



Investment Objective

The aim of the **VIP Australian Shares Leaders** Portfolio is to provide investors with investment income and capital growth in excess of the S&P/ASX 300 Index over the long term from investment in a portfolio of medium to large capitalisation Australian companies. The portfolio invests in 10 to 40 Australian shares within the S&P/ASX 300 index that have been selected via a quantitative, qualitative screening process, and align with macroeconomic themes identified by our analysts and consultants to generate excess returns over the long term.

Investment Strategy

Using our tailored quantitative models our analysts identify companies that meet 57 financial and market measures testing over 7200 data points to identify undervalued securities. Our team analyses company reports, external consultant material, and research papers to identify strong company fundamentals and assessments of potential benefits from macroeconomic trends, forecasts, and developments. Finally, using risk models we test the diversification of potential portfolio constructions to ensure that client risk parameters are met and that an acceptable risk/reward trade off is achieved.

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	-3.60%	5.50%	8.16%	1.55%	1.55%	9.84%	7.71%	9.60%	9.15%
Net Returns	-3.67%	5.43%	7.76%	0.75%	0.75%	9.04%	6.91%	8.80%	8.35%
Benchmark Returns	-3.21%	9.40%	9.82%	-1.08%	-1.08%	5.55%	7.11%	8.85%	8.26%

VIP Australian Share Leaders Portfolio – 173.57%

ASX/S&P 200 Accumulation Index – 149.08%



Market Commentary

We are not out of the Woods yet!

The December quarter brought an easing of inflationary fears as the US reported its first monthly decline in inflation since August 2021. This was reflected in lower US bond yields and stronger US equity markets, with the S&P500 rallying 7% over the quarter. Late in the quarter the inflationary outlook for Australia and Europe also appeared to improve which led to strength in their local markets.

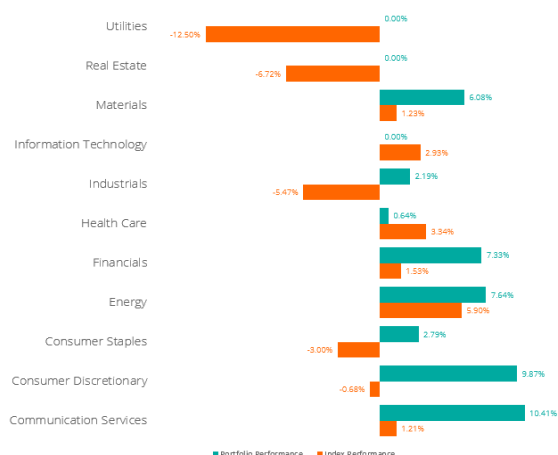
VIP's portfolios ended the year well

VIP is pleased to report that over 2022 all of VIP's blends outperformed their benchmarks, largely due to the VIP Australian Leaders portfolio which was up 1.55% beating its benchmark by 2.6%. This was despite slight underperformance over the final quarter as our conservatively positioned portfolio rallied at a slower pace than broader markets. VIP's flagship Growth portfolio also performed well beating its benchmark, the Morning Star Australian Growth Index, by 7.7%.

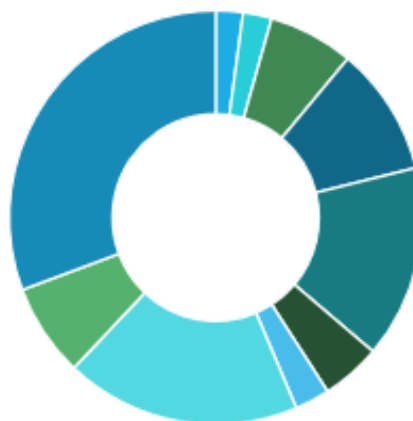
The key performers for the VIP portfolios over 2022 were overweight positions in the USD (through to October), resources (especially lithium a key mineral in electric vehicle batteries), financial and healthcare stocks. VIP portfolios also benefitted from being underweight Europe, technology, real-estate and discretionary stocks.



3 Month Sector Performance

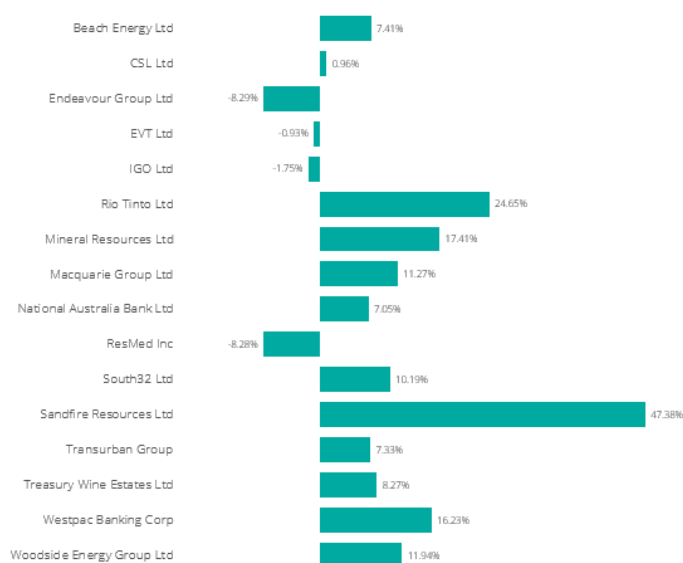


Current Sector Allocation

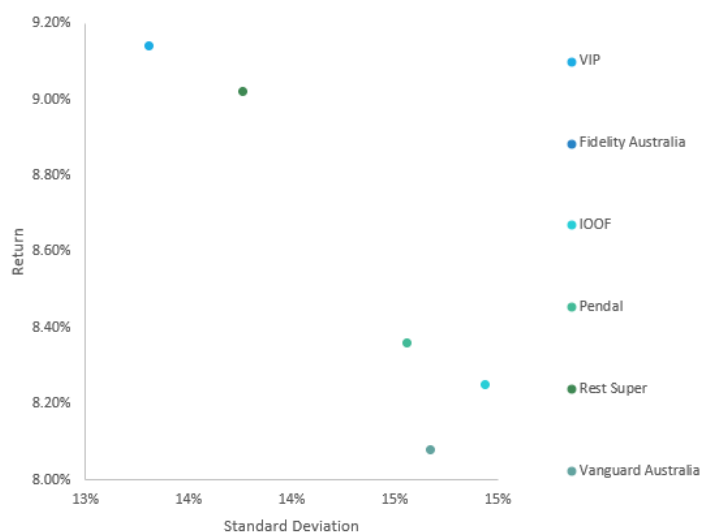


Communication Services	- 2%
Consumer Discretionary	- 2%
Consumer Staples	- 7%
Energy	- 10%
Financials	- 15%
Health Care	- 5%
Industrials	- 3%
Materials	- 18%
Real Estate	- 7%
Cash	- 31%

3 Month Holdings Performance



5 Year Risk/Return Profile



Upside & Downside Capture

	3 Month	5 Year
Upside Capture	73%	79%
Downside Capture	114%	68%

Portfolio Facts

Inception Date	30 th June 2011
Asset Class	Multi-Asset
Platform Availability	Xplore Wealth
Index Benchmark	ASX/S&P 200 Index
Investment Horizon	5 – 7 Years
Minimum Investment	\$75,000 AUD
Management Fee (Exc. GST)	0.80%