

InvestSMART Property and Infrastructure Portfolio

Financial Year 2022

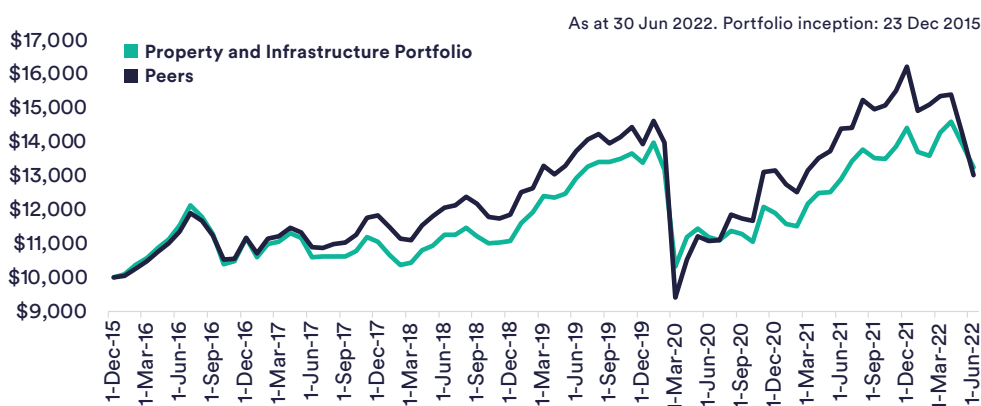
Financial year 22 was a positive year for the property and infrastructure portfolio as economies return to using infrastructure in FY22 and Sydney Airports was taken private seeing capital returned to portfolio holders.

The portfolio rose by 2.7 per cent after fees for FY22 and is averaging 4.4 per cent since inception.

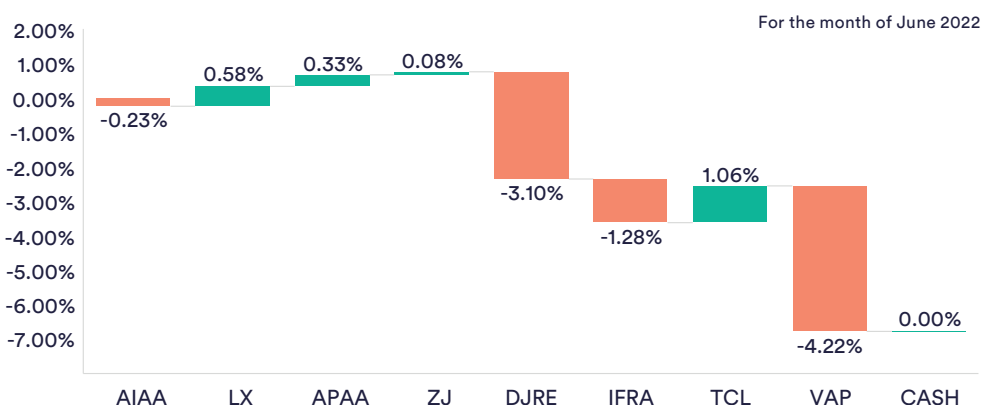
There were several changes to the portfolio over the quarter:

- Sydney Airports (SYD) final payout was completed on March 9 with cash returned to the portfolio that day.

Performance of \$10,000 since inception



Attribution of returns



Portfolio mandate

The Diversified Property & Infrastructure Portfolio allocates funds across commercial property (Australian and international) as well as infrastructure assets like road, rail and ports that can be hard to access as an individual investor.

The objective is to invest in a portfolio of 1-10 exchange traded funds (ETFs) and specific ASX infrastructure securities, across Australian Real Estate Investment Trusts (A-REITs), plus infrastructure and global property ETFs, all managed in the one portfolio.

\$10,000

Minimum initial investment

5+ yrs

Suggested investment timeframe

5 - 12

Indicative number of securities

Risk profile: High

Expected loss in 4 to 6 years out of every 20 years

A Composite Index

Benchmark

- Replacing SYD is Auckland International Airport (AIA) the weighting is 2.25 per cent
- AGL no longer meet the requirements of the portfolio due to its downsizing and was removed during the quarter.
- Replacing AGL is Atlas Arteria (ALX) which has overtaken AGL in market capitalisation its weighting in the portfolio is 2.5 per cent and was added in the second half of the quarter.

Performance of Major Individual Holdings

IFRA – VanEck FTSE Global Infrastructure (Hedged) - 24.75 per cent

Unlike real estate, infrastructure has managed to weather most of the issues in the second half of FY 22 as travel, transport and utility use returns.

Over the FY22 IFRA's total return was 6.4 per cent, with only the last quarter of FY22 being negative breaking a run of eight consecutive quarter of gains for IFRA. IFRA has bounced back in early F23 and with COVID re-openings continuing in 2022 and beyond infrastructure is set to benefit once more.

VAP - Vanguard Australian Property Securities Index ETF - 24.75 per cent

Listed property, like all equities, has faced a difficult financial year. After initially bouncing strongly in the second half of 2021 as lockdowns ended and return to work drives kicked in, property too was caught up in the impacts of inflation and rising interest rates.

This meant VAP lost 10.7 per cent on a total returns basis over the financial year 22 but has bounced off its 2 year low reached in mid-June. With interest rates expected to rise further in FY23 and the housing and property market cooling to start the year, we watch with interest how VAP and its peers navigate the coming period.

DJRE - SPDR Dow Jones Global Real Estate ESG Fund ETF - 24.75 per cent

Global Listed property, like all equities has faced a difficult financial year. However, during the financial year DJRE specially had several large disbursements on top of its normal payments. This meant for the Financial Year 22 DJRE lost 5 per cent on a total returns basis compared to its capital loss of 10.6 per cent. This is a good illustration of why total returns are the metric to look at when evaluating your performance.

With interest rates expected to rise further in FY23 and the housing and property market cooling to start the year we watch with interest how DJRE and its peers navigate the coming period.

The InvestSMART Funds Management Ltd , as Responsible Entity for the Professionally Managed Accounts, has amended the investment process such that we may elect to participate in Distribution Reinvestment Plans for securities held in your account.

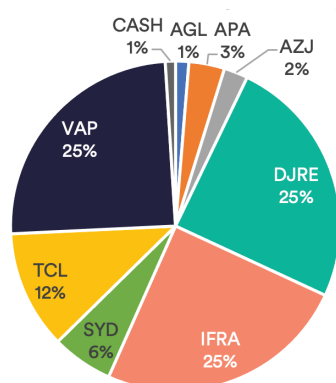
Performance vs Peers

	1 yr	2 yrs	3 yrs	5 yrs	SI p.a
Property and Infrastructure Portfolio	2.7%	8.8%	0.8%	4.5%	4.4%
Peers	-8.6%	8.1%	-2.0%	3.3%	3.9%
Excess to Peers	11.3%	0.7%	2.8%	1.2%	0.5%

Fees: InvestSMART Property and Infrastructure fees are 0.55% Vs Average of 321 peers 1.40%.

Note: Our InvestSMART Property and Infrastructure is benchmarked against A Composite Index As at 30 Jun 2022. Portfolio inception (SI): 23 Dec 2015

Attribution by holdings



Our Investment Committee



Alastair Davidson
Head of Funds Management



Effie Zahos
Independent Director



Alan Kohler
Editor-in-Chief



Paul Clitheroe
Chairman



Ron Hodge
Managing Director

Important information

This document has been prepared by InvestSMART Funds Management Limited (ABN 62 067 751 759, AFSL 246441) (InvestSMART), the responsible entity of the InvestSMART Capped Fee Portfolios (Fund) and issuer of the Fund.

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