



Investment Objective

The **VIP Climate Sustainability Portfolio** invests in 20 to 40 Australian equities listed on the ASX, with a guide to the proportionate investment in large, medium, small, and micro capitalisation companies for diversification. Underlying all investments will be a strict environmental, social, and governance (ESG) screen which will identify companies which are acting in line with expectations of creating a more sustainable future. Unlike other ESG portfolios this will portfolio will put significant emphasis on the environmental impact of a company in a way that assesses the total supply chain and whether it is doing all it can to reduce its carbon footprint.

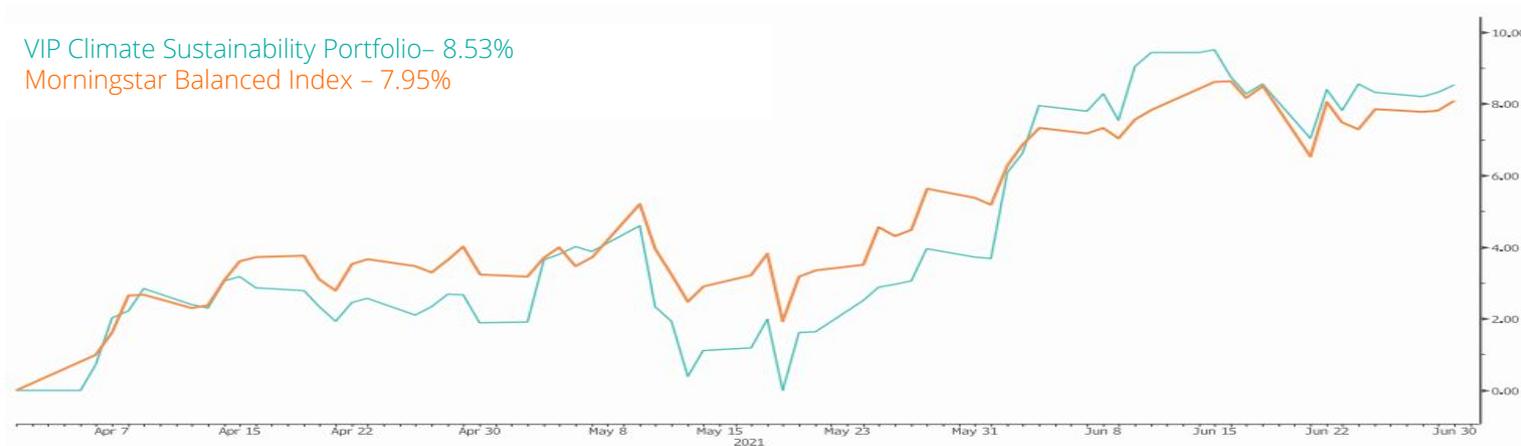
ESG Definitions

Companies are placed into one of five risk categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a "high risk" assessment reflects a comparable degree of unmanaged ESG risk across the research universe, whether it refers to an agriculture company, a utility or any other type of company. One point of risk is the same, no matter which company or which issue it applies to, and points of risk add up across issues to create overall scores. Companies with lower Risk Ratings scores have lower ESG risk.

Portfolio Performance

	1 Month	3 Months	6 Months	Y.T.D.	Since Inception (p.a.)
Gross Returns	4.65%	8.53%	-%	8.53%	8.53%
Net Returns	4.55%	8.23%	-%	8.23%	8.23%
Benchmark Returns	2.34%	7.95%	-%	7.95%	7.95%

VIP Climate Sustainability Portfolio – 8.53%
Morningstar Balanced Index – 7.95%



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 is 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



Emission Scores

Carbon
Solutions

3.37x

VIP's Climate Sustainability Portfolio's has 3.37 times more exposure to companies working on carbon solutions than the benchmark.

Green
Energy

62%

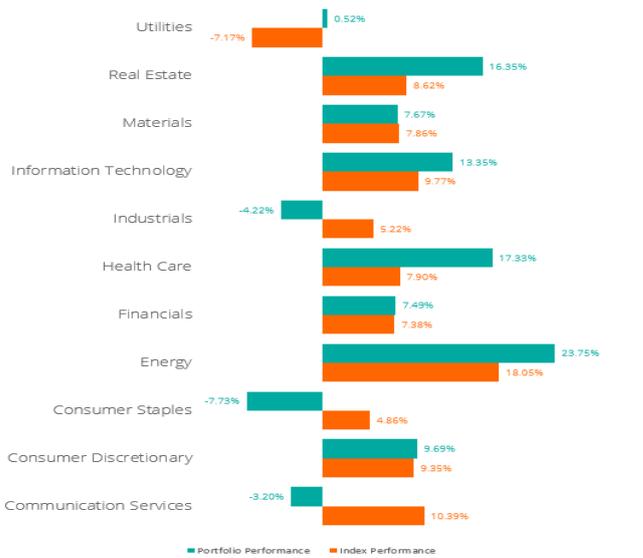
VIP's Climate Sustainability Portfolio's has 62% less exposure to the fossil fuel industry than the benchmark.

Current Sector Allocation

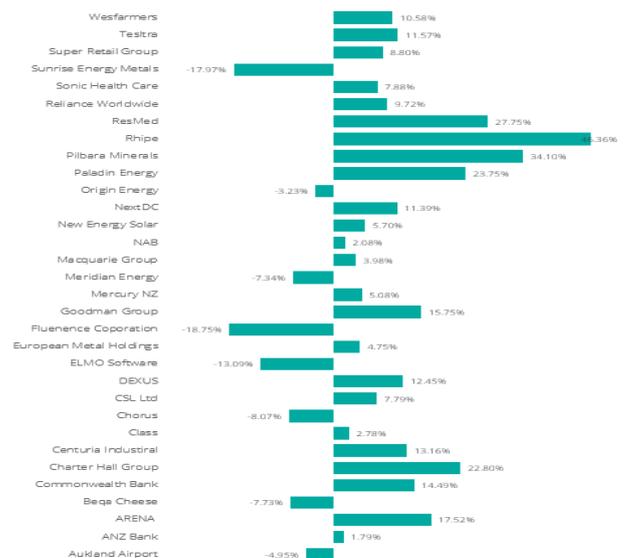


- Communication Services - 5%
- Consumer Discretionary - 5%
- Consumer Staples - 2%
- Energy - 5%
- Financials - 15%
- Health Care - 10%
- Industrials - 10%
- Information Technology - 10%
- Materials - 10%
- Real Estate - 15%
- Utilities - 12%
- Cash - 2%

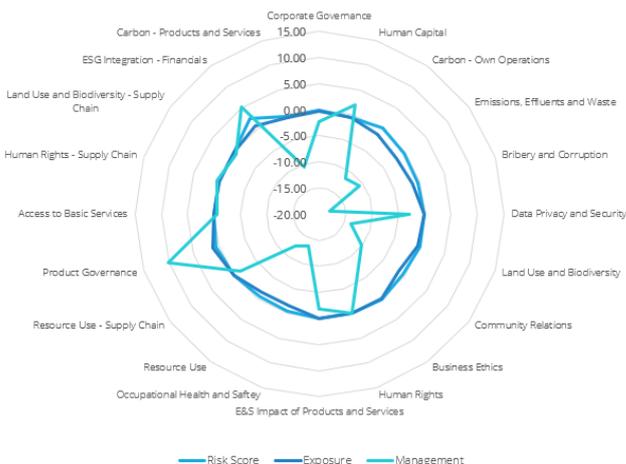
3 Month Sector Performance



3 Month Holdings Performance



ESG Relative Score Index

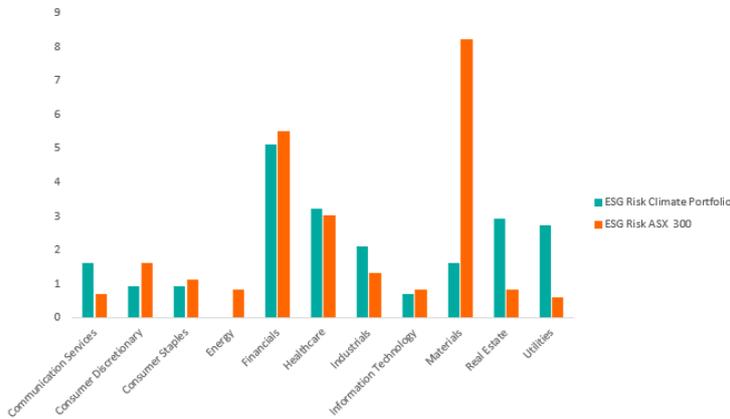


Portfolio Facts

Inception Date	1 st April 2021
Asset Class	Domestic Equities
Index Benchmark	All Ordinaries
Investment Horizon	5 – 7 Years
Minimum Investment	\$75,000 AUD
Management Fee	1.20%



ESG Risk Rating



Portfolio

ASX 300 Index

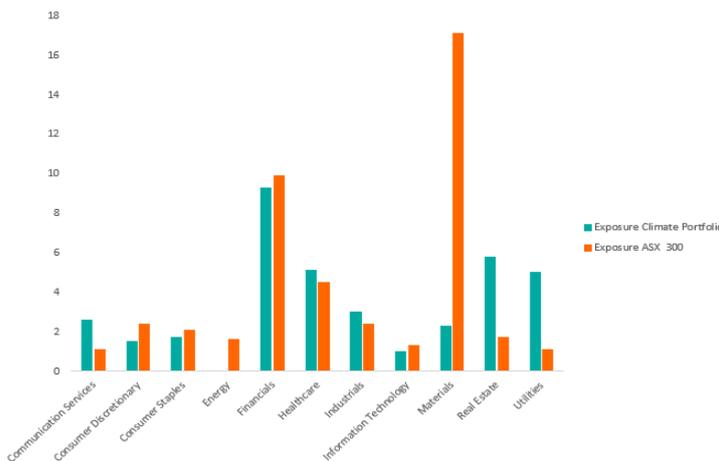
21.6

24.2

The ESG Risk Rating measures the degree to which a company's economic value is at risk driven by ESG factors, as assessed through Sustainalytics' calculation of the company's unmanaged ESG risks.

VIP's Climate Sustainability Portfolio's ESG risk is considered **Medium**, and is 11% lower than the benchmark.

ESG Risk Exposure



Portfolio

ASX 300 Index

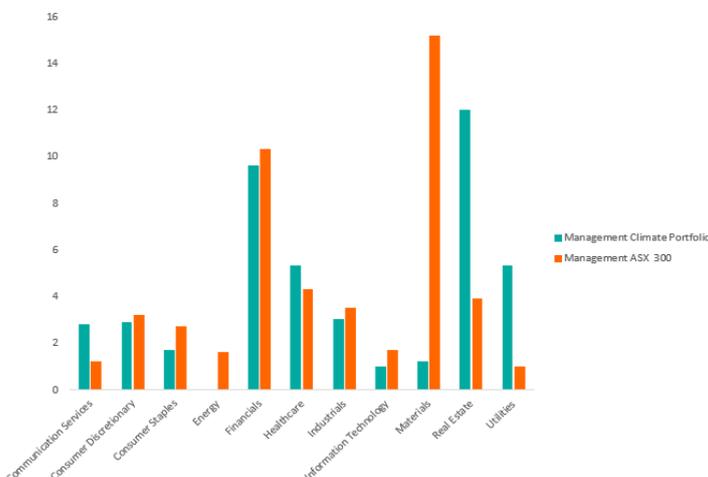
37.4

45.3

Exposure considers a company's sensitivity or vulnerability to ESG risks. Lower exposure scores indicate that the constituent companies face less ESG risk.

VIP's Climate Sustainability Portfolio's exposure to ESG issues is considered as **Medium**, and is 17% lower than the benchmark.

ESG Risk Management



Portfolio

ASX 300 Index

44.8

48.8

Management evaluates a company's performance on managing its exposure to ESG issues. Higher management scores indicate the constituent companies have stronger management of their exposure.

VIP's Climate Sustainability Portfolio's management of ESG issues is considered as **Average**, and is 8% weaker than the benchmark