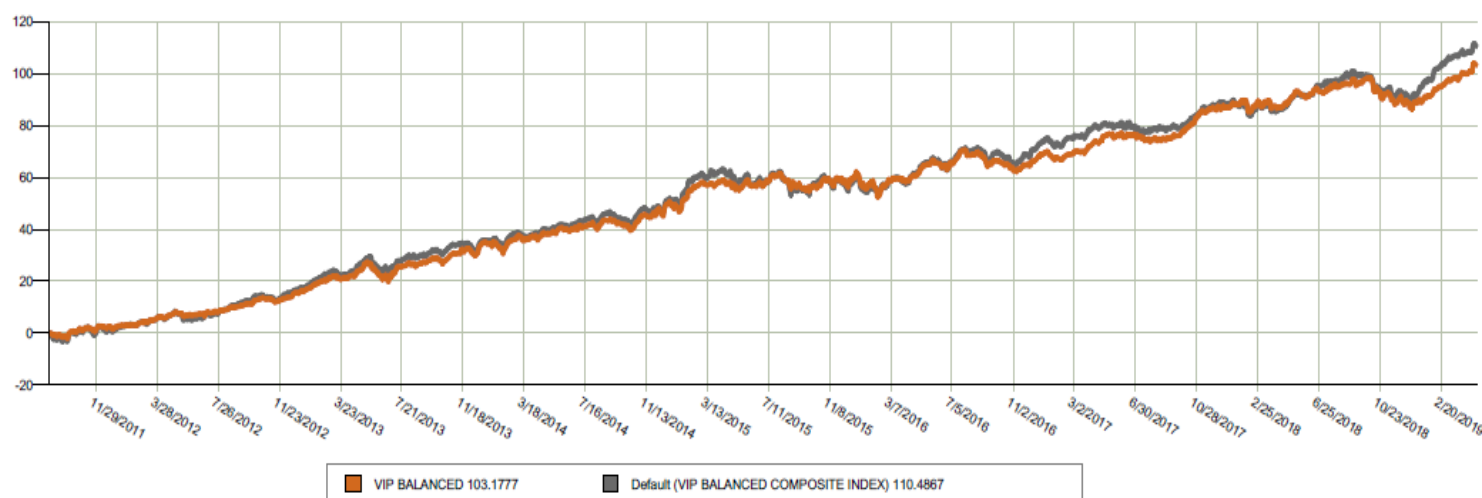


Investment Objective

The aim of the *VIP Balanced Portfolio* is to provide investors with a combination of capital growth and income over the medium to long term from investment within a diversified portfolio of growth assets (60% allocation to Australian shares, International shares, and property securities) and defensive assets (40% allocation to fixed interest and cash). The portfolio is composed of 30 – 60 securities and consists of ASX listed securities, Exchange Traded Funds (ETFs), Listed Investment Companies (LICs), Managed Funds, Government and Semi Government Bonds, Term Deposits and Cash.

Total Portfolio Performance (%)



Portfolio Performance Review

The VIP Balanced portfolio generated a 2.22% return **pre-fees** in April, and 6.12% return **pre-fees** in the quarter. Over the last year the portfolio has generated an 6.91% return **pre-fees** and underperformed against the benchmark by 4.08%. The **post-fees** returns for the *Investment* and *Superannuation & Pension* portfolios are shown in **blue** in the table below.

Trailing Percentage Returns Against the Benchmark

	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year
VIP Balanced Gross Returns	2.22	6.12	5.80	6.91	11.49	11.57
VIP Balanced Super-Pension Net Returns	2.15	5.92	5.40	6.11	10.69	10.77
VIP Balanced Investment Net Returns	2.11	5.78	5.13	5.56	10.14	10.22
VIP Balanced Composite Index	1.36	6.67	8.67	10.99	13.08	12.35

	% End Weight	Tot Rtn 1M	Tot Rtn 3M	Tot Rtn 6M	Tot Rtn 1Y	Total Return YTD (%)	Tot Rtn 5Y (A)
VIP BALANCED	100.00	2.22	6.12	5.80	6.91	7.38	7.98
AREITs	10.00	0.09	10.82	10.82	10.82	10.82	14.80
Australian Equities	21.18	2.68	5.87	4.17	0.66	5.65	10.03
CASHLiquid	5.82	0.16	0.50	0.99	2.02	0.68	2.12
Fixed Income	35.00	0.60	2.18	3.05	4.76	2.99	4.39
International Equities	28.00	5.09	12.14	11.87	14.14	16.66	14.18

Economic & Market Commentary

Domestic and international markets have been steadily positive over the month of April. Despite uncertainty still existent in the wider economy, data out of key countries has spurred on markets for the month. The US economy recorded its 103rd month of adding jobs to the economy, with 263,000 jobs in April. As such, the S&P 500 posted a 4.05% rise for the month. Japan's Nikkei 225 recorded a 4.97% result, and the UK's FTSE 100 2.31%. In Australia, the IMF forecasted Australia's real GDP to grow at an average rate of 2.7% per year between 2020 and 2024, the highest growth rate for advanced economies. The S&P/ASX 200 index recording a 2.37% rise, continuing the positive trend from last month.

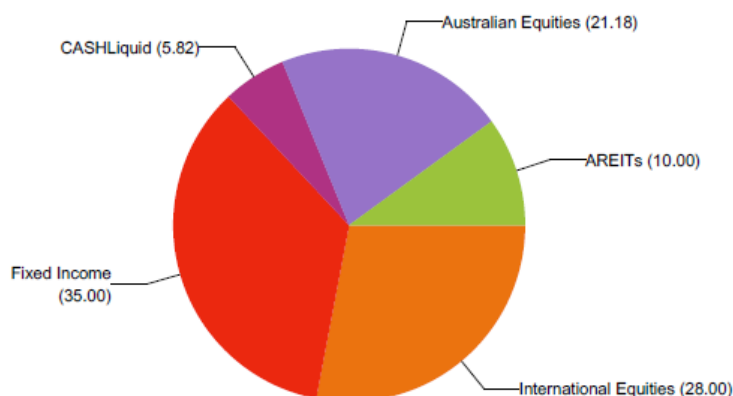
Reports out of the US have stated that China has taken a backwards step in negotiations with the US regarding the trade war. While discussions have thus far been productive if not slow, US trade representative Robert Lighthizer has this week accused China of trying to change the text of the US-China agreement that was otherwise nearing its final stages. Typically, President Trump reacted erratically, tweeting that the current 10% tariff would rise to 25% and \$325 of untaxed goods could also face the 25%. His actions sent the Shanghai Composite down 5.6%, while the Dow Jones dipped 1.8% early before recovering to close down 0.3%.

As a result of the UK extending Brexit until the 31st of October, they will participate in the European elections on the 23rd of May. Until October, the Brexit discussions so far would suggest we could easily see significant inaction until that date.

Meanwhile, Australia has been working its way through the last fortnight of the Federal Election, with Labor enforcing their focal point of a 'fair go' for Australia and that Morrison government is 'only for big end of town.' In contrast, the Coalition continues to push their message that only a Liberal-led government can be trusted to manage the Australian economy. Although consensus among investor groups has believed Labor will win for some time, the latest Newspoll suggests that the race is beginning to tighten with the results showing a 51% to Labor and a 49% to the Coalition, a 1% change towards the middle since the last poll. While a Labor government will no doubt be detrimental for the world of investment, it isn't believed that the market will see a prolonged period of doom given that a Bill Shorten-led Australia has been priced into the market since the leadership coup in the Coalition party.

While the world continues to post gains amidst uncertainty with the US-China trade war and Brexit, it can be said that there is much more reason for a positive outlook for 2019 if the parties involved are able to reach an agreement.

Tactical Asset Allocation & Risk/Return



Australian Shares Leaders Blend Portfolio Performance & Portfolio Adjustments

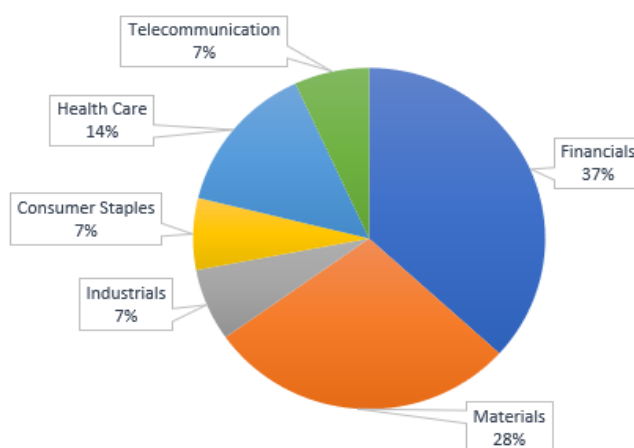
The VIP Australian Share Leaders portfolio generated 2.06% pre-fees return for the month and 4.20% over the last 3 months. The portfolio underperformed against the S&P/ASX 200 index over the month by 0.28% and underperformed by 5.14% over the quarter. Over the last year, the portfolio has generated a -1.97% return pre-fees underperforming the ASX 200 index by 12.51%. The **post-fees** returns for the *Investment* and *Superannuation & Pension* portfolios are shown in **blue** in the table below.

The **Top Contributors** were Treasury Wines Estates 15.20%, REA Group 6.96%, and Westpac Banking Group 6.13%. The **Top Detractors** were South32 -10.46%, Alumina -7.44%, and BHP Group -2.83%.

In April the Investment Committee sold half of the holding in Treasury Wine Estates to crystalize the gains made this month, and invested that weighting in Woolworths.

VIP Australian Share Leaders Blend Holdings & Sector Exposure

	% End Weight
VIP AUSTRALIAN SHARE LEADERS BLEND	100.00
WOOLWORTHS GROUP LTD	3.46
TREASURY WINE ESTATES LTD	3.48
ALUMINA LTD	3.60
WESTERN AREAS LTD	3.60
SANDFIRE RESOURCES NL	3.67
SONIC HEALTHCARE LTD	3.72
RAMSAY HEALTH CARE LTD	3.73
SEEK LTD	6.80
REA GROUP LTD	6.80
RESMED INC-CDI	7.00
SOUTH32 LTD	7.31
COMMONWEALTH BANK OF AUSTRAL	9.21
MACQUARIE GROUP LTD	9.24
WESTPAC BANKING CORP	9.25
AUST AND NZ BANKING GROUP	9.26
BHP GROUP LTD	9.89



International Shares Portfolio Performance & Portfolio Adjustments

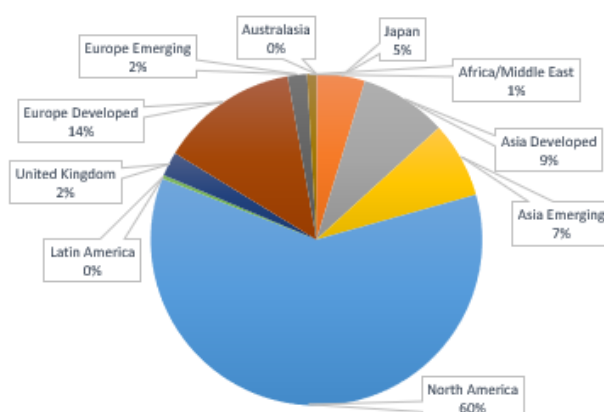
The VIP International Share Portfolio generated a 4.98% return for the month **pre-fees** and 10.92% over the last 3 months. In doing so the portfolio outperformed against the MSCI World Ex Aus (AUD) index by 0.42% for the month and underperformed by 1.10% over the quarter. Over the last year, the portfolio has generated a 12.82% return and underperformed against the index by 1.46%. The **post-fees** returns for the *Investment* and *Superannuation & Pension* portfolios are shown in **blue** in the table below.

The **Top Contributors** were Loftus Peak Global Disruption 6.50%, Magellan Global 5.02%, and Alliance Bernstein 4.99%. The **Top Detractors** was Platinum International 4.00%.

In April, the Investment Committee made no changes to the portfolio.

VIP International Equity Holdings & Region Exposure

	% End Weight
VIP INTERNATIONAL	100.00
BBG AUB Bank Bill	1.91
LOFTUS PEAK GLOBAL DISRUPTN	18.47
PLATINUM INTERNATIONAL FUND	19.80
ALLIANCEBERNSTEIN GLB EQ FD	29.82
MAGELLAN GLOBAL FD	30.00



Properties Security Portfolio Performance & Portfolio Adjustments

The VIP Property Securities portfolio generated a -0.10% return for the month **pre-fees** and 11.53% over the last 3 months. The portfolio outperformed the S&P/ASX 200 A-REIT index during the month by 2.46% and outperformed over the quarter by 6.21%. Over the last year, the portfolio has generated a 37.95% return and outperformed the index by 20.64%. The **post-fees** returns for the *Investment* and *Superannuation & Pension* portfolios are shown **in blue** in the table below.

The **Top Contributors** were Arena REIT 5.40%, Cromwell Property Group 2.74%, and Goodman Group - 1.42%. The **Top Detractor** was Charter Hall -4.48% In April, the Investment Committee made no changes to the portfolio.

VIP Property Security Holdings & Risk/Return

	% End Weight
VIP PROPERTY SECURITIES	100.00
CROMWELL PROPERTY GROUP	19.30
DEXUS	19.35
ARENA REIT	20.19
GOODMAN GROUP	20.24
CHARTER HALL GROUP	20.92



Fixed Interest Portfolio Performance & Portfolio Adjustments

The VIP Fixed Interest portfolio generated a 0.40% return for the month **pre-fees** and 2.77% over the last 3 months. This was against the Bloomberg AusBond Composite index return of 0.28% over the month and 3.07% over the quarter. The portfolio outperformed the index by 0.12% over the month and underperformed by 0.30% over the last 3 months. The **post-fees** returns for the *Investment* and *Superannuation & Pension* portfolios are shown **in blue** in the table below.

The **Top Contributor** was Realm High Income Fund 0.71%. The **Top Detractor** was iShares Composite Bond Fund 0.30%. In April, the Investment Committee made no changes to the portfolio.

VIP Fixed Interest Holdings & Returns

	% End Weight	Tot Rtn 1M	Tot Rtn 3M	Tot Rtn 6M	Tot Rtn 1Y	Total Return YTD (%)	Tot Rtn 5Y (A)
VIP FIXED INTEREST	100.00	0.40	2.77	4.59	6.71	3.57	3.32
REALM HIGH INCOME FUND-WHL	24.53	0.71	1.82	2.12	3.57	2.63	4.11
ISHARES CORE COMPOSITE BOND	75.47	0.30	3.08	5.41	7.77	3.88	2.99

Value Investment Partners Pty Ltd is a Corporate Authorised Representative (Representative No.: 409849) ABN 72 149 815 707 of Sterling Managed Investments Pty Ltd, Australian Financial Services Licensee (AFSL 340744). This document has been prepared for general information purposes only and not as specific advice to any particular person. Any advice contained in this document is General Advice and does not take into account any person's investment objectives, financial situation and particular needs. Before making any investment decision based on this advice, you should consider, with or without the assistance of a securities adviser, whether it is appropriate to your particular investment needs, objectives and financial circumstances. A Product Disclosure Statement and/or Investment Options Document on any financial product mentioned in this document should also be obtained and read prior to proceeding with an investment decision. Futuro Financial Services and its representatives may have an interest or associations with the product providers detailed in this report, and will be entitled to receive remuneration for the provision of personal financial product advice by means of commissions and/or fees and other benefits. If you proceed with personal advice, details of remuneration and associations will be detailed in full within a Financial Services Guide and Statement of Advice. Although every effort has been made to verify the accuracy of the information contained in this document, Futuro Financial Services Pty Ltd, its officers, employees and agents disclaim all liability (except for any liability which by law cannot be excluded), for any error, inaccuracy in, or omission from the information contained in this document or any loss or damage suffered by any person directly or indirectly through relying on this information