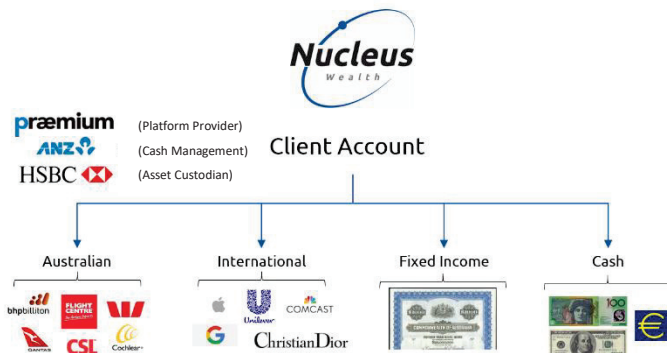


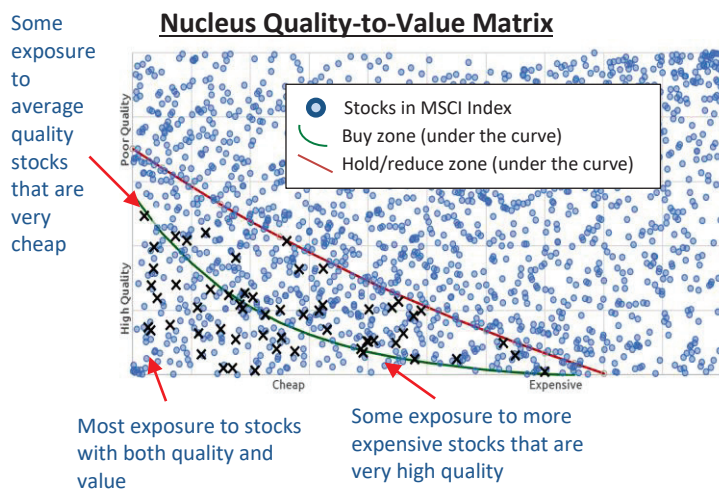
## Who we are

Nucleus Wealth is an international multi-asset investment service that combines the benefits of an active fund manager with the low-cost advantage of passive funds and offers the ability for clients to customise their investments to suit their ethical, risk and income needs.



- Formed in January 2017, platform went “live” July 2017
- Provides access to direct International equities, Australian equities, bonds and cash through a range of investment portfolios

## How we do it



- Nucleus uses a proprietary system to automatically rank 1600 stocks in the World MSCI Index
- Ranking based on quantitative factors like earning growth, gearing, cash flow, etc.
- An experienced equity analyst with specialist knowledge of the sector, double checks the results
- Stocks that pass both tests are matched to clients based on their risk profile and income/growth needs
- These stocks can be further filtered to suit an individual’s ethical and moral values
- Portfolio is diversified across other asset classes such as government bonds and cash

## What makes us unique

Nucleus Wealth offers an investment solution that is the first of its kind in Australia to offer the following benefits to the investment community:

**Filling unmet need:** Most Australian investors are overexposed to domestic equities as they have limited access to an affordable one-stop multi-asset investment solution. Nucleus is changing that.

**Best-Of-All-Worlds:** Nucleus offers the benefits of an active fund manager, the cost benefits associated with passive funds and the flexibility to customise portfolios based on the client’s unique circumstances, needs and ethical beliefs.

**Flexible Customisation:** Clients can personalise their portfolio by selecting from **twenty** ethical filters to exclude sectors like fossil fuels, gambling, animal testing and vices etc. They can take full control of their investing profile or use our limited advice service to help with allocation of risk in their portfolio.

**Cost Advantage:** Imagine building a portfolio of 70 quality international stocks for \$230 brokerage! That’s the kind of cost efficiencies Nucleus is bringing to the market as clients can trade international shares on brokerage that is as low as 0.15%. This means future contributions are fully invested for cents on the dollar. Nucleus charges a low management fee of 0.64% plus a third party platform fee. This is significantly lower than a typical super fund and not much more than a passive fund like an ETF.

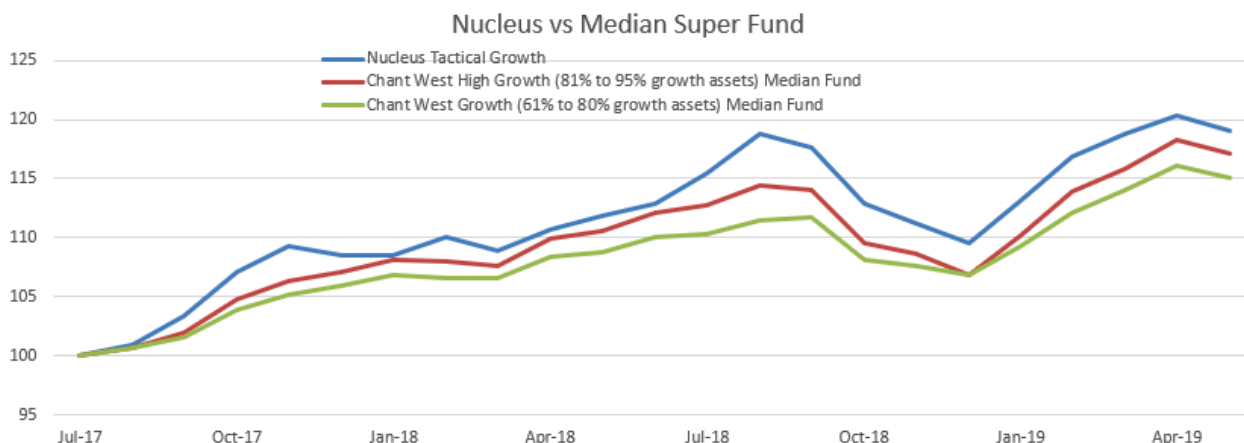
**Total Transparency:** Unlike most active funds or ETFs, clients can see every stock, bond and trade related to their portfolio as Nucleus uses a separately managed account (SMA) structure, which also brings **better tax efficiencies for individual clients.**

**Proprietary Research:** Nucleus provides research for every stock held in the client portfolio at a click of a button so they know why each stock has been included.

**Proven Management:** Key management has decades of experience in equities and asset management as they have come from the senior ranks of Schroders and AMP.

## Performance

Tactical Asset Allocation Portfolios																		
Performance Inception Date 1/8/17	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	3 Mth	6 Mths	1 Year	2 Year pa.	Since Inception pa.
<b>Tactical Growth</b>	1.0%	0.9%	2.3%	2.9%	-1.0%	-4.1%	-1.5%	-1.5%	3.3%	3.3%	1.6%	1.3%	-1.1%	1.8%	7.1%	6.5%	9.5%	9.5%
<b>Tactical Foundation</b>	1.0%	0.9%	1.0%	2.2%	0.1%	-2.4%	-1.0%	-1.2%	2.4%	2.3%	1.9%	0.8%	0.4%	3.2%	6.8%	7.6%	8.2%	8.2%
<b>Tactical Accumulation</b>	1.0%	0.4%	0.7%	1.3%	-0.5%	-0.9%	-0.5%	0.6%	1.6%	1.5%	2.0%	-0.2%	1.2%	3.0%	6.8%	7.3%	6.4%	6.4%
<b>Tactical Income</b>	0.9%	0.3%	0.4%	0.9%	-0.4%	-0.1%	-0.1%	0.9%	1.2%	1.4%	2.0%	-0.2%	1.2%	3.0%	6.7%	7.8%	5.8%	5.8%
Direct Share Portfolios																		
<b>International Shares</b>	1.0%	1.3%	3.7%	4.6%	-1.0%	-6.5%	-1.9%	-3.2%	4.6%	5.4%	1.0%	3.3%	-4.3%	-0.2%	6.6%	6.4%	12.2%	12.2%
<b>Australian Shares</b>	2.0%	2.2%	2.9%	0.9%	-1.7%	-5.0%	-3.9%	-0.3%	4.0%	3.7%	1.9%	2.9%	1.3%	6.2%	14.3%	8.8%	9.3%	9.3%



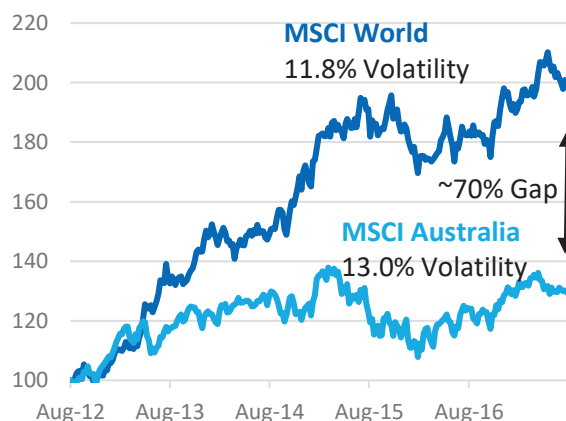
## Why international exposure is so important

The Australian share market is acknowledged as being too concentrated as financials and materials make up **nearly two-thirds of the S&P/ASX 200 Index**. In contrast, the two sectors make up less than a quarter of the World MSCI Index.

The lack of diversification impacts on risk adjusted returns for an ASX only portfolio. In recent times, not only have there been higher returns from international shares, but the risk has also been lower as the Australian dollar has been a shock absorber. **Nucleus expects these trends to continue and have positioned its investors to benefit.**

**Many investors accept they need to be better diversified** but are unable to do anything about it without paying significant fees for international exposure. This is why Nucleus is well positioned to improve the way Australians invest.

## Relative Returns and Volatility



## Management Team



### Damien Klassen, Head of Investments

Wealth of experience across international equities (Schroders), asset allocation (Wilson HTM) and co-founded Aegis Equities. 20+ years' experience in financial markets.



### Tim Fuller, Head of Operations

Certified Financial Planner that has worked for AMP and Mercer. Has an engineering degree from Melbourne University and a Master of Business (MBA).



### Radek Zeleny, Senior Analyst

Over 20 years' experience in analyst/quant roles across stockbroking/research houses that include BZW, ABN Amro, BBY and Aegis.



### David Llewellyn Smith, Asset Allocation

Runs prominent investment blog Macrobusiness and co-authored of The Great Crash of 2008 with Ross Garnaut. Chief Economics editor for the Diplomat magazine.