

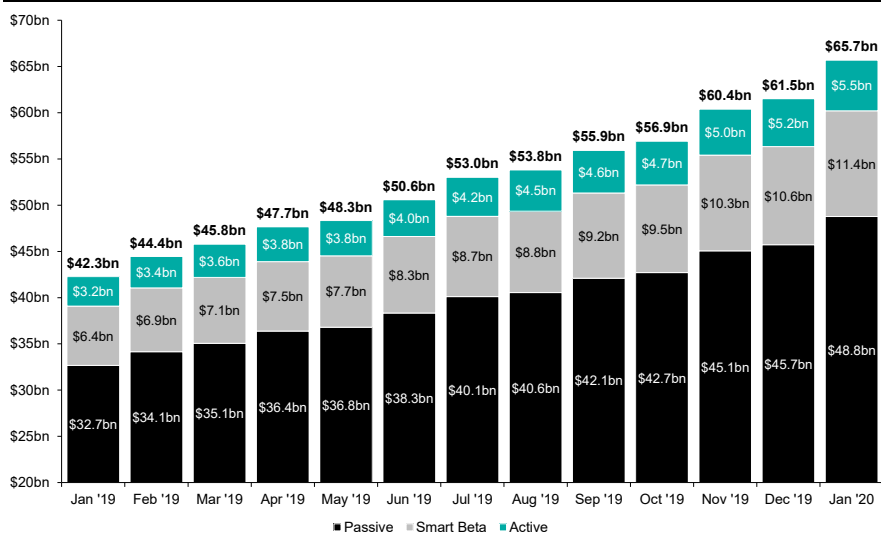
EXCHANGE TRADED FUNDS

BELL POTTER

Reaching new heights

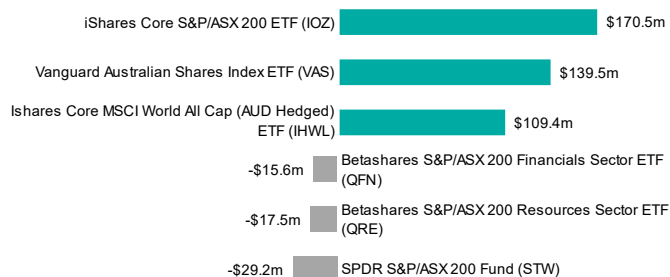
ETFs are commonly passive instruments in the sense that they aim to track the performance of an underlying market capitalisation weighted index. Passive ETFs have grown over the past 12 months to a FUM greater than \$48bn and this style of ETFs continue to see the greatest net inflows each month. More recently there has been a rise in 'Smart Beta' ETFs, which employ rules based strategies to indices. This provides a blend of active and passive investments that tend to focus on factors that seek to add value beyond the traditional index exposure. An Active ETF is similar to an ETF with an active manager that seeks to outperform a relevant benchmark over the investment time frame.

Figure 1 - ASX ETF FUM by style



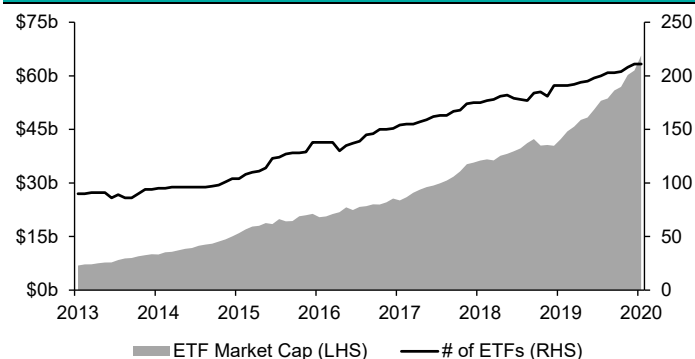
SOURCE: ASX INVESTMENT PRODUCTS MONTHLY REPORT, BELL POTTER RESEARCH

Figure 2 - Top ETF flows for January 2020



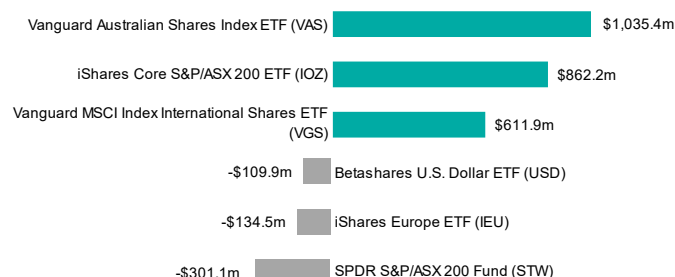
SOURCE: ASX INVESTMENT PRODUCTS MONTHLY REPORT, BELL POTTER RESEARCH

Figure 4 - Australia ETF Market Size



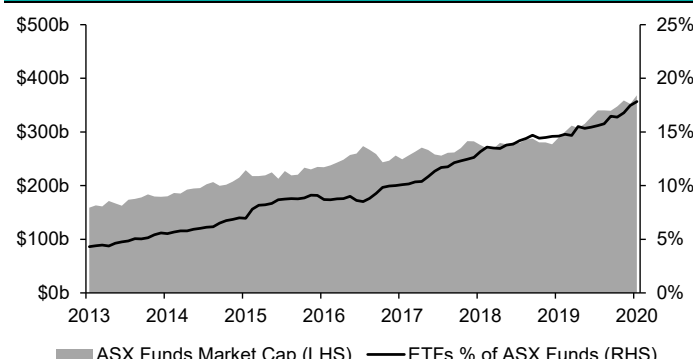
SOURCE: ASX INVESTMENT PRODUCTS MONTHLY REPORT, BELL POTTER RESEARCH

Figure 3 - Top ETF flows for 12 months ending January 2020



SOURCE: ASX INVESTMENT PRODUCTS MONTHLY REPORT, BELL POTTER RESEARCH

Figure 5 - Australia ETF in comparison to total ASX Funds



SOURCE: ASX INVESTMENT PRODUCTS MONTHLY REPORT, BELL POTTER RESEARCH

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NOVEMBER ASX ETF DATA

Number of ASX ETFs	211
Market capitalisation	\$65.7b
Number of transactions per day	10,223
Average daily volume	9,861,627
Average daily value	\$243.5m

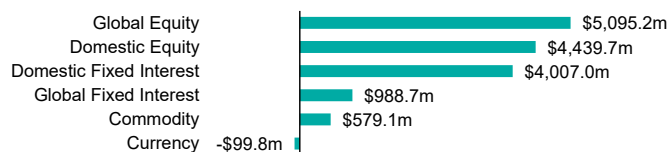
SOURCE: ASX. DATA AS AT 31 JANUARY 2020

RECENTLY LISTED ASX ETFs

- BetaShares Diversified Conservative Income ETF (DZZF) 12-Dec-19
- BetaShares Diversified Balanced ETF (DBBF) 11-Dec-19
- BetaShares Diversified Growth ETF (DGGF) 9-Dec-19
- BetaShares Diversified High Growth ETF (DHHF) 5-Dec-19
- BetaShares Sustainability Leaders Diversified Bond ETF - Hedged (GBND) 28-Nov-19

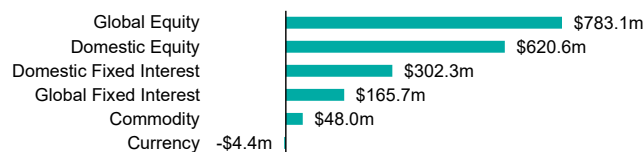
ASX ETF Flows.

Figure 6 - 1 year fund flows by category as at January 2020



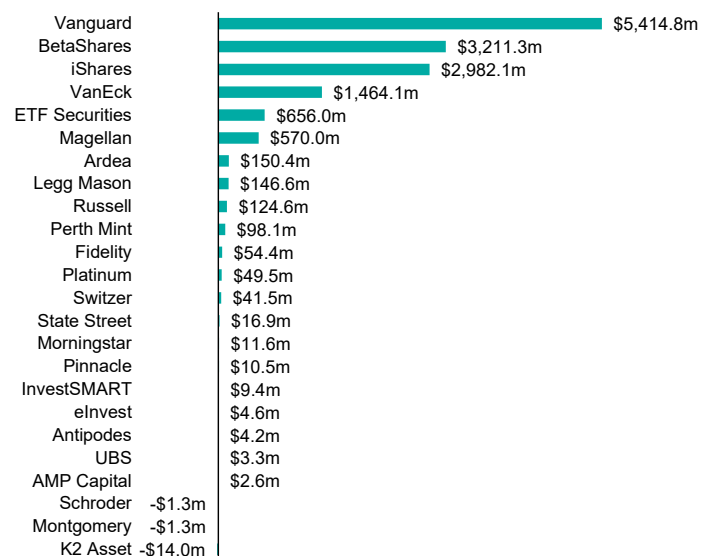
SOURCE: ASX, BELL POTTER RESEARCH

Figure 7 - January 2020 net fund flows by category



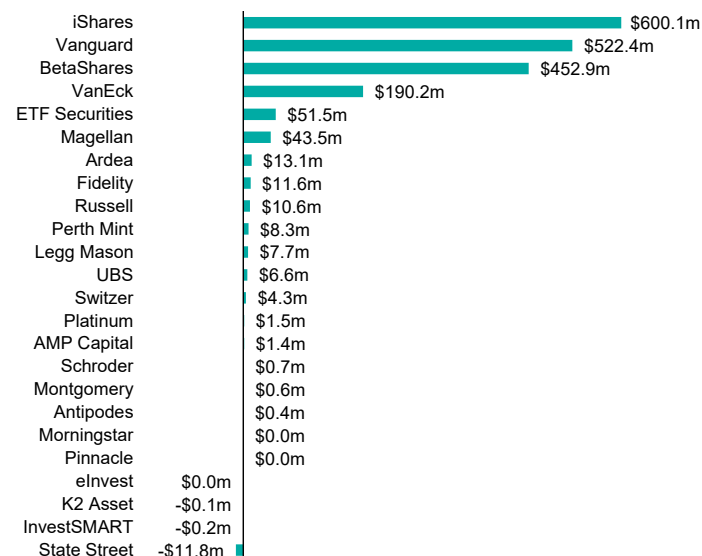
SOURCE: ASX, BELL POTTER RESEARCH

Figure 8 - 1 year fund flows by provider as at January 2020



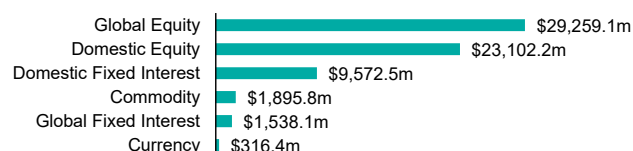
SOURCE: ASX, BELL POTTER RESEARCH

Figure 9 - January 2020 net fund flows by provider



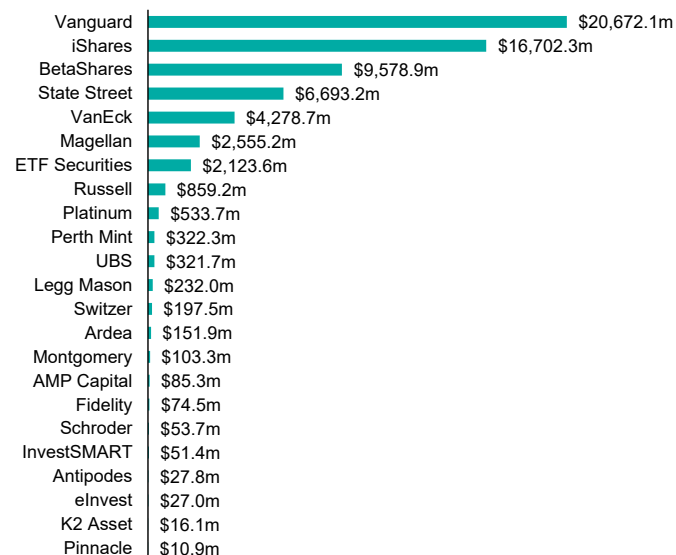
SOURCE: ASX, BELL POTTER RESEARCH

Figure 10 - FUM by category as at January 2020



SOURCE: ASX, BELL POTTER RESEARCH

Figure 11 - FUM by provider as at January 2020



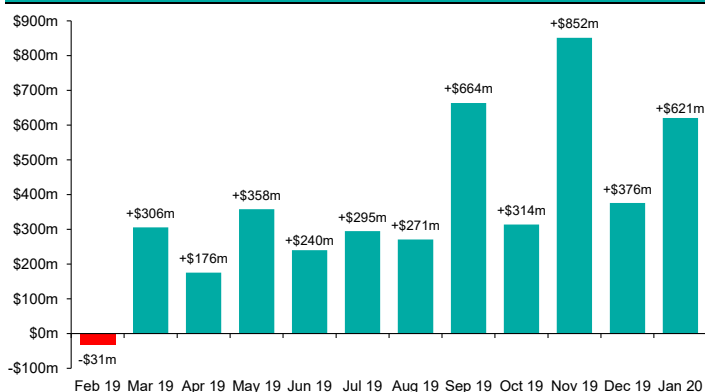
SOURCE: ASX, BELL POTTER RESEARCH

Domestic Equity ETFs.

iShares Core S&P/ASX 200 ETF (IOZ) and **Vanguard Australian Shares Index ETF (VAS)** were each large recipients of net fund flows into the domestic equity ETFs with \$170.5m and \$139.5m respectively over January. This continues a common trend which has seen nearly \$1bn of net flows into these ETFs over the past 12 months. **SPDR S&P/ASX 200 Fund (STW)** has been at the wrong end of the flows. STW aims to track the performance of the same underlying index as IOZ yet has management fee of 0.19% compared to IOZ's fee of 0.09%. Vanguard reduced the fees on VAS to 0.10% around the same time iShares cut IOZ's fee, although we are yet to see a competitive response from State Street. It is worth noting that many Listed Investment Companies with a similar exposure to the ASX 200 have a MER that is lower than that of STW.

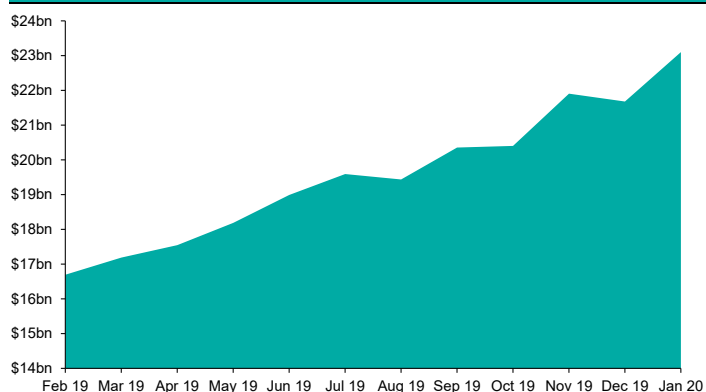
The top performing fund for the month was **BetaShares Geared Australian Equity Fund (GEAR)**. GEAR returned 11.0% in January, outperforming the ASX 200 by 6%. The ETF aims for a gearing ratio of 50-65%. Gearing magnifies the gains and losses whilst incurring a greater level of volatility. It is therefore not a suitable investment strategy for many investors. In contrast to GEAR, **BetaShares Australian Equities Strong Bear Hedge Fund (BBOZ)** returned -12.2% for the month and has returned -42.1% over the past 12 months. BBOZ aims to generate magnified returns that are negatively correlated to the returns of the S&P/ASX 200 Accumulation Index. BetaShares states that 'a 1% fall in the Australian share market on a given day can generally be expected to deliver a 2.0% to 2.75% increase in the value of the Fund (and vice versa)'. Like GEAR, BBOZ incorporates gearing and is therefore not suitable to many investors.

Figure 12 - Domestic equity net fund flows



SOURCE: ASX, BELL POTTER RESEARCH

Figure 13 - Domestic equity FUM



SOURCE: ASX, BELL POTTER RESEARCH

Figure 14 - Domestic equity January net fund inflows

Code	ETF Description	Flows
IOZ	iShares Core S&P/ASX 200 ETF	\$170.5m
VAS	Vanguard Australian Shares Index ETF	\$139.5m
A200	BetaShares Australia 200 ETF	\$88.1m
FAIR	BetaShares Australian Sustainability Leaders ETF	\$54.0m
VAP	Vanguard Australian Property Securities Index ETF	\$48.8m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 15 - Domestic equity January net fund outflows

Code	ETF Description	Flows
STW	SPDR S&P/ASX 200 Fund	-\$29.2m
QRE	BetaShares S&P/ASX 200 Resources Sector ETF	-\$17.5m
QFN	BetaShares S&P/ASX 200 Financials Sector ETF	-\$15.6m
OZR	SPDR S&P/ASX 200 Resources Fund	-\$11.5m
OZF	SPDR S&P/ASX 200 Financials Ex A-REIT Fund	-\$11.0m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 16 - Domestic equity 1 year net fund inflows

Code	ETF Description	Flows
VAS	Vanguard Australian Shares Index ETF	\$1,035.4m
IOZ	iShares Core S&P/ASX 200 ETF	\$862.2m
VAP	Vanguard Australian Property Securities Index ETF	\$499.7m
MVW	VanEck Vectors Australian Equal Weight ETF	\$392.0m
A200	BetaShares Australia 200 ETF	\$361.6m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 17 - Domestic equity 1 year net fund outflows

Code	ETF Description	Flows
STW	SPDR S&P/ASX 200 Fund	-\$301.1m
GEAR	BetaShares Geared Australian Equity Fund	-\$28.0m
UBA	UBS IQ MSCI Australia Ethical ETF	-\$16.1m
YMAX	BetaShares Aus Top20 Equity Yield Max Fund	-\$15.7m
DMKT	AMP Capital Dynamic Markets	-\$9.4m

SOURCE: ASX, BELL POTTER RESEARCH

Domestic Equity ETFs.

Description	ETF Code	Price (\$)	Manager	Benchmark	Holdings	Strategy	MER (%)	Spread (%)	Market Cap (\$m)
Broad Market									
ASX 200	A200	118.98	BetaShares	Solactive Australia 200	~199	Passive	0.07	0.06	697.4
ASX 200	IOZ	29.06	iShares	S&P/ASX 200	~200	Passive	0.09	0.05	2,222.0
ASX 200	STW	65.93	State Street	S&P/ASX 200	~204	Passive	0.19	0.03	3,862.4
ASX 300	VAS	90.24	Vanguard	S&P/ASX 300	~300	Passive	0.10	0.03	5,007.0
Large Cap									
ASX 20	ILC	27.77	iShares	S&P/ASX 20	~20	Passive	0.24	0.11	341.2
ASX 30	VLC	73.29	Vanguard	MSCI Large Cap	~29	Passive	0.20	0.11	111.3
ASX 50	SFY	65.51	State Street	S&P/ASX 50	~53	Passive	0.29	0.09	652.1
Small/Mid Cap									
ASX MidCap 50	MVE	30.74	VanEck	S&P/ASX MidCap 50	~50	Passive	0.45	0.37	130.2
ASX 200 Ex-20	EX20	19.59	BetaShares	NASDAQ Australia Completion Cap	~174	Smart Beta	0.25	0.31	168.9
ASX Small Ords	ISO	5.24	iShares	S&P/ASX Small Ordinaries	~198	Passive	0.55	0.33	112.6
ASX Small Ords	SSO	16.23	State Street	S&P/ASX Small Ordinaries	~183	Passive	0.50	0.29	24.6
ASX Small Companies	VSO	62.69	Vanguard	MSCI Small Cap	~168	Passive	0.30	0.16	392.7
ASX Small Div Payers	MVS	21.08	VanEck	MVIS Australia Small-Cap Dividend Payers	~91	Smart Beta	0.49	0.70	68.4
Sector									
Australian Banks	MBV	28.30	VanEck	MVIS Australian Banks	~7	Passive	0.28	0.24	49.8
ASX 200 Financials ex A-REIT	QFN	11.59	BetaShares	Solactive Australia Financials Ex-REITS Sector	~26	Passive	0.34	0.26	18.5
ASX 200 Financials ex A-REIT	OZF	20.82	State Street	S&P/ASX 200 X-A-REITs	~29	Passive	0.40	0.15	87.1
ASX 200 Property	MVA	26.75	VanEck	MVIS Australian A-REIT	~12	Smart Beta	0.35	0.51	271.3
ASX 200 Property	SLF	15.32	State Street	S&P/ASX 200 A-REITs	~22	Passive	0.40	0.33	727.7
ASX 300 Property	VAP	98.20	Vanguard	S&P/ASX 300 A-REITs	~32	Passive	0.23	0.23	1,916.6
ASX 200 Resources	OZR	11.84	State Street	S&P/ASX 200 Resources	~40	Passive	0.40	0.31	85.8
ASX 200 Resources	QRE	6.47	BetaShares	Solactive Australia Resources Sector	~33	Passive	0.34	0.32	51.0
Australian Resources	MVR	29.76	VanEck	MVIS Australian Energy & Mining	~25	Passive	0.35	0.42	92.4
Strategy									
High Dividend	ZYAU	11.65	ETF Securities	S&P/ASX Shareholder Yield	~40	Smart Beta	0.35	0.74	163.6
High Dividend	DIV	24.69	UBS	Morningstar Australia Dividend Yield Focus	~25	Smart Beta	0.30	0.54	26.1
High Dividend	IHD	14.52	iShares	S&P/ASX Dividend Opportunities	~50	Smart Beta	0.30	0.24	310.7
High Dividend	RDV	31.06	Russell	Russell High Dividend	~50	Smart Beta	0.34	0.22	302.3
High Dividend	SYI	30.50	State Street	MSCI Australian Select High Dividend Yield	~43	Smart Beta	0.35	0.14	183.9
High Dividend	VHY	63.00	Vanguard	FTSE ASFA Australian High Dividend Yield	~64	Smart Beta	0.25	0.16	1,460.8
Quality	ETF	23.50	UBS	Morningstar Australia Moat Focus	~31	Smart Beta	0.30	0.54	8.6
Style									
Equal Weight	MWV	32.39	VanEck	MVIS Australia Equal Weight	~87	Smart Beta	0.35	0.21	1,193.7
Multifactor	AUMF	31.37	iShares	MSCI Australia IMI Diversified Multiple-Factor	~91	Smart Beta	0.30	0.19	19.0
Minimum Volatility	MVOL	31.08	iShares	MSCI Australia IMI Select Minimum Volatility	~123	Smart Beta	0.30	0.16	61.0
RAFI ASX 200	QOZ	14.32	BetaShares	FTSE RAFI Australia 200	~191	Smart Beta	0.40	0.20	308.5
Environmental, Social & Governance (ESG)									
Australia ex Tobacco & Weapons	UBA	23.67	UBS	MSCI Aus ex-Tobacco, Controversial Weapons	~69	Passive	0.17	0.52	197.9
High Dividend	RARI	26.57	Russell	Russell Australia ESG High Dividend	~65	Smart Beta	0.45	0.17	191.1
Sustainable	GRNV	28.03	VanEck	MSCI Australia IMI Select SRI Screened Index	~66	Smart Beta	0.35	0.26	65.2
Sustainability Leaders	FAIR	19.41	BetaShares	Nasdaq Future Australian Sustainability Leaders	~80	Smart Beta	0.49	0.16	510.7
Exchange Traded Managed Fund (Equity)									
Dividend Growth	SWTZ	2.66	Switzer	S&P/ASX 200 Accumulation	n/a	Active	0.89	0.85	85.1
Dividend Harvester	HVST	15.16	BetaShares	S&P/ASX 200 Accumulation	~2	Active	0.90	0.22	167.6
Ethical	INES	2.74	InvestSMART	S&P/ASX 200 Accumulation	n/a	Active	0.97	0.85	19.4
Equities Bear	BEAR	11.14	BetaShares	S&P/ASX 200 Accumulation	~1	Active	1.38	0.17	54.0
Equity Income	EINC	8.86	Legg Mason	S&P/ASX 200	n/a	Active	0.85	0.42	28.0
Equity Income	INIF	2.46	InvestSMART	S&P/ASX 200 Accumulation	n/a	Active	0.97	0.85	32.3
Geared Equity	GEAR	29.58	BetaShares	S&P/ASX 200	~200	Active	0.80	0.14	104.1
Income Generator	EIGA	3.93	eInvest	S&P/ASX 300 Franking Credit Adjusted Daily TR	n/a	Active	0.80	0.72	20.5
Managed Risk	AUST	17.60	BetaShares	S&P/ASX 200	~200	Smart Beta	0.49	0.17	51.6
Real Income	RINC	10.28	Legg Mason	S&P/ASX 200	n/a	Active	0.85	0.42	63.7
SelfWealth SMSF Leaders	SELF	51.61	ETF Securities	Solactive SelfWealth SMSF Leaders Index	~56	Smart Beta	0.88	0.49	107.5
Small Cap	KSM	2.35	K2 Asset	S&P/ASX Small Ordinaries Accumulation	n/a	Active	2.05	n/a	16.3
Small Cap	IMPQ	4.63	eInvest	S&P/ASX Small Ordinaries Accumulation	n/a	Active	0.99	1.00	0.4
Small Companies Select	SMLL	3.57	BetaShares	S&P/ASX Small Ordinaries Accumulation	~91	Smart Beta	0.39	0.88	36.7
Strong Bear	BBOZ	8.26	BetaShares	S&P/ASX 200	n/a	Active	1.38	0.18	154.0
Top 20 Equity Yield Max	YMAX	8.76	BetaShares	S&P/ASX 20	~20	Smart Beta	0.79	0.44	317.9
Exchange Traded Managed Fund (Mixed Asset)									
Dynamic Markets	DMKT	2.52	AMP Capital	RBA CPI - trimmed mean + 4.5% pa.	n/a	Active	0.61	1.13	10.0
Real Return	GROW	3.72	Schroder	RBA CPI - trimmed mean + 5% pa.	n/a	Active	0.90	1.26	54.2

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 14 FEB 2020. *A PERFORMANCE FEE IS ALSO PAYABLE, MORE INFORMATION ON FEES IS AVAILABLE ON PAGE 19.

Domestic Equity ETFs.

Description	ETF Code	Price (\$)	Manager	Distribution Yield ¹	Distribution Frequency	Return (as at 31 January 2020)					Listed		
						1 Month	3 Month	6 Month	YTD	1 Year		3 Year	5 Year
Broad Market													
ASX 200	A200	118.98	BetaShares	3.8%	Quarterly	5.0%	6.0%	5.1%	5.0%	24.5%	n/a	n/a	May-18
ASX 200	IOZ	29.06	iShares	4.2%	Quarterly	5.0%	6.0%	5.0%	5.0%	24.5%	12.2%	9.1%	Dec-10
ASX 200	STW	65.93	State Street	4.4%	Quarterly	5.0%	6.0%	5.0%	5.0%	24.5%	12.1%	9.1%	Aug-01
ASX 300	VAS	90.24	Vanguard	3.9%	Quarterly	4.9%	6.0%	5.2%	4.9%	24.8%	12.3%	9.3%	May-09
Large Cap													
ASX 20	ILC	27.77	iShares	4.9%	Quarterly	5.7%	6.4%	4.6%	5.7%	24.5%	10.9%	7.0%	Dec-10
ASX 30	VLC	73.29	Vanguard	4.2%	Quarterly	5.4%	6.0%	4.7%	5.4%	24.9%	11.2%	7.4%	May-11
ASX 50	SFY	65.51	State Street	4.5%	Quarterly	5.1%	5.9%	5.3%	5.1%	25.9%	12.1%	8.5%	Aug-01
Small/Mid Cap													
ASX MidCap 50	MVE	30.74	VanEck	2.8%	Half Yearly	4.6%	7.2%	5.2%	4.6%	21.3%	12.4%	11.6%	Oct-13
ASX 200 Ex-20	EX20	19.59	BetaShares	4.8%	Half Yearly	3.2%	5.6%	6.0%	3.2%	24.2%	14.0%	n/a	Oct-16
ASX Small Ords	ISO	5.24	iShares	7.0%	Half Yearly	3.3%	4.5%	2.4%	3.3%	18.0%	11.4%	10.6%	Dec-10
ASX Small Ords	SSO	16.23	State Street	2.5%	Half Yearly	3.5%	4.5%	2.4%	3.5%	18.1%	11.5%	10.7%	Apr-11
ASX Small Companies	VSO	62.69	Vanguard	2.9%	Half Yearly	4.3%	5.7%	2.7%	4.3%	19.8%	12.4%	10.9%	May-11
ASX Small Div Payers	MVS	21.08	VanEck	4.0%	Half Yearly	2.3%	2.0%	0.2%	2.3%	15.5%	10.4%	n/a	May-15
Sector													
Australian Banks	MBV	28.30	VanEck	4.6%	Irregular	5.0%	0.0%	-1.0%	5.0%	17.0%	5.4%	4.9%	Oct-13
ASX 200 Financials ex A-REIT	QFN	11.59	BetaShares	5.0%	Half Yearly	4.6%	0.7%	-0.8%	4.6%	18.5%	4.4%	3.6%	Dec-10
ASX 200 Financials ex A-REIT	OZF	20.82	State Street	4.2%	Half Yearly	4.6%	0.8%	-0.7%	4.6%	18.7%	4.4%	3.6%	Apr-11
ASX 200 Property	MVA	26.75	VanEck	3.6%	Half Yearly	7.1%	4.3%	4.5%	7.1%	21.9%	16.3%	12.5%	Oct-13
ASX 200 Property	SLF	15.32	State Street	5.7%	Quarterly	6.3%	3.9%	3.5%	6.3%	19.1%	12.8%	10.3%	Feb-02
ASX 300 Property	VAP	98.20	Vanguard	4.5%	Quarterly	6.3%	4.0%	3.9%	6.3%	19.7%	13.6%	10.9%	Oct-10
ASX 200 Resources	OZR	11.84	State Street	5.0%	Half Yearly	0.7%	7.2%	0.4%	0.7%	16.1%	15.7%	11.8%	Apr-11
ASX 200 Resources	QRE	6.47	BetaShares	4.9%	Half Yearly	0.7%	7.3%	0.1%	0.7%	15.4%	15.6%	11.7%	Dec-10
Australian Resources	MVR	29.76	VanEck	3.3%	Half Yearly	1.3%	6.6%	1.8%	1.3%	18.3%	17.3%	14.6%	Oct-13
Strategy													
High Dividend	ZYAU	11.65	ETF Securities	4.3%	Quarterly	2.7%	3.2%	1.2%	2.7%	15.2%	8.7%	n/a	Jun-15
High Dividend	DIV	24.69	UBS	4.1%	Quarterly	5.4%	7.6%	8.7%	5.4%	36.9%	13.0%	8.6%	Jan-14
High Dividend	IHD	14.52	iShares	5.8%	Quarterly	2.3%	5.0%	3.1%	2.3%	20.8%	7.5%	5.0%	Dec-10
High Dividend	RDV	31.06	Russell	6.2%	Quarterly	0.5%	2.2%	1.4%	0.5%	20.8%	7.9%	5.9%	May-10
High Dividend	SYI	30.50	State Street	6.2%	Quarterly	3.0%	2.3%	1.4%	3.0%	21.2%	7.8%	5.7%	Sep-10
High Dividend	VHY	63.00	Vanguard	5.2%	Quarterly	3.9%	4.2%	1.9%	3.9%	21.4%	9.2%	5.8%	May-11
Quality	ETF	23.50	UBS	3.6%	Half Yearly	4.1%	3.9%	5.0%	4.1%	23.5%	11.1%	7.0%	Oct-12
Style													
Equal Weight	MWV	32.39	VanEck	3.6%	Half Yearly	3.9%	5.1%	4.7%	3.9%	22.9%	12.9%	11.6%	Mar-14
Multifactor	AUMF	31.37	iShares	4.4%	Half Yearly	4.0%	5.6%	2.3%	4.0%	21.7%	12.2%	n/a	Oct-16
Minimum Volatility	MVOL	31.08	iShares	4.2%	Half Yearly	4.8%	4.1%	3.2%	4.8%	23.6%	12.7%	n/a	Oct-16
RAFI ASX 200	QOZ	14.32	BetaShares	5.8%	Half Yearly	4.3%	4.0%	3.4%	4.3%	21.1%	9.7%	8.6%	Jul-13
Environmental, Social & Governance (ESG)													
Australia ex Tobacco & Weapons	UBA	23.67	UBS	5.0%	Half Yearly	5.1%	5.6%	5.3%	5.1%	24.9%	12.2%	7.7%	Feb-15
High Dividend	RARI	26.57	Russell	8.2%	Half Yearly	3.9%	3.8%	2.8%	3.9%	22.6%	10.2%	n/a	Apr-15
Sustainable	GRNV	28.03	VanEck	5.1%	Quarterly	5.7%	6.5%	4.9%	5.7%	27.6%	10.7%	n/a	May-16
Sustainability Leaders	FAIR	19.41	BetaShares	3.2%	Half Yearly	6.2%	7.8%	5.3%	6.2%	27.4%	n/a	n/a	Nov-17
Exchange Traded Managed Fund (Equity)													
Dividend Growth	SWTZ	2.66	Switzer	6.7%	Quarterly	5.3%	4.2%	5.3%	5.3%	20.5%	7.8%	n/a	Feb-17
Dividend Harvester	HVST	15.16	BetaShares	10.6%	Monthly	3.7%	2.7%	-1.8%	3.7%	16.1%	0.9%	0.5%	Nov-14
Ethical	INES	2.74	InvestSMART	n/a	n/a	4.4%	5.8%	8.2%	4.4%	n/a	n/a	n/a	Jun-19
Equities Bear	BEAR	11.14	BetaShares	n/a	Irregular	-5.4%	-5.9%	-4.5%	-5.4%	-19.6%	-9.9%	-8.0%	Jul-12
Equity Income	EINC	8.86	Legg Mason	4.2%	Quarterly	3.4%	2.2%	2.7%	3.4%	22.2%	n/a	n/a	Feb-18
Equity Income	INIF	2.46	InvestSMART	3.6%	Half Yearly	2.1%	1.6%	3.5%	2.1%	12.1%	n/a	n/a	Jun-18
Geared Equity	GEAR	29.58	BetaShares	7.2%	Half Yearly	11.0%	12.9%	9.4%	11.0%	55.2%	20.9%	13.4%	Apr-14
Income Generator	EIGA	3.93	eInvest	12.2%	Monthly	2.9%	3.0%	2.4%	2.9%	17.7%	n/a	n/a	May-18
Managed Risk	AUST	17.60	BetaShares	3.5%	Half Yearly	3.9%	4.5%	1.7%	3.9%	17.7%	8.5%	n/a	Oct-15
Real Income	RINC	10.28	Legg Mason	4.1%	Quarterly	3.6%	2.3%	4.0%	3.6%	21.2%	n/a	n/a	Feb-18
SelfWealth SMSF Leaders	SELF	51.61	ETF Securities	0.1%	Irregular	3.3%	3.6%	n/a	3.3%	n/a	n/a	n/a	Nov-19
Small Cap	KSM	2.35	K2 Asset	4.2%	Annually	2.6%	6.4%	6.4%	2.6%	13.5%	4.0%	n/a	Dec-15
Small Cap	IMPQ	4.63	eInvest	n/a	n/a	4.9%	6.9%	10.3%	4.9%	n/a	n/a	n/a	May-19
Small Companies Select	SMLL	3.57	BetaShares	2.4%	Half Yearly	2.9%	2.7%	0.9%	2.9%	17.5%	n/a	n/a	Apr-17
Strong Bear	BBOZ	8.26	BetaShares	n/a	Irregular	-12.2%	-13.3%	-12.3%	-12.2%	-42.1%	-23.5%	n/a	Apr-15
Top 20 Equity Yield Max	YMAX	8.76	BetaShares	8.5%	Quarterly	4.3%	4.2%	2.0%	4.3%	16.5%	7.1%	4.2%	Nov-12
Exchange Traded Managed Fund (Mixed Asset)													
Dynamic Markets	DMKT	2.52	AMP Capital	3.4%	Irregular	-3.1%	0.8%	0.4%	-3.1%	2.9%	0.3%	n/a	Aug-16
Real Return	GROW	3.72	Schroder	n/a	Half Yearly	1.3%	1.9%	2.4%	1.3%	7.9%	4.6%	n/a	Aug-16

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 14 FEB 2020. ¹DISTRIBUTION YIELD IS THE TRAILING 12 MONTH NET YIELD.

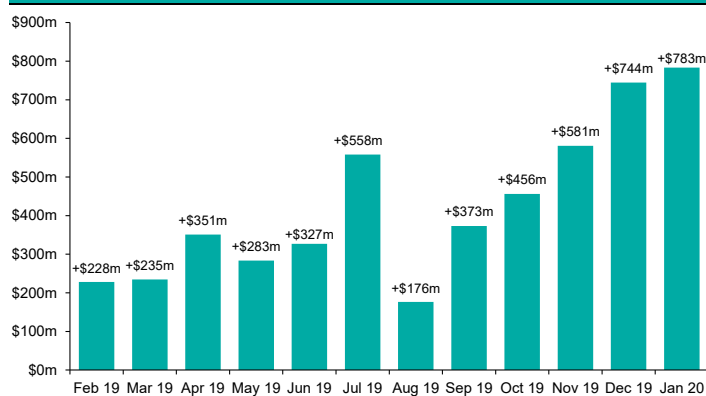
Global Equity ETFs.

iShares Core MSCI World All Cap (AUD Hedged) ETF (IHWL) led the global equity focused ETFs in net fund inflows with \$109.4m. **Vanguard MSCI Index International Shares ETF (VGS)**, which as usual experienced strong net fund inflows over the month, has been the recipient of over \$611m of net inflows over the past 12 months. IHWL seeks to provide investors with the performance of the MSCI World Investable Market AUD Hedged Index. This seeks to minimize the impact of the AUD volatility on international sourced returns in the fund. After benefiting from a depreciating AUD over the better part of the last decade, the large net inflows into a broad global hedged ETF is an indication investors are beginning to protect their investments from the risk of a rising AUD.

Magellan Infrastructure Fund (MICH) and **Magellan Global Equities Fund (MGE)** again are leading Active ETFs in net fund inflows, whilst **VanEck Vectors MSCI World ex Australia Quality ETF (QUAL)** has received strong demand from investors over the past 12 months with \$271.4m of net inflows. QUAL is a smart-beta ETF that aims to capture the performance of quality stocks selected from the parent Index, MSCI World ex Australia, by identifying companies with high quality scores based on three key fundamental factors: high return on equity; stable year-on-year earnings growth; and low financial leverage.

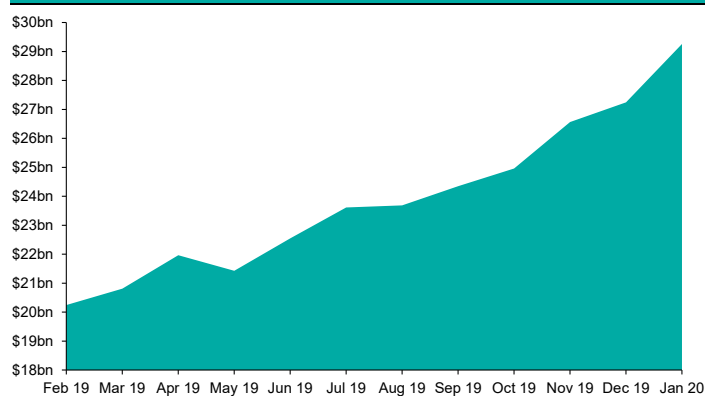
VanEck Vectors China New Economy ETF (CNEW) outperformed the **VanEck Vectors ChinaAMC CSI 300 ETF (CETF)** over the past 12 months, returning 50.0% to 27.4%. CNEW aims to select the 120 companies in China with the best growth at a reasonable price attributes. The portfolio holdings are seen to be making up 'the New Economy', namely technology, health care, consumer staples and consumer discretionary.

Figure 18 - Global equity net fund flows



SOURCE: ASX, BELL POTTER RESEARCH

Figure 19 - Global equity FUM



SOURCE: ASX, BELL POTTER RESEARCH

Figure 20 - Global equity January net fund inflows

Code	ETF Description	Flows
IHWL	iShares Core MSCI World All Cap (Hedged)	\$109.4m
VGS	Vanguard MSCI Index International Shares ETF	\$62.8m
IVV	iShares S&P 500 ETF	\$39.0m
ETHI	BetaShares Global Sustainability Leaders ETF	\$35.5m
NDQ	BetaShares Nasdaq 100 ETF	\$32.7m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 21 - Global equity January net fund outflows

Code	ETF Description	Flows
IZZ	iShares China Large-Cap ETF	-\$3.5m
BNKS	BetaShares Global Banks ETF	-\$2.6m
IXI	iShares Global Consumer Staples ETF	-\$0.9m
PAXX	Platinum Asia Fund	-\$0.1m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 22 - Global equity 1 year net fund inflows

Code	ETF Description	Flows
VGS	Vanguard MSCI Index International Shares ETF	\$611.9m
MICH	Magellan Infrastructure Fund	\$295.6m
QUAL	VanEck Vectors MSCI World Ex-Aus Quality ETF	\$271.4m
MGE	Magellan Global Equities Fund	\$240.1m
VGAD	Vanguard MSCI Index Intl. Shares (Hedged) ETF	\$185.2m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 23 - Global equity 1 year net fund outflows

Code	ETF Description	Flows
IEU	iShares Europe ETF	-\$134.5m
BNKS	BetaShares Global Banks ETF	-\$31.2m
HEUR	BetaShares Wisdomtree Europe ETF - Hedged	-\$20.7m
HJPN	BetaShares Wisdomtree Japan ETF - Hedged	-\$19.8m
ROBO	ETFs ROBO Global Robotics and Automation ETF	-\$18.8m

SOURCE: ASX, BELL POTTER RESEARCH

Global Equity ETFs.

Description	ETF Code	Price (\$)	Manager	Benchmark	Holdings	Strategy	MER (%)	Spread (%)	Market Cap (\$m)
Global									
World Ex-Australia	WXOZ	37.06	State Street	S&P Developed ex Australia LargeMidCap A\$	~1,584	Passive	0.30	0.18	222.1
World Ex-Australia	VGS	87.49	Vanguard	MSCI World ex-Australia	~1,585	Passive	0.18	0.05	2,455.6
All World Ex-US	VEU	79.96	Vanguard	FTSE All World Ex-US	~3,301	Passive	0.09	0.31	1,463.3
Global 100	IOO	84.10	iShares	S&P Global 100	~100	Passive	0.40	0.19	1,986.1
Small Companies	VISM	58.15	Vanguard	MSCI World ex-Australia Small Cap	~4,132	Passive	0.32	0.63	33.8
World All Cap	IWLD	40.85	iShares	MSCI World Investable Market (Net TR)	~6	Passive	0.09	0.17	139.3
Global (Currency Hedged)									
World Ex-Australia (A\$)	WXHG	25.24	State Street	S&P Developed ex Aus LargeMidCap (A\$ Hedged)	~1	Passive	0.35	0.38	104.6
World Ex-Australia (A\$)	VGAD	78.37	Vanguard	MSCI World ex-Australia (A\$ Hedged)	~1,588	Passive	0.21	0.18	814.3
Global 100 (A\$)	IHO0	131.82	iShares	S&P Global 100 (A\$ Hedged)	~109	Passive	0.43	0.88	55.3
S&P 500 (A\$)	IHVV	424.24	iShares	S&P 500 (A\$ Hedged)	~2	Passive	0.10	0.13	293.7
World All Cap (A\$)	IHWL	38.37	iShares	MSCI World IMI (Net TR) 100% (A\$ Hedged)	~6	Passive	0.12	0.20	237.9
Europe (A\$)	HEUR	14.17	BetaShares	WisdomTree Europe Equity (A\$ Hedged)	~150	Smart Beta	0.56	0.38	28.4
Japan (A\$)	HJPN	12.97	BetaShares	WisdomTree Japan Equity (A\$ Hedged)	~131	Smart Beta	0.56	0.34	40.3
United States									
US Broad Market Index	VTS	256.04	Vanguard	CRSP US Broad Market	~3,557	Passive	0.03	0.06	1,836.0
S&P 500	IWV	505.65	iShares	S&P 500	~1	Passive	0.04	0.06	3,801.6
S&P 500	SPY	503.28	State Street	S&P 500	~505	Passive	0.09	0.16	472,570.9
Nasdaq 100	NDQ	24.35	BetaShares	NASDAQ 100	~103	Passive	0.48	0.09	808.2
MidCap 400	IJH	313.75	iShares	S&P Midcap 400	n/a	Passive	0.07	0.26	165.4
SmallCap 600	IJR	125.63	iShares	S&P SmallCap 600	n/a	Passive	0.07	0.20	209.5
Country									
China Large Cap	IZZ	63.56	iShares	FTSE China 25	n/a	Passive	0.74	0.49	102.5
China A-Shares	CETF	57.55	VanEck	CSI 300	~1	Passive	0.60	0.84	28.3
China New Economy	CNEW	7.42	VanEck	Solactive Asia Ex-Jpn Tech & Internet Tigers	~120	Smart Beta	0.95	1.11	65.3
India	NDIA	51.80	ETF Securities	NSE Nifty 50 Index	~50	Passive	0.85	0.60	14.0
India Quality	IIND	9.00	BetaShares	Solactive India Quality Select Index Net Total Return	~30	Smart Beta	0.80	0.47	27.0
Japan	IJP	87.33	iShares	MSCI Japan	n/a	Passive	0.47	0.68	307.1
South Korea	IKO	95.09	iShares	MSCI South Korea Capped Fund	n/a	Passive	0.59	1.32	78.8
Taiwan	ITW	63.00	iShares	MSCI Taiwan	n/a	Passive	0.59	1.20	4.8
United Kingdom	F100	10.88	BetaShares	FTSE 100 Index	~100	Passive	0.45	0.29	130.6
Region									
Asia 50	IAA	99.73	iShares	S&P Asia 50	~1	Passive	0.50	0.45	605.5
Asia Ex-Japan	VAE	72.25	Vanguard	FTSE Asia Ex-Jpn, Aus & NZ (Net Div Reinvested)	~1,245	Passive	0.40	0.47	208.8
Asia Tech (Ex-Japan)	ASIA	7.94	BetaShares	CSI MarketGrader China New Economy (\$A)	~50	Smart Beta	0.67	0.41	125.5
Europe, Australasia & Far East	IVE	103.10	iShares	MSCI EAFE	~1	Passive	0.31	0.74	407.8
Euro Stoxx 50	ESTX	72.33	ETF Securities	Euro Stoxx 50	~50	Passive	0.35	0.23	60.5
Europe 350	IEU	69.64	iShares	S&P Europe 350	n/a	Passive	0.60	0.29	668.5
Europe Developed	VEQ	62.42	Vanguard	FTSE Developed Europe	~1,333	Passive	0.35	0.17	279.3
Emerging Markets	IEM	66.31	iShares	MSCI Emerging Markets	n/a	Passive	0.67	0.35	785.3
Emerging Markets	WEMG	24.30	State Street	SPDR S&P EM Large Mid Cap	~585	Passive	0.65	0.37	24.7
Emerging Markets	VGE	73.27	Vanguard	FTSE Emerging (\$A)	~4,215	Passive	0.48	0.26	386.0
Sector									
Battery Tech & Lithium	ACDC	57.41	ETF Securities	Solactive Battery Value-Chain	~30	Smart Beta	0.82	0.47	18.4
Biotech	CURE	61.08	ETF Securities	S&P Biotechnology Select Industry	~123	Smart Beta	0.45	0.49	7.3
Consumer Staples	IXI	83.47	iShares	S&P Global Consumer Staples	n/a	Passive	0.47	0.82	194.1
Cybersecurity	HACK	8.17	BetaShares	NASDAQ CTA Cybersecurity	~42	Passive	0.67	0.46	202.8
Healthcare	IXJ	105.28	iShares	S&P Global Healthcare	n/a	Passive	0.47	0.17	742.1
Infrastructure	CORE	66.34	ETF Securities	Solactive Global Core Infrastructure Low Volatility	~75	Smart Beta	0.55	0.40	28.5
Infrastructure	VBLD	66.43	Vanguard	FTSE Developed Core Infrastructure	~143	Passive	0.47	0.37	94.7
Robotics and Automation	ROBO	67.86	ETF Securities	ROBO Global Robotics and Automation	~89	Smart Beta	0.82	0.58	139.6
Robotics and AI	RBTZ	11.13	BetaShares	Indx Global Robotics & AI Thematic	~37	Smart Beta	0.57	0.50	33.4
Select Real Estate	DJRE	25.61	State Street	SPDR Dow Jones Global Select Real Estate	~237	Passive	0.50	0.21	393.0
Property	REIT	21.63	VanEck	FTSE EPRA Nareit Developed ex-AU Rental Index (A\$)	~306	Smart Beta	0.43	0.31	26.0
Technology	TECH	91.71	ETF Securities	Morningstar Dev. Markets Tech Moat Focus	~31	Smart Beta	0.45	0.33	141.1
Gold Miners	GDX	42.16	VanEck	NYSE Arca Gold Miners	~1	Passive	0.53	0.45	211.8
Sector (Currency Hedged)									
Agriculture Ex-Aus (A\$)	FOOD	5.73	BetaShares	NASDAQ Global ex-AU Agriculture (A\$ Hedged)	~58	Passive	0.57	0.60	19.6
Banks Ex-Aus (A\$)	BNKS	6.77	BetaShares	NASDAQ Global ex-AU Banks (A\$ Hedged)	~59	Passive	0.57	0.54	35.3
Energy Ex-Aus (A\$)	FUEL	5.28	BetaShares	NASDAQ Global ex-AU Energy (A\$ Hedged)	~48	Passive	0.57	0.71	68.7
Gold Miners Ex-Aus (A\$)	MNRS	5.30	BetaShares	NASDAQ Global ex-AU Gold Miners (A\$ Hedged)	~48	Passive	0.57	0.62	15.9
Healthcare Ex-Aus (A\$)	DRUG	6.80	BetaShares	NASDAQ Global ex-AU Healthcare (A\$ Hedged)	~60	Passive	0.57	0.54	35.4
Infrastructure (50% A\$)	IFRA	23.37	VanEck	FTSE Developed Core Infrastructure (50/50 A\$ Hedged)	~140	Smart Beta	0.52	0.49	238.8

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 14 FEB 2020. *A PERFORMANCE FEE IS ALSO PAYABLE, MORE INFORMATION ON FEES IS AVAILABLE ON PAGE 19.

Global Equity ETFs.

Description	ETF Code	Price (\$)	Manager	Benchmark	Holdings	Strategy	MER (%)	Spread (%)	Market Cap (\$m)
Fundamentals									
Emerging Markets Multifactor	EMKT	20.99	VanEck	MSCI EM Diversified Multiple-Factor (\$A)	~238	Smart Beta	0.69	0.66	37.8
Morningstar Wide Moat	MOAT	84.34	VanEck	Morningstar Wide Moat Focus	~1	Smart Beta	0.49	0.23	196.3
RAFI US 1000	QUS	41.14	BetaShares	FTSE RAFI US 1000	~678	Smart Beta	0.40	0.17	54.7
World Minimum Volatility	WVOL	36.45	iShares	MSCI World Minimum Volatility (\$A)	~459	Smart Beta	0.30	0.50	150.4
World Multifactor	WDMF	36.96	iShares	MSCI World Diversified Multiple-Factor (A\$)	~334	Smart Beta	0.35	0.63	273.7
World Quality	QMX	24.03	State Street	MSCI World Quality Mix	~767	Smart Beta	0.40	0.35	26.7
World Quality	QLTY	20.48	BetaShares	iSTOXX MUTB Global ex-Aus Quality Leaders	~150	Smart Beta	0.35	0.31	43.0
World Quality (ex-Australia)	QUAL	33.28	VanEck	MSCI World ex-AU Quality	~300	Smart Beta	0.40	0.22	985.9
World Quality (ex-Aus) Hedged	QHALL	31.34	VanEck	MSCI World ex-AU Quality (A\$)	~1	Smart Beta	0.43	0.38	35.1
Yield									
Dividend Fund	WDIV	21.46	State Street	SPDR S&P Global Dividend Aristocrats Fund	~121	Smart Beta	0.50	0.27	313.5
Income Leaders	INCM	17.41	BetaShares	NASDAQ Global Income Leaders NTR	~99	Smart Beta	0.45	0.35	18.3
S&P 500 High Yield Low Volatility	ZYUS	14.02	ETF Securities	S&P 500 Low Volatility High Dividend	~50	Smart Beta	0.35	0.36	92.3
Environmental, Social and Governance (ESG)									
Asia APREX 50 Ethical	UBP	30.49	UBS	MSCI Asia APEX 50 ex-Tobacco, Controversial Weapons	~55	Passive	0.45	0.39	14.4
World ex Australia Ethical	UBW	32.46	UBS	MSCI World ex-AU, Tobacco, Controversial Weapons	~1,550	Passive	0.35	0.34	48.7
Europe Ethical	UBE	25.07	UBS	MSCI EUR ex-AU, Tobacco, Controversial Weapons	~441	Passive	0.40	0.41	17.3
UBS IQ MSCI Japan Ethical	UBJ	27.15	UBS	MSCI JPN, ex-Tobacco, Controversial Weapons	~307	Passive	0.40	0.41	6.5
USA Ethical	UBU	36.54	UBS	MSCI USA ex-Tobacco, Controversial Weapons	~630	Passive	0.20	0.29	9.2
Ethically Conscious	VESG	61.54	Vanguard	FTSE Dev. Ex-AU/N-R Energy/Vice Prod./Weapons (A\$)	~1,600	Smart Beta	0.18	0.32	89.9
Sustainability Leaders	ETHI	10.84	BetaShares	NASDAQ Future Global Sustainability Leaders	~100	Smart Beta	0.59	0.32	604.9
International Sustainable Equity	ESGI	26.40	VanEck	MSCI World ex-AU (with ESG filters)	~185	Smart Beta	0.55	0.39	31.7
Exchange Traded Managed Fund (Equity)									
Asia	PAXX	4.74	Platinum	Platinum Asia Fund	n/a	Active	1.10*	0.73	173.9
Emerging Markets	EMMG	6.38	Legg Mason	MSCI Emerging Markets	n/a	Active	1.00	0.60	12.0
Emerging Markets	FEMX	5.73	Fidelity	MSCI Emerging Markets NR	~37	Active	0.99	0.51	81.6
Equities	AGX1	5.73	Antipodes	MSCI All Country World Net	n/a	Active	1.10*	0.79	26.1
Equities	MGE	4.40	Magellan	MSCI World Net Total Return (A\$)	~28	Active	1.35*	0.28	1,854.4
Equities (A\$ Hedged)	MHG	3.81	Magellan	MSCI World Net Total Return (A\$)	~28	Active	1.35	0.39	134.5
Equities (A\$ Hedged)	MOGL	3.92	Montgomery	MSCI World Net Total Return (A\$)	n/a	Active	1.32*	0.62	106.1
Equities	MSTR	9.00	Morningstar	MSCI ACWI (ex-Aus) Net Div Reinvested (A\$)	n/a	Active	0.39	0.40	n/a
International Fund	PIXX	4.83	Platinum	Platinum International Fund	n/a	Active	1.10*	0.52	340.3
Managed Risk	WRLD	14.55	BetaShares	MSCI World (A\$)	~2	Smart Beta	0.54	0.42	74.7
Exchange Traded Managed Fund (Strategy)									
US Equities Bear (A\$ Hedged)	BBUS	2.66	BetaShares	S&P 500 (A\$)	n/a	Active	1.38	0.46	94.6
Geared US Equity (A\$ Hedged)	GGUS	23.84	BetaShares	S&P 500 (A\$)	~1	Smart Beta	0.80	0.25	33.4
S&P 500 Yield Maximiser	UMAX	22.30	BetaShares	S&P 500	~1	Smart Beta	0.79	0.22	110.1
Global Minimum Volatility	VMIN	62.04	Vanguard	FTSE Global All Cap (A\$)	~254	Active	0.28	0.36	17.7
Global Multi-Factor	VGMF	56.09	Vanguard	FTSE Developed All-Cap in A\$	~912	Active	0.34	0.39	18.7
Global Value Equity	VVLU	51.44	Vanguard	FTSE Developed All-Cap in A\$	~1,231	Active	0.28	0.48	25.8
Global Quality Growth	WCMQ	6.73	WCM	MSCI ACWI (ex-Aus) Gross Div Reinvested (A\$)	n/a	Active	1.35	0.77	79.2
Exchange Traded Managed Fund (Infrastructure)									
Global Infrastructure	GLIN	3.72	AMP Capital	Dow Jones Brookfield Global Infrastructure Net Acc A\$	n/a	Active	0.94	0.57	39.7
Global Property	RENT	3.31	AMP Capital	FTSE EPRA/NAREIT Developed NTR A\$	n/a	Active	0.99	0.65	27.9
Infrastructure (A\$ Hedged)	MICH	3.42	Magellan	S&P Global Infrastructure NTR (A\$)	n/a	Active	1.05	0.38	604.9
Mixed Asset (Global)									
Global Dynamic Income (MF)	SAVE	10.87	Omega	RBA Cash Rate +4%	n/a	Active	0.50	0.32	5.9
Diversified Balanced	DBBF	25.99	BetaShares	Balanced Composite	~10	Smart Beta	0.26	0.19	2.6
Diversified Balanced	VDBA	58.76	Vanguard	Balanced Composite	~7	Smart Beta	0.27	0.14	247.5
Diversified Conservative Income	DZZF	25.36	BetaShares	Conservative Income Composite	~6	Smart Beta	0.26	0.17	2.5
Diversified Conservative	VDCO	56.92	Vanguard	Conservative Composite	~8	Smart Beta	0.27	0.13	109.4
Diversified Growth	DGGF	26.53	BetaShares	Growth Composite	~10	Smart Beta	0.26	0.21	2.7
Diversified Growth	VDGR	59.44	Vanguard	Growth Composite	~7	Smart Beta	0.27	0.14	235.9
Diversified High Growth	DHHF	26.35	BetaShares	High Growth Composite	n/a	Smart Beta	0.26	0.22	4.0
Diversified High Growth	VDHG	60.42	Vanguard	High Growth Composite	~7	Smart Beta	0.27	0.12	330.3

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 14 FEB 2020. *A PERFORMANCE FEE IS ALSO PAYABLE, MORE INFORMATION ON FEES IS AVAILABLE ON PAGE 19.

Global Equity ETFs.

Description	ETF Code	Price (\$)	Manager	Distribution Yield ¹	Distribution Frequency	Return (as at 31 January 2020)							Listed
						1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	
Global													
World Ex-Australia	WXOZ	37.06	State Street	2.6%	Annually	4.2%	8.1%	11.3%	4.2%	27.5%	16.1%	12.2%	Mar-13
World Ex-Australia	VGS	87.49	Vanguard	2.3%	Quarterly	4.3%	8.4%	11.3%	4.3%	28.4%	16.4%	12.5%	Nov-14
All World Ex-US	VEU	79.96	Vanguard	3.0%	Quarterly	2.5%	6.0%	9.3%	2.5%	20.3%	12.3%	8.3%	May-09
Global 100	IOO	84.10	iShares	1.6%	Half Yearly	5.4%	10.2%	14.5%	5.4%	33.1%	n/a	n/a	Oct-07
Small Companies	VISM	58.15	Vanguard	4.2%	Irregular	2.0%	6.8%	8.4%	2.0%	21.0%	n/a	n/a	Nov-18
World All Cap	IWLD	40.85	iShares	2.3%	Half Yearly	3.7%	7.5%	10.7%	3.7%	26.7%	15.4%	n/a	Apr-16
Global (Currency Hedged)													
World Ex-Australia (A\$)	WXHG	25.24	State Street	4.1%	Annually	-0.5%	4.9%	7.2%	-0.5%	17.2%	11.0%	9.6%	Jul-13
World Ex-Australia (A\$)	VGAD	78.37	Vanguard	n/a	Half Yearly	-0.4%	5.1%	7.3%	-0.4%	18.1%	11.4%	10.0%	Nov-14
Global 100 (A\$)	IHOO	131.82	iShares	2.2%	Annually	0.7%	7.0%	9.7%	0.7%	22.5%	13.8%	11.4%	Dec-14
S&P 500 (A\$)	IHVV	424.24	iShares	n/a	Annually	-0.1%	6.2%	8.3%	-0.1%	19.8%	13.3%	12.0%	Dec-14
World All Cap (A\$)	IHWL	38.37	iShares	n/a	Irregular	-0.9%	4.3%	6.8%	-0.9%	16.4%	10.6%	n/a	Apr-16
Europe (A\$)	HEUR	14.17	BetaShares	n/a	Half Yearly	-2.1%	2.0%	5.2%	-2.1%	16.0%	8.0%	n/a	May-16
Japan (A\$)	HJPN	12.97	BetaShares	0.6%	Half Yearly	-2.3%	2.0%	9.4%	-2.3%	8.5%	3.9%	n/a	May-16
United States													
US Broad Market Index	VTS	256.04	Vanguard	1.6%	Quarterly	6.3%	11.7%	12.4%	6.3%	33.6%	19.3%	15.3%	May-09
S&P 500	IIV	505.65	iShares	1.6%	Quarterly	5.0%	9.7%	12.3%	5.0%	32.0%	19.8%	15.8%	Oct-07
S&P 500	SPY	503.28	State Street	1.6%	Quarterly	4.8%	9.7%	12.2%	4.8%	32.5%	20.9%	17.7%	Oct-14
Nasdaq 100	NDQ	24.35	BetaShares	1.9%	Half Yearly	8.1%	14.6%	18.2%	8.1%	42.4%	26.4%	n/a	May-15
MidCap 400	IJH	313.75	iShares	1.3%	Quarterly	2.3%	6.0%	6.0%	2.3%	20.9%	12.8%	12.0%	Oct-07
SmallCap 600	IJR	125.63	iShares	1.2%	Quarterly	0.8%	4.7%	5.4%	0.8%	15.8%	12.3%	12.6%	Oct-07
Country													
China Large Cap	IZZ	63.56	iShares	2.3%	Half Yearly	-4.4%	0.9%	1.1%	-4.4%	2.7%	10.0%	4.7%	Oct-07
China A-Shares	CETF	57.55	VanEck	1.3%	Annually	-0.7%	3.7%	3.3%	-0.7%	27.4%	9.2%	n/a	Jun-15
China New Economy	CNEW	7.42	VanEck	0.9%	Irregular	7.7%	13.7%	16.3%	7.7%	50.0%	n/a	n/a	Nov-18
India	NDIA	51.80	ETF Securities	0.1%	Irregular	3.5%	2.5%	5.7%	3.5%	n/a	n/a	n/a	Jun-19
India Quality	IIND	9.00	BetaShares	n/a	n/a	4.9%	0.4%	8.3%	4.9%	n/a	n/a	n/a	Aug-19
Japan	IJP	87.33	iShares	2.0%	Half Yearly	2.4%	2.3%	10.5%	2.4%	17.9%	10.9%	9.4%	Oct-07
South Korea	IKO	95.09	iShares	0.9%	Annually	-2.7%	2.5%	9.1%	-2.7%	-1.2%	7.2%	5.9%	Nov-07
Taiwan	ITW	63.00	iShares	0.3%	Irregular	-3.1%	2.8%	13.2%	-3.1%	26.8%	14.5%	10.8%	Nov-07
United Kingdom	F100	10.88	BetaShares	0.8%	Irregular	1.0%	5.8%	8.2%	1.0%	n/a	n/a	n/a	Jul-19
Region													
Asia 50	IAA	99.73	iShares	1.9%	Half Yearly	-0.9%	6.0%	8.6%	-0.9%	13.8%	15.5%	11.1%	Jul-08
Asia Ex-Japan	VAE	72.25	Vanguard	2.3%	Quarterly	0.2%	4.8%	6.5%	0.2%	13.8%	12.0%	n/a	Dec-15
Asia Tech (Ex-Japan)	ASIA	7.94	BetaShares	0.4%	Irregular	3.1%	13.9%	21.8%	3.1%	32.5%	n/a	n/a	Sep-18
Europe, Australasia & Far East	IVE	103.10	iShares	2.6%	Irregular	2.0%	4.0%	8.8%	2.0%	20.4%	12.2%	8.0%	Oct-07
Euro Stoxx 50	ESTX	72.33	ETF Securities	2.7%	Half Yearly	0.9%	3.4%	8.0%	0.9%	24.3%	12.4%	n/a	Jul-16
Europe 350	IEU	69.64	iShares	2.5%	Half Yearly	1.7%	5.0%	9.7%	1.7%	22.3%	12.6%	7.1%	Oct-07
Europe Developed	VEQ	62.42	Vanguard	2.7%	Quarterly	1.7%	5.4%	10.3%	1.7%	22.5%	12.1%	n/a	Dec-15
Emerging Markets	IEM	66.31	iShares	3.4%	Half Yearly	-1.5%	3.6%	5.6%	-1.5%	9.0%	11.5%	6.7%	Oct-07
Emerging Markets	WEMG	24.30	State Street	2.3%	Annually	0.0%	4.6%	5.4%	0.0%	14.3%	13.2%	7.7%	Nov-13
Emerging Markets	VGE	73.27	Vanguard	2.6%	Quarterly	-0.9%	4.3%	5.6%	-0.9%	12.2%	10.2%	6.3%	Nov-13
Sector													
Battery Tech & Lithium	ACDC	57.41	ETF Securities	2.2%	Irregular	6.9%	12.9%	15.2%	6.9%	22.0%	n/a	n/a	Aug-18
Biotech	CURE	61.08	ETF Securities	1.9%	Irregular	-2.0%	12.3%	6.9%	-2.0%	15.4%	n/a	n/a	Nov-18
Consumer Staples	IXI	83.47	iShares	1.8%	Half Yearly	4.6%	5.5%	7.7%	4.6%	26.4%	n/a	n/a	Sep-18
Cybersecurity	HACK	8.17	BetaShares	8.5%	Annually	8.8%	12.0%	7.8%	8.8%	31.0%	19.4%	n/a	Aug-16
Healthcare	IXJ	105.28	iShares	1.1%	Half Yearly	3.4%	9.3%	15.3%	3.4%	25.5%	n/a	n/a	Sep-18
Infrastructure	CORE	66.34	ETF Securities	4.0%	Quarterly	7.2%	7.4%	10.8%	7.2%	25.0%	n/a	n/a	Sep-17
Infrastructure	VBLD	66.43	Vanguard	0.9%	Half Yearly	8.7%	9.7%	13.5%	8.7%	31.0%	n/a	n/a	Oct-18
Robotics and Automation	ROBO	67.86	ETF Securities	0.3%	Annually	3.7%	8.6%	12.0%	3.7%	25.2%	n/a	n/a	Sep-17
Robotics and AI	RBTZ	11.13	BetaShares	0.5%	Irregular	4.0%	7.4%	13.4%	4.0%	29.1%	n/a	n/a	Sep-18
Select Real Estate	DJRE	25.61	State Street	2.5%	Half Yearly	5.4%	2.3%	8.9%	5.4%	19.3%	11.0%	6.6%	Nov-13
Property	REIT	21.63	VanEck	3.5%	Quarterly	1.4%	-0.1%	7.2%	1.4%	n/a	n/a	n/a	Mar-19
Technology	TECH	91.71	ETF Securities	6.8%	Half Yearly	7.4%	13.1%	16.2%	7.4%	41.0%	n/a	n/a	Apr-17
Gold Miners	GDX	42.16	VanEck	0.6%	Annually	3.8%	7.0%	12.3%	3.8%	40.3%	12.0%	n/a	Jun-15
Sector (Currency Hedged)													
Agriculture Ex-Aus (A\$)	FOOD	5.73	BetaShares	0.6%	Half Yearly	-5.2%	-0.8%	-1.7%	-5.2%	2.2%	3.1%	n/a	Aug-16
Banks Ex-Aus (A\$)	BNKS	6.77	BetaShares	1.8%	Half Yearly	-6.6%	-1.5%	1.3%	-6.6%	2.8%	2.7%	n/a	Jul-16
Energy Ex-Aus (A\$)	FUEL	5.28	BetaShares	1.0%	Half Yearly	-8.3%	-3.5%	-7.7%	-8.3%	-7.6%	-1.3%	n/a	Jun-16
Gold Miners Ex-Aus (A\$)	MNRS	5.30	BetaShares	n/a	Irregular	0.7%	7.2%	19.9%	0.7%	43.9%	9.0%	n/a	Jul-16
Healthcare Ex-Aus (A\$)	DRUG	6.80	BetaShares	0.4%	Half Yearly	-2.0%	5.2%	10.0%	-2.0%	13.8%	12.7%	n/a	Aug-16
Infrastructure (50% A\$)	IFRA	23.37	VanEck	3.2%	Quarterly	3.7%	5.6%	8.7%	3.7%	20.7%	12.9%	n/a	May-16

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 14 FEB 2020. ¹DISTRIBUTION YIELD IS THE TRAILING 12 MONTH NET YIELD.

Global Equity ETFs.

Description	ETF Code	Price (\$)	Manager	Distribution Yield ¹	Distribution Frequency	Return (as at 31 January 2020)							Listed
						1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	
Fundamentals													
Emerging Markets Multifactor	EMKT	20.99	VanEck	1.4%	Irregular	-0.9%	4.4%	7.0%	-0.9%	12.2%	n/a	n/a	Apr-18
Morningstar Wide Moat	MOAT	84.34	VanEck	1.0%	Annually	3.5%	7.7%	13.6%	3.5%	32.1%	21.2%	n/a	Jun-15
RAFI US 1000	QUS	41.14	BetaShares	3.7%	Half Yearly	2.5%	7.0%	9.0%	2.5%	24.7%	13.6%	12.2%	Dec-14
World Minimum Volatility	WVOL	36.45	iShares	2.6%	Half Yearly	5.9%	6.4%	9.6%	5.9%	27.4%	15.6%	n/a	Oct-16
World Multifactor	WDMF	36.96	iShares	1.7%	Half Yearly	2.9%	6.7%	8.3%	2.9%	19.7%	14.0%	n/a	Oct-16
World Quality	QMIX	24.03	State Street	2.5%	Half Yearly	4.5%	7.8%	11.4%	4.5%	29.6%	17.1%	n/a	Sep-15
World Quality	QLTY	20.48	BetaShares	0.4%	Half Yearly	4.3%	10.0%	13.3%	4.3%	35.4%	n/a	n/a	Nov-18
World Quality (ex-Australia)	QUAL	33.28	VanEck	1.2%	Annually	5.4%	11.2%	14.9%	5.4%	37.9%	21.4%	15.4%	Oct-14
World Quality (ex-Aus) Hedged	QHAL	31.34	VanEck	1.3%	Irregular	0.5%	7.8%	10.6%	0.5%	n/a	n/a	n/a	Mar-19
Yield													
Dividend Fund	WDIV	21.46	State Street	4.7%	Half Yearly	3.1%	5.2%	10.7%	3.1%	20.5%	12.1%	8.7%	Nov-13
Income Leaders	INCM	17.41	BetaShares	2.4%	Quarterly	0.3%	3.6%	7.3%	0.3%	17.8%	n/a	n/a	Oct-18
S&P 500 High Yield Low Volatility	ZYUS	14.02	ETF Securities	7.6%	Quarterly	0.8%	3.2%	5.2%	0.8%	15.0%	9.8%	n/a	Jun-15
Environmental, Social and Governance (ESG)													
Asia APREX 50 Ethical	UBP	30.49	UBS	1.5%	Annually	0.8%	9.3%	10.8%	0.8%	19.1%	15.9%	n/a	May-15
World ex Australia Ethical	UBW	32.46	UBS	2.2%	Annually	4.3%	8.3%	11.3%	4.3%	28.3%	16.3%	11.3%	Feb-15
Europe Ethical	UBE	25.07	UBS	2.7%	Annually	2.2%	5.4%	9.1%	2.2%	23.0%	12.9%	6.8%	Feb-15
UBS IQ MSCI Japan Ethical	UBJ	27.15	UBS	1.6%	Annually	3.7%	4.3%	12.7%	3.7%	21.1%	11.6%	n/a	Mar-15
USA Ethical	UBU	36.54	UBS	2.9%	Annually	5.2%	10.1%	12.4%	5.2%	32.3%	19.0%	13.9%	Feb-15
Ethically Conscious	VESG	61.54	Vanguard	1.3%	Irregular	4.6%	8.8%	12.5%	4.6%	30.1%	n/a	n/a	Sep-18
Sustainability Leaders	ETHI	10.84	BetaShares	3.4%	Half Yearly	6.2%	12.3%	16.9%	6.2%	38.8%	23.4%	n/a	Dec-16
International Sustainable Equity	ESGI	26.40	VanEck	1.4%	Irregular	4.4%	7.6%	13.5%	4.4%	29.1%	n/a	n/a	Mar-18
Exchange Traded Managed Fund (Equity)													
Asia	PAXX	4.74	Platinum	4.9%	Irregular	0.4%	5.1%	6.1%	0.4%	16.5%	n/a	n/a	Sep-17
Emerging Markets	EMMG	6.38	Legg Mason	0.2%	Irregular	1.9%	8.2%	12.0%	1.9%	n/a	n/a	n/a	Jun-19
Emerging Markets	FEMX	5.73	Fidelity	0.8%	Irregular	0.0%	4.5%	7.9%	0.0%	27.7%	n/a	n/a	Oct-18
Equities	AGX1	5.73	Antipodes	1.0%	Irregular	1.6%	5.4%	6.7%	1.6%	15.4%	n/a	n/a	Nov-18
Equities	MGE	4.40	Magellan	2.5%	Annually	6.6%	10.4%	10.9%	6.6%	33.0%	20.6%	13.4%	Mar-15
Equities (A\$ Hedged)	MHG	3.81	Magellan	2.6%	Annually	1.4%	6.8%	6.7%	1.4%	21.3%	15.5%	n/a	Aug-15
Equities (A\$ Hedged)	MOGL	3.92	Montgomery	4.3%	Half Yearly	4.6%	8.7%	10.0%	4.6%	25.3%	n/a	n/a	Dec-17
Equities	MSTR	9.00	Morningstar	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Nov-19
International Fund	PIXX	4.83	Platinum	8.1%	Irregular	-1.7%	1.0%	2.5%	-1.7%	11.3%	n/a	n/a	Sep-17
Managed Risk	WRLD	14.55	BetaShares	2.6%	Half Yearly	3.9%	7.3%	9.5%	3.9%	21.7%	12.9%	n/a	Dec-15
Exchange Traded Managed Fund (Strategy)													
US Equities Bear (A\$ Hedged)	BBUS	2.66	BetaShares	n/a	n/a	-0.4%	-14.6%	-19.1%	-0.4%	-37.3%	-28.8%	n/a	Aug-15
Geared US Equity (A\$ Hedged)	GGUS	23.84	BetaShares	0.1%	Annually	-0.6%	12.2%	15.9%	-0.6%	41.3%	23.7%	n/a	Aug-15
S&P 500 Yield Maximiser	UMAX	22.30	BetaShares	5.1%	Quarterly	4.0%	5.5%	7.5%	4.0%	25.6%	13.2%	11.4%	Sep-14
Global Minimum Volatility	VMIN	62.04	Vanguard	0.7%	Irregular	0.8%	3.8%	6.9%	0.8%	17.4%	n/a	n/a	Apr-18
Global Multi-Factor	VGMF	56.09	Vanguard	1.1%	Quarterly	1.6%	4.9%	7.0%	1.6%	n/a	n/a	n/a	Apr-19
Global Value Equity	VLU	51.44	Vanguard	3.1%	Quarterly	-2.6%	2.4%	4.6%	-2.6%	9.4%	n/a	n/a	Apr-18
Global Quality Growth	WCMQ	6.73	WCM	n/a	n/a	6.5%	10.6%	9.5%	6.5%	35.6%	n/a	n/a	Aug-18
Exchange Traded Managed Fund (Infrastructure)													
Global Infrastructure	GLIN	3.72	AMP Capital	2.9%	Quarterly	4.7%	9.1%	13.6%	4.7%	33.1%	17.4%	n/a	Jun-16
Global Property	RENT	3.31	AMP Capital	1.3%	Quarterly	7.4%	4.9%	12.2%	7.4%	26.1%	14.2%	n/a	Jun-16
Infrastructure (A\$ Hedged)	MICH	3.42	Magellan	2.8%	Half Yearly	3.0%	4.9%	7.9%	3.0%	21.6%	15.2%	n/a	Jul-16
Mixed Asset (Global)													
Global Dynamic Income (MF)	SAVE	10.87	Omega	1.9%	Monthly	1.7%	5.5%	9.1%	1.7%	n/a	n/a	n/a	Aug-19
Diversified Balanced	DBBF	25.99	BetaShares	n/a	n/a	3.0%	n/a	n/a	3.0%	n/a	n/a	n/a	Dec-19
Diversified Balanced	VDBA	58.76	Vanguard	1.7%	Quarterly	2.7%	3.9%	5.1%	2.7%	15.9%	n/a	n/a	Nov-17
Diversified Conservative Income	DZZF	25.36	BetaShares	0.2%	Monthly	1.7%	n/a	n/a	1.7%	n/a	n/a	n/a	Dec-19
Diversified Conservative	VDCO	56.92	Vanguard	1.2%	Quarterly	2.2%	2.8%	3.9%	2.2%	12.3%	n/a	n/a	Nov-17
Diversified Growth	DGGF	26.53	BetaShares	n/a	n/a	3.4%	n/a	n/a	3.4%	n/a	n/a	n/a	Dec-19
Diversified Growth	VDGR	59.44	Vanguard	2.8%	Quarterly	2.9%	5.0%	6.1%	2.9%	19.0%	n/a	n/a	Nov-17
Diversified High Growth	DHHF	26.35	BetaShares	n/a	n/a	3.9%	n/a	n/a	3.9%	n/a	n/a	n/a	Dec-19
Diversified High Growth	VDHG	60.42	Vanguard	3.7%	Quarterly	3.2%	6.0%	7.1%	3.2%	22.1%	n/a	n/a	Nov-17

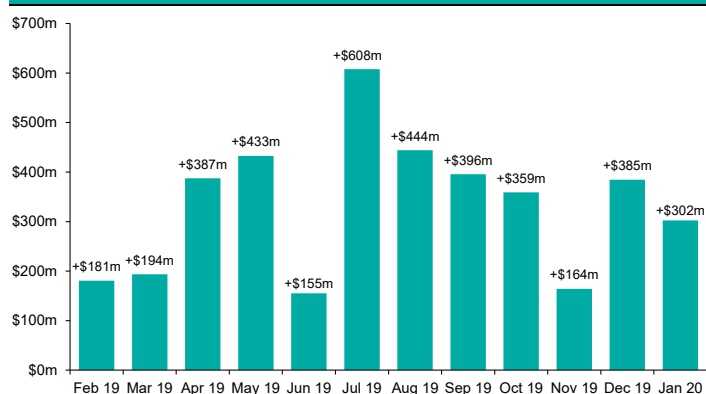
SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 14 FEB 2020. ¹DISTRIBUTION YIELD IS THE TRAILING 12 MONTH NET YIELD.

Fixed Interest ETFs.

Domestic fixed interest ETFs have received consistent net fund inflows over the past 12 months, with the majority of the funds going into **Vanguard Australian Fixed Interest Index ETF (VAF)** and **BetaShares Australian High Interest Cash ETF (AAA)** with \$538.8m and \$513.0m respectively. AAA has been used as a cash alternative that aims to provide an income distribution that exceeds the 30 day Bank Bill Swap Rate after fees and expenses. The 1 year after fee return of 1.62% exceeded the benchmark return of 1.25%. It's worth noting that an investment in the fund doesn't receive the benefit of any government guarantee.

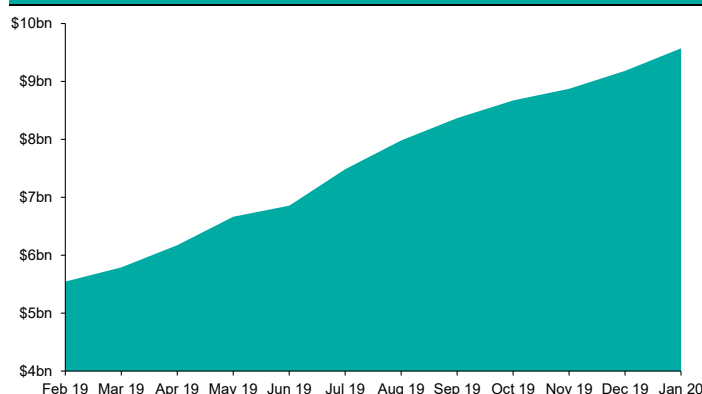
Declining rates have pushed investors to move up the risk curve in the search for yield. **iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF (IHEB)** received net inflows of \$75.0m over January. IHEB has a weighted average yield to maturity of 4.5% and a running yield of 5.2% as at 10 February 2020.

Figure 24 - Domestic fixed interest net fund flows



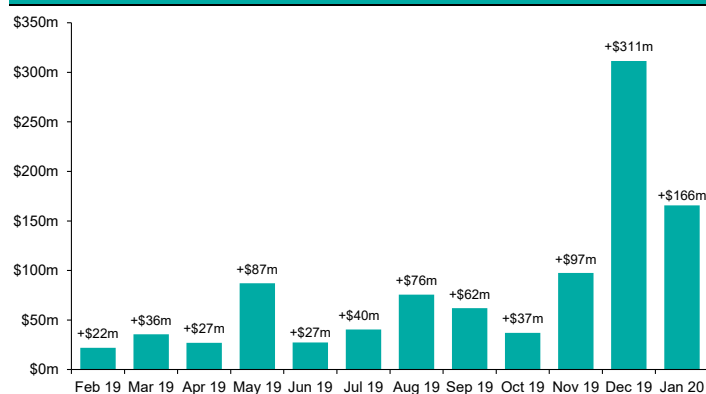
SOURCE: ASX, BELL POTTER RESEARCH

Figure 25 - Domestic fixed interest FUM



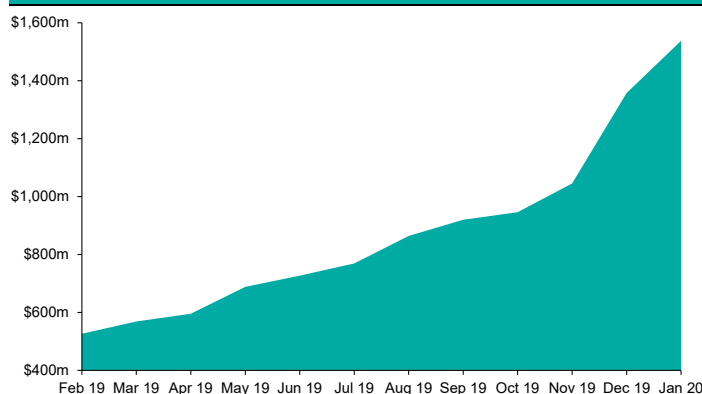
SOURCE: ASX, BELL POTTER RESEARCH

Figure 26 - Global fixed interest net fund flows



SOURCE: ASX, BELL POTTER RESEARCH

Figure 27 - Global fixed interest FUM



SOURCE: ASX, BELL POTTER RESEARCH

Figure 28 - Domestic fixed interest January net fund inflows

Code	ETF Description	Flows
QPON	BetaShares Aus Bank Snr Floating Rate Bond ETF	\$47.5m
AAA	BetaShares Australian High Interest Cash ETF	\$45.3m
IAF	iShares Core Composite Bond ETF	\$41.9m
HBRD	BetaShares Active Australian Hybrids Fund	\$29.4m
VAF	Vanguard Australian Fixed Interest Index ETF	\$26.3m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 29 - Domestic fixed interest January net fund outflows

Code	ETF Description	Flows
IGB	iShares Treasury ETF	-\$1.1m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 30 - Global fixed interest January net fund inflows

Code	ETF Description	Flows
IHEB	iShares J.P. Morgan USD Emerg. Market Bond ETF	\$75.0m
IHHY	iShares Global High Yield Bond ETF	\$32.3m
VIF	Vanguard Intl. Fixed Interest Index (Hedged) ETF	\$18.7m
GBND	BetaShares Sustain. Leaders Div. Bond - Hedged	\$18.2m
IHCB	iShares Global Corporate Bond ETF	\$11.3m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 31 - Global fixed interest January net fund outflows

Code	ETF Description	Flows
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SOURCE: ASX, BELL POTTER RESEARCH

Fixed Interest ETFs.

Description	ETF Code	Price (\$)	Manager	Benchmark	Holdings	Strategy	MER (%)	Spread (%)	Market Cap (\$m)
Domestic Fixed Interest									
Composite Bonds	IAF	115.34	iShares	Bloomberg AusBond Composite	~520	Passive	0.20	0.08	1,143.1
Fixed Interest	BOND	28.15	State Street	S&P/ASX Australian Fixed Income	~147	Passive	0.24	0.10	48.4
Fixed Interest	VAF	52.44	Vanguard	Bloomberg AusBond Composite	~613	Passive	0.20	0.04	1,382.4
Floating Rate Bonds	FLOT	25.06	VanEck	Bloomberg AusBond Credit FRN 0+ Yr	~211	Passive	0.22	0.04	357.9
Senior Floating Rate Bonds	QPON	25.80	BetaShares	Solactive Aus Bank Senior Floating Rate Bond	~14	Passive	0.22	0.04	832.2
Corporate Bond Plus	PLUS	18.64	VanEck	Markit iBoxx AUD Corporates Yield Plus	~134	Smart Beta	0.32	0.23	295.0
Corporate Fixed Interest	VACF	53.63	Vanguard	Bloomberg AusBond Credit 0+ Yr	~381	Passive	0.26	0.10	400.2
Investment Grade Corp. Bond	CRED	27.98	BetaShares	Solactive Aus Invest. Grade Corp. Bond Select TR	~36	Smart Beta	0.25	0.19	418.8
Select Corporate Bonds	RCB	20.79	Russell	Australian Corporate Bonds	~11	Passive	0.28	0.22	234.6
Subordinated Debt	SUBD	25.20	VanEck	iBoxx AUD Investment Grade Subordinated Debt Index	~13	Passive	0.29	0.08	82.7
Cash	MONY	20.03	UBS	Australian Cash	n/a	Smart Beta	0.18	n/a	1.9
Core Cash	BILL	100.28	iShares	Australian Cash	~39	Passive	0.07	0.01	613.9
Enhanced Cash	ISEC	100.46	iShares	Australian Cash	~53	Smart Beta	0.12	0.02	170.1
High Interest Cash	AAA	50.10	BetaShares	Australian Cash	n/a	Passive	0.18	0.02	1,847.6
Government Bonds	AGVT	51.17	BetaShares	Solactive Australian Government 7-12 Year AUD TR Index	~45	Passive	0.22	0.20	22.5
Government Bonds	RGB	23.17	Russell	Australian Government Bonds	~9	Passive	0.24	0.27	77.4
Government Bonds	GOVT	28.25	State Street	S&P /ASX Bond	~78	Passive	0.22	0.13	31.3
Government Bonds	VGB	53.42	Vanguard	Bloomberg AusBond Government	~116	Passive	0.20	0.06	443.2
Government Inflation	ILB	129.30	iShares	Bloomberg AusBond Inflation Government	~16	Passive	0.26	0.38	136.3
Semi-Government Bonds	RSM	21.46	Russell	Australian Semi-Government Bonds	~10	Passive	0.26	0.29	65.1
Treasury	IGB	113.74	iShares	Bloomberg AusBond Treasury	~25	Passive	0.26	0.09	81.1
Global Fixed Interest (Currency Hedged)									
Global High Yield Bond (A\$)	IHHY	108.75	iShares	Markit iBoxx Global Dev. Market Liquid HY Cap (A\$)	~2	Passive	0.56	0.29	182.8
Global Corporate Bond (A\$)	IHCB	113.06	iShares	Barclays Global Aggregate Corporate Bond (A\$)	~2	Passive	0.26	0.31	285.1
USD Em Markets Bond (A\$)	IHEB	109.89	iShares	J.P. Morgan EMBI Global Core (A\$)	~2	Passive	0.51	0.29	275.9
Global Aggregate Bond (A\$)	VBND	53.74	Vanguard	Bloomberg Barclays Global Agg. Float Adj. Scaled (A\$)	~8,331	Passive	0.20	0.19	153.0
Credit Securities (A\$)	VCF	51.02	Vanguard	Barclays Global Agg. Gov. Related and Corp. Scaled (A\$)	~6,242	Passive	0.30	0.31	174.6
Ethically Conscious Bond (A\$)	VEFI	54.22	Vanguard	Bloomberg Barclays MSCI Global Agg SRI EFA (A\$)	~3,783	Smart Beta	0.26	0.50	16.8
Fixed Interest (A\$)	VIF	51.05	Vanguard	Bloomberg Barclays Global Treasury Scaled (A\$)	~1,046	Passive	0.20	0.18	462.3
Sustainability Leaders Diversified	GBND	25.31	BetaShares	Solactive Aus & Global Select Sust. Leaders Bond TR (A\$)	~198	Smart Beta	0.49	0.28	58.7
Exchange Traded Managed Fund									
Australian Bond	BNDS	27.17	Western Asset	Bloomberg AusBond Composite	n/a	Active	0.42	0.11	133.2
Australian Hybrids	HBRD	10.17	Coolabah Capital	Solactive Australian Hybrid Securities	n/a	Active	0.55*	0.12	706.2
Dynamic Cash	Z3RO	50.02	Omega	RBA Cash Rate	n/a	Active	0.00	n/a	5.0
Real Outcome	XARO	26.41	Ardea	CPI	n/a	Active	0.50	0.13	156.4

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 14 FEB 2020. *A PERFORMANCE FEE IS ALSO PAYABLE, MORE INFORMATION ON FEES IS AVAILABLE ON PAGE 19.

Fixed Interest ETFs.

Description	ETF Code	Price (\$)	Manager	Distribution Yield ¹	Distribution Frequency	Yield to Maturity ²	Av. Credit Quality ²	Duration ²	Return (as at 31 January 2020)				Listed
									YTD	1 Year	3 Year	5 Year	
Domestic Fixed Interest													
Composite Bonds	IAF	115.34	iShares	2.1%	Quarterly	1.05%	n/a	5.65 yrs [^]	2.3%	8.9%	5.6%	4.2%	Mar-12
Fixed Interest	BOND	28.15	State Street	1.7%	Quarterly	1.03%	n/a	6.13 yrs ^x	2.5%	9.5%	5.8%	4.2%	Jul-12
Fixed Interest	VAF	52.44	Vanguard	2.4%	Quarterly	1.05%	AA+	5.60 yrs [^]	2.3%	8.9%	5.6%	4.2%	Oct-12
Floating Rate Bonds	FLOT	25.06	VanEck	2.4%	Monthly	1.28%	n/a	0.12 yrs ^x	0.2%	2.6%	n/a	n/a	Jul-17
Senior Floating Rate Bonds	QPON	25.80	BetaShares	2.0%	Monthly	1.58%	A+	0.13 yrs ^x	0.2%	3.6%	n/a	n/a	Jun-17
Corporate Bond Plus	PLUS	18.64	VanEck	3.4%	Quarterly	1.88%	n/a	4.62 yrs ^x	2.2%	10.3%	n/a	n/a	May-17
Corporate Fixed Interest	VACF	53.63	Vanguard	2.5%	Quarterly	1.58%	A+	3.80 yrs [^]	1.6%	8.0%	5.5%	n/a	May-16
Investment Grade Corp. Bond	CRED	27.98	BetaShares	3.4%	Monthly	2.13%	A-	6.38 yrs ^x	3.4%	14.5%	n/a	n/a	May-18
Select Corporate Bonds	RCB	20.79	Russell	3.8%	Quarterly	1.29%	n/a	3.43 yrs [^]	1.4%	7.3%	4.7%	4.0%	Mar-12
Subordinated Debt	SUBD	25.20	VanEck	0.5%	Irregular	2.82%	n/a	0.12 yrs ^x	0.4%	n/a	n/a	n/a	Oct-19
Cash	MONY	20.03	UBS	1.4%	Monthly	0.83%	n/a	n/a	0.1%	1.4%	n/a	n/a	May-17
Core Cash	BILL	100.28	iShares	1.3%	Monthly	0.91%	n/a	0.13 yrs [^]	0.1%	1.4%	n/a	n/a	Jun-17
Enhanced Cash	ISEC	100.46	iShares	1.5%	Monthly	1.11%	n/a	0.14 yrs [^]	0.1%	1.7%	n/a	n/a	Jun-17
High Interest Cash	AAA	50.10	BetaShares	1.6%	Monthly	1.21%	n/a	n/a	0.1%	1.6%	1.9%	2.1%	Mar-12
Government Bonds	AGVT	51.17	BetaShares	1.1%	Monthly	1.11%	AAA	7.78 yrs ^x	3.4%	n/a	n/a	n/a	Jul-19
Government Bonds	RGB	23.17	Russell	2.8%	Quarterly	0.89%	AAA	7.27 yrs [^]	2.2%	10.7%	6.3%	4.5%	Mar-12
Government Bonds	GOVT	28.25	State Street	2.0%	Quarterly	0.94%	AAA	6.61 yrs ^x	2.8%	9.9%	6.0%	4.3%	Jul-12
Government Bonds	VGB	53.42	Vanguard	2.1%	Quarterly	0.95%	AAA	6.20 yrs [^]	2.6%	9.4%	5.8%	4.2%	Apr-12
Government Inflation	ILB	129.30	iShares	1.5%	Quarterly	1.05%	AAA	9.26 yrs ^x	3.6%	10.8%	6.0%	3.8%	Mar-12
Semi-Government Bonds	RSM	21.46	Russell	2.5%	Quarterly	0.94%	n/a	3.99 yrs ^x	1.2%	6.4%	4.0%	3.4%	Mar-12
Treasury	IGB	113.74	iShares	1.8%	Quarterly	0.88%	AAA	6.69 yrs [^]	2.8%	9.8%	6.0%	4.1%	Mar-12
Global Fixed Interest (Currency Hedged)													
Global High Yield Bond (A\$)	IHHY	108.75	iShares	6.3%	3x a yr	4.37%	BB-	3.05 yrs [^]	-0.4%	7.8%	5.3%	n/a	Dec-15
Global Corporate Bond (A\$)	IHCB	113.06	iShares	2.7%	3x a yr	2.10%	n/a	6.94 yrs [^]	2.0%	11.5%	5.7%	n/a	Dec-15
USD Em Markets Bond (A\$)	IHEB	109.89	iShares	2.4%	3x a yr	4.59%	n/a	7.82 yrs [^]	1.0%	10.4%	5.8%	n/a	Dec-15
Global Aggregate Bond (A\$)	VBND	53.74	Vanguard	1.9%	Quarterly	1.29%	AA-	7.20 yrs [^]	2.0%	8.4%	n/a	n/a	Oct-17
Credit Securities (A\$)	VCF	51.02	Vanguard	2.2%	Quarterly	1.73%	A	6.90 yrs [^]	2.0%	10.3%	5.5%	n/a	Dec-15
Ethically Conscious Bond (A\$)	VEFI	54.22	Vanguard	1.5%	Irregular	1.22%	AA-	7.10 yrs [^]	1.9%	7.9%	n/a	n/a	Sep-18
Fixed Interest (A\$)	VIF	51.05	Vanguard	1.2%	Quarterly	0.74%	AA-	8.40 yrs [^]	2.0%	7.4%	4.6%	n/a	Dec-15
Sustainability Leaders Diversified	GBND	25.31	BetaShares	n/a	Quarterly	1.19%	AA	6.74 yrs ^x	2.3%	n/a	n/a	n/a	Nov-19
Exchange Traded Managed Fund													
Australian Bond	BNDS	27.17	Western Asset	2.1%	Monthly	1.36%	AA	5.47 yrs ^x	2.4%	9.2%	n/a	n/a	Nov-18
Australian Hybrids	HBRD	10.17	Coolabah Capital	3.3%	Monthly	n/a	n/a	n/a	0.4%	5.3%	n/a	n/a	Nov-17
Dynamic Cash	Z3RO	50.02	Omega	0.4%	Monthly	0.95%	n/a	0.15 yrs [^]	0.1%	n/a	n/a	n/a	Aug-19
Real Outcome	XARO	26.41	Ardea	3.2%	Quarterly	n/a	n/a	n/a	0.7%	8.4%	n/a	n/a	Dec-18

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 14 FEB 2020. ¹DISTRIBUTION YIELD IS THE TRAILING 12 MONTH NET YIELD. ²DATA AS AT 31 JAN 2020.

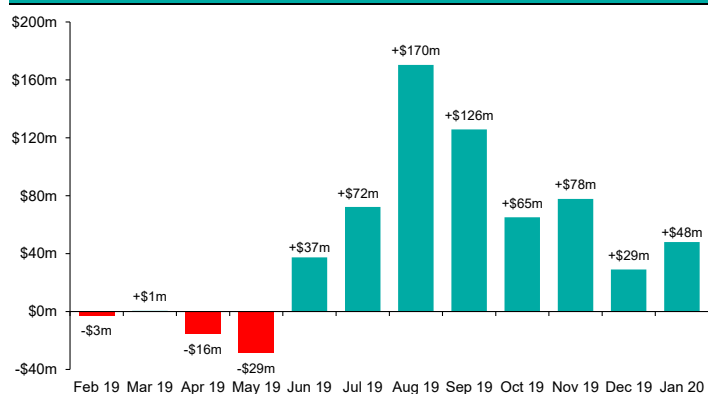
[^] EFFECTIVE DURATION - AN OPTION-ADJUSTED MEASURE OF THE SENSITIVITY OF THE VALUE OF THE PORTFOLIO TO CHANGES IN INTEREST RATES. IT IS USED TO CALCULATE AN APPROXIMATION OF THE MODIFIED DURATION OF A BOND WITH AN EMBEDDED OPTION.

^x MODIFIED DURATION - MEASURES THE SENSITIVITY OF THE VALUE OF THE PORTFOLIO TO CHANGES IN INTEREST RATES. IT FOLLOWS THE CONCEPT THAT INTEREST RATE AND BOND PRICES MOVE IN OPPOSITE DIRECTIONS. A MODIFIED DURATION OF 6.0 YEARS IMPLIES THAT A 1% INCREASE IN THE INTEREST RATE WILL REDUCE THE VALUE OF THE PORTFOLIO BY 6.0%, AND VICE-VERSA FOR A DECREASE IN THE INTEREST RATE.

Commodity & Currency ETFs.

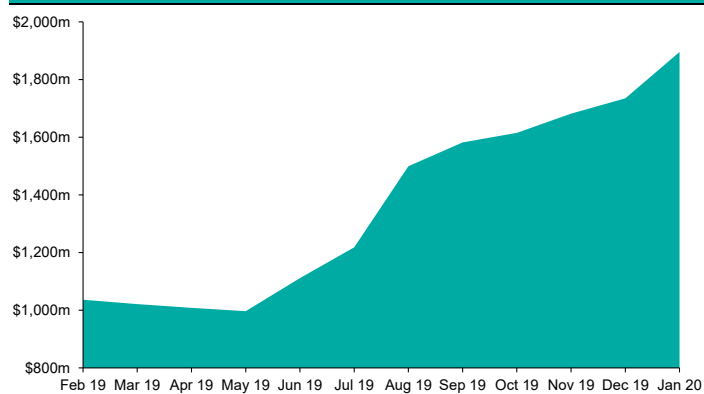
ETFS Physical Gold (GOLD) led all commodity ETFs with net fund inflows of \$31.8m over January, followed by **Perth Mint Gold (PMGOLD)** with \$8.3m. GOLD and PMGOLD respectively returned 9.2% and 7.5% for the month, with **ETFS Physical Palladium (ETPPMD)** the top performing commodity with returns of 25.5% and 80.2% for January and the last 12 months respectively. Each individual **ETFS Physical Gold (GOLD)** security has an effective entitlement to gold, and that entitlement changes daily to reflect the accrual of the management fee. The physically allocated gold is held by JPMorgan Chase Bank, N.A. Each PMGOLD unit represents ownership of 1/100th of a troy ounce of gold. Investments in PMGOLD are fully backed by physical bullion held by The Perth Mint, with metal stored on investors' behalf guaranteed by the Government of Western Australia.

Figure 32 - Commodity net fund flows



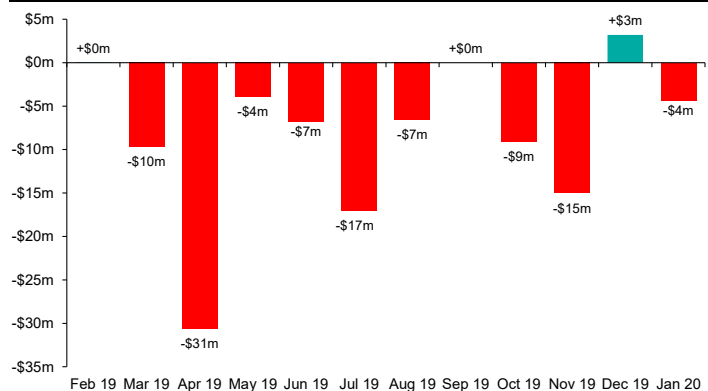
SOURCE: ASX, BELL POTTER RESEARCH

Figure 33 - Commodity FUM



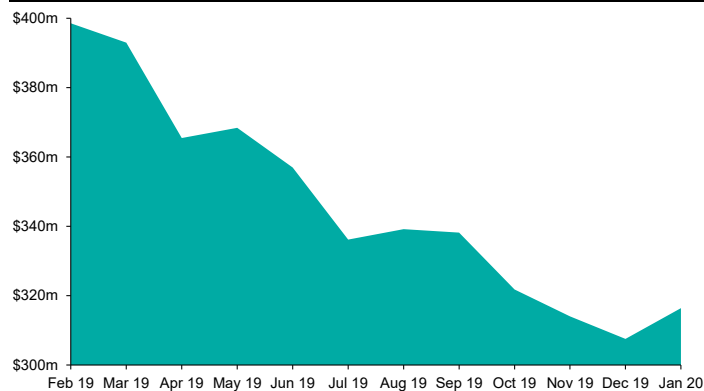
SOURCE: ASX, BELL POTTER RESEARCH

Figure 34 - Currency net fund flows



SOURCE: ASX, BELL POTTER RESEARCH

Figure 35 - Currency FUM



SOURCE: ASX, BELL POTTER RESEARCH

Figure 36 - Commodity January net fund inflows

Code	ETF Description	Flows
GOLD	ETFS Physical Gold	\$31.8m
PMGOLD	Perth Mint Gold	\$8.3m
QAU	BetaShares Gold Bullion ETF - Hedged	\$2.0m
OOO	BetaShares Crude Oil Index ETF - Hedged	\$1.9m
ETPMAG	ETFS Physical Silver	\$1.4m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 37 - Commodity January net fund outflows

Code	ETF Description	Flows

SOURCE: ASX, BELL POTTER RESEARCH

Figure 38 - Currency 1 year net fund inflows

Code	ETF Description	Flows
POU	BetaShares British Pound ETF	\$7.9m
YANK	BetaShares Strong U.S. Dollar Fund	\$1.4m
AUDS	BetaShares Strong Australian Dollar Fund	\$1.2m
ZUSD	ETFS Physical Us Dollar ETF	\$0.8m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 39 - Currency 1 year net fund outflows

Code	ETF Description	Flows
USD	BetaShares U.S. Dollar ETF	-\$109.9m
EEU	BetaShares Euro ETF	-\$1.2m

SOURCE: ASX, BELL POTTER RESEARCH

Commodity & Currency ETFs.

Description	ETF Code	Price (\$)	Manager	Benchmark	Holdings	Strategy	MER (%)	Spread (%)	Market Cap (\$m)
Commodities									
Physical Gold	GOLD	220.14	ETF Securities	Gold	n/a	Passive	0.40	0.17	1,284.5
Spot Gold	PMGOLD	23.43	Perth Mint	Gold	n/a	Passive	n/a	0.26	n/a
Physical Silver	ETPMAG	24.90	ETF Securities	Silver	n/a	Passive	0.49	0.20	99.8
Physical Platinum	ETPMPT	136.89	ETF Securities	Platinum	n/a	Passive	0.49	0.48	6.4
Physical Palladium	ETPMPD	342.60	ETF Securities	Palladium	n/a	Passive	0.49	2.74	7.9
Physical Precious Metal Basket	ETPMPM	201.17	ETF Securities	Basket of precious metals	n/a	Passive	0.44	0.48	12.4
Commodities (AUD Hedged)									
Agricultural (Synthetic)	QAG	5.55	BetaShares	S&P/GSCI Agriculture	n/a	Passive	0.69	0.95	3.4
Spot Gold	QAU	15.80	BetaShares	Gold	~1	Passive	0.59	0.15	177.0
Commodities (Synthetic)	QCB	7.74	BetaShares	S&P/GSCI Light Energy	n/a	Passive	0.69	1.03	8.0
Crude Oil (Synthetic)	OOO	13.21	BetaShares	S&P/GSCI Crude Oil	n/a	Passive	0.69	0.57	32.8
Currency									
EUR	EEU	15.76	BetaShares	Euro	n/a	Passive	0.45	0.14	5.0
GBP	POU	19.00	BetaShares	British Pound	n/a	Passive	0.45	0.08	26.5
USD	ZUSD	11.35	ETF Securities	US Dollar	n/a	Passive	0.30	0.12	8.1
USD	USD	14.48	BetaShares	US Dollar	n/a	Passive	0.45	0.08	265.5
Exchange Traded Managed Fund									
Strong Australian Dollar	AUDS	10.61	BetaShares	AUD	n/a	Active	1.38	0.56	3.2
Strong US Dollar	YANK	14.84	BetaShares	USD	n/a	Active	1.38	0.51	11.1

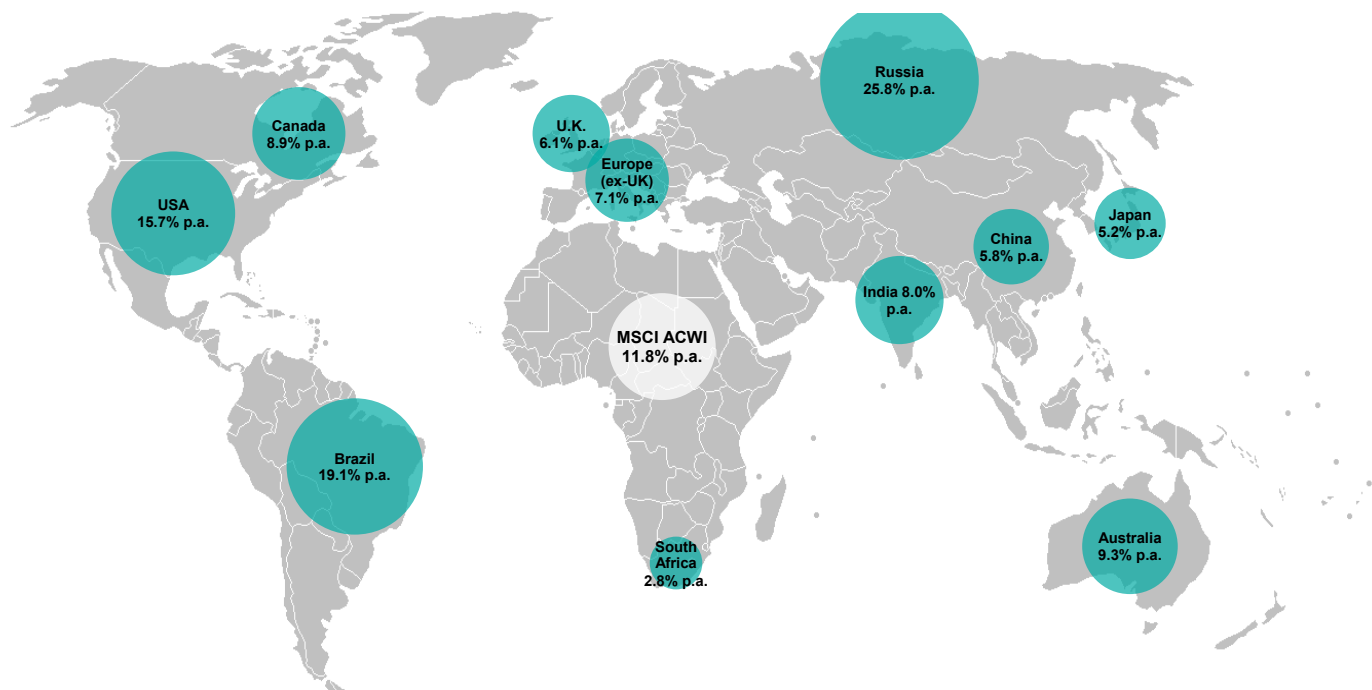
SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 14 FEB 2020. *A PERFORMANCE FEE IS ALSO PAYABLE, MORE INFORMATION ON FEES IS AVAILABLE ON PAGE 19.

Description	ETF Code	Price (\$)	Manager	Distribution Yield*	Distribution Frequency	Return (as at 31 January 2020)							Listed
						1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	
Commodities													
Physical Gold	GOLD	220.14	ETF Securities	n/a	n/a	9.2%	7.8%	14.0%	9.2%	29.9%	13.5%	7.4%	Mar-03
Spot Gold	PMGOLD	23.43	Perth Mint	n/a	n/a	7.5%	8.1%	12.6%	7.5%	29.1%	13.9%	7.7%	n/a
Physical Silver	ETPMAG	24.90	ETF Securities	n/a	n/a	4.0%	1.8%	11.5%	4.0%	20.6%	4.9%	3.7%	Jan-09
Physical Platinum	ETPMPT	136.89	ETF Securities	n/a	n/a	3.7%	5.3%	12.8%	3.7%	26.6%	2.6%	-2.3%	Jan-09
Physical Palladium	ETPMPD	342.60	ETF Securities	n/a	n/a	25.5%	31.5%	53.8%	25.5%	80.2%	50.3%	27.4%	Dec-08
Physical Precious Metal Basket	ETPMPM	201.17	ETF Securities	n/a	n/a	12.7%	13.2%	23.9%	12.7%	40.8%	18.5%	10.1%	Jan-09
Commodities (AUD Hedged)													
Agricultural (Synthetic)	QAG	5.55	BetaShares	n/a	Annually	-2.5%	-0.7%	-1.9%	-2.5%	-8.3%	-9.8%	-8.1%	Dec-11
Spot Gold	QAU	15.80	BetaShares	n/a	Annually	3.7%	4.5%	9.5%	3.7%	17.6%	8.1%	3.6%	May-11
Commodities (Synthetic)	QCB	7.74	BetaShares	n/a	Annually	-7.6%	-4.2%	-5.6%	-7.6%	-6.8%	-4.4%	-5.9%	Dec-11
Crude Oil (Synthetic)	OOO	13.21	BetaShares	13.2%	Quarterly	-15.5%	-4.8%	-11.9%	-15.5%	-6.1%	-2.9%	-10.8%	Nov-11
Currency													
EUR	EEU	15.76	BetaShares	n/a	Annually	3.6%	2.0%	2.1%	3.6%	4.6%	4.6%	2.2%	Jul-11
GBP	POU	19.00	BetaShares	0.5%	Irregular	4.5%	4.9%	10.9%	4.5%	9.3%	5.9%	0.3%	Jul-11
USD	ZUSD	11.35	ETF Securities	1.8%	Quarterly	5.2%	3.3%	3.8%	5.2%	11.0%	5.5%	n/a	Jun-15
USD	USD	14.48	BetaShares	2.3%	Annually	5.1%	3.2%	3.7%	5.1%	10.8%	5.4%	3.6%	Feb-11
Exchange Traded Managed Fund													
Strong Australian Dollar	AUDS	10.61	BetaShares	n/a	Irregular	-10.4%	-7.0%	-6.9%	-10.4%	-19.8%	-11.5%	n/a	Nov-16
Strong US Dollar	YANK	14.84	BetaShares	17.8%	Annually	11.1%	6.5%	5.3%	11.1%	22.3%	8.3%	n/a	Nov-16

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 14 FEB 2020. *DISTRIBUTION YIELD IS THE TRAILING 12 MONTH NET YIELD.

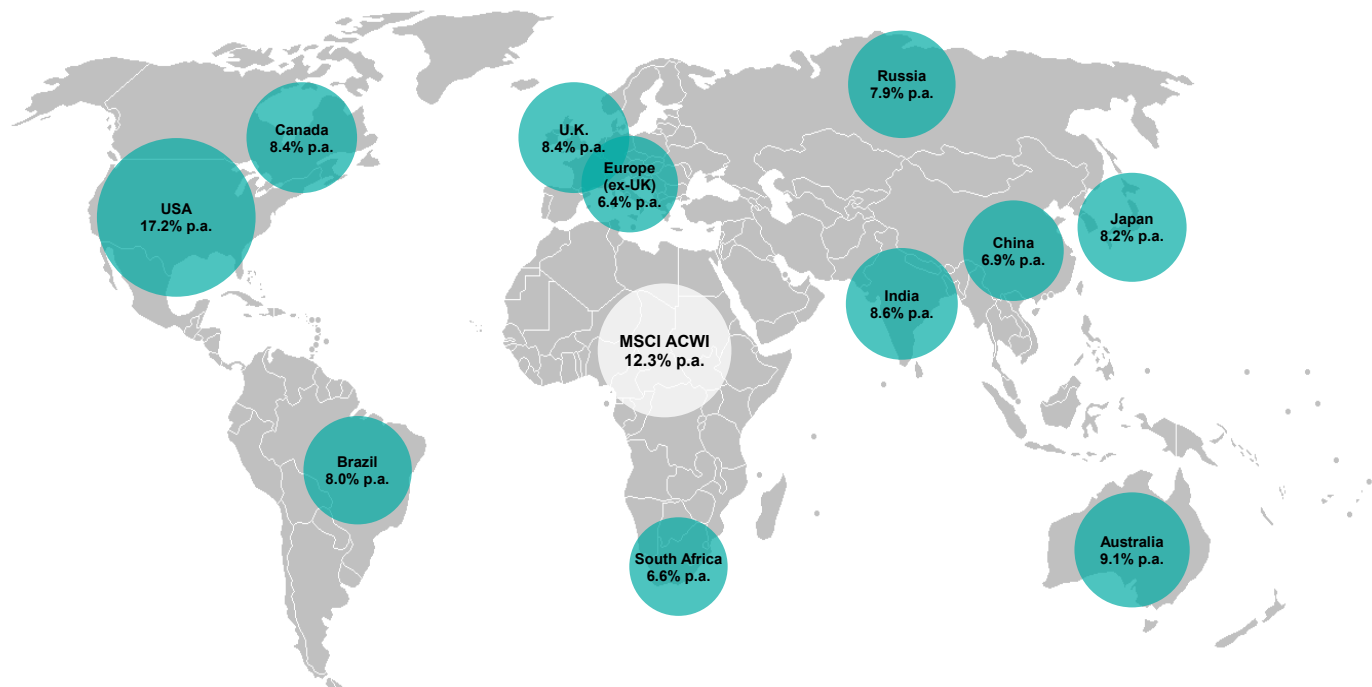
Global Returns.

Figure 40 - 5 year net total returns in AUD



SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 31 JANUARY 2020

Figure 41 - 10 year net total returns in AUD



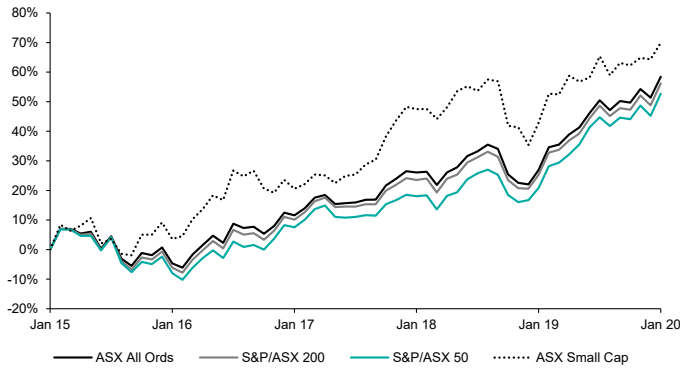
SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 31 JANUARY 2020

Indices used for each region with Bloomberg code in brackets. Converted to AUD:

Australia	S&P/ASX 200 Accumulation Index (ASA51 Index)	Japan	MSCI Japan Net Total Return in AUD (NDDLJN Index)
Brazil	MSCI Brazil Net Total Return Local Index in AUD (NDLEBRF Index)	MSCI ACWI	MSCI ACWI Net Total Return USD Index in AUD (NDUEACWF Index)
Canada	S&P/TSX Composite Total Return Index in AUD (0000AR Index)	Russia	MOEX Russia Total Return Index in AUD (MCFTR Index)
China	CSI 300 Total Return Index in AUD (CSIR0300 Index)	South Africa	FTSE JSE All Share Index Total Return Value in AUD (JALSHTR Index)
Europe (ex-UK)	EURO STOXX 50 Net Return Index in AUD (SX5T Index)	U.K.	FTSE 100 Total Return Index in AUD (TUKXG Index)
India	NSE Fifty 500 Total Return Index in AUD (NSE500TR Index)	USA	S&P 500 Total Return Index in AUD (SPXT Index)

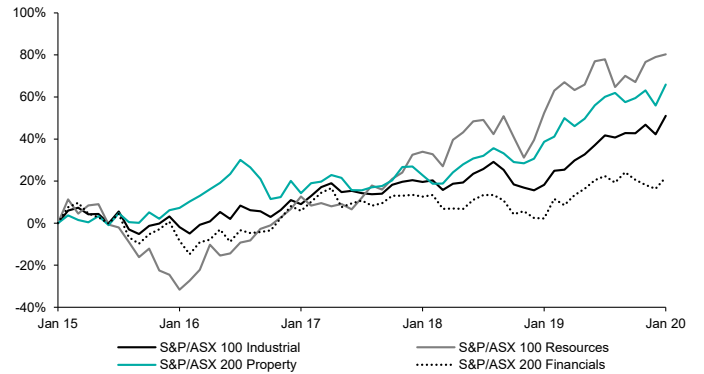
5-Year Index Returns.

Figure 42 - Domestic broad equity indices



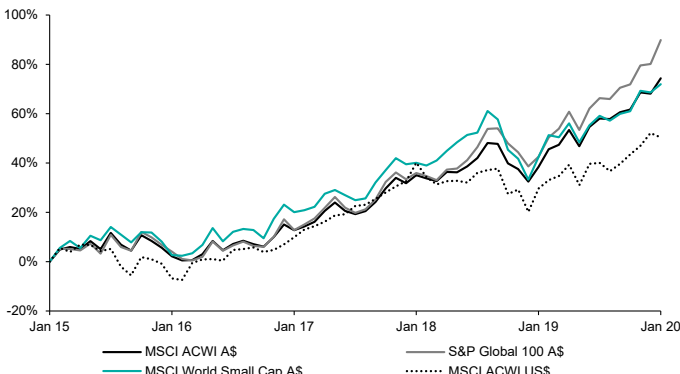
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 43 - Domestic sector indices



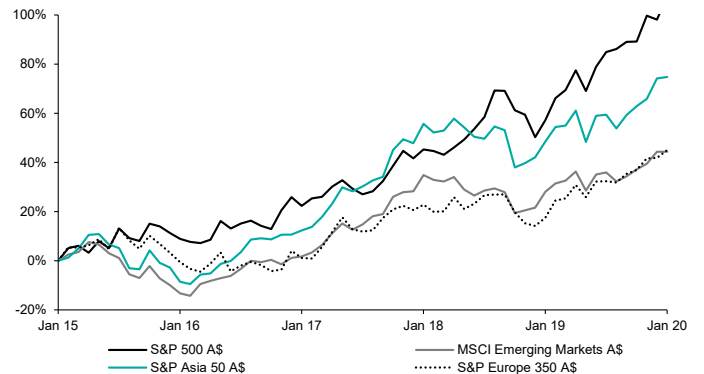
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 44 - Global broad equity indices



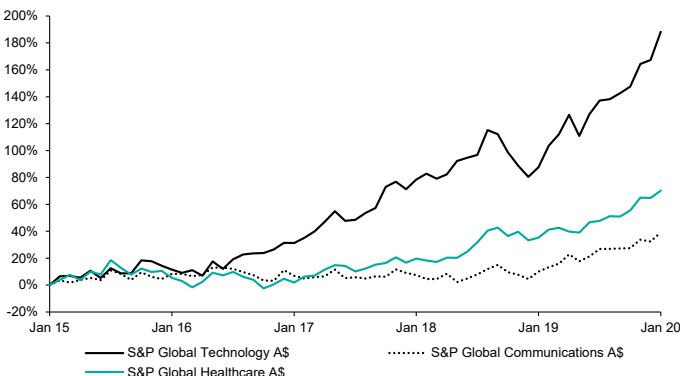
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 45 - Global regional indices



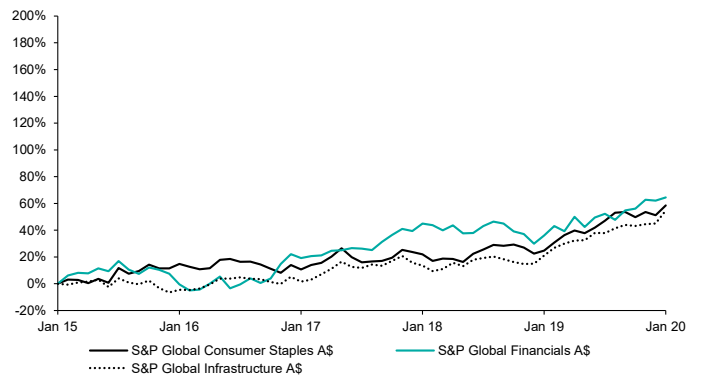
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 46 - Global sector indices



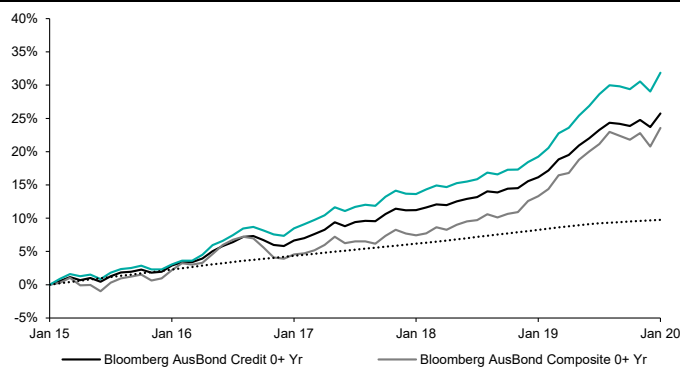
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 47 - Global sector indices



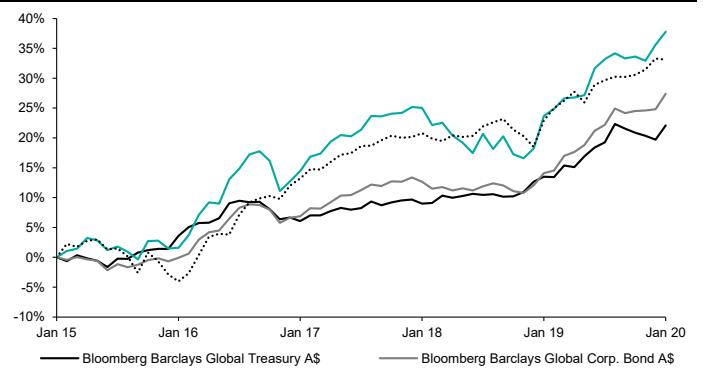
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 48 - Domestic fixed interest indices



SOURCE: BLOOMBERG, BELL POTTER RESEARCH

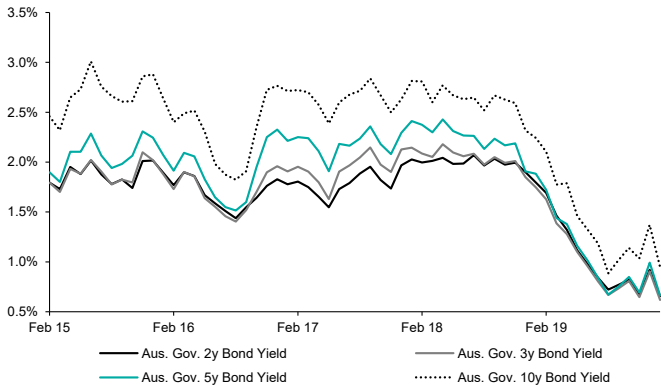
Figure 49 - Global fixed interest indices



SOURCE: BLOOMBERG, BELL POTTER RESEARCH

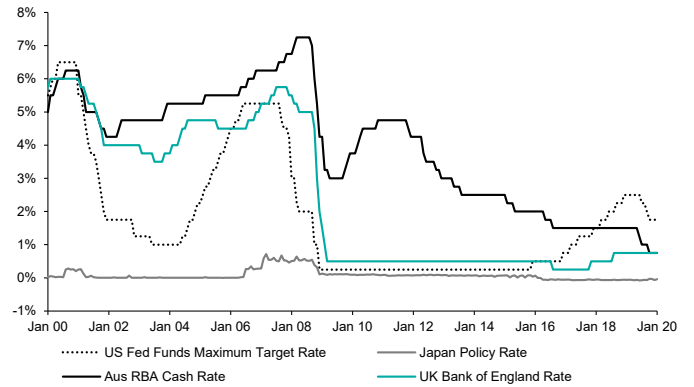
Macro Trends.

Figure 50 - Australian Commonwealth government bond yields



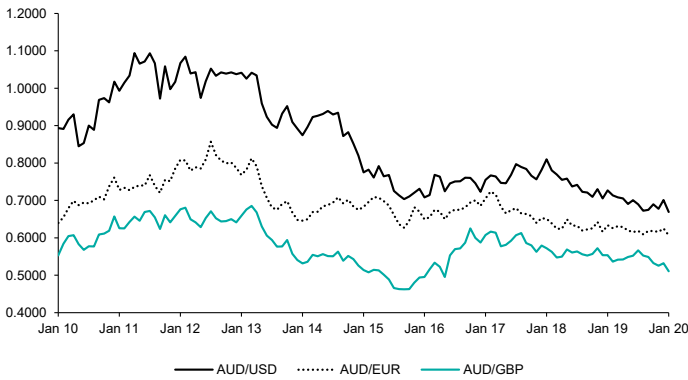
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 51 - International interest rates



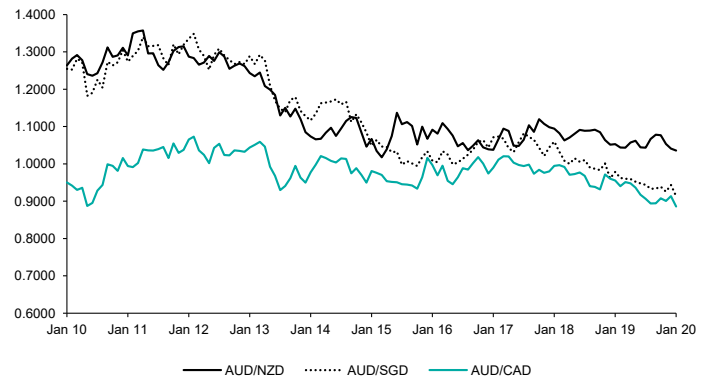
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 52 - Foreign exchange rates



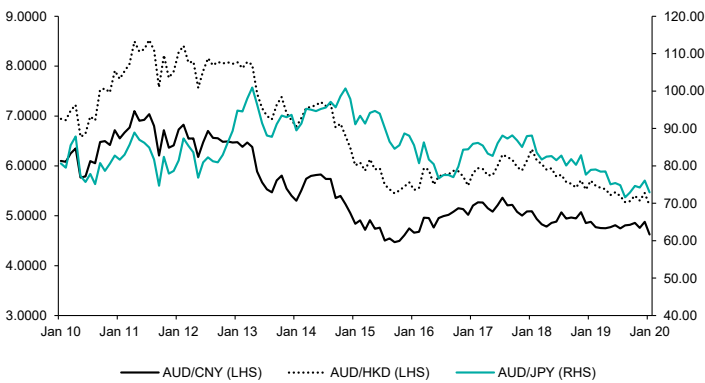
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 53 - Foreign exchange rates



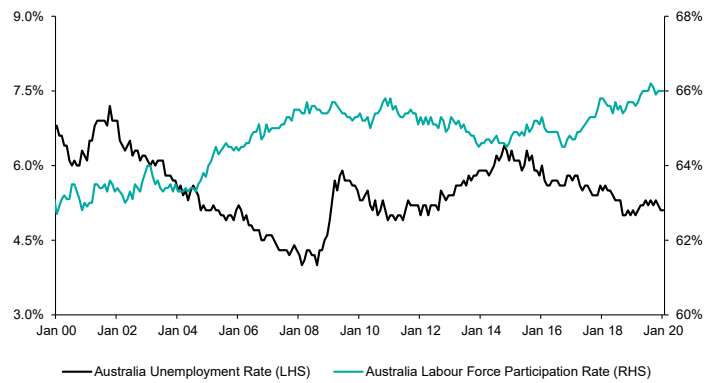
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 54 - Foreign exchange rates



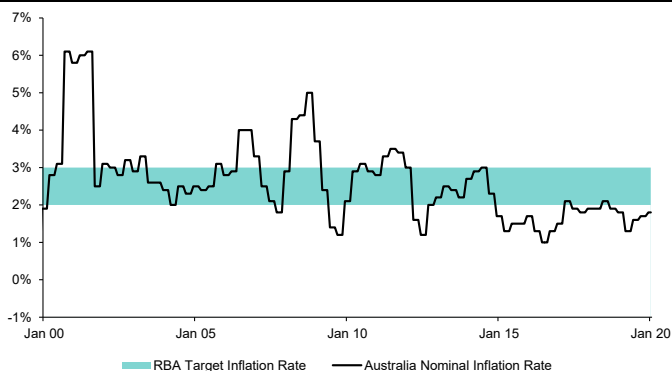
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 55 - Domestic unemployment



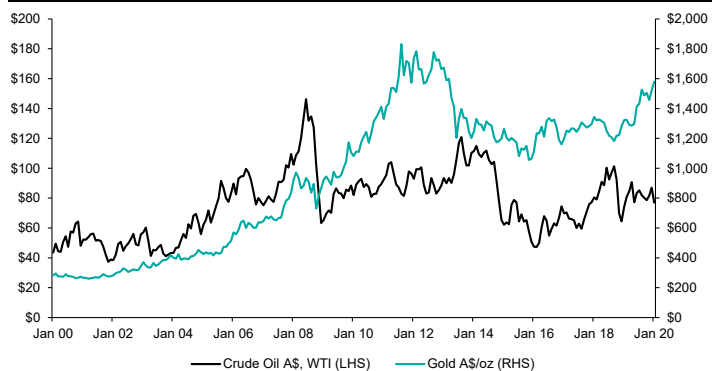
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 56 - Domestic inflation



SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 57 - Oil & gold prices



SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Appendix.

Performance Fees:

KSM - 15.38% p.a. (incl. GST & RITC) of the amount by which the NAV exceeds the High Water Mark. The fund must also exceed a net 6% p.a. hurdle before a performance fees applies on total performance.

IMPQ - 20% of the Trust's net return in excess of the S&P/ASX Small Ordinaries Accumulation Index return.

SMLL - A performance fee of 15.5% (inclusive of GST less reduced input tax credits) of the outperformance of the Fund may be paid to the Responsible Entity, based on the Fund's total return over the performance benchmark (the S&P/ASX Small Ordinaries Accumulation Index) in a calendar quarter.

PAXX - 15% of outperformance over benchmark (MSCI AC Asia ex-Japan Net Index (A\$))

AGX1 - 15% of net return in excess of MSCI All Country World Net Index in AUD, net of the management fee

KII - 20.5% p.a. (incl. GST & RITC) of the amount by which the NAV exceeds the High Water Mark.

MGE - 10% of excess return over the higher of the MSCI World Net Total Return Index (AUD) and the yield of 10-year Australian Government Bonds, subject to a high water mark.

MHG - 10% of excess return over the higher of the MSCI World Net Total Return Index (hedged to AUD) and the yield of 10-year Australian Government Bonds, subject to a high water mark.

MOGL - 15.38% of the total return of The Fund after management fees and expenses have been deducted, that is in excess of the MSCI World Net Total Return Index (AUD), subject to a high water mark.

PIXX - 15% of outperformance over MSCI AC World Net Index (A\$), subject to a high water mark

WCMQ - 10% excess return above MSCI All Country World Index ex-Australia after Management Fee

MICH - 10% of excess return over the higher of the S&P Global Infrastructure Index A\$ Hedged Net Total Return and the yield of 10-year Australian Government Bonds, subject to a high water mark.

HBRD - 15.5% of outperformance above Solactive Australian Hybrid Securities Index

Please refer to the relevant Product Disclosure Statement (PDS) for full disclosure of the fees and additional costs that may be incurred in the management of the ETF.

Appendix.

How an ETF operates:

ETFs are open ended securities that trade on an exchange. Open ended denotes that new products can be created and redeemed on the Primary Market, without the requirement to release a new prospectus, ad infinitum. The open ended nature of ETFs is unique to this product class, and what keeps the underlying Net Asset Value (NAV) in line with the assets' market price. This process is managed by the Authorised Participants and Market Makers who are engaged by the ETF operator to continually create and redeem shares to ensure the discount to NAV is managed within a defined range.

This results in a two tiered market structure: The Primary Market and the Secondary Market. The Primary Market is the market in which Market Makers, via the Authorised Participants, are able to create and redeem units. The Secondary Market is the market in which investors are able to buy and sell these units on an exchange.

Mechanics of the Primary Market

The Authorised Participant applies to the issuer to create new ETF units via creation units. In return for each creation unit, the Authorised Participant will deliver a basket of securities that has been specified by the Issuer. This basket will be transferred and held by a Custodian. Following settlement, the Authorised Participant has an inventory of ETF securities (shares) that can be accessed by the Market Makers and sold on the ASX in the Secondary Market.

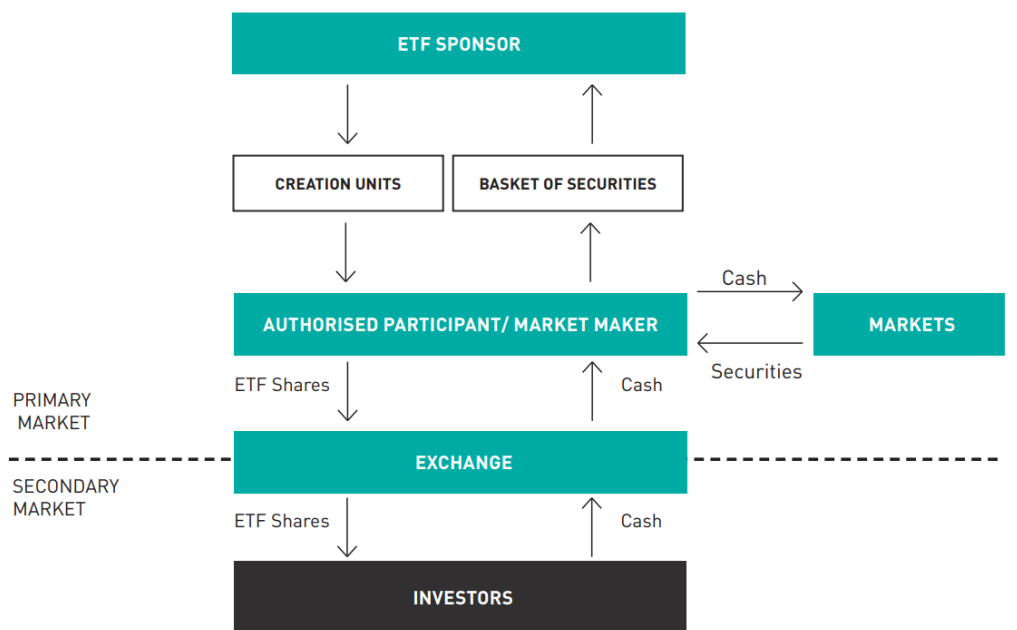
The redemption process operates in a similar manner. The Authorised Participant applies to redeem the securities in creation units. In return for each creation unit, the Authorised Participant will receive a basket of securities in kind. Each ETF security effectively represents a sliver of a creation unit.

Mechanics of the Secondary Market

The Secondary Market is the market in which investors are able to buy and sell ETF units with the assistance of the Market Maker. The Market Maker will access the Authorised Participants (Primary Market) if additional inventory is required (create) or alternatively sold (redeem), to in effect make the market. Hence, the liquidity of the ETF is as liquid as the underlying market.

The Market Maker effectively ensures liquidity in the market place by quoting Buy and Sell prices during the trading day. These prices are continuously updated to reflect the underlying changes in the securities. The ETF Issuer generally has a formal arrangement with at least one Market Maker with a mandate to make the market within a specified range of spread. However, in dislocated markets, Market Makers can suspend operations until the market stabilises.

Appendix Figure 1 - ETF Market Structure: Primary and Secondary Market



SOURCE: BELL POTTER RESEARCH

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William Gormly, authoring analyst, holds long positions in IVV & VEU.

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