

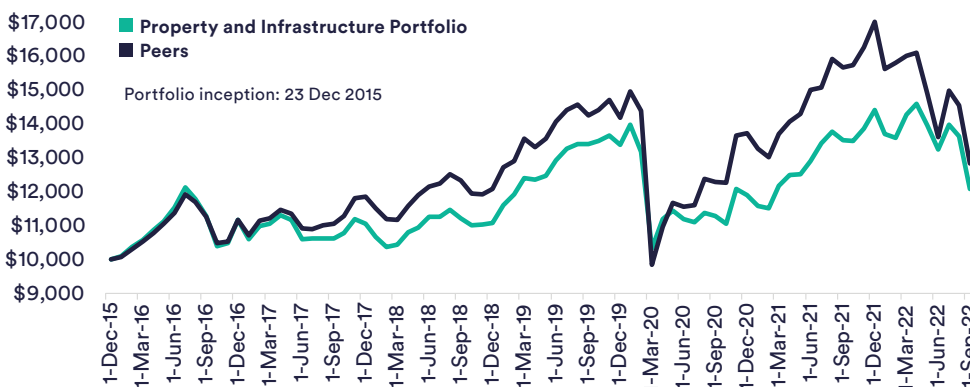
InvestSMART Property and Infrastructure Portfolio

September Quarter 2022

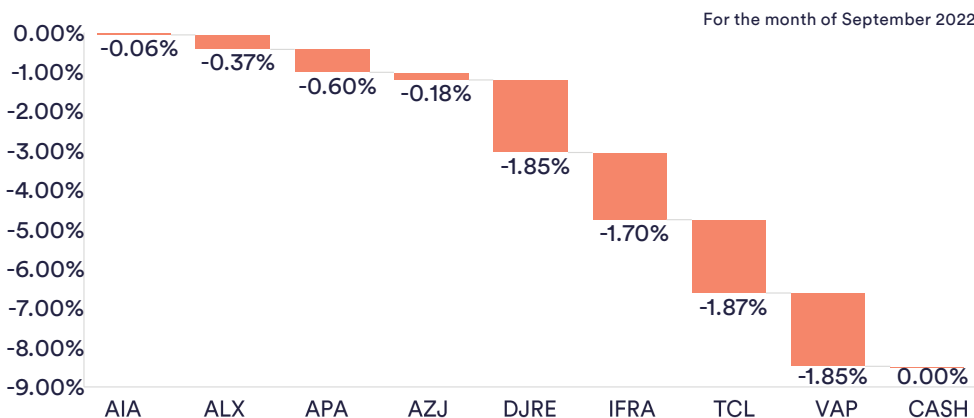
Tough period for the Property and Infrastructure portfolio as higher interest rates and a slowdown in construction hit both sides of this portfolio

There were no changes to the portfolio over the quarter and InvestSMART continues to review and evaluate the portfolio's holdings and performance to assure each one is providing the correct allocation you require.

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

Performance of Major Individual Holdings

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

Infrastructure has saw marked slowdown in the final part of the quarter as rate increases and slowing demand hit the sector - travel, transport and utilities all faring the same.

With demand likely to fall in places such as the US, Europe and Japan on higher costs and interest repairments IFRA may find the final quarter of the year tricky.

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

Australian property's exposure to interest rate rises was laid bare in the quarter. High funding cost, lower than expected commercial rents in the post-COVID world and the prospect of a declining construction industry all contributed to the 9.18 per cent decline in VAP over the quarter.

Property is in an interesting position. Currently funding costs have become more expensive and the market is clearly pricing in the idea that it will face higher costs for the foreseeable future.

VAP is well diversified and holds high quality assets in a range of property fields from industrial to commercial to residential. This diversification is unfortunately being ignored currently and we are unsure for how long.

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

Higher interest rates, a slower than expected return to work, and the prospect of a global recession have been pressuring global real estate all year and that did not abate in the September quarter.

Higher interest rate are yet to materially hit consumer spending which might explain why mall and department listings recovered in the early part of the quarter. However, commercial and property infrastructure were routinely sold off when real estate bounced as both sectors are debt sensitive.

All this meant that DJRE fell 7.34 per cent in the September quarter. With interest rates expected to rise further in 2023 and the housing and property market now cooling we watch with interest how DJRE and its peers navigate the coming period.

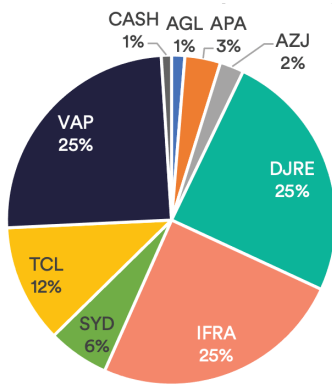
Performance vs Peers

	1 yr	2 yrs	3 yrs	5 yrs	SI p.a
Property and Infrastructure Portfolio	-10.6%	3.6%	-3.4%	1.9%	2.9%
Peers	-16.2%	2.4%	-4.3%	-0.1%	2.9%
Excess to Peers	5.6%	1.2%	0.9%	2.0%	0.0%

Fees: InvestSMART Property and Infrastructure fees are 0.55% Vs Average of 329 peers 1.39%

Note: Our InvestSMART Property and Infrastructure is benchmarked against A Composite Index As at 30 Jun 2022.

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

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All table and chart data is correct as at 30 September 2022.