

# Weinberg Private Moderate Portfolio

## Investment Update

Domestic and global share markets capped off the calendar year with another positive quarter. Investors were encouraged by an improving economic outlook, undoubtedly aided by accommodating central banks. Having started the year with hiking biases, central banks around the globe continued to cut rates in response to worries about slowing global growth and trade tensions between the United States and China.

Despite losing steam in December, the Australian share market rose over the quarter, with mid-sized companies outperforming. Most sectors produced solid gains, with healthcare the standout following a strong reporting season. Financial stocks were hit the hardest over the quarter as major banks released poor profit results.

Global share markets outperformed the domestic share market, recording strong gains over the quarter, with several markets hitting all-time highs in November. Although all regions posted gains, Chinese equities were the best performing, as a 'Phase One' trade deal was reached with the US in December. In terms of sectors, more growth orientated shares outperformed, with Information Technology and Healthcare the best performers.

In Fixed Income markets, notwithstanding strong calendar year returns, government bonds sold off aggressively as yields rose (prices fall) in December. Australian 10-year yields rose more than their US counterparts over the quarter, after the Reserve Bank of Australia signalled a pause in the current easing cycle and better than expected labour force data was released. Corporate debt outperformed government debt over the quarter, with riskier high yield debt outperforming investment grade debt.

Often viewed as bond proxies, global and domestic listed property were both impacted by rising bond yields, selling off in December and consequently the quarter. In contrast, domestic and global listed infrastructure performed well over the quarter.

## Market Indicators

Market	End of Quarter Value	Quarter Change	12 Month Change
<b>Australian Shares</b>			
All Ordinaries Index	6,802.40	0.03%	19.14%
S&P/ASX 200	6,684.10	-0.06%	18.38%
<b>Commodities</b>			
US\$ Gold Price	1,520.50	3.17%	18.66%
US\$ Iron Ore Price	92.00	-1.08%	28.67%
US\$ Oil Price – W Texas Crude	61.08	12.96%	35.10%
<b>Exchange Rates</b>			
AUD / EUR	0.63	1.35%	1.23%
AUD / GBP	0.53	-2.70%	-4.01%
AUD / JPY	76.16	4.70%	-2.27%
AUD / USD	0.70	3.81%	-0.74%
<b>Interest Rate</b>			
10 Year Bond Rate (%)	1.39	0.43%	-0.93%
Overnight Cash Rate (%)	0.75	-0.25%	-0.75%
<b>Property</b>			
ASX 300 Property Index	1,557.37	-2.34%	14.16%
<b>Regional Shares</b>			
Dow Jones Industrials (US)	28,538.44	6.02%	22.34%

Market	End of Quarter Value	Quarter Change	12 Month Change
FTSE 100 (UK)	7,542.44	1.81%	12.10%
Hang Seng (Hong Kong)	28,189.75	8.04%	9.07%
S&P 500 (US)	3,230.78	8.53%	28.88%
STOXX 50 (EUR)	415.84	5.77%	23.16%
TOPIX (Japan)	1,721.36	8.41%	15.21%

## Portfolio Enhancements

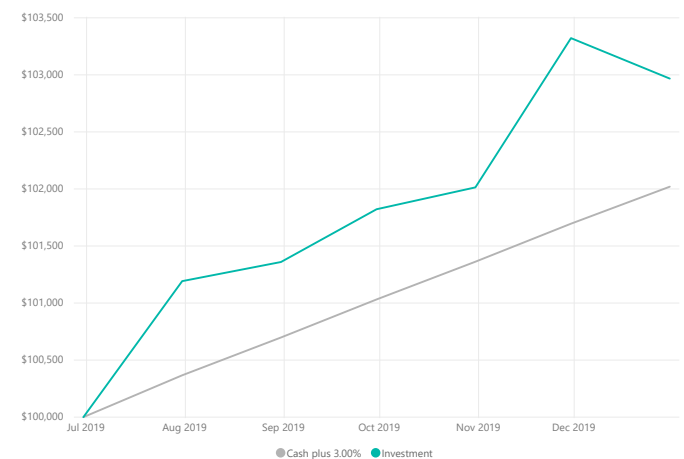
We remain comfortable with the current structure of the portfolio. No changes were made to this portfolio this quarter.

## Portfolio Statistics

### Returns (% p.a)

Name	1 Mth	3 Mths	6 Mths	Inception
Investment	-0.34%	1.12%	2.97%	2.97%
Cash plus 3.00%	0.32%	0.98%	2.02%	2.02%

## Growth of \$100,000



This chart displays the growth of a \$100,000 investment in the portfolio at its inception. This is measured against the portfolio's Cash Plus objective as represented by the Ausbond Australian Bank Bill Index (a proxy for short term domestic cash investment) as listed in the Appendix.

## Equity Holdings Dashboard

### Australian Equity Managers Aggregated Top 10 Equity Holdings

Top Stock Positions	Sector	% of Total	1 Yr Return
BHP Billiton	Basic Materials	5.51%	24.84%
CSL	Healthcare	5.24%	50.78%
Commonwealth Bank of Australia	Financials (ex Real Estate)	3.75%	16.89%
Westpac Banking Corporation	Financials (ex Real Estate)	3.46%	3.28%
National Australia Bank	Financials (ex Real Estate)	3.22%	8.99%
Macquarie Group	Financials (ex Real Estate)	2.94%	33.07%
Atlas Arteria	Industrials	2.61%	32.24%
Australia and New Zealand Banking Group	Financials (ex Real Estate)	2.35%	6.99%
Treasury Wine Estates	Consumer Non-Cyclicals	2.09%	12.17%



Top Stock Positions	Sector	% of Total	1 Yr Return
Rio Tinto	Basic Materials	2.05%	40.87%

This table displays the aggregated top 10 stock holdings of the Australian Equity fund managers held in this portfolio together with the 1 year return of each stock and its sector. Please note, that the stock may not have been held for the entire year by the managers.

### Global Equity Managers Aggregated Top 10 Equity Holdings

Top Stock Positions	Country	Sector	% of Total	1 Yr Return
MICROSOFT CORP.	Usa	Technology	2.51%	57.80%
ALPHABET INCO.	Usa	Technology	2.06%	29.30%
FACEBOOK INCO.	Usa	Technology	1.81%	56.80%
ALIBABA GROUP HLDG.LTD.	China	Technology	1.44%	54.97%
APPLE INCO.	Usa	Technology	1.43%	89.25%
NETEASE INCO.	China	Technology	1.31%	34.85%
VISA INCO.	Usa	Industrials	1.01%	43.53%
SAP AG	Germany	Technology	0.95%	37.47%
HONDA MOTOR CO.LTD.	Japan	Consumer Cyclical	0.90%	12.45%
XPO LOGISTICS INCO.	Usa	Industrials	0.88%	39.93%

This table displays the aggregated top 10 stock holdings of the International Equity fund managers held in this portfolio together with the 1 year return of each stock, its sector and the country it is listed in. Please note, that the stock may not have been held for the entire year by the managers.

## Regional Positioning Dashboard

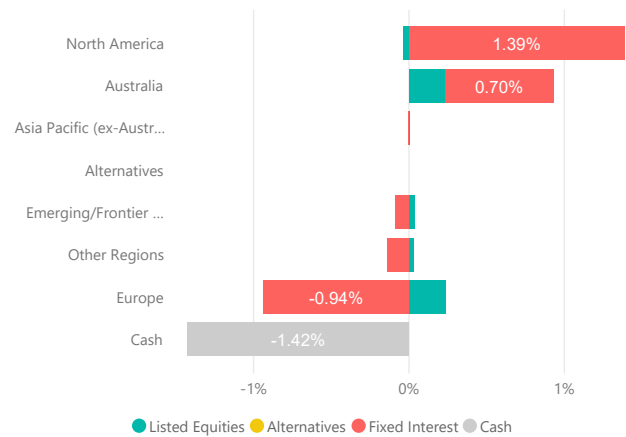
### Aggregated Regional Holdings

Asset Class Type	Investment	Benchmark	Active Exposure
<b>Defensive</b>	<b>52.22%</b>	<b>50.00%</b>	<b>2.22%</b>
<b>Fixed Interest</b>	<b>42.37%</b>	<b>33.29%</b>	<b>9.08%</b>
Asia Pacific (ex-Australia)	1.17%	1.71%	-0.54%
Australia	27.40%	15.52%	11.88%
Emerging/Frontier Markets	1.47%	2.53%	-1.06%
Europe	5.59%	7.46%	-1.88%
North America	6.10%	4.70%	1.41%
Other Regions	0.64%	1.38%	-0.74%
<b>Cash</b>	<b>9.85%</b>	<b>16.71%</b>	<b>-6.86%</b>
Cash	9.85%	16.71%	-6.86%
<b>Growth</b>	<b>47.78%</b>	<b>50.00%</b>	<b>-2.22%</b>
<b>Listed Equities</b>	<b>40.28%</b>	<b>46.00%</b>	<b>-5.72%</b>
Asia Pacific (ex-Australia)	2.53%	2.48%	0.05%
Australia	19.48%	26.97%	-7.48%
Emerging/Frontier Markets	1.44%	0.01%	1.43%
Europe	5.44%	4.59%	0.85%
North America	11.36%	11.87%	-0.51%
Other Regions	0.03%	0.08%	-0.05%
<b>Alternatives</b>	<b>7.50%</b>	<b>4.00%</b>	<b>3.50%</b>
Alternatives	7.50%	4.00%	3.50%
Not Disclosed	0.00%	0.00%	0.00%

This table displays the Aggregated Portfolio Exposures by Region at the end of the last calendar quarter end date. This is compared against the Benchmark regional exposures to find the ACTIVE DIFFERENCE between the Portfolio and Benchmark. A negative indicates an UNDERWEIGHT position relative to benchmark. a positive indicates an OVERWEIGHT position relative to benchmark.

At this point, with Alternatives and Multi Asset holdings we only display the quarterly change to these sectors in total. Cash holdings are typically held in domestic cash investments, therefore we do not break down this sector's exposure further by region.

### Change over Quarter by Region



This chart displays QUARTERLY changes in the REGIONAL Fixed Interest and Equity weightings based on the aggregated holdings of the managers held in this portfolio. At this point, with the Alternatives and Multi Asset holdings we only display the quarterly change to these sectors in total. Cash holdings are typically held in domestic cash investments, therefore we do not break down this sector's exposure further by region.

## Sector Positioning Dashboard

### Aggregated Sector Holdings

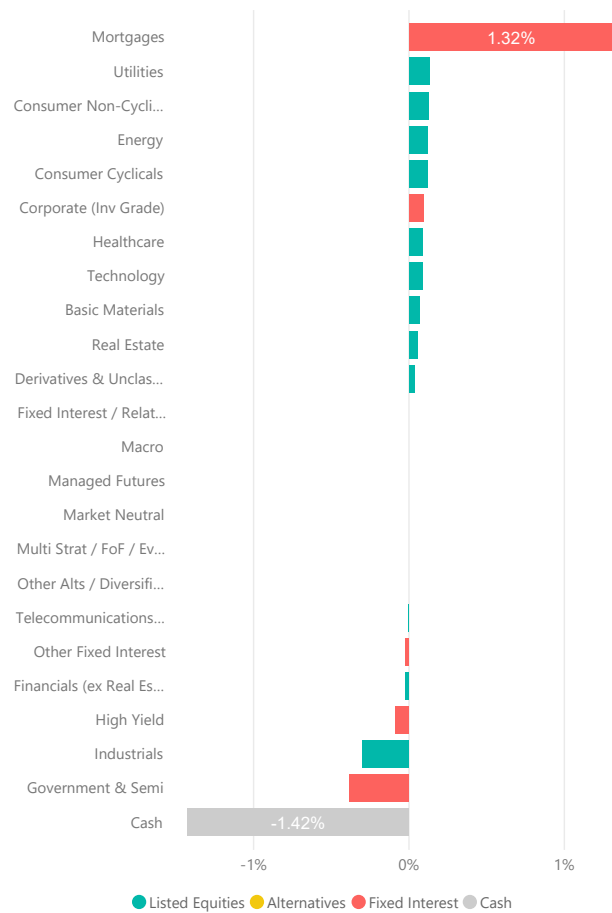
Asset Class Type	Investment	Benchmark	Active Exposure
<b>Growth</b>	<b>47.78%</b>	<b>50.00%</b>	<b>-2.22%</b>
<b>Alternatives</b>	<b>7.50%</b>	<b>4.00%</b>	<b>3.50%</b>
Other Alts / Diversified Funds	0.00%	0.00%	0.00%
Multi Strat / FoF / Event Driven	0.00%	1.08%	-1.08%
Market Neutral	0.00%	1.15%	-1.15%
Managed Futures	3.75%	0.36%	3.39%
Macro	3.75%	0.36%	3.39%
Fixed Interest / Relative Value	0.00%	1.05%	-1.05%
<b>Listed Equities</b>	<b>40.28%</b>	<b>46.00%</b>	<b>-5.72%</b>
Utilities	2.07%	1.18%	0.89%
Telecommunications Services	0.89%	1.09%	-0.20%
Technology	5.18%	3.80%	1.38%
Real Estate	6.51%	7.92%	-1.42%
Industrials	4.09%	3.73%	0.36%
Healthcare	3.29%	4.54%	-1.26%
Financials (ex Real Estate)	6.49%	9.80%	-3.30%
Energy	1.69%	1.94%	-0.25%
Derivatives & Unclassified	0.04%	0.08%	-0.04%
Consumer Non-Cyclicals	2.56%	2.75%	-0.18%
Consumer Cyclical	4.18%	3.74%	0.44%
Basic Materials	3.29%	5.44%	-2.15%
<b>Defensive</b>	<b>52.22%</b>	<b>50.00%</b>	<b>2.22%</b>
<b>Cash</b>	<b>9.85%</b>	<b>16.71%</b>	<b>-6.86%</b>
Cash	9.85%	16.71%	-6.86%
<b>Fixed Interest</b>	<b>42.37%</b>	<b>33.29%</b>	<b>9.08%</b>
Other Fixed Interest	1.71%	1.94%	-0.23%
Not Disclosed	0.00%	0.00%	0.00%

Asset Class Type	Investment	Benchmark	Active Exposure
Mortgages	4.90%	4.05%	0.85%
High Yield	0.31%	0.63%	-0.32%
Government & Semi	13.76%	21.28%	-7.52%
Corporate (Inv Grade)	21.68%	5.39%	16.30%
Not Disclosed	0.00%	0.00%	0.00%

This table displays the Aggregated Portfolio Exposures by Sector at the end of the last calendar quarter end date. This is compared against the Benchmark regional exposures to find the ACTIVE DIFFERENCE between the Portfolio and Benchmark. A negative indicates an UNDERWEIGHT position relative to benchmark. a positive indicates an OVERWEIGHT position relative to benchmark.

At this point, with Alternatives and Multi Asset holdings we only display the quarterly change to these sectors in total. Cash holdings are typically held in domestic cash investments, therefore we do not break down this sector's exposure further by sector.

### Change over Quarter by Sector



This chart displays QUARTERLY changes in the SECTOR Fixed Interest and Equity weightings based on the aggregated holdings of the managers held in this portfolio. At this point, with the Alternatives and Multi Asset holdings we only display the quarterly change to these sectors in total. Cash holdings are typically held in domestic cash investments, therefore we do not break down this sector's exposure further by sector.

## Appendix - Benchmarks Used in this Report

### Cash

The benchmark for cash is the Bloomberg AusBond Bank Bill Index.

### Disclaimer

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