



Investment Objective

The aim of the VIP Balanced Portfolio is to provide investors with a combination of capital growth and income over the medium to long term from investment within a diversified portfolio of growth assets and defensive assets. The portfolio is composed of 30 – 60 securities and can consist of ASX listed securities, Exchange Traded Funds (ETFs), Listed Investment Companies (LICs), Managed Funds, Government and Semi Government Bonds, Term Deposits and Cash.

Investment Strategy

Using the principles of diversification, Value Investment Partners' multi-asset products use a specific blend of inhouse asset class specific portfolios to develop an 'all weather' fund designed to accrue and protect wealth in any market environment. Using tactical asset allocation, Value Investment Partners constructs the optimal portfolio of a variety of asset classes to control market risk exposure and take advantage of opportunities in a large investable universe..

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	0.30%	3.25%	7.03%	3.25%	0.89%	8.05%	6.57%	7.20%	8.51%
Net Returns	0.23%	3.18%	6.63%	2.58%	0.09%	7.25%	5.77%	6.40%	7.71%
Benchmark Returns	1.62%	4.22%	8.07%	4.22%	-1.53%	5.97%	4.80%	5.77%	6.89%

VIP Balanced Portfolio – 152.22%

Morningstar Balanced Index – 115.22%



Portfolio Asset Allocation



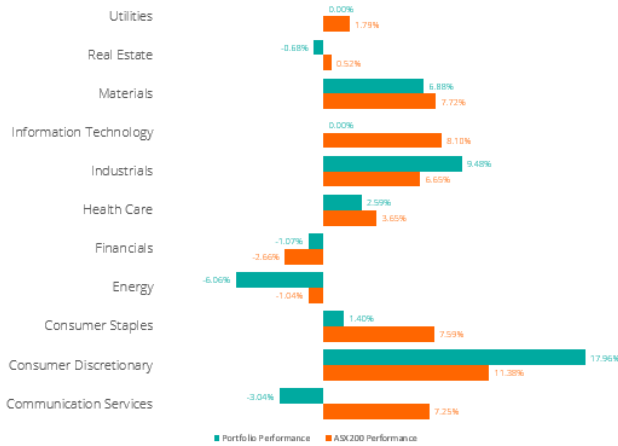
- Australian Equities – 16%
- International Equities – 21%
- Property Securities – 6%
- Domestic Fixed Interest – 26%
- International Fixed Interest – 9%
- Cash – 22%

Portfolio Facts

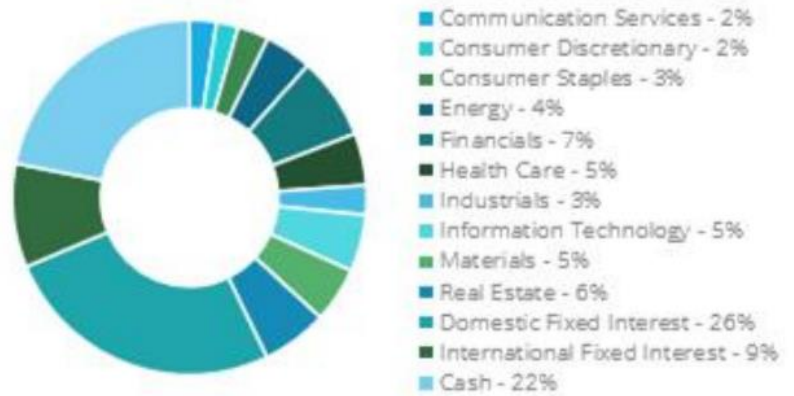
Inception Date	31 st August 2011
Asset Class	Multi-Asset
Platform Availability	Xplore Wealth
Index Benchmark	Morningstar Balanced Index
Investment Horizon	5 – 7 Years
Suggested Minimum Investment	\$250,000 AUD
Management Fee (Exc. GST)	0.80%



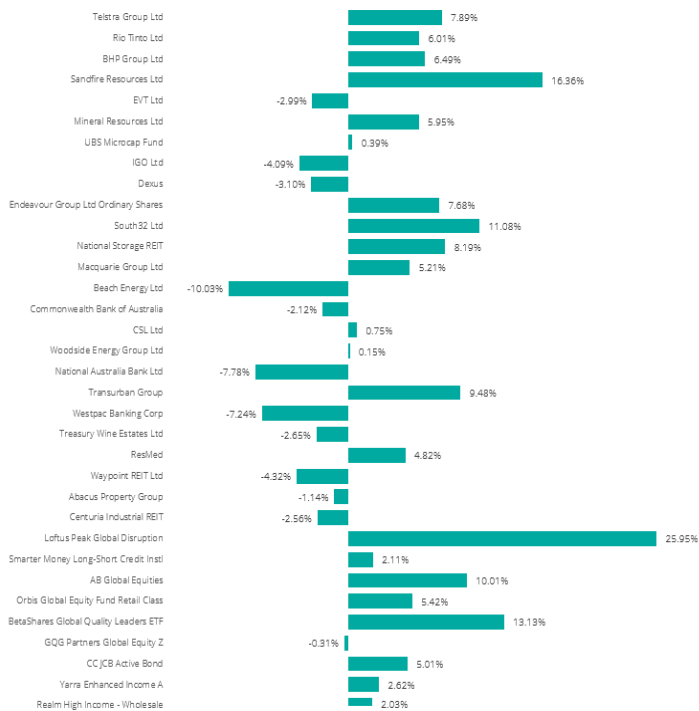
3 Month Sector Performance



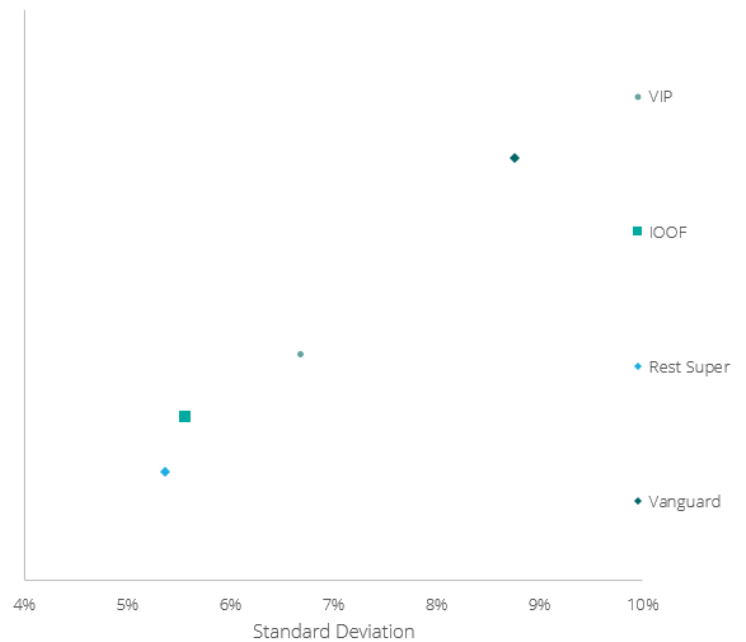
Current Sector Allocation



3 Month Holdings Performance



5 Year Risk/Return Profile



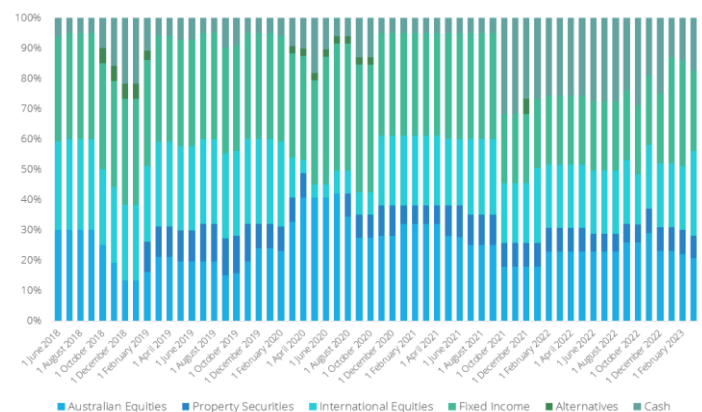
Upside & Downside Capture

3 Month 5 Year

Upside Capture 67% 98%

Downside Capture 30% 78%

Balanced Trailing Asset Weights





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.

Despite our cautionary positioning, VIP's portfolios performed well

The disparity between markets underpinned VIP's caution in how we positioned the VIP portfolios. We maintained high cash levels and a generally defensive positioning across the portfolios through the March quarter which curtailed performance, but our flagship growth fund still delivered 3.77%. The key performers for the portfolios over 1Q23 were overweight positions in international equities and resources. VIP portfolios also benefitted from being underweight real-estate, however the REITs we did hold underperformed.

Economic uncertainty continues to prevail

While inflation is starting to look as though it may have peaked and the threat of recession keeps getting pushed out there is a plethora of widening data points that are of concern, hence the inverted yield curve and VIP's ongoing caution. Despite months of increasing rates the real impact of higher rates was just beginning to be felt in the March quarter. US regional banks and Credit Suisse were the most high-profile early casualties, however the impact is being felt across all industries and all key countries. While sales have typically been resilient margins are threatened, US and European PMI data and non-farm payroll data does not look good and multiple employment gauges show a cooling of labour demand.

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.

Sources Referred and Data Collected From: Morningstar, IRESS and RBA

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