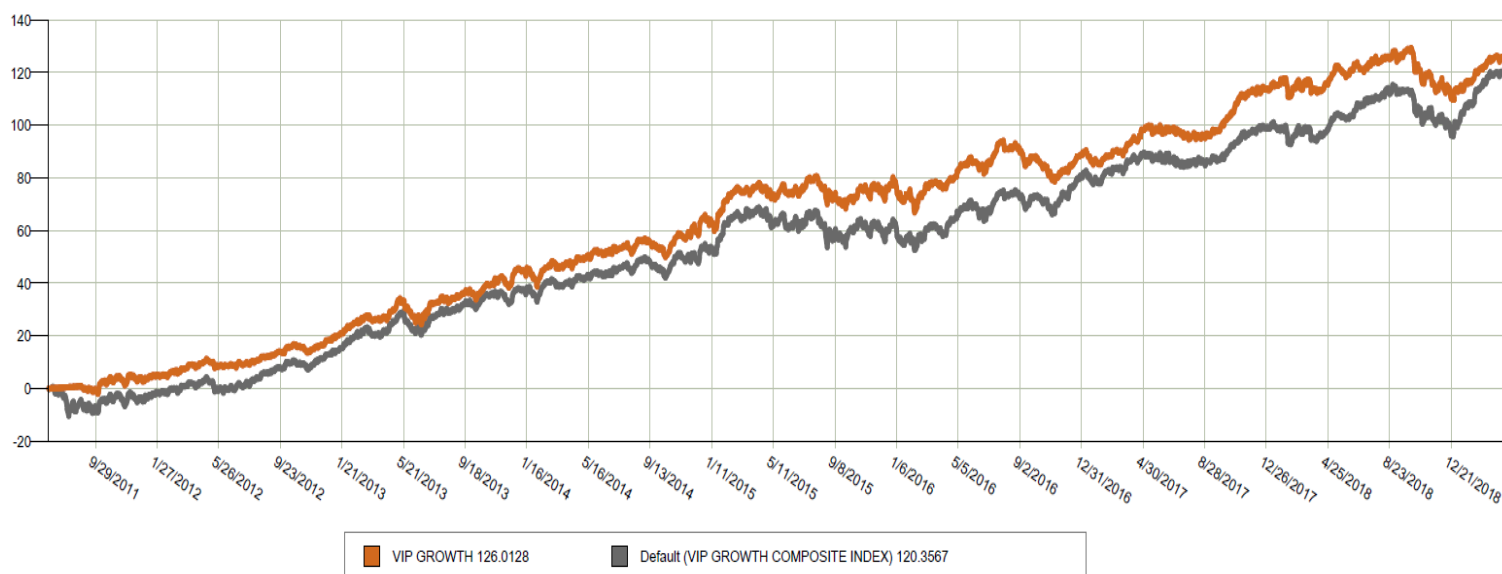


Investment Objective

The aim of the **VIP Growth Portfolio** is to provide investors high level of capital growth over the medium to long term through exposure to a diversified portfolio of investments, with a strong emphasis on growth assets (80% allocation to Australian shares, International shares, and property securities) and defensive assets (20% 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 Growth portfolio generated a 1.20% return **pre-fees** in March, and 5.62% return pre-fees in the quarter. Over the last year the portfolio has generated a 5.72% return pre-fees and underperformed by 7.44% against the benchmark. The **post-fees** return 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 Growth Gross Returns	1.20	5.62	-1.32	5.72	12.11	13.22
VIP Growth Super-Pension Net Returns	1.13	5.42	-1.72	4.92	11.31	12.42
VIP Growth Investment Net Returns	1.09	5.28	-2.00	4.37	10.76	11.87
VIP Growth Composite Index	1.56	9.69	3.28	13.16	16.25	14.12

	Tot Rtn 1M	Tot Rtn 3M	Tot Rtn 6M	Tot Rtn 1Y	Total Return YTD (%)
VIP GROWTH	1.20	5.62	-1.32	5.72	5.62
AREITs	7.05	10.73	10.73	10.73	10.73
Australian Equities	-1.41	2.89	-7.31	0.06	2.89
CASHLiquid	0.17	0.52	1.00	2.02	0.52
Fixed Income	0.43	1.86	1.45	3.10	1.86
International Equities	1.80	10.42	1.28	10.69	10.42

Economic & Market Commentary

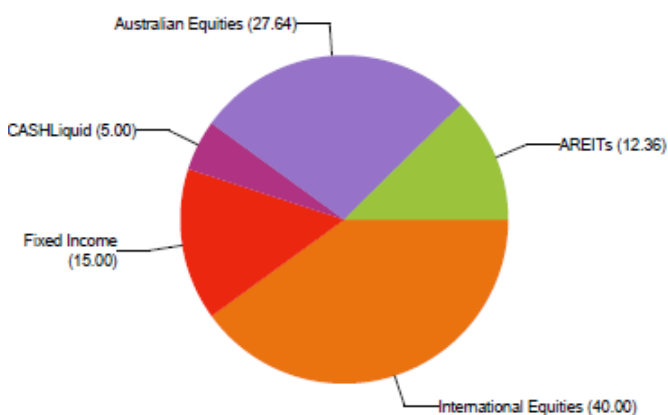
Domestic and international markets have been highly volatile over the month of March. With mixed economic results coming out of key international markets and Australia and the day-to-day shifting between pessimism and optimism regarding the global business and trade environment, the bulls and bears have come out strong to deliver a relatively flat month for markets. With the S&P/ASX 200 index recording a 0.79% rise with slightly higher results coming from major international indices such as a 2.97% return from the S&P 500 index in the USA, a 0.55% increase from the Nikkei 225 index out of Japan, and a 3.43% rise from the FTSE 100 from the UK.

Much of the economic and political activity over the month of March was very much 'business as usual' with continued uncertainty around the US-China trade talks and Brexit. Although there has been a considerable amount of noise out of these spaces little ground has been made to coming to solutions for these two massive diplomatic and political challenges that the wave of populism in major economies has fostered. In regards specifically to Brexit the British Parliaments complete incapability to see eye to eye on almost all key measures concerning the divorce from the European Union has in some cases caused the progress of the negotiations to reverse. All things considered many investors are now impatiently waiting for some form of definitive decision making regarding these two key global events, as regardless to the short-term headwinds felt by markets on any form of final decision, in the medium-long term markets will highly likely adjust and continue to grow once business and trade certainty is given.

In Australia the release of the budget was a win for the coalition although it is unlikely to be enough to significantly influence their chances of retaining government after the next election scheduled to be sometime in May. Although the coalition has used its strong budget to attempt to buy votes with big spending and one-off cash payments to low-medium income families to reduce the cost of living pressures the opposition party has come out with its own spending policies with the extra money provided by the stronger budget position. The latest Newspoll has the Coalition at 48% and Labor at 52% on a two-party preferred vote, with the Coalition overtaking Labor on the primary vote now at 38% and 37% respectively. Although many investors are concerned with a Labor government much of the headwinds of a Shorten Prime Minister has been priced into the markets and it is unlikely that an overly strong negative reaction in the markets will result after election night.

What does this mean for investors? A positive US-China trade outcome and a Brexit withdrawal agreement will continue to return certainty of the world trading system and boost equities markets. Positive or neutral economic data from key economies will dull down worries of a recession in the near term and continue to give support in financial markets. Giving reasons for continued optimism and bullishness further into 2019.

Tactical Asset Allocation & Risk/Return



Australian Shares Leaders Blend Portfolio Performance & Portfolio Adjustments

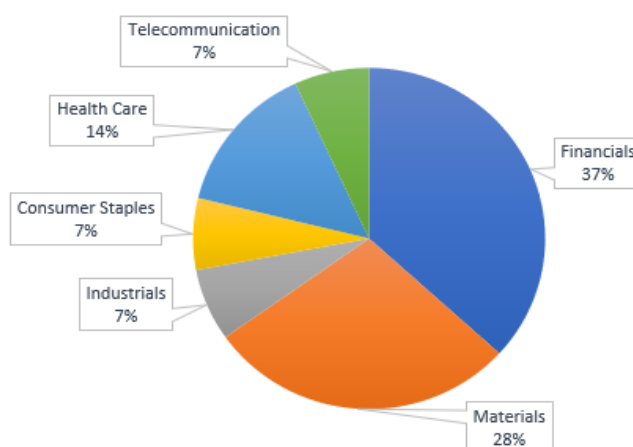
The portfolio generated -1.28% pre-fees return for the month and 2.71% over the last 3 months. The portfolio underperformed against the S&P/ASX 200 index over the month by 2.08% and underperformed by 8.24% over the quarter. Over the last year, the portfolio has generated a -0.56% return pre-fees underperforming the ASX 200 index by 12.77%.

The **Top Contributors** were BHP Group 5.55%, Macquarie Group 2.62%, and Treasury Wines Estates 0.81%. The **Top Detractors** were REA Group -7.77%, ANZ Group -7.04%, and Alumina -5.84%.

In March the Investment Committee purchased stock in Macquarie Group, Commonwealth Bank, Ramsay Health Care, and Sonic Healthcare. The Investment Committee sold stock in RIO Tinto, Costa Group Holdings, and Bendigo Bank.

VIP Australian Share Leaders Blend Holdings & Sector Exposure

	% End Weight
VIP AUSTRALIAN SHARE LEADERS BLEND	100.00
ALUMINA LTD	3.63
RAMSAY HEALTH CARE LTD	3.69
SONIC HEALTHCARE LTD	3.71
SANDFIRE RESOURCES NL	3.74
WESTERN AREAS LTD	3.76
TREASURY WINE ESTATES LTD	6.80
SEEK LTD	6.85
RESMED INC-CDI	6.87
REA GROUP LTD	6.89
SOUTH32 LTD	7.41
COMMONWEALTH BANK OF AUSTRAL	9.11
WESTPAC BANKING CORP	9.13
AUST AND NZ BANKING GROUP	9.17
MACQUARIE GROUP LTD	9.34
BHP GROUP LTD	9.90



International Shares Portfolio Performance & Portfolio Adjustments

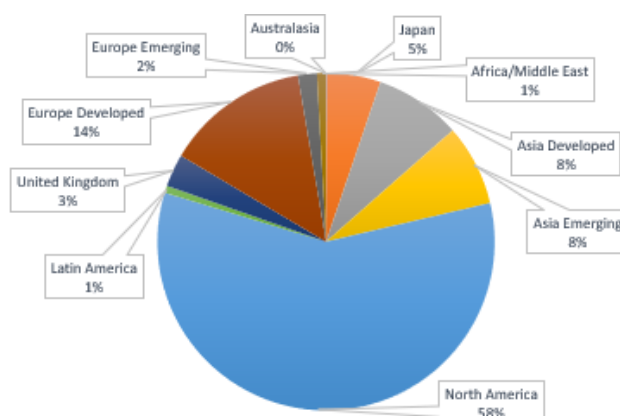
The VIP International Share Portfolio generated a 1.61% return for the month **pre-fees** and 8.65% over the last 3 months. In doing so the portfolio outperformed against the MSCI World Ex Aus (AUD) index by 0.12% for the month and underperformed by 2.85% over the quarter. Over the last year, the portfolio has generated a 9.50% return and underperformed against the index by 2.80%.

The **Top Contributors** were Magellan Global 3.67% and Loftus Peak Global Disruption 3.02%. The **Top Detractors** were BBG AUB Bank Bill 0.17% and Alliance Bernstein Global Equity Fund 0.45%.

In March, the Investment Committee sold Winton Global Alpha Fund.

VIP International Equity Holdings & Region Exposure

	% End Weight
VIP INTERNATIONAL	100.00
BBG AUB Bank Bill	2.00
LOFTUS PEAK GLOBAL DISRUPTN	18.20
PLATINUM INTERNATIONAL FUND	19.98
ALLIANCEBERNSTEIN GLB EQ FD	29.82
MAGELLAN GLOBAL FD	29.99



Properties Security Portfolio Performance & Portfolio Adjustments

The VIP Property Securities portfolio generated a 7.07% return for the month **pre-fees** and 22.64% over the last 3 months. The portfolio outperformed the S&P/ASX 200 A-REIT index during the month by 0.85% and outperformed over the quarter by 7.89%. Over the last year, the portfolio has generated a 41.72% return and outperformed the index by 15.95%. The **post-fees** returns for the *Investment* and *Superannuation & Pension* portfolios are shown **in blue** in the table below.

The **Top Contributors** were Charter Hall Group 16.70%, Arena REIT 7.80% and Dexus 5.99%. The **Top Detractor** was Cromwell Property Group 0.71%. In March, 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	18.77
ARENA REIT	19.14
DEXUS	19.71
GOODMAN GROUP	20.51
CHARTER HALL GROUP	21.88



Fixed Interest Portfolio Performance & Portfolio Adjustments

The VIP Fixed Interest portfolio generated a 1.39% return for the month **pre-fees** and 3.15% over the last 3 months. This was against the Bloomberg AusBond Composite index return of 1.82% over the month and 3.43% over the quarter. The portfolio underperformed the index by 0.43% over the month and underperformed by 0.28% over the last 3 months.

The **Top Contributor** was iShares Composite Bond Fund 1.70%. The **Top Detractor** was Realm High Income Fund 0.43%. In March, the Investment Committee made no changes to the portfolio.

VIP Fixed Interest Holdings & Returns

	Tot Rtn 1M	Tot Rtn 3M	Tot Rtn 6M	Tot Rtn 1Y	Total Return YTD (%)
VIP FIXED INTEREST	1.39	3.15	4.56	5.87	3.15
REALM HIGH INCOME FUND-WHL	0.43	1.86	1.45	3.10	1.86
ISHARES CORE COMPOSITE BOND	1.70	3.57	5.60	6.80	3.57

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