



Investment Description

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.

Portfolio Updates

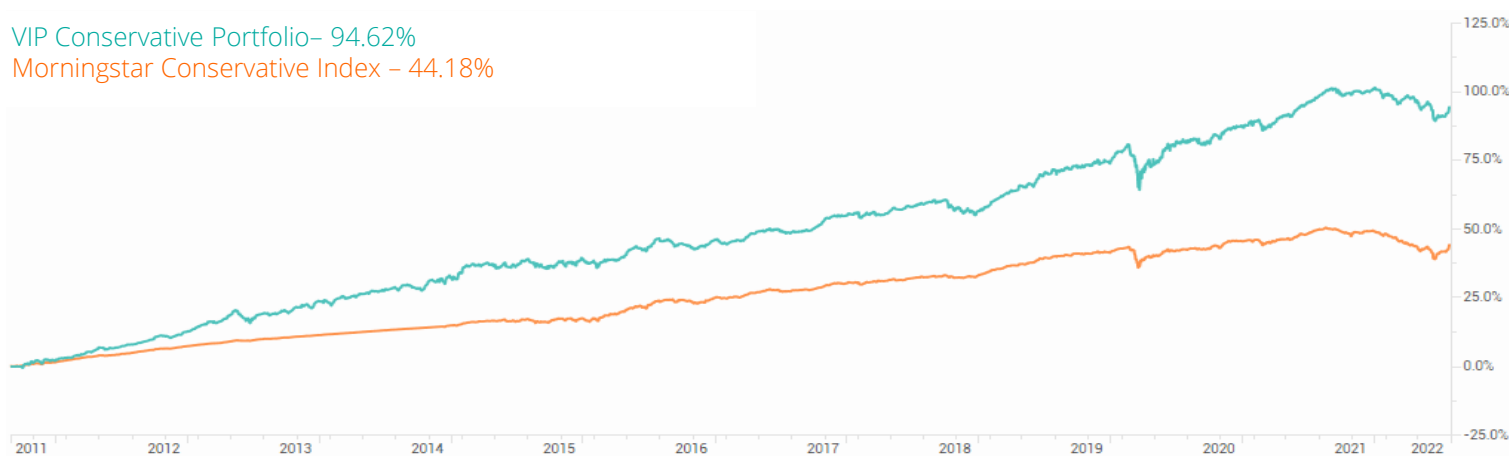
Through July Equity markets continued the rebound that started in June (ASX200 +5.7% for July) on the back of market expectations that interest rates won't be increased as far as previously feared. Uncertainties do however remain across global financial markets, especially around the prospects for recession 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

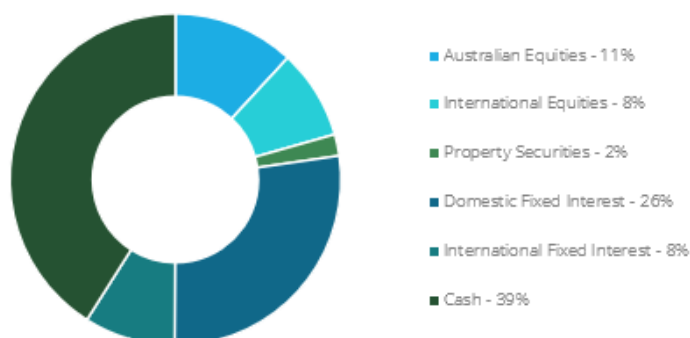
	1 Month	3 Month	6 Month	Y.T.D.	1 Year	3 Year (p.a.)	5 Year (p.a.)	7 Year (p.a.)	Inception (p.a.)
Gross Returns	2.02%	-1.23%	-2.08%	-3.22%	-1.85%	4.29%	5.53%	5.23%	6.34%
Net Returns	1.95%	-1.43%	-2.48%	-3.62%	-2.65%	3.49%	4.73%	4.43%	5.54%
Benchmark Returns	2.36%	0.38%	-2.79%	-3.47%	-3.93%	0.69%	2.19%	3.14%	3.43%

VIP Conservative Portfolio – 94.62%

Morningstar Conservative Index – 44.18%



Portfolio Asset Allocation



Sector Allocation

