



### 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

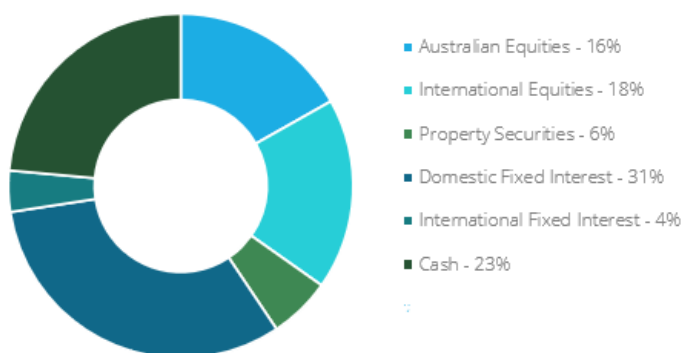
Using the principles of diversification, Value Investment Partners' multi-asset products use a specific blend of inhouse asset class specific portfolios to develop an 'all weather' fund designed to accrue and protect wealth in any market environment. Using tactical asset allocation, Value Investment 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	0.67%	1.59%	4.90%	4.90%	9.54%	5.74%	6.32%	6.65%	8.65%
Net Returns	0.61%	1.53%	4.50%	4.50%	8.74%	4.94%	5.52%	5.85%	7.85%
Benchmark Returns	0.87%	1.14%	5.41%	5.41%	7.57%	4.02%	4.33%	5.15%	7.00%



### Portfolio Asset Allocation

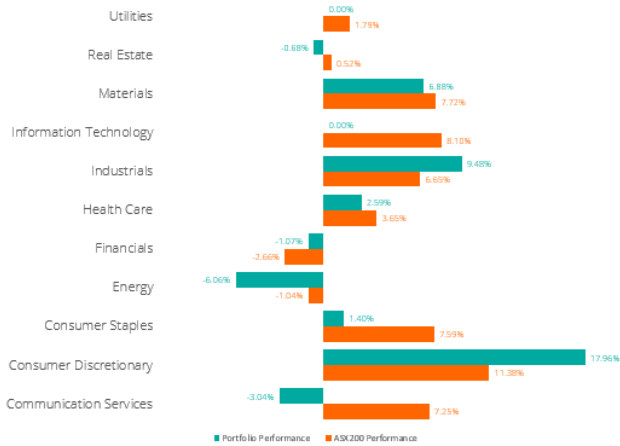


### Portfolio Facts

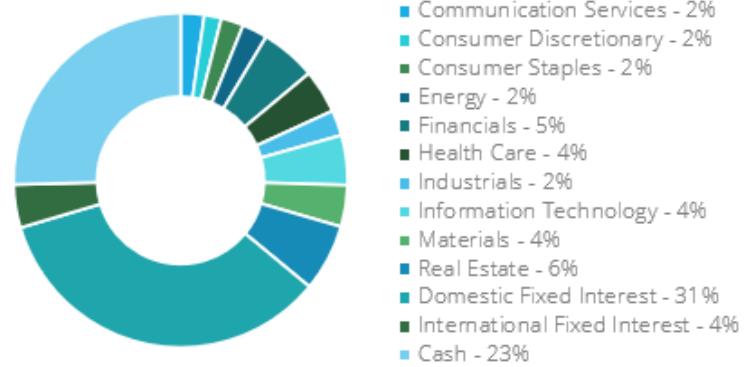
Inception Date	31 <sup>st</sup> August 2011
Asset Class	Multi-Asset
Platform Availability	Xplore Wealth
Index Benchmark	Morningstar Balanced Index
Investment Horizon	5 – 7 Years
Suggested Minimum Investment	\$250,000 AUD
Management Fee (Exc. GST)	0.80%



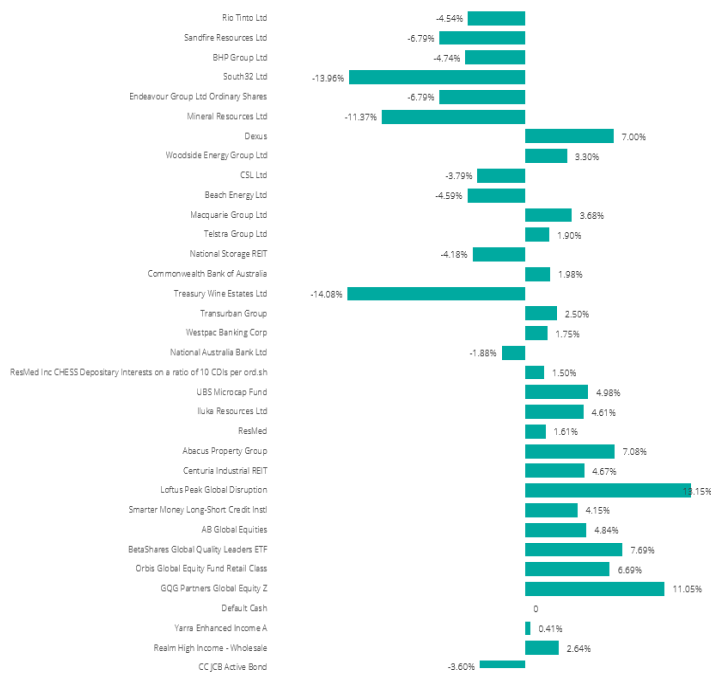
### 3 Month Sector Performance



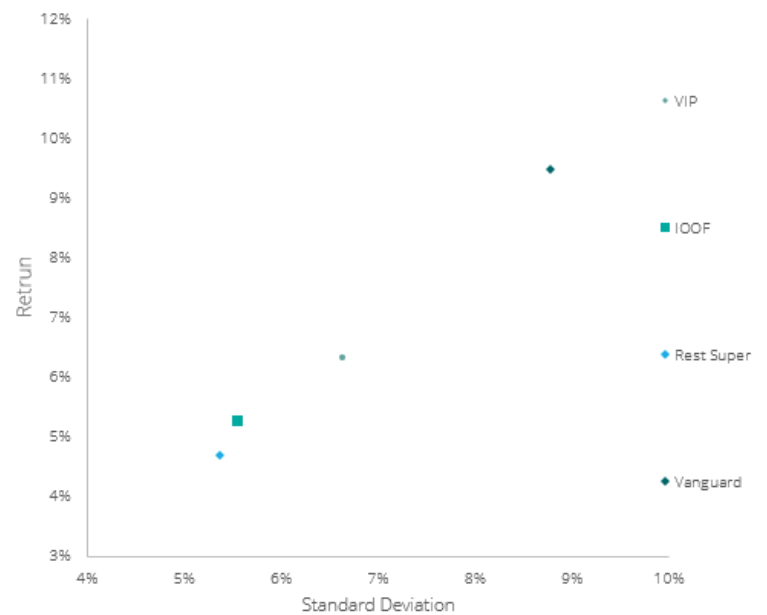
### Current Sector Allocation



### 3 Month Holdings Performance



### 5 Year Risk/Return Profile



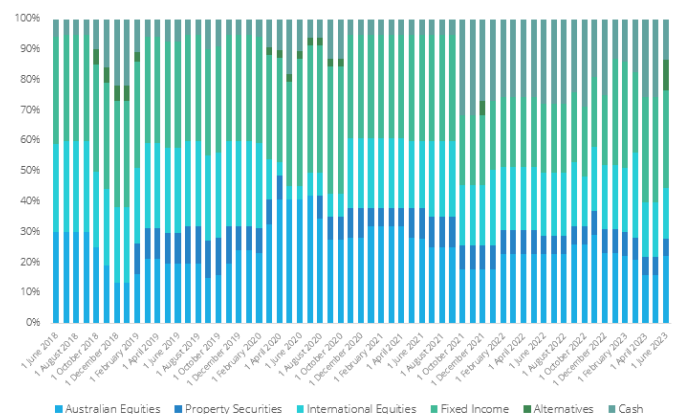
### Upside & Downside Capture

3 Month 5 Year

Upside Capture 86% 99%

Downside Capture 20% 76%

### Balanced Trailing Asset Weights





## Market Commentary

### Inflation subsided fuelling mixed responses from bonds and equities

Fortunately, the June quarter saw inflation in both the US and Australia starting to settle back into lower and somewhat more acceptable levels, eliciting different responses from each country's central bank and throwing their financial markets into more uncertainty. US bonds rallied to record yields, and surprisingly US equities also rallied with the DJ up 3.4%, S&P500 up 8.4%, and the NASDAQ up a staggering 13%. The strong equities performance was predominantly due to seven technology stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, & Tesla) which were responsible for the majority of the US strength. Excluding the seven, US equities were flat, but still reflecting little concern about recession and stronger than Australia's S&P200 which was down 0.3%

There was also economic and financial market disparity evident across other countries. The FTSE was down 1.3%, China's Hang Seng was down 7.8%, while the Nikkei was up 18% and the MSCI World Index was up 7.5%.

### VIP is proud of its performance through these difficult markets

Despite the difficult financial markets VIP's portfolios put in another solid 12 months ending the 2023 financial year, with the flagship Growth Portfolio recording a 11.34% return (10.54% net) outperforming its SMA benchmark by 1.8%. This was achieved whilst running a very conservative position with high cash levels and a low standard deviation. The key performers for the portfolios over the quarter were overweight positions in international equities (tech stocks, including the seven mentioned above) and short duration bonds, while our record low level of REITs also served VIP clients well.

### The recession that never arrives

The most talked about recession ever refuses to land continuing to frustrate both bond and equity markets which are at odds over when it will arrive and how deep it will be. Bonds continue to show inversion, a clear sign of looming recession while equity markets having regained much of the losses experienced at various points over 2022 once again look relatively highly priced suggesting growth will continue. Looking forward one of the markets will be right and the other is in for a correction!

### Protecting capital is always VIP's key focus

VIP portfolios consequently continue to be conservatively positioned with relatively high cash levels and with lower levels of inflation we have moved to longer duration bonds and selected equities such as sustainable resources (Lithium and copper) and financial stocks which continue to be preferred over discretionary stocks. Consequently, despite the prospects for global stagflation (inflation and recession) VIP remains comfortable with the positioning of your portfolio for 2024, including its defensiveness and opportunity to take advantage of cheaper equities when markets correct.