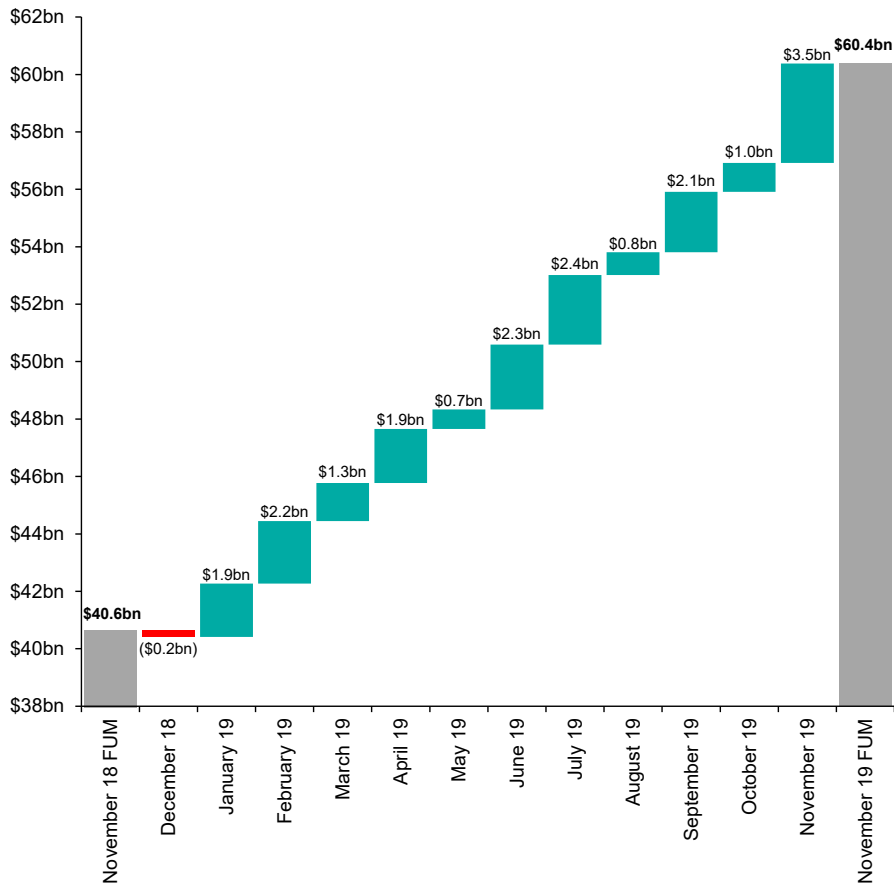


EXCHANGE TRADED FUNDS

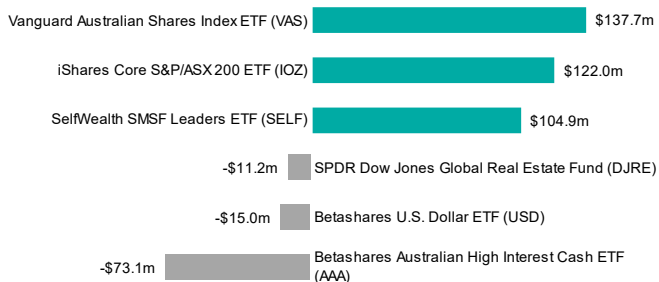
BELL POTTER

ASX ETFs break through \$60bn



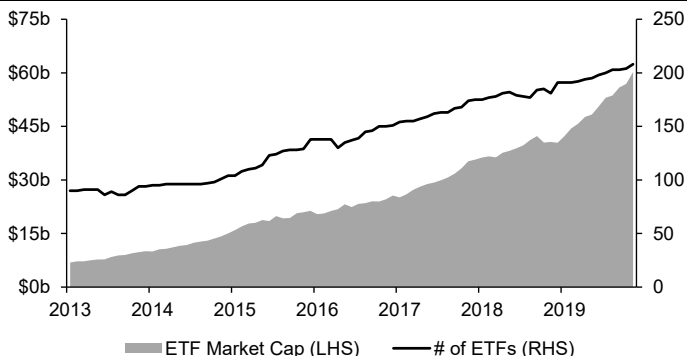
SOURCE: ASX INVESTMENT PRODUCTS MONTHLY REPORT, BELL POTTER RESEARCH

Figure 1 - Top ETF flows for November 2019



SOURCE: ASX INVESTMENT PRODUCTS MONTHLY REPORT, BELL POTTER RESEARCH

Figure 3 - Australia ETF Market Size



SOURCE: ASX INVESTMENT PRODUCTS MONTHLY REPORT, BELL POTTER RESEARCH

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NOVEMBER ASX ETF DATA

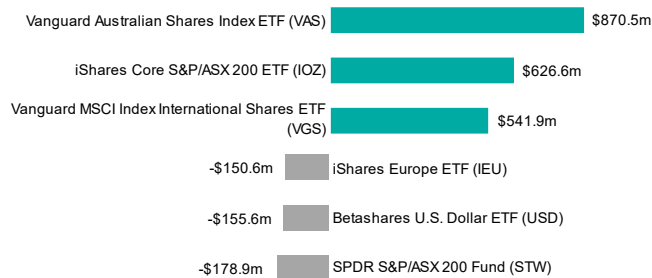
Number of ASX ETFs	207
Market capitalisation	\$60.4b
Number of transactions per day	9,071
Average daily volume	8,763,926
Average daily value	\$235.1m

SOURCE: ASX. DATA AS AT 30 NOVEMBER 2019

RECENTLY LISTED ASX ETFs

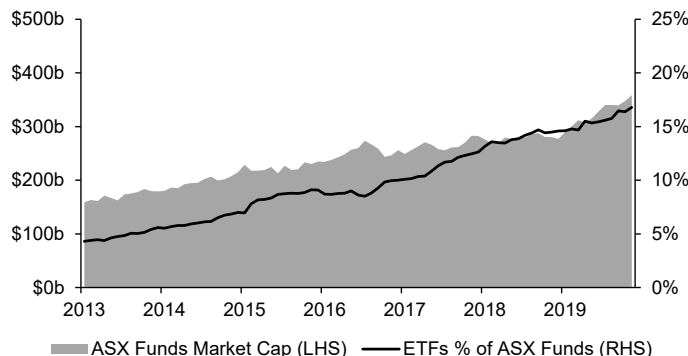
- BetaShares Diversified Conservative Income ETF (DZZF) 12-Dec-19
- BetaShares Diversified Balanced ETF (DBBF) 11-Dec-19
- BetaShares Diversified Growth ETF (DGGF) 9-Dec-19
- BetaShares Diversified High Growth ETF (DHHF) 5-Dec-19
- BetaShares Sustainability Leaders Diversified Bond ETF - Hedged (GBND)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

Figure 2 - Top ETF flows for 12 months ending November 2019



SOURCE: ASX INVESTMENT PRODUCTS MONTHLY REPORT, BELL POTTER RESEARCH

Figure 4 - Australia ETF in comparison to total ASX Funds



SOURCE: ASX INVESTMENT PRODUCTS MONTHLY REPORT, BELL POTTER RESEARCH

Tactical exposure to the UK equity market.

The Conservative Party's election victory last week has eased uncertainty over Brexit and restored sentiment to sectors which had previously been under threat from potential Labour nationalisation policies.

With the Boris Johnson led Conservative Party winning 365 of 650 seats there is greater confidence that they'll be able to gain parliamentary approval for October's agreed upon withdrawal deal with the European Union. Whilst securing a trade deal may go further into 2020, the markets have already started to experience a positive rally post the election. A further benefit of a clearer economic outlook will be the return of previously discouraged overseas investment.

How to get exposure?

BetaShares FTSE 100 ETF (F100)

F100 aims to track the price and income performance of the FTSE 100 Index (before fees and expenses). The Index provides exposure to the 100 largest companies by market capitalisation traded on the London Stock Exchange.

Issuer	BetaShares Capital Ltd	Unit Price (18-Dec)	\$10.94
ASX Code	F100	Fund Listed	16-Jul-19
Management Costs	0.45% p.a.	Net Assets (16-Dec)	\$97.4m
Index	FTSE 100 Index	Distribution Freq.	Half-Yearly

Figure 5 - Top 10 holdings

Ticker	Name	Weight (%)
HSBA LN	HSBC Holdings PLC	6.4
AZN LN	AstraZeneca PLC	5.4
BP/ LN	BP PLC	5.3
RDSA LN	Royal Dutch Shell PLC (Class A)	5.2
GSK LN	GlaxoSmithKline PLC	4.7
RDSB LN	Royal Dutch Shell PLC (Class B)	4.5
DGE LN	Diageo PLC	4.1
BATS LN	British American Tobacco PLC	3.8
ULVR LN	Unilever PLC	2.7
RIO LN	Rio Tinto PLC	2.5

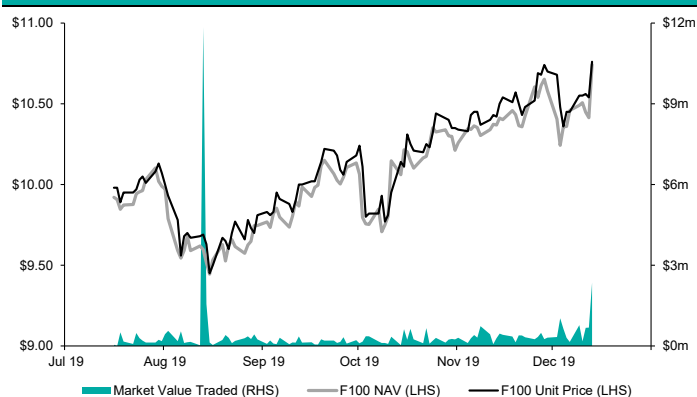
SOURCE: BETASHARES. DATA AS AT 30 NOVEMBER 2019

Figure 6 - Sector exposure

Sector	Weight (%)
Financials	20.0
Consumer Staples	16.3
Energy	15.2
Healthcare	11.4
Industrials	9.8
Materials	9.4
Consumer Discretionary	6.6
Communication Services	5.6
Utilities	3.4
Other	2.3

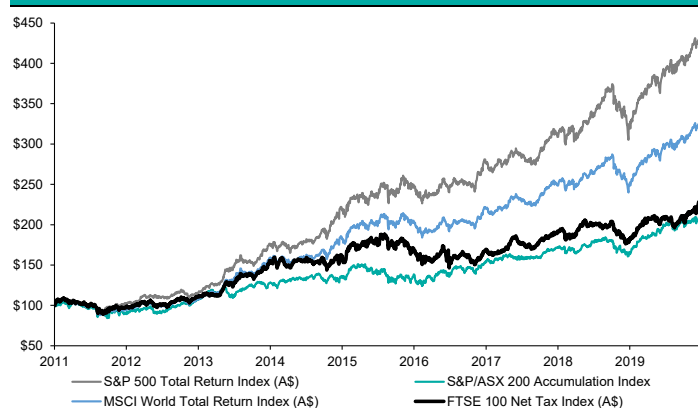
SOURCE: BETASHARES. DATA AS AT 30 NOVEMBER 2019

Figure 7 - F100 daily unit price and value traded



SOURCE: IRESS. DATA AS AT 13 DECEMBER 2019

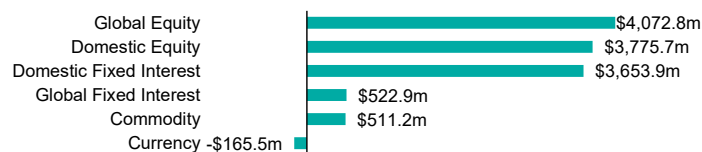
Figure 8 - Growth of \$100 compared across country indices



SOURCE: BLOOMBERG. DATA AS AT 16 DECEMBER 2019

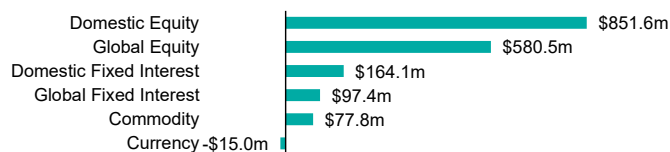
ASX ETF Flows.

Figure 9 - 1 year fund flows by category as at November 2019



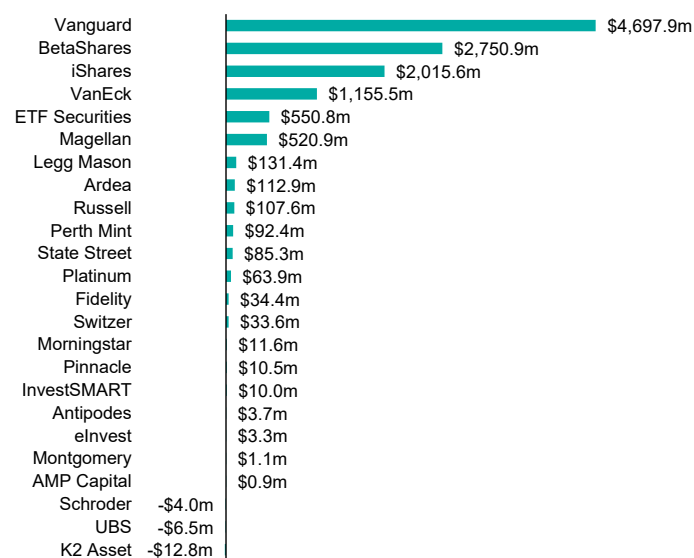
SOURCE: ASX, BELL POTTER RESEARCH

Figure 10 - November 2019 net fund flows by category



SOURCE: ASX, BELL POTTER RESEARCH

Figure 11 - 1 year fund flows by provider as at November 2019



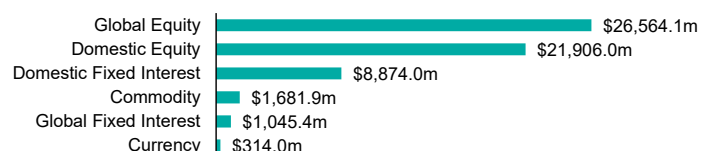
SOURCE: ASX, BELL POTTER RESEARCH

Figure 12 - November 2019 net fund flows by provider



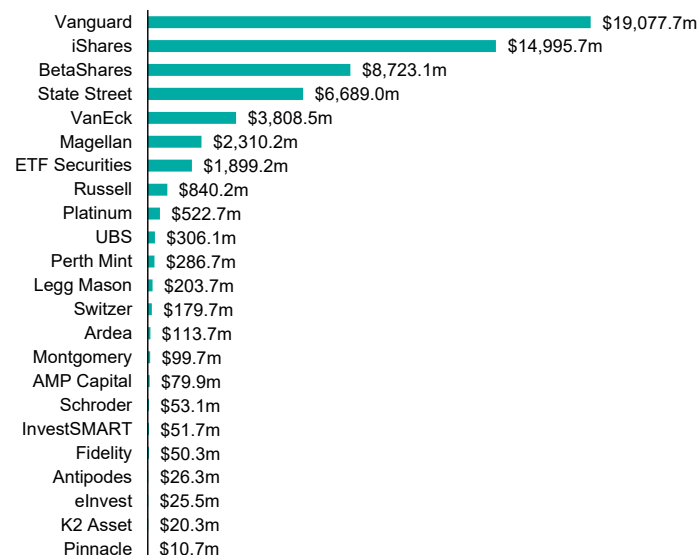
SOURCE: ASX, BELL POTTER RESEARCH

Figure 13 - FUM by category as at November 2019



SOURCE: ASX, BELL POTTER RESEARCH

Figure 14 - FUM by provider as at November 2019



SOURCE: ASX, BELL POTTER RESEARCH

Domestic Equity ETFs.

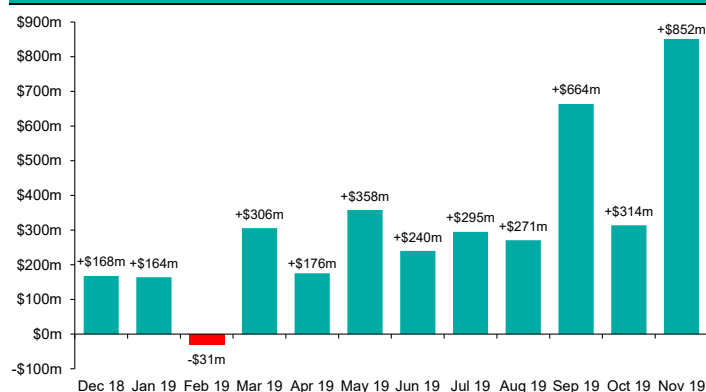
Vanguard Australian Shares Index ETF (VAS) & iShares Core S&P/ASX 200 ETF (IOZ) continue to be the recipient of positive net fund flows in domestic equities with \$137.7m and \$122.0m respectively over November. The two ETFs have combined for nearly \$1.5bn of net fund inflows over the past 12 months.

As at the end of November, the S&P/ASX 200 Accumulation Index had returned 26.1% year-to-date. It is important to highlight that it is not possible to invest directly into an index and ETFs will incur management expenses, differences in portfolio rebalancing and trading bid/ask spreads which will cause differences between the index and ETF performance over time. A reported 'underperformance' compared to the index would therefore be expected. Analysing the tracking error, the divergence between the ETF return and the index return, assists in determining whether an ETF is achieving the investment objective. Lower management fees and the timing of portfolio rebalancing compared to the index are two key factors that will determine how closely the ETF tracks the index. Investors should also be aware of the bid/ask spread when trading an ETF as this can widen and contract.

Market volatility is typically at the highest in the periods around the open and close of the market trading hours. To limit the risk of a wider spread, investors should wait until the markets are fully opened and the market participants have had time to fully price the underlying baskets of securities. The same goes with market close where professional traders also dominate the trading activity and volatility subsequently rises.

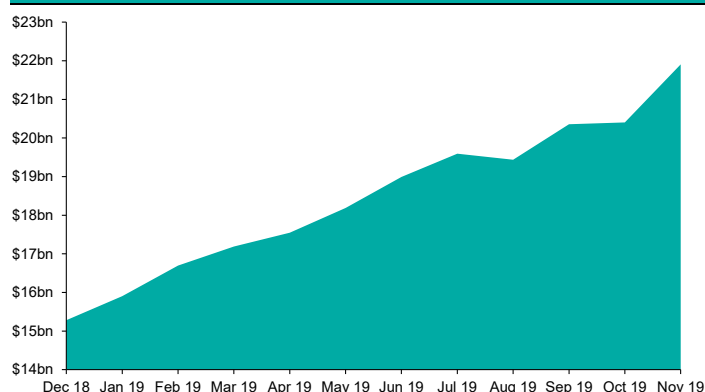
SelfWealth SMSF Leaders ETF (SELF) listed during the month which aims to provide investors with a return that tracks the performance, before fees and expenses, of the SelfWealth SMSF Leaders Index. The index aims to represent the performance of a portfolio of ASX-listed ordinary shares assembled by applying a rules-based selection criteria to SelfWealth's database of SMSF portfolios.

Figure 15 - Domestic equity net fund flows



SOURCE: ASX, BELL POTTER RESEARCH

Figure 16 - Domestic equity FUM



SOURCE: ASX, BELL POTTER RESEARCH

Figure 17 - Domestic equity November net fund inflows

Code	ETF Description	Flows
VAS	Vanguard Australian Shares Index ETF	\$137.7m
IOZ	iShares Core S&P/ASX 200 ETF	\$122.0m
SELF	SelfWealth SMSF Leaders ETF	\$104.9m
VAP	Vanguard Australian Property Securities Index ETF	\$67.3m
VSO	Vanguard MSCI Australian Small Companies ETF	\$59.1m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 18 - Domestic equity November net fund outflows

Code	ETF Description	Flows
INIF	Investsmart Australian Equity Income Fund	-\$1.6m
KSM	K2 Australian Small Cap Fund (Hedge Fund)	-\$1.2m
YMAX	BetaShares Aus Top20 Equity Yield Max Fund	-\$0.9m
DMKT	AMP Capital Dynamic Markets	-\$0.5m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 19 - Domestic equity 1 year net fund inflows

Code	ETF Description	Flows
VAS	Vanguard Australian Shares Index ETF	\$870.5m
IOZ	iShares Core S&P/ASX 200 ETF	\$626.6m
VAP	Vanguard Australian Property Securities Index ETF	\$392.7m
A200	BetaShares Australia 200 ETF	\$391.2m
MVW	VanEck Vectors Australian Equal Weight ETF	\$337.6m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 20 - Domestic equity 1 year net fund outflows

Code	ETF Description	Flows
STW	SPDR S&P/ASX 200 Fund	-\$178.9m
GEAR	BetaShares Geared Australian Equity Fund	-\$35.8m
UBA	UBS IQ MSCI Australia Ethical ETF	-\$21.7m
YMAX	BetaShares Aus Top20 Equity Yield Max Fund	-\$18.9m
DMKT	AMP Capital Dynamic Markets	-\$9.2m

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	115.20	BetaShares	Solactive Australia 200	~199	Passive	0.07	0.05	712.8
ASX 200	IOZ	28.07	iShares	S&P/ASX 200	~201	Passive	0.09	0.05	1,901.0
ASX 200	STW	63.83	State Street	S&P/ASX 200	~204	Passive	0.19	0.03	3,819.2
ASX 300	VAS	87.22	Vanguard	S&P/ASX 300	~303	Passive	0.10	0.04	4,587.2
Large Cap									
ASX 20	ILC	26.59	iShares	S&P/ASX 20	~20	Passive	0.24	0.11	324.3
ASX 30	VLC	70.34	Vanguard	MSCI Large Cap	~30	Passive	0.20	0.10	109.6
ASX 50	SFY	63.54	State Street	S&P/ASX 50	~52	Passive	0.29	0.09	620.8
Small/Mid Cap									
ASX MidCap 50	MVE	30.01	VanEck	S&P/ASX MidCap 50	~50	Passive	0.45	0.60	127.1
ASX 200 Ex-20	EX20	19.60	BetaShares	NASDAQ Australia Completion Cap	~175	Smart Beta	0.25	0.23	157.1
ASX Small Ords	ISO	5.05	iShares	S&P/ASX Small Ordinaries	~199	Passive	0.55	0.36	106.8
ASX Small Ords	SSO	15.64	State Street	S&P/ASX Small Ordinaries	~183	Passive	0.50	0.30	23.7
ASX Small Companies	VSO	60.16	Vanguard	MSCI Small Cap	~169	Passive	0.30	0.21	362.9
ASX Small Div Payers	MVS	20.98	VanEck	MVIS Australia Small-Cap Dividend Payers	~84	Smart Beta	0.49	0.55	68.1
Sector									
Australian Banks	MBV	26.30	VanEck	MVIS Australian Banks	~7	Passive	0.28	0.27	44.2
ASX 200 Financials ex A-REIT	QFN	11.43	BetaShares	Solactive Australia Financials Ex-REITS Sector	~27	Passive	0.34	0.28	33.0
ASX 200 Financials ex A-REIT	OZF	20.23	State Street	S&P/ASX 200 X-A-REITs	~29	Passive	0.40	0.15	94.7
ASX 200 Property	MVA	25.18	VanEck	MVIS Australian A-REIT	~12	Smart Beta	0.35	0.52	255.2
ASX 200 Property	SLF	14.02	State Street	S&P/ASX 200 A-REITs	~21	Passive	0.40	0.40	656.1
ASX 300 Property	VAP	90.45	Vanguard	S&P/ASX 300 A-REITs	~31	Passive	0.23	0.22	1,633.5
ASX 200 Resources	OZR	12.42	State Street	S&P/ASX 200 Resources	~39	Passive	0.40	0.30	99.9
ASX 200 Resources	QRE	6.73	BetaShares	Solactive Australia Resources Sector	~33	Passive	0.34	0.34	70.9
Australian Resources	MVR	30.92	VanEck	MVIS Australian Energy & Mining	~25	Passive	0.35	0.52	66.5
Strategy									
High Dividend	ZYAU	11.56	ETF Securities	S&P/ASX Shareholder Yield	~40	Smart Beta	0.35	0.57	158.8
High Dividend	DIV	23.67	UBS	Morningstar Australia Dividend Yield Focus	~25	Smart Beta	0.30	0.50	20.3
High Dividend	IHD	14.53	iShares	S&P/ASX Dividend Opportunities	~50	Smart Beta	0.30	0.19	305.1
High Dividend	RDV	30.61	Russell	Russell High Dividend	~50	Smart Beta	0.34	0.17	295.9
High Dividend	SYI	30.26	State Street	MSCI Australian Select High Dividend Yield	~42	Smart Beta	0.35	0.14	176.2
High Dividend	VHY	61.83	Vanguard	FTSE ASFA Australian High Dividend Yield	~61	Smart Beta	0.25	0.10	1,382.8
Quality	ETF	23.11	UBS	Morningstar Australia Moat Focus	~29	Smart Beta	0.30	0.40	8.4
Style									
Equal Weight	MWV	32.21	VanEck	MVIS Australia Equal Weight	~85	Smart Beta	0.35	0.13	1,118.5
Multifactor	AUMF	30.57	iShares	MSCI Australia IMI Diversified Multiple-Factor	~91	Smart Beta	0.30	0.28	16.1
Minimum Volatility	MVOL	30.23	iShares	MSCI Australia IMI Select Minimum Volatility	~124	Smart Beta	0.30	0.33	50.9
RAFI ASX 200	QOZ	14.22	BetaShares	FTSE RAFI Australia 200	~191	Smart Beta	0.40	0.25	293.1
Environmental, Social & Governance (ESG)									
Australia ex Tobacco & Weapons	UBA	23.29	UBS	MSCI Aus ex-Tobacco, Controversial Weapons	~69	Passive	0.17	0.43	190.6
High Dividend	RARI	26.30	Russell	Russell Australia ESG High Dividend	~67	Smart Beta	0.45	0.19	173.5
Sustainable	GRNV	26.93	VanEck	MSCI Australia IMI Select SRI Screened Index	~68	Smart Beta	0.35	0.33	58.3
Sustainability Leaders	FAIR	18.80	BetaShares	Nasdaq Future Australian Sustainability Leaders	~81	Smart Beta	0.49	0.23	430.7
Exchange Traded Managed Fund (Equity)									
Dividend Growth	SWTZ	2.63	Switzer	S&P/ASX 200 Accumulation	n/a	Active	0.89	0.92	79.2
Dividend Harvester	HVST	15.06	BetaShares	S&P/ASX 200 Accumulation	~5	Active	0.90	0.45	164.8
Ethical	INES	2.62	InvestSMART	S&P/ASX 200 Accumulation	n/a	Active	0.97	1.02	18.7
Equities Bear	BEAR	11.60	BetaShares	S&P/ASX 200 Accumulation	~1	Active	1.38	0.13	55.0
Equity Income	EINC	8.77	Legg Mason	S&P/ASX 200	n/a	Active	0.85	0.34	26.7
Equity Income	INIF	2.48	InvestSMART	S&P/ASX 200 Accumulation	n/a	Active	0.97	0.90	32.7
Geared Equity	GEAR	28.15	BetaShares	S&P/ASX 200	~200	Active	0.80	0.20	92.7
Income Generator	EIGA	3.93	eInvest	S&P/ASX 300 Franking Credit Adjusted Daily TR	n/a	Active	0.80	0.75	20.5
Managed Risk	AUST	17.42	BetaShares	S&P/ASX 200	~200	Smart Beta	0.49	0.19	49.2
Real Income	RINC	9.89	Legg Mason	S&P/ASX 200	n/a	Active	0.85	0.36	55.8
SelfWealth SMSF Leaders	SELF	51.77	ETF Securities	Solactive SelfWealth SMSF Leaders Index	~51	Smart Beta	0.88	0.49	107.7
Small Cap	KSM	2.23	K2 Asset	S&P/ASX Small Ordinaries Accumulation	n/a	Active	2.05	n/a	16.0
Small Cap	IMPQ	4.41	eInvest	S&P/ASX Small Ordinaries Accumulation	n/a	Active	0.99	1.20	0.4
Small Companies Select	SMLL	3.51	BetaShares	S&P/ASX Small Ordinaries Accumulation	~91	Smart Beta	0.39	0.62	35.3
Strong Bear	BBOZ	9.15	BetaShares	S&P/ASX 200	n/a	Active	1.38	0.16	137.3
Top 20 Equity Yield Max	YMAX	8.61	BetaShares	S&P/ASX 20	~20	Smart Beta	0.79	0.53	312.9
Exchange Traded Managed Fund (Mixed Asset)									
Dynamic Markets	DMKT	2.56	AMP Capital	RBA CPI - trimmed mean + 4.5% pa.	n/a	Active	0.61	0.84	21.1
Real Return	GROW	3.77	Schroder	RBA CPI - trimmed mean + 5% pa.	n/a	Active	0.90	0.64	53.2

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 18 DEC 2019. *A PERFORMANCE FEE IS ALSO PAYABLE, MORE INFORMATION ON FEES IS AVAILABLE ON PAGE 20.

Domestic Equity ETFs.

Description	ETF Code	Price (\$)	Manager	Distribution Yield ¹	Distribution Frequency	Return (as at 30 November 2019)							Listed
						1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	
Broad Market													
ASX 200	A200	115.20	BetaShares	3.5%	Quarterly	3.2%	4.8%	9.3%	25.9%	25.9%	n/a	n/a	May-18
ASX 200	IOZ	28.07	iShares	4.5%	Quarterly	3.3%	4.8%	9.2%	26.0%	25.8%	12.5%	9.6%	Dec-10
ASX 200	STW	63.83	State Street	4.4%	Quarterly	3.3%	4.8%	9.2%	25.9%	25.7%	12.4%	9.6%	Aug-01
ASX 300	VAS	87.22	Vanguard	4.0%	Quarterly	3.2%	4.7%	9.2%	26.2%	25.9%	12.5%	9.8%	May-09
Large Cap													
ASX 20	ILC	26.59	iShares	5.2%	Quarterly	2.6%	4.0%	6.9%	23.1%	24.0%	11.0%	7.3%	Dec-10
ASX 30	VLC	70.34	Vanguard	4.6%	Quarterly	2.8%	4.2%	8.4%	24.7%	25.7%	11.4%	7.8%	May-11
ASX 50	SFY	63.54	State Street	4.6%	Quarterly	3.2%	4.8%	9.5%	27.0%	27.7%	12.4%	9.1%	Aug-01
Small/Mid Cap													
ASX MidCap 50	MVE	30.01	VanEck	3.2%	Half Yearly	4.1%	4.6%	9.6%	23.0%	20.9%	12.7%	10.7%	Oct-13
ASX 200 Ex-20	EX20	19.60	BetaShares	4.4%	Half Yearly	4.6%	7.3%	12.2%	30.0%	28.4%	15.0%	n/a	Oct-16
ASX Small Ords	ISO	5.05	iShares	7.2%	Half Yearly	1.5%	3.4%	4.8%	20.8%	15.8%	10.6%	10.2%	Dec-10
ASX Small Ords	SSO	15.64	State Street	2.3%	Half Yearly	1.5%	3.6%	4.9%	21.0%	16.0%	10.7%	10.4%	Apr-11
ASX Small Companies	VSO	60.16	Vanguard	3.0%	Half Yearly	1.8%	1.8%	6.5%	22.4%	18.3%	11.5%	10.7%	May-11
ASX Small Div Payers	MVS	20.98	VanEck	3.7%	Half Yearly	1.8%	2.8%	5.5%	20.6%	17.5%	10.4%	n/a	May-15
Sector													
Australian Banks	MBV	26.30	VanEck	7.9%	Irregular	-3.1%	-1.1%	0.3%	13.9%	10.0%	5.4%	5.6%	Oct-13
ASX 200 Financials ex A-REIT	QFN	11.43	BetaShares	3.4%	Half Yearly	-2.1%	-0.9%	1.5%	15.0%	11.5%	4.5%	4.3%	Dec-10
ASX 200 Financials ex A-REIT	OZF	20.23	State Street	4.8%	Half Yearly	-2.0%	-1.0%	1.5%	15.0%	11.5%	4.5%	4.3%	Apr-11
ASX 200 Property	MVA	25.18	VanEck	4.0%	Half Yearly	1.2%	-0.4%	8.3%	26.6%	30.6%	15.7%	14.5%	Oct-13
ASX 200 Property	SLF	14.02	State Street	6.3%	Quarterly	2.3%	0.7%	8.8%	24.3%	26.4%	12.8%	12.5%	Feb-02
ASX 300 Property	VAP	90.45	Vanguard	5.5%	Quarterly	2.2%	0.8%	9.1%	24.6%	26.9%	13.5%	13.1%	Oct-10
ASX 200 Resources	OZR	12.42	State Street	4.6%	Half Yearly	4.9%	6.2%	5.6%	23.9%	30.1%	18.2%	10.4%	Apr-11
ASX 200 Resources	QRE	6.73	BetaShares	6.5%	Half Yearly	4.7%	5.7%	4.8%	22.9%	29.1%	18.0%	10.3%	Dec-10
Australian Resources	MVR	30.92	VanEck	2.7%	Half Yearly	4.6%	6.2%	9.0%	27.7%	31.5%	20.0%	14.2%	Oct-13
Strategy													
High Dividend	ZYAU	11.56	ETF Securities	4.9%	Quarterly	2.0%	2.0%	4.6%	19.0%	19.0%	9.2%	n/a	Jun-15
High Dividend	DIV	23.67	UBS	4.7%	Quarterly	4.1%	6.2%	14.6%	36.7%	32.9%	12.4%	8.7%	Jan-14
High Dividend	IHD	14.53	iShares	6.3%	Quarterly	3.4%	5.6%	5.2%	26.2%	26.1%	8.1%	5.3%	Dec-10
High Dividend	RDV	30.61	Russell	6.4%	Quarterly	1.1%	2.6%	5.3%	23.4%	22.0%	8.7%	6.9%	May-10
High Dividend	SYI	30.26	State Street	6.1%	Quarterly	0.5%	2.9%	4.0%	22.0%	20.0%	8.2%	6.5%	Sep-10
High Dividend	VHY	61.83	Vanguard	5.2%	Quarterly	2.0%	3.5%	4.7%	22.6%	21.3%	9.4%	6.3%	May-11
Quality	ETF	23.11	UBS	3.9%	Half Yearly	3.3%	5.4%	11.0%	28.3%	24.9%	11.2%	7.7%	Oct-12
Style													
Equal Weight	MVW	32.21	VanEck	3.5%	Half Yearly	3.7%	5.8%	10.4%	27.5%	26.8%	13.8%	12.4%	Mar-14
Multifactor	AUMF	30.57	iShares	4.4%	Half Yearly	1.9%	2.2%	6.9%	21.8%	22.2%	12.0%	n/a	Oct-16
Minimum Volatility	MVOL	30.23	iShares	4.8%	Half Yearly	2.0%	2.5%	9.2%	25.2%	25.0%	12.9%	n/a	Oct-16
RAFI ASX 200	QOZ	14.22	BetaShares	6.3%	Half Yearly	2.1%	4.1%	6.8%	22.5%	21.9%	10.8%	9.4%	Jul-13
Environmental, Social & Governance (ESG)													
Australia ex Tobacco & Weapons	UBA	23.29	UBS	5.3%	Half Yearly	2.9%	4.8%	9.3%	25.9%	26.5%	12.7%	n/a	Feb-15
High Dividend	RARI	26.30	Russell	8.4%	Half Yearly	2.0%	3.0%	7.2%	24.9%	23.8%	10.8%	n/a	Apr-15
Sustainable	GRNV	26.93	VanEck	4.8%	Quarterly	3.7%	4.1%	8.5%	28.3%	28.7%	10.2%	n/a	May-16
Sustainability Leaders	FAIR	18.80	BetaShares	3.2%	Half Yearly	4.7%	4.6%	10.2%	28.7%	28.5%	n/a	n/a	Nov-17
Exchange Traded Managed Fund (Equity)													
Dividend Growth	SWTZ	2.63	Switzer	7.1%	Quarterly	2.5%	6.5%	7.7%	24.2%	20.4%	n/a	n/a	Feb-17
Dividend Harvester	HVST	15.06	BetaShares	10.8%	Monthly	0.8%	-0.5%	2.2%	16.0%	16.3%	0.7%	0.9%	Nov-14
Ethical	INES	2.62	InvestSMART	n/a	n/a	2.6%	6.8%	5.7%	n/a	n/a	n/a	n/a	Jun-19
Equities Bear	BEAR	11.60	BetaShares	n/a	Irregular	-3.3%	-4.5%	-8.3%	-21.0%	-20.4%	-10.1%	-8.4%	Jul-12
Equity Income	EINC	8.77	Legg Mason	4.2%	Quarterly	2.1%	4.2%	8.6%	25.2%	22.1%	n/a	n/a	Feb-18
Equity Income	INIF	2.48	InvestSMART	3.5%	Irregular	0.8%	2.7%	4.0%	12.4%	11.1%	n/a	n/a	Jun-18
Geared Equity	GEAR	28.15	BetaShares	6.2%	Half Yearly	7.0%	9.8%	19.3%	60.0%	56.5%	21.5%	14.7%	Apr-14
Income Generator	EIGA	3.93	eInvest	12.2%	Monthly	2.1%	4.1%	5.5%	19.1%	16.9%	n/a	n/a	May-18
Managed Risk	AUST	17.42	BetaShares	3.0%	Half Yearly	2.8%	3.0%	5.8%	17.5%	17.6%	8.7%	n/a	Oct-15
Real Income	RINC	9.89	Legg Mason	4.2%	Quarterly	1.2%	1.4%	10.8%	24.4%	27.1%	n/a	n/a	Feb-18
SelfWealth SMSF Leaders	SELF	51.77	ETF Securities	n/a	n/a	2.4%	n/a	n/a	n/a	n/a	n/a	n/a	Nov-19
Small Cap	KSM	2.23	K2 Asset	4.5%	Annually	2.7%	6.1%	7.6%	9.1%	5.8%	3.2%	n/a	Dec-15
Small Cap	IMPQ	4.41	eInvest	n/a	n/a	1.9%	5.9%	11.5%	n/a	n/a	n/a	n/a	May-19
Small Companies Select	SMLL	3.51	BetaShares	2.3%	Half Yearly	0.6%	2.1%	4.8%	21.4%	16.7%	n/a	n/a	Apr-17
Strong Bear	BBOZ	9.15	BetaShares	n/a	Irregular	-7.4%	-10.8%	-20.0%	-44.5%	-43.7%	-23.9%	n/a	Apr-15
Top 20 Equity Yield Max	YMAX	8.61	BetaShares	8.9%	Quarterly	1.3%	1.9%	3.7%	15.3%	15.4%	7.0%	4.3%	Nov-12
Exchange Traded Managed Fund (Mixed Asset)													
Dynamic Markets	DMKT	2.56	AMP Capital	3.3%	Half Yearly	1.2%	1.2%	2.5%	5.9%	4.2%	1.1%	n/a	Aug-16
Real Return	GROW	3.77	Schroder	n/a	Half Yearly	0.9%	1.2%	3.3%	8.2%	8.1%	4.7%	n/a	Aug-16

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 18 DEC 2019. ¹DISTRIBUTION YIELD IS THE TRAILING 12 MONTH NET YIELD.

Global Equity ETFs.

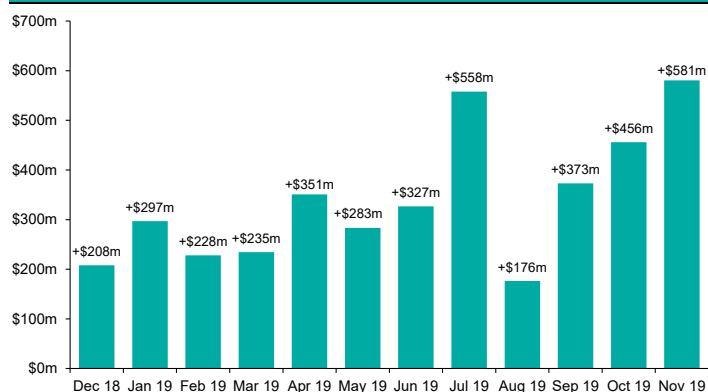
Vanguard MSCI Index International Shares ETF (VGS) again led the global equity focused ETFs in net fund inflows with \$68.9m in November, increasing the year-to-date amount to nearly \$500m. VGS seeks to track the return of the MSCI World ex-Australia (with net dividends reinvested), in AUD Index, before taking into account fees, expenses and tax.

Magellan Infrastructure Fund (MICH) and **Magellan Global Equities Fund (MGE)** led Active ETFs with \$271.5m and \$211.2m calculated net fund inflows respectively over the past 12 months. Each have outperformed the relevant benchmarks over the past year and since inception. The ETFs provide investors with access to the Manager's intensive bottom-up stock analysis and industry research that focuses on delivering attractive risk-adjusted returns, rather than benchmark-relative returns.

The top performing ETF for the month was **ETFS S&P Biotech ETF (CURE)** which returned 16.7%. The ETF provides exposure to the US biotechnology sub-industry within the health care sector. CURE is a rules-based, or smart-beta, ETF that aims to generate a return that tracks the performance of the S&P Biotechnology Select Industry Index by holding all of the shares that make up the index closely in proportion to their index weights.

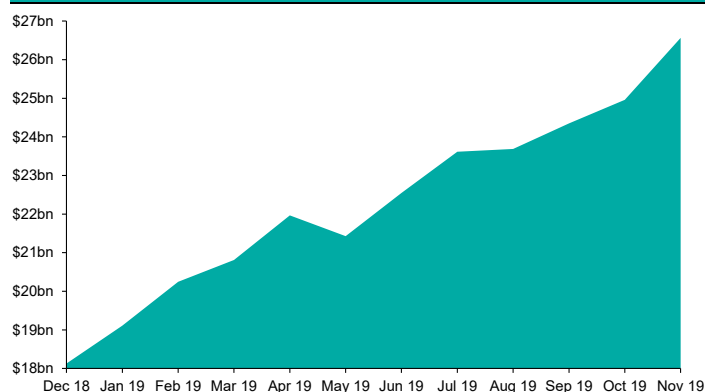
BetaShares U.S. Equities Strong Bear Hedge Fund - Currency Hedged (BBUS) was at the other end with a negative return of 8.6% and has returned -44.6% over 2019 as at the end of November. BBUS seeks to generate magnified returns that are negatively correlated to the returns of the U.S. sharemarket. A 1% fall in the U.S. 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). It is important to note that this strategy is not suitable for every investor nor are these leverage inverse products often suitable for a long term holding.

Figure 21 - Global equity net fund flows



SOURCE: ASX, BELL POTTER RESEARCH

Figure 22 - Global equity FUM



SOURCE: ASX, BELL POTTER RESEARCH

Figure 23 - Global equity November net fund inflows

Code	ETF Description	Flows
VGS	Vanguard MSCI Index International Shares ETF	\$68.9m
MICH	Magellan Infrastructure Fund	\$39.9m
QUAL	VanEck Vectors MSCI World Ex-Aus Quality ETF	\$38.3m
MGE	Magellan Global Equities Fund	\$29.8m
IEM	iShares MSCI Emerging Markets ETF	\$29.6m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 24 - Global equity November net fund outflows

Code	ETF Description	Flows
DJRE	SPDR Dow Jones Global Real Estate Fund	-\$11.2m
ESGI	VanEck Vectors MSCI Intl. Sustainable Equity ETF	-\$7.4m
HEUR	BetaShares Wisdomtree Europe ETF - Hedged	-\$4.1m
PAXX	Platinum Asia Fund	-\$3.1m
IXI	iShares Global Consumer Staples ETF	-\$2.9m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 25 - Global equity 1 year net fund inflows

Code	ETF Description	Flows
VGS	Vanguard MSCI Index International Shares ETF	\$541.9m
MICH	Magellan Infrastructure Fund	\$271.5m
QUAL	VanEck Vectors MSCI World Ex-Aus Quality ETF	\$212.9m
MGE	Magellan Global Equities Fund	\$211.2m
VGAD	Vanguard MSCI Index Intl. Shares (Hedged) ETF	\$187.7m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 26 - Global equity 1 year net fund outflows

Code	ETF Description	Flows
IEU	iShares Europe ETF	-\$150.6m
BNKS	BetaShares Global Banks ETF	-\$29.5m
HJPN	BetaShares Wisdomtree Japan ETF - Hedged	-\$25.8m
HEUR	BetaShares Wisdomtree Europe ETF - Hedged	-\$17.7m
ROBO	ETFS ROBO Global Robotics and Automation ETF	-\$15.8m

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	34.84	State Street	S&P Developed ex Australia LargeMidCap A\$	~1,577	Passive	0.30	0.13	208.2
World Ex-Australia	VGS	82.55	Vanguard	MSCI World ex-Australia	~1,591	Passive	0.18	0.05	2,150.2
All World Ex-US	VEU	78.85	Vanguard	FTSE All World Ex-US	~3,351	Passive	0.09	0.16	1,443.0
Global 100	IOO	78.68	iShares	S&P Global 100	~100	Passive	0.40	0.25	1,841.9
Small Companies	VISM	56.77	Vanguard	MSCI World ex-Australia Small Cap	~4,132	Passive	0.32	0.56	28.4
World All Cap	IWLD	38.98	iShares	MSCI World Investable Market (Net TR)	~4	Passive	0.09	0.37	126.5
Global (Currency Hedged)									
World Ex-Australia (A\$)	WXHG	24.04	State Street	S&P Developed ex Aus LargeMidCap (A\$ Hedged)	~1	Passive	0.35	0.22	98.4
World Ex-Australia (A\$)	VGAD	74.75	Vanguard	MSCI World ex-Australia (A\$ Hedged)	~1,591	Passive	0.21	0.15	749.8
Global 100 (A\$)	IHOO	124.21	iShares	S&P Global 100 (A\$ Hedged)	~109	Passive	0.43	0.39	52.1
S&P 500 (A\$)	IHVV	399.64	iShares	S&P 500 (A\$ Hedged)	~2	Passive	0.10	0.17	269.4
World All Cap (A\$)	IHWL	36.86	iShares	MSCI World IMI (Net TR) 100% (A\$ Hedged)	~6	Passive	0.12	0.26	115.0
Europe (A\$)	HEUR	13.73	BetaShares	WisdomTree Europe Equity (A\$ Hedged)	~150	Smart Beta	0.56	0.24	31.7
Japan (A\$)	HJPN	13.28	BetaShares	WisdomTree Japan Equity (A\$ Hedged)	~131	Smart Beta	0.56	0.34	38.6
United States									
US Broad Market Index	VTS	237.42	Vanguard	CRSP US Broad Market	~3,572	Passive	0.03	0.04	1,702.4
S&P 500	IIV	469.25	iShares	S&P 500	~1	Passive	0.04	0.12	3,466.8
S&P 500	SPY	468.68	State Street	S&P 500	~505	Passive	0.09	0.42	440,082.1
Nasdaq 100	NDQ	21.27	BetaShares	NASDAQ 100	~103	Passive	0.48	0.06	650.5
MidCap 400	IJH	299.58	iShares	S&P Midcap 400	n/a	Passive	0.07	0.51	156.2
SmallCap 600	IJR	122.59	iShares	S&P SmallCap 600	n/a	Passive	0.07	0.58	200.2
Country									
China Large Cap	IZZ	63.80	iShares	FTSE China 25	n/a	Passive	0.74	0.79	108.6
China A-Shares	CETF	61.13	VanEck	CSI 300	~1	Passive	0.60	0.43	30.0
China New Economy	CNEW	7.03	VanEck	Solactive Asia Ex-Jpn Tech & Internet Tigers	~120	Smart Beta	0.95	0.85	54.1
India	NDIA	51.00	ETF Securities	NSE Nifty 50 Index	~50	Passive	0.85	0.57	10.7
India Quality	IIND	8.59	BetaShares	Solactive India Quality Select Index Net Total Return	~30	Smart Beta	0.80	0.31	18.6
Japan	IJP	88.80	iShares	MSCI Japan	n/a	Passive	0.47	0.88	321.7
South Korea	IKO	91.55	iShares	MSCI South Korea Capped Fund	n/a	Passive	0.59	2.04	73.3
Taiwan	ITW	61.50	iShares	MSCI Taiwan	n/a	Passive	0.59	3.53	5.6
United Kingdom	F100	10.95	BetaShares	FTSE 100 Index	n/a	Passive	0.45	0.39	97.5
Region									
Asia 50	IAA	97.30	iShares	S&P Asia 50	~1	Passive	0.50	0.62	581.3
Asia Ex-Japan	VAE	70.57	Vanguard	FTSE Asia Ex-Jpn, Aus & NZ (Net Div Reinvested)	~1,228	Passive	0.40	0.49	188.6
Asia Tech (Ex-Japan)	ASIA	7.32	BetaShares	CSI MarketGrader China New Economy (\$A)	~50	Smart Beta	0.67	0.37	87.8
Europe, Australasia & Far East	IVE	102.14	iShares	MSCI EAFE	~1	Passive	0.31	0.79	392.7
Euro Stoxx 50	ESTX	71.15	ETF Securities	Euro Stoxx 50	~50	Passive	0.35	0.27	57.4
Europe 350	IEU	68.23	iShares	S&P Europe 350	n/a	Passive	0.60	0.30	649.3
Europe Developed	VEQ	60.90	Vanguard	FTSE Developed Europe	~1,329	Passive	0.35	0.37	263.9
Emerging Markets	IEM	66.14	iShares	MSCI Emerging Markets	n/a	Passive	0.67	0.33	714.5
Emerging Markets	WEMG	23.97	State Street	SPDR S&P EM Large Mid Cap	~557	Passive	0.65	0.25	23.1
Emerging Markets	VGE	72.47	Vanguard	FTSE Emerging (\$A)	~4,206	Passive	0.48	0.21	362.5
Sector									
Battery Tech & Lithium	ACDC	52.06	ETF Securities	Solactive Battery Value-Chain	~30	Smart Beta	0.82	0.49	14.6
Biotech	CURE	59.62	ETF Securities	S&P Biotechnology Select Industry	~115	Smart Beta	0.45	0.72	7.2
Consumer Staples	IXI	81.06	iShares	S&P Global Consumer Staples	n/a	Passive	0.47	0.89	192.3
Cybersecurity	HACK	7.38	BetaShares	NASDAQ CTA Cybersecurity	~43	Passive	0.67	0.34	175.8
Healthcare	IXJ	100.40	iShares	S&P Global Healthcare	n/a	Passive	0.47	1.00	688.6
Infrastructure	CORE	62.79	ETF Securities	Solactive Global Core Infrastructure Low Volatility	~75	Smart Beta	0.55	0.38	25.1
Infrastructure	VBLD	60.86	Vanguard	FTSE Developed Core Infrastructure	~148	Passive	0.47	0.38	74.0
Robotics and Automation	ROBO	63.85	ETF Securities	ROBO Global Robotics and Automation	~90	Smart Beta	0.82	0.29	131.3
Robotics and AI	RBTZ	10.50	BetaShares	Indx Global Robotics & AI Thematic	~35	Smart Beta	0.57	0.76	28.4
Select Real Estate	DJRE	23.97	State Street	SPDR Dow Jones Global Select Real Estate	~234	Passive	0.50	0.18	350.8
Property	REIT	20.38	VanEck	FTSE EPRA Nareit Developed ex-AU Rental Index (A\$)	~306	Smart Beta	0.43	0.24	12.2
Technology	TECH	82.21	ETF Securities	Morningstar Dev. Markets Tech Moat Focus	~37	Smart Beta	0.45	0.35	113.3
Gold Miners	GDX	39.68	VanEck	NYSE Arca Gold Miners	~1	Passive	0.53	0.38	187.4
Sector (Currency Hedged)									
Agriculture Ex-Aus (A\$)	FOOD	5.92	BetaShares	NASDAQ Global ex-AU Agriculture (A\$ Hedged)	~58	Passive	0.57	0.63	21.4
Banks Ex-Aus (A\$)	BNKS	7.02	BetaShares	NASDAQ Global ex-AU Banks (A\$ Hedged)	~59	Passive	0.57	0.48	39.4
Energy Ex-Aus (A\$)	FUEL	5.66	BetaShares	NASDAQ Global ex-AU Energy (A\$ Hedged)	~48	Passive	0.57	0.49	75.9
Gold Miners Ex-Aus (A\$)	MNRS	5.07	BetaShares	NASDAQ Global ex-AU Gold Miners (A\$ Hedged)	~49	Passive	0.57	0.83	14.2
Healthcare Ex-Aus (A\$)	DRUG	6.58	BetaShares	NASDAQ Global ex-AU Healthcare (A\$ Hedged)	~60	Passive	0.57	0.53	33.0
Infrastructure (50% A\$)	IFRA	22.04	VanEck	FTSE Developed Core Infrastructure (50/50 A\$ Hedged)	~142	Smart Beta	0.52	0.24	201.4

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 18 DEC 2019. *A PERFORMANCE FEE IS ALSO PAYABLE, MORE INFORMATION ON FEES IS AVAILABLE ON PAGE 20.

Global Equity ETFs.

Description	ETF Code	Price (\$)	Manager	Benchmark	Holdings	Strategy	MER (%)	Spread (%)	Market Cap (\$m)
Fundamentals									
Emerging Markets Multifactor	EMKT	20.75	VanEck	MSCI EM Diversified Multiple-Factor (\$A)	~240	Smart Beta	0.69	0.39	33.2
Morningstar Wide Moat	MOAT	80.85	VanEck	Morningstar Wide Moat Focus	~1	Smart Beta	0.49	0.24	165.9
RAFI US 1000	QUS	39.60	BetaShares	FTSE RAFI US 1000	~657	Smart Beta	0.40	0.16	52.6
World Minimum Volatility	WVOL	34.77	iShares	MSCI World Minimum Volatility (\$A)	~462	Smart Beta	0.30	0.43	135.0
World Multifactor	WDMF	35.49	iShares	MSCI World Diversified Multiple-Factor (A\$)	~335	Smart Beta	0.35	0.61	260.0
World Quality	QMX	22.90	State Street	MSCI World Quality Mix	~733	Smart Beta	0.40	0.24	22.0
World Quality	QLTY	19.05	BetaShares	iSTOXX MUTB Global ex-Aus Quality Leaders	~149	Smart Beta	0.35	0.27	31.4
World Quality (ex-Australia)	QUAL	30.66	VanEck	MSCI World ex-AU Quality	~300	Smart Beta	0.40	0.21	839.4
World Quality (ex-Aus) Hedged	QHALL	29.45	VanEck	MSCI World ex-AU Quality (A\$)	~1	Smart Beta	0.43	0.25	25.3
Yield									
Dividend Fund	WDIV	21.05	State Street	SPDR S&P Global Dividend Aristocrats Fund	~120	Smart Beta	0.50	0.20	296.8
Income Leaders	INCM	17.34	BetaShares	NASDAQ Global Income Leaders NTR	~99	Smart Beta	0.45	0.33	18.2
S&P 500 High Yield Low Volatility	ZYUS	13.85	ETF Securities	S&P 500 Low Volatility High Dividend	~50	Smart Beta	0.35	0.19	87.0
Environmental, Social and Governance (ESG)									
Asia APREX 50 Ethical	UBP	29.21	UBS	MSCI Asia APEX 50 ex-Tobacco, Controversial Weapons	~54	Passive	0.45	0.27	13.8
World ex Australia Ethical	UBW	30.50	UBS	MSCI World ex-AU, Tobacco, Controversial Weapons	~1,555	Passive	0.35	0.28	44.5
Europe Ethical	UBE	24.27	UBS	MSCI EUR ex-AU, Tobacco, Controversial Weapons	~443	Passive	0.40	0.35	16.7
UBS IQ MSCI Japan Ethical	UBJ	26.97	UBS	MSCI JPN, ex-Tobacco, Controversial Weapons	~307	Passive	0.40	0.25	6.5
USA Ethical	UBU	33.60	UBS	MSCI USA ex-Tobacco, Controversial Weapons	~632	Passive	0.20	0.20	8.5
Ethically Conscious	VESG	57.61	Vanguard	FTSE Dev. Ex-AU/N-R Energy/Weap. Prod./Weapons (A\$)	~1,625	Smart Beta	0.18	0.23	57.3
Sustainability Leaders	ETHI	9.77	BetaShares	NASDAQ Future Global Sustainability Leaders	~100	Smart Beta	0.59	0.17	474.8
International Sustainable Equity	ESGI	24.96	VanEck	MSCI World ex-AU (with ESG filters)	~186	Smart Beta	0.55	0.58	27.5
Exchange Traded Managed Fund (Equity)									
Asia	PAXX	4.59	Platinum	Platinum Asia Fund	n/a	Active	1.10*	0.46	168.4
Emerging Markets	EMMG	6.11	Legg Mason	MSCI Emerging Markets	n/a	Active	1.00	0.64	9.8
Emerging Markets	FEMX	5.66	Fidelity	MSCI Emerging Markets NR	~37	Active	0.99	0.48	60.5
Equities	AGX1	5.56	Antipodes	MSCI All Country World Net	n/a	Active	1.10*	0.84	25.4
Equities	KII	#N/A N/A	K2 Asset	MSCI AC World Net Total Return (A\$)	n/a	Active	2.05	n/a	n/a
Equities	MGE	4.00	Magellan	MSCI World Net Total Return (A\$)	~28	Active	1.35*	0.29	1,607.6
Equities (A\$ Hedged)	MHG	3.53	Magellan	MSCI World Net Total Return (A\$)	~28	Active	1.35	0.42	124.7
Equities (A\$ Hedged)	MGL	3.79	Montgomery	MSCI World Net Total Return (A\$)	n/a	Active	1.32*	0.50	101.2
Equities	MSTR	8.93	Morningstar	MSCI ACWI (ex-Aus) Net Div Reinvested (A\$)	n/a	Active	0.39	0.28	n/a
International Fund	PIXX	4.85	Platinum	Platinum International Fund	n/a	Active	1.10*	0.45	341.7
Managed Risk	WRLD	13.98	BetaShares	MSCI World (A\$)	~2	Smart Beta	0.54	0.33	68.8
Exchange Traded Managed Fund (Strategy)									
US Equities Bear (A\$ Hedged)	BBUS	3.09	BetaShares	S&P 500 (A\$)	n/a	Active	1.38	0.37	95.0
Geared US Equity (A\$ Hedged)	GGUS	20.89	BetaShares	S&P 500 (A\$)	~1	Smart Beta	0.80	0.19	25.1
S&P 500 Yield Maximiser	UMAX	21.33	BetaShares	S&P 500	~1	Smart Beta	0.79	0.38	103.1
Global Minimum Volatility	VMIN	60.50	Vanguard	FTSE Global All Cap (A\$)	~221	Active	0.28	0.37	16.0
Global Multi-Factor	VGMF	55.00	Vanguard	FTSE Developed All-Cap in A\$	~982	Active	0.34	0.36	17.2
Global Value Equity	VVLU	52.50	Vanguard	FTSE Developed All-Cap in A\$	~1,272	Active	0.28	0.43	20.8
Global Quality Growth	WCMQ	6.15	WCM	MSCI ACWI (ex-Aus) Gross Div Reinvested (A\$)	n/a	Active	1.35	0.45	72.4
Exchange Traded Managed Fund (Infrastructure)									
Global Infrastructure	GLIN	3.51	AMP Capital	Dow Jones Brookfield Global Infrastructure Net Acc A\$	n/a	Active	0.94	0.51	35.2
Global Property	RENT	3.01	AMP Capital	FTSE EPRA/NAREIT Developed NTR A\$	n/a	Active	0.99	0.84	24.8
Infrastructure (A\$ Hedged)	MICH	3.29	Magellan	S&P Global Infrastructure NTR (A\$)	n/a	Active	1.05	0.39	554.9
Mixed Asset (Global)									
Global Dynamic Income (MF)	SAVE	10.56	Omega	RBA Cash Rate +4%	n/a	Active	0.50	0.24	5.8
Diversified Balanced	VDBA	57.24	Vanguard	Balanced Composite	~7	Smart Beta	0.27	0.23	212.9
Diversified Conservative	VDCO	55.85	Vanguard	Conservative Composite	~8	Smart Beta	0.27	0.22	94.7
Diversified Growth	VDGR	57.57	Vanguard	Growth Composite	~7	Smart Beta	0.27	0.22	205.2
Diversified High Growth	VDHG	58.17	Vanguard	High Growth Composite	~7	Smart Beta	0.27	0.31	271.1

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 18 DEC 2019. *A PERFORMANCE FEE IS ALSO PAYABLE, MORE INFORMATION ON FEES IS AVAILABLE ON PAGE 20.

Global Equity ETFs.

Description	ETF Code	Price (\$)	Manager	Distribution Yield ¹	Distribution Frequency	Return (as at 30 November 2019)							Listed
						1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	
Global													
World Ex-Australia	WXOZ	34.84	State Street	2.8%	Annually	4.6%	7.3%	15.6%	28.3%	23.1%	15.6%	12.7%	Mar-13
World Ex-Australia	VGS	82.55	Vanguard	2.4%	Quarterly	4.7%	7.3%	15.9%	29.2%	23.7%	15.9%	13.1%	Nov-14
All World Ex-US	VEU	78.85	Vanguard	2.8%	Quarterly	2.9%	7.0%	11.7%	21.6%	19.7%	13.0%	8.9%	May-09
Global 100	IOO	78.68	iShares	1.7%	Half Yearly	4.7%	8.7%	16.8%	29.9%	24.6%	n/a	n/a	Oct-07
Small Companies	VISM	56.77	Vanguard	3.9%	Irregular	5.2%	8.0%	14.1%	26.8%	19.3%	n/a	n/a	Nov-18
World All Cap	IWLD	38.98	iShares	2.3%	Half Yearly	4.5%	7.3%	15.4%	28.2%	22.3%	14.9%	n/a	Apr-16
Global (Currency Hedged)													
World Ex-Australia (A\$)	WXHG	24.04	State Street	4.3%	Annually	3.0%	7.5%	12.4%	23.1%	13.1%	12.0%	8.9%	Jul-13
World Ex-Australia (A\$)	VGAD	74.75	Vanguard	n/a	Half Yearly	3.2%	7.5%	12.8%	24.2%	13.9%	12.3%	9.4%	Nov-14
Global 100 (A\$)	IHO0	124.21	iShares	2.3%	Annually	2.9%	8.2%	13.5%	24.5%	14.8%	14.0%	11.1%	Dec-14
S&P 500 (A\$)	IHVV	399.64	iShares	n/a	Annually	3.6%	7.6%	14.2%	25.8%	14.2%	13.9%	11.7%	Dec-14
World All Cap (A\$)	IHWL	36.86	iShares	0.5%	Irregular	3.0%	7.5%	12.3%	23.3%	12.9%	11.6%	n/a	Apr-16
Europe (A\$)	HEUR	13.73	BetaShares	n/a	Half Yearly	2.9%	7.7%	11.7%	24.7%	17.2%	11.0%	n/a	May-16
Japan (A\$)	HJPN	13.28	BetaShares	0.4%	Half Yearly	2.7%	15.0%	16.8%	17.3%	3.2%	5.0%	n/a	May-16
United States													
US Broad Market Index	VTS	237.42	Vanguard	1.7%	Quarterly	5.8%	7.0%	16.7%	32.8%	25.8%	18.0%	15.6%	May-09
S&P 500	IIV	469.25	iShares	1.6%	Quarterly	5.6%	7.4%	17.8%	32.4%	25.0%	18.5%	15.9%	Oct-07
S&P 500	SPY	468.68	State Street	1.7%	Quarterly	5.5%	7.2%	18.0%	33.3%	26.5%	20.2%	18.3%	Oct-14
Nasdaq 100	NDQ	21.27	BetaShares	2.2%	Half Yearly	6.0%	8.9%	21.0%	38.7%	31.1%	24.6%	n/a	May-15
MidCap 400	IJH	299.58	iShares	1.2%	Quarterly	4.9%	6.9%	14.6%	27.4%	17.1%	12.6%	13.5%	Oct-07
SmallCap 600	IJR	122.59	iShares	1.1%	Quarterly	4.9%	8.2%	15.2%	23.9%	12.8%	12.0%	14.3%	Oct-07
Country													
China Large Cap	IZZ	63.80	iShares	1.6%	Half Yearly	1.3%	4.2%	4.7%	9.9%	7.0%	9.1%	7.3%	Oct-07
China A-Shares	CETF	61.13	VanEck	6.6%	Annually	0.7%	2.2%	7.8%	30.4%	29.9%	6.0%	n/a	Jun-15
China New Economy	CNEW	7.03	VanEck	1.0%	Irregular	1.3%	2.0%	8.4%	35.2%	34.4%	n/a	n/a	Nov-18
India	NDIA	51.00	ETF Securities	0.1%	Irregular	1.7%	7.1%	0.8%	n/a	n/a	n/a	n/a	Jun-19
India Quality	IIND	8.59	BetaShares	n/a	n/a	-1.6%	4.9%	n/a	n/a	n/a	n/a	n/a	Aug-19
Japan	IJP	88.80	iShares	1.2%	Irregular	3.2%	9.8%	16.3%	22.9%	17.6%	11.2%	11.4%	Oct-07
South Korea	IKO	91.55	iShares	0.9%	Annually	1.1%	9.3%	7.8%	3.4%	5.3%	8.3%	6.9%	Nov-07
Taiwan	ITW	61.50	iShares	0.3%	Irregular	3.5%	12.6%	22.1%	29.8%	31.3%	15.6%	12.2%	Nov-07
United Kingdom	F100	10.95	BetaShares	n/a	n/a	3.6%	8.6%	n/a	n/a	n/a	n/a	n/a	Jul-19
Region													
Asia 50	IAA	97.30	iShares	1.8%	Half Yearly	2.5%	8.1%	11.2%	16.5%	17.3%	14.3%	12.1%	Jul-08
Asia Ex-Japan	VAE	70.57	Vanguard	2.1%	Quarterly	2.1%	6.1%	8.8%	14.5%	15.8%	11.8%	n/a	Dec-15
Asia Tech (Ex-Japan)	ASIA	7.32	BetaShares	n/a	n/a	6.2%	12.6%	24.5%	31.8%	27.2%	n/a	n/a	Sep-18
Europe, Australasia & Far East	IVE	102.14	iShares	2.4%	Irregular	3.0%	7.4%	12.1%	22.8%	20.4%	13.1%	8.9%	Oct-07
Euro Stoxx 50	ESTX	71.15	ETF Securities	2.7%	Half Yearly	3.4%	7.9%	14.7%	27.1%	26.1%	14.3%	n/a	Jul-16
Europe 350	IEU	68.23	iShares	2.6%	Half Yearly	3.1%	7.2%	11.7%	23.3%	21.3%	13.7%	7.7%	Oct-07
Europe Developed	VEQ	60.90	Vanguard	2.6%	Quarterly	3.2%	7.3%	12.0%	23.4%	21.7%	13.1%	n/a	Dec-15
Emerging Markets	IEM	66.14	iShares	1.6%	Irregular	1.8%	5.4%	7.7%	14.0%	13.9%	11.9%	7.0%	Oct-07
Emerging Markets	WEMG	23.97	State Street	2.3%	Annually	1.8%	5.3%	8.0%	16.6%	17.9%	13.0%	8.0%	Nov-13
Emerging Markets	VGE	72.47	Vanguard	2.0%	Quarterly	2.3%	4.7%	7.6%	16.6%	16.7%	10.3%	6.7%	Nov-13
Sector													
Battery Tech & Lithium	ACDC	52.06	ETF Securities	2.4%	Irregular	4.5%	12.1%	14.2%	16.4%	10.6%	n/a	n/a	Aug-18
Biotech	CURE	59.62	ETF Securities	2.0%	Irregular	16.7%	15.7%	20.5%	34.3%	23.2%	n/a	n/a	Nov-18
Consumer Staples	IXI	81.06	iShares	2.0%	Half Yearly	2.6%	0.3%	11.3%	25.3%	20.2%	n/a	n/a	Sep-18
Cybersecurity	HACK	7.38	BetaShares	9.4%	Annually	8.4%	7.0%	15.1%	35.1%	29.1%	18.6%	n/a	Aug-16
Healthcare	IXJ	100.40	iShares	1.4%	Half Yearly	6.4%	9.4%	18.4%	23.9%	17.9%	n/a	n/a	Sep-18
Infrastructure	CORE	62.79	ETF Securities	4.0%	Quarterly	1.8%	2.2%	8.0%	19.4%	19.5%	n/a	n/a	Sep-17
Infrastructure	VBLD	60.86	Vanguard	1.0%	Half Yearly	1.1%	0.9%	8.1%	25.7%	23.3%	n/a	n/a	Oct-18
Robotics and Automation	ROBO	63.85	ETF Securities	0.3%	Annually	5.8%	12.7%	16.5%	31.0%	20.5%	n/a	n/a	Sep-17
Robotics and AI	RBTZ	10.50	BetaShares	0.5%	Irregular	4.5%	13.8%	16.8%	32.8%	19.7%	n/a	n/a	Sep-18
Select Real Estate	DJRE	23.97	State Street	3.3%	Half Yearly	0.8%	3.1%	10.2%	25.5%	22.3%	10.7%	9.4%	Nov-13
Property	REIT	20.38	VanEck	1.9%	Irregular	-1.0%	3.5%	8.0%	n/a	n/a	n/a	n/a	Mar-19
Technology	TECH	82.21	ETF Securities	7.7%	Half Yearly	6.5%	10.6%	22.4%	39.7%	33.4%	n/a	n/a	Apr-17
Gold Miners	GDX	39.68	VanEck	0.4%	Annually	-1.8%	-9.9%	28.6%	33.6%	53.7%	13.0%	n/a	Jun-15
Sector (Currency Hedged)													
Agriculture Ex-Aus (A\$)	FOOD	5.92	BetaShares	0.5%	Half Yearly	2.0%	5.0%	9.3%	13.5%	3.8%	5.7%	n/a	Aug-16
Banks Ex-Aus (A\$)	BNKS	7.02	BetaShares	1.2%	Half Yearly	2.4%	12.8%	10.4%	16.1%	5.0%	6.5%	n/a	Jul-16
Energy Ex-Aus (A\$)	FUEL	5.66	BetaShares	1.3%	Half Yearly	1.1%	4.0%	0.2%	5.5%	-4.3%	0.5%	n/a	Jun-16
Gold Miners Ex-Aus (A\$)	MNRS	5.07	BetaShares	n/a	Irregular	-2.0%	-5.2%	33.8%	38.9%	58.3%	10.0%	n/a	Jul-16
Healthcare Ex-Aus (A\$)	DRUG	6.58	BetaShares	0.3%	Half Yearly	4.1%	8.7%	14.7%	17.0%	7.1%	13.4%	n/a	Aug-16
Infrastructure (50% A\$)	IFRA	22.04	VanEck	3.3%	Quarterly	-0.9%	0.6%	5.5%	20.7%	15.7%	11.9%	n/a	May-16

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 18 DEC 2019. 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 30 November 2019)					Listed		
						1 Month	3 Month	6 Month	YTD	1 Year		3 Year	5 Year
Fundamentals													
Emerging Markets Multifactor	EMKT	20.75	VanEck	1.4%	Irregular	1.2%	5.1%	10.4%	14.7%	14.5%	n/a	n/a	Apr-18
Morningstar Wide Moat	MOAT	80.85	VanEck	1.3%	Annually	6.2%	12.1%	24.2%	37.6%	29.7%	20.9%	n/a	Jun-15
RAFI US 1000	QUS	39.60	BetaShares	4.0%	Half Yearly	5.3%	8.3%	17.2%	28.3%	19.8%	13.1%	12.6%	Dec-14
World Minimum Volatility	WVOL	34.77	iShares	2.3%	Half Yearly	2.5%	2.5%	12.2%	26.0%	23.9%	14.8%	n/a	Oct-16
World Multifactor	WDMF	35.49	iShares	1.5%	Half Yearly	5.3%	7.8%	15.3%	24.4%	19.3%	14.2%	n/a	Oct-16
World Quality	QMX	22.90	State Street	2.7%	Half Yearly	4.3%	6.8%	16.0%	29.7%	25.8%	16.5%	n/a	Sep-15
World Quality	QLTY	19.05	BetaShares	1.7%	Irregular	6.0%	8.9%	19.4%	35.3%	30.2%	n/a	n/a	Nov-18
World Quality (ex-Australia)	QUAL	30.66	VanEck	1.3%	Annually	5.8%	8.4%	19.3%	36.1%	30.9%	19.9%	15.7%	Oct-14
World Quality (ex-Aus) Hedged	QHAL	29.45	VanEck	1.4%	Irregular	4.1%	8.4%	15.8%	n/a	n/a	n/a	n/a	Mar-19
Yield													
Dividend Fund	WDIV	21.05	State Street	4.6%	Half Yearly	1.8%	7.6%	12.3%	20.0%	18.5%	11.8%	9.6%	Nov-13
Income Leaders	INCM	17.34	BetaShares	2.6%	Quarterly	3.8%	9.5%	13.3%	23.1%	18.8%	n/a	n/a	Oct-18
S&P 500 High Yield Low Volatility	ZYUS	13.85	ETF Securities	7.6%	Quarterly	3.8%	6.7%	12.6%	21.2%	16.2%	10.4%	n/a	Jun-15
Environmental, Social and Governance (ESG)													
Asia APREX 50 Ethical	UBP	29.21	UBS	1.5%	Annually	3.8%	8.5%	14.4%	19.9%	19.7%	14.6%	n/a	May-15
World ex Australia Ethical	UBW	30.50	UBS	2.3%	Annually	4.7%	7.3%	15.8%	29.0%	23.5%	15.7%	n/a	Feb-15
Europe Ethical	UBE	24.27	UBS	2.8%	Annually	3.2%	7.1%	12.2%	23.9%	22.6%	13.7%	n/a	Feb-15
UBS IQ MSCI Japan Ethical	UBJ	26.97	UBS	1.6%	Annually	2.4%	9.3%	15.4%	21.7%	17.8%	11.6%	n/a	Mar-15
USA Ethical	UBU	33.60	UBS	3.1%	Annually	5.6%	7.4%	17.7%	32.4%	25.0%	17.7%	n/a	Feb-15
Ethically Conscious	VESG	57.61	Vanguard	1.4%	Irregular	4.7%	7.7%	16.9%	30.0%	24.5%	n/a	n/a	Sep-18
Sustainability Leaders	ETHI	9.77	BetaShares	3.9%	Half Yearly	5.8%	8.3%	19.6%	35.6%	31.1%	n/a	n/a	Dec-16
International Sustainable Equity	ESGI	24.96	VanEck	1.5%	Irregular	3.9%	8.6%	17.4%	28.4%	23.8%	n/a	n/a	Mar-18
Exchange Traded Managed Fund (Equity)													
Asia	PAXX	4.59	Platinum	0.8%	Irregular	2.9%	5.3%	7.6%	15.5%	16.0%	n/a	n/a	Sep-17
Emerging Markets	EMMG	6.11	Legg Mason	0.8%	Irregular	2.0%	7.2%	13.9%	n/a	n/a	n/a	n/a	Jun-19
Emerging Markets	FEMX	5.66	Fidelity	1.0%	Irregular	1.8%	5.3%	14.7%	28.7%	30.3%	n/a	n/a	Oct-18
Equities	AGX1	5.56	Antipodes	n/a	Irregular	3.4%	5.9%	10.9%	16.9%	14.4%	n/a	n/a	Nov-18
Equities	KII	#N/A N/A	K2 Asset	2.7%	Annually	1.6%	5.0%	2.4%	1.2%	2.6%	2.9%	n/a	Jul-15
Equities	MGE	4.00	Magellan	2.8%	Annually	4.7%	2.8%	14.7%	29.2%	26.3%	18.8%	n/a	Mar-15
Equities (A\$ Hedged)	MHG	3.53	Magellan	6.3%	Annually	2.9%	2.8%	11.5%	24.1%	16.5%	15.4%	n/a	Aug-15
Equities	MGL	3.79	Montgomery	8.0%	Irregular	3.5%	5.7%	9.1%	24.5%	20.2%	n/a	n/a	Dec-17
Equities	MSTR	8.93	Morningstar	1.1%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Nov-19
International Fund	PIXX	4.85	Platinum	1.1%	Irregular	1.6%	4.8%	8.8%	15.5%	15.1%	n/a	n/a	Sep-17
Managed Risk	WRLD	13.98	BetaShares	n/a	Irregular	4.4%	6.3%	12.3%	20.8%	16.9%	12.4%	n/a	Dec-15
Exchange Traded Managed Fund (Strategy)													
US Equities Bear (A\$ Hedged)	BBUS	3.09	BetaShares	0.1%	n/a	-8.6%	-16.6%	-28.2%	-44.6%	-32.9%	-29.3%	n/a	Aug-15
Geared US Equity (A\$ Hedged)	GGUS	20.89	BetaShares	5.4%	Annually	7.3%	15.6%	31.4%	60.7%	27.8%	25.1%	n/a	Aug-15
S&P 500 Yield Maximiser	UMAX	21.33	BetaShares	n/a	Quarterly	4.0%	5.3%	15.0%	24.7%	17.8%	12.6%	12.6%	Sep-14
Global Minimum Volatility	VMIN	60.50	Vanguard	3.3%	Quarterly	2.1%	4.0%	10.2%	21.7%	15.0%	n/a	n/a	Apr-18
Global Multi-Factor	VGMF	55.00	Vanguard	n/a	Irregular	4.2%	7.9%	13.7%	n/a	n/a	n/a	n/a	Apr-19
Global Value Equity	VVLU	52.50	Vanguard	n/a	Quarterly	4.5%	11.5%	13.7%	19.6%	11.5%	n/a	n/a	Apr-18
Global Quality Growth	WCMQ	6.15	WCM	n/a	n/a	4.2%	2.9%	11.7%	33.0%	28.0%	n/a	n/a	Aug-18
Exchange Traded Managed Fund (Infrastructure)													
Global Infrastructure	GLIN	3.51	AMP Capital	2.6%	Quarterly	1.8%	3.4%	11.1%	34.9%	32.4%	15.4%	n/a	Jun-16
Global Property	RENT	3.01	AMP Capital	n/a	Quarterly	1.3%	3.6%	11.5%	30.8%	27.6%	13.0%	n/a	Jun-16
Infrastructure (A\$ Hedged)	MICH	3.29	Magellan	n/a	Half Yearly	0.3%	1.4%	8.2%	25.3%	20.3%	14.3%	n/a	Jul-16
Mixed Asset (Global)													
Global Dynamic Income (MF)	SAVE	10.56	Omega	0.8%	Monthly	2.2%	4.9%	n/a	n/a	n/a	n/a	n/a	Aug-19
Diversified Balanced	VDBA	57.24	Vanguard	1.7%	Quarterly	1.9%	2.6%	7.6%	16.8%	15.8%	n/a	n/a	Nov-17
Diversified Conservative	VDCO	55.85	Vanguard	1.3%	Quarterly	1.1%	1.4%	5.6%	12.6%	12.5%	n/a	n/a	Nov-17
Diversified Growth	VDGR	57.57	Vanguard	2.9%	Quarterly	2.6%	4.1%	9.4%	20.4%	18.3%	n/a	n/a	Nov-17
Diversified High Growth	VDHG	58.17	Vanguard	3.8%	Quarterly	3.3%	5.5%	11.1%	24.2%	20.7%	n/a	n/a	Nov-17

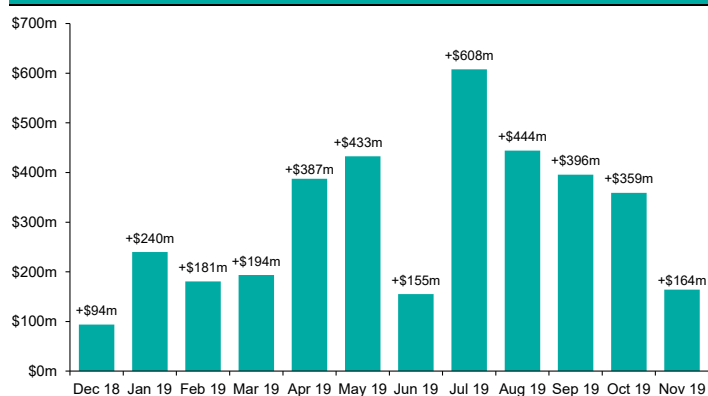
SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 18 DEC 2019. ¹DISTRIBUTION YIELD IS THE TRAILING 12 MONTH NET YIELD.

Fixed Interest ETFs.

After leading the 12 month domestic fixed interest net fund inflows with \$549.0m at the end of October, **BetaShares Australian High Interest Cash ETF (AAA)** experienced net outflows of \$73.1m over November. AAA can be 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 1.75% exceeded the benchmark return of 1.44%. It's worth noting that an investment in the fund doesn't receive the benefit of any government guarantee.

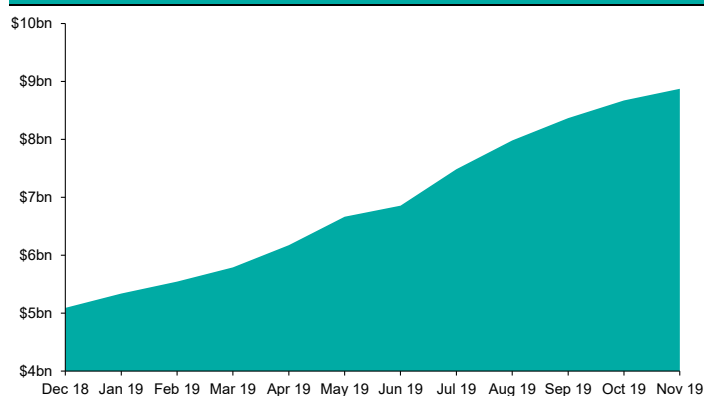
iShares Core Global Corporate Bond (AUD Hedged) ETF (IHCB) was the recipient of monthly net inflows with \$50.8m, the highest amongst global fixed interest ETFs. IHCB aims to track the performance of the Bloomberg Barclays Global Aggregate Corporate Bond Index (AUD Hedged), before fees and expenses, providing investors with exposure to a globally diverse portfolio of investment grade corporate bonds.

Figure 27 - Domestic fixed interest net fund flows



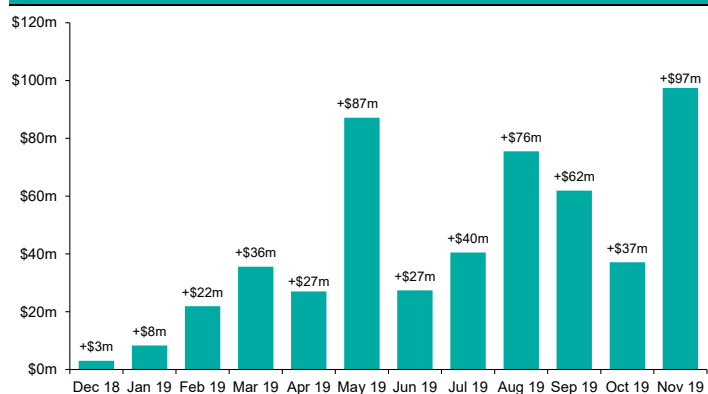
SOURCE: ASX, BELL POTTER RESEARCH

Figure 28 - Domestic fixed interest FUM



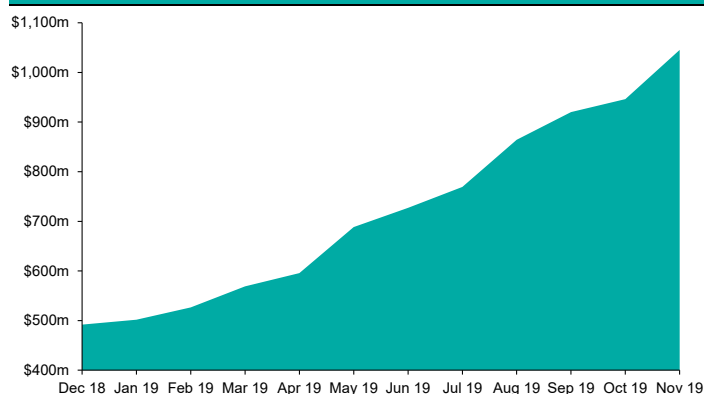
SOURCE: ASX, BELL POTTER RESEARCH

Figure 29 - Global fixed interest net fund flows



SOURCE: ASX, BELL POTTER RESEARCH

Figure 30 - Global fixed interest FUM



SOURCE: ASX, BELL POTTER RESEARCH

Figure 31 - Domestic fixed interest November net fund inflows

Code	ETF Description	Flows
VAF	Vanguard Australian Fixed Interest Index ETF	\$39.5m
IAF	iShares Core Composite Bond ETF	\$33.0m
VGB	Vanguard Australian Government Bond Index ETF	\$28.0m
HBRD	BetaShares Active Australian Hybrids Fund	\$27.6m
QPON	BetaShares Aus Bank Snr Floating Rate Bond ETF	\$22.7m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 32 - Domestic fixed interest November net fund outflows

Code	ETF Description	Flows
AAA	BetaShares Australian High Interest Cash ETF	-\$73.1m
IGB	iShares Treasury ETF	-\$3.4m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 33 - Global fixed interest November net fund inflows

Code	ETF Description	Flows
IHCB	iShares Core Global Corporate Bond (Hedged) ETF	\$50.8m
VIF	Vanguard Intl. Fixed Interest Index (Hedged) ETF	\$20.3m
GBND	BetaShares Sus. Leaders Diversified Bond - Hedged	\$12.0m
VCF	Vanguard Intl. Credit Securities Index (Hedged) ETF	\$6.6m
VEFI	Vanguard Eth. Conscious Global Bond- Hedged	\$5.1m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 34 - Global fixed interest November net fund outflows

Code	ETF Description	Flows
IHEB	iShares J.P. Morgan USD EM Bond ETF	-\$3.2m

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	114.87	iShares	Bloomberg AusBond Composite	~522	Passive	0.20	0.09	1,091.8
Fixed Interest	BOND	27.99	State Street	S&P/ASX Australian Fixed Income	~146	Passive	0.24	0.14	48.1
Fixed Interest	VAF	52.30	Vanguard	Bloomberg AusBond Composite	~615	Passive	0.20	0.05	1,305.5
Floating Rate Bonds	FLOT	25.06	VanEck	Bloomberg AusBond Credit FRN 0+ Yr	~207	Passive	0.22	0.04	297.8
Senior Floating Rate Bonds	QPON	25.78	BetaShares	Solactive Aus Bank Senior Floating Rate Bond	~14	Passive	0.22	0.04	744.9
Corporate Bond Plus	PLUS	18.57	VanEck	Markit iBoxx AUD Corporates Yield Plus	~129	Smart Beta	0.32	0.12	271.6
Corporate Fixed Interest	VACF	53.45	Vanguard	Bloomberg AusBond Credit 0+ Yr	~382	Passive	0.26	0.10	383.0
Investment Grade Corp. Bond	CRED	27.65	BetaShares	Solactive Aus Invest. Grade Corp. Bond Select TR	~37	Smart Beta	0.25	0.11	382.8
Select Corporate Bonds	RCB	20.75	Russell	Australian Corporate Bonds	~11	Passive	0.28	0.20	234.1
Subordinated Debt	SUBD	25.07	VanEck	iBoxx AUD Investment Grade Subordinated Debt Index	~13	Passive	0.29	0.08	48.1
Cash	MONY	20.03	UBS	Australian Cash	n/a	Smart Beta	0.18	n/a	1.5
Core Cash	BILL	100.29	iShares	Australian Cash	~39	Passive	0.07	0.01	595.4
Enhanced Cash	ISEC	100.42	iShares	Australian Cash	~53	Smart Beta	0.12	0.01	142.9
High Interest Cash	AAA	50.11	BetaShares	Australian Cash	n/a	Passive	0.18	0.02	1,759.2
Government Bonds	AGVT	50.60	BetaShares	Solactive Australian Government 7-12 Year AUD TR Index	~34	Passive	0.22	0.08	16.2
Government Bonds	RGB	23.01	Russell	Australian Government Bonds	~9	Passive	0.24	0.26	76.0
Government Bonds	GOVT	28.12	State Street	S&P /ASX Bond	~76	Passive	0.22	0.10	28.3
Government Bonds	VGB	53.31	Vanguard	Bloomberg AusBond Government	~116	Passive	0.20	0.07	417.4
Government Inflation	ILB	128.85	iShares	Bloomberg AusBond Inflation Government	~16	Passive	0.26	0.62	130.6
Semi-Government Bonds	RSM	21.41	Russell	Australian Semi-Government Bonds	~10	Passive	0.26	0.27	65.0
Treasury	IGB	113.19	iShares	Bloomberg AusBond Treasury	~24	Passive	0.26	0.07	86.4
Global Fixed Interest (Currency Hedged)									
Global High Yield Bond (A\$)	IHHY	107.10	iShares	Markit iBoxx Global Dev. Market Liquid HY Cap (A\$)	~2	Passive	0.56	0.40	49.4
Global Corporate Bond (A\$)	IHCB	110.83	iShares	Barclays Global Aggregate Corporate Bond (A\$)	~2	Passive	0.26	0.44	235.1
USD Em Markets Bond (A\$)	IHEB	106.95	iShares	J.P. Morgan EMBI Global Core (A\$)	~2	Passive	0.51	0.59	33.2
Global Aggregate Bond (A\$)	VBND	53.16	Vanguard	Bloomberg Barclays Global Agg. Float Adj. Scaled (A\$)	~8,261	Passive	0.20	0.17	138.0
Credit Securities (A\$)	VCF	50.49	Vanguard	Barclays Global Agg. Gov. Related and Corp. Scaled (A\$)	~6,220	Passive	0.30	0.28	164.6
Ethically Conscious Bond (A\$)	VEFI	53.60	Vanguard	Bloomberg Barclays MSCI Global Agg SRI EFA (A\$)	~3,424	Smart Beta	0.26	0.15	14.7
Fixed Interest (A\$)	VIF	50.48	Vanguard	Bloomberg Barclays Global Treasury Scaled (A\$)	~1,029	Passive	0.20	0.13	413.9
Sustainability Leaders Diversified	GBND	24.98	BetaShares	Solactive Aus & Global Select Sust. Leaders Bond TR (A\$)	n/a	Smart Beta	0.49	0.10	18.0
Exchange Traded Managed Fund									
Australian Bond	BND5	27.00	Western Asset	Bloomberg AusBond Composite	n/a	Active	0.42	0.16	124.2
Australian Hybrids	HBRD	10.19	Coolabah Capital	Solactive Australian Hybrid Securities	n/a	Active	0.55*	0.15	642.6
Dynamic Cash	Z3RO	49.99	Omega	RBA Cash Rate	n/a	Active	0.00	n/a	5.0
Real Outcome	XARO	26.48	Ardea	CPI	n/a	Active	0.50	0.15	136.8

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 18 DEC 2019. *A PERFORMANCE FEE IS ALSO PAYABLE, MORE INFORMATION ON FEES IS AVAILABLE ON PAGE 20.

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 30 November 2019)				Listed
									YTD	1 Year	3 Year	5 Year	
Domestic Fixed Interest													
Composite Bonds	IAF	114.87	iShares	2.2%	Quarterly	1.12%	n/a	5.66 yrs [^]	8.9%	10.5%	5.5%	4.7%	Mar-12
Fixed Interest	BOND	27.99	State Street	1.9%	Quarterly	1.10%	n/a	6.22 yrs ^x	9.6%	11.3%	5.7%	4.8%	Jul-12
Fixed Interest	VAF	52.30	Vanguard	2.5%	Quarterly	1.12%	AA+	5.70 yrs [^]	8.9%	10.5%	5.5%	4.7%	Oct-12
Floating Rate Bonds	FLOT	25.06	VanEck	2.5%	Monthly	1.34%	n/a	0.13 yrs ^x	2.6%	2.7%	n/a	n/a	Jul-17
Senior Floating Rate Bonds	QPON	25.78	BetaShares	2.2%	Monthly	1.64%	A+	0.17 yrs ^x	3.5%	3.5%	n/a	n/a	Jun-17
Corporate Bond Plus	PLUS	18.57	VanEck	3.4%	Quarterly	1.97%	n/a	4.52 yrs ^x	9.9%	11.0%	n/a	n/a	May-17
Corporate Fixed Interest	VACF	53.45	Vanguard	2.5%	Quarterly	1.68%	A+	3.90 yrs [^]	7.7%	8.7%	5.4%	n/a	May-16
Investment Grade Corp. Bond	CRED	27.65	BetaShares	3.3%	Monthly	2.40%	A-	6.48 yrs ^x	13.6%	15.2%	n/a	n/a	May-18
Select Corporate Bonds	RCB	20.75	Russell	4.1%	Quarterly	1.40%	n/a	3.53 yrs [^]	7.0%	7.8%	4.7%	4.3%	Mar-12
Subordinated Debt	SUBD	25.07	VanEck	0.2%	Irregular	2.27%	n/a	0.13 yrs ^x	n/a	n/a	n/a	n/a	Oct-19
Cash	MONY	20.03	UBS	1.5%	Monthly	0.85%	n/a	n/a	1.4%	1.4%	n/a	n/a	May-17
Core Cash	BILL	100.29	iShares	1.5%	Monthly	0.92%	n/a	0.12 yrs [^]	1.4%	1.6%	n/a	n/a	Jun-17
Enhanced Cash	ISEC	100.42	iShares	1.7%	Monthly	1.15%	n/a	0.15 yrs [^]	1.7%	1.8%	n/a	n/a	Jun-17
High Interest Cash	AAA	50.11	BetaShares	1.7%	Monthly	1.22%	n/a	n/a	1.6%	1.8%	1.9%	2.2%	Mar-12
Government Bonds	AGVT	50.60	BetaShares	1.1%	Monthly	1.20%	AAA	7.89 yrs ^x	n/a	n/a	n/a	n/a	Jul-19
Government Bonds	RGB	23.01	Russell	3.0%	Quarterly	0.93%	AAA	7.19 yrs [^]	10.9%	13.3%	6.2%	5.3%	Mar-12
Government Bonds	GOVT	28.12	State Street	2.0%	Quarterly	1.00%	AAA	6.70 yrs ^x	10.0%	11.9%	5.9%	4.9%	Jul-12
Government Bonds	VGB	53.31	Vanguard	1.9%	Quarterly	1.00%	AAA	6.20 yrs [^]	9.5%	11.3%	5.7%	4.8%	Apr-12
Government Inflation	ILB	128.85	iShares	1.4%	Quarterly	1.11%	AAA	9.36 yrs ^x	10.8%	12.2%	5.9%	4.3%	Mar-12
Semi-Government Bonds	RSM	21.41	Russell	3.0%	Quarterly	0.95%	n/a	3.81 yrs ^x	6.6%	7.7%	4.1%	3.8%	Mar-12
Treasury	IGB	113.19	iShares	1.5%	Quarterly	0.93%	AAA	6.76 yrs [^]	9.9%	12.0%	5.9%	4.8%	Mar-12
Global Fixed Interest (Currency Hedged)													
Global High Yield Bond (A\$)	IHHY	107.10	iShares	6.4%	3x a yr	4.78%	BB-	3.08 yrs [^]	10.9%	9.1%	5.9%	n/a	Dec-15
Global Corporate Bond (A\$)	IHCB	110.83	iShares	2.7%	3x a yr	2.30%	n/a	6.84 yrs [^]	11.3%	12.5%	5.3%	n/a	Dec-15
USD Em Markets Bond (A\$)	IHEB	106.95	iShares	2.4%	3x a yr	4.94%	n/a	8.00 yrs [^]	11.7%	13.2%	5.6%	n/a	Dec-15
Global Aggregate Bond (A\$)	VBND	53.16	Vanguard	2.1%	Quarterly	1.46%	AA-	7.20 yrs [^]	7.8%	9.3%	n/a	n/a	Oct-17
Credit Securities (A\$)	VCF	50.49	Vanguard	2.0%	Quarterly	1.92%	A	6.80 yrs [^]	9.7%	10.9%	5.0%	n/a	Dec-15
Ethically Conscious Bond (A\$)	VEFI	53.60	Vanguard	1.7%	Irregular	1.38%	AA-	7.10 yrs [^]	7.3%	8.8%	n/a	n/a	Sep-18
Fixed Interest (A\$)	VIF	50.48	Vanguard	2.3%	Quarterly	0.86%	AA-	8.40 yrs [^]	6.7%	8.4%	4.0%	n/a	Dec-15
Sustainability Leaders Diversified	GBND	24.98	BetaShares	n/a	Quarterly	1.34%	AA	6.79 yrs ^x	n/a	n/a	n/a	n/a	Nov-19
Exchange Traded Managed Fund													
Australian Bond	BNDS	27.00	Western Asset	2.5%	Monthly	1.45%	AA	5.54 yrs ^x	9.1%	10.9%	n/a	n/a	Nov-18
Australian Hybrids	HBRD	10.19	Coolabah Capital	2.2%	Monthly	n/a	n/a	n/a	5.4%	6.3%	n/a	n/a	Nov-17
Dynamic Cash	Z3RO	49.99	Omega	n/a	Monthly	1.00%	n/a	0.11 yrs [^]	n/a	n/a	n/a	n/a	Aug-19
Real Outcome	XARO	26.48	Ardea	n/a	Quarterly	n/a	n/a	n/a	8.3%	8.7%	n/a	n/a	Dec-18

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 18 DEC 2019. ¹DISTRIBUTION YIELD IS THE TRAILING 12 MONTH NET YIELD. ²DATA AS AT 30 NOV 2019.

[^] 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.

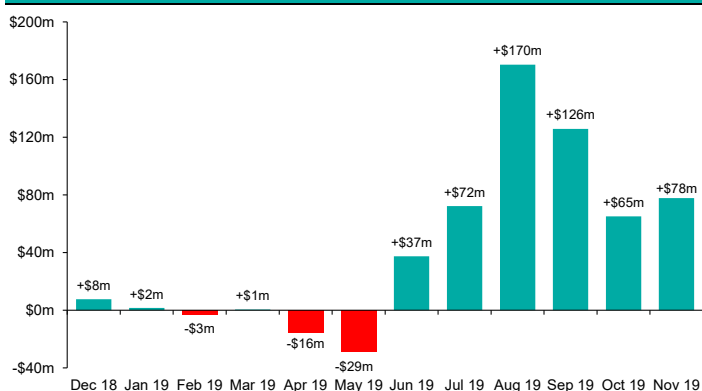
^x MODIFIED DURATION - MEASURES THE SENSITIVITY OF THE VALUE OF THE PORTFOLIO TO CHANGES IN INTEREST RATES. IT FOLLOWS THE CONCEPT THAT INTEREST RATE AND BOND PRICES MOVE IN OPPOSITE DIRECTIONS. A MODIFIED DURATION OF 6.0 YEARS IMPLIES THAT A 1% INCREASE IN THE INTEREST RATE WILL REDUCE THE VALUE OF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

Commodity & Currency ETFs.

Gold linked ETFs again attracted the majority of the inflows with **ETFS Physical Gold (GOLD)**, **BetaShares Gold Bullion ETF Currency Hedged (QAU)** and **Perth Mint Gold (PMGOLD)** combining for net fund inflows of \$76.8m in November.

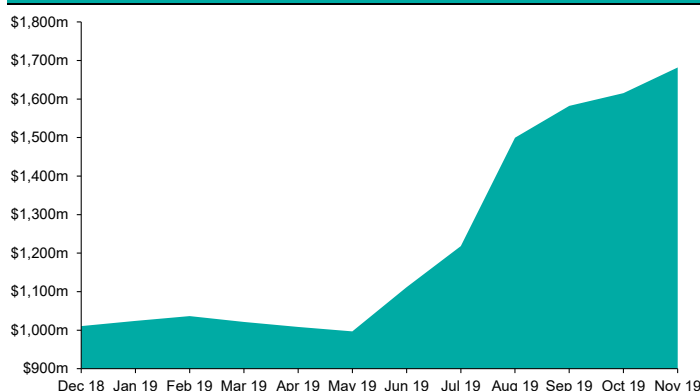
In the report last month we highlighted the rally behind palladium. **ETFS Physical Palladium (ETPMPD)** performed strongly in November, returning 4.0%. In December palladium broke through US\$2,000 and became more expensive per ounce than gold has ever been. A further catalyst for the price of palladium to hold at these levels would be the initial phase of a US-China trade deal beginning to restore economic growth and demand for automotive vehicles whilst the supply constraints persist. A major use of palladium is in the exhaust system for cars to mitigate the emission of toxic pollutants.

Figure 35 - Commodity net fund flows



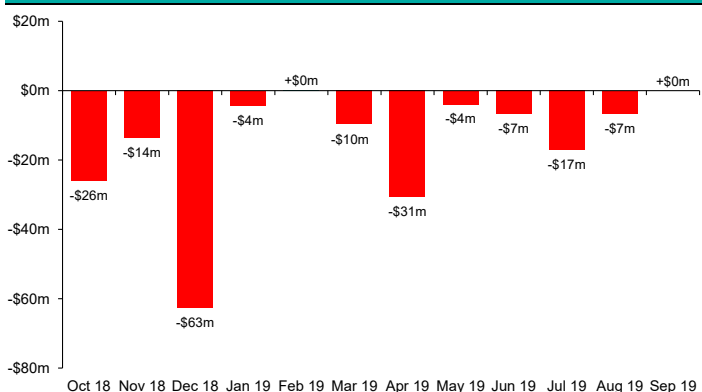
SOURCE: ASX, BELL POTTER RESEARCH

Figure 36 - Commodity FUM



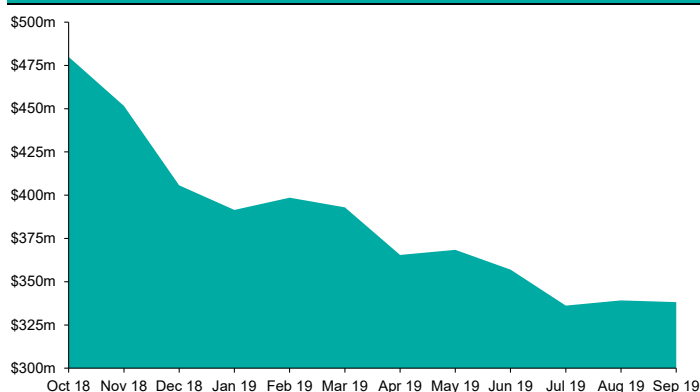
SOURCE: ASX, BELL POTTER RESEARCH

Figure 37 - Currency net fund flows



SOURCE: ASX, BELL POTTER RESEARCH

Figure 38 - Currency FUM



SOURCE: ASX, BELL POTTER RESEARCH

Figure 39 - Commodity November net fund inflows

Code	ETF Description	Flows
GOLD	ETFS Physical Gold	\$38.5m
QAU	Betashares Gold Bullion ETF - Currency Hedged	\$28.4m
PMGOLD	Perth Mint Gold	\$10.0m
ETPMPD	ETFS Physical Palladium	\$0.5m
ETPMAG	ETFS Physical Silver	\$0.5m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 40 - Commodity November net fund outflows

Code	ETF Description	Flows

SOURCE: ASX, BELL POTTER RESEARCH

Figure 41 - Currency 1 year net fund inflows

Code	ETF Description	Flows
AUDS	Betashares Strong Australian Dollar Fund	\$1.1m

SOURCE: ASX, BELL POTTER RESEARCH

Figure 42 - Currency 1 year net fund outflows

Code	ETF Description	Flows
USD	Betashares U.S. Dollar ETF	-\$155.6m
ZUSD	ETFS Physical Us Dollar ETF	-\$8.4m
POU	Betashares British Pound ETF	-\$1.3m
EEU	Betashares Euro ETF	-\$1.2m
YANK	Betashares Strong U.S. Dollar Fund	-\$0.2m

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	202.76	ETF Securities	Gold	n/a	Passive	0.40	0.16	1,106.1
Spot Gold	PMGOLD	21.56	Perth Mint	Gold	n/a	Passive	n/a	0.28	n/a
Physical Silver	ETPMAG	23.57	ETF Securities	Silver	n/a	Passive	0.49	0.23	92.7
Physical Platinum	ETPMPT	128.47	ETF Securities	Platinum	n/a	Passive	0.49	0.38	5.6
Physical Palladium	ETPMPD	268.24	ETF Securities	Palladium	n/a	Passive	0.49	0.59	4.0
Physical Precious Metal Basket	ETPMPM	177.58	ETF Securities	Basket of precious metals	n/a	Passive	0.44	0.34	10.0
Commodities (AUD Hedged)									
Agricultural (Synthetic)	QAG	5.58	BetaShares	S&P/GSCI Agriculture	n/a	Passive	0.69	1.42	3.2
Spot Gold	QAU	14.87	BetaShares	Gold	~1	Passive	0.59	0.20	160.9
Commodities (Synthetic)	QCB	8.23	BetaShares	S&P/GSCI Light Energy	n/a	Passive	0.69	1.28	8.5
Crude Oil (Synthetic)	OOO	15.92	BetaShares	S&P/GSCI Crude Oil	n/a	Passive	0.69	0.59	24.9
Currency									
EUR	EEU	15.51	BetaShares	Euro	n/a	Passive	0.45	0.27	4.9
GBP	POU	18.72	BetaShares	British Pound	n/a	Passive	0.45	0.07	27.6
USD	ZUSD	11.17	ETF Securities	US Dollar	n/a	Passive	0.30	0.13	9.1
USD	USD	14.17	BetaShares	US Dollar	n/a	Passive	0.45	0.09	263.3
Exchange Traded Managed Fund									
Strong Australian Dollar	AUDS	11.15	BetaShares	AUD	n/a	Active	1.38	0.57	3.3
Strong US Dollar	YANK	14.18	BetaShares	USD	n/a	Active	1.38	0.55	12.1

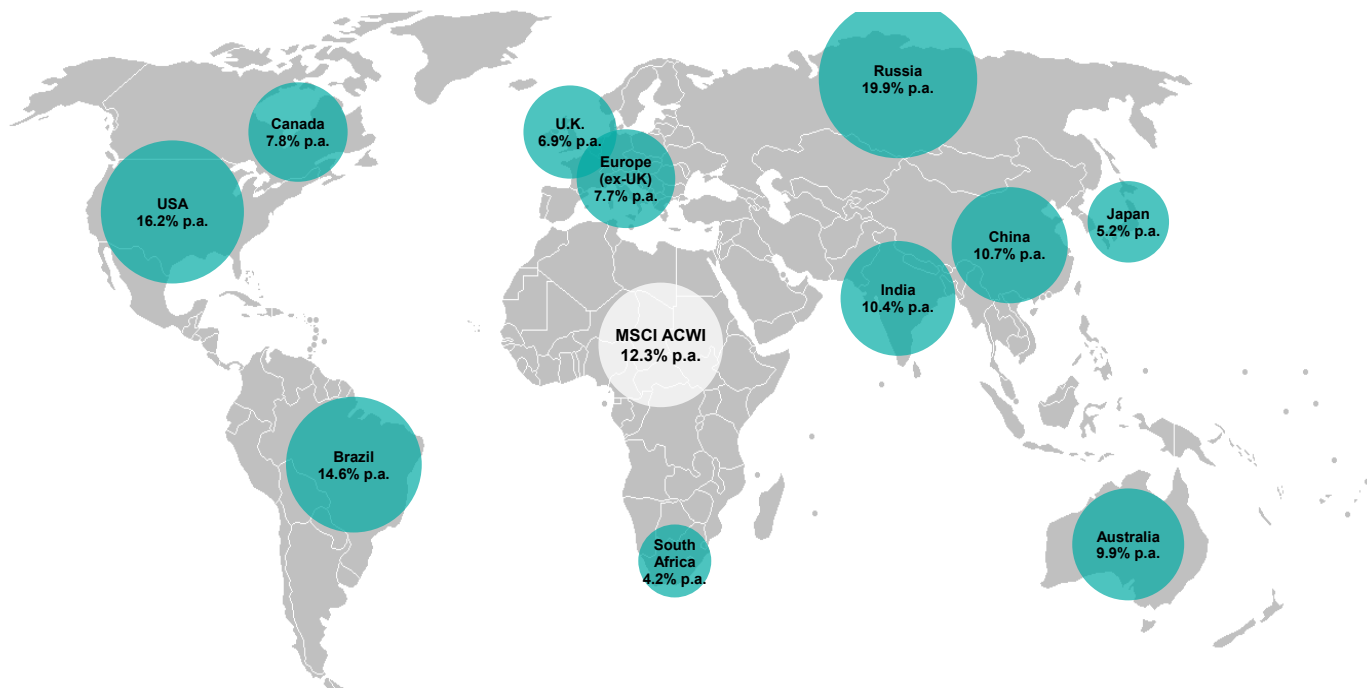
SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 18 DEC 2019. *A PERFORMANCE FEE IS ALSO PAYABLE, MORE INFORMATION ON FEES IS AVAILABLE ON PAGE 20.

Description	ETF Code	Price (\$)	Manager	Distribution Yield*	Distribution Frequency	Return (as at 30 November 2019)								Listed
						1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year		
Commodities														
Physical Gold	GOLD	202.76	ETF Securities	n/a	n/a	-1.6%	-4.9%	15.2%	18.1%	29.0%	10.2%	8.8%	Mar-03	
Spot Gold	PMGOLD	21.56	Perth Mint	n/a	n/a	-0.4%	-5.5%	15.2%	19.6%	29.2%	10.6%	9.2%	n/a	
Physical Silver	ETPMAG	23.57	ETF Securities	n/a	n/a	-4.3%	-8.2%	19.7%	13.7%	28.0%	3.1%	5.5%	Jan-09	
Physical Platinum	ETPMPT	128.47	ETF Securities	n/a	n/a	-2.8%	-5.3%	15.5%	16.7%	19.3%	1.5%	-1.8%	Jan-09	
Physical Palladium	ETPMPD	268.24	ETF Securities	n/a	n/a	4.0%	18.2%	36.6%	50.3%	63.3%	36.8%	22.8%	Dec-08	
Physical Precious Metal Basket	ETPMPM	177.58	ETF Securities	n/a	n/a	-0.6%	0.2%	21.6%	25.1%	36.4%	13.5%	10.1%	Jan-09	
Commodities (AUD Hedged)														
Agricultural (Synthetic)	QAG	5.58	BetaShares	n/a	Annually	-2.2%	2.8%	-7.6%	-8.1%	-9.5%	-9.7%	-9.8%	Dec-11	
Spot Gold	QAU	14.87	BetaShares	n/a	Annually	-3.4%	-5.1%	11.4%	11.9%	17.4%	5.6%	3.4%	May-11	
Commodities (Synthetic)	QCB	8.23	BetaShares	n/a	Annually	-1.1%	2.6%	-1.3%	1.1%	-3.7%	-2.4%	-8.1%	Dec-11	
Crude Oil (Synthetic)	OOO	15.92	BetaShares	11.1%	Quarterly	1.7%	0.0%	2.3%	18.0%	4.7%	0.3%	-15.3%	Nov-11	
Currency														
EUR	EEU	15.51	BetaShares	n/a	Annually	0.6%	-0.4%	1.1%	-0.1%	4.6%	3.8%	1.7%	Jul-11	
GBP	POU	18.72	BetaShares	0.5%	Irregular	1.8%	5.8%	5.2%	5.9%	9.6%	4.1%	0.7%	Jul-11	
USD	ZUSD	11.17	ETF Securities	2.4%	Irregular	2.0%	0.0%	3.4%	5.9%	10.0%	4.1%	n/a	Jun-15	
USD	USD	14.17	BetaShares	2.3%	Annually	2.0%	0.0%	3.3%	5.9%	10.0%	4.0%	5.2%	Feb-11	
Exchange Traded Managed Fund														
Strong Australian Dollar	AUDS	11.15	BetaShares	18.6%	Irregular	-4.2%	0.4%	-8.0%	-11.7%	-18.4%	-8.7%	n/a	Nov-16	
Strong US Dollar	YANK	14.18	BetaShares	n/a	Annually	4.1%	-0.8%	6.4%	10.3%	18.9%	5.2%	n/a	Nov-16	

SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 18 DEC 2019. *DISTRIBUTION YIELD IS THE TRAILING 12 MONTH NET YIELD.

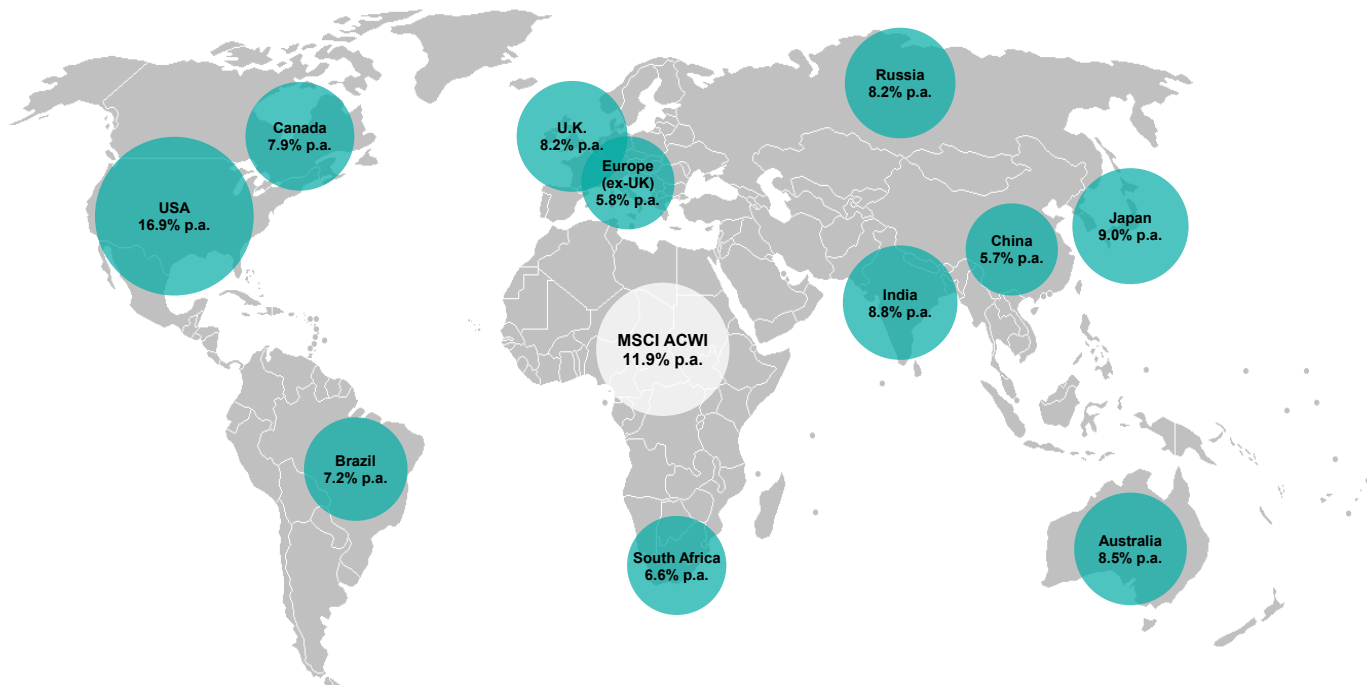
Global Returns.

Figure 43 - 5 year net total returns in AUD



SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 30 NOVEMBER 2019

Figure 44 - 10 year net total returns in AUD



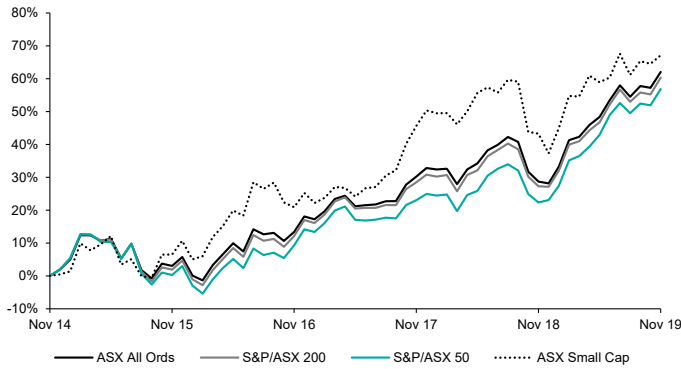
SOURCE: BLOOMBERG, BELL POTTER RESEARCH. DATA AS AT 30 NOVEMBER 2019

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)

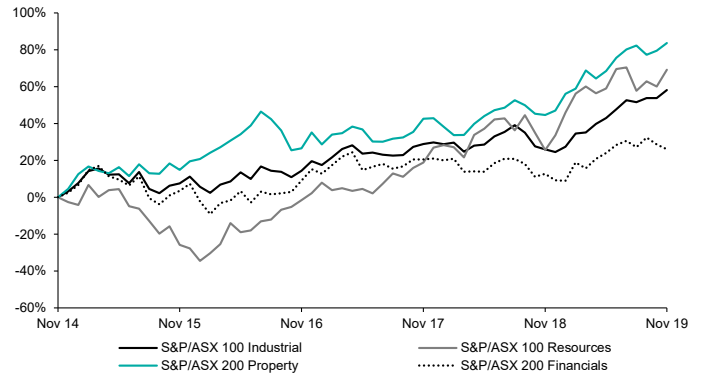
5-Year Index Returns.

Figure 45 - Domestic broad equity indices



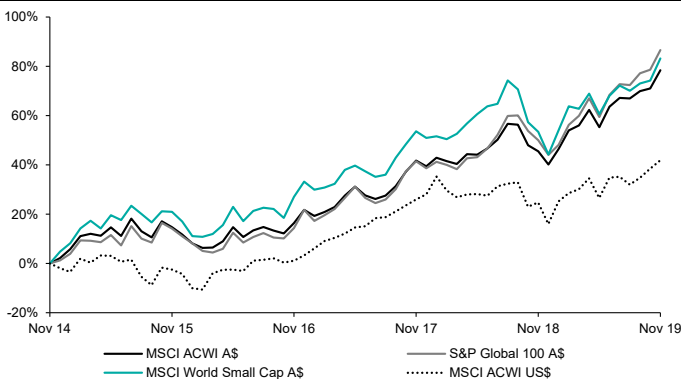
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 46 - Domestic sector indices



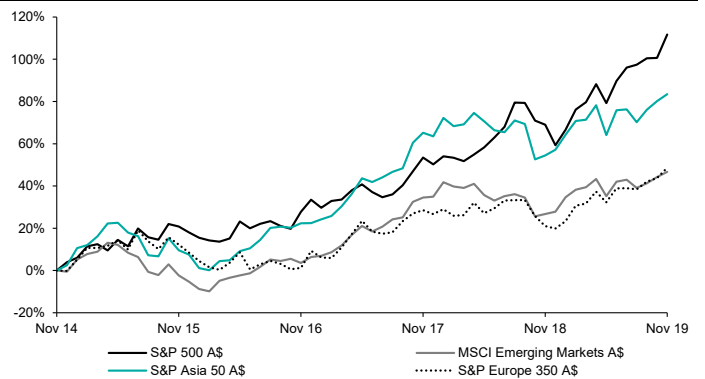
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 47 - Global broad equity indices



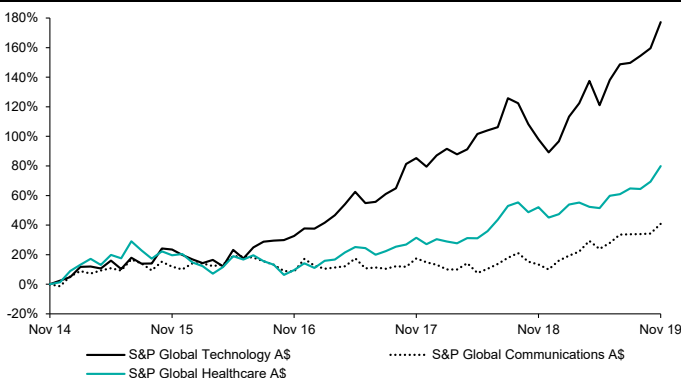
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 48 - Global regional indices



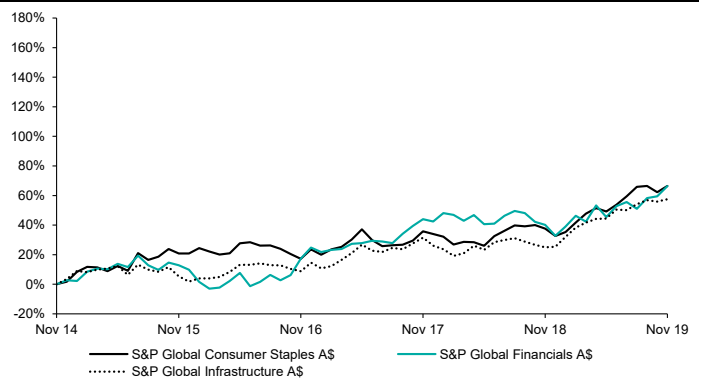
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 49 - Global sector indices



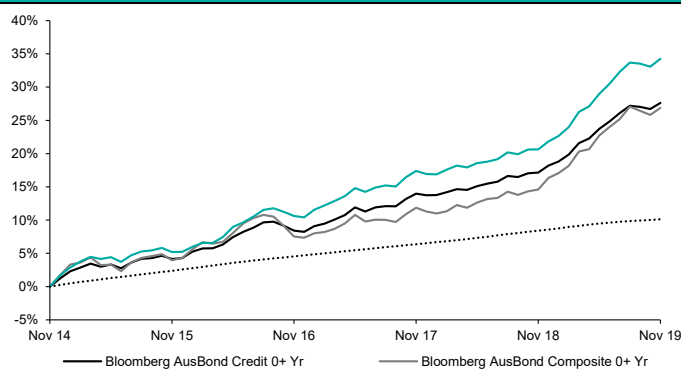
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 50 - Global sector indices



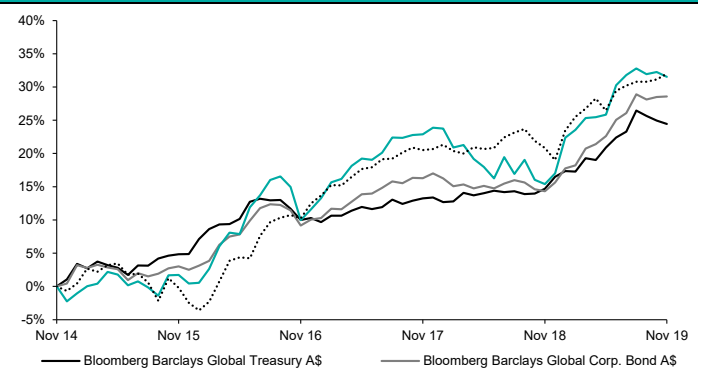
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 51 - Domestic fixed interest indices



SOURCE: BLOOMBERG, BELL POTTER RESEARCH

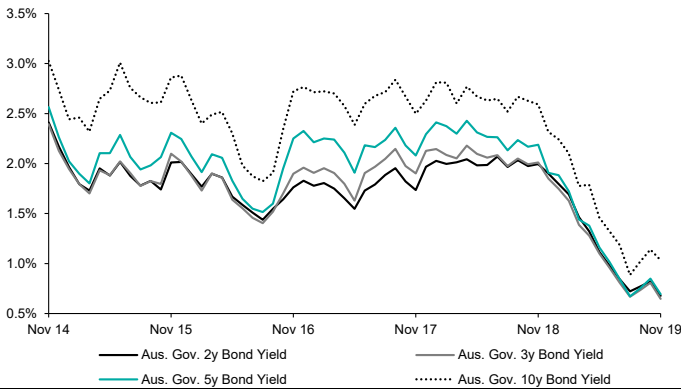
Figure 52 - Global fixed interest indices



SOURCE: BLOOMBERG, BELL POTTER RESEARCH

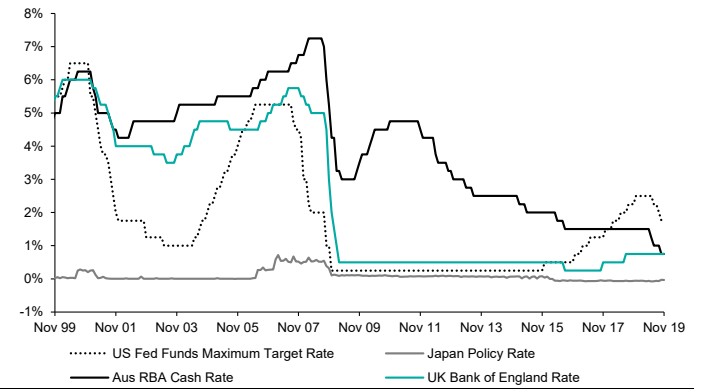
Macro Trends.

Figure 53 - Australian Commonwealth government bond yields



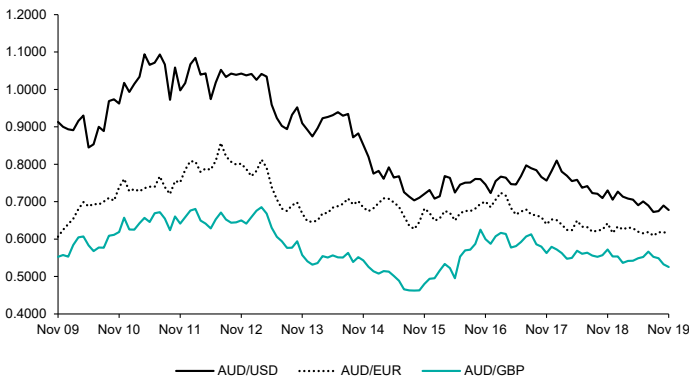
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 54 - International interest rates



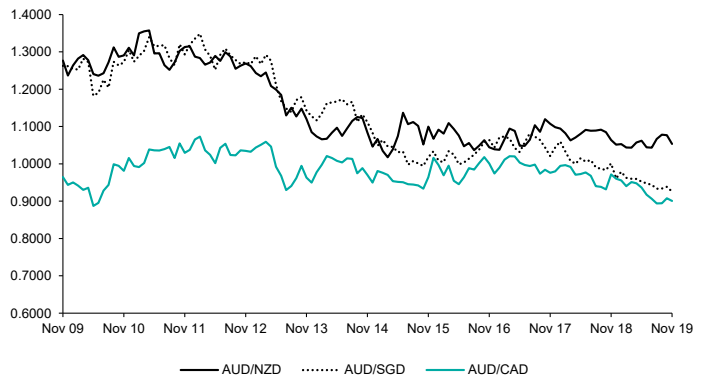
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 55 - Foreign exchange rates



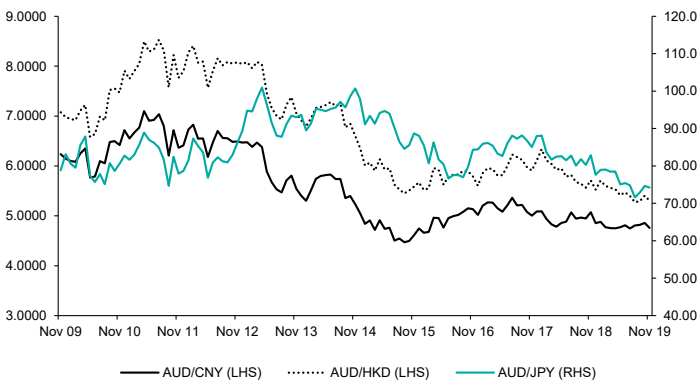
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 56 - Foreign exchange rates



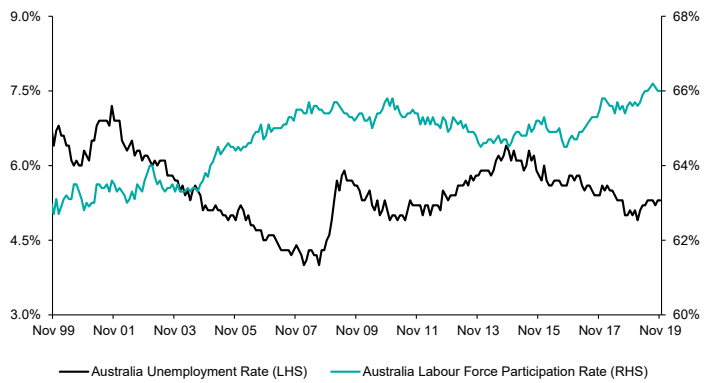
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 57 - Foreign exchange rates



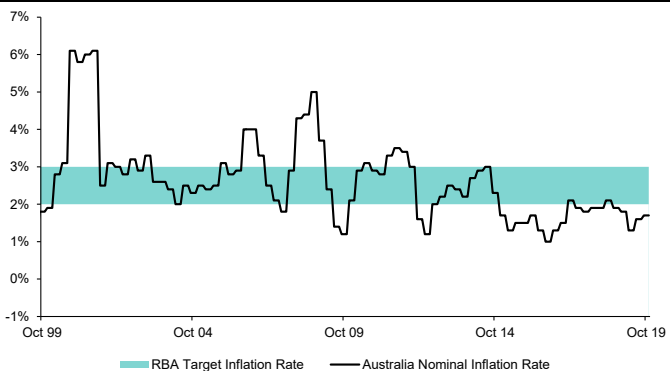
SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 58 - Domestic unemployment



SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 59 - Domestic inflation



SOURCE: BLOOMBERG, BELL POTTER RESEARCH

Figure 60 - 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.

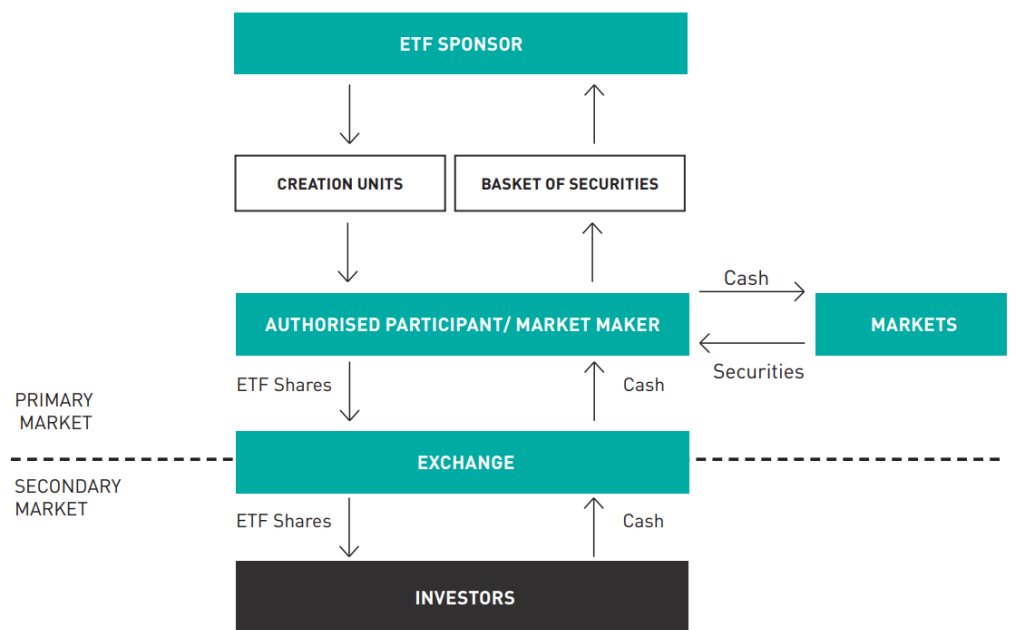
The redemption process operates in a similar manner. The Authorised Participant applies to redeem the securities in creation units. In return for each creation unit, the Authorised Participant will receive a basket of securities in kind. Each ETF security effectively represents a sliver of a creation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