



BetaShares

Exchange Traded Funds

BETASHARES AUSTRALIAN ETF REVIEW

MONTH ENDING APRIL 2019



Ilan Israelstam
Head of Strategy and Marketing, BetaShares

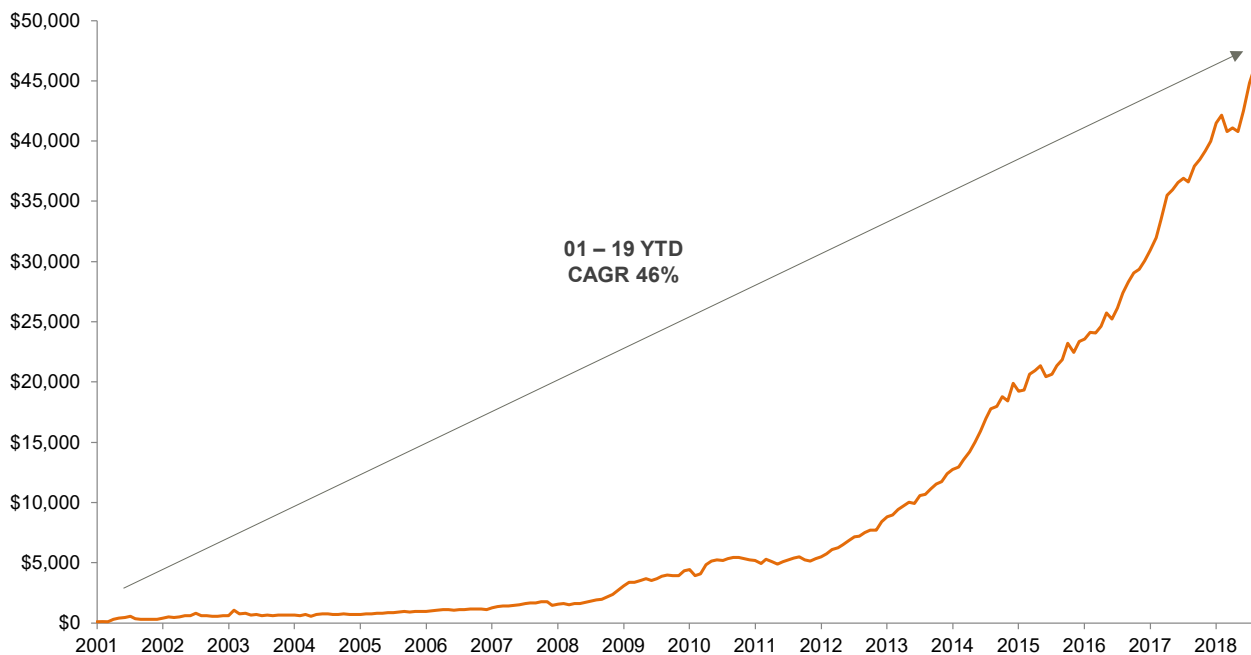
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AUSTRALIAN EXCHANGE TRADED FUND INDUSTRY: SUMMARY APRIL 2019

FIXATED ON FIXED INCOME AS INDUSTRY APPROACHES \$50B MILESTONE

- The Australian ETF industry started the second quarter of 2019 where the previous quarter finished, with strong monthly growth which led the industry to once again hit a **fresh record high**, just shy of the milestone \$50B mark.
- The industry ended April at a record **\$48.0B** with its market cap increasing by a robust **4.1%**, with \$1.9B being added to the industry – **the second highest \$ growth on record** (the record of \$2.3B was achieved in February this year).
- While the overall positive performance of global sharemarkets did contribute to the fast growth, >50% of the industry’s growth came from net new money into the industry, a total of **\$994m**
- After a quiet quarter for product growth, we saw 2 new products launched this month – a global REIT and global multi-factor ETF. We predict the rest of the year will continue to be marked by product launches, and expect this activity to accelerate particularly in the second half of 2019.
- One of the most notable trends we saw this month was **strong investor demand for Australian fixed income & cash ETF**, which were the largest categories for net inflows this month (~\$467m combined), reflecting a more defensive positioning by investors in their portfolios notwithstanding strong equity market returns over the first quarter of the year.
- The [BetaShares Australian High Interest Cash ETF \(ASX: AAA\)](#) was the #1 product for net inflows this month with ~\$95m of new money added.
- Technology oriented ETFs, particularly those providing access to the Global Robotics & Artificial Intelligence sector, were the best performers followed by the [BetaShares Geared U.S. Equities Fund \(hedge fund\) \(ASX:GGUS\)](#)
- Net outflows at a category and sub-category level were minor, with European equities products once again receiving the largest amount of outflows – a recurring theme so far this year.

AUSTRALIAN ETP MARKET CAP: JULY 2001 – APRIL 2019



CAGR: Compound Annual Growth Rate
Source: ASX, BetaShares

MARKET CAP

- ASX Exchange Traded Funds Market Cap: **\$48.0B – New industry record**
- Market cap increase for month: **4.1%, +\$1,882M - 2nd highest monthly increase on record**
- Market cap growth for last 12 months: **27%, + \$10.1B**

NEW MONEY

- New unit growth for month (units outstanding by number): **+1.8%**
- Net new money for month (units outstanding by \$ value): **+\$993.6m**

PRODUCTS

- 243 Exchange Traded Products trading on the ASX – 2 new products launched, a global REIT product from Van Eck and an Active Global Multi-Factor ETF from Vanguard

TRADING VALUE

- Trading value decreased 17% for the month

PERFORMANCE

- Top performing products this month were Technology-oriented products, including Global Robotics & A.I, as well as Geared U.S. Equities as provided by the [BetaShares Geared U.S. Equities Fund \(hedge fund\) \(ASX:GGUS\)](#)

TOP 10 PRODUCTS: APRIL 2019

By Market Cap

Ticker	Product	Issuer	Market Cap (this month)	Rank Movement
STW AU Equity	SPDR S&P/ASX 200 Fund	State Street	\$3,698,680,000	-
VAS AU Equity	Vanguard Australian Shares Index ETF	Vanguard	\$3,501,650,000	-
IVV AU Equity	iShares S&P 500	iShares	\$3,086,250,000	-
IOO AU Equity	iShares S&P Global 100	iShares	\$1,598,780,000	-
VGS AU Equity	Vanguard MSCI Index International Shares ETF	Vanguard	\$1,565,950,000	-
VTS AU Equity	Vanguard US Total Market Shares Index ETF	Vanguard	\$1,529,270,000	-
AAA AU Equity	Betashares Australian High Interest Cash ETF	BetaShares	\$1,435,820,000	-
MGE AU Equity	Magellan Global Equities Fund (Mgd Fund)	Magellan	\$1,342,530,000	+1
VEU AU Equity	Vanguard All-World ex-US Shares Index ETF	Vanguard	\$1,335,930,000	-1
VAP AU Equity	Vanguard Australian Property Securities Index ETF	Vanguard	\$1,237,400,000	-

Other products with > \$1000m AUM: IOZ, VHY,

By Average Daily Trading Value (20 days)

Ticker	Product	Issuer	ADTV 20 days	Rank Movement
STW AU Equity	SPDR S&P/ASX 200 Fund	State Street	\$17,872,225	+3
AAA AU Equity	Betashares Australian High Interest Cash ETF	BetaShares	\$10,872,598	-
VAS AU Equity	Vanguard Australian Shares Index ETF	Vanguard	\$8,299,609	-2
VGS AU Equity	Vanguard MSCI Index International Shares ETF	Vanguard	\$5,674,871	+3
IVV AU Equity	iShares S&P 500	iShares	\$5,650,733	-2
IOZ AU Equity	iShares Core S&P/ASX 200 ETF	iShares	\$4,891,900	+2
BBOZ AU Equity	BetaShares Australian Equities Strong Bear Hedge Fund	BetaShares	\$4,050,187	-1
MVV AU Equity	Market Vectors Australia Equal Weight	Vaneck	\$3,118,959	+8
VTS AU Equity	Vanguard US Total Market Shares Index ETF	Vanguard	\$3,064,580	+1
BOND AU Equity	SPDR S&P/ASX Australian Bond Fund	State Street	\$3,036,374	+123

Top 10 Creations (by \$) - Month

Ticker	Product	Creation Value
AAA AU Equity	Betashares Australian High Interest Cash ETF	\$95,359,520
VACF AU Equity	Vanguard Australian Corporate Fixed Income ETF	\$54,896,352
VAS AU Equity	Vanguard Australian Shares Index ETF	\$48,649,655
IOZ AU Equity	iShares Core S&P/ASX 200 ETF	\$47,560,256
BOND AU Equity	SPDR S&P/ASX Australian Bond Fund	\$37,431,100
CREC AU Equity	BetaShares Australian Corporate Bond Inv. Grade ETF	\$35,693,200
VIF AU Equity	Vanguard International Fixed Interest ETF	\$35,149,104
STW AU Equity	SPDR S&P/ASX 200 Fund	\$33,220,870
QPON AU Equity	BetaShares Australian Senior Bank Floating Rate Bond ETF	\$32,826,112
VGS AU Equity	Vanguard MSCI Index International Shares ETF	\$31,104,688

Top 10 Redemptions (by \$) - Month

Ticker	Product	Redemption Value
USD AU Equity	BetaShares US Dollar ETF	(\$11,731,275)
UBA AU EQUITY	UBS IQ MSCI Australia ETF	(\$11,728,145)
GEAR AU Equity	BetaShares Geared Australian Equity Fund	(\$9,299,740)
GOLD AU Equity	ETFS Physical Gold	(\$8,511,855)
IEU AU Equity	iShares S&P Europe 350	(\$7,689,911)
OOO AU Equity	BetaShares Crude Oil ETF - Currency Hedged	(\$7,678,983)
A200 AU Equity	BetaShares Australia 200 ETF	(\$6,821,146)
HVST AU Equity	BetaShares Australian Dividend Harvester	(\$6,090,675)
IHD AU Equity	iShares S&P High Dividend	(\$5,330,134)
SYI AU Equity	SPDR MSCI Aus Select Dividend	(\$4,164,110)

Top Performing Products – April 2019

Ticker	Product Name	Performance (%)
ROBO	ETFS Robo Global & Automation	8.4%
TECH	ETFS Morningstar Global Technology ETF	8.3%
GGUS	BetaShares Geared US Equities Fund (hedge fund)	8.2%
RBTZ	BetaShares Global Robotics & A.I ETF	8.2%
BNKS	BetaShares Global Banks ETF – Currency Hedged	7.6%

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

Broad Category	Inflow Value
Fixed Income	\$367,461,691
International Equities	\$303,528,555
Australian Equities	\$138,008,528
Cash	\$104,889,190
Multi-Asset	\$58,520,365

Top Category Outflows (by \$) – April 2019

Broad Category	Outflow Value
Commodities	(\$16,154,554)
Currency	(\$9,494,904)

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

Sub-Category	Inflow Value
Australian Bonds	\$287,444,106
Australian Equities - Broad	\$146,000,275
International Equities - Developed World	\$143,133,834
Cash	\$104,889,190
Global Bonds	\$80,017,584

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

Sub-Category	Outflow Value
International Equities - Europe	(\$13,370,591)
Currency	(\$9,494,904)
Australian Equities - Geared	(\$9,299,740)
Gold	(\$8,394,293)
Oil	(\$7,678,983)