

31 December 2021

Quarterly Report

InvestSMART Property and Infrastructure Portfolio



Quarter Highlights

- Portfolio increased 6.5% after fees for December quarter
- 21.3% return for calendar year
- No changes to the portfolio over the quarter

About Us

InvestSMART 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.

Portfolio overview

The InvestSMART Diversified 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 5 - 12 securities across Real Estate Investment Trusts (A-REITs), Infrastructure, and global property Exchange Traded Funds (ETFs) all managed in the one portfolio.

Our Diversified Property & Infrastructure Portfolio is part of our capped fee range, so you keep more of what you earn to grow your investment faster.

Investment objective

To provide returns in line with the benchmark minus our fees by investing in a blend of our preferred Exchange Traded Funds (ETFs).

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 portfolio details

INVESTMENT CATEGORY

Low-cost ETF Portfolio

BENCHMARK

A Composite Index

INCEPTION DATE

23 December 2015

SUGGESTED INVESTMENT TIMEFRAME

2+ years

NUMBER OF SECURITIES

5 - 12

INVESTMENT FEE

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

PERFORMANCE FEE

N/A

MINIMUM INITIAL INVESTMENT

\$10,000

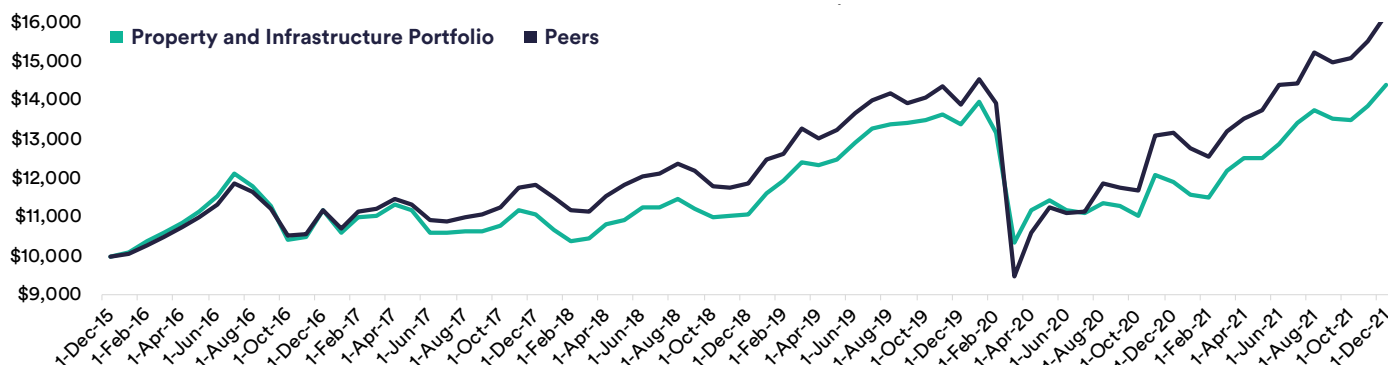
STRUCTURE

Professionally Managed Account (PMA)

As at 31 December 2021

Performance of \$10,000 since inception

Inception: 23 Dec 2015



Performance (after fees)

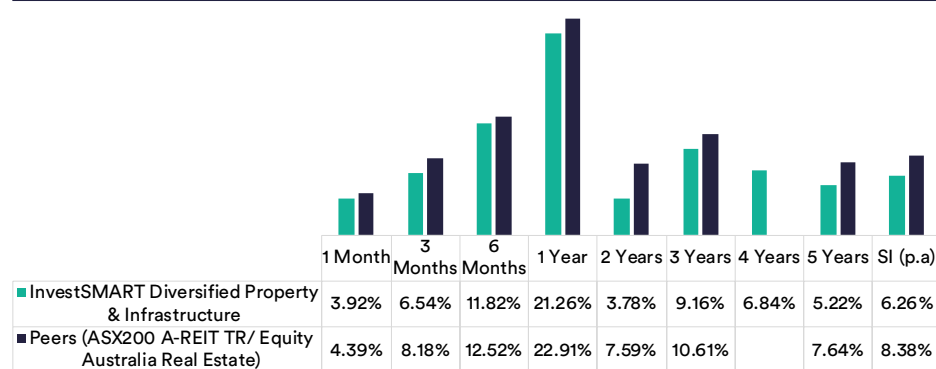
Inception (S.I.): 23 Dec 2015

	1 yr	2 yrs p.a.	3 yrs p.a.	4 yrs p.a.	5 yrs p.a.	S.I. p.a.
InvestSMART Property and Infrastructure	21.3%	3.8%	9.2%	6.8%	5.2%	6.3%
Average of 391 peers funds*	22.3%	7.0%	10.2%	7.7%	7.2%	7.9%
Excess to Peers	-1.0%	-3.2%	-1.0%	-0.9%	-2.0%	-1.6%

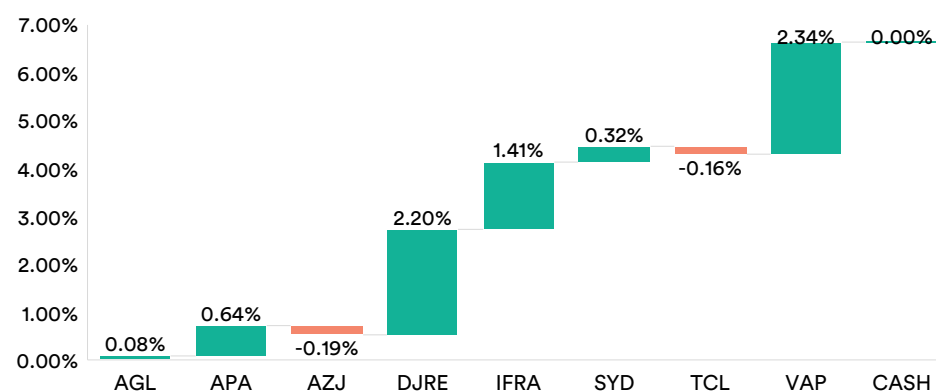
Fees*: InvestSMART Property and Infrastructure 0.55% & Average of 318 peers 1.40%

Note: Our InvestSMART Property and Infrastructure is benchmarked against A Composite Index

Performance relative to peers



Attribution – Performance



Asset allocation

Property	99.0%
Cash	1.0%

Top 5 holdings

DJRE	24.8%
IFRA	24.8%
VAP	24.8%
TCL	11.6%
SYD	6.0%

InvestSMART Property and Infrastructure Portfolio

Quarterly Update

Portfolio Performance

The December quarter finished off what was an astounding year for the Property and Infrastructure Portfolio. Over the quarter the Portfolio increased 6.5 per cent after fees. Over the calendar year the Portfolio was up 21.3 per cent on a total return basis after fees, its strongest yearly performance on record beating its previous best of 19.5 per cent in 2019.

There were no changes to the Portfolio over the quarter, all holdings continue to meet InvestSMART's holdings criteria of: high liquidity (easily traded), low fees known as the Management Expense Ratio (MER), large funds under management (FUM) and a price point that allows correct asset allocation.

As we move into 2022 InvestSMART will continue to review and evaluate the Portfolio's holdings to assure each one is providing the correct allocation you require.

Performance of individual holdings

DJRE – SPDR Dow Jones Global Real Estate Fund

The bounce back in global real estate in 2021 is perfectly encapsulated by the performance of DJRE. Over the December quarter DJRE's total return was 10.85 per cent, over the calendar year DJRE is up 38.6 per cent, its strongest year on record.

This is clearly outside of the norm as DJRE since inception average is 9.6 per cent. You should not expect this to be replicated in 2022 as 2021 was a correction of the trading seen in 2020

The Property and Infrastructure Portfolio's weighting to DJRE is 24.75 per cent

VAP – Vanguard Australian Property Securities Index

Like its international peer, VAP experienced a strong bounce back 2021. Over the December quarter VAP's total return was 10.0 per cent, over the calendar year VAP is up 27.7 per cent its strongest year since 2012.

This is also outside of the norm as VAP since inception average is 12 per cent. With COVID still playing a big part in everyday life and our use of commercial and industrial property being interrupted we would expect VAP to revert to its historical average.

The Property and Infrastructure Portfolio's weighting to VAP is 24.75 per cent

IFRA – VanEck FTSE Global Infrastructure (Hedged)

Like real estate, infrastructure also bounced back in 2021 as travel, transport and utility use returned. Over the December quarter IFRA's total return was 7.5 per cent, over the calendar year IFRA is up 16.8 per cent its second strongest year on record. 2022 is likely to be a more in line with pre-COVID returns of 8.15 per cent.

The Property and Infrastructure Portfolio's weighting to IFRA is 24.75 per cent



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Important information

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