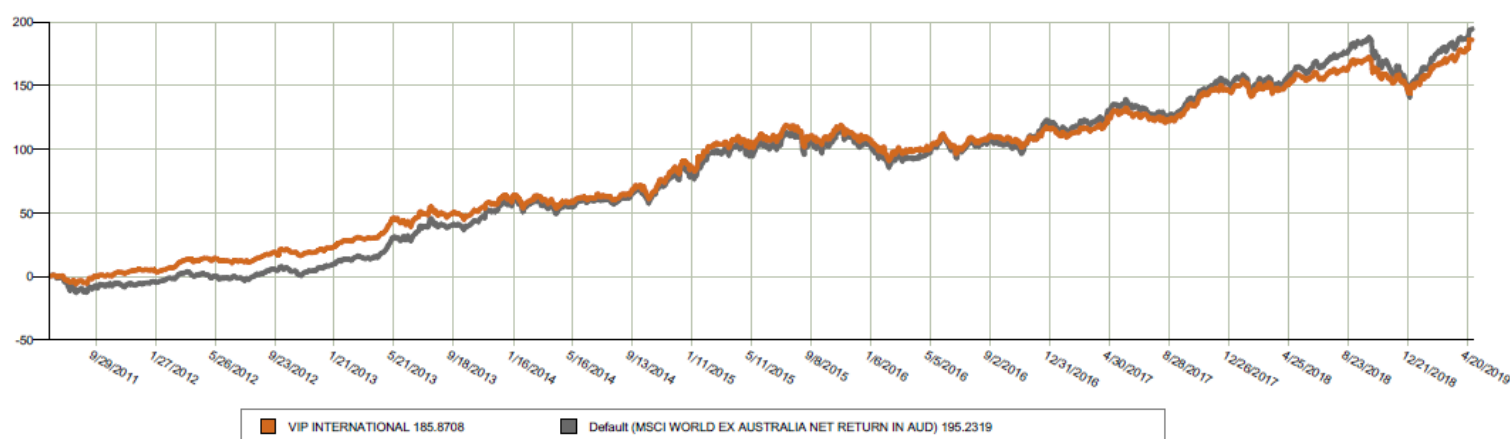


## Investment Objective

The **VIP International Portfolio** aims to provide long term capital growth by investing in a diversified portfolio of International assets. The portfolio actively invests in 2 to 5 managed funds, Exchange Traded Funds (ETF's), or Listed Investment Companies (LIC's) that provide diversified exposure to international share markets. Underlying managers are selected by the VIP Investment Committee by undergoing due diligence into the managers People, Investment Processes, and Investment Performance; and selecting managers that provide investment sector, style, and geographical diversification.



## Total Portfolio Performance (%)

## Performance Review & 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.

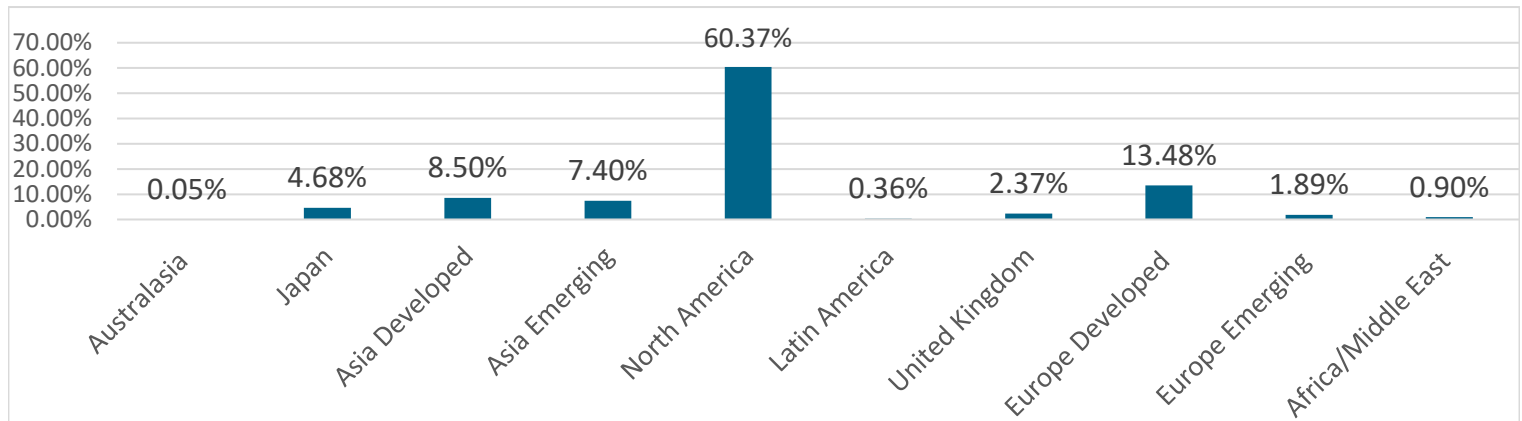
The **Top Contributors** were Loftus Peak Global Disruption 6.50%, Magellan Global 5.02%, and Alliance Bernstein 4.99%. The **Top Detractors** was Platinum International 4.00%.

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

## Trailing Percentage Returns Against The Benchmark

		1 Month	3 Month	6 Month	1 Year	3 Year	5 Year
VIP International Gross Returns		4.98	10.92	10.05	12.82	18.79	18.63
VIP International Super-Pension Net Returns		4.91	10.72	9.65	12.02	17.99	17.83
VIP International Investment Net Returns		4.87	10.58	9.38	11.47	17.44	17.28
MSCI World Ex Australia NR AUD		4.56	12.02	9.57	14.28	21.86	20.68
	% End Weight	Tot Rtn 1M	Tot Rtn 3M	Tot Rtn 6M	Tot Rtn 1Y	Total Return YTD (%)	Tot Rtn 5Y (A)
VIP INTERNATIONAL	100.00	4.98	10.92	10.05	12.82	14.06	12.46
BBG AUB Bank Bill	1.91	0.16	0.50	0.99	2.02	0.68	1.49
LOFTUS PEAK GLOBAL DISRUPTN	18.47	6.50	17.22	16.40	24.67	26.33	4.71
PLATINUM INTERNATIONAL FUND	19.80	4.00	9.23	9.17	-0.02	12.69	6.09
ALLIANCEBERNSTEIN GLB EQ FD	29.82	4.99	11.52	13.13	16.38	17.13	5.89
MAGELLAN GLOBAL FD	30.00	5.02	12.95	10.85	24.20	15.80	15.51

## Regional Exposure



## 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 103<sup>rd</sup> 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 31<sup>st</sup> of October, they will participate in the European elections on the 23<sup>rd</sup> 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.