



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.)	Since Inception (p.a.)
Gross Returns	-1.15%	1.70%	7.73%	1.70%	0.68%	16.96%	8.34%	9.85%	9.33%
Net Returns	-1.22%	1.50%	7.33%	1.03%	-0.12%	16.16%	7.54%	9.05%	8.53%
Benchmark Returns	-0.16%	3.46%	13.19%	3.46%	0.10%	16.52%	8.69%	10.12%	8.58%

Australian Equities Portfolio – 178.87%
ASX/S&P 200 Accumulation Index – 157.71%



Market Commentary

A broad disparity of views underpins VIP's ongoing caution!

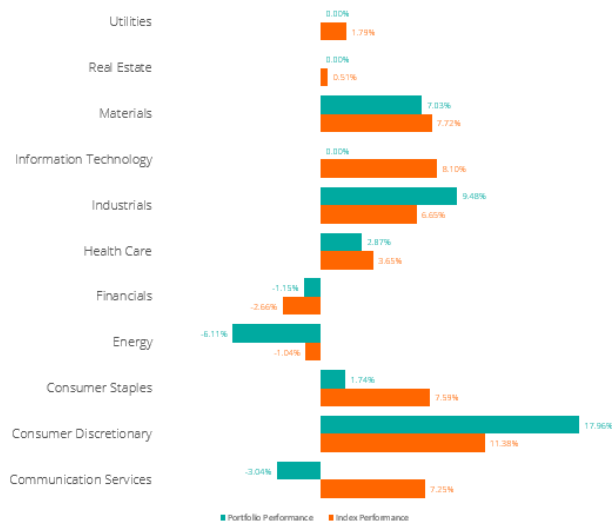
Global Equity markets rallied through the March quarter shrugging off Bond market concerns about pending recession. The disparity between the two markets is a global phenomena which at very least reflects heightened uncertainty and at worst a protracted recession. Underpinning the bond markets pricing in of a recession is the ongoing issue of inflation. Inflation appears to have peaked in most countries (fuelling equity market performance), however it remains too high. The bond market (as reflected by inverted yield curves) is concerned with how long inflation will remain sticky, how central banks will respond and how much damage they will do trying to combat it by raising rates. VIP interprets the discrepancy as reflecting bond markets have high conviction in a recession while equity markets are just not quite ready to factor it in.

Protecting capital is always VIP's key focus

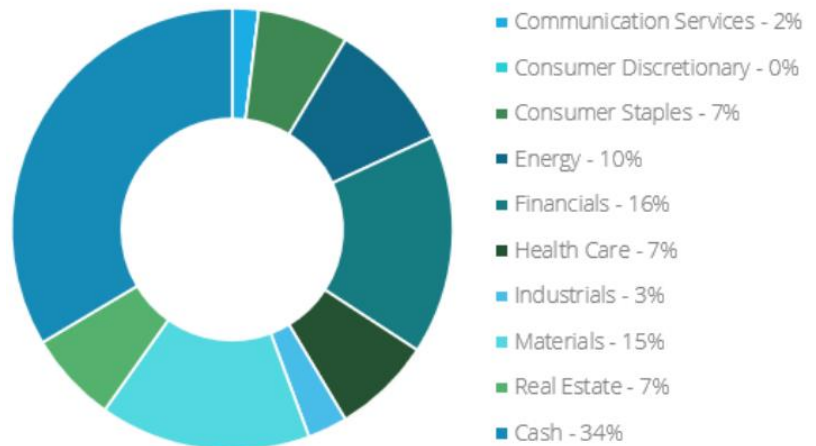
Equity markets having regained much of the losses experienced at various points over 2022 and once again look relatively highly priced, which if the bond markets prediction of recession comes through makes them susceptible to a correction. VIP portfolios consequently continue to have relatively high cash levels and to be defensively positioned with a heightened level of relatively safe bonds and selected equities such as sustainable resources (Lithium and copper) and financial stocks which continue to be preferred over technology and discretionary stocks. Consequently, despite the prospects for global stagflation (inflation and recession) VIP remains comfortable with the positioning of your portfolio for 2023, including its defensiveness and opportunity to take advantage of cheaper equities when markets correct.



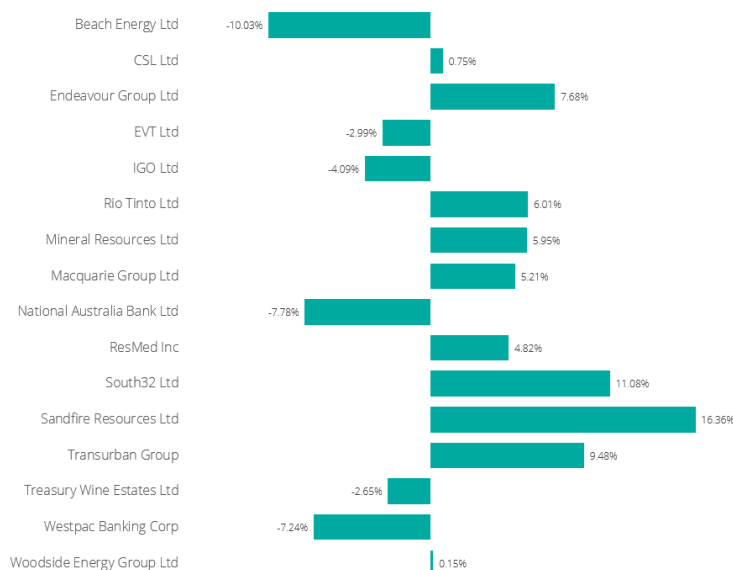
3 Month Sector Performance



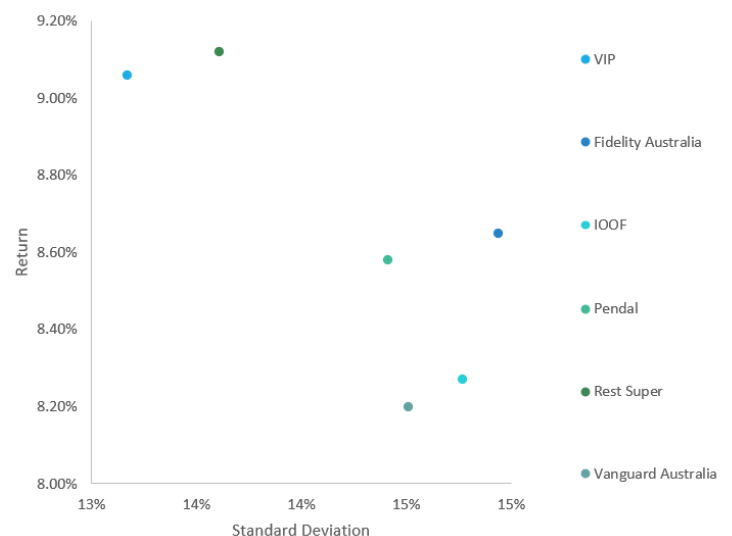
Current Sector Allocation



3 Month Holdings Performance



5 Year Risk/Return Profile



Upside & Downside Capture

	3 Month	5 Year
Upside Capture	71%	78%
Downside Capture	113%	71%

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%