



Investment Objective

The aim of the **VIP Australian Shares Leaders** Portfolio is to provide investors with investment income and capital growth in excess of the S&P/ASX 300 Index over the long term from investment in a portfolio of medium to large capitalisation Australian companies. The portfolio invests in 10 to 40 Australian shares within the S&P/ASX 300 index that have been selected via a quantitative, qualitative screening process, and align with macroeconomic themes identified by our analysts and consultants to generate excess returns over the long term.

Investment Strategy

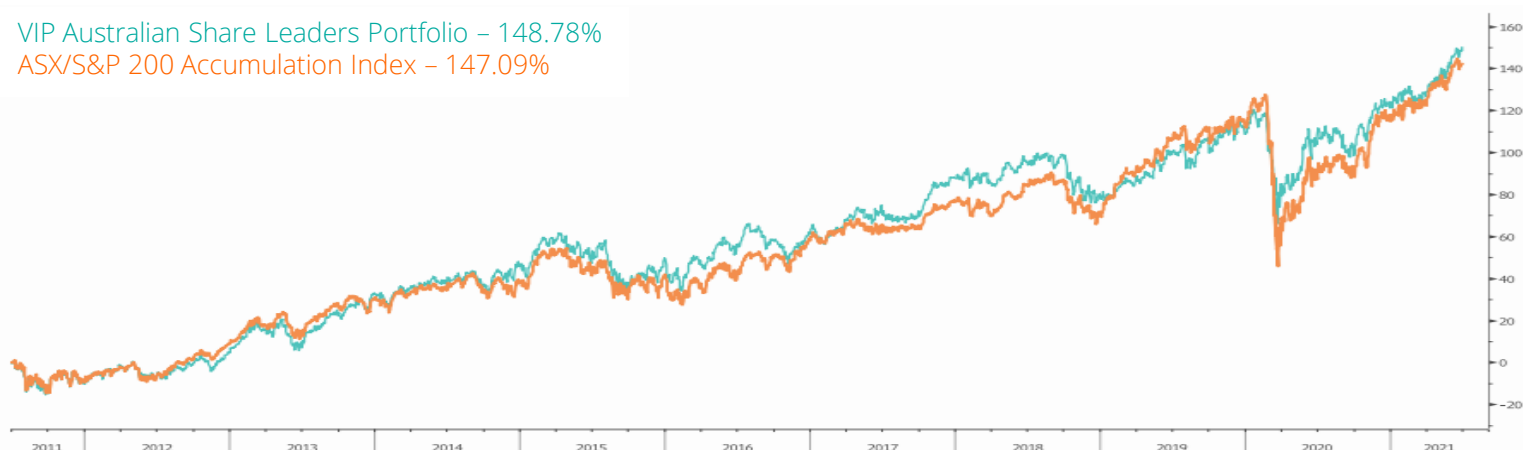
Using our tailored quantitative models our analysts identify companies that meet 57 financial and market measures testing over 7200 data points to identify undervalued securities. Our team analyses company reports, external consultant material, and research papers to identify strong company fundamentals and assessments of potential benefits from macroeconomic trends, forecasts, and developments. Finally, using risk models we test the diversification of potential portfolio constructions to ensure that client risk parameters are met and that an acceptable risk/reward trade off is achieved.

Portfolio 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	3.25%	10.49%	14.01%	14.01%	20.90%	8.49%	9.77%	8.83%	9.63%
Net Returns	3.18%	10.42%	13.61%	13.68%	20.10%	7.69%	8.97%	8.03%	8.83%
Benchmark Returns	2.29%	8.32%	13.00%	13.00%	27.97%	9.62%	11.18%	8.79%	9.55%

VIP Australian Share Leaders Portfolio – 148.78%

ASX/S&P 200 Accumulation Index – 147.09%

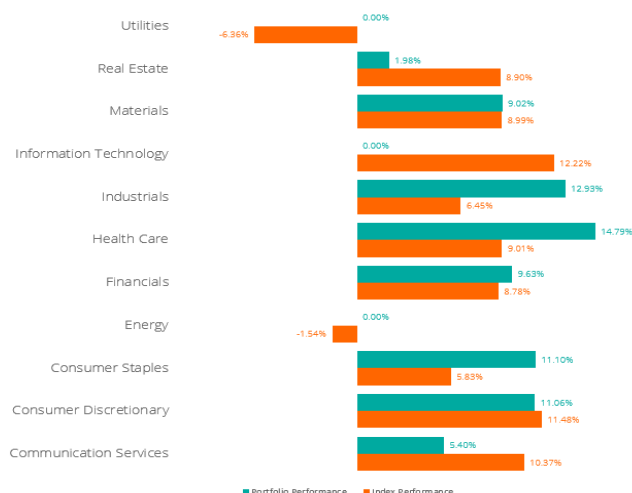


Market Commentary

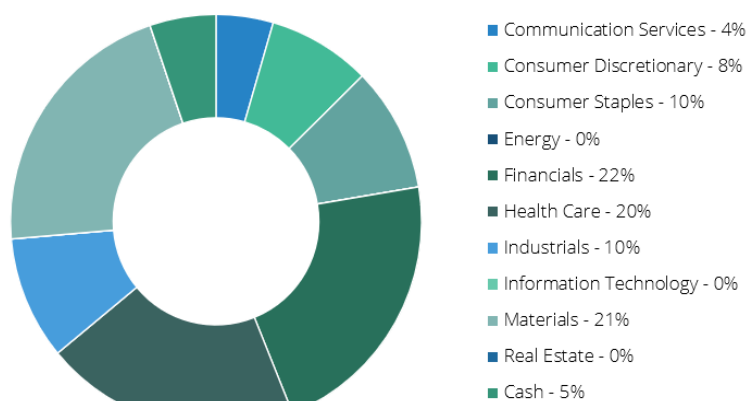
The Australian economy continued to recover in the last quarter of the financial year underpinned by large fiscal spending, low levels of unemployment, strong consumer and business sentiment, and monetary policy support. The continued improving economic backdrop was reflected in the ASX 200 closing up 7.04% for the quarter. The sectors on the Australian market with the largest growth over the quarter were Communications Services, Information Technology, and Consumer Discretionary growing at 9.90%, 9.53%, and 9.45% respectively. Australian labour market conditions are improving with unemployment at a 10-year low of 4.90% with potential tightening labour supply being a catalyst for improved real wages growth. That being said it unlikely those numbers are properly catching the impact of continued lockdown with those on wage support or dropping out of the labour market completely not being captured in the data, so this will be closely monitored as Australia returns to international travel and Australians re-enter the labour market. Business conditions deteriorated slightly throughout the quarter yet generally remain elevated across the states despite the some weakening. Weaker conditions were brought upon by the May and June Victorian lockdowns which gives pause for concern on the implications of prolonged lockdowns in New South Wales in the following quarter.



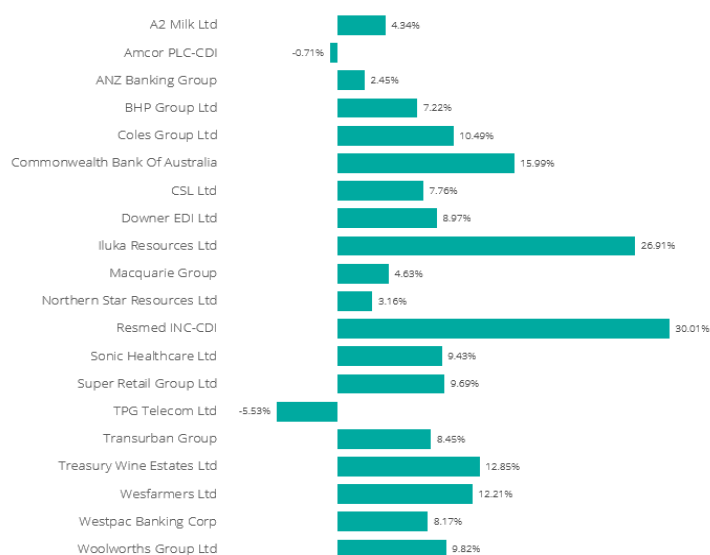
3 Month Sector Performance



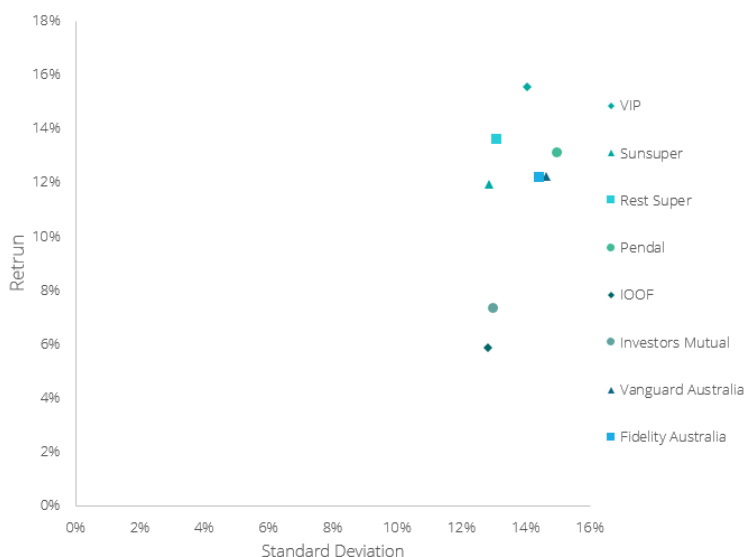
Current Sector Allocation



3 Month Holdings Performance



5 Year Risk/Return Profile



Upside & Downside Capture

	3 Month	5 Year
Upside Capture	95%	86%
Downside Capture	106%	85%

Portfolio Facts

Inception Date	30 th June 2011
Asset Class	Domestic Equities
Index Benchmark	ASX/S&P 300
Investment Horizon	5 – 7 Years
Minimum Investment	\$50,000 AUD
Management Fee	0.80%