Quarterly performance report

31 March 2019

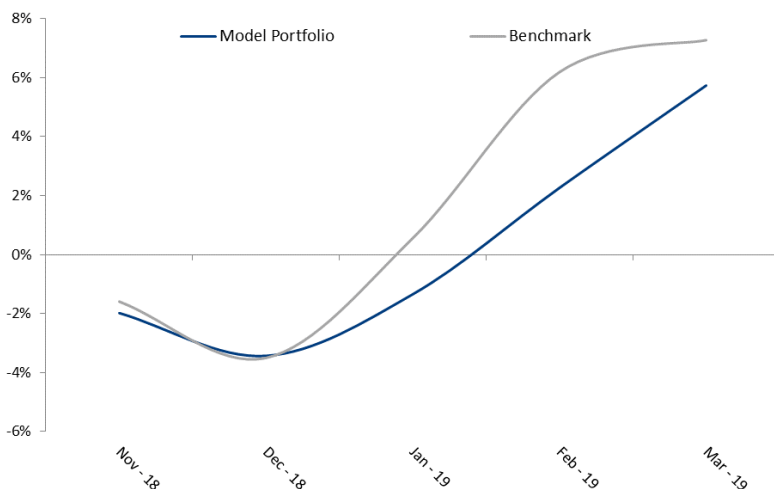## Stalbridge Capital Global Opportunity Model - Retail

The Stalbridge Capital Global Opportunity Model – Retail Model Portfolio is a Managed Discretionary Account (MDA), also sometimes referred to as a Separately Managed Account (SMA).

Performance as at 31 March 2019[1]				
	1 mth (%)	3 mths (%)	1 yr (%)	Annualised return since incep (%pa)
Portfolio	3.40	9.49	n/a	14.55
Benchmark	1.02	11.17	n/a	18.62
+/- Return	2.37	-1.68	n/a	-4.07

Top five holdings	%
Cash	9.01
Broadcom Inc (AVGO)	8.06
Alphabet Inc (GOOGL)	6.31
CAE Inc. (CAE)	6.12
GTT Communications (GTT)	5.85

Portfolio and market returns

The SC GOM portfolio returned 9.49% (38% annualised) for the March quarter but underperformed its benchmark by -1.68%. We maintained a large cash exposure (+40% of the portfolio) through the first half of the period as we were very cautious on global market conditions exiting 2018 and heading into the year-end earnings season in February. Our confidence increased over the course of the earnings season, and we put more cash to work, with the portfolio's cash position at 15% exiting the quarter. Our cash position represented a headwind of -4.1% over the period, indicating that our stock selection methodology positively contributed through the period, a trend we strive to maintain. Stand-out stocks for the period include Bellamy's (BAL AU), Appen (APX AU), JD.com (JD US) and Servicenow (NOW US), while Resmed (RMD AU, now exited) was the largest underperformer for the period.

Performance since inception[1]

Investment objective & strategy

Stalbridge Capital aims to achieve superior returns with a below-average risk profile over a 3-5 year cycle. We seek out high-conviction investment ideas across both domestic and global market places, within investment themes that we expect will provide growth opportunities for select companies.

The portfolio is comprised of businesses deemed attractively valued given their underlying growth opportunities, with sustainable or improving market positions and operating performance, and led by quality management. The financial strength of each company should reflect its opportunities, including expectations for sustainable or improving profitability and returns on capital, cash generation, and balance sheet integrity.

The split between Australian and global companies is determined by evaluating company-specific investment opportunities against conditions across different global financial markets.

About Stalbridge Capital

Stalbridge Capital is an Australian-based investment management company focused on finding and developing investment opportunities in both domestic and global companies. Founded in 2018, they seek to provide solid capital growth for investors over the medium- to long-term.

About Mason Stevens

Mason Stevens provides a multi-asset and multi-currency investment administration and managed account service to help produce tailored investment outcomes for Advisers and their clients.

Clients benefit from efficient portfolio administration, secure online access to their investments, as well as comprehensive reporting.

Key features

Investment universe	S&P/ASX 300 Accumulation Index and MSCI ACWI Total Return (in AUD); Up to 20% of the Model Portfolio may be invested in securities outside the S&P/ASX 300 Accumulation Index and MSCI ACWI Total Return (in AUD)
Benchmark	50% S&P/ASX 300 Accumulation Index / 50% MSCI ACWI Total Return (in AUD)
Max investments	35
Min cash weighting	2%
Max equity weighting	98%
Rebalancing	Program adviser discretion
Min investment	$50,000
Suggested timeframe	3-5 years

Portfolio management

Mason Stevens Limited, as the Managed Discretionary Account Provider, will administer and implement the Model Portfolio on the instructions of Stalbridge Capital as the Program Adviser.

More information

Further information about the Portfolio, including fees and costs, is outlined in the Stalbridge Capital Account Service Investment Mandate.

Contact

Investors
Please speak
to your adviser

Advisers
T 1300 988 878
E info@masonstevens.com.au
W masonstevens.com.au