



INVESTSMART

The investors roadmap for 2024

Long term investing in 2024
and beyond

11 January 2024

Disclaimer

The information presented in this webinar is general in nature only and does not take your personal situation into consideration.

Please ensure that all relevant disclosure documents including the PDS and TMD have been read. If unsure about making an investment or if the investment is suitable for your circumstances please speak to a financial professional. Past performance is not a reliable indicator of future performance.

The opinions expressed in this webinar are those of the speaker only and may not necessarily represent the views of InvestSMART. To the full extent permitted by law, InvestSMART excludes any and all liability for any loss, claim or damage, cost or expense, including indirect or consequential damages or lost profit, whether arising in negligence or otherwise, suffered in connection with the access to, participation in or use of the webinar by you or any other person.



The major themes of 2023

- **Interest rates:** Interest rates started the year at 3.10% and after five rises ended the year at 4.35%. Remember the "mortgage cliff"?
- **Cost of living & property prices:** A flow on effect from inflation and interest rate pressures. Cost of living and property prices saw a visible divide grow across the country.
- **Geopolitical conflict:** 2023 saw the continuation of Russia/Ukraine plus tensions boil over in the Middle East.
- **Artificial Intelligence:** The latest theme driving growth across US tech stocks – and it looks like it is here to stay

Returns across the asset classes via ETFs

Performance to 31 Dec 2023

Holding	Asset Class	1 Year	5 Years pa	10 Years pa
BetaShares Australian High Interest Cash ETF (AAA)	Cash	4.01%	1.63%	2.06%
iShares Core Composite Bond ETF (IAF)	Fixed interest	4.96%	0.48%	2.47%
VanEck FTSE Global Infrastructure (Hedged) ETF (IFRA)	Infrastructure	0.08%	4.95%	N/A
iShares Core S&P/ASX 200 ETF (IOZ)	Aus Shares	12.29%	10.19%	7.77%
Vanguard Australian Property Securities Index ETF (VAP)	Aus Property	16.62%	6.20%	9.26%
Vanguard Global Aggregate Bond Index (Hedged) ETF (VBND)	Fixed interest	5.18%	0.02%	N/A
Vanguard MSCI Index International Shares ETF (VGS)	International shares	23.30%	13.66%	N/A

InvestSMART Diversified Portfolios

Performance to 31 Dec 2023

	1 Year	3 Years	5 Years	SI (p.a)
InvestSMART Conservative	7.21%	1.59%	3.42%	3.49%
InvestSMART Balanced	9.63%	3.79%	5.68%	5.01%
InvestSMART Growth	11.90%	5.86%	7.60%	6.58%
InvestSMART Ethical Growth	13.56%	5.18%	N/A	6.71%
InvestSMART High Growth	14.38%	8.14%	9.66%	7.85%



The major themes of 2024? More uncertainty

- "Forecasting the market is like trying to nail jelly to the wall" - Burton Malkiel, American economist.
- Interest rate movements, a US election, property price uncertainty, cost of living pressure, the impact of AI, conflicts to continue and who knows what else.
- Instead of predicting, make your portfolio and investing theme proof

We don't know which asset class will deliver tomorrow's returns

Annual returns for selected asset classes, ranked in order of performance in each year

	Avg			Rank	Year to 31 December												
	Avg	Min	Max		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Australian Shares	7.4	-11.4	24.1	1	8.6	11.4	33	53.6	32.1	14.3	13.2	13.4	6.2	31.7	7.9	37.2	1.3
International Shares	10.9	-12.5	48	2	8.3	10.8	21.2	48	27	14	12.5	12.8	4.9	28	5.7	36.6	-3
US Shares (S&P500)	14.6	-12.2	53.6	3	6	5	18.8	19.9	24.3	13.6	11.6	12.5	4.5	24.1	4.9	29.6	-9.7
Australian Property	8.4	-20.5	33	4	4.7	2.1	14.6	19.7	15	11.8	7.9	5.7	2.9	23.6	4.5	26.1	-11.7
International Property	8.4	-21.5	37.2	5	3.3	-0.7	14.1	7.1	11	3.8	5.2	3.7	2.7	19.4	3.6	17.7	-12.2
Australian Bonds	3.7	-9.7	11.4	6	1	-1.5	8.4	2.9	9.8	3.8	4.9	2.8	1.9	7.3	0.4	0	-12.5
Intl. Bonds (A\$ hedged)	3.9	-11.7	11	7	-0.4	-5.3	7.7	2.5	5	2.6	2.9	1.7	1.5	6.3	-4.6	-2	-20.5
Cash	2.3	0	5	8	-2	-11.4	4	2	2.7	2.3	2.1	0.2	-3.5	1.5	-16.9	-2.9	-21.5

Do you have an **investment plan**?

Define Your Goals

Identify your investment objective - whether it's **retirement, home ownership, education funding, or wealth creation.**

Understand Timeframes

Determine your investment timeframe - **short-term** (1-3 years), **medium-term** (3-10 years), or **long-term** (10+ years)?

Reaction to Market

Analyse how you would likely respond to changes in investment values and market fluctuations. Are they a cause for panic or seen as part of the investment journey?

Risk Tolerance Assessment

Complete a risk tolerance questionnaire using our online **Statement of Advice** tool. This is an essential step in understanding your investment comfort level and planning effectively.

Determine Risk Profile

Using your goals, timeframe, and reaction to market volatility, determine your **unique risk profile** to guide portfolio selection.

Align Portfolio to Risk Profile

Choose a diversified portfolio that matches your risk profile, optimising potential returns and minimising risk.

InvestSMART Bootcamp

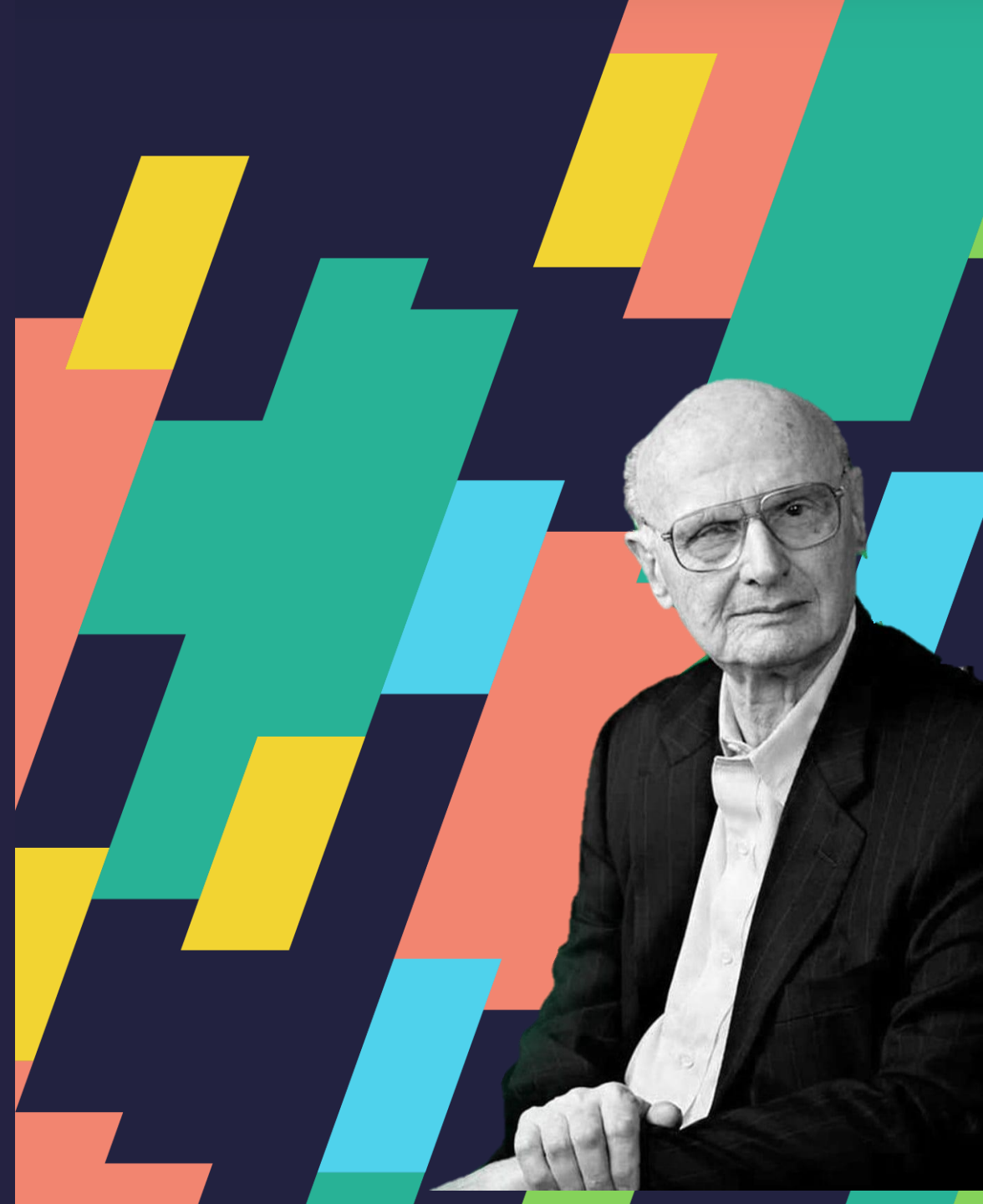
For a deeper understanding of these topics and more, consider our **InvestSMART Bootcamp** for Beginners' course, priced at \$49.50. It covers key concepts of investment planning, asset classes, and strategies.



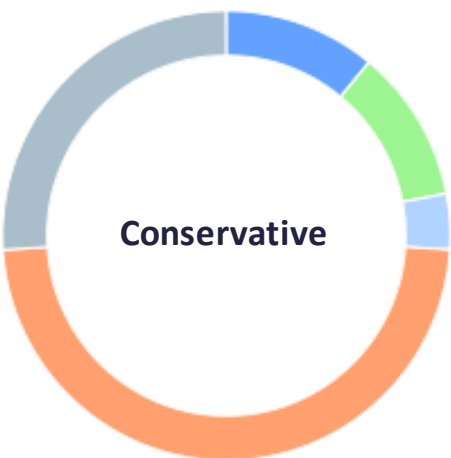
Our core principle of diversification

"A good portfolio is more than a long list of good stocks and bonds. It is a balanced whole, providing the investor with protections and opportunities with respect to a wide range of contingencies."

Harry Markowitz



Your plan will help determine your **blend of assets**



Conservative



Balanced

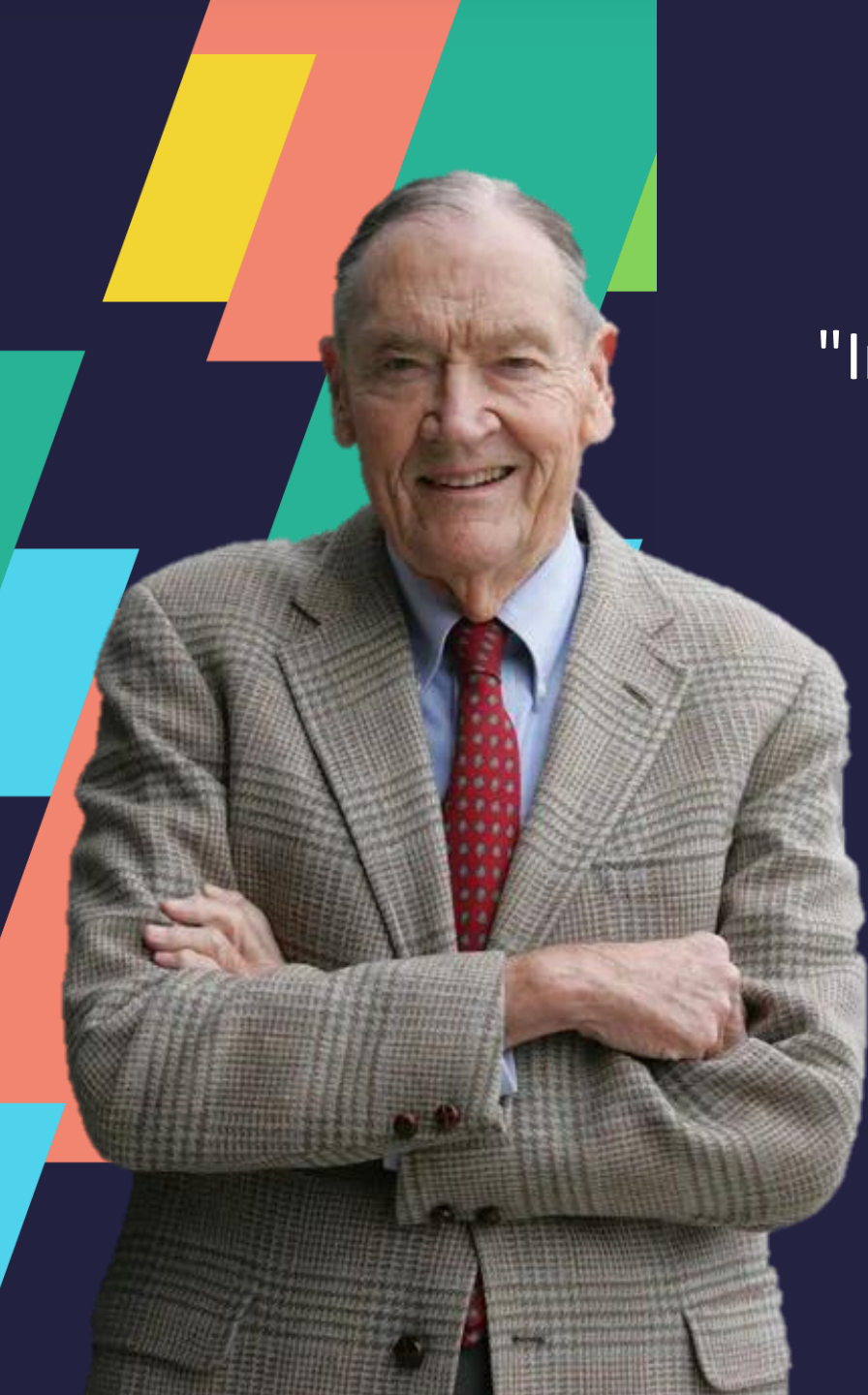


Growth



High Growth

- Australian Equities
- International Equities
- Property & Infrastructure
- Fixed Interest
- Cash



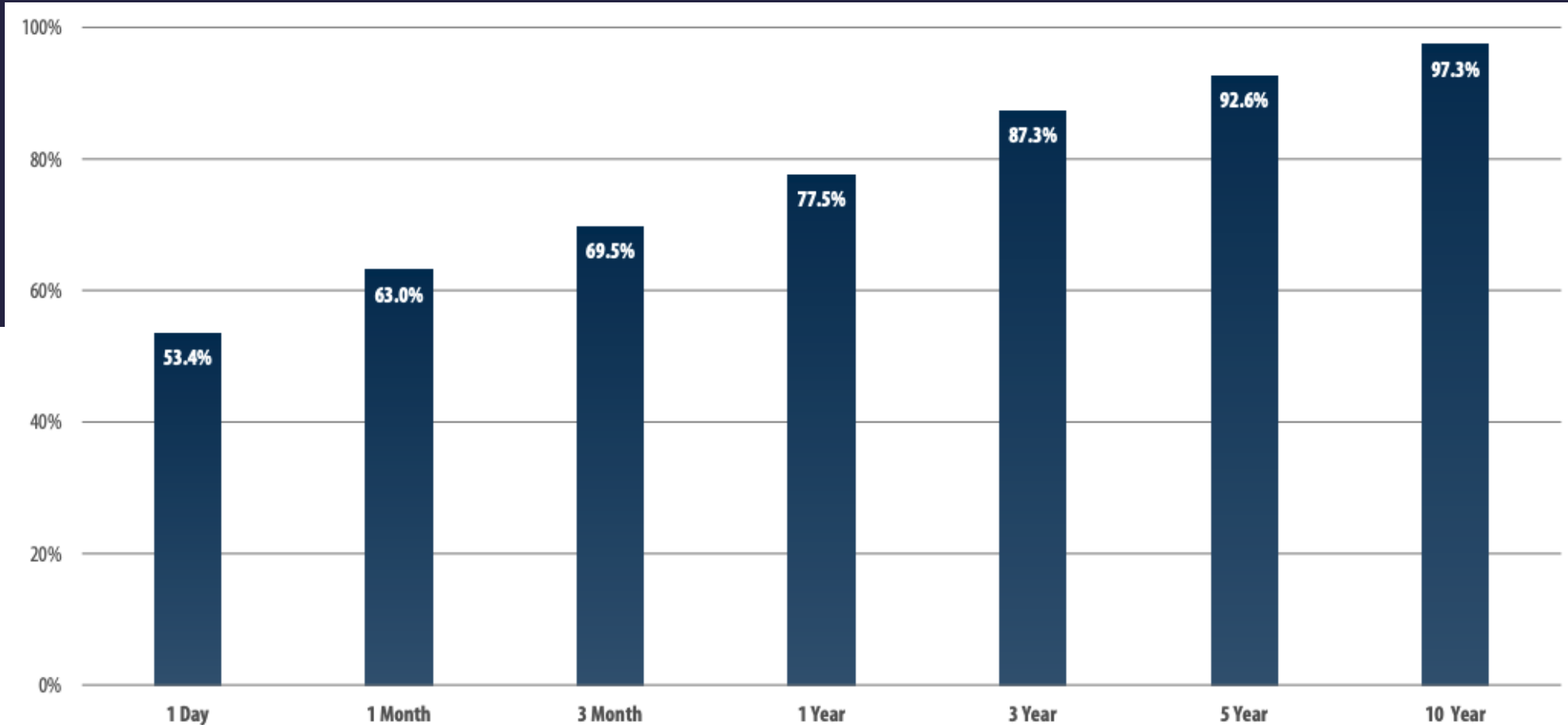
"Investing is not about beating the market. It's about owning a piece of the market over time"

- John Bogle

Probability of Positive Returns

S&P 500 Index – Since 1937

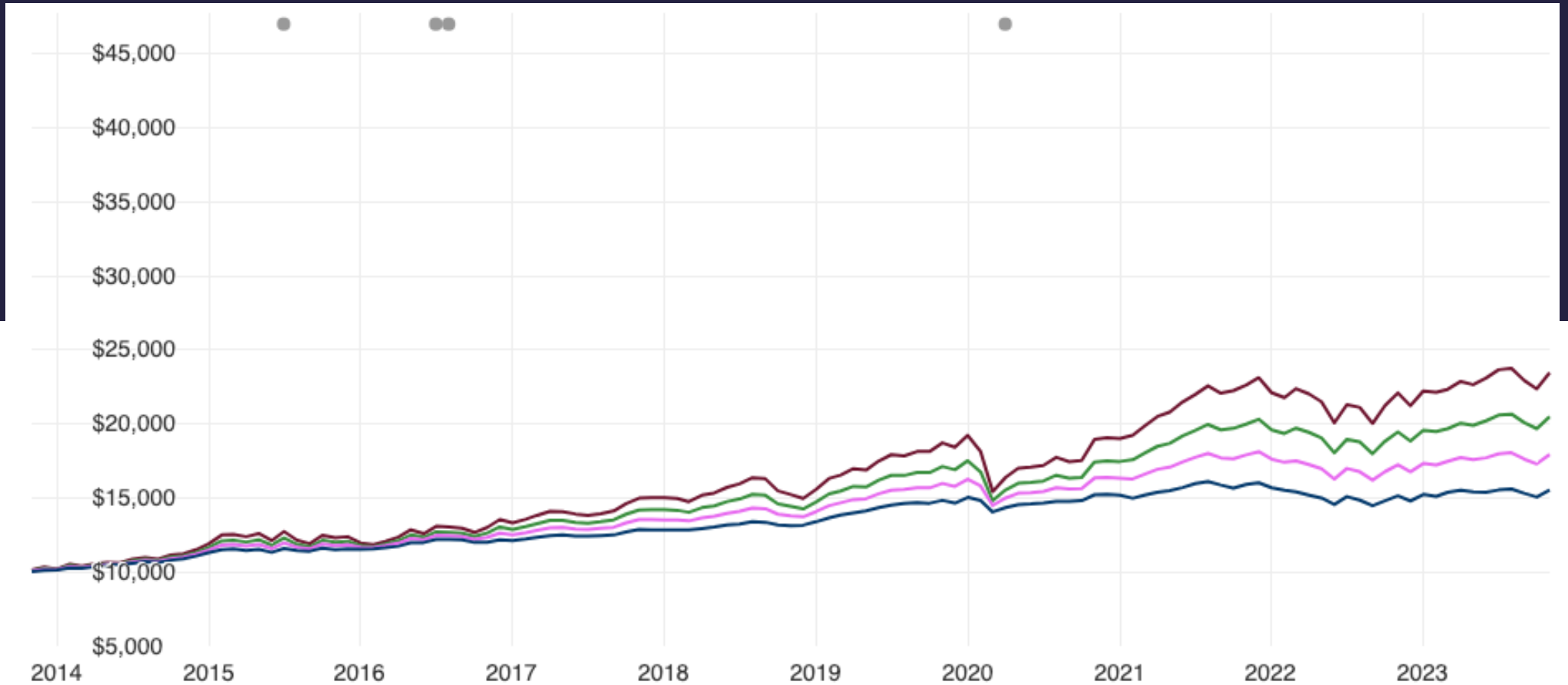
Data from 31/12/1936 – 31/12/2021



Diversification at work

Portfolios v Asset Classes

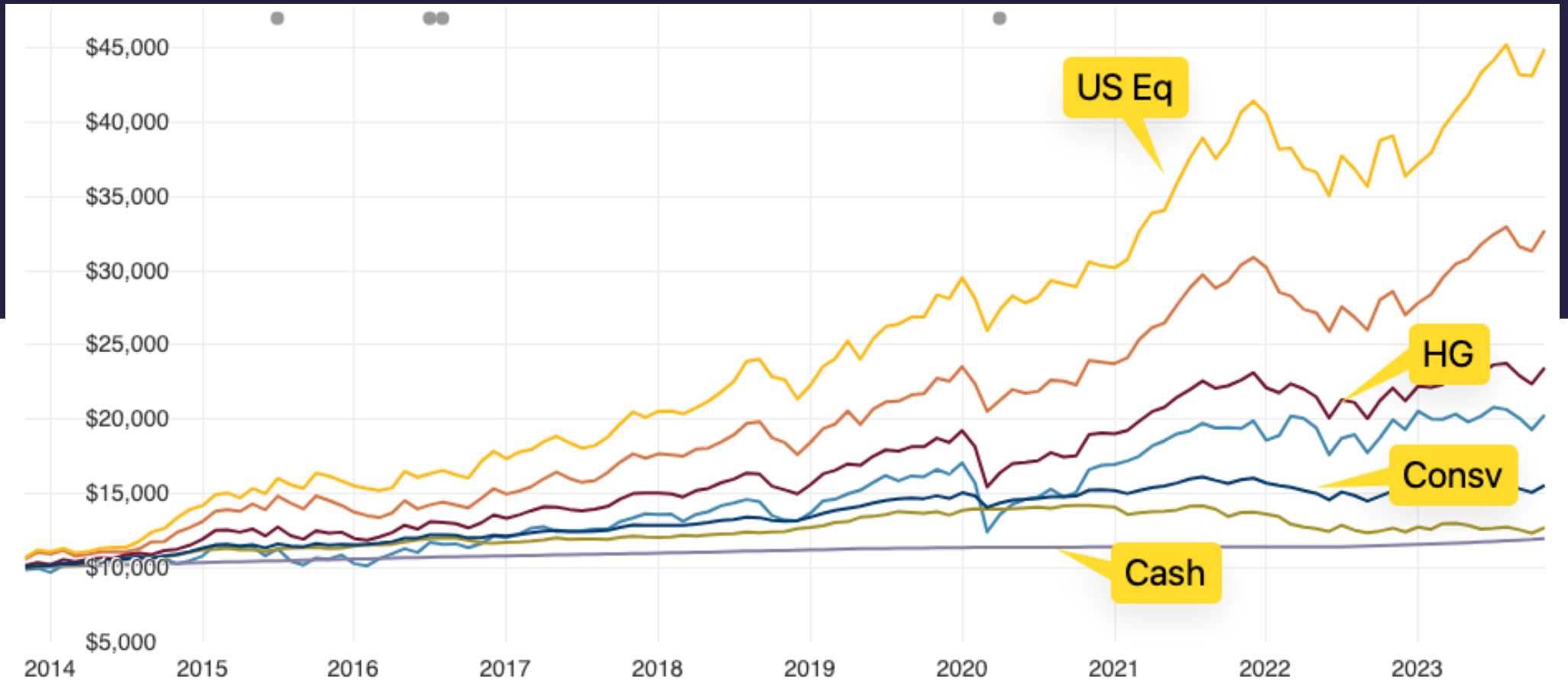
Return from 30/11/2013 – 30/11/23



Diversification at work

Portfolios v Asset Classes

Return from 30/11/2013 – 30/11/23



Diversification at work

Portfolios v Asset Classes

Return from 30/11/2013 – 30/11/23

Asset classes	Value at 30 Nov 2023	Return since 1 Nov 2013	Portfolios	Value at 30 Nov 2023	Return since 1 Nov 2013
<input checked="" type="checkbox"/> Australian Shares	\$20,297	7.3% p.a.	<input checked="" type="checkbox"/> High Growth	\$23,458	8.8%
<input checked="" type="checkbox"/> International Shares	\$32,718	12.5% p.a.	<input type="checkbox"/> Growth	\$20,506	7.4%
<input checked="" type="checkbox"/> US Shares	\$44,960	16.1% p.a.	<input type="checkbox"/> Balanced	\$17,947	6.0%
<input type="checkbox"/> Australian Property	\$20,665	7.5% p.a.	<input checked="" type="checkbox"/> Conservative	\$15,554	4.5%
<input type="checkbox"/> International Property	\$19,139	6.6% p.a.			
<input checked="" type="checkbox"/> Australian Bonds	\$12,685	2.4% p.a.			
<input type="checkbox"/> International Bonds	\$12,548	2.3% p.a.			
<input checked="" type="checkbox"/> Cash	\$11,960	1.8% p.a.			

[Manage Portfolios](#)

Important information

Past performance is not an indicator of future performance. An actual investment would be subject to acquisition costs, fees and taxes.

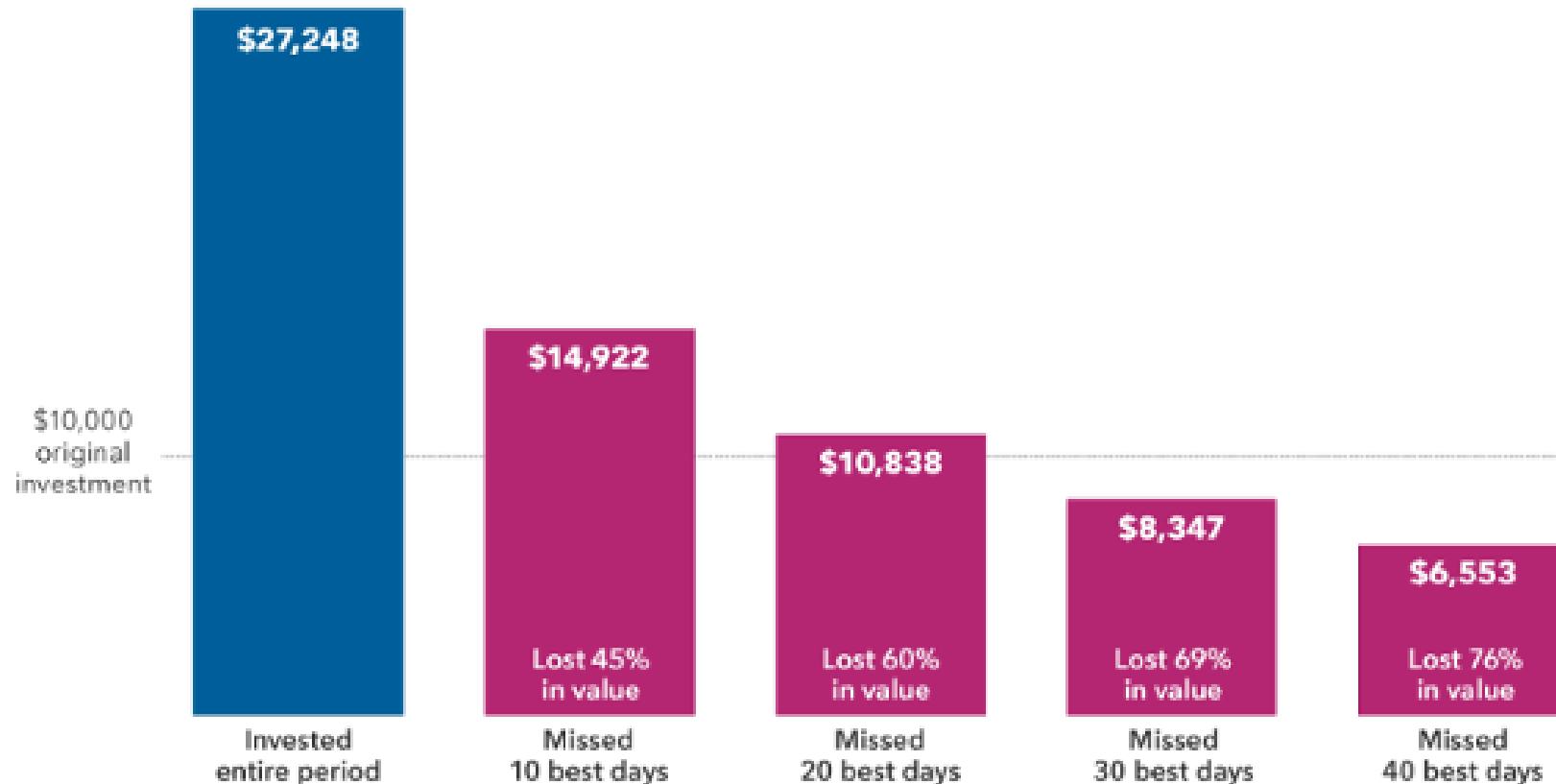
The calculated figures do not take these fees, expenses and taxes into account.

Being Passive

Not timing the
market

Missing just a few of the market's best days can hurt investment returns

Value of a hypothetical \$10,000 investment in the S&P 500 Index (7/1/13-6/30/23)



Sources: Standard & Poor's, RIMES, as of 06/30/2023. Values in USD. Past performance is not indicative of future results.



Be a Robot

- **Higher returns:**

Studies show that automated investing often outperforms human-managed portfolios. A Vanguard study found that automatic investors earned 3.4% more annually than those who didn't automate.
 - **Reduced emotional bias:**

Emotions can lead to costly investment mistakes. Automating your investing removes emotions from the equation, helping you stay disciplined and avoid impulsive decisions.
- Convenience:**
- Automated investing requires minimal time and effort. You set up your contributions and the platform does the rest.

Building a service on fundamental principles

Low fees starting from
0.55%pa capped at \$550

Passive investments

Diversification across and
within asset classes

Automate
contributions/withdrawals
to avoid market timing



Top tips for 2024

- **Avoid reacting to news:** The news and opinions are not designed to make you a better investor. There are many ways people profit from the market, clicks, advertising and transaction costs are unwelcome side hustles to the market.
- **Do not interrupt your compounding:** Ensure you have savings set aside so when bumps in the road happen you do not have to dip into your investments and do not try to jump in and out of the market.
- **Stick to your plan:** You will be tempted to add more in good times and less in bad times. Just stick to your plan.
- **Keep learning about investing:** The more informed you are the more comfortable you will become investing for the long-term.
- **Keep it simple:** Spend less than you earn, keep saving, keep investing.

Next step

Book a call with **the team**



For

- InvestSMART Professionally Managed Accounts
- Intelligent Investor managed funds

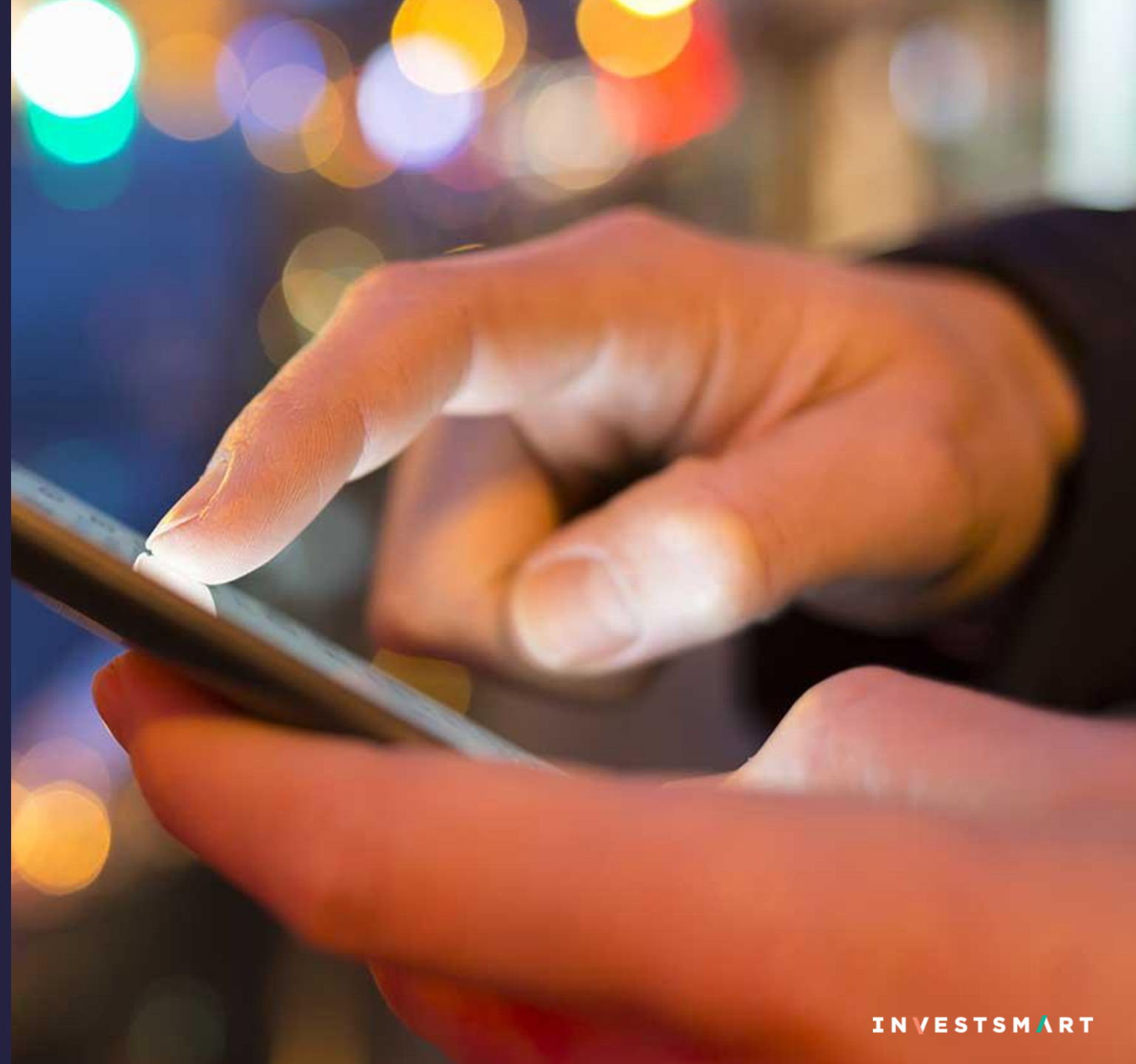
Schedule a call with
[Mitchell Sneddon](#)



For

- Bootcamp for business corporate licenses

Schedule a call with
[Tom Wilson](#)



Thank you

Contact:

Mitchell Sneddon

Head of Portfolio Services

Tom Wilson

Investor Education & Product Specialist

invest@investsmart.com.au

www.investsmart.com.au

INVESTSMART