



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 and holding some growth assets. The portfolio can consist 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.

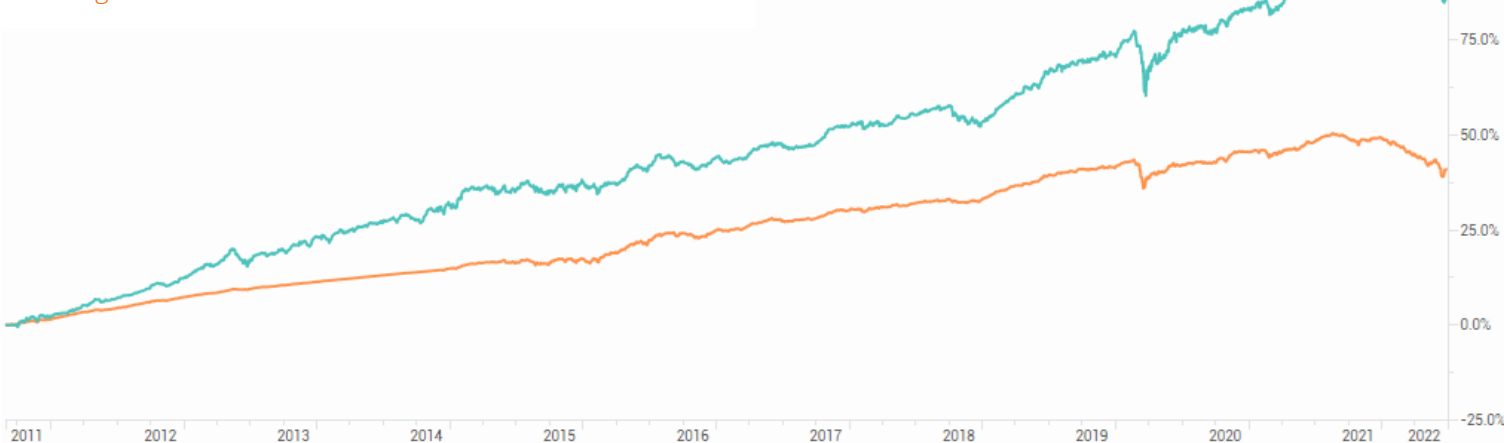
Investment Strategy

Using the principles of diversification, Value Investment Partners' multi-asset products use a specific blend of inhouse asset class specific portfolios 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..

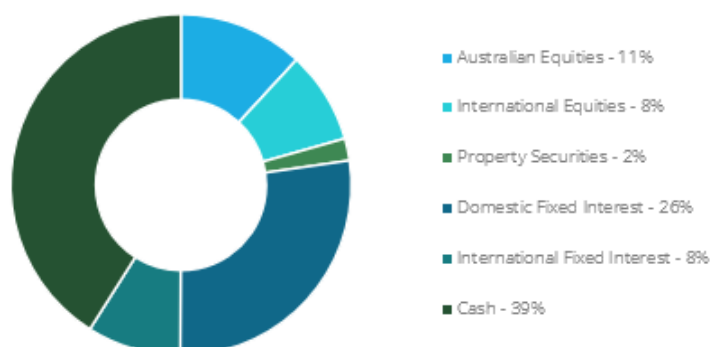
Portfolio Performance

	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	-2.86%	-3.82%	-5.24%	-5.24%	-2.94%	4.13%	5.03%	4.67%	5.98%
Net Returns	-2.93%	-4.02%	-5.64%	-5.64%	-3.74%	3.33%	4.23%	3.87%	5.18%
Benchmark Returns	-1.58%	-2.89%	-5.70%	-5.70%	-5.20%	0.12%	1.71%	2.69%	3.21%

VIP Conservative Portfolio – 87.70%
Morningstar Conservative Index – 40.81%



Portfolio Asset Allocation

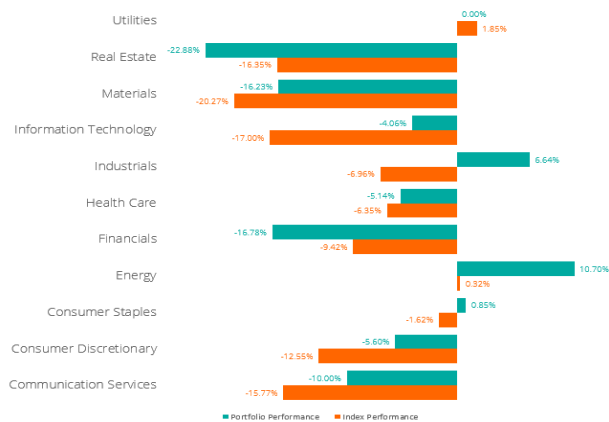


Portfolio Facts

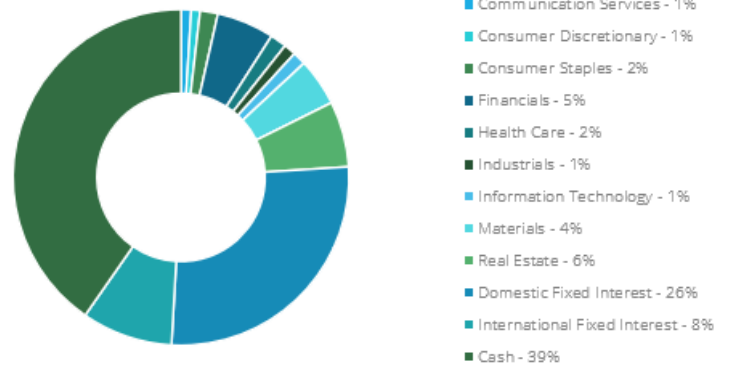
Inception Date	31 st August 2011
Asset Class	Multi-Asset
Platform Availability	Xplore Wealth
Index Benchmark	Morningstar Conservative Index
Investment Horizon	5 – 7 Years
Suggested Minimum Investment	\$250,000 AUD
Management Fee (Exc. GST)	0.80%



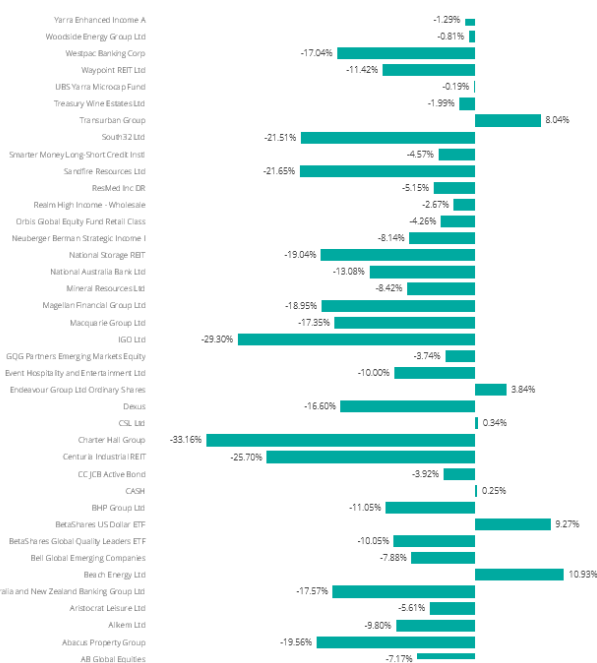
3 Month Sector Performance



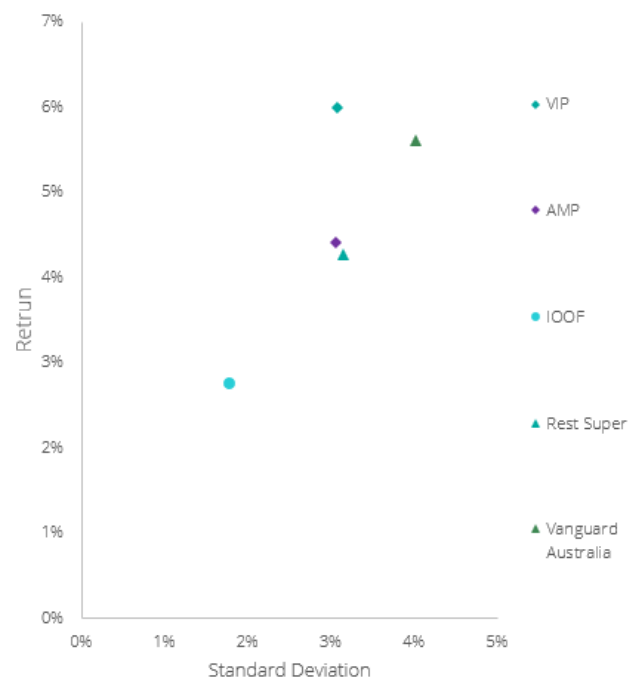
Current Sector Allocation



3 Month Holdings Performance



5 Year Risk/Return Profile



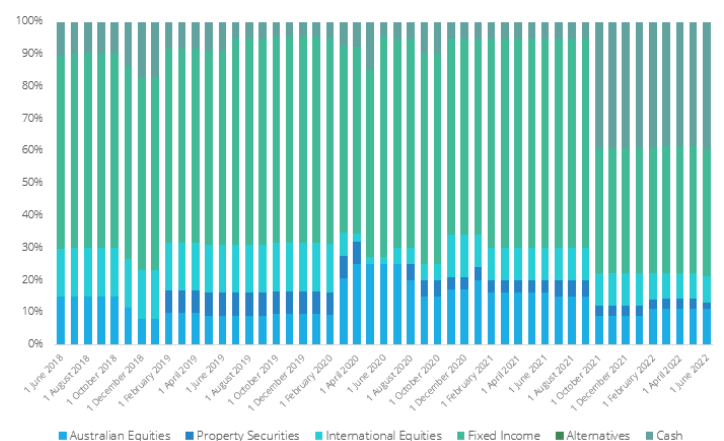
Upside & Downside Capture

6 Month 5 Year

Upside Capture 154% 175%

Downside Capture 90% 102%

Conservative Trailing Asset Weight





Market Commentary

Inflation and fears about recession dominated equity markets over the June quarter with international markets declining significantly. The US Dow Jones was down 11.2%, the German DAX was down 11.3% and Australia's All Ords was down 11.7%. VIP as previously reported, was expecting difficult markets and had prepared your portfolios positioning them very conservatively. As a result, your portfolios performed significantly better than markets and benchmarks for the quarter, but they were still down as reflected by VIP's Australian Leaders portfolio which was down 7.2%.

The key underperformers were Property and Lithium stocks. VIP remains confident in the Property exposures we have as they are predominantly last mile industrial exposures that are in short demand (i.e. we have limited office and retail exposure). Similarly, the Managers are confident in the outlook for Lithium equities (a key mineral in electric vehicle batteries) given the extremely high prices that are being reported for supply of this vital and short supply mineral. As such, and as we are already seeing through the start of July, we expect these exposures to perform well relative to other equities.

Despite our enthusiasm for these exposures, and Australia in general relative to the rest of the world, we do remain very cautious on the outlook for international financial markets and expect ongoing volatility.

International markets have been knocked about, and VIP is bracing for more volatility

The US, Europe and Australia all recorded increasingly higher inflation over the June quarter which, as expected, prompted Central Banks to step in and raise official interest rates in an attempt to fight off the inflation. Central Banks have stated that they will "do what it takes" to beat inflation and are adamant that their actions won't cause a recession, but markets don't believe either claim and have driven stock prices lower.

In addition to central banks pushing up rates, Chinas supply chain problems, the war in the Ukraine and underinvestment in energy and other resources look as though they have only begun to drive a combination of inflation and recession. The potential for Russia to turn off Europe's supply of gas is the latest concern because of the potentially devastating consequences for European Industry. The uncertainty these factors create and the conflicting impact they have on navigating through the economic chaos means ongoing market volatility over coming quarters.

Despite the dreary global outlook Australia could once again prove to truly be the "lucky country". The AUD is likely to remain weak thanks to our expectation that interest rates will remain below US rates, while demand for our resources should remain at least steady as the world searches for a stable reliable source of energy, agricultural commodities and possibly mineral resources when China tries to spend its way out of its problems.

VIP - Protecting capital through difficult markets

As investors navigate unprecedented economic circumstances and complex markets VIP remains comfortable with the positioning of your portfolio and the prospects for further outperformance despite the prospects for global inflation and recession. VIP successfully navigated through the initial emergence of inflation by pivoting your investments away from growth stocks towards value stocks and cash. VIP portfolios are now exposed to cash, energy, resources and financial stocks, with very low to no exposure to technology and discretionary type stocks, Europe and or emerging countries.

Sources Referred and Data Collected From: Bloomberg, NAB, CommBank, & RBA