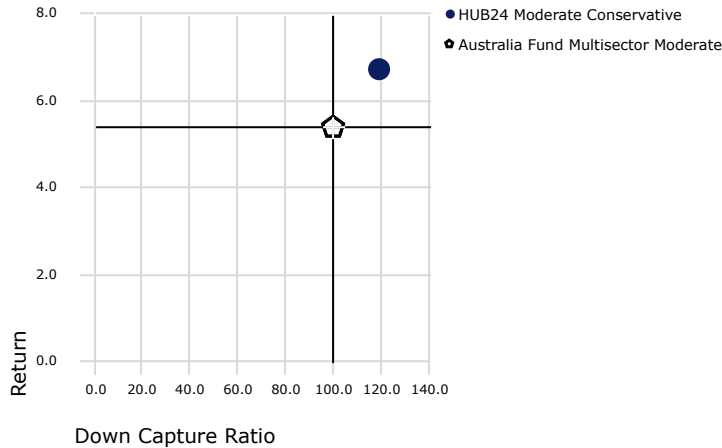
HUB24 Moderately Conservative Monthly Update



Risk-Reward

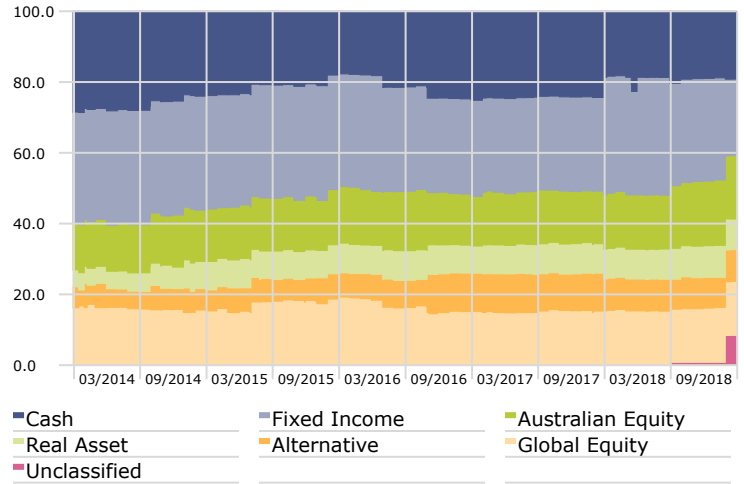
Time Period: Since Common Inception (1/03/2012) to 30/09/2018

Calculation Benchmark: Australia Fund Multisector Moderate



Asset Allocation

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



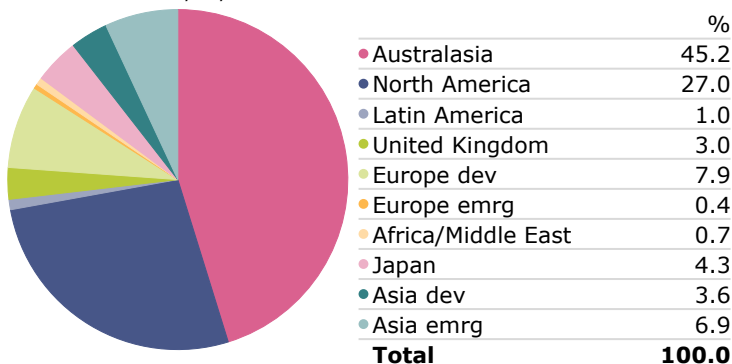
HUB24 Moderate Conservative - Top Holdings

Portfolio Date: 30/09/2018

Top Holdings	Portfolio Weighting %
iShares Core Cash ETF	18.2
Macquarie Income Opportunities	10.0
MCP Master Income Trust	7.6
DNR Capital Aus Eq High Conviction	7.2
Vanguard Australian Government Bond ETF	6.7
Dimensional Global Value Trust	4.6
Schroder Equity Opps	4.5
CFM Institutional Systematic Diversified	4.1
Antipodes Global Fund - Class P	3.9
Firetrail Australian High Conviction	3.1
Bennelong Concentrated Australian Eq	3.1
CFS WS Glb Listed Infrastructure-Class A	2.9
State Street Australian Lstd Prpt Idx Tr	2.9
SPDR® Dow Jones Global Real Estate ETF	2.9
Capital Group New Perspective (AU)	2.3

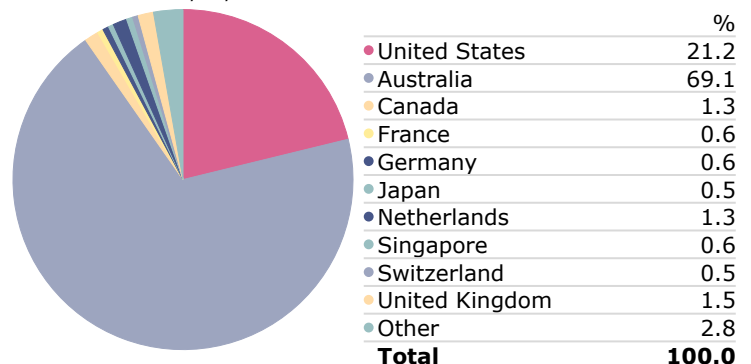
HUB24 Moderate Conservative - Equity Regional Expo

Portfolio Date: 30/09/2018



HUB24 Moderate Conservative - Fixed-Inc Country Ex

Portfolio Date: 30/09/2018



Source: Morningstar Direct

As of 30/09/2018

HUB24 Moderately Conservative Monthly Update



AVAILABLE ON
HUB24

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