



BetaShares

Exchange Traded Funds

BETASHARES AUSTRALIAN ETF REVIEW

MONTH ENDING OCTOBER 2019



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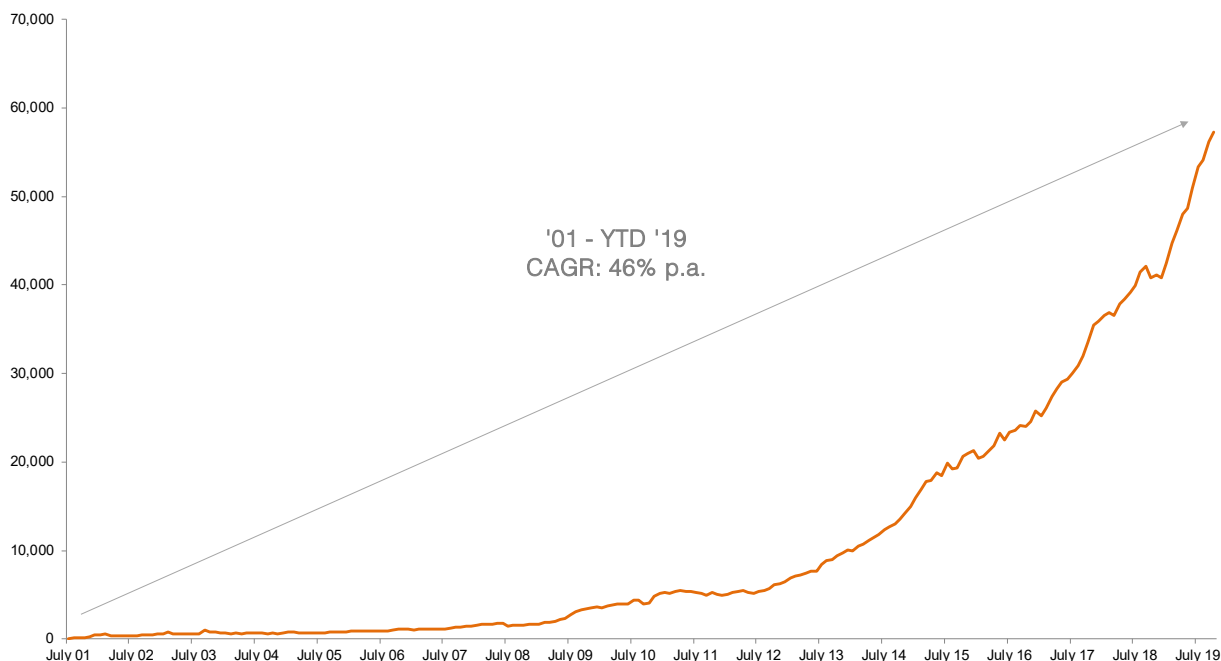
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AUSTRALIAN EXCHANGE TRADED FUND INDUSTRY: SUMMARY OCTOBER 2019

FIXED INCOME FIXATION CONTINUES AS INDUSTRY CONTINUES ITS RAPID RISE

- Led once again by flows into Fixed Income ETFs, the Australian ETF industry continued its rapid growth trajectory, ending October at a record **\$57.2B**
- The industry has grown by **40%** over the last 12 months with absolute growth of **\$16.4B** over this period, the highest level of growth over a 12 month period to date
- 100% of the month's growth came from net inflows (**\$1.2B**), with negative market movements creating a drag on industry growth this month
- October was another busy month for trading, which at **\$5.2B** in total, was the **2nd highest value traded on record**, just behind the \$5.3B record month that was set in August
- 2 new products launched this month, both of which were in the bond/fixed income space and including the first Active ETF to commence trading on Chi-X
- In a return to the theme that has been present for most of the year, **Fixed Income** exposures received the highest level of inflows (\$372m), followed by **International Equities** (\$368m)
- Monthly net outflows were limited with outflows out of **Australian Financial Sector** products most likely on profit selling, and continued outflows from **European exposures** which appear to remain an area of concern for investors.
- Strongest performance this month was from Gold Mining stocks with [BetaShares Global Gold Miners ETF – Currency Hedged \(ASX: MNRS\)](#) leading the way followed by Japanese equities via the [BetaShares Japan ETF – Currency Hedged \(ASX: HJPN\)](#)

AUSTRALIAN ETP MARKET CAP: JULY 2001 – OCTOBER 2019



MARKET CAP

- ASX Exchange Traded Funds Market Cap: **\$57.2B – New industry record**
- Market cap increase for month: **1.8%, +\$1.0B**
- Market cap growth for last 12 months: **40%, + \$16.4B – Greatest absolute growth over 12 mth period**

NEW MONEY

- New unit growth for month (units outstanding by number): **+2.8%**
- Net new money for month (units outstanding by \$ value): **+\$1.2B**

PRODUCTS

- 248 Exchange Traded Products trading on the ASX – 2 new products launched this month including a Fixed Income Bond ETF (the first Active ETF to be launched on Chi-X) and a new subordinated debt ETF

TRADING VALUE

- Trading value increased 3% after last month's record with October being the **2nd highest trading volume on record** (\$5.3B)

PERFORMANCE

- Strongest performance this month was in Gold Mining exposures with [BetaShares Global Gold Miners ETF – Currency Hedged \(ASX: MNRS\)](#) leading the way followed by Japanese equities via the [BetaShares Japan ETF – Currency Hedged \(ASX: HJPN\)](#) with the latter now up ~15% over the last 3 months

TOP 10 PRODUCTS: OCTOBER 2019

By Market Cap

Ticker	Product	Issuer	Market Cap (this month)	Rank Movement
VAS AU Equity	Vanguard Australian Shares Index ETF	Vanguard	\$4,193,660,000	-
STW AU Equity	SPDR S&P/ASX 200 Fund	State Street	\$3,696,620,000	-
IVV AU Equity	iShares S&P 500	iShares	\$3,201,600,000	-
VGS AU Equity	Vanguard MSCI Index International Shares ETF	Vanguard	\$1,896,530,000	-
AAA AU Equity	Betashares Australian High Interest Cash ETF	BetaShares	\$1,851,240,000	-
IOO AU Equity	iShares S&P Global 100	iShares	\$1,707,240,000	-
IOZ AU Equity	iShares Core S&P/ASX 200 ETF	iShares	\$1,625,740,000	+2
VTS AU Equity	Vanguard US Total Market Shares Index ETF	Vanguard	\$1,604,570,000	-1
VAP AU Equity	Vanguard Australian Property Securities Index ETF	Vanguard	\$1,546,980,000	-1
MGE AU Equity	Magellan Global Equities Fund (Mgd Fund)	Magellan	\$1,375,100,000	-

Other products with > \$1000m AUM: VEU, VHY, VAF, Gold, IAF, MWW,

By Average Daily Trading Value (20 days)

Ticker	Product	Issuer	ADTV 20 days	Rank Movement
VAS AU Equity	Vanguard Australian Shares Index ETF	Vanguard	\$23,190,507	+1
STW AU Equity	SPDR S&P/ASX 200 Fund	State Street	\$15,173,285	-1
IOZ AU Equity	iShares Core S&P/ASX 200 ETF	iShares	\$14,089,407	+2
AAA AU Equity	Betashares Australian High Interest Cash ETF	BetaShares	\$10,609,990	-1
VAP AU Equity	Vanguard Australian Property Securities Index ETF	Vanguard	\$7,966,842	+3
IVV AU Equity	iShares S&P 500	iShares	\$6,584,664	-
VTS AU Equity	Vanguard US Total Market Shares Index ETF	Vanguard	\$6,115,482	+7
VGS AU Equity	Vanguard MSCI Index International Shares ETF	Vanguard	\$5,295,106	+3
A200 AU Equity	BetaShares Australia 200 ETF	BetaShares	\$5,192,125	-5
VEU AU Equity	Vanguard All-World ex-US Shares Index ETF	Vanguard	\$4,283,014	+7

Top 10 Creations (by \$) - Month

Ticker	Product	Creation Value
IOZ AU Equity	iShares Core S&P/ASX 200 ETF	\$156,701,703
VAS AU Equity	Vanguard Australian Shares Index ETF	\$91,835,016
VGS AU Equity	Vanguard MSCI Index International Shares ETF	\$67,484,715
QPON AU Equity	BetaShares Australian Senior Bank Floating Rate Bond ETF	\$63,915,026
HBRD AU Equity	BetaShares Active Australian Hybrids Fund	\$49,878,563
IAF AU Equity	iShares UBS Composite Bond Index Fund	\$43,456,050
VACF AU Equity	Vanguard Australian Corporate Bond ETF	\$40,744,473
FUEL AU Equity	BetaShares Global Energy Companies ETF	\$38,788,400
A200 AU Equity	BetaShares Australia 200 ETF	\$37,349,458
VAP AU Equity	Vanguard Australian Property Securities Index ETF	\$37,231,475

Top 10 Redemptions (by \$) - Month

Ticker	Product	Redemption Value
STW AU Equity	SPDR S&P/ASX 200 Fund	(\$162,389,040)
QFN AU Equity	BetaShares S&P/ASX 200 Financials-x-A-REIT ETF	(\$17,667,600)
IEU AU Equity	iShares S&P Europe 350	(\$12,504,319)
USD AU Equity	BetaShares US Dollar ETF	(\$9,250,800)
BNKS AU Equity	BetaShares Global Banking ETF - Currency Hedged	(\$9,167,620)
GDV AU Equity	Market Vectors Gold Miners ETF	(\$7,414,078)
IXI AU Equity	iShares S&P Global Consumer Staples	(\$5,012,986)
HJPN AU Equity	BetaShares WisdomTree Japan ETF - Currency Hedged	(\$4,841,960)
IJR AU Equity	iShares S&P SmallCap 600	(\$4,336,834)
IVE AU Equity	iShares MSCI EAFE	(\$3,658,211)

Top Performing Products – October 2019

Ticker	Product Name	Performance (%)
MNRS	BetaShares Global Gold Miners ETF – Currency Hedged	7.5%
HJPN	BetaShares Japan ETF - Currency Hedged	5.5%
ETPMPD	ETFS Physical Palladium	4.9%
CURE	ETFS S&P Biotech ETF	4.6%
ITW	iShares MSCI Taiwan	4.5%

Top 5 Category Inflows (by \$) – October 2019

Broad Category	Inflow Value
Fixed Income	\$372,094,535
International Equities	\$368,056,294
Australian Equities	\$307,372,123
Cash	\$57,911,451
Commodities	\$56,770,860

Top Category Outflows (by \$) – October 2019

Broad Category	Outflow Value
Currency	(\$9,250,800)

Top 5 Sub-Category Inflows by (\$) – October 2019

Sub-Category	Inflow Value
Australian Bonds	\$317,030,752
International Equities - Developed World	\$204,053,874
Australian Equities - Broad	\$160,491,882
International Equities - Sector	\$81,267,496
Australian Equities - High Yield	\$63,158,115

Top 5 Sub-Category Outflows by (\$) – October 2019

Sub-Category	Outflow Value
Australian Equities - Financials Sector	(\$16,544,812)
Currency	(\$9,250,800)
International Equities - Europe	(\$7,365,553)
International Equities - Geared	(\$1,791,320)