

InvestSMART Diversified Property & Infrastructure Portfolio

Monthly Update - February 2019

PERFORMANCE TO 28 FEB 2019	1 mth	3 mths	6 mths	1 yr	2 yrs (p.a.)	3 yrs (p.a.)	Since Inception (p.a.)
InvestSMART Diversified Property & Infrastructure	2.87%	8.03%	3.94%	15.05%	4.20%	4.82%	6.12%
A Composite Benchmark^	3.28%	8.85%	2.24%	17.84%	6.15%	6.72%	8.00%

February in Review

After a very strong January, property assets slowed in February as reporting seasons both domestically and internationally showed only moderate revenue growth in listed property.

Infrastructure assets fared slightly better than their property peers, as investors looked to 'bond proxy' assets to invest in as central banks moved into dovish positions. This also signalled the prospect of 'pausing' its rate hike cycle in the case of the US Federal Reserve or actually cutting rates in the case of the Reserve Bank of Australia.

“IF THE RBA WAS TO CUT RATES AND STIMULATE THE AUSTRALIAN ECONOMY, BY ITS OWN RESEARCH RELEASED THIS YEAR, IT WILL DRIVE HOUSING INFLATION AND DEMAND. ”

This will make property an interesting investment over the coming year. If the RBA was to cut rates and stimulate the Australian economy, by its own research released this year, it will drive housing inflation and demand.

^Benchmark Index

A composite index comprising of:

25% of S&P/ASX 200 A-REIT Index

25% of S&P/ASX Infrastructure Index

25% of Dow Jones Brookfield Global Infrastructure Total Return Index (AUD)

25% of Dow Jones Global Select Real Estate Securities Total Return Index (AUD)

A rate cutting RBA would also see investment flow into infrastructure as a central bank stimulating its economy would signal economic weakness and thus investment in defensive and bond like products will likely appreciate as investors move out of high-risk assets.

We see defensive assets finding increased investment inflows over the coming period as investors look to even up their asset allocation on possible slowing economic conditions.

Diversified Infrastructure and Property Portfolio

- Added 2.87% after fees in January driven global listed infrastructure.
- Domestic property attributed 0.35%, international property 0.45% with international infrastructure attribution 0.97%
- All parts of portfolio attributed positive returns in February

For more information on our Diversified Property & Infrastructure Portfolio, [click here](#).

PORTFOLIO ALLOCATION

ASSET ALLOCATION	
Sector	Weighting
International Property	24.32%
Domestic Infrastructure	24.67%
Global Infrastructure	23.88%
Domestic Property	23.92%
Cash	3.21%

TOP 5 HOLDINGS	
Security	Weighting
SPDR Dow Jones Global Real Estate Fund	24.32%
Vanguard Australian Property Securities Index ETF	23.92%
VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	23.88%
Transurban Group	9.54%
Sydney Airport	4.71%

Performance numbers exclude franking, after investment and admin fees; excludes brokerage. All yield figures include franking. All performance figures, graphs and diagrams are as at 28 February 2019. Performance figures are based on the portfolio's previous investment structure, a Separately Managed Account (SMA). This portfolio is now offered as a Professionally Managed Account (PMA), as of 1 November 2018. The underlying securities remain the same between the SMA and PMA structures. The inception date refers to the SMA. Please see the Investment Menu for full PMA fee details.

InvestSMART Group Limited (INV)

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.

The Portfolio

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

Investment objective

The Portfolio's investment objective is to provide investors returns in line with the benchmark minus our fees by investing in a blend of our preferred Exchange Traded Funds (ETFs).

Why the InvestSMART Diversified Property and Infrastructure Portfolio?

Get exposure to large-scale domestic and global property opportunities that would be too expensive for most people on their own. The InvestSMART Property & Infrastructure Portfolio is designed to give investors a good source of income through capital growth, property development and property-related earnings. Other benefits consist of inflation protection and portfolio diversification.

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 Details

INVESTMENT CATEGORY

A blend of our preferred Exchange Traded Funds (ETFs)

INVESTMENT STYLE

Low cost Active Asset Allocation

BENCHMARK

A Composite Index

INCEPTION DATE

23 December 2015

SUGGESTED INVESTMENT TIMEFRAME

5+ years

NUMBER OF SECURITIES / STOCKS

5 - 12 securities

INVESTMENT FEE

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

PERFORMANCE FEE

N/A

MINIMUM INITIAL INVESTMENT

\$10,000

STRUCTURE

Professionally Managed Account (PMA)

SUITABILITY

Suitable for investors who want exposure to domestic and global property and infrastructure

PORTFOLIO MANAGER

Evan Lucas

Important information

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The suitability of the investment product to your needs depends on your individual circumstances and objectives and should be discussed with your Adviser. Potential investors must read the Product Disclosure Statement (PDS) and Investment Menu (IM), and FSG along with any accompanying materials.

Investment in securities and other financial products involves risk. An investment in a financial product may have the potential for capital growth and income, but may also carry the risk that the total return on the investment may be less than the amount contributed directly by the investor.

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