Investment Description

The model provides an actively managed diversified portfolio with a strategic allocation of 30% in growth assets and 70% 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

October saw the Reserve Bank of Australia (RBA) announce a slowdown in the pace of rate hikes however they reiterated that rates will more than likely be higher for longer and that the worst is yet to come. The S&P/ASX 200 Accumulation Index returned 6.0% in October. The strongest sector were Financials (+12.2%), Property (+9.9%) and Energy (+9.5%), while Consumer Staples (-0.2%), Materials (-0.1%) and Healthcare (+0.6%) were the weakest sectors. The economic and earnings news received in October was not good, but markets have rallied on the assumption that much of the bad news is in the price. While it's true that equities historically bottom before the economy, the still challenging economic outlook and uncertain path for inflation and rates suggest investors should maintain a degree of caution towards risk assets.
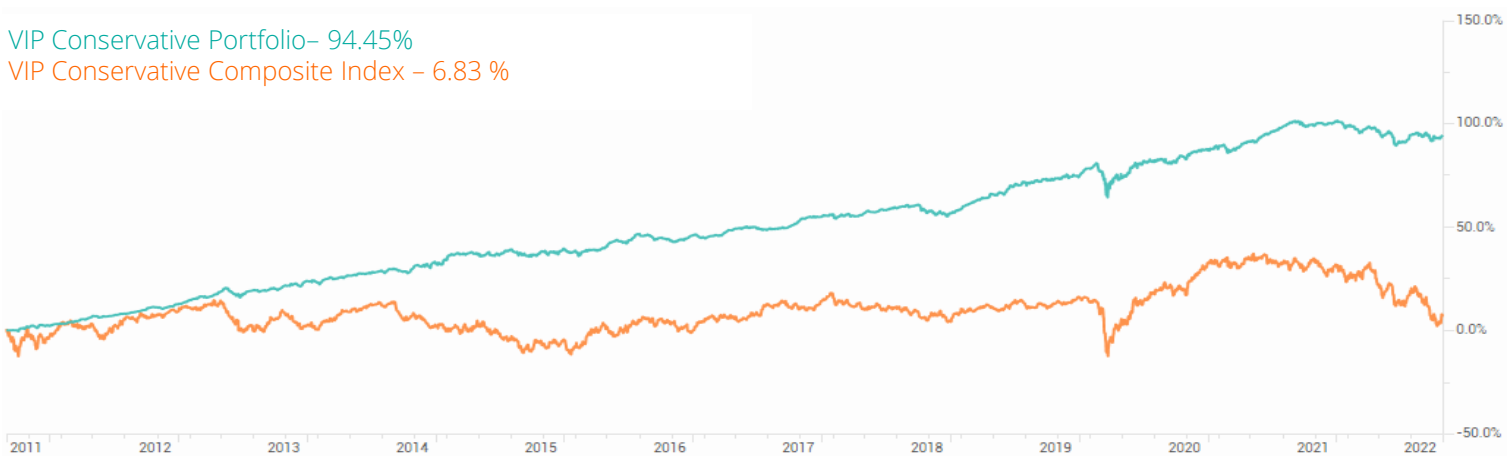
Portfolio Facts

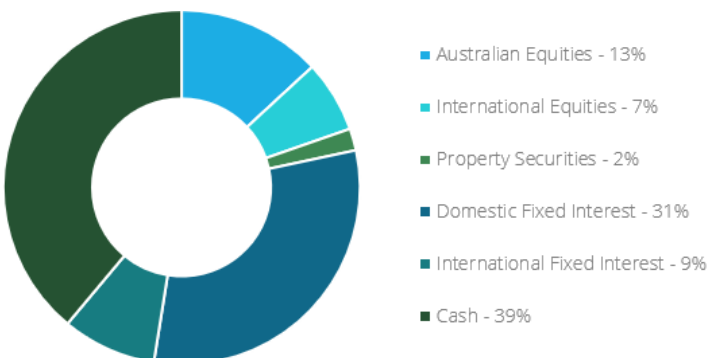|	
Inception Date	1st August 2021
Asset Class	Multi-Asset
Platform Availability	Praemium
Index Benchmark	VIP Conservative Composite Index
Investment Horizon	5 – 7 Years
Suggested Minimum Investment	$200,000 AUD
Management Fee (Exc. GST)	0.45%

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	1.35%	-0.10%	-1.31%	-3.31%	-2.27%	3.89%	4.89%	5.21%	6.18%
Net Returns	1.31%	-0.21%	-1.54%	-3.65%	-2.72%	3.44%	4.44%	4.76%	5.73%
Benchmark Returns	1.86%	-10.36%	-12.63%	-18.83%	-19.82%	-2.07%	-0.69%	2.42%	0.60%

*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 Conservative Portfolio– 94.45%
VIP Conservative Composite Index – 6.83 %

Portfolio Asset Allocation

- Australian Equities - 13%
- International Equities - 7%
- Property Securities - 2%
- Domestic Fixed Interest - 31%
- International Fixed Interest - 9%
- Cash - 39%

Sector Allocation

- Communication Services - 1%
- Consumer Discretionary - 1%
- Consumer Staples - 2%
- Financials - 4%
- Health Care - 2%
- Industrials - 1%
- Information Technology - 1%
- Materials - 5%
- Real Estate - 2%
- Domestic Fixed Interest - 31%
- International Fixed Interest - 9%
- Cash - 39%