



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.

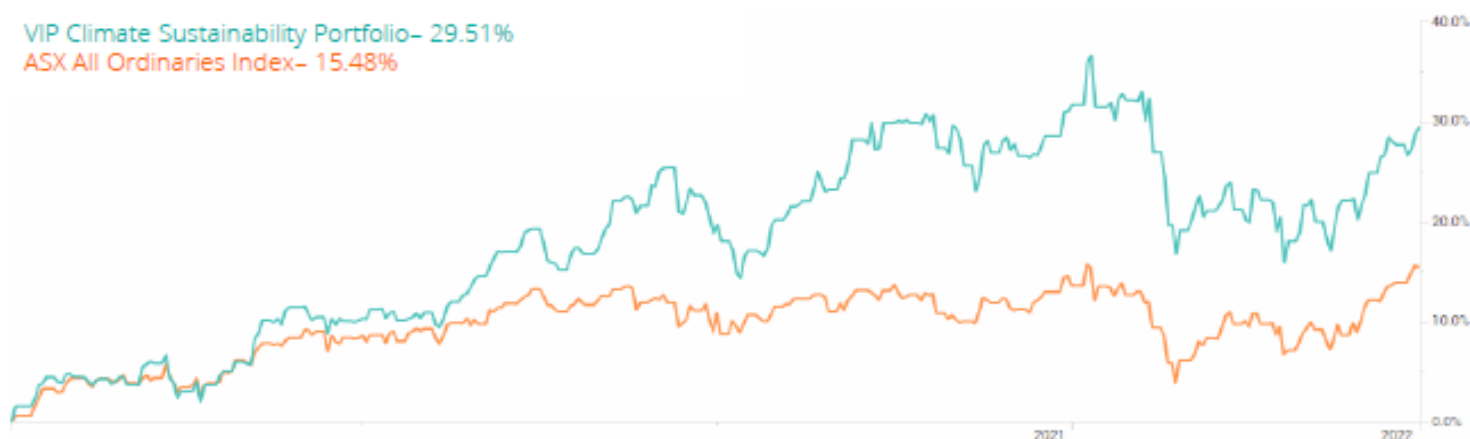
ESG Definitions

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 Month	6 Month	Y.T.D.	1 Year	Inception (p.a.)
Gross Returns	8.83%	-1.69%	8.2%	-1.69%	29.51%	29.51%
Net Returns	8.73%	-1.99%	7.65%	-1.99%	28.31%	29.01%
Benchmark Returns	6.91%	1.62%	4.14%	1.62%	15.48%	15.48%

VIP Climate Sustainability Portfolio- 29.51%
ASX All Ordinaries Index- 15.48%



Market Commentary

Volatility, due to economic uncertainty, dominated the March quarter with equity markets swinging aggressively.

As the new year started, the emergence of a fifth COVID variant (Omicron) and what it meant for inflation and interest rates gripped investors. The word transitory (to describe inflation) disappeared, the realization that global interest rates were set for sustained hikes gained mainstream acceptance and equity markets tanked. This resulted in a divergence in investor behaviour; many institutional investors recognizing the difficulty central banks are likely to have curtailing inflation, rotated out of interest-rate sensitive stocks into resources and other commodities, while bargain hunters upon realizing that Omicron wasn't as severe as earlier versions began 'buying the dip' and the Australian equity market rallied recovering half its YTD losses.

However, when Russia attacked Ukraine in mid-February, it was just one too many negatives for nervous investors and global equity markets tanked again. Then in the last few weeks of March, the US printed a massive inflation figure of 8.5%, but core inflation looked low and bargain hunters (use to decades of loose monetary policy and pumped-up equity markets) once again began buying the dip and Australia's equity market ended the quarter in line with where it started the year.



Emission Scores

Carbon
Solutions

3.37x

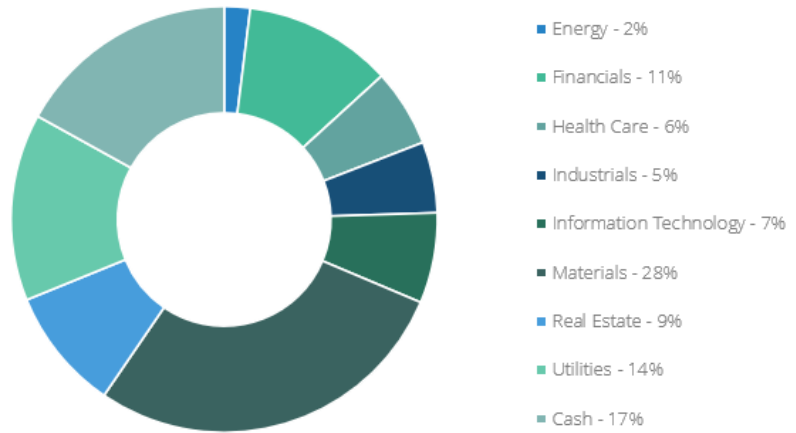
VIP's Climate Sustainability Portfolio's has 3.37 times more exposure to companies working on carbon solutions than the benchmark.

Green
Energy

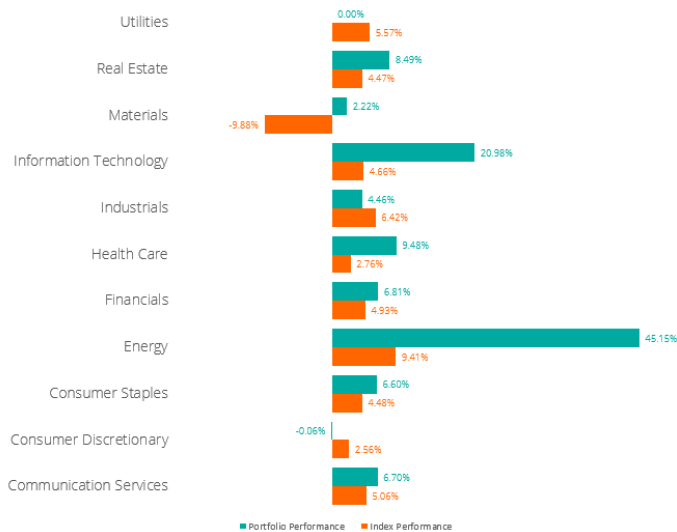
62%

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

Current Sector Allocation



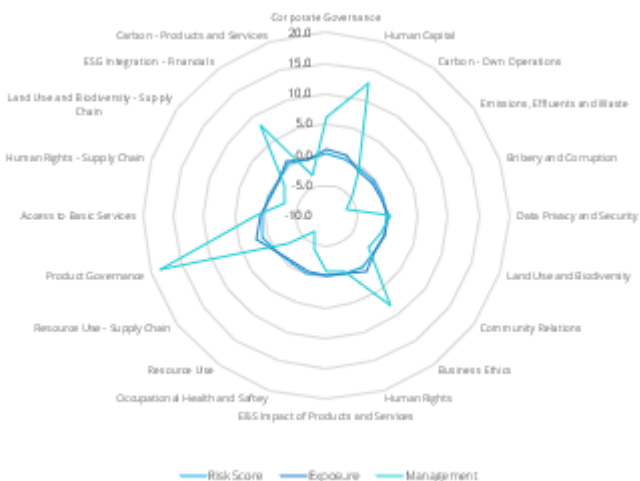
3 Month Sector Performance



3 Month Holdings Performance



ESG Relative Score Index

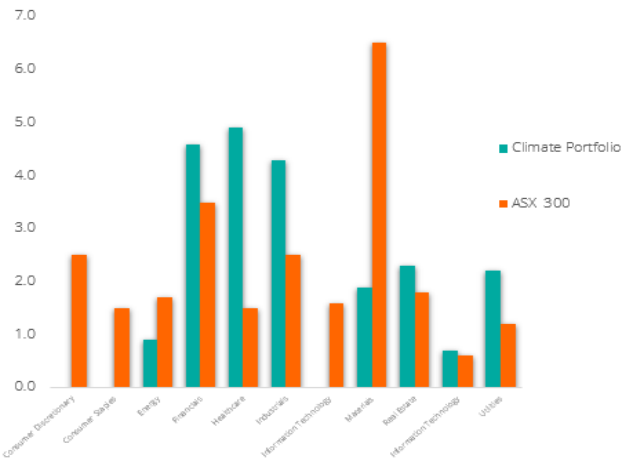


Portfolio Facts

Inception Date	1st April 2021
Asset Class	Australian Equities
Platform Availability	Xplore Wealth
Index Benchmark	S&P/ASX All Ordinaries Index
Investment Horizon	5 – 7 Years
Suggested Minimum Investment	\$75,000 AUD
Management Fee (Exc. GST)	0.90%



ESG Risk Rating



Portfolio

ASX 300 Index

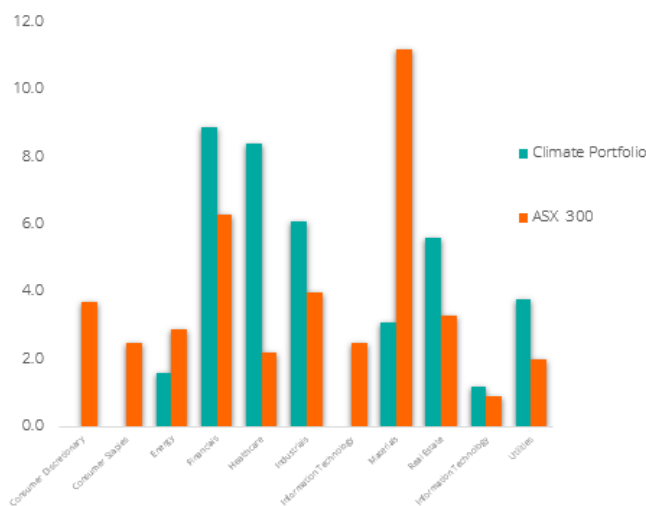
21.8

25.0

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 13% lower than the benchmark.

ESG Risk Exposure



Portfolio

ASX 300 Index

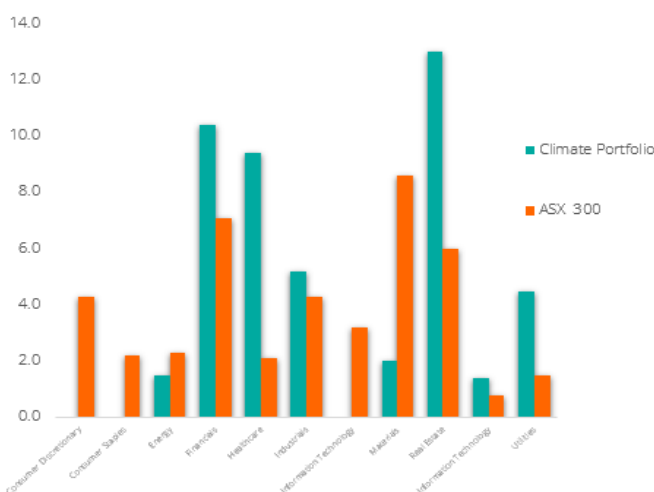
38.8

41.5

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 6% lower than the benchmark.

ESG Risk Management



Portfolio

ASX 300 Index

47.4

52.5

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 11% stronger than the benchmark