

Weinberg Private Moderate Portfolio

Investment Update

Despite experiencing a pullback in August, investment markets generally performed well in the third quarter of 2019. Investors were encouraged by the actions and soothing words of global central banks, particularly the US Federal Reserve. Having stated that rates were likely to rise only six months ago, central banks started to cut rates in response to slowing global growth and trade tensions between the United States and China.

The Australian share market rose over the quarter, with smaller companies outperforming larger companies. All sectors rose over the quarter; however, the Consumer Staples and Consumer Discretionary sectors were the strongest performers.

Global share markets also broadly rose over the quarter, with Japanese and European shares the strongest performers. Japanese shares were boosted by easing trade tensions, while European equities were assisted by central bank action. In contrast to most developed markets, Chinese and Emerging market shares fell, weighed down by concerns around global and domestic growth. In terms of sectors, more defensive shares outperformed, with Utilities and Consumer Staples the best performers.

In Fixed Income markets, government bonds did well as yields fell (prices rise) over the quarter. Australian and US 10-year yields fell comparably over the quarter, on the back of both central banks indicating further rate cuts were likely. Corporate debt also performed over the quarter, with investment grade debt outperforming high yield debt. Despite improving sentiment, investors preferred the relative safety of higher quality debt.

Global and domestic listed property and infrastructure performed well over the quarter, due to the fall in government bond yields and a rising equity market.

Market Indicators

Market	End of Quarter Value	Quarter Change	12 Month Change
Australian Shares			
All Ordinaries Index	6,800.60	1.51%	7.51%
S&P/ASX 200	6,688.30	1.05%	7.74%
Commodities			
US\$ Gold Price	1,473.85	4.36%	23.70%
US\$ Iron Ore Price	93.00	-20.17%	33.81%
US\$ Oil Price – W Texas Crude	54.07	-7.16%	-26.18%
Exchange Rates			
AUD / EUR	0.62	0.00%	-0.47%
AUD / GBP	0.55	-0.85%	-0.56%
AUD / JPY	72.74	-3.71%	-11.25%
AUD / USD	0.67	-3.76%	-6.55%
Interest Rate			
10 Year Bond Rate (%)	0.96	-0.36%	-1.71%
Overnight Cash Rate (%)	1.00	-0.25%	-0.50%
Property			
ASX 300 Property Index	1,594.67	0.46%	12.86%
Regional Shares			
Dow Jones Industrials (US)	26,916.83	1.19%	1.73%
FTSE 100 (UK)	7,408.21	-0.23%	-1.36%
Hang Seng (Hong Kong)	26,092.27	-8.58%	-6.10%

Market	End of Quarter Value	Quarter Change	12 Month Change
S&P 500 (US)	2,976.74	1.19%	2.15%
STOXX 50 (EUR)	393.15	2.15%	2.60%
TOPIX (Japan)	1,587.80	2.36%	-12.63%

Portfolio Enhancements

Early in the quarter, several changes were implemented to the portfolio, specifically within the defensive part of the portfolio.

A new fund (the Ardea Real Outcome Fund) was added to provide further diversification to the manager line-up. The Fund's strategy isn't reliant on the broad direction of markets to generate returns and is expected to perform better in higher volatility environments.

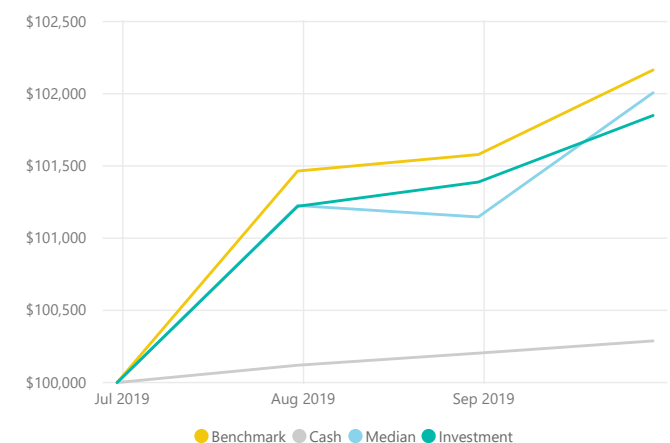
To make room for the allocation, two other funds (the Kapstream Absolute Return Income Fund and Pandal Enhanced Cash Fund) in the sleeve were down weighted. The changes were expected to reduce the exposure of the portfolio to corporate debt given the Ardea Fund is restricted from investing in this area; improve the range of market conditions under which the sleeve will perform, given volatility is likely to be higher going forward than the recent past; and provide a potential incremental enhancement to returns.

Portfolio Statistics

Returns (% p.a)

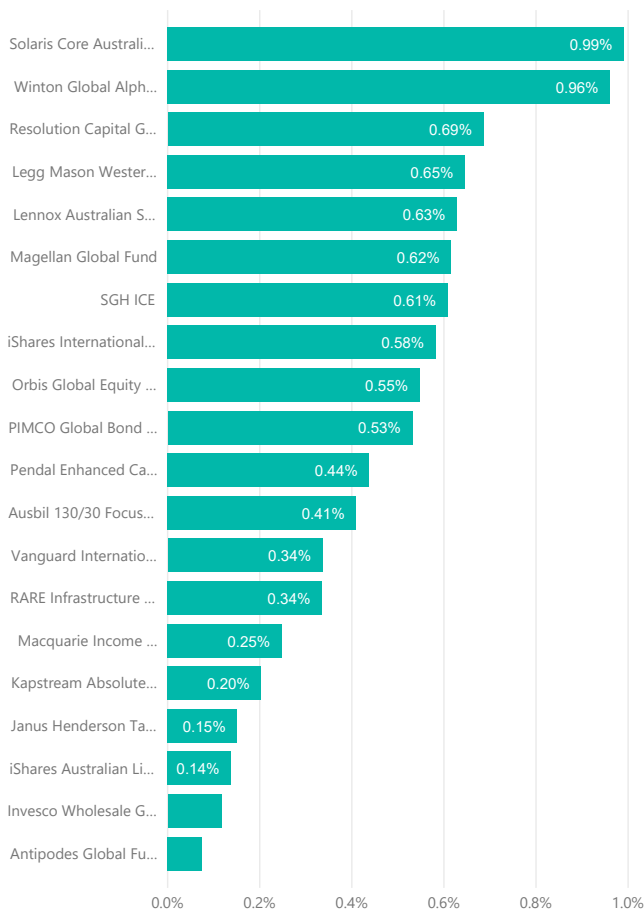
Instrument	1 Mth	3 Mths	Inception
Investment	0.45%	1.85%	1.85%
Benchmark	0.58%	2.16%	2.16%
Median	0.85%	2.01%	2.01%
Cash	0.08%	0.29%	0.29%

Growth of \$100,000



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

Fund Contribution to 1 Year Portfolio Return



This chart displays each investment held in the portfolio over the past 1 year together with its individual contribution to the overall portfolio's 1 year return.

Equity Holdings Dashboard

Australian Equity Managers Aggregated Top 10 Equity Holdings

Top Stock Positions	Sector	% of Total	1 Yr Return
BHP Billiton	Basic Materials	5.15%	16.42%
CSL	Healthcare	4.79%	17.64%
Westpac Banking Corporation	Financials (ex Real Estate)	4.11%	13.92%
Commonwealth Bank of Australia	Financials (ex Real Estate)	4.00%	19.88%
National Australia Bank	Financials (ex Real Estate)	3.84%	14.84%
Macquarie Group	Financials (ex Real Estate)	2.89%	9.00%
Australia and New Zealand Banking Group	Financials (ex Real Estate)	2.61%	7.44%
Atlas Arteria	Industrials	2.05%	16.32%
Aristocrat Leisure	Consumer Cyclical	1.99%	9.65%
James Hardie Industries	Basic Materials	1.95%	22.15%

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.	United States	Technology	2.39%	32.48%
ALPHABET INCO.	United States	Technology	2.04%	9.57%
FACEBOOK INCO.	United States	Technology	1.66%	16.16%
APPLE INCO.	United States	Technology	1.65%	8.10%
NETEASE INCO.	China	Technology	1.30%	26.50%
ALIBABA GROUP HLDG.LTD.	China	Technology	1.20%	8.89%
SAP AG	Germany	Technology	1.04%	3.97%
VISA INCO.	United States	Technology	1.00%	23.74%
XPO LOGISTICS INCO.	United States	Industrials	0.90%	-32.75%
CROWN CASTLE INTL.CORP.	United States	Real Estate	0.87%	38.76%

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

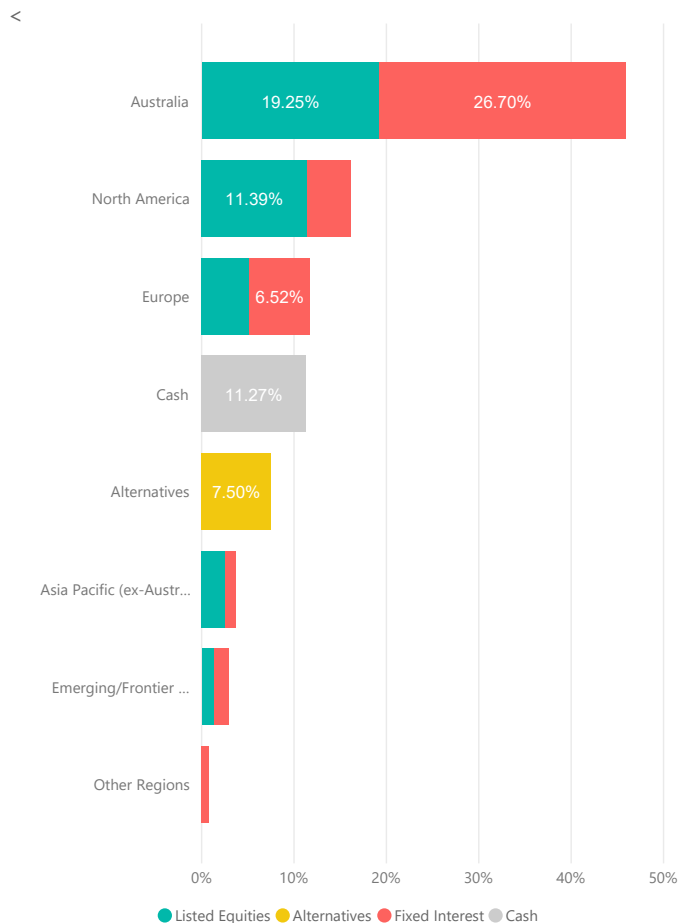
Aggregated Regional Holdings

Asset Class Type	Investment	Benchmark	Active Exposure
Defensive	52.72%	50.00%	2.72%
Fixed Interest	41.45%	34.77%	6.68%
Asia Pacific (ex-Australia)	1.17%	2.09%	-0.92%
Australia	26.70%	15.47%	11.23%
Emerging/Frontier Markets	1.56%	3.16%	-1.59%
Europe	6.52%	7.48%	-0.96%
North America	4.72%	5.14%	-0.42%
Other Regions	0.77%	1.44%	-0.66%
Cash	11.27%	15.23%	-3.96%
Cash	11.27%	15.23%	-3.96%
Growth	47.28%	50.00%	-2.72%
Listed Equities	39.78%	46.00%	-6.22%
Asia Pacific (ex-Australia)	2.52%	2.43%	0.09%
Australia	19.25%	27.10%	-7.84%
Emerging/Frontier Markets	1.40%	0.01%	1.39%
Europe	5.20%	4.51%	0.69%
North America	11.39%	11.94%	-0.55%
Other Regions	0.00%	0.00%	0.00%
Alternatives	7.50%	4.00%	3.50%
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

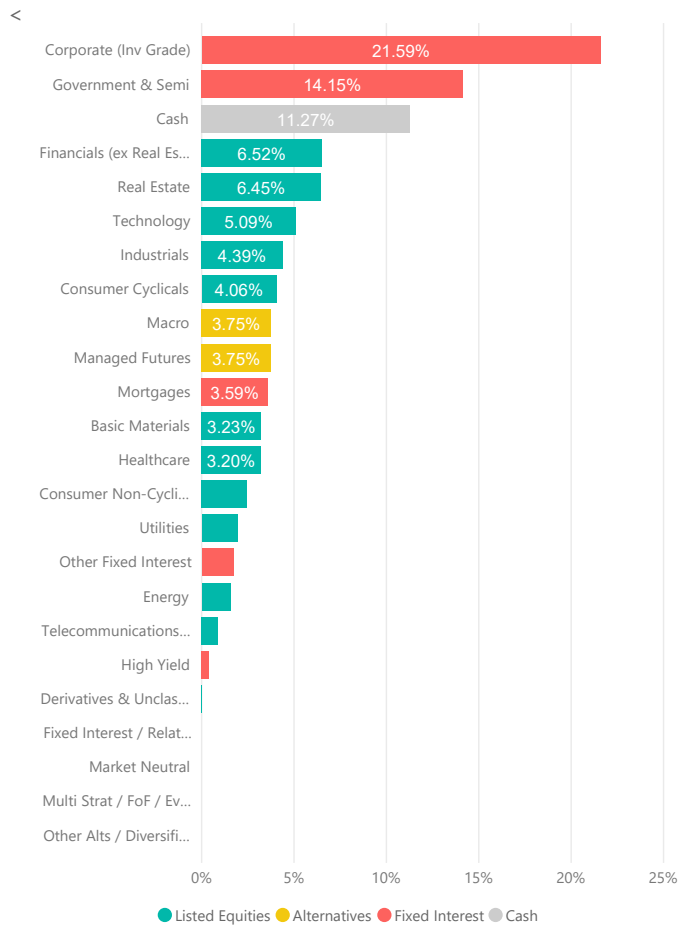
Asset Class Type	Investment	Benchmark	Active Exposure
Growth	47.28%	50.00%	-2.72%
Alternatives	7.50%	4.00%	3.50%
Other Alts / Diversified Funds	0.00%	0.00%	0.00%
Multi Strat / FoF / Event Driven	0.00%	1.06%	-1.06%
Market Neutral	0.00%	1.16%	-1.16%
Managed Futures	3.75%	0.36%	3.39%
Macro	3.75%	0.36%	3.39%
Fixed Interest / Relative Value	0.00%	1.06%	-1.06%
Listed Equities	39.78%	46.00%	-6.22%
Utilities	1.94%	1.20%	0.73%
Telecommunications Services	0.89%	1.12%	-0.22%
Technology	5.09%	3.60%	1.49%
Not Disclosed	0.00%	0.00%	0.00%

Asset Class Type	Investment	Benchmark	Active Exposure
Real Estate	6.45%	7.98%	-1.53%
Industrials	4.39%	3.72%	0.67%
Healthcare	3.20%	4.16%	-0.96%
Financials (ex Real Estate)	6.52%	10.42%	-3.90%
Energy	1.57%	1.90%	-0.33%
Derivatives & Unclassified	0.00%	-0.00%	0.00%
Consumer Non-Cyclicals	2.44%	2.88%	-0.44%
Consumer Cyclicals	4.06%	3.75%	0.31%
Basic Materials	3.23%	5.26%	-2.04%
Defensive	52.72%	50.00%	2.72%
Cash	11.27%	15.23%	-3.96%
Cash	11.27%	15.23%	-3.96%
Fixed Interest	41.45%	34.77%	6.68%
Other Fixed Interest	1.73%	2.89%	-1.16%
Mortgages	3.59%	3.63%	-0.04%
High Yield	0.40%	0.60%	-0.20%
Government & Semi	14.15%	22.19%	-8.04%
Corporate (Inv Grade)	21.59%	5.47%	16.12%
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

Benchmark

To appropriately benchmark the performance of each portfolio, Zenith has created a series of composite benchmarks. These benchmarks are based off average asset allocations of the universe of diversified funds that broadly match the risk/return profile and asset allocation of each portfolio. The average asset allocations are reviewed and updated on an annual basis. The composite benchmark returns are calculated by multiplying these average asset allocations by the relevant benchmark for each asset class. Zenith then compares portfolio performance against the composite benchmarks to determine the value add of the portfolios.

Cash

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

Disclaimer

This document has been prepared by Zenith Investment Partners (ABN 27103132672, AFSL 226872) (Zenith). This document is limited to "General Advice" (as defined by section 766B of Corporations Act 2001) for Wholesale clients. This advice has been prepared without taking into account the objectives, financial situation or needs of any specific person who may read it. It is not a specific recommendation to purchase, sell or hold any product(s). Zenith advises that investors should seek their own independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation or needs. Past performance is not indicative of future performance and forecasts regarding future performance may not occur. Zenith accepts no liability or loss in relation to the inclusion of investment products that do not hold current Zenith Approved or above Investment Rating or are not consistent with Zenith's recommended asset allocation advice. Full details regarding Zenith's methodology, conflicts of interest policy, ratings spread and definitions are available on our website at www.zenithpartners.com.au/RegulatoryGuidelines © 2019 Zenith Investment Partners. All rights reserved.