

# InvestSMART Diversified Property & Infrastructure Portfolio

## Monthly Update - October 2018

PERFORMANCE TO 31 OCT 2018	1 mth	3 mths	6 mths	1 yr	2 yrs	Since Inception (p.a.)
InvestSMART Diversified Property & Infrastructure	-1.78%	-2.33%	1.99%	2.17%	2.95%	3.86%
A Composite Benchmark^	-3.62%	-2.24%	5.03%	4.90%	5.45%	6.01%

### InvestSMART Diversified Property & Infrastructure Portfolio update

Australian residential property fell further in October, declining 0.6% to be down 4.6% year-on-year. Drilling into the figures, and looking at the capital cities, it remains a tale of Sydney and Melbourne versus the rest.

Sydney fell 0.7% in October to be down 7.4% over the year, while Melbourne also fell 0.7% over the month to be down 4.7% over the year. Brisbane and Adelaide bucked this trend to be up on the month and the year. A caveat from the property data was rental income. Both commercial and residential rents actually rose according to the September quarter inflation read.

The movement in the residential housing market did spill into Australian listed property, which was the largest drag on the property and infrastructure portfolio in October. However, as we noted above, rental inflation has held firm.

This suggests the likes of Scentre Group, which is the largest holding in the Australian Property ETF, should

mitigate the declines upon reporting. Infrastructure remains mixed as its quasi-bond characteristics count against it in a rising yield market, something we believe will continue in the coming 12 months. The portfolio declined -1.78% in October.

**“THE MOVEMENT IN THE RESIDENTIAL HOUSING MARKET DID SPILL INTO AUSTRALIAN LISTED PROPERTY, WHICH WAS THE LARGEST DRAG ON THE PROPERTY AND INFRASTRUCTURE PORTFOLIO IN OCTOBER.”**

More information on our Property & Infrastructure Portfolio is [available here](#).

#### ^Benchmark Index

A composite index comprising of:

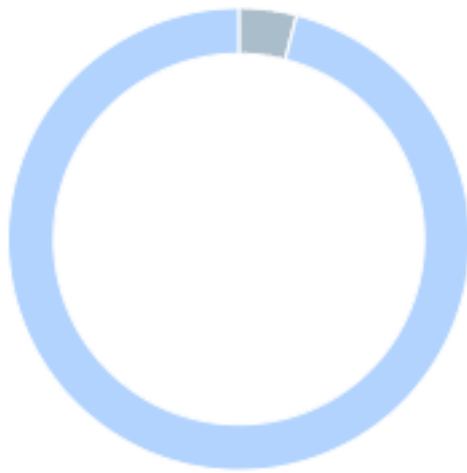
25% of S&P/ASX 200 A-REIT Index

25% of S&P/ASX Infrastructure Index

25% of Dow Jones Brookfield Global Infrastructure Total Return Index (AUD)

25% of Dow Jones Global Select Real Estate Securities Total Return Index (AUD)

PORTFOLIO ALLOCATION



/ Property & Infrastructure 95.93%  
/ Cash 4.07%

TOP 5 HOLDINGS

Security	Weighting
SPDR Dow Jones Global Real Estate Fund	24.99%
VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	23.66%
Vanguard Australian Property Securities Index ETF	23.59%
Transurban Group	9.20%
Sydney Airport	4.46%

**Have markets given us the opportunity to invest in long-term growth?**

Thursday, 29 November @ 12.00pm

**Join Portfolio Manager Evan Lucas for a live webinar as he discusses the latest market changes and opportunities it has created.**

**REGISTER | FIND OUT MORE**

Performance numbers exclude franking, after investment and admin fees; excludes brokerage. All yield figures include franking. All performance figures, graphs and diagrams are as at 31 October 2018. Performance figures are based on the portfolio's previous investment structure, a Separately Managed Account (SMA). This portfolio is now offered as a Professionally Managed Account (PMA), as of 1 November 2018. The underlying securities remain the same between the SMA and PMA structures. The inception date refers to the SMA. Please see the Investment Menu for full PMA fee details.

## InvestSMART Group Limited (INV)

was founded in 1999 and is a leading Australian digital wealth advisor which has over 32,000 clients and over \$1.4B in assets under advice. InvestSMART's goal is to provide quality advice and low cost investment products, free from the jargon and complexities so commonly found in the finance industry, to help you meet your financial aspirations.

## The Portfolio

The InvestSMART Property & Infrastructure Portfolio is designed for investors looking to diversify their property exposure or tap into the income & capital growth potential from the commercial property market generally inaccessible to the public. The Portfolio invests in a mix of Real Estate Investment Trusts (A-REITs), Infrastructure, and global property Exchange Traded Funds (ETFs) all managed in the one portfolio.

## Investment objective

The Portfolio's investment objective is to provide investors returns in line with the benchmark minus our fees by investing in a blend of our preferred Exchange Traded Funds (ETFs).

## Why the InvestSMART Diversified Property and Infrastructure Portfolio?

Get exposure to large-scale domestic and global property opportunities that would be too expensive for most people on their own. The InvestSMART Property & Infrastructure Portfolio is designed to give investors a good source of income through capital growth, property development and property-related earnings. Other benefits consist of inflation protection and portfolio diversification.

## Who manages the investment?

Evan Lucas, has been investing and researching global markets for over 10 years and is supported by our Investment Committee, chaired by Paul Clitheroe. After getting his Masters in Finance from Flinders University, Evan started his career in Amsterdam with ABN Amro before moving to the Royal Bank of Scotland. He returned to Australia with RBS Morgans where he developed his top down approach, joining InvestSMART as our Chief Market Strategist in 2018.

## Key Details

### INVESTMENT CATEGORY

A blend of our preferred Exchange Traded Funds (ETFs)

### INVESTMENT STYLE

Low cost Active Asset Allocation

### BENCHMARK

A Composite Index

### INCEPTION DATE

23 December 2015

### SUGGESTED INVESTMENT TIMEFRAME

5+ years

### NUMBER OF SECURITIES / STOCKS

5 - 12 securities

### INVESTMENT FEE

\$99 - \$451 p.a. capped

### PERFORMANCE FEE

N/A

### MINIMUM INITIAL INVESTMENT

\$10,000

### STRUCTURE

Professionally Managed Account (PMA)

### SUITABILITY

Suitable for investors who want exposure to domestic and global property and infrastructure

### PORTFOLIO MANAGER

Evan Lucas

## Important information

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The suitability of the investment product to your needs depends on your individual circumstances and objectives and should be discussed with your Adviser. Potential investors must read the Product Disclosure Statement (PDS) and Investment Menu (IM), and FSG along with any accompanying materials.

Investment in securities and other financial products involves risk. An investment in a financial product may have the potential for capital growth and income, but may also carry the risk that the total return on the investment may be less than the amount contributed directly by the investor.

Past performance of financial products is not a reliable indicator of future performance. InvestSMART does not assure nor guarantee the performance of any financial products offered.

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