



### Investment Description

The model provides an actively managed diversified portfolio with a strategic allocation of 60% in growth assets and 40% in defensive assets. The manager uses tactical asset allocation within pre-defined ranges as a key contributor to the manager's investment objective and core philosophy of minimising portfolio volatility.

### Portfolio Updates

Through July Equity markets continued the rebound that started in June (ASX200 +5.7% for July) on the back of market expectations that interest rates won't be increased as far as previously feared. Uncertainties do however remain across global financial markets, especially around the prospects for recession and how deep it might be. Inflation also remains a concern, despite improved US numbers in July as oil prices came back, primarily because of wage and rental increases that are now feeding inflation both in the US and Australia. For these reasons and because of the commentary we are seeing from many of the companies we invest in (which are guiding to worsening conditions ahead) VIP remains cautious and your portfolios continue to be conservatively positioned. Despite being more conservatively positioned than usual, VIP's portfolios once again performed well through July with your Australian Equities recording a +5.8% return.

### Portfolio Performance

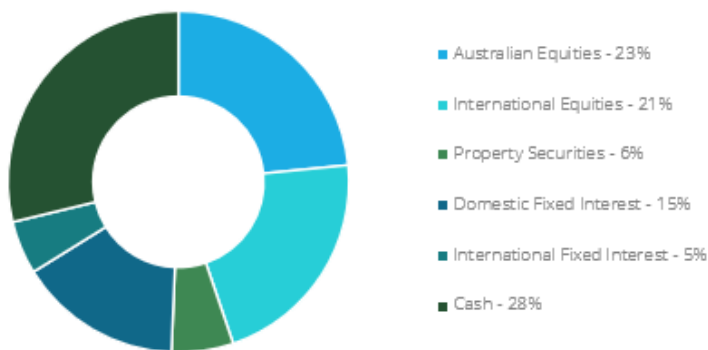
|                   | 1 Month | 3 Month | 6 Month | Y.T.D.  | 1 Year* | 3 Year (p.a.)* | 5 Year (p.a.)* | 7 Year (p.a.)* | Inception (p.a.)* |
|-------------------|---------|---------|---------|---------|---------|----------------|----------------|----------------|-------------------|
| Gross Returns     | 3.12%   | -2.82%  | -4.04%  | -6.25%  | -3.51%  | 5.52%          | 7.17%          | 6.64%          | 8.40%             |
| Net Returns       | 3.08%   | -2.93%  | -4.27%  | -6.52%  | -3.96%  | 5.07%          | 6.72%          | 6.19%          | 7.94%             |
| Benchmark Returns | 6.68%   | -4.10%  | -4.63%  | -10.84% | -8.59%  | 3.57%          | 3.55%          | 4.62%          | 3.86%             |

\*Returns based on the MDA Class since its inception given the only differences between the two class from a return perspective is the different management fee and relative performance to a different performance benchmark.

VIP Balanced Portfolio – 141.12%  
VIP Composite Balanced Index – 51.21%



### Portfolio Asset Allocation



### Sector Allocation

