

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.

Performance Review

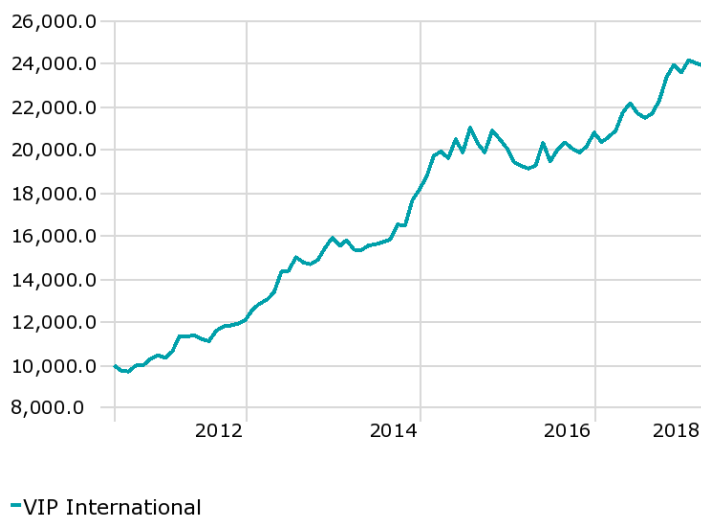
The VIP International share portfolio generated a -0.50% return for the month **pre-fees** and 1.37% over the last 3 months. In doing so the portfolio outperformed the MSCI World Ex Aus (AUD) index by 0.03% and by 0.58%.

Over the last year, the portfolio has generated a 14.51% return and outperformed the index by 1.20%.

The post-fees returns for the *Investment* and *Superannuation & Pension* portfolios are shown **in blue** in the table below.

Investment Growth

Time Period: 1/07/2011 to 31/03/2018



Trailing Returns

As of Date: 31/03/2018

	1 Month	3 Month	6 Month	1 Year	2 Years	3 Years	4 Years	5 Years	Since Inception
VIP International	-0.50	1.37	7.26	14.51	11.83	6.28	11.70	12.90	13.79
VIP International Investment	-0.61	1.04	6.54	12.97	10.33	4.86	10.20	11.39	12.17
VIP International Super-Pension	-0.57	1.17	6.84	13.60	10.94	5.44	10.81	12.00	12.79
MSCI World Ex Australia NR AUD	-0.53	0.79	6.65	13.31	14.44	7.96	12.90	16.96	9.67

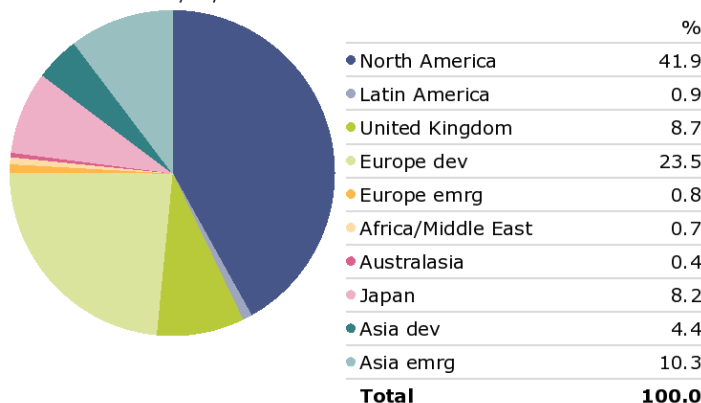
Portfolio Exposure

The portfolios regional exposure is dominated by North American and developed Europe holdings as these are the lower risk sectors of the international markets.

The portfolio also includes an allocation to emerging markets with exposure to developed and emerging Asian countries and South America. However, this exposure has recently been reduced due to the market and economic stress these emerging markets are experiencing at present.

VIP International - Equity Regional Exposure

Portfolio Date: 31/03/2018



Performance Review

Throughout one of the most volatile starts to a year we have seen in decades, the International Equities have prevailed as the best performer of the VIP Portfolios over the last quarter. Specifically, the Morpich Global Opportunities fund has been a steady holding of recent times, posting a 0.72% return for the month and a 2.69% return over the quarter. Morpich, with a slight underweighting to the US compared to the benchmark (MSCI All Countries World Daily Total Return Net Index), has managed to relatively negate the trade war noise coming out of the US, and has shown a preference towards Asia which has been beneficial.

Portfolio Holdings & Adjustments

VIP International - Holdings

Portfolio Date: 31/03/2018

	Global Category	Total Ret 1 Mo (Mo-End)	Total Ret 3 Mo (Mo-End)	Total Ret 6 Mo (Mo-End)	Total Ret 1 Yr (Mo-End)
Platinum International Fund	Global Equity Large Cap	-1.28	0.67	7.72	21.73
AB Global Equities	Global Equity Large Cap	0.17	2.96	9.96	16.89
Morphic Global Opportunities	Global Equity Large Cap	0.72	2.69	8.33	15.46
Magellan Global	Global Equity Large Cap	-1.54	0.67	7.22	13.45
iShares Europe ETF (AU)	Europe Equity Large Cap	0.40	-0.22	2.08	13.28
RBA Bank accepted Bills 90 Days		0.16	0.45	0.88	1.75

Performance Contributors & Detractors, and Portfolio Adjustments

The **Top Contributors** were Morphic Global Opportunities +0.72%, iShares Europe ETF (AU) +0.40%, and AB Global Equities +0.17%. The **Top Detractors** were Magellan Global -1.54%, Platinum International Fund -1.28%.

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

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