



Investment Objective

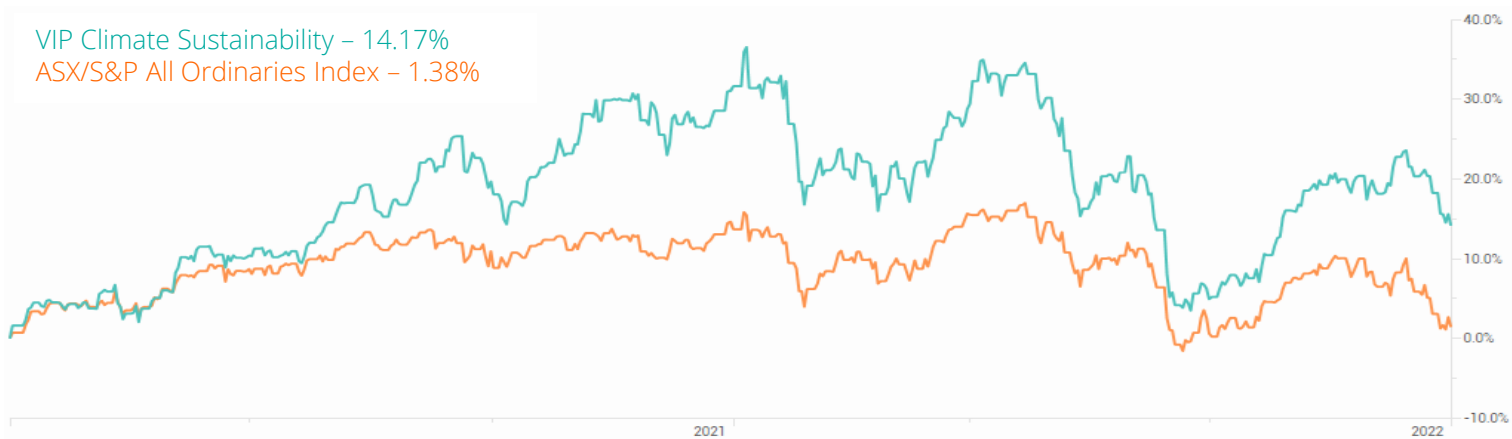
The VIP Climate Sustainability Portfolio invests in 20 to 40 Australian equities listed on the ASX, with a guide to the proportionate investment in large, medium, small, and micro capitalisation companies for diversification. Underlying all investments will be a strict environmental, social, and governance (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	-4.75%	8.79%	-11.85%	-13.33%	-4.62%	9.24%
Net Returns	-4.85%	8.49%	-12.45%	-14.23%	-5.82%	8.74%
Benchmark Returns	-6.41%	0.80%	-12.21%	-10.79%	-8.57%	0.92%



Market Commentary

Powell’s reality check reminded markets there’s more pain to come

The September quarter was another volatile period for financial markets as they dealt with two months of bullish enthusiasm followed by a reality check from the US Federal Chairman, Jerome Powell who advised "restoring stability will take some time". His comments resulted in a massive change in sentiment and gains from the two-month bear rally were more than completely wiped out as global equity markets plunged with the Dow Jones down 5427 points or ~16% to new lows for the year.

Global economies look to be in trouble and markets are reflecting it

Inflation remains rampant across Europe, the USA and Australia. In addition, recession looks to be unavoidable in Europe, US company results are reflecting increased costs and changing consumer behaviour. Consequently, we remain very cautious on the outlook for global economies and international financial markets and expect ongoing volatility.

Despite the dreary global outlook Australia is increasingly looking as though it will once again be the "lucky country". The AUD is likely to remain weak based on our expectation that interest rates will remain below US rates, while demand for our commodities should remain at least steady as the world searches for a stable reliable source of energy, agricultural commodities and key mineral resources.



Emission Scores

Carbon
Solutions

3.37x

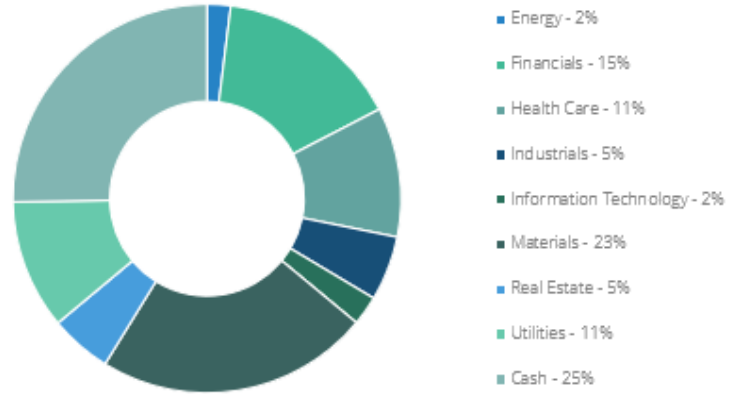
VIP's Climate Sustainability Portfolio's has 3.37 times more exposure to companies working on carbon solutions than the benchmark.

Green
Energy

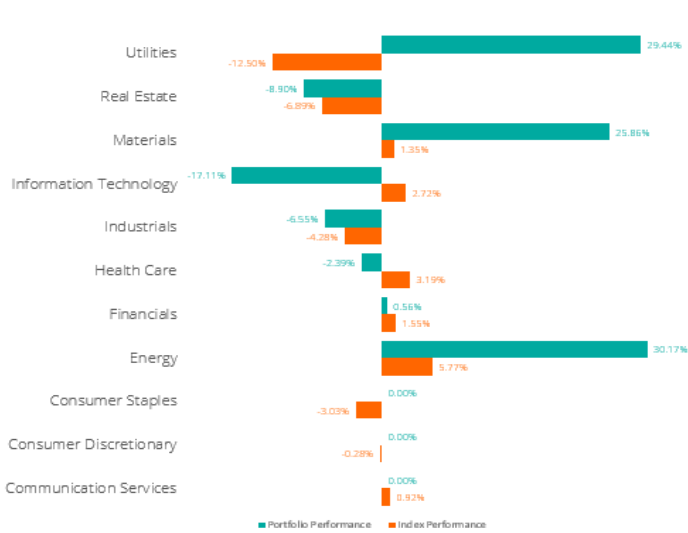
62%

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

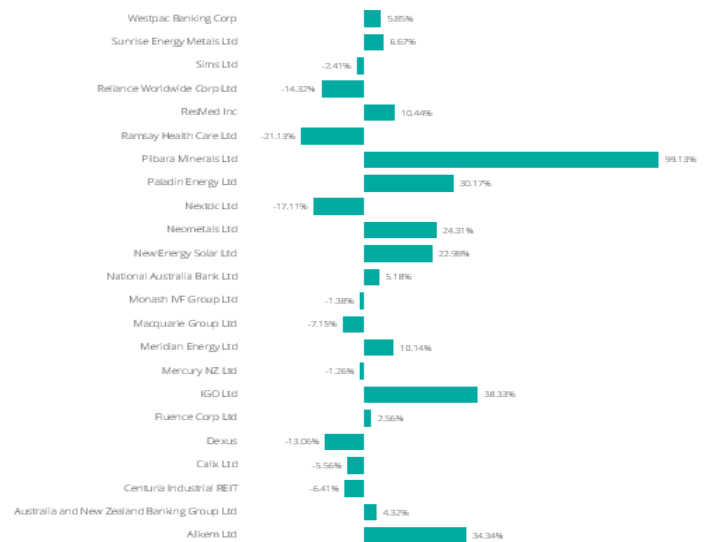
Current Sector Allocation



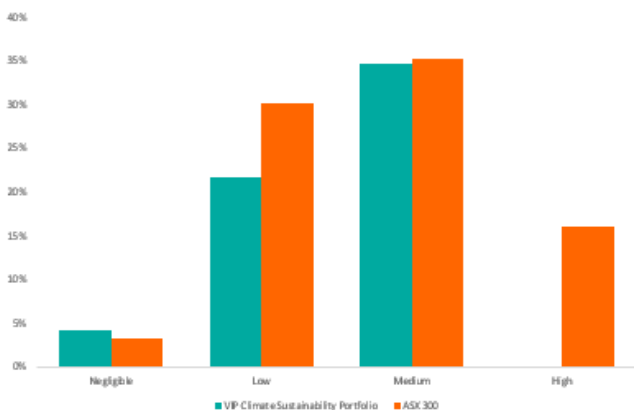
3 Month Sector Performance



3 Month Holdings Performance



ESG Risk Classification

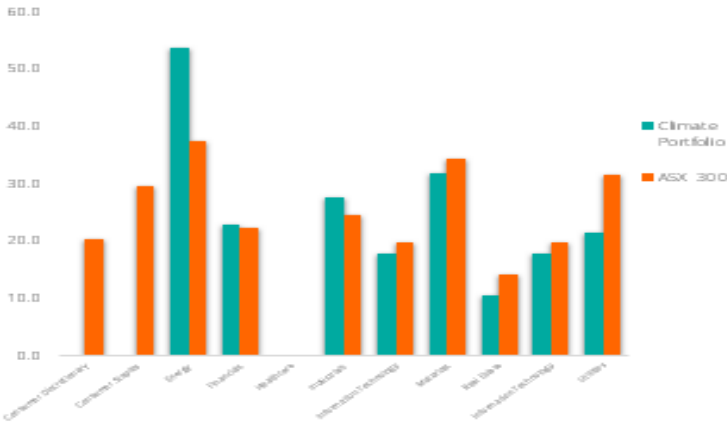


Portfolio Facts

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

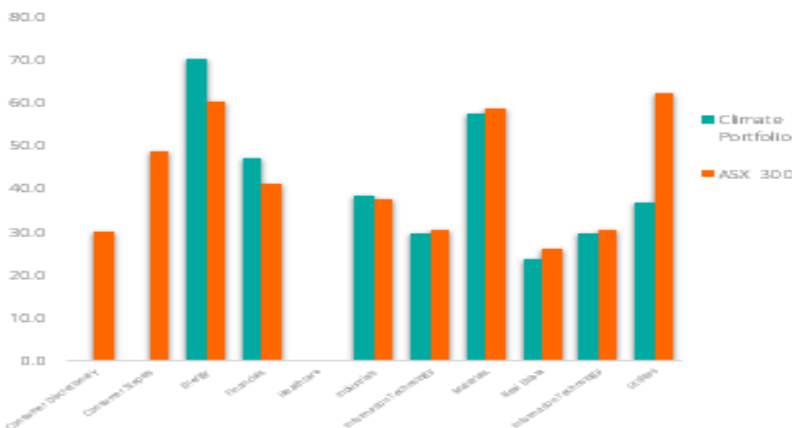
25.27

24.83

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 1.7% higher than the benchmark.

ESG Risk Exposure



Portfolio

ASX 300 Index

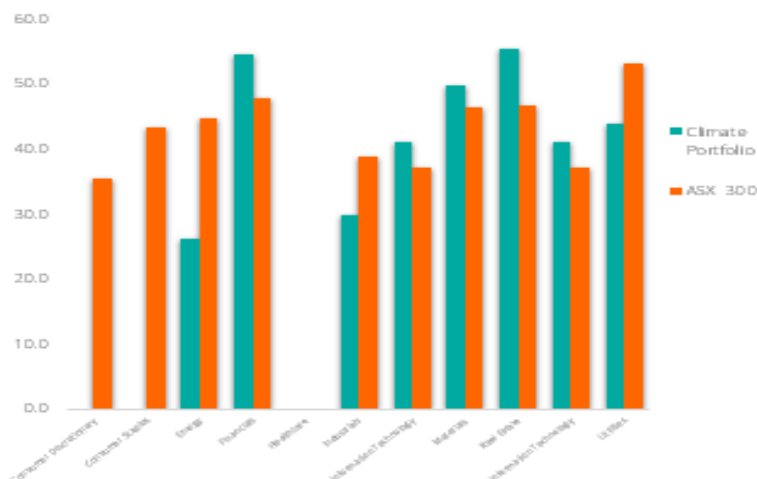
44.91

41.31

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 8.7% higher than the benchmark.

ESG Risk Management



Portfolio

ASX 300 Index

47.36

42.44

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 **Strong**, and is 11.6% stronger than the benchmark.