



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 200 Index over the long term from investment in a portfolio of medium to large capitalisation Australian shares. The portfolio invests in 15 to 30 Australian shares within the S&P/ASX 200 Index that have been selected via a quantitative, qualitative, and risk screening process. Value Investment Partners aims to short list companies that are transparent, run by good management, priced below their valuation, and display attractive growth prospects to generate excess returns over the long term.

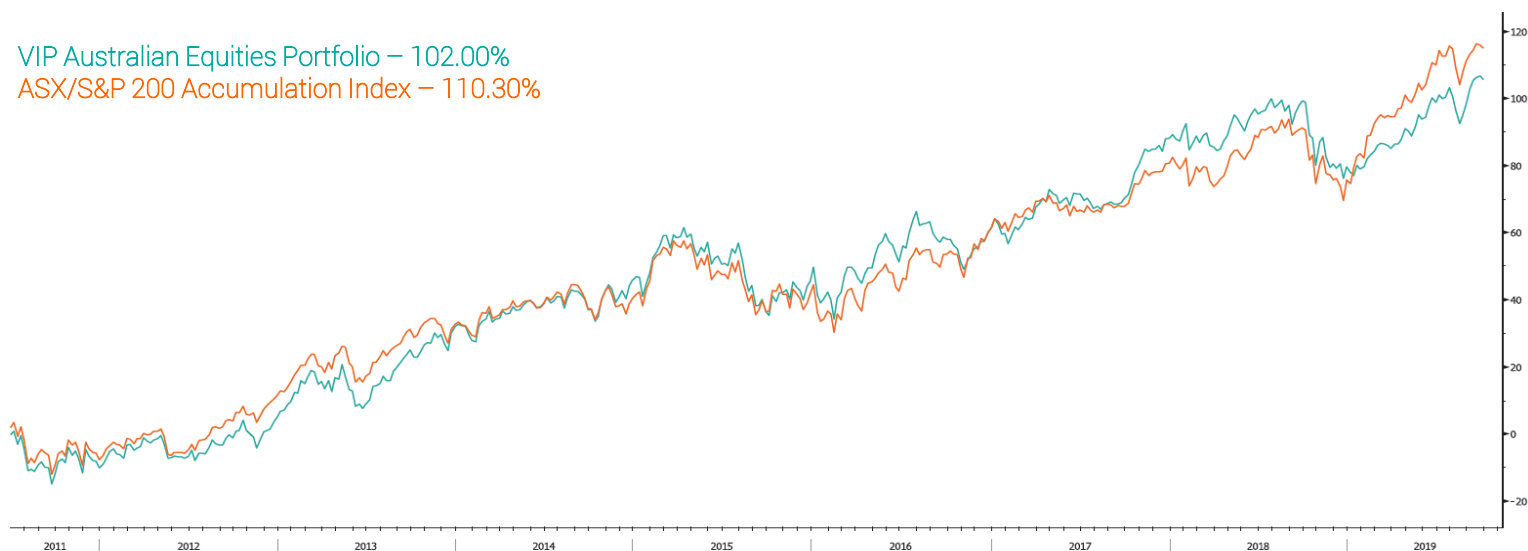
Investment Strategy

Using our tailored quantitative models our analysts identify assets that meet 57 specific financial and market measures testing over 7200 points of data to identify undervalued securities. Our team analyses company reports, external consultant material, and research papers to identify strong company management, lasting competitive advantageous and innovations, 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. The resultant portfolio is formed to provide excess return and controlled risk exposure for investors of Value Investment Partners.

Fund 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
Gross Returns	4.08%	3.78%	11.51%	13.35%	1.89%	9.23%	9.48%	14.92%	12.36%
Net Returns	4.01%	3.58%	11.11%	12.95%	1.09%	8.43%	8.68%	14.12%	11.56%
Benchmark Returns	1.84%	2.36%	10.53%	22.55%	12.43%	13.52%	11.34%	15.30%	13.37%

VIP Australian Equities Portfolio – 102.00%
ASX/S&P 200 Accumulation Index – 110.30%

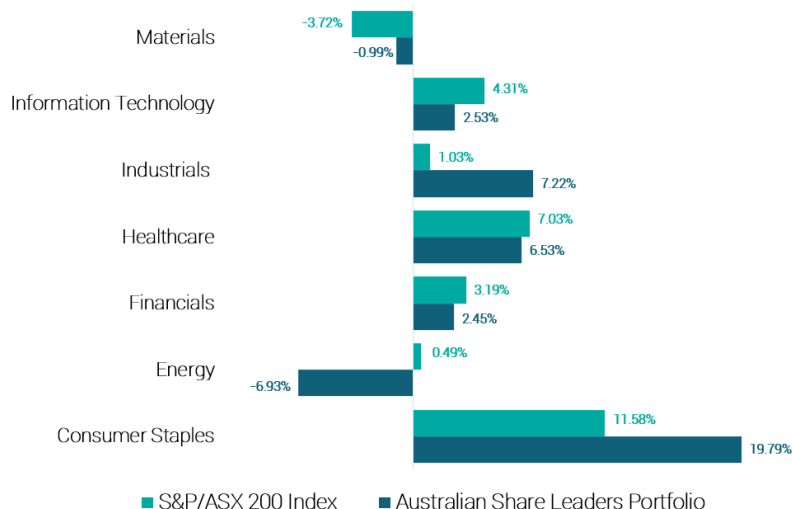


Market Commentary

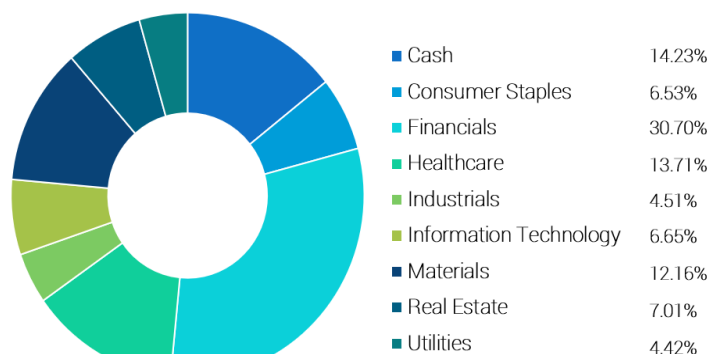
The last quarter for the Australian market was a whipsaw, with earnings season in full swing many companies disappointed with over 50% of those which reported in the August reporting season missing analyst expectations. Global trade woes continue to have an irrational and disproportionate effect on daily market movements, with traders paying more attention to the President of the United States' twitter feed than the fundamentals of the market. Although the quarter finished in positive territory for the market, the portfolio outperformed by 137 basis points, becoming more defensively positioned it has enjoyed the flows of begrudging equity investors pushed out of bond and credit markets in pursuit of yield. In line with this theme consumer staples within the ASX 200 returned 11.78% for the quarter while growth stocks such as information technology returned only 4.31% for the quarter as investors take risk of the table and employ capital in companies that have the businesses and balance sheet to weather the forthcoming recession. Looking ahead, many companies have still to report into Q2 of 2019 and with lagging economic indicators raising concerns for the health of the Australian economy and bond markets sounding alarm bells for the domestic and global market, many analysts will be reacting acutely to the resulting picture of the economy and the business environment painted by earnings growth and consumer confidence/spending reported in the coming weeks.



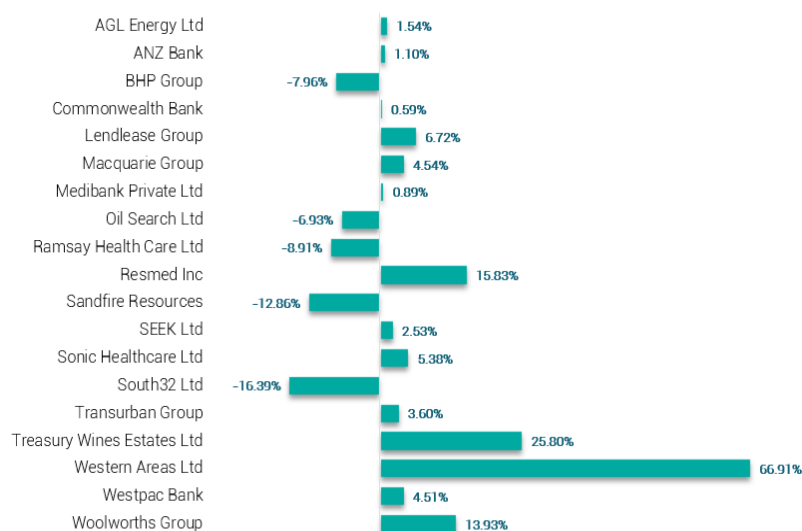
3 Month Sector Performance



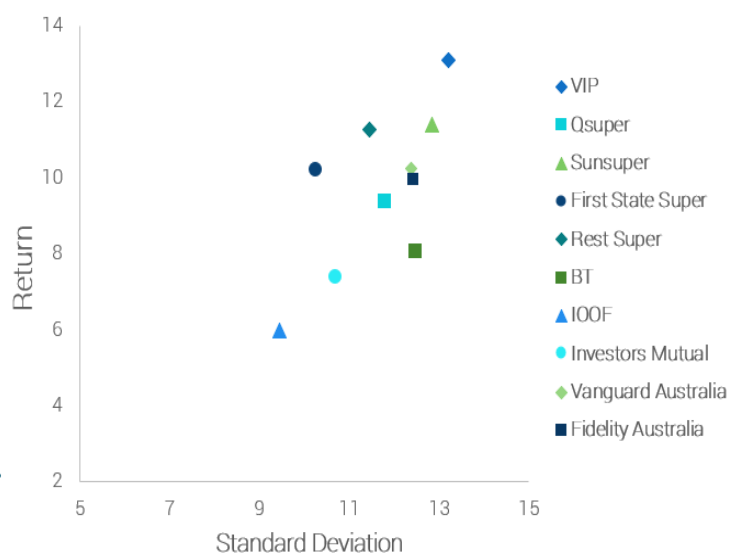
Current Sector Allocation



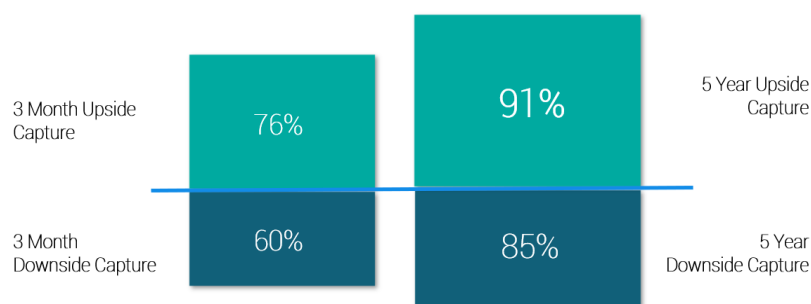
3 Month Holdings Performance



5 Year Risk/Return Profile



Upside & Downside Capture Ratio



Source: Bloomberg

Fund Characteristics

Inception Date	30 th June 2011
Investment Horizon	5 – 7 Years
Asset Class	Australian Equities
Management Style	Active
Current Number of Holdings	16
Average Market Capitalisation	\$47.31 Billion
Index Benchmark	ASX/S&P 200
Index Average Market Capitalisation	\$9.9 Billion

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