

InvestSMART Professionally Managed Portfolios

January performance update

The InvestSMART diversified ETF portfolios returned between 14.4% and 7.2% to the 12 months ending 31 January 2024.

The first month of the year was positive for Australian and global shares, and for bonds. This happened for several reasons, investors continue to be buoyed by the outperformance of share markets at the end of 2023. Inflation figures fell again, and all indicators point to a 'soft landing' aka recession avoidance. In Australia the annual consumer price index inflation was 4.1%, down for the fourth consecutive quarter. In short, the economy is looking reasonable for 2024.

With this generally positive outlook it's worth revisiting the concept of asset allocation when you invest. During positive times investors (of all levels of experience) tend to herd into higher return growth investments like shares and do the opposite during downturns, moving into bonds or cash; asset allocation and long-term strategy becoming a distant thought.

We've written a lot about not chasing market returns and the emotions of investing. Knowing and understanding your asset allocation in your portfolio can be helpful during times of temptation to buy up big or sell it all down.

InvestSMART's five diversified ETF portfolios are designed around asset allocation. They range from conservative asset allocation ie: more defensive assets like bonds, to high growth asset allocation, ie: more growth assets like shares.

Understanding Asset Allocation

Asset allocation is about blending different investment types to help you match your goals and feelings about risk. Understanding the right asset allocation for your investments should be based on:

- knowing your financial goals: a deposit for your first home or yearly Euro holidays
- your time horizon: how long you can keep your money invested for
- your risk profile: your comfort level with market volatility

Contents

January update

InvestSMART Diversified ETF Portfolios

[High Growth Portfolio](#)

[Growth Portfolio](#)

[Ethical Growth Portfolio](#)

[Balanced Portfolio](#)

[Conservative Portfolio](#)

Single Asset Class Portfolios

[International Portfolio](#)

[Australian Equities Portfolio](#)

[Property & Infrastructure Portfolio](#)

[Hybrid Securities Portfolio](#)

[Cash Securities Portfolio](#)



InvestSMART fees

0.55% p.a.

Capped at

\$550 p.a.

(Excludes ETF management fees)

These three areas will help determine the appropriate asset allocation. This means how much of your money you should spread across different asset classes like shares, bonds, cash and property to achieve expected returns whilst managing volatility through diversification.

What asset allocation is right for me?

The right asset allocation is individual and depends on your goals and stage of life and risk tolerance.

Younger people with a longer time frame for their goals should be able to take on more risk because they have many more years to endure markets ups and downs. Older individuals, perhaps relying on their savings for income may prefer to aim for more conservative asset allocation, weighed more heavily towards defensive assets like bonds. The optimum portfolio will be the one designed to deliver the returns you want at the risk level you need.

Defensive assets vs growth assets

Growth assets are exciting but unpredictable. They're designed to increase the value of your investments over the long term. Growth assets like Australian and international shares provide returns in the form of increased value of the asset over time ie rising value of a share price.

Defensive assets are boring but fairly reliable. For example: high quality government bonds are lower risk and lower return. They have less volatility than shares but hopefully also provide higher and more stable

dividends. Defensive assets have a greater focus on preserving your level of wealth and often provide a steady income stream.

Portfolios should have a mix of growth and defensive assets, the exact weightings of each will depend on your risk tolerance and objectives.

Modern portfolio theory: how to combine assets to create a portfolio

Think of the assets in your portfolio like a sports team with different players covering each other's weaknesses, you wouldn't have a cricket line up with 11 opening batters. This is essentially the Modern Portfolio Theory of combining assets with different volatilities. When one asset dips, another rises, keeping your overall portfolio less volatile. It smooths out the bumps in the road.

InvestSMART's diversified ETF portfolios are based on Modern Portfolio Theory. As an InvestSMART investor your portfolio is regularly reviewed and rebalanced to ensure your investments stay in line with your preferred asset allocation.

InvestSMART

Diversified

ETF Portfolios

Our range of diversified portfolios focus on investing over all asset classes in different proportions to provide different risk vs return profiles for each portfolio.

Performance (%) as at 31 January 2024

	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)	Inception date
InvestSMART High Growth	14.1%	9.2%	9.5%	8.1%	27 Oct 2014
InvestSMART Growth	10.9%	6.7%	7.3%	6.7%	24 Oct 2014
InvestSMART Ethical Growth	13.1%	6.0%	N/A	7.3%	01 Nov 2020
InvestSMART Balanced	8.6%	4.4%	5.4%	5.1%	29 Dec 2014
InvestSMART Conservative	5.6%	2.0%	3.2%	3.5%	29 Dec 2014

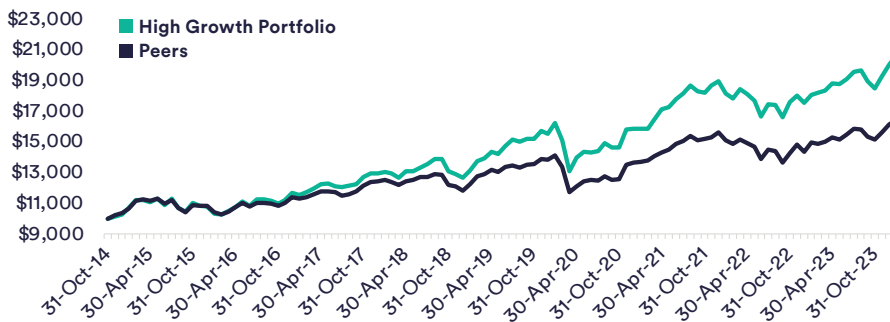
InvestSMART High Growth Portfolio

The High Growth Portfolio is all about helping you build long term wealth and achieve goals with a timeframe of 7-years-plus to ride out the ups and down of markets.

Suitable goals:

- Looking for the highest allocation to growth assets
- Saving for future retirement
- Building a nest egg for your next-of-kin
- Enjoying retirement with no concerns

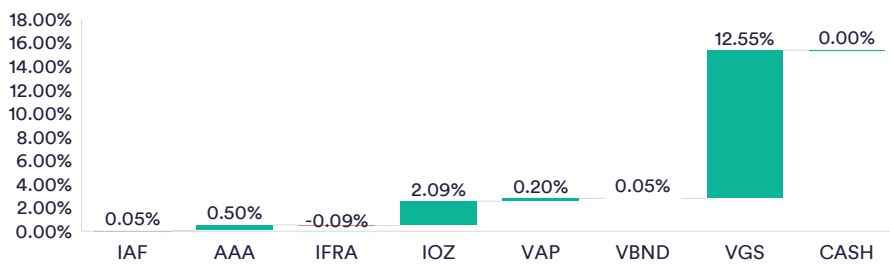
Performance of \$10,000 since inception



Performance vs Peers (% , per annum)

	1 yr	3 yrs p.a.	5 yrs p.a.	7 yrs p.a.	SI p.a.
InvestSMART High Growth Portfolio	14.1%	9.2%	9.5%	8.7%	8.1%
Peers	9.6%	6.2%	6.0%	5.5%	5.5%
Excess to Peers	4.5%	3.0%	3.5%	3.2%	2.6%

Attribution performance over past 12 months



Portfolio mandate

The objective of the High Growth Portfolio is to invest in a portfolio of 5-15 exchange traded funds (ETFs), predominantly focused on growth assets (shares and property) though nicely rounded out with exposure to a little bit of fixed income investments like bonds and cash.

Portfolio inception: 27 Oct 2014

\$10,000
Minimum initial investment

7+ yrs
Suggested investment timeframe

5 - 15
Indicative number of securities

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

Morningstar AUS Aggressive Target Allocation Net Return (NR) AUD
Benchmark

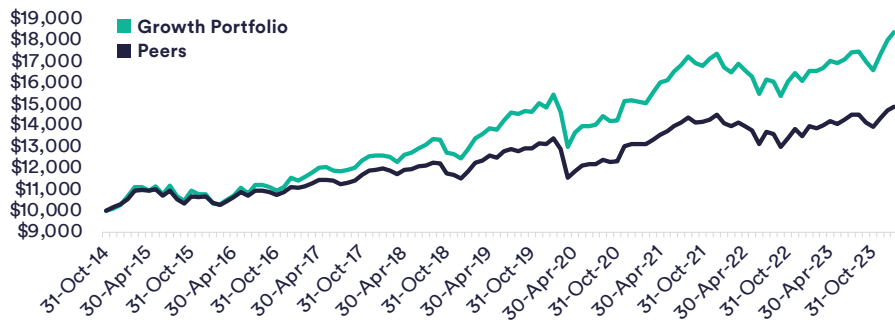
InvestSMART Growth Portfolio

The InvestSMART Growth Portfolio is an exciting choice if you're saving for long term goals (5-years-plus) or you want to grow wealth for the future.

Suitable goals:

- Looking for a high allocation to growth assets
- Growing your retirement nest egg or superannuation
- Saving early for your child's education
- Higher allocation to growth assets

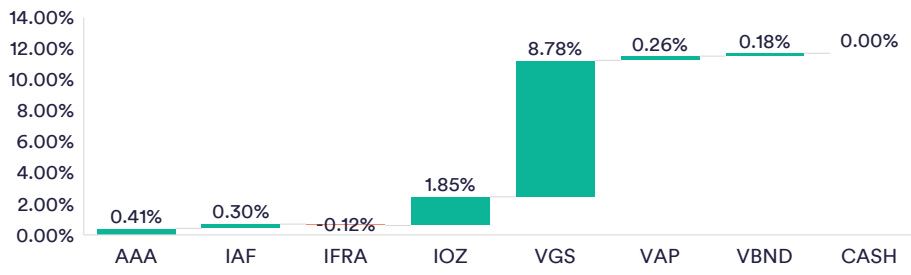
Performance of \$10,000 since inception



Performance vs Peers (% per annum)

	1 yr	3 yrs p.a.	5 yrs p.a.	7 yrs p.a.	SI p.a.
InvestSMART Growth Portfolio	10.9%	6.7%	7.3%	7.0%	6.7%
Peers	6.6%	4.3%	4.7%	4.3%	4.4%
Excess to Peers	4.3%	2.4%	2.6%	2.7%	2.3%

Attribution performance over past 12 months



Portfolio mandate

The Growth Portfolio is an exciting choice if you're saving for long term goals (5-years-plus) or you want to grow wealth for the future. The objective is to invest in a portfolio of 5 - 15 exchange traded funds (ETFs), with more of an emphasis on 'growth' assets like shares and property that have the potential to appreciate in value over time.

Portfolio inception: 24 Oct 2014

\$10,000
Minimum initial investment

5+ yrs
Suggested investment timeframe

5 - 15
Indicative number of securities

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

Morningstar AUS Growth Target Allocation Net Return (NR) AUD
Benchmark

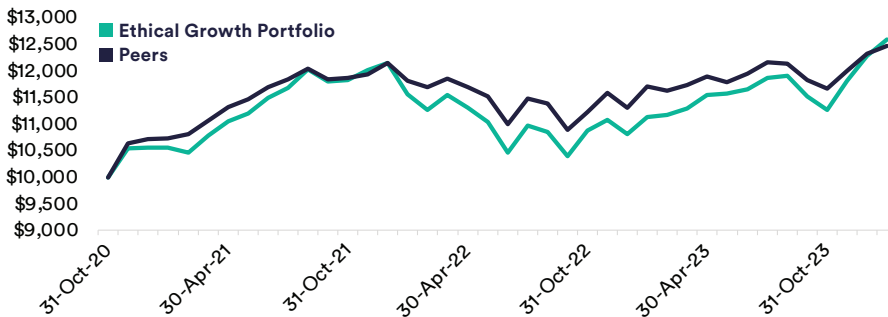
InvestSMART Ethical Growth Portfolio

The Ethical Growth Portfolio is invested in a blend of 5 – 15 Exchange Traded Funds (ETFs), with more of an emphasis on ethical ‘growth’ assets like Australian and international shares that have the potential to appreciate in value over time.

Suitable goals:

- Looking for a high allocation to ethical growth assets
- Growing your retirement nest egg or superannuation
- Saving early for your child’s education
- Higher allocation to growth assets

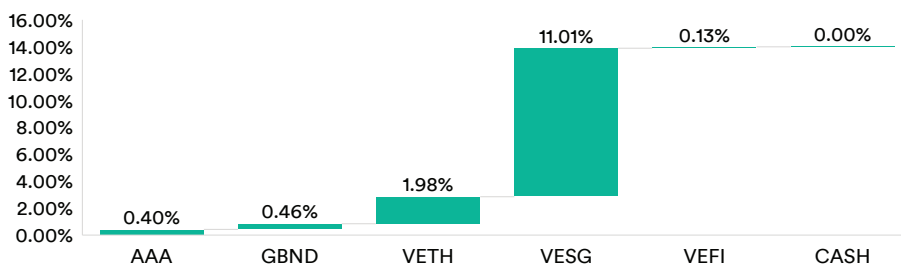
Performance of \$10,000 since inception



Performance vs Peers (% per annum)

	1 yr	2 yrs p.a.	3 yrs p.a.	SI p.a.
Ethical Growth Portfolio	13.1%	4.4%	6.0%	7.3%
Peers	6.6%	2.8%	5.1%	7.0%
Excess to Peers	6.5%	1.6%	0.9%	0.3%

Attribution performance over past 12 months



Portfolio mandate

The Ethical Growth Portfolio invests in sustainable, responsible, and/or ethical investments providing you an ethical portfolio that looks to grow wealth for the future. The objective is to invest in a portfolio of 5-15 exchange traded funds (ETFs), with more of an emphasis on ‘growth’ assets like Australian and international shares that have the potential to appreciate in value over time.

Portfolio inception: 1 Nov 2020

\$10,000
Minimum initial investment

5+ yrs
Suggested investment timeframe

5 - 15
Indicative number of securities

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

Morningstar AUS Growth Target Allocation Net Return (NR) AUD
Benchmark

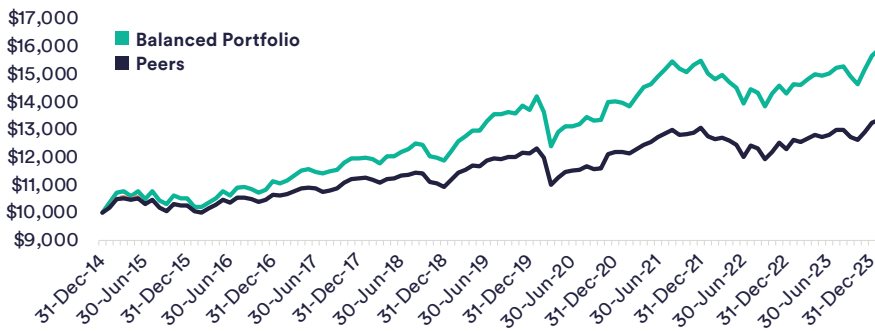
InvestSMART Balanced Portfolio

The InvestSMART's Balanced Portfolio is a simple way to get exposure across many different markets. The potential for capital growth over 3 to 5 years lets your portfolio do more of the hard yards working towards your goals.

Suitable goals:

- Looking for a balanced allocation towards defensive and growth assets
- Saving for a major purchase or school education expenses
- Funding a semi-retired lifestyle where income is less important

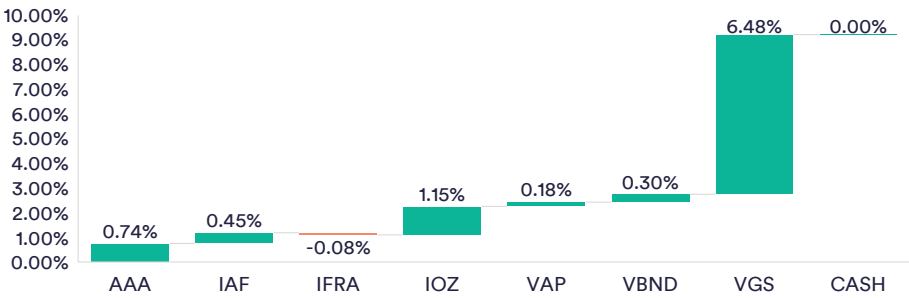
Performance of \$10,000 since inception



Performance vs Peers (% per annum)

	1 yr	3 yrs p.a.	5 yrs p.a.	7 yrs p.a.	SI p.a.
InvestSMART Balanced Portfolio	8.6%	4.4%	5.4%	5.3%	5.1%
Peers	5.6%	3.1%	3.6%	3.3%	3.2%
Excess to Peers	3.0%	1.3%	1.8%	2.0%	1.9%

Attribution performance over past 12 months



Portfolio mandate

The Balanced Portfolio is a simple way to get exposure across many different markets. The potential for capital growth over 3 to 5 years lets your portfolio do more of the hard yards working towards your goals. The objective is to invest in a portfolio of 5-15 exchange traded funds (ETFs), that provide a more even mix of regular income plus the potential for capital growth through equities, property and infrastructure assets.

Portfolio inception: 29 Dec 2014

\$10,000
Minimum initial investment

4+ yrs
Suggested investment timeframe

5 - 15
Indicative number of securities

Risk profile: Medium - High
Expected loss in 3 to 4 years out of every 20 years

Morningstar AUS Balanced Target Allocation Net Return (NR) AUD
Benchmark

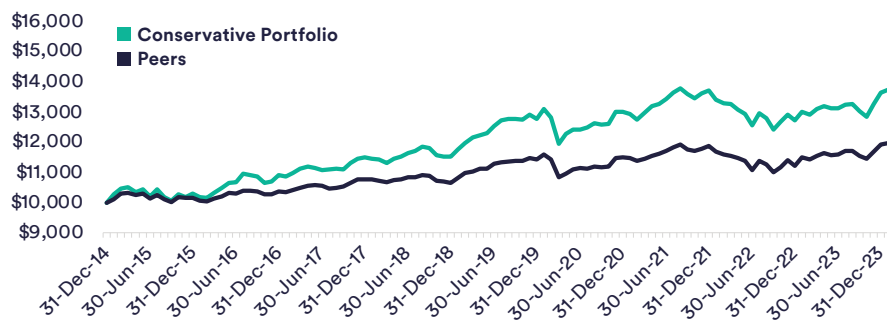
InvestSMART Conservative Portfolio

The InvestSMART Conservative Portfolio is the ideal option if you have short term goals (2+ years) and your focus is on protecting capital while earning higher return than cash.

Suitable goals:

- Looking for a defensive allocation with lower exposure to growth assets
- Saving for a first home, holiday or car
- Generating retirement income

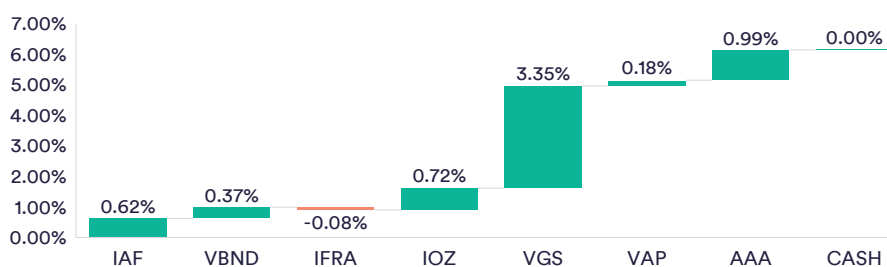
Performance of \$10,000 since inception



Performance vs Peers (% per annum)

	1 yr	3 yrs p.a.	5 yrs p.a.	7 yrs p.a.	SI p.a.
Conservative Portfolio	5.6%	2.0%	3.2%	3.4%	3.5%
Peers	4.2%	1.4%	2.1%	2.1%	2.0%
Excess to Peers	1.4%	0.6%	1.1%	1.3%	1.5%

Attribution performance over past 12 months



Portfolio mandate

The Conservative Portfolio is the ideal option if you have short term goals (2+ years) and your focus is on protecting capital while earning higher return than cash.

The objective is to invest in a portfolio of 5-15 exchange traded funds (ETFs), with an emphasis on investments like bonds and cash that deliver regular, reliable income still with some exposure to equities to help beat inflation.

Portfolio inception: 29 Dec 2014

\$10,000
Minimum initial investment

2+ yrs
Suggested investment timeframe

5 - 15
Indicative number of securities

Risk profile: Low - Medium
Expected loss in 1 to 2 years out of every 20 years

Morningstar AUS Conservative Target Allocation Net Return (NR) AUD
Benchmark

InvestSMART

Single Asset Class

Portfolios

Our range of single asset class portfolios focus on specific investment markets. They can help you fill diversification gaps in your overall portfolio, complement your current investment approach, for example, adding exposure to international equities to an Australian shared-based portfolio, or allowing you to tailor your PMA to a specific goal.

Performance (%) as at 31 January 2024

	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)	Inception date
InvestSMART International Equities	25.5%	12.3%	12.9%	10.9%	24 Oct 2014
InvestSMART Australian Equities	6.3%	8.7%	8.7%	7.1%	23 Dec 2015
InvestSMART Property and Infrastructure	2.0%	6.0%	3.5%	4.0%	23 Dec 2015
InvestSMART Hybrid Income	6.4%	4.5%	4.5%	4.5%	01 Jul 2017
InvestSMART Cash Securities	3.6%	1.5%	1.1%	1.4%	31 Oct 2014

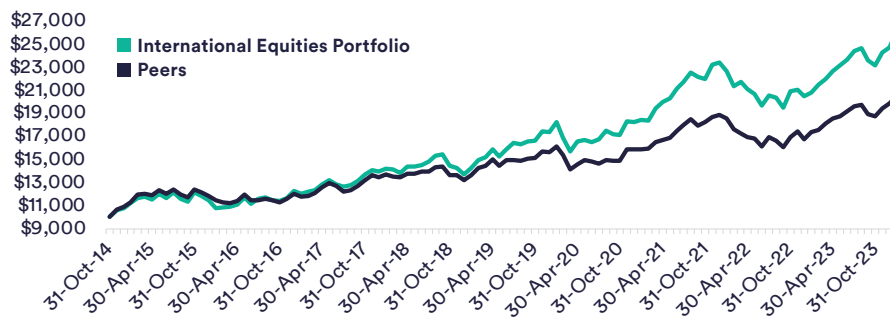
InvestSMART International Equities Portfolio

The InvestSMART International Equities Portfolio gives you access to global sharemarkets – something that can be costly as an individual investor. It’s an easy, low cost way to invest in some of the world’s biggest companies across Europe, Asia and the US.

Suitable goals:

- Diversifying your investment portfolio that lacks international equity exposure
- Looking for exposure to more established sectors overseas such as technology and health care
- Long term growth for your nest egg or superannuation

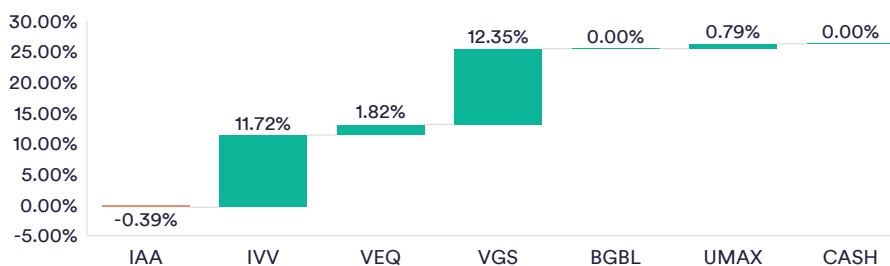
Performance of \$10,000 since inception



Performance vs Peers (% per annum)

	1 yr	3 yrs p.a.	5 yrs p.a.	7 yrs p.a.	SI p.a.
InvestSMART International Equities Portfolio	25.5%	12.3%	12.9%	11.7%	10.9%
Peers	18.1%	8.9%	8.5%	8.2%	8.0%
Excess to Peers	7.4%	3.4%	4.4%	3.5%	2.9%

Attribution performance over past 12 months



Portfolio mandate

The International Equities Portfolio is designed to let you access global share markets in an easy, low-cost way. The portfolio invests in some of the world’s biggest companies across Europe, Asia and the US. The objective is to invest in a portfolio of 1-10 exchange traded funds (ETFs), to provide broad exposure to international equities, and across different market sectors and/or regions to lower volatility, minimise overall risk, and increase the potential for long term growth.

Portfolio inception: 24 Oct 2014

\$10,000
Minimum initial investment

7+ yrs
Suggested investment timeframe

5 - 15
Indicative number of securities

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

MSCI World (ex-Australia) Total Return Index, unhedged^
Benchmark

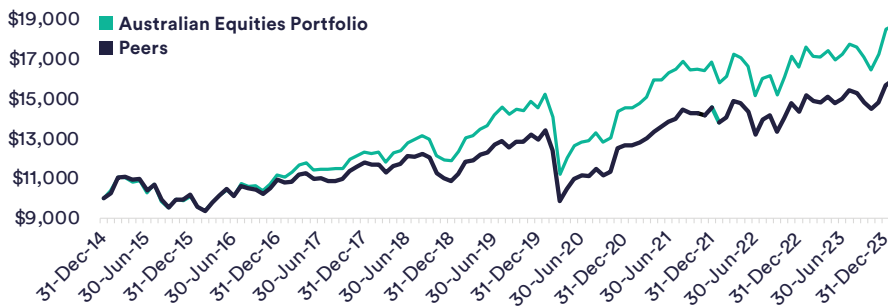
InvestSMART Australian Equities Portfolio

The InvestSMART Australian Equities Portfolio is an easy way to get started in the Australian sharemarket without lots of paperwork, or use it to add valuable diversity to your overall portfolio.

Suitable goals:

- Diversifying an existing Australian equity portfolio with less than 20 stocks
- Looking for broader exposure to all sectors in the Australian share market
- Long term growth for your nest egg or superannuation

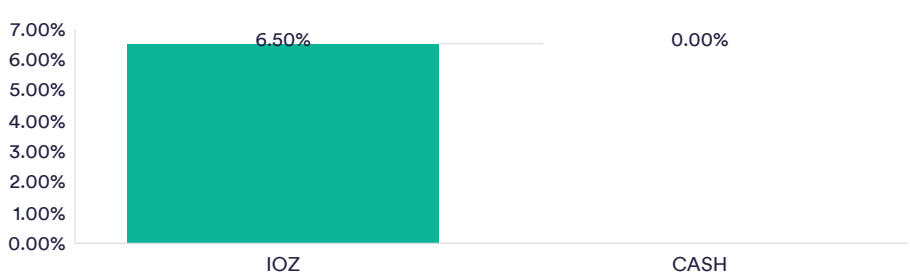
Performance of \$10,000 since inception



Performance vs Peers (% per annum)

	1 yr	3 yrs p.a.	5 yrs p.a.	7 yrs p.a.	SI p.a.
InvestSMART Australian Equities Portfolio	6.3%	8.7%	8.7%	7.8%	7.1%
Peers	5.0%	8.0%	7.2%	5.7%	5.3%
Excess to Peers	1.3%	0.7%	1.5%	2.1%	1.9%

Attribution performance over past 12 months



Portfolio mandate

The Australian Equities Portfolio is an easy way to get invested into Aussie shares or add valuable diversity to your existing portfolio. The objective is to invest in a portfolio of 1-5 exchange traded funds (ETFs), to diversify risk within Australian shares.

Portfolio inception: 31 Dec 2014

\$10,000
Minimum initial investment

5+ yrs
Suggested investment timeframe

1 - 5
Indicative number of securities

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

S&P ASX 200 Accumulation Index
Benchmark

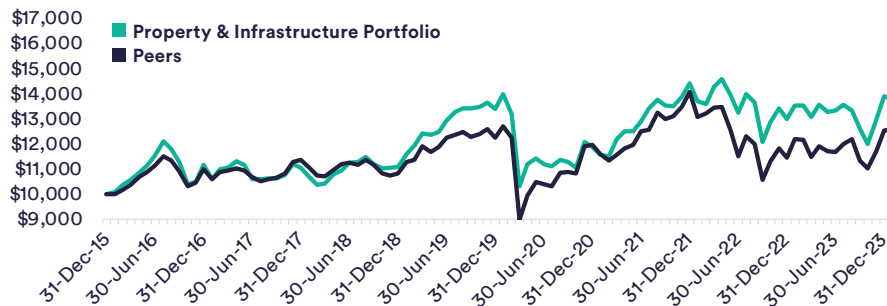
InvestSMART Property & Infrastructure Portfolio

The InvestSMART Diversified Property & Infrastructure Portfolio is a smart way to spread your money 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.

Suitable goals:

- Diversifying your investment portfolio that lacks property exposure
- Looking for exposure to retail and commercial property in Australia and overseas
- Looking for exposure to infrastructure at home and abroad
- Long term growth for your nest egg or superannuation

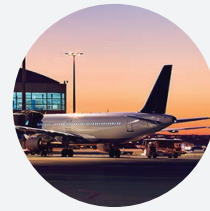
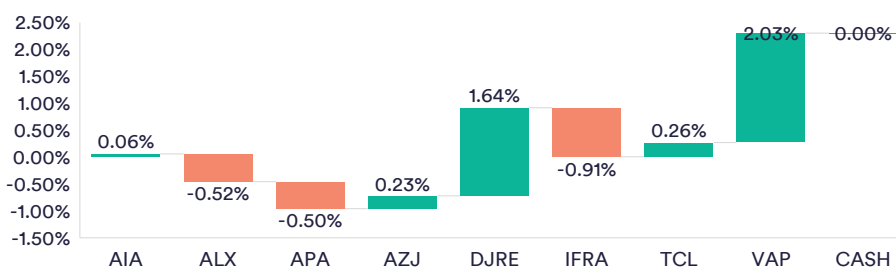
Performance of \$10,000 since inception



Performance vs Peers (% per annum)

	1 yr	3 yrs p.a.	5 yrs p.a.	7 yrs p.a.	SI p.a.
InvestSMART Property & Infra. Portfolio	2.0%	6.0%	3.5%	3.8%	4.0%
Peers	3.2%	2.8%	2.2%	2.5%	2.9%
Excess to Peers	-1.2%	3.2%	1.3%	1.3%	1.1%

Attribution performance over past 12 months



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.

Portfolio inception: 24 Oct 2014

\$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

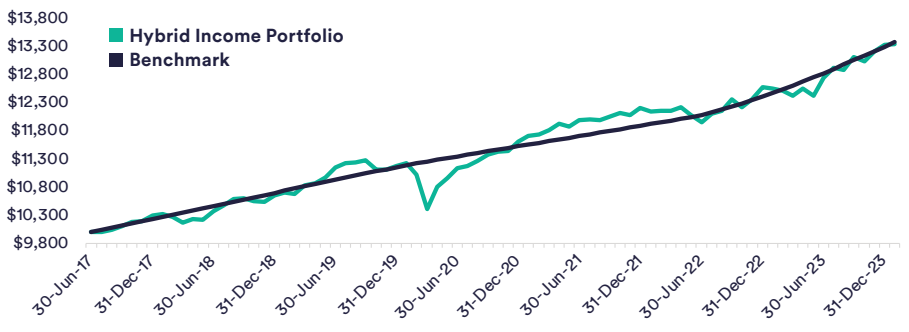
InvestSMART Hybrid Income Portfolio

The InvestSMART Hybrid Income Portfolio gives investors the potential to earn a higher return than fixed interest securities though still with a regular income.

Suitable goals:

- Looking for exposure to several hybrids in one easy to manage portfolio
- Transitioning to retirement with a modest view on risk
- Earning higher returns on your capital than term deposits with slightly more risk

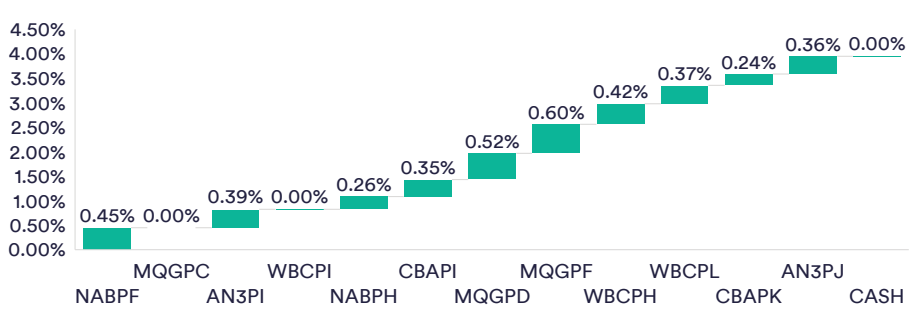
Performance of \$10,000 since inception



Performance vs Peers (% per annum)

	1 yr	3 yrs p.a.	5 yrs p.a.	SI p.a.
InvestSMART Hybrid Securities Portfolio	6.4%	4.5%	4.5%	4.5%
RBA Cash Rate + 3%	7.3%	5.0%	4.5%	4.5%
Excess to Benchmark	-0.9%	-0.5%	0.0%	0.0%

Attribution performance over past 12 months



Portfolio mandate

The InvestSMART Hybrid Income Portfolio provides Australian investors an opportunity to diversify their income stream, with a portfolio of predominantly ASX-listed hybrid securities. The Portfolio is invested in a mix of 5 - 15 Australian listed hybrids, listed debt securities and cash, all managed in the one portfolio.

Portfolio inception: 1 Jul 2017

\$25,000
Minimum initial investment

3+ yrs
Suggested investment timeframe

5 - 15
Indicative number of securities

Risk profile: Medium
Expected loss in 2 to 3 years out of every 20 years

RBA Cash Rate Plus 3%
Benchmark

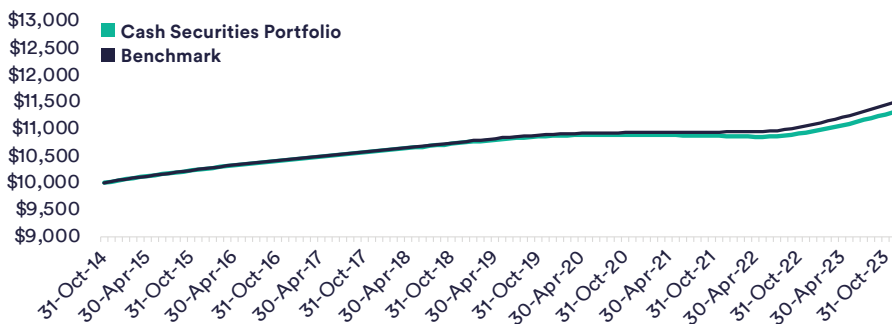
InvestSMART Cash Securities Portfolio

The InvestSMART Cash Securities Portfolio is an easy way to park some money in cash without lots of paperwork, or use it to add diversity to your overall portfolio.

Suitable goals:

- Seek defensive and highly liquid position to ensure capital stability
- Diversifying an existing investment portfolio to include more cash exposure
- Looking for broader exposure to cash markets in Australia

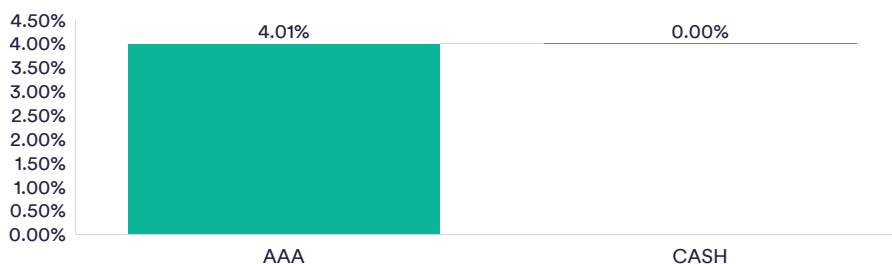
Performance of \$10,000 since inception



Performance vs Peers (% per annum)

	1 yr	3 yrs p.a.	5 yrs p.a.	7 yrs p.a.	SI p.a.
InvestSMART Cash Securities Portfolio	3.6%	1.5%	1.1%	1.2%	1.4%
RBA Cash Rate Target	4.1%	1.9%	1.4%	1.5%	1.6%
Excess to Benchmark	-0.5%	-0.4%	-0.3%	-0.3%	-0.2%

Attribution performance over past 12 months



Portfolio mandate

The Cash Securities Portfolio is an easy way to get invested in cash securities or add valuable diversity to your existing portfolio. The objective is to invest in a portfolio of 1-5 exchange traded funds (ETFs), to provide returns in line with the benchmark minus our fees by investing in a blend of Exchange Traded Funds (ETFs) which invest in the Australian cash markets.

Portfolio inception: 31 Oct 2014

\$10,000
Minimum initial investment

1+ yrs
Suggested investment timeframe

1 - 5
Indicative number of securities

Risk profile: Very Low
Expected loss in 4 to 6 years out of every 20 years

RBA Cash Rate Target
Benchmark

Our Investment Committee



Alastair Davidson
Head of Funds Management



Effie Zahos
Chief Content Officer &
Money Commentator



Alan Kohler AO
Editor-in-Chief



Paul Clitheroe AO
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 Professionally Managed Accounts (Fund) and issuer of the Fund. While every care has been taken in the preparation of this document, InvestSMART makes no representations or warranties as to the accuracy or completeness of any statement in it. To the maximum extent permitted by law, neither InvestSMART, its directors, employees or agents accept any liability for any loss arising in relation to this document. This document is not an endorsement that this portfolio is appropriate for you and should not be relied upon in making a decision to invest in this product. You should always consider the relevant disclosure document (including Product Disclosure Statement, Investment Menu, Target Market Determination and Financial Services Guide along with any accompanying materials) and/or seek professional advice before making any investment decision. Disclosure documents for financial products offered by InvestSMART can be downloaded from the InvestSMART website or obtained by contacting 1300 880 160. The document provides general financial information only. InvestSMART has NOT considered your personal objectives, financial situation and needs when preparing this document. You should consider your individual objectives, financial situation and needs and seek professional advice where necessary before making any investment decision. Past performance is not a reliable indicator of future performance. InvestSMART does not assure nor guarantee the performance of any financial products offered. InvestSMART, its associates and their respective directors and other staff each declare that they may, from time to time, hold interests in securities that are contained in this investment product.