



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

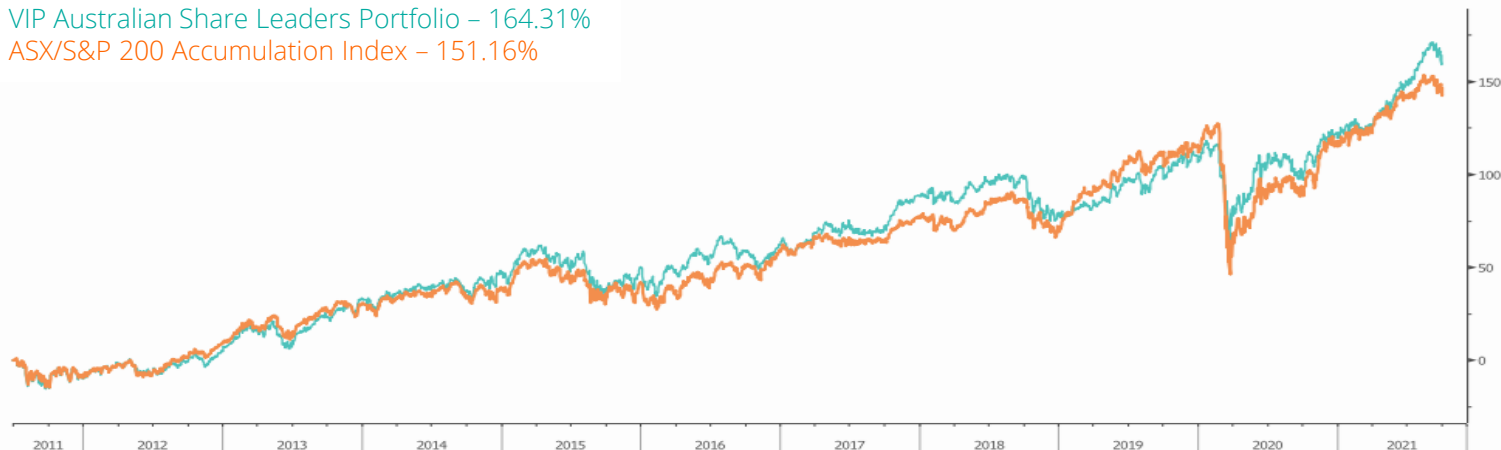
Using our tailored quantitative models our analysts identify companies that meet 57 financial and market measures testing over 7200 data points to identify undervalued securities. Our team analyses company reports, external consultant material, and research papers to identify strong company fundamentals 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	-0.29%	6.78%	18.73%	21.74%	34.80%	10.22%	11.03%	9.92%	10.12%
Net Returns	-0.36%	6.85%	18.33%	21.27%	34.00%	9.42%	10.23%	9.12%	9.32%
Benchmark Returns	-1.36%	2.26%	11.77%	15.72%	31.65%	10.18%	10.72%	8.56%	9.56%

VIP Australian Share Leaders Portfolio – 164.31%

ASX/S&P 200 Accumulation Index – 151.16%



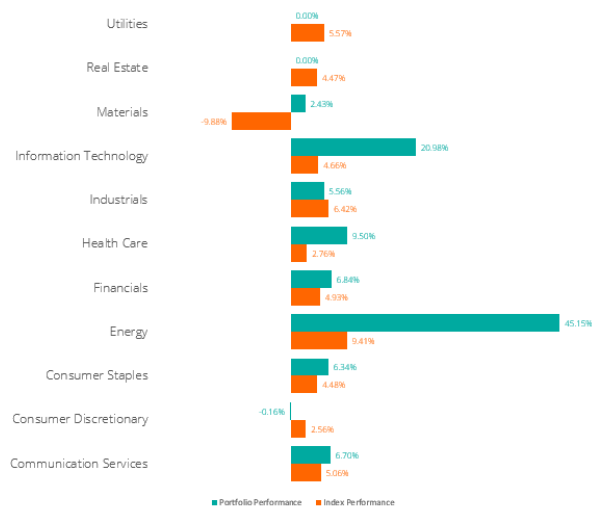
Market Commentary

Labour and supply shortages, shipping bottlenecks, COVID delta variant, inflation and vaccine hesitancy. There were plenty of worries in Q3, but markets remained mostly positive across the quarter as economies continued to open and society resumed some normality. This led to an increase in demand in many areas which has been exacerbating the impact of supply constraints. Something governments, businesses and central banks will be dealing with in the year ahead.

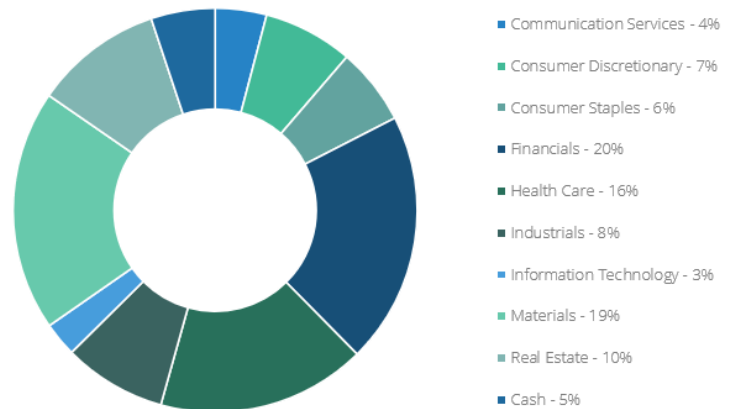
Data released in September showed the economy grew 0.7% for Q2, with year-on-year growth 9.6%, but showed growth slowing from Q1 before the COVID outbreaks in NSW and Victoria. The continued presence of COVID in the two largest states led to more vaccine urgency. By the end of the quarter, 77.8% of Australians over 16 had been administered their first dose and 54.2% of Australians over 16 were fully vaccinated. In its September minutes the RBA again said it "will not increase the cash rate until actual inflation is sustainably within the 2 to 3 per cent target range". Inflation increased to 3.8% in Q2 2021 with the largest increases coming in fuel, pricing for furniture due to timber prices and supply shortages and childcare as free childcare was ended.



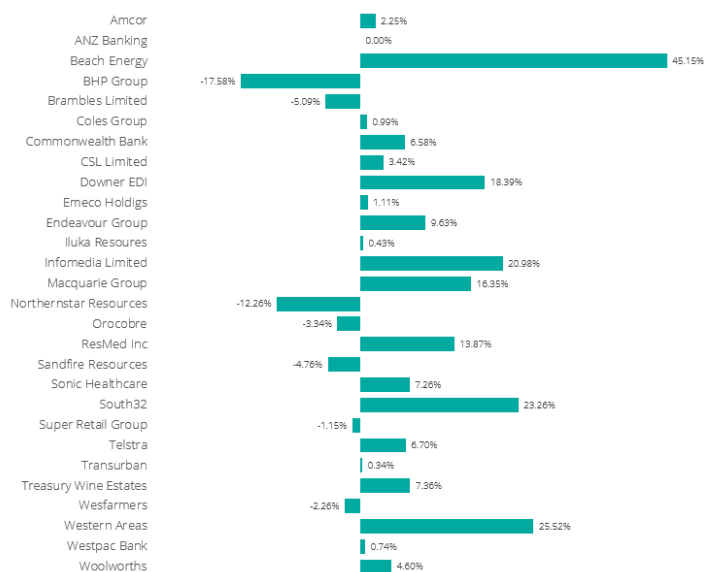
3 Month Sector Performance



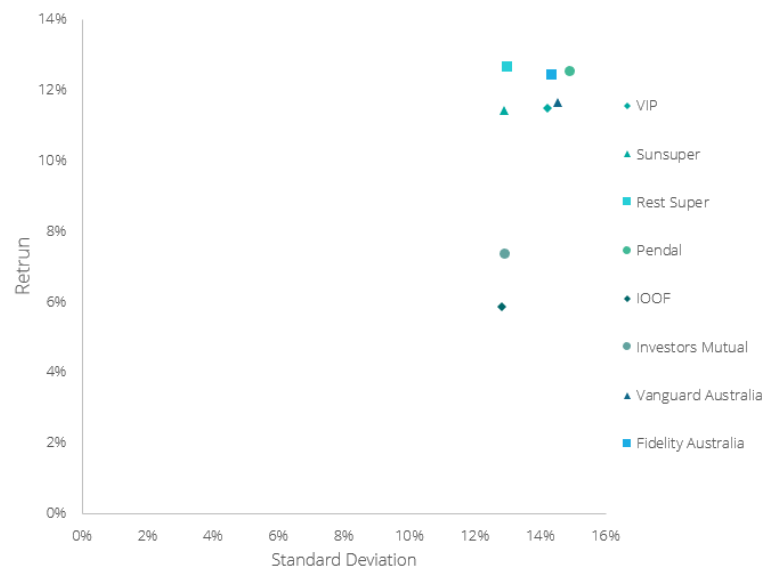
Current Sector Allocation



3 Month Holdings Performance



5 Year Risk/Return Profile



Upside & Downside Capture

	3 Month	5 Year
Upside Capture	116%	104%
Downside Capture	71%	91%

Portfolio Facts

Inception Date	30 th June 2011
Asset Class	Multi-Asset
Platform Availability	Xplore Wealth
Index Benchmark	ASX/S&P 200 Index
Investment Horizon	5 – 7 Years
Minimum Investment	\$75,000 AUD
Management Fee (Exc. GST)	0.80%