



BetaShares

Exchange Traded Funds

BETASHARES AUSTRALIAN ETF REVIEW

MONTH ENDING MAY 2021



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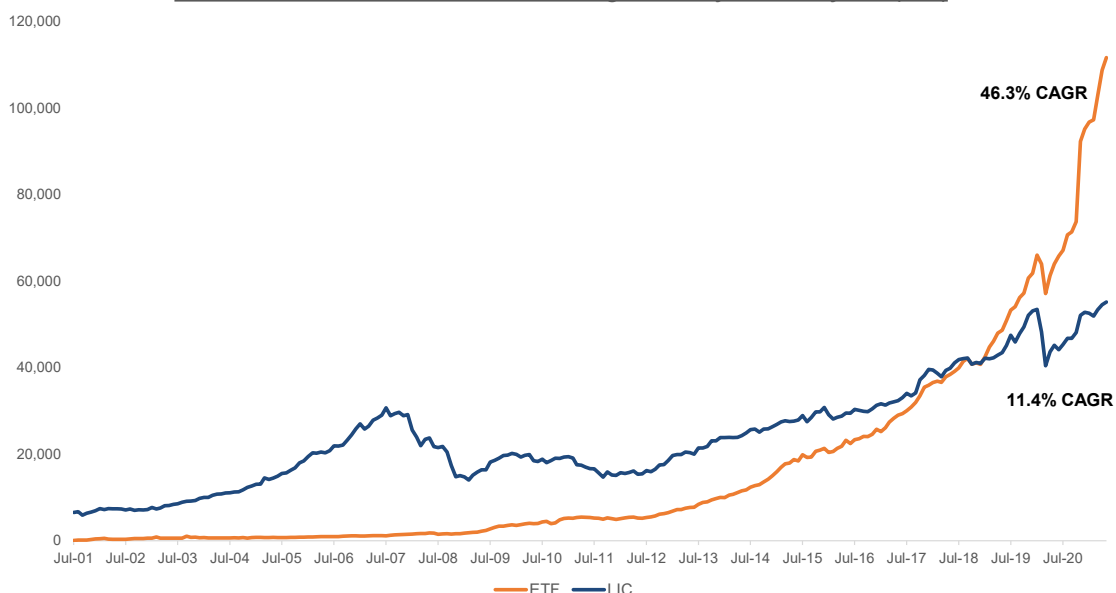
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AUSTRALIAN EXCHANGE TRADED FUND INDUSTRY: SUMMARY MAY 2021

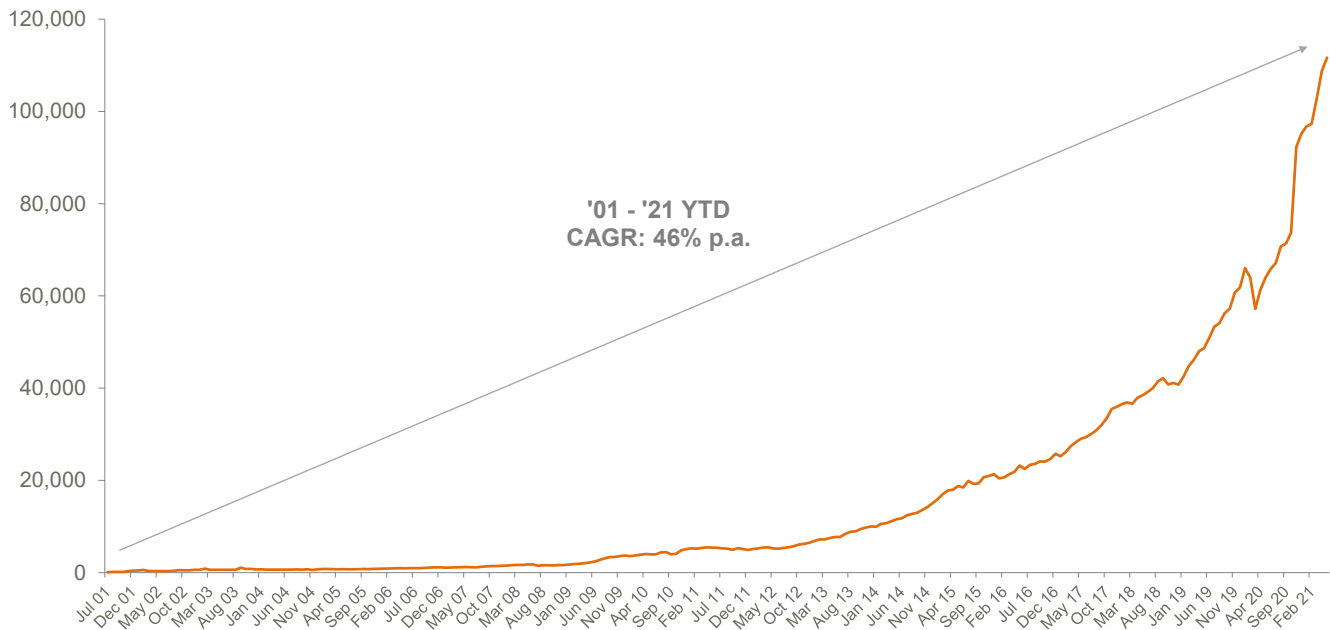
MAY 2021: ETF INDUSTRY GROWS EXPONENTIALLY WHILE LICs STAGNATE

- The Australian ETF industry continued its strong growth in May, once again aided by sharemarket appreciation and robust net inflows
- The industry ended May 2021 at a fresh **all-time high of \$111.7B** total market cap, growing by ~3% month on month (+\$2.9B)
- Industry growth over the last 12 months has been **75%**, which represents absolute growth of **\$47.7B** over this period – **representing the highest \$ value increase over 12 months in the industry's history**
- In what has been approximately the industry average in 2021, total industry net inflows were ~**\$1.5B**.
- This month's growth was split evenly between **net new money** into the industry (52% of monthly growth) and asset value appreciation (48% of monthly growth)
- Monthly trading value remained high, increasing 5% month of month, but remaining at approximately the **\$7B** mark, which has been the average for 2021 to date.
- No new funds launched this month, with 3 single bond products maturing
- Best performance this month came from gold miners and gold bullion products, including our global gold miners ETF [MNRS](#) (10.7%) and our [hedged gold bullion ETF \(ASX: QAU\)](#) which rallied 7.6% as inflation fears caused precious metals to rally.
- While flows into international equities exposures have been strong throughout the year, this month saw a particularly large spike relatively in international equities products. In all, over \$1B of the industry's net flows (75%) came from this category v. ~\$270m into fixed income products, the second most popular category this month.
- Outflows were limited this month, with the most notable outflow movement being a large institutional redemption out of a broad Australian equities product.
- As we near the close of the first half of 2021, we thought it would be interesting to check-in on the relative growth of the Australian ETF v Listed Investment Company (LIC) industries. As the chart below illustrates – it's a tale of two cities! Since the launch of the first Australian ETF in 2001, the Australian ETF industry has grown at ~4x the rate of the LIC industry. Perhaps even more markedly, since the abolition of commissions paid to brokers by LIC sponsors in May 2020, we've seen net growth of Australian ETF products of 21 vs. net reduction in Australian LICs of 10 products. The Australian investment public are clearly 'voting with their feet' in terms of choice of investment structure and the lethargic growth of the LIC industry appears very much tied to the change in broker remuneration, in our view.

Australian ETF and LIC/LIT Assets Under Management: July 2001 to May 2021 (\$M)



AUSTRALIAN ETP MARKET CAP: AUGUST 2001 – MAY 2021



CAGR: Compound Annual Growth Rate. Source: ASX, Chi-X, BetaShares.

MARKET CAP

- Australian Exchange Traded Funds Market Cap: **\$111.7B – all time end of month high**
- Market cap increase for month: **2.7%, \$2.9B**
- Market cap growth for last 12 months: **75%, + \$47.7B – fastest yearly growth (\$ terms) on record**

NEW MONEY

- Net flows for month: **+\$1.5B**

PRODUCTS

- 264 Exchange Traded Products trading on the ASX, no new fund launches, 3 single bond funds matured

TRADING VALUE

- ASX ETF Trading value increased by 5% vs. the previous month, remaining above \$7B traded for the month

PERFORMANCE

- Best performance this month was in gold miners and gold bullion products, including our [MNRS ETF](#) (10.7%) and our [hedged gold bullion ETF \(ASX: QAU\)](#), 7.6%) as inflation fears caused precious metals to rally.

TOP 10 PRODUCTS: MAY 2021

By Market Cap

Ticker	Product	Issuer	Market Cap	Rank Movement
MGOC	Magellan Global Fund - Open Class Units (Managed Fund)	Magellan	\$14,052,247,726	
VAS	Vanguard Australian Shares Index ETF	Vanguard	\$8,502,055,559	
STW	SPDR S&P/ASX 200	State Street	\$4,602,605,052	+1
IVV	iShares S&P 500 ETF	iShares	\$4,274,856,513	+1
IOZ	iShares Core S&P/ASX 200 ETF	iShares	\$4,096,391,284	-2
VGS	Vanguard MSCI Index International Shares ETF	Vanguard	\$3,197,780,601	
VTI	Vanguard US Total Market Shares Index ETF	Vanguard	\$2,476,516,234	
AAA	Betashares Australian High Interest Cash ETF	BetaShares	\$2,296,349,202	
IOO	iShares Global 100 ETF	iShares	\$2,196,926,029	
VEU	Vanguard All-World ex US Shares Index ETF	Vanguard	\$2,186,222,762	

Other products with > \$1B AUM: HYGG, IAF, VDHG, A200, QUAL, ETHI, HBRD, VGAD, GOLD, NDQ, FAIR, VHY, VAP, AMVE, MVW, VAF

Average Daily Trading Value (by \$) - Month

Ticker	Product	Issuer	ADTV	Rank Movement
IOZ	iShares Core S&P/ASX 200 ETF	iShares	\$33,602,098	+1
VAS	Vanguard Australian Shares Index ETF	Vanguard	\$22,207,853	-1
AAA	Betashares Australian High Interest Cash ETF	BetaShares	\$14,536,314	
BBOZ	BetaShares Australian Strong Bear (Hedge Fund)	BetaShares	\$13,027,533	+1
IVV	iShares S&P 500 ETF	iShares	\$12,545,910	+2
STW	SPDR S&P/ASX 200	State Street	\$11,270,379	-2
GOLD	ETFS Physical Gold	ETF Securities	\$9,343,195	+5
IAF	iShares Core Composite Bond ETF	iShares	\$7,424,540	-2
A200	Betashares Australia 200 ETF	BetaShares	\$7,256,330	+2
VGS	Vanguard MSCI Index International Shares ETF	Vanguard	\$7,224,377	

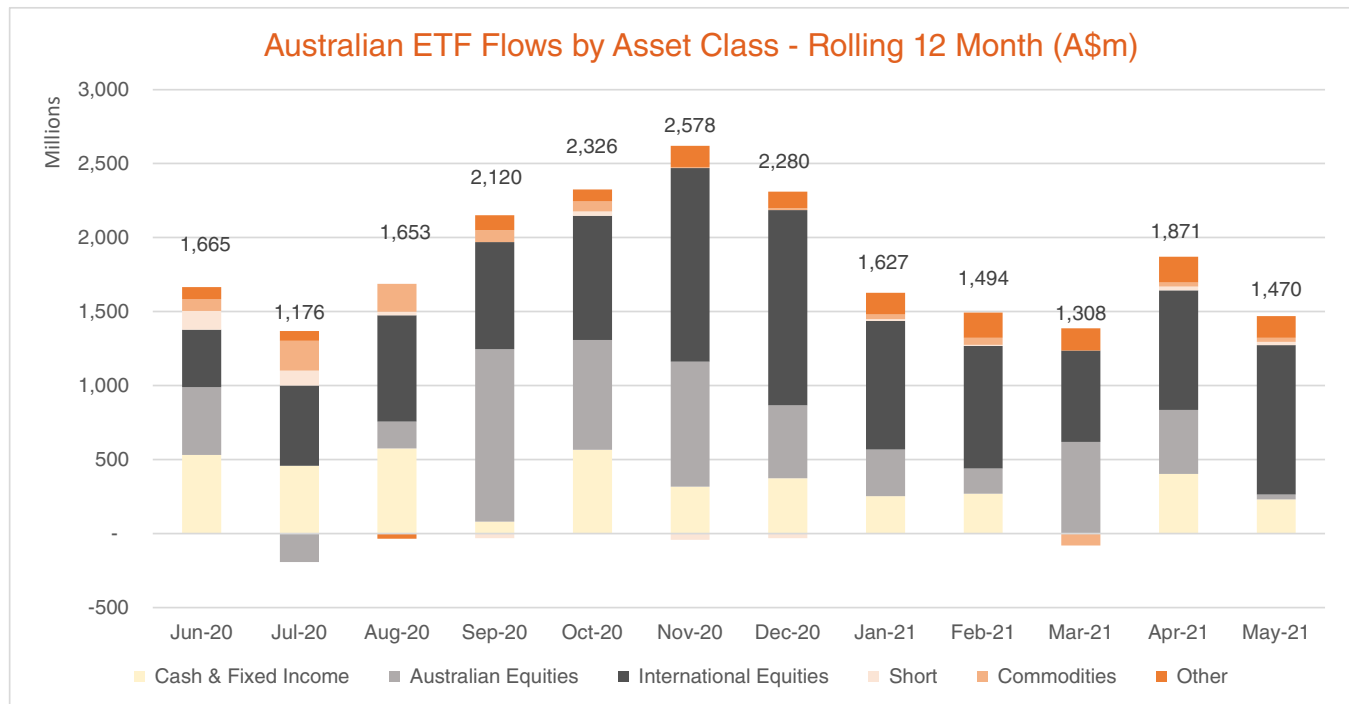
Top 10 Inflows (by \$) - Month

Ticker	Product	Inflow Value
VAS	Vanguard Australian Shares Index ETF	\$173,719,558
IVV	iShares S&P 500 ETF	\$124,132,219
VGS	Vanguard MSCI Index International Shares ETF	\$84,807,967
IAF	iShares Core Composite Bond ETF	\$83,314,149
HYGG	Hyperion Global Growth Companies Fund (Managed Fund)	\$81,921,843
VDHG	Vanguard Diversified High Growth Index ETF	\$68,500,689
A200	Betashares Australia 200 ETF	\$68,023,911
QUAL	VanEck Vectors MSCI World Ex-Australia Quality ETF	\$60,540,869
ETHI	BetaShares Global Sustainability Leaders ETF	\$55,722,212
XARO	ActiveX Ardea Real Outcome Bond Fund (Managed Fund)	\$51,594,168

Top 10 Outflows (by \$) - Month

Ticker	Product	Inflow Value
IOZ	iShares Core S&P/ASX 200 ETF	-\$443,495,338
MGOC	Magellan Global Fund - Open Class Units (Managed Fund)	-\$75,647,390
IHCB	iShares Core Global Corporate Bond (AUD Hedged) ETF	-\$43,100,437
AAA	Betashares Australian High Interest Cash ETF	-\$29,929,235
IEM	iShares MSCI Emerging Markets ETF	-\$23,917,396
QAU	BetaShares Gold Bullion ETF (Currency Hedged)	-\$20,986,898
VAF	Vanguard Australian Fixed Interest Index ETF	-\$12,816,631
GRNV	VanEck Vectors MSCI Australian Sustainable Equity ETF	-\$10,731,765
STW	SPDR S&P/ASX 200	-\$9,857,301
BILL	iShares Core Cash ETF	-\$9,022,789

INDUSTRY NET FLOWS

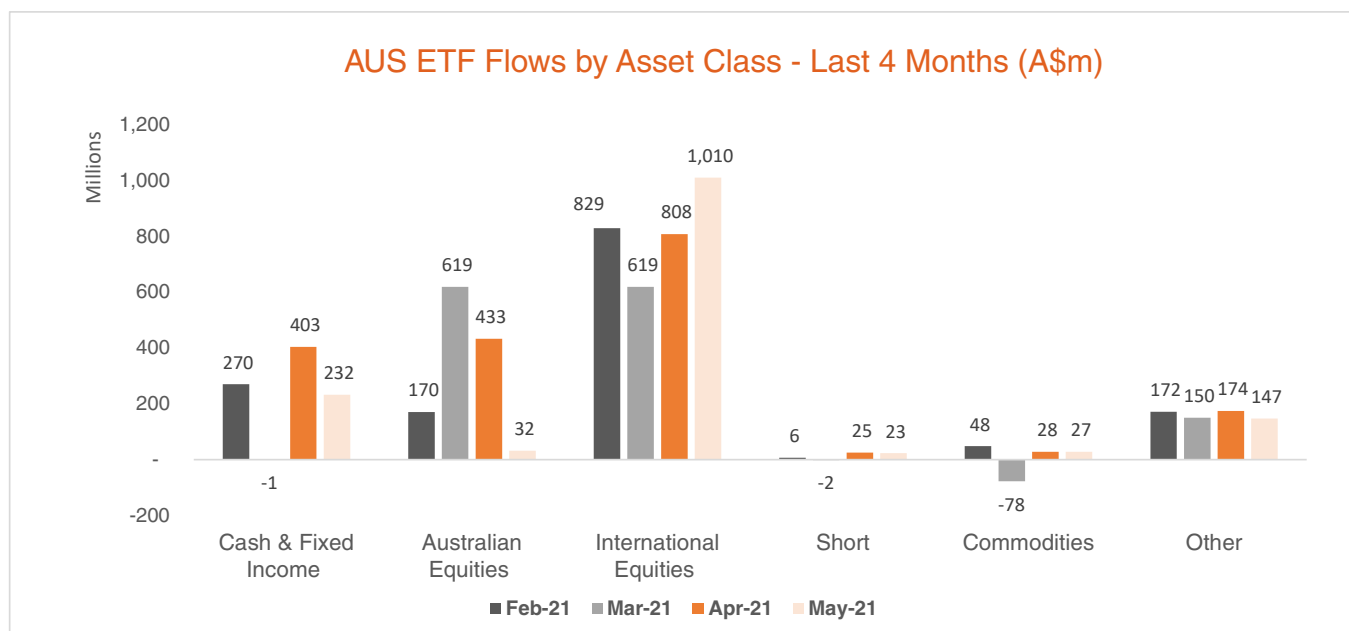


Top 5 Category Inflows (by \$) – May 2021

Broad Category	Inflow Value
International Equities	\$1,009,791,924
Fixed Income	\$268,665,238
Multi-Asset	\$126,491,821
Australian Equities	\$31,900,820
Commodities	\$27,437,082

Top Category Outflows (by \$) – May 2021

Broad Category	Inflow Value
Cash	-\$36,941,964



Top 5 Sub-Category Inflows by (\$) – May 2021

Sub-Category	Inflow Value
International Equities - Developed World	\$352,325,408
Australian Bonds	\$245,861,735
International Equities - US	\$243,754,369
International Equities - Sector	\$188,717,793
Multi-Asset	\$126,491,821

Top Sub-Category Outflows by (\$) – May 2021

Sub-Category	Inflow Value
Australian Equities - Broad	-\$136,178,269
Cash	-\$36,941,964
Silver	-\$2,501,306
Australian Equities - Geared	-\$2,138,254

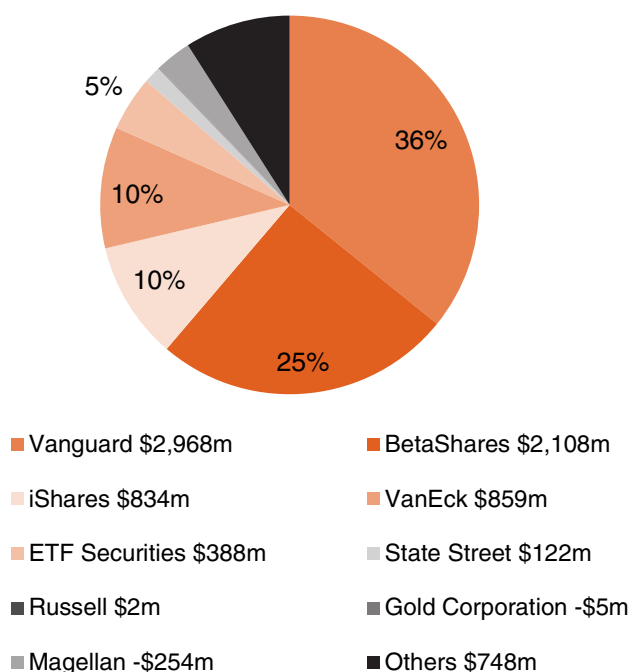
PERFORMANCE

Top Performing Products – May 2021

Ticker	Product Name	Performance (%)
GDX	VanEck Vectors Gold Miners ETF	14.1%
MNRS	BetaShares Global Gold Miners ETF - Currency Hedged	10.7%
PMGOLD	Perth Mint Gold	8.7%
NDIA	ETFS-NAM India Nifty 50 ETF	8.1%
QAU	BetaShares Gold Bullion ETF (Currency Hedged)	7.7%

ETF ISSUER FLOWS – YTD 2021

2021 YTD Flows by Issuer



Provider	Inflow Value	% Industry
Vanguard	\$2,967,738,926	36.8%
BetaShares	\$2,108,000,862	26.2%
VanEck	\$858,864,677	10.7%
iShares	\$834,368,447	10.4%
ETF Securities	\$386,972,683	4.8%
Fidante	\$251,491,852	3.1%
Hyperion	\$190,352,111	2.4%
State Street	\$122,378,033	1.5%
Fidelity	\$74,804,574	0.9%
Munro Partners	\$63,421,742	0.8%
Switzer	\$42,706,366	0.5%
Janus Henderson	\$28,269,262	0.4%
Loftus Peak	\$27,908,688	0.3%
Investsmart	\$24,222,295	0.3%
Schroder	\$21,338,213	0.3%
Perennial	\$15,020,949	0.2%
AllianceBernstein	\$11,561,413	0.1%
Morningstar	\$9,612,624	0.1%
Elstree	\$8,621,182	0.1%
K2 Global	\$6,379,897	0.1%
Kapstream	\$3,504,858	0.0%
Russell	\$1,760,288	0.0%
360 Capital	\$227,068	0.0%
Antipodes	-\$4,237,032	-0.1%
Gold Corporation	-\$4,505,465	-0.1%
ACBC	-\$8,267,820	-0.1%
Montgomery	-\$9,100,162	-0.1%
Platinum	-\$9,386,292	-0.1%
Magellan	-\$254,276,372	-3.2%