



Investment Objective

The aim of the **VIP Conservative Portfolio** is to provide investors with a reliable income stream with the potential for moderate capital growth over the medium to long term from investment within a diversified portfolio heavily weighted to defensive assets (70% allocation to fixed interest and cash) and holding some growth assets (30% allocation to Australian shares, International shares, and property securities). 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.

Investment Strategy

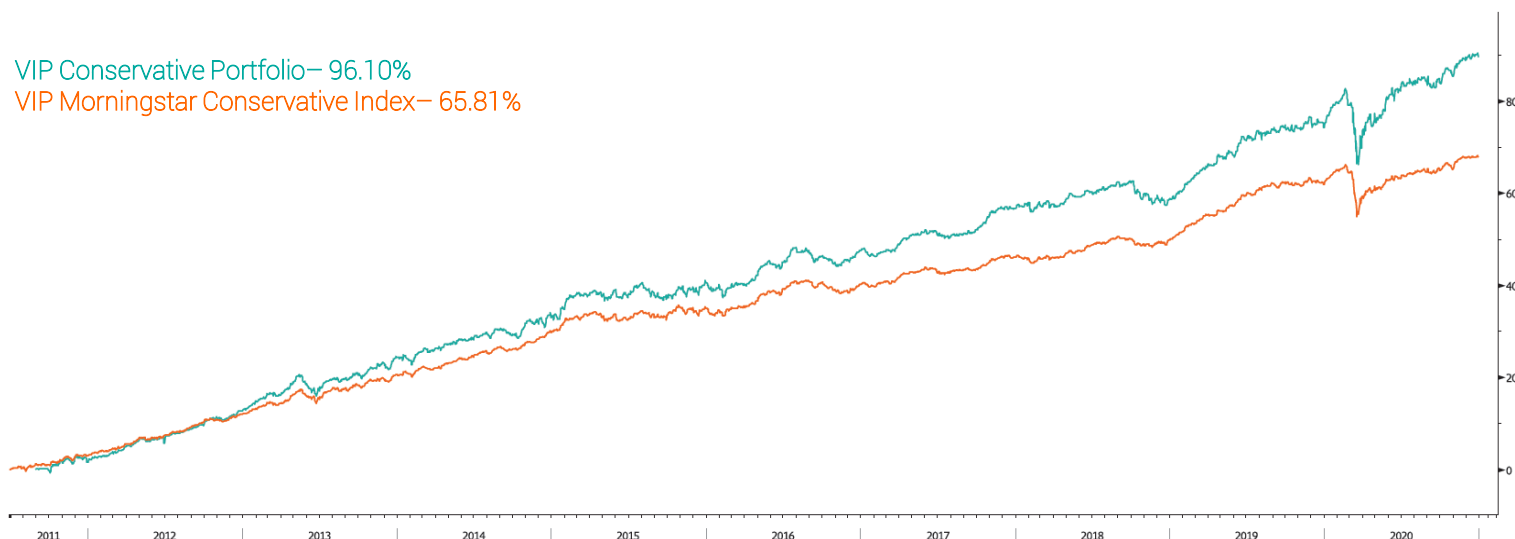
Using the principles of diversification, Value Investment Partners' multi-asset products use a specific blend of inhouse asset class specific portfolios – Australian Share Leaders, International Securities, Property Securities, and Fixed Interest – to develop an 'all weather' fund designed to accrue and protect wealth in any market environment. Using tactical asset allocation, Value Investment Partners constructs the optimal portfolio of a variety of asset classes to control market risk exposure and take advantage of opportunities in a large investable universe. The resultant portfolio contains the same underlying investments as Value Investment Partners' inhouse portfolios while actively managing allocation to broader asset classes to ensure that investors' money is poised to appreciate from identified macroeconomic and market trends by the team of investment specialists.

Fund Performance

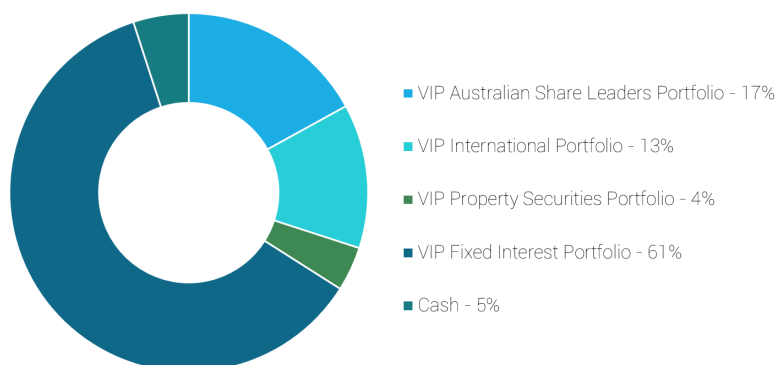
	1 Month	3 Month	6 Month	Y.T.D.	1 Year	3 Year (p.a.)	5 Year (p.a.)	7 Year (p.a.)	Since Inception (p.a.)
Gross Returns	0.41%	3.09%	3.28%	10.28%	8.35%	8.06%	7.70%	8.06%	10.30%
Net Returns	0.34%	2.89%	2.88%	9.68%	7.55%	7.26%	6.90%	7.26%	9.50%
Benchmark Returns	0.06%	1.77%	2.68%	3.65%	3.65%	4.94%	4.85%	5.59%	7.05%

VIP Conservative Portfolio – 96.10%

VIP Morningstar Conservative Index – 65.81%



Asset Allocation



Fund Characteristics

Inception Date	30 th June 2011
Investment Horizon	5 – 7 Years
Asset Class	Multi-Asset
Management Style	Active
Current Number of Holdings	35
Index Benchmark	VIP Conservative Composite



Market Commentary

The Australian equity market continued to rally back in the final quarter of the year, returning a 9.4% uptick and finishing the calendar year at -2.0%. The rally this past quarter was predominantly driven by positive COVID-19 vaccine news, with two companies announcing effective vaccines that provide investors with growing optimism that the pandemic is nearing a close and that the economy will continue to further reopen. The companies and their respective sectors that were particularly affected during the climax of the pandemic were responsible for the overwhelming uptick. Tourism surged back, with companies such as Webjet (30.33%) trumping the players in this sector. Furthermore, Financials (22.77%) and general Energy stocks (26.18%) received consumer tailwinds that saw increased rotation towards these companies this quarter, characterising a return to a pre-pandemic economy.

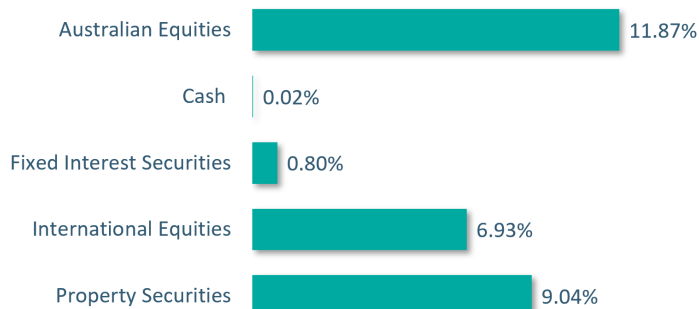
Housing markets on the year were surprisingly resilient, finishing the year strongly. After the announcements of lockdowns across the capital cities, forecasts of market growth off the back of a successful 2019 were replaced with expected fall in property values. However, all capital cities with the exception of Melbourne who were affected by an extended lockdown, closed the year with gains across the property market led by Adelaide (5.77%) and Brisbane (4.51%). Despite Melbourne's lagging growth, its property prices were up 1.32% over the last quarter reflecting an improving consumer confidence across the nation.

Similarly to the outlook for Australian equities, global equities saw a shift away from defensive stocks to businesses that thrive on a fully operating economy. This shift in market sentiment can be attributed to the COVID-19 vaccine results and the outcome of US elections. The vaccine developments were well received by investors globally, where areas such as the US, Eurozone and UK boasted considerable growth in more economically sensitive sectors such as financials and energy. There were also a range of packages approved across these nations, including a \$900 billion stimulus package in the US, €1.8 trillion budget package in the Eurozone, and a Brexit trade deal between the EU and the UK.

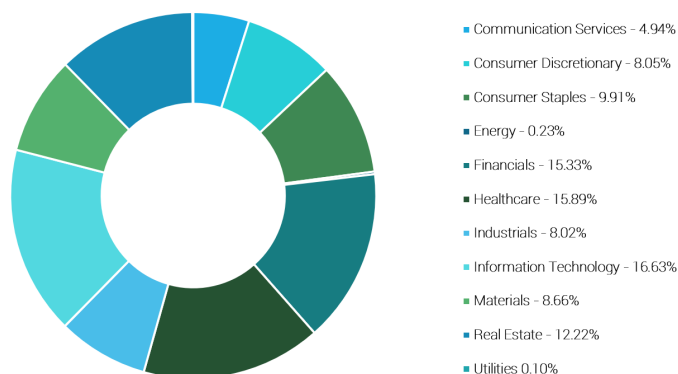
Consistent with recent activity, the Reserve Bank of Australia (RBA) cut the official cash rate a further 15 basis points in November, ending the year at a historic low of 0.10%. The RBA has also announced a \$100 billion quantitative easing program, roughly \$80 billion being spent purchasing Australian Government bonds, and \$20 billion purchasing state and territory government bonds. Despite hitting a low of \$0.58US, the Australian dollar finished strongly at \$0.77, rallying off the back of increasing iron ore prices, bond yields and a typically weak US dollar.



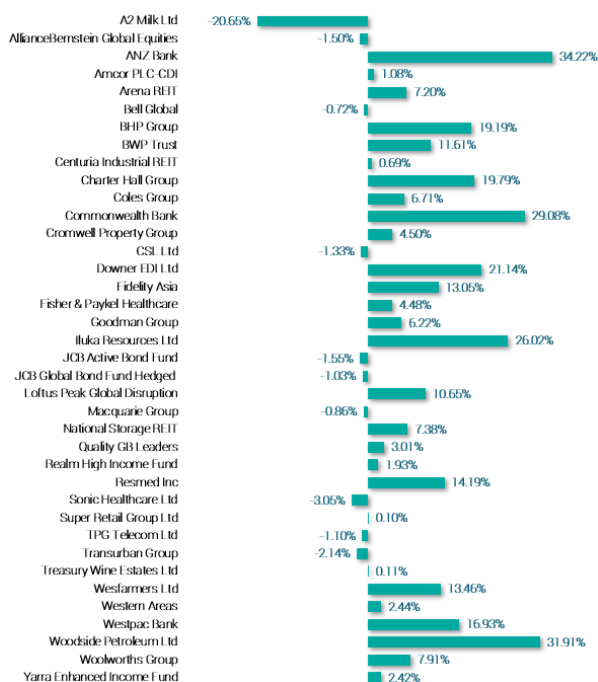
3 Month Asset Class Performance



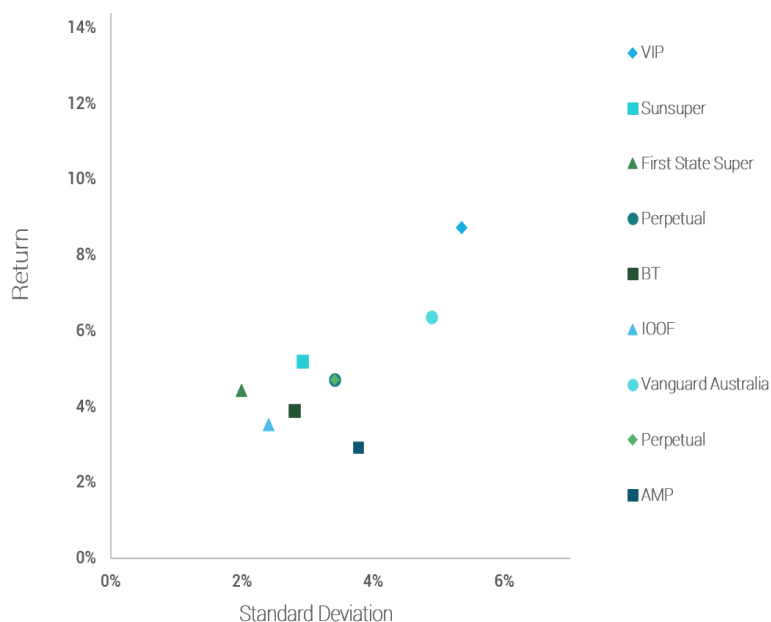
Current Sector Allocation



3 Month Holdings Performance

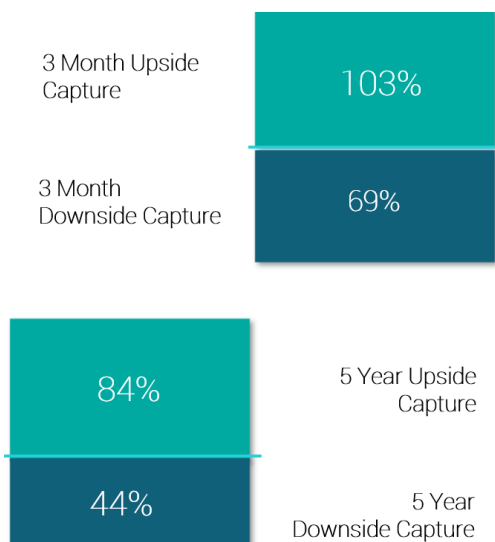


5 Year Risk/Return Profile



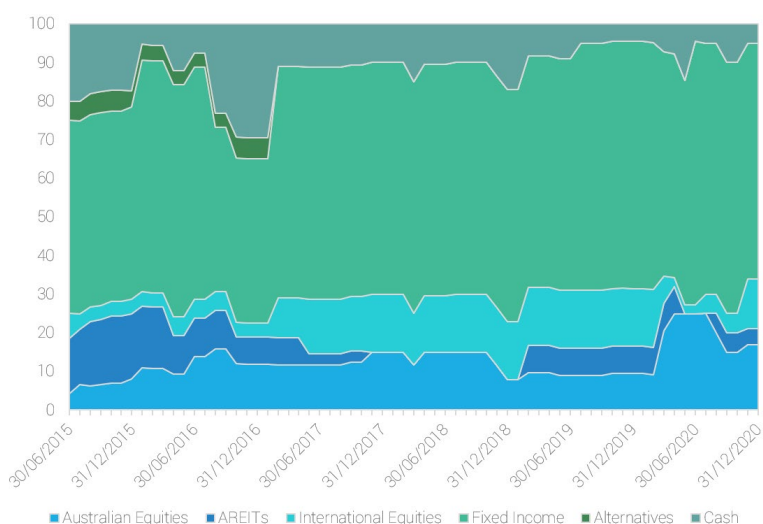
Source: Bloomberg

Upside & Downside Capture Ratio



Source: Bloomberg

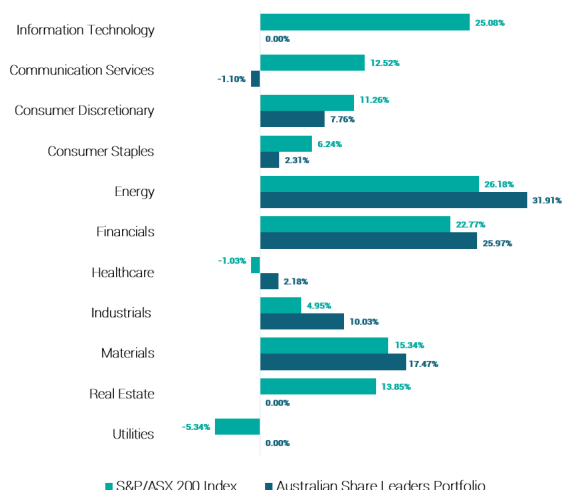
Conservative Trailing Weights





Australian Share Leaders Portfolio Performance

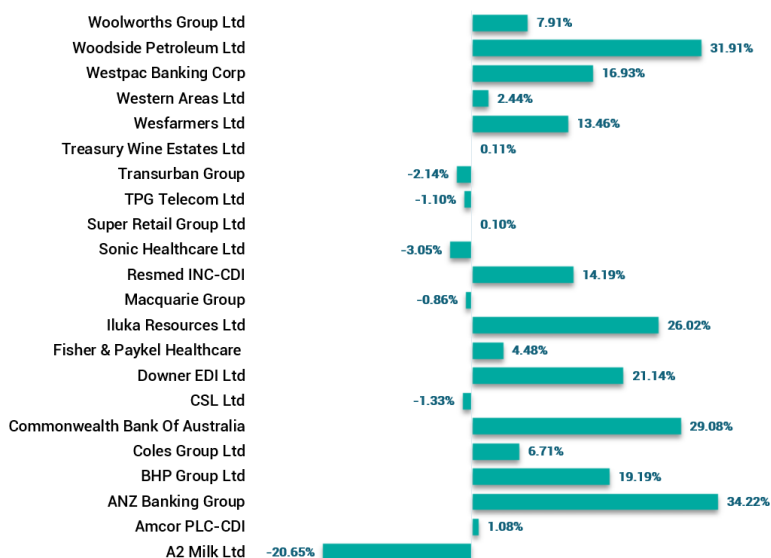
3 Month Sector Performance



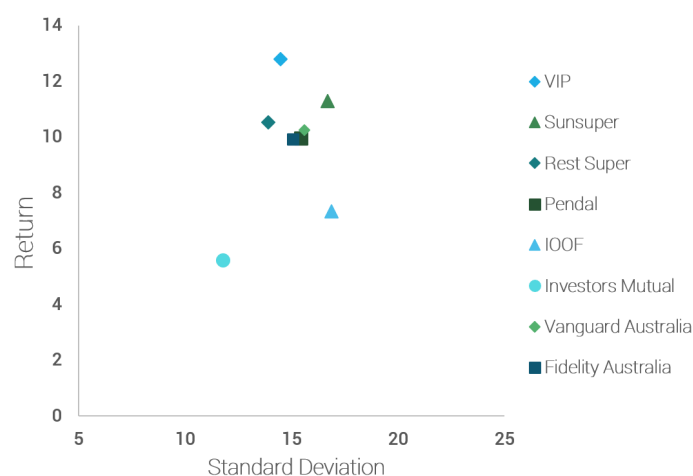
Current Sector Allocation



3 Month Holdings Performance

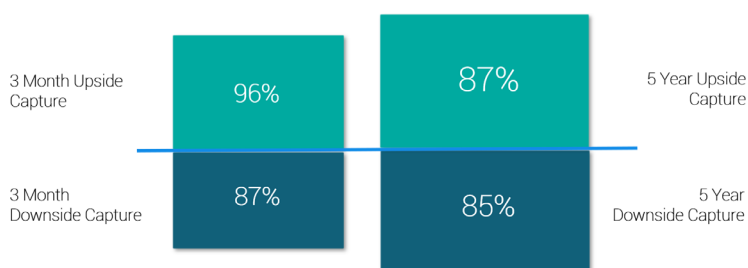


5 Year Risk/Return Profile



Source: Bloomberg

Upside & Downside Capture Ratio



Source: Bloomberg

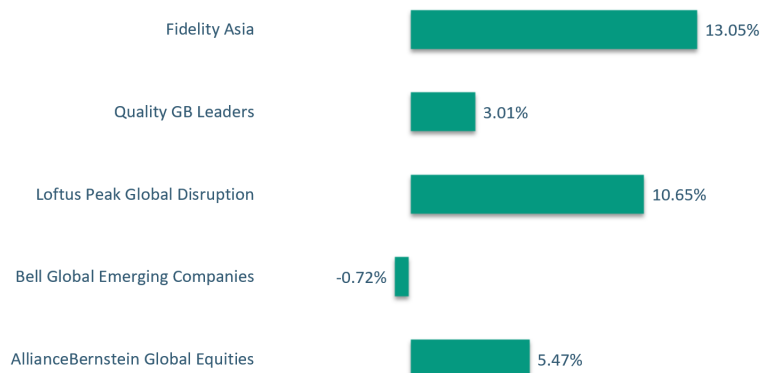
Fund Characteristics

Inception Date	30 th June 2011
Investment Horizon	5 – 7 Years
Asset Class	Australian Equities
Management Style	Active
Current Number of Holdings	19
Average Market Capitalisation	\$38.50 Billion
Index Benchmark	ASX/S&P 200
Index Average Market Capitalisation	\$10 Billion

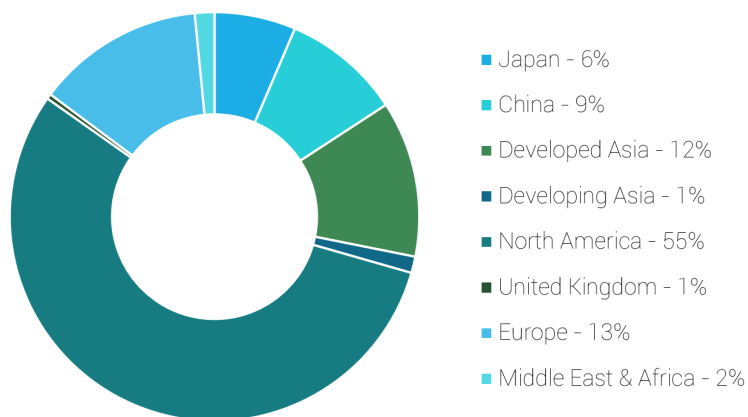


International Securities Portfolio Performance

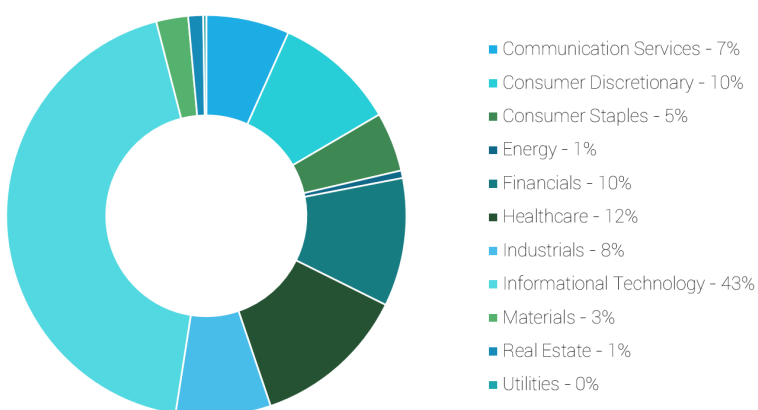
3 Month Fund Member Performance



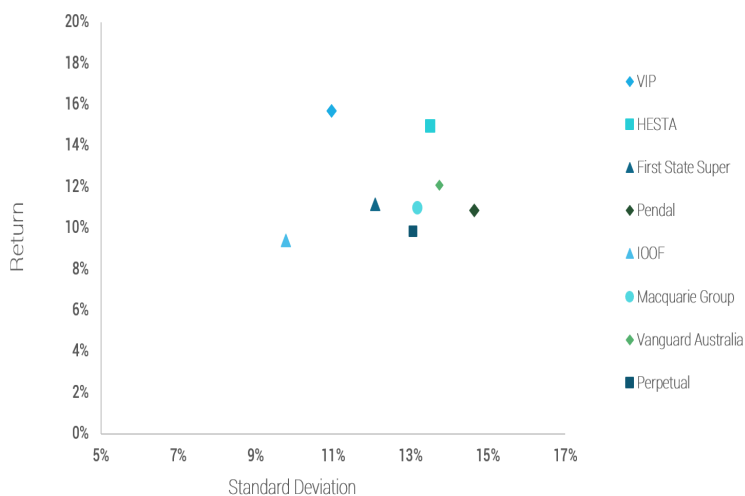
Current Geographical Allocation



Current Sector Allocation

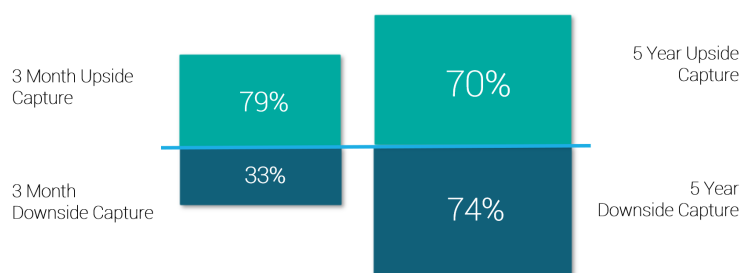


5 Year Risk/Return Profile



Source: Bloomberg

Upside & Downside Capture Ratio



Source: Bloomberg

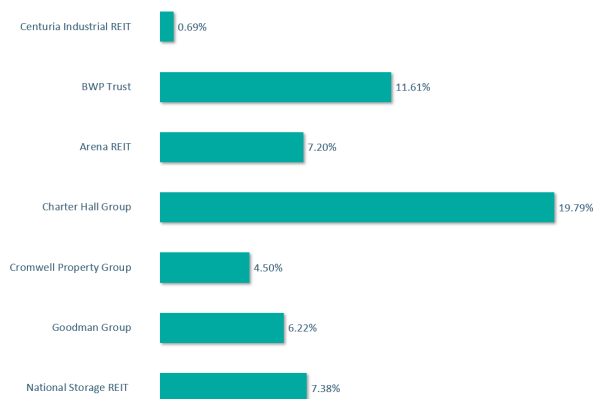
Fund Characteristics

Inception Date	30 th June 2011
Investment Horizon	5 – 7 Years
Asset Class	International Equities
Management Style	Active Long Only
Current Number of Holdings	5
Index Benchmark	MSCI World Ex Australia
Index Average Market Capitalisation	\$28.70 Billion (USD)

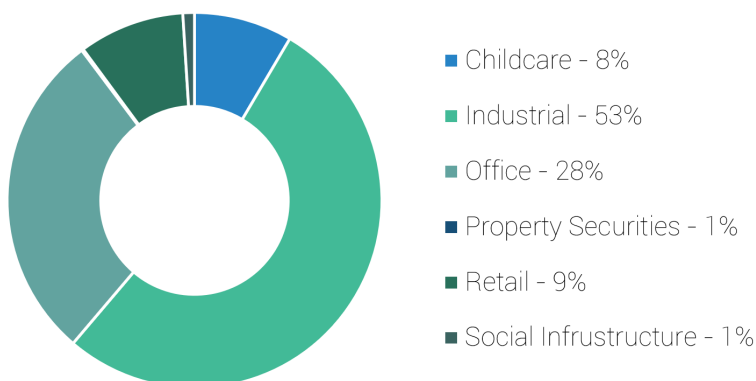


Property Securities Portfolio Performance

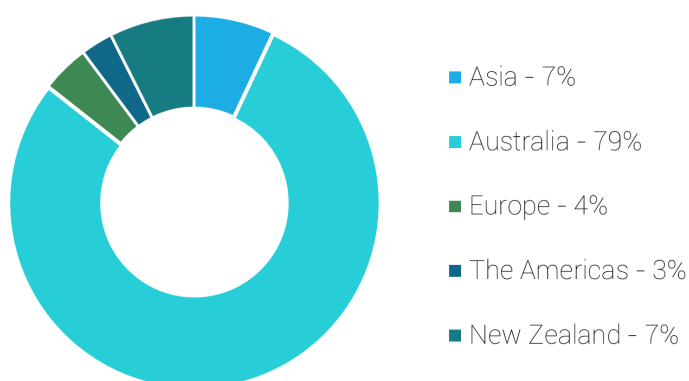
3 Month Holding Performance



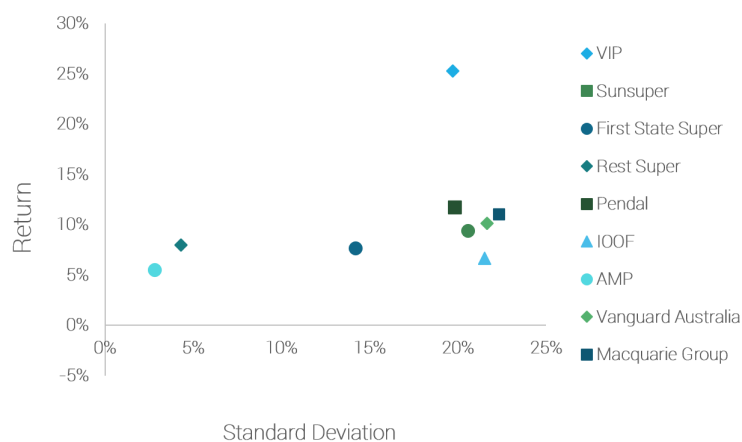
Current Property Sector Allocation



Current Geographical Allocation

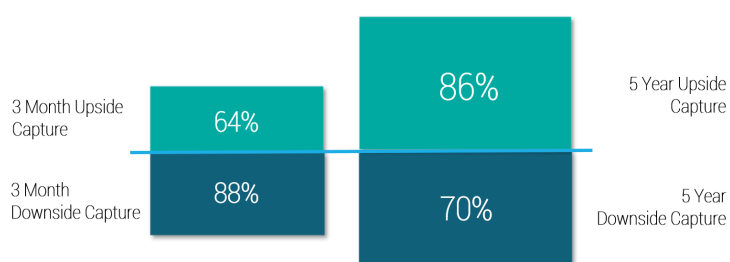


5 Year Risk/Return Profile



Source: Bloomberg

Upside & Downside Capture Ratio



Source: Bloomberg

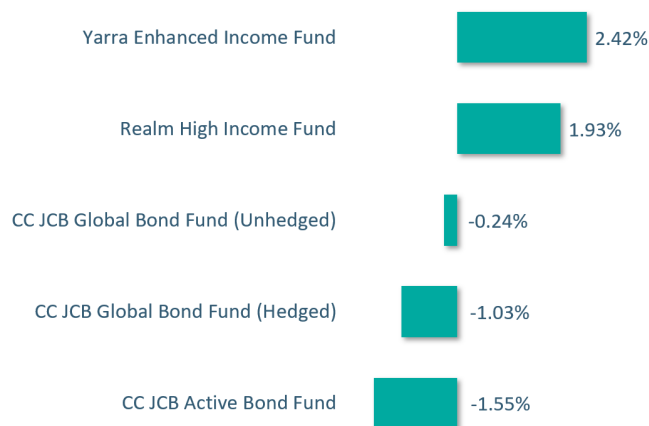
Fund Characteristics

Inception Date	30 th June 2011
Investment Horizon	5 – 7 Years
Asset Class	A-REIT
Management Style	Active
Current Number of Holdings	7
Average Market Capitalisation	\$7.73 Billion
Index Benchmark	ASX/S&P 200 A-REIT
Index Average Market Capitalisation	\$6.55 Billion

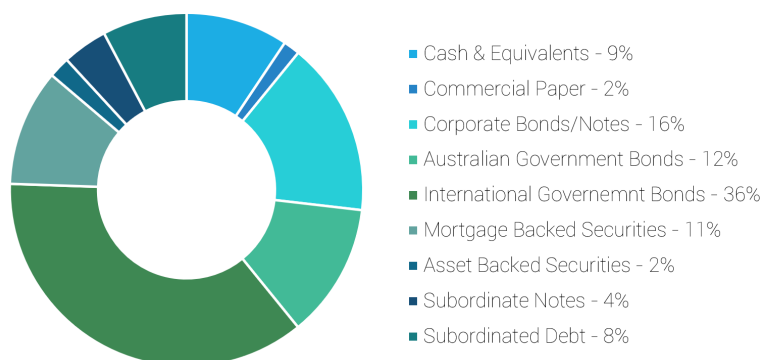


Fixed Interest Portfolio Performance

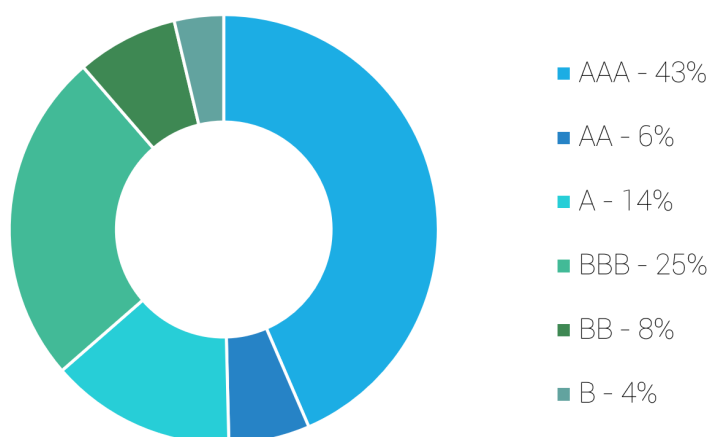
3 Month Holdings Performance



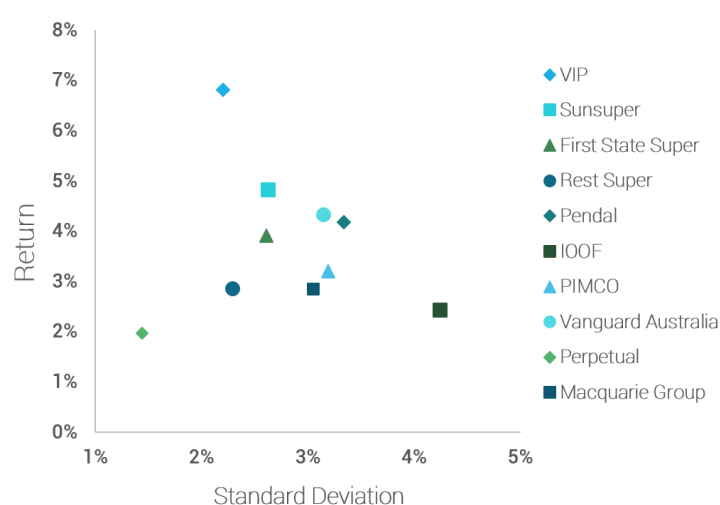
Current Asset Allocation



Current Credit Quality

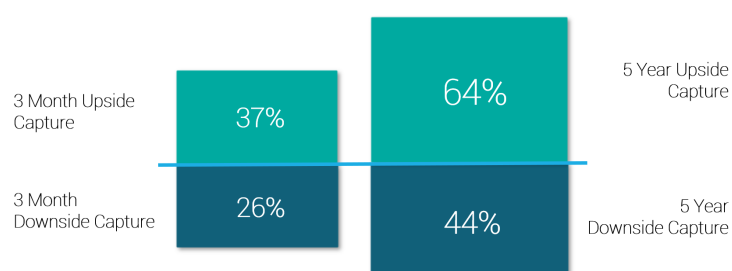


5 Year Risk/Return Profile



Source: Bloomberg

Upside & Downside Capture Ratio



Source: Bloomberg

Fund Characteristics

Inception Date	30 th June 2011
Investment Horizon	5 – 7 Years
Asset Class	Fixed Income
Management Style	Active
Current Number of Holdings	4
Index Benchmark	BACMO