

# GLOBAL RISK PARITY+TREND INDEX (USD)



## Index Facts

<b>Index Inception</b> 31 December 2001*	<b>Base Index Value</b> 100.00	<b>Number of Constituents</b> 18 ETFs	<b>Geographical Allocation</b> Global
<b>Index Base Currency</b> US Dollar	<b>Current Index Value</b> 526.39	<b>Rebalance Frequency</b> Monthly	<b>Asset Class / Strategy</b> Multi-Asset / Risk Parity + TS Momentum

The Global Risk Parity+Trend Index (USD) is a US Dollar based index that represents a systematic momentum-driven global dynamic asset allocation strategy. The index provides exposure to the 5 major asset classes (equities, property, commodities, fixed income and cash) by making long only allocations to up to 18 underlying indexes with a core focus on US Dollar assets. The index is quant driven and follows a rigid and predetermined mathematical process or algorithm. All allocation & weighting decisions are systematic i.e. rules-based and are driven by time-series momentum indicators and expected volatility factors. The allocation percentages are dynamic and unconstrained and the index has the option to go to 100% cash in certain market environments. The index is re-weighted on a monthly basis and index allocations are risk parity weighted which focuses on equalising each allocation's contribution to total risk. The index represents a long-only absolute return strategy that seeks to generate enhanced risk-adjusted returns by managing downside risk while participating meaningfully in upward trending markets. The index can be tracked by trading a basket of ETFs thereby creating a liquid alternative strategy in the form of an ETF Managed Portfolio. **Broad-based securities indexes cannot be invested in directly, and are not subject to fees and expenses typically associated with managed accounts or investment funds.**

## Index Returns

	1 Month	3 Month	1 Year	5 Year Ann.	7 Year Ann.	10 Year Ann.	Ann. Since Incep.
<b>Global Risk Parity+Trend Index (USD) Gross</b>	<b>1.52%</b>	<b>1.15%</b>	<b>-12.94%</b>	<b>3.92%</b>	<b>6.24%</b>	<b>5.12%</b>	<b>8.12%</b>
HFRI Macro Systematic Diversified Index	n/a	-4.53%	-2.57%	3.84%	1.93%	2.22%	4.68%
Bloomberg Barclays US Aggregate Index (Gross Acc)	2.54%	2.96%	-4.78%	0.91%	0.88%	1.36%	3.53%
S&P 500 Index (Gross Acc)	3.67%	7.50%	-7.73%	11.19%	12.43%	12.24%	8.28%
US BLS CPI + 4% Index	n/a	0.00%	-0.76%	5.99%	6.13%	5.73%	0.00%

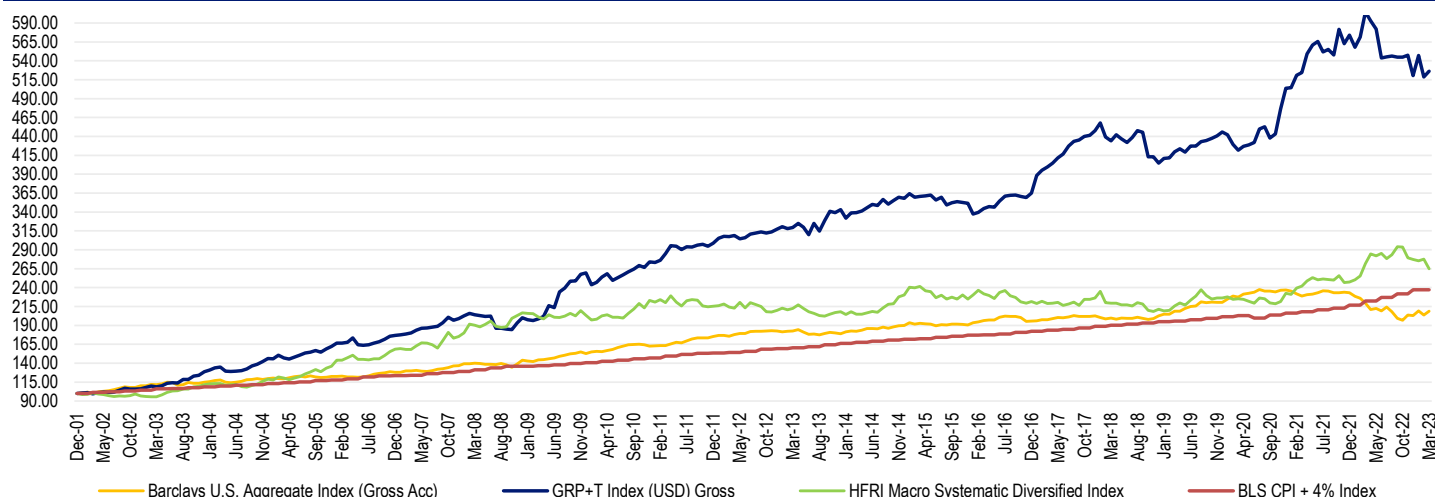
NOTE: All returns greater than 1 year are annualised (Ann.)

## Index Statistics

	Volatility	Max Drawdown	Max Gain	Max Loss	Sortino Ratio	Sharpe Ratio
<b>Global Risk Parity+Trend Index (USD) Gross</b>	<b>7.89</b>	<b>-14.24%</b>	<b>29.16%</b>	<b>-10.06%</b>	<b>0.60</b>	<b>0.65</b>
HFRI Macro Systematic Diversified Index	7.72	-13.64%	18.48%	-7.06%	0.24	0.22
Bloomberg Barclays US Aggregate Index (Gross Acc)	3.99	-17.18%	8.98%	-9.74%	0.13	0.13
S&P 500 Index (Gross Acc)	15.16	-50.95%	45.76%	-29.65%	0.30	0.35

NOTE: Statistics (annualised) are measured using monthly returns from 31/12/2001 to last month end and use a risk free rate of 3.0%

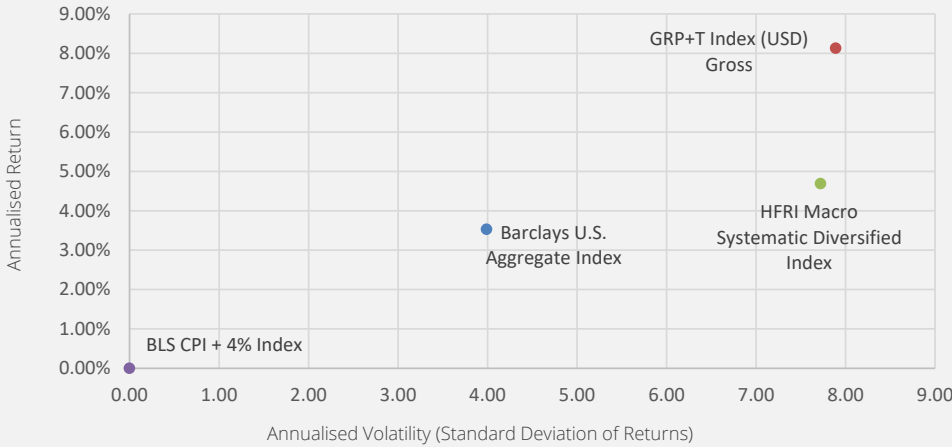
## Index Value Chart



GLOBAL RISK PARITY+TREND INDEX (USD)



Risk vs. Return

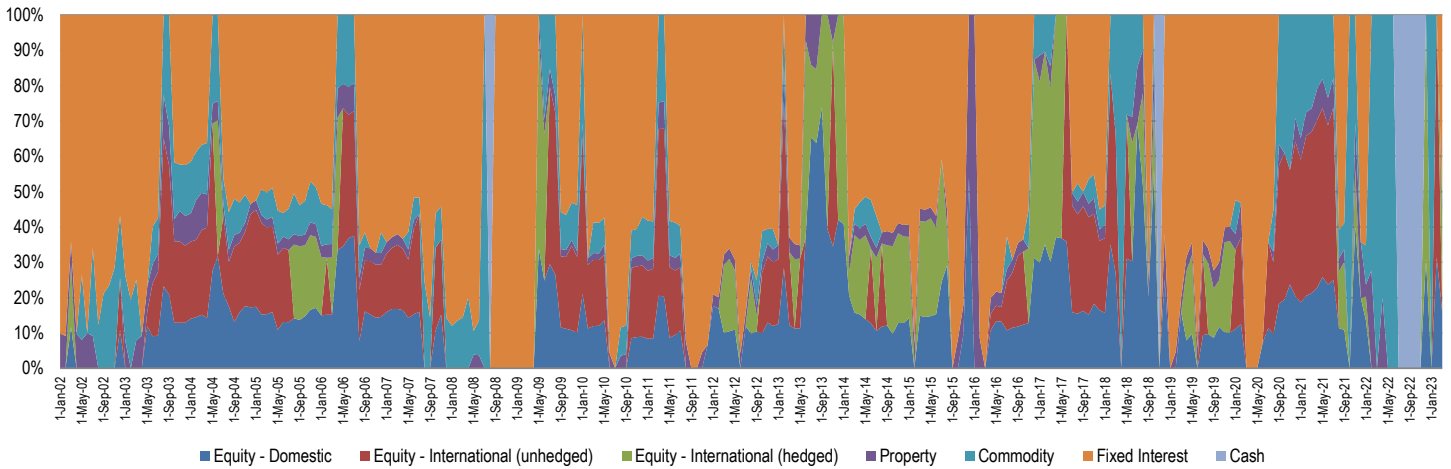


Index Constituents

- SPDR S&P 500
- iShares Russell Mid-Cap
- Vanguard Small-Cap
- iShares MSCI Emerging Markets
- SPDR S&P Emerging Asia Pacific
- iShares S&P Latin America 40
- iShares Currency Hedged MSCI EAFE
- iShares Currency Hedged MSCI EM
- iShares DJ U.S. Real Estate
- Powershares DB Agriculture
- Powershares DB Base Metals
- Powershares DB Energy
- Powershares DB Precious Metals
- iShares Core Total U.S. Bond
- iShares Core U.S. Treasury Bond
- iShares iBoxx Investment Grade Corp. Bond
- iShares iBoxx High Yield Corp. Bond
- PIMCO Enhanced Short Maturity

NOTE: Statistics (annualised) are measured using monthly returns from 31/12/2001 to last month end

Historic Asset Allocation



Disclosures

Broad-based securities indexes cannot be invested in directly, and are not subject to fees and expenses typically associated with managed accounts or investment funds.

**Past performance does not guarantee future results.** No representation is being made that any investment will achieve performance similar to those shown. All information is provided strictly for educational and illustrative purposes only. The information provided is not intended for trading purposes, and should not be considered investment advice. The material contained in this document is for information purposes only. This material is not intended as an offer or solicitation for the purchase or sale of any security or financial instrument, nor is it advice or a recommendation to enter into any transaction. Newport Private Wealth Pty Ltd ("NPW") and its related entities do not warrant the accuracy of the information provided herein, either expressed or implied, for any particular purpose. Performance results are expressed in US Dollars and is that of an index. Past performance is no guarantee of future performance and is not indicative of a specific investment. Actual investment results may differ. This fact sheet provides historical performance numbers and a description of the index strategy and style.

\*From Index Inception to 30 September 2013 index data is used for index calculation. From 1 October 2013 onwards, constituent ETF data is used for index calculation. The index was not calculated by an independent calculation agent. The hypothetical back tests for the NPW Indices utilise certain historical data provided by third parties, which are used by permission, and which are not warranted or represented to be complete or accurate. A back test is an indication of how an index would have performed in the past if it had existed. Hypothetical back tested performance has inherent limitations.

Investors should be aware of the risks associated with data sources and quantitative processes used in our investment management process. Errors may exist in data acquired from third party vendors, the construction of model portfolios, and in coding related to the index and portfolio construction process. While NPW takes steps to identify data and process errors so as to minimise the potential impact of such errors on index and portfolio performance, we cannot guarantee that such errors will not occur.

The **Barclays U.S. Aggregate Index** is a broad-based bond index comprised of government, corporate, mortgage and asset-backed issues, rated investment-grade or higher and having at least one year to maturity. The **HFR1 Macro Systematic Diversified Index** is a global, equal-weighted index of single-manager funds that run investment processes typically as function of mathematical, algorithmic and technical models, with little or no influence of individuals over the portfolio positioning. Strategies typically employ quantitative process which focus on statistically robust or technical patterns in the return series of the asset, and typically focus on highly liquid instruments and maintain shorter holding periods than either discretionary or mean reverting strategies. Constituent funds report monthly net of all fees performance in US Dollars. The **US Cash + Inflation Index** is calculated by NPW and represents a hypothetical investment return if an investor was able to receive the monthly returns corresponding to the annualised rate of inflation and the US Fed cash rate target.

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