

Clearwater Dynamic Portfolio

INVESTMENT STRATEGY

The investment process is a dynamic one that aims to ensure that the investment objectives of the Portfolio are met. In short, the aim is to help investors create wealth over time through a Portfolio designed to deliver long term capital growth by investing through investment cycles. This is done by:

1. Positioning the Portfolio with the appropriate asset mix to achieve the investment objectives based on forward looking scenarios, asset class valuation models, and further research material.
2. Combining growth assets in a manner that provides high-growth returns, but the appropriate diversification to lower some volatility to equity markets. A high tolerance and capacity for risk is required.
3. Investing across different markets, investment managers and strategies using a rigorous due diligence process.
4. Using both direct and indirect investments, with the ability to invest a portion of the Portfolio in less liquid assets and capture the illiquidity premium available.

PORTFOLIO MANAGER COMMENTARY

The Clearwater Dynamic Portfolio performed strongly in November, delivering a return of 1.76% for the month. This is ahead of our target and is particularly positive considering we continue to hold above-average levels of cash due to being in the early stages of the portfolio. Share markets both in Australia and overseas enjoyed strong returns in November and were the drivers of our performance. We continued to add to our existing holdings and were able to introduce two new funds to our portfolio. These were the Barwon Healthcare Property Fund and the Aquasia Private Credit Fund. You can read more about these in the manager summaries on our website. We are currently undertaking due diligence on several other managers as we look to increase our holdings as the portfolio grows in value from additional new investors.

ECONOMIC AND MARKET COMMENTARY

The short-term risk-on period previously reported has extended further, with US equity markets trending upward through the month of November (+3.4%) and hitting new all-time highs again at the time writing. The recent upward trend was preceded by an announcement from Trump on the 11th of October that a "first phase" agreement would soon be reached. November market volatility has been expectedly low as markets continued to strengthen. Furthermore, a range of US economic announcements have been better than analyst expectations (including inflation, GDP and employment). Domestic markets were also up for November (+2.66%), the RBA left rates on hold and some additional signs of recovery were observed in the housing market. Precise, official details of the "first phase" agreement have not yet emerged however, despite being seemingly priced-in already. Furthermore, China's slump deepened in November and anything short of a meaningful improvement in trade conditions may see a reversal of the recent optimism and a market correction.

ASSET ALLOCATION REVIEW

ASSET CLASSES	NEUTRAL ALLOC.	CURRENT ALLOC.	VARIANCE
Cash	0%	20%	20%
Fixed Income	10%	8%	-2%
Alternative	10%	6%	-4%
Property & Infrastructure	10%	5%	-5%
Australia Equity	30%	27%	-3%
Global Equity	40%	35%	-5%

INVESTMENT OBJECTIVE

Target return	To exceed the Lonsec Traditional Core Model Portfolio High Growth after fees, over a 10 year period.
Timeframe	7 to 10 years
Defensive / Growth	10% defensive / 90% growth
Min Investment	\$5,000
Redemption Liquidity	Approx. 1 - 2 weeks to process; settlement is subject to the underlying investment liquidity

MANAGER PROFILE

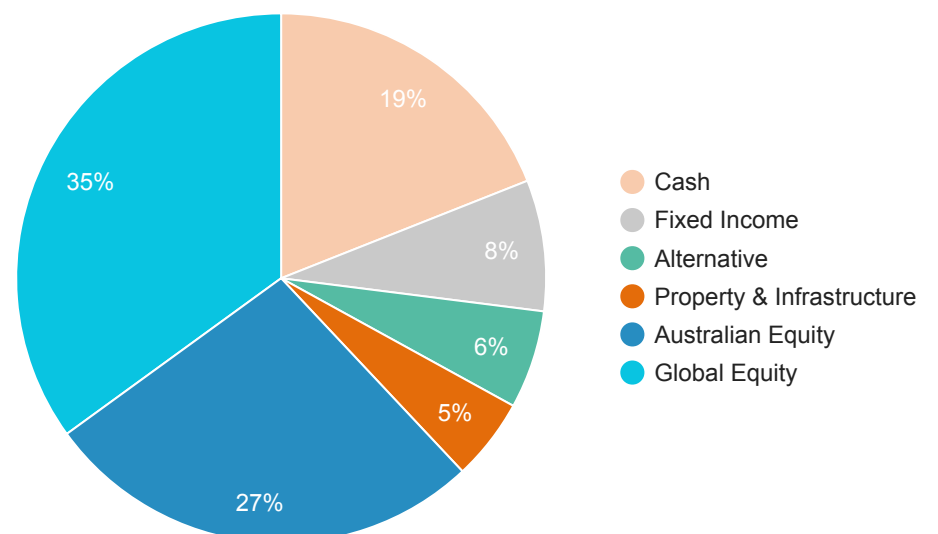
Clearwater Portfolio Management (CPM) - As Portfolio Manager CPM has responsibility for the day to day operations and management of the Clearwater Dynamic Portfolio. CPM oversees the portfolio research and the portfolio construction process. To assist in portfolio research and construction, CPM has engaged specialists to lead the process. CPM also operates an Investment Committee that includes these parties, along with representatives from DMG Financial Planning Pty Ltd and is chaired by the CEO of CPM.

PERFORMANCE REPORT

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	SINCE INCEPTION
Clearwater Dynamic Portfolio	1.76%	2.68%	3.79%	-	3.79%
Multisector Aggressive Investor	2.65%	4.71%	8.96%	-	8.96%
S&P/ASX 200 TR AUD	3.28%	4.81%	9.25%	-	9.25%
MSCI World Ex Australia GR AUD	4.78%	7.40%	16.12%	-	16.12%
BBgBarc Global Aggregate TR Hdg AUD	-0.20%	-1.04%	3.15%	-	3.15%

PORTFOLIO RISK REPORT

MARKET REPORT



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