



Investment Objective

The aim of the **VIP Diversified eXplore Portfolio** is to provide investors a high level of capital growth over the medium to long term through exposure to a diversified portfolio of ETF's tracking major indices, while providing low management costs to investors. The investments have a diversified exposure to growth and defensive assets in order to provide the desired investment risk profile. A targeted tactical allocation as well as regular performance and risk screenings are employed by Value Investment Partners in order to maximise investor wealth and mitigate volatility.

Investment Strategy

Value Investment Partners eXplore product enable investors to benefit from the principle of asset allocation having the majority of the contribution to excess returns rather than individual stock selection. By using the firms proven expertise of tactical asset allocation investors are able to gain exposure to a wide variety of asset classes through indexed exchange traded funds actively managed by our team of investment professionals. The use of these products for investments allows for significant cost reductions due to the use of passive investment vehicles with broad market exposures, perfect for investors at the beginning of their wealth accumulation.

Portfolio Performance

	1 Month	3 Month	6 Month	Y.T.D.	1 Year	Inception (p.a.)
Gross Returns	1.82%	5.34%	9.49%	5.34%	0.24%	4.21%
Net Returns	1.80%	5.27%	9.34%	5.09%	-0.06%	4.14%
Benchmark Returns	1.62%	4.22%	8.07%	4.22%	-1.53%	-1.24%

VIP Diversified eXplore – 7.49%

Morningstar Balanced Index – 2.18%



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.



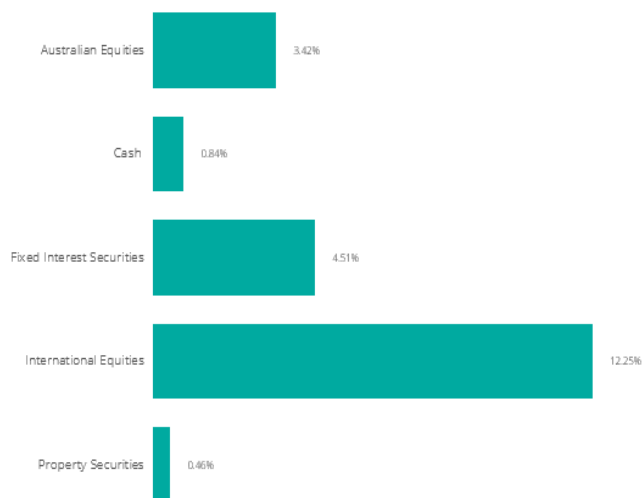
Current Asset Allocation



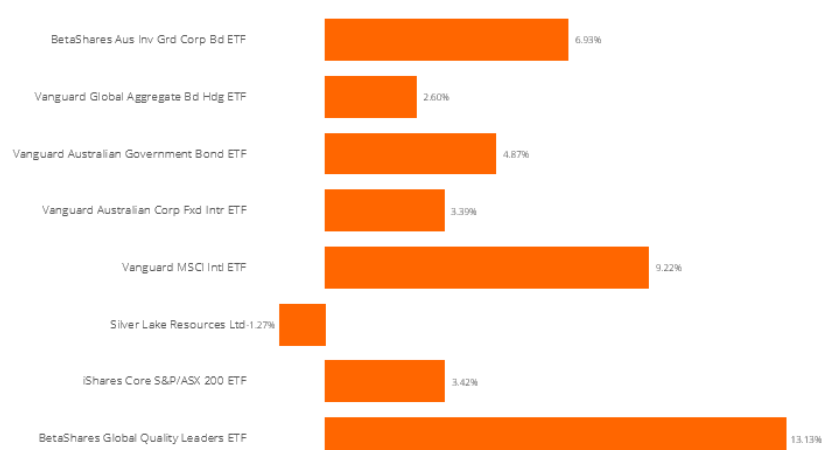
Current Sector Allocation



3 Month Sector Performance



3 Month Holdings Performance



Upside & Downside Capture

3 Month

Upside Capture 108.01%

Downside Capture 42%

Portfolio Facts

Inception Date	1st April 2021
Asset Class	Multi-Asset
Platform Availability	Xplore Wealth
Index Benchmark	Morningstar Balanced Index
Investment Horizon	5 – 7 Years
Suggested Minimum Investment	\$25,000 AUD
Management Fee (Exc. GST)	0.30%