

# InvestSMART Property and Infrastructure Portfolio

## March Quarterly review

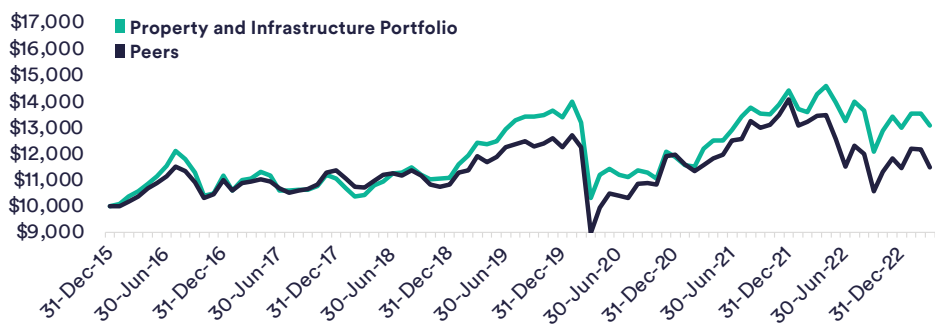
The Property and Infrastructure portfolio finished the quarter up 0.51 per cent after fees and property waned by infrastructure held firm.

The quarterly review of the portfolio was conducted by the Investment Committee on the 7th of March 2023. It was agreed that all current ETFs used in the Property and Infrastructure portfolio were fit for purpose and no changes apart from any rebalancing changes below were recommended.

Over the March quarter there were several rebalances in the Property and Infrastructure portfolio.

AIA increased its weighting by 1.2 per cent to 3.45 per cent while ALX and AZJ increased their weightings by 0.65 per cent and 0.35 per cent respectively to 3.15% and 3.15%.

### Performance of \$10,000 since inception



### Performance vs Peers

	1 yr	3 yrs p.a	5 yrs p.a	7 yrs p.a	SI p.a
Property and infrastructure Portfolio	-8.5%	8.2%	4.6%	3.1%	3.7%
Peers	-14.7%	8.5%	1.4%	1.4%	1.9%
Excess to Peers	6.2%	-0.3%	3.2%	1.7%	1.8%

InvestSMART Property and Infrastructure fees are 0.55% p.a. vs average of 322 peers at 1.23% p.a. Grow your returns, not your fees with InvestSMART [Capped fees](#).



### 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

TCL's weighting was decreased by 1.7 per cent to 11.5 per cent while APA decreased in weight to 3.5 per cent.

All other holdings remained unchanged.

<b>Property and Infrastructure weightings</b> as at 31 March 2023			
Security	Dec	Mar	Change
AIA	2.25%	3.45%	1.20%
ALX	2.50%	3.15%	0.65%
APA	4.00%	3.50%	-0.50%
AZJ	2.80%	3.15%	0.35%
DJRE	24.75%	24.75%	0.00%
IFRA	24.75%	24.75%	0.00%
TCL	13.20%	11.50%	-1.70%
VAP	24.75%	24.75%	0.00%
CASH	1.00%	1.00%	0.00%
	100.00%	100.00%	

## Performance of Individual Holdings

### VAP - Vanguard Australian Property Securities Index ETF

A tough year for Australian property has followed through into 2023. With property's exposure to high funding costs plus the fact commercial rents in the post-COVID world have not returned to pre-pandemic levels saw VAP dead-flat on a total return basis for the quarter. It was not helped by the fact VAP lost 6.85 per

cent in March as several listed entities reported poor numbers due to the reasons listed earlier.

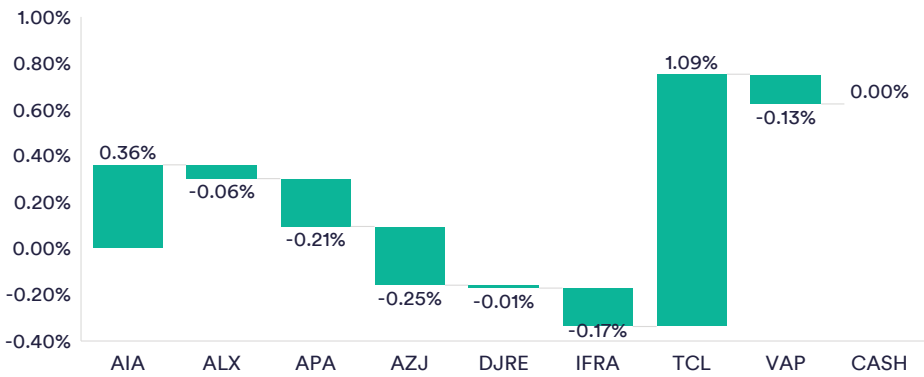
We should point out that VAP is well diversified and holds high quality assets in a range of property fields, from industrial to commercial to residential. This diversification however was, and is, being ignored and with the threat of further rate rises in 2023 VAP remains in the short term a risk. But with migration on the up and rental properties now few and far between, there is likely to be an increased demand for property over the coming year that should start to offset some of the other issues the sector is facing.

### DJRE - SPDR Dow Jones Global Real Estate ESG Fund ETF

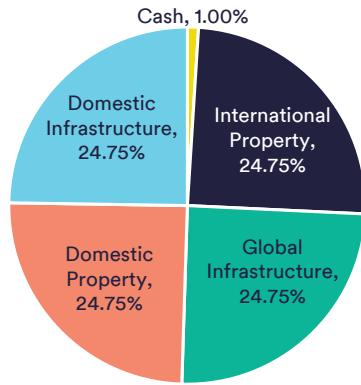
Like its domestic peer VAP, DJRE continues to suffered from higher interest rates, a slower than expected return to work and high levels for debt funding. However, after declining 24 per cent on a total returns basis in 2022, it did recoup some of these losses in the March quarter finishing 2.24 per cent higher over the period.

With interest rates starting to peak we watch with interest how DJRE and its peers navigate the coming period it is likely that if the peak is confirmed it will be met with a positive outlook.

## Monthly attribution of returns



## Asset allocation



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Suggested investment timeframe

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Indicative number of securities

**Risk profile: High**  
Expected loss in 4 to 6 years out of every 20 years

**A Composite Index**  
Benchmark

## 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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