

INVESTSMART

InvestSMART Masterclass

Picking the perfect ETF portfolio

19 June 2024

INVESTSMART
10
YEARS Celebrating a decade
of happy returns



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Financial indicators

WAGES



▲ 4.1%

INFLATION



▲ 3.6%

LIVING COST



▲ 6.5%

ANNUAL % CHANGE MAR '24 QUARTER

Money hacks

HOME LOAN	ENERGY	INSURANCE	DINING
Save \$420 p/m	Up to \$200 off	Up to \$900 off	50% off
Cheapest Vs avg*	Switching credits	Avg to lowest /5 stars*	First table early bird deals

*Source: CANSTAR



Why use ETFs rather than picking shares yourself?

- Exchange Traded Funds have baskets of shares based on what sort they are, usually > 50 shares
- They provide more diversification than buying a few leading shares
- ETFs can be bought for as little as \$50 per unit – to buy the same shares directly would cost a lot more
- If you are not sure which shares are best in a market, then buying an index ETF is the next best thing



ETFs come in three forms

- Passive (index trackers) – following ASX 200 or S&P500 for example - IOZ or IVV from iShares
- Smart beta or factor (use algorithms to choose shares) Vanguard Australian Shares High Yield ETF - VHY
- Active (a manager picks shares) – Intelligent Investor Australian Equity Growth Fund – IIGF
- Fees are lowest for the index trackers



What assets can you invest in?

- There are over 370 ETFs listed on the ASX
- There are ETFs over domestic and international shares, local and international fixed interest, commodities, cash, local and global property and infrastructure
- ETFs allow you to invest in specific markets – UK, US, China, India, etc.
- ETFs allow you to invest in specific themes – Healthcare, Electric vehicles, etc.
- You can even buy Bitcoin ETFs

Why pick more than one ETF?

- This depend on what you are trying to do
- If you want to have a “bet” on a market, say India post election, buying IIND (Betashares India Quality ETF) is the easiest way to get exposure
- If you wanted to invest for a balanced exposure, buying a portfolio of ETFs covering different assets and markets makes more sense



How do you pick a portfolios of ETFs

- There are lots of “model” portfolios to choose from depending on your investing objective
- Typical basic models cover Conservative, Balanced, Growth and High Growth
- Asset based models cover Interest Income (Bonds), International Equities, etc
- Target based models specific a ratio between equities and bonds (70:30 for example)



How do model portfolios perform?

Below are the performance numbers of the 3 most popular InvestSMART ETF portfolios:

- High Growth
- Growth
- International

High Growth Model

Performance[#] to 31 May 2024 (all returns are annualised)

	1 yr	3 yrs p.a.	5 yrs p.a.	SI p.a.
Total Return	14.0%	7.4%	8.5%	8.2%
Average of 346 peers funds	13.0%	5.6%	5.6%	5.8%
Excess to Peers	1.0%	1.8%	2.9%	2.4%

Note: Since Inception (SI) 27 Oct 2014. All returns are annualised and include reinvestment of distributions.

Growth Model

Performance[#] to 31 May 2024 (all returns are annualised)

	1 yr	3 yrs p.a.	5 yrs p.a.	SI p.a.
Total Return	11.3%	5.3%	6.4%	6.8%
Average of 511 peers funds	8.8%	3.7%	4.1%	4.5%
Excess to Peers	2.5%	1.6%	2.3%	2.3%

Note: Since Inception (SI) 24 Oct 2014. All returns are annualised and include reinvestment of distributions.

International Model

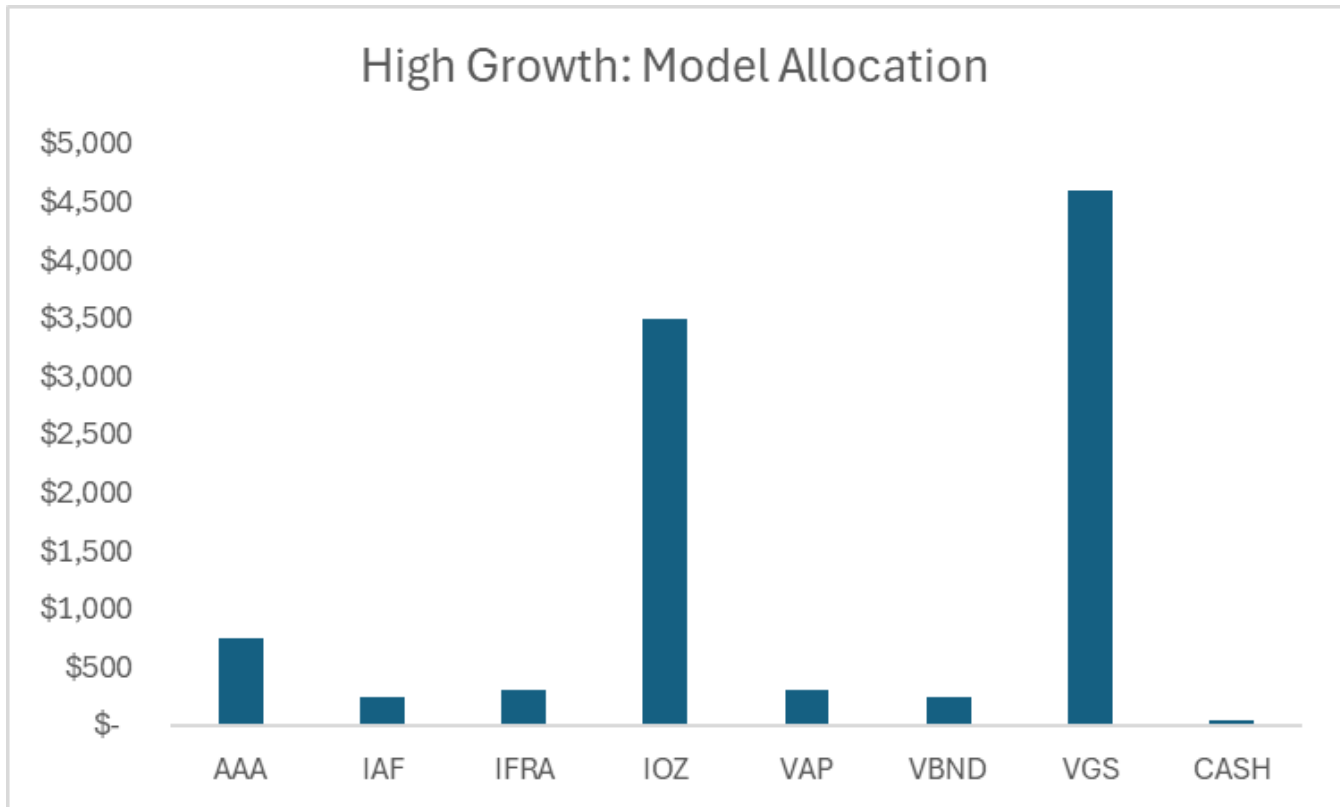
Performance[#] to 31 May 2024 (all returns are annualised)

	1 yr	3 yrs p.a.	5 yrs p.a.	SI p.a.
Total Return	19.8%	10.9%	12.7%	11.2%
Average of 900 peers funds	16.3%	8.8%	8.5%	8.4%
Excess to Peers	3.5%	2.1%	4.2%	2.8%

Note: Since Inception (SI) 24 Oct 2014. All returns are annualised and include reinvestment of distributions.

What is in our model portfolios?

Below are the holdings for our High Growth portfolio on 31 May 2024, based on \$10,000 investment:





Why use an investment platform to invest?

- You can buy ETFs through any broker – Commsec, Bell Securities, etc
- However, tax statements for ETFs can be complicated
- Some distributions from ETFs can include returns of capital which affects your cost base
- Investment platforms, like InvestSMART, Vanguard and Betashares, offer low or zero brokerage rates
- Investment platforms can provide a consolidated tax statement which makes it easier to do your tax return

Bridging the financial literacy gap

Recent economic pressures have highlighted the critical need for robust financial education. Financial well-being is closely tied to overall health and stress levels.



75%

Australians report financial stress, impacting their mental and physical well-being.



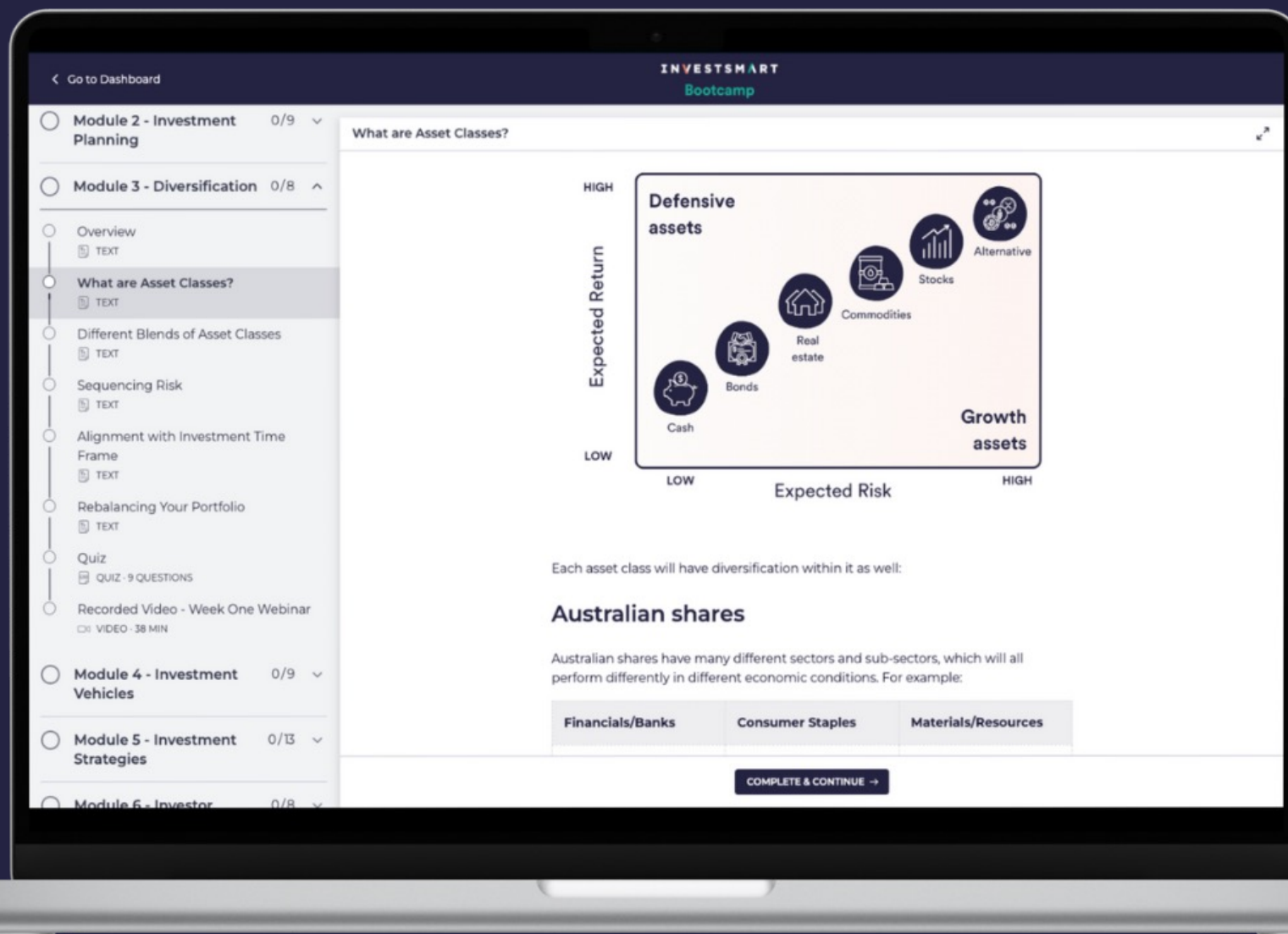
34%

Australians lack basic financial literacy, underscoring the need for accessible education.



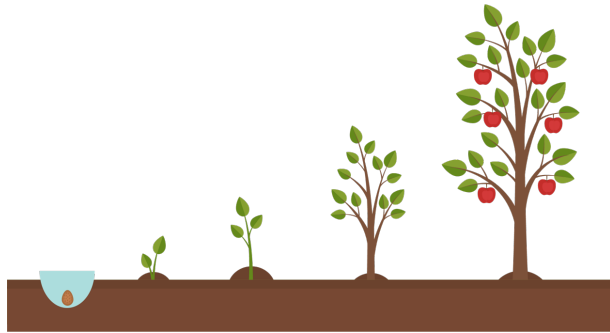
8%

Gender gap in financial literacy persists in Australia, higher than in many other developed nations.



InvestSMART's Investment Bootcamp addresses these issues directly, empowering participants with the knowledge to improve their financial futures.

Top money lessons from Bootcamp



Start Early, Start Small



Diversification: The Investor's Safety Net



Regular Contributions: Watering Your Financial Garden

Tools for Smart Investing

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Find the right ETF for your portfolio using the filters below including our quantitative rating system which we use to select the ETFs we put into our Diversified ETF Portfolios and Single asset class ETF portfolios.

Management Type

Keyword Search

Geographical Focus

Asset Allocation Type

InvestSMART Rating

Category

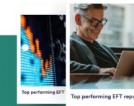
Market Cap (\$m)

Yield 1Yr (%)

Order By Ascending Descending

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Tools for Smart Investing



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yourself

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investment plan

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monitor your portfolio



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Investing for kids
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Q & A

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Thank you

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