



BetaShares

Exchange Traded Funds

BETASHARES AUSTRALIAN ETF REVIEW

MONTH ENDING APRIL 2020



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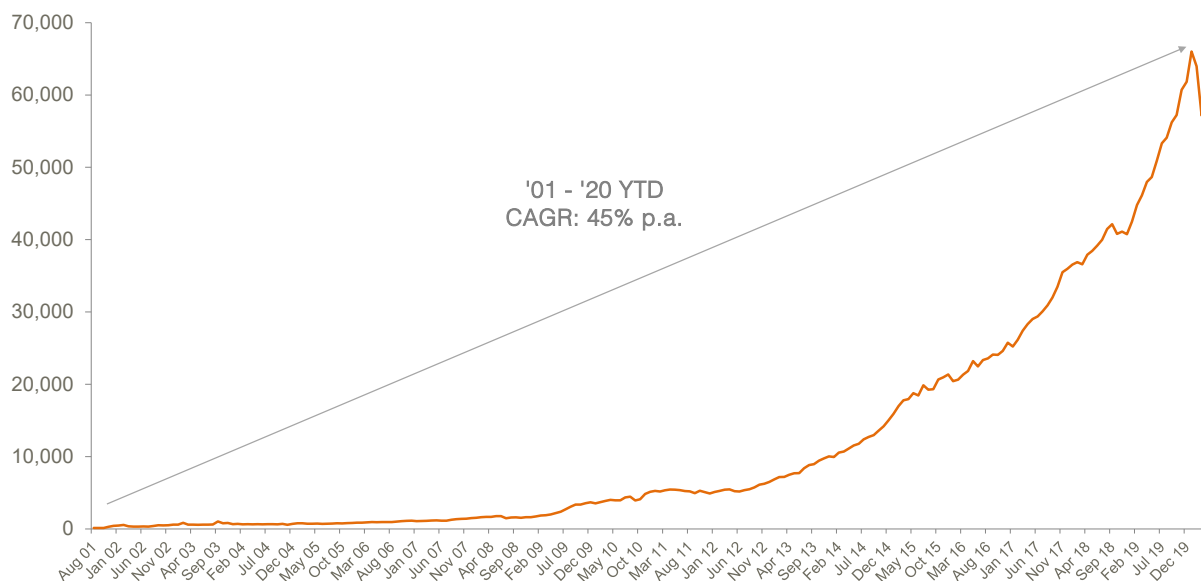
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AUSTRALIAN EXCHANGE TRADED FUND INDUSTRY: SUMMARY APRIL 2020

'MARCH MADNESS' GIVES WAY TO 'ASTOUNDING APRIL'!

- While I am not generally one for superlatives, it has to be said that March Madness was replaced by an Astounding April
- March 2020 saw the Australian ETF industry suffer its biggest decline in dollar terms on record, with the industry falling almost \$7B to end March at \$57B. However with equity markets bouncing back strongly in April and flows continuing to remain positive the rebound in the industry was sizable.
- Industry FuM grew by **\$4.1B** (7.2% MoM increase) to end April at **\$61.3B**. This growth represents the **2nd largest absolute growth in dollar terms on record** (the record was ~\$50M more, and was set in January 2020) and the **fastest monthly growth rate for almost 5 years**. Notably, however, the rise was still not enough for the industry to regain its peak value, which was \$66B, set in January.
- Industry growth over the last 12 months has been **28%**, with absolute growth of **\$13.3B** over this period.
- While asset value increases contributed the majority (74%) of the growth this month net flows remained strongly positive – with the net new money into the industry of **\$1.1B**.
- Trading value remain very high in April, albeit significantly lower than the all-time record of ~\$18B set the month before. That said, at **\$9.2B** trading was still the **2nd highest value on record**, with Australian ETF investors continuing to use ETFs to express both short-term as well as long-term asset allocation views. In particular we saw dramatic increases in trading of the [Oil ETF](#) as investors sought to take tactical views given unprecedented moves in the price of oil futures.
- There were no new products launched this month.
- At a category level, much like March, April continued to show very strong flows into broad market **Australian Equities** (+\$575m) and **Cash** (+\$110m). However the remainder of the largest flows this month came from tactical exposures: to **Oil** (+\$185m) & **Short US and Australian Equities** (~\$234m between them), the latter flows indicating that many investors are remaining bearish and feeling that the April equities rally may be short-lived.
- Continued market volatility caused some exposures to bounce in dramatic fashion. In particular, gold mining exposures provided the biggest return in April, with [BetaShares Gold Mining ETF – Currency Hedged \(ASX: MNRS\)](#) the top performer at **36.8%** monthly return. Strong performance also came from Geared Equities via [GGUS](#) (**27.5%**) and [GEAR](#) (**18.6%**) as well as the Australian Technology Sector via [ATEC](#) (**22.0%**).

AUSTRALIAN ETP MARKET CAP: JULY 2001 – APRIL 2020



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

MARKET CAP

- Australian Exchange Traded Funds Market Cap: **\$61.3B¹**
- Market cap increase for month: **7.2%, \$4.1B – 2nd largest absolute \$ growth on record, fastest monthly growth rate for ~5 years**
- Market cap growth for last 12 months: **28%, + \$13.3B**

NEW MONEY

- Net new money for month (units outstanding by \$ value): **+\$1.1B**

PRODUCTS

- 249 Exchange Traded Products trading on the ASX & Chi-X – no new products launched this month, 2 single bond exposures matured

TRADING VALUE

- ASX ETF Trading value remained high, but dropped back after record month in March – decrease of 48% month on month but still recorded **2nd highest trading value on record (\$9.3B)**

PERFORMANCE

- Gold mining exposures provided the biggest return in April, with [BetaShares Gold Mining ETF – Currency Hedged \(ASX: MNRS\)](#) the top performer at 36.8% monthly return. Strong performance also came from Geared Equities via [GGUS](#) (27.5%) and [GEAR](#) (18.6%) as well as the Australian Technology Sector via [ATEC](#) (22.0%).

¹ Includes total FuM for ETFs trading on both ASX & Chi-X

TOP 10 PRODUCTS: APRIL 2020

By Market Cap

Ticker	Product	Issuer	Market Cap	Rank Movement
VAS	Vanguard Australian Shares Index ETF	Vanguard	\$4,791,411,618	
STW	SPDR S&P/ASX 200	State Street	\$3,366,233,806	
IVV	iShares S&P 500 ETF	iShares	\$3,153,666,950	
VGS	Vanguard MSCI Index International Shares ETF	Vanguard	\$2,063,684,309	
IOZ	iShares Core S&P/ASX 200 ETF	iShares	\$1,884,800,061	+5
VTI	Vanguard US Total Market Shares Index ETF	Vanguard	\$1,807,543,204	+1
IOO	iShares S&P Global 100 ETF	iShares	\$1,767,040,157	-1
AAA	Betashares Australian High Interest Cash ETF	BetaShares	\$1,754,927,666	-3
GOLD	ETFS Physical Gold	ETF Securities	\$1,672,704,641	-1
MGE	Magellan Global Equities Fund (Managed Fund)	Magellan	\$1,671,988,852	-1

Other products with > \$1B AUM: IAF, QUAL, VAF, VAP, VEU, VHY

Average Daily Trading Value (by \$) - Month

Ticker	Product	Issuer	ADTV	Rank Movement
BBOZ	BetaShares Australian Strong Bear (Hedge Fund)	BetaShares	\$72,131,173	
VAS	Vanguard Australian Shares Index ETF	Vanguard	\$38,765,262	
STW	SPDR S&P/ASX 200	State Street	\$28,077,018	
BBUS	BetaShares US Equities Strong Bear Currency Hedged (Hedge Fund)	BetaShares	\$23,435,367	+2
IOZ	iShares Core S&P/ASX 200 ETF	iShares	\$18,788,304	-1
GEAR	BetaShares Geared Australian Equity Fund (Hedge Fund)	BetaShares	\$17,729,006	+4
OOO	BetaShares Crude Oil Index ETF-Currency Hedged (Synthetic)	BetaShares	\$16,093,869	+39
AAA	Betashares Australian High Interest Cash ETF	BetaShares	\$14,737,707	-3
GOLD	ETFS Physical Gold	ETF Securities	\$12,344,926	-2
IVV	iShares S&P 500 ETF	iShares	\$11,018,977	-2

Top 10 Net Flows (by \$) - Month

Ticker	Product	Inflow Value
VAS	Vanguard Australian Shares Index ETF	\$260,289,038
OOO	BetaShares Crude Oil Index ETF-Currency Hedged (Synthetic)	\$185,379,992
IOZ	iShares Core S&P/ASX 200 ETF	\$174,495,126
BBUS	BetaShares US Equities Strong Bear Currency Hedged (Hedge Fund)	\$127,212,317
IHV	iShares S&P 500 AUD Hedged ETF	\$109,860,164
BBOZ	BetaShares Australian Strong Bear (Hedge Fund)	\$96,151,412
AAA	Betashares Australian High Interest Cash ETF	\$71,672,203
STW	SPDR S&P/ASX 200	\$67,637,133
QHAL	VanEck Vectors MSCI World Ex-Australia Quality (Hedged) ETF	\$55,282,863
QUAL	VanEck Vectors MSCI World Ex-Australia Quality ETF	\$51,008,481

Top 10 Net Outflows (by \$) - Month

Ticker	Product	Inflow Value
IHHY	iShares Global High Yield Bond (AUD Hedged) ETF	-\$116,129,407
IHWL	iShares Core MSCI World All Cap AUD Hedged ETF	-\$82,496,126
IVV	iShares S&P 500 ETF	-\$70,579,620
VEQ	Vanguard FTSE Europe Shares ETF	-\$58,339,119
VGS	Vanguard MSCI Index International Shares ETF	-\$57,594,300
QPON	BetaShares Australian Bank Senior Floating Rate Bond ETF	-\$48,867,235
FLOT	VanEck Vectors Australian Floating Rate ETF	-\$40,689,018
EX20	BetaShares Australian Ex-20 Portfolio Diversifier ETF	-\$34,897,497
IEM	iShares MSCI Emerging Markets ETF	-\$30,730,905
VAF	Vanguard Australian Fixed Interest Index ETF	-\$22,443,171

Top Performing Products – April 2020

Ticker	Product Name	Performance (%)
MNRS	BetaShares Global Gold Miners ETF - Currency Hedged	36.8%
GDX	VanEck Vectors Gold Miners ETF	29.5%
GGUS	BetaShares Geared US Equity Fund Currency Hedged (Hedge Fund)	27.5%
ATEC	BetaShares S&P/ASX Australian Technology ETF	22.0%
GEAR	BetaShares Geared Australian Equity Fund (Hedge Fund)	18.6%

Top 5 Category Inflows (by \$) – April 2020

Broad Category	Inflow Value
Australian Equities	\$575,186,661
Commodities	\$264,406,946
Short	\$234,338,437
Cash	\$109,710,587
International Equities	\$99,873,238

Top Category Outflows (by \$) – April 2020

Broad Category	Inflow Value
Fixed Income	-\$224,427,441

Top 5 Sub-Category Inflows by (\$) – April 2020

Sub-Category	Inflow Value
Australian Equities - Broad	\$489,070,934
Oil	\$185,379,992
US Equities - Short	\$127,212,317
Cash	\$109,710,587
Australian Equities - Short	\$107,126,120

Top Sub-Category Outflows by (\$) – April 2020

Sub-Category	Inflow Value
Australian Bonds	-\$116,438,138
Global Bonds	-\$107,989,303
International Equities - Europe	-\$70,667,056
International Equities - Emerging Markets	-\$35,645,337
Australian Equities - Small Cap	-\$5,612,302