



**BetaShares**

Exchange Traded Funds

# **BETASHARES AUSTRALIAN ETF REVIEW**

**MONTH ENDING FEBRUARY 2020**



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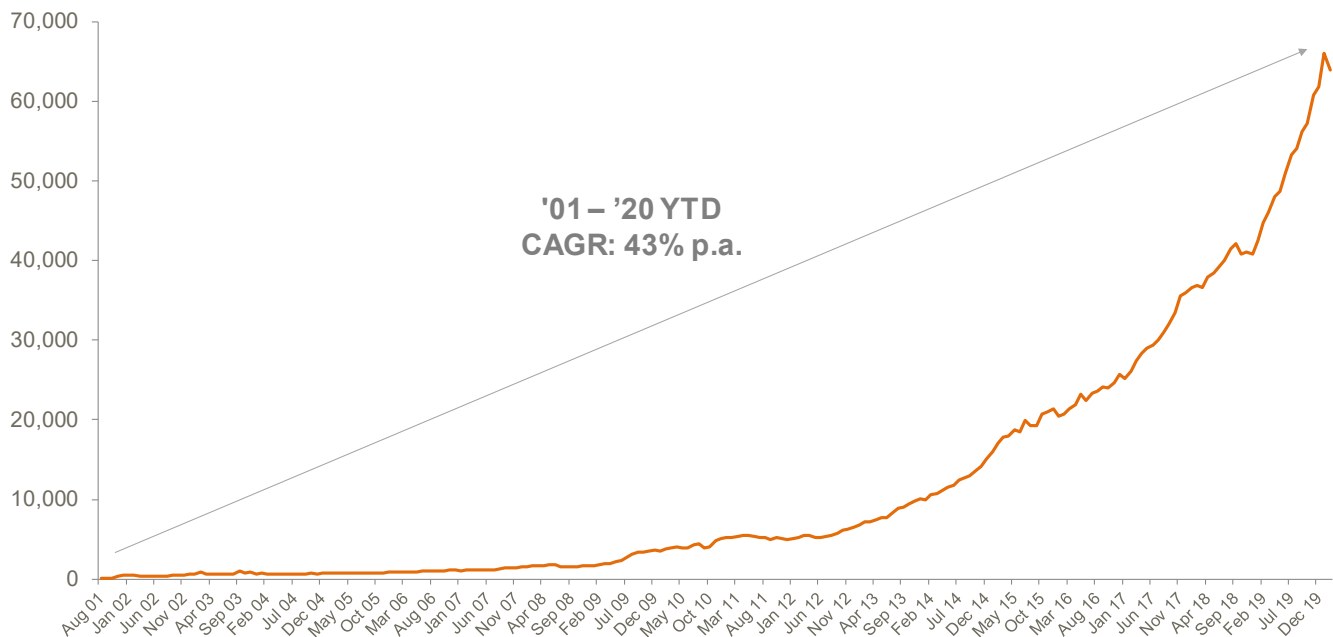
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## AUSTRALIAN EXCHANGE TRADED FUND INDUSTRY: SUMMARY FEBRUARY 2020

### ETF INDUSTRY CATCHES A COLD...AND TRADES UP A STORM

- After 14 straight months of growth, the Australian ETF industry encountered a rare month of negative growth in February, with net inflows into the industry not enough to counter the dramatic drops in equity prices.
- Industry FuM fell by **\$2.0B** (-3.1% MoM decline) to end February at **\$64.0B**.
- Industry growth over the last 12 months has been **43%**, with absolute growth of **\$19.2B** over this period.
- Notably, however, \$ inflows into the industry remained positive at **\$1.6B** with the industry's fall entirely attributable to asset value declines as markets tumbled in the last week of the month.
- Perhaps the most striking statistic this month was trading values which **reached all time monthly highs**, growing 42% MoM and **>\$7B** traded on ASX-quoted ETFs for the first time. This large increase in trading mirrors what we saw globally – with investors seeking out the liquidity of ETFs during volatile times to express both bullish and bearish views.
- Importantly, notwithstanding tremendous volatility, all ETFs in the industry performed as expected which will provide a 'real life' case study for those observers who had previously felt that ETFs had not been tested in rapidly falling markets.
- 1 new product was launched in the month of February, an Active ETF over Emerging Markets Bonds.
- For the second month in a row, it was still **global equities** products that received the largest levels of inflows (\$935m) with **fixed income** coming in second place this month (\$306m). **Broad Australian and Asian Equities** products were sold off with investors seemingly viewing the US market as more able to weather the current economic storm.
- Top performance this month was from Palladium, followed by the Strong Bear Products, [BBUS](#) (US Equities) and [BBOZ](#) (Australian Equities), which, given their negatively correlated objectives, each rallied >20% for the month as equity markets fell.

## AUSTRALIAN ETP MARKET CAP: JULY 2001 – FEBRUARY 2020



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

## MARKET CAP

- Australian Exchange Traded Funds Market Cap: **\$64.0B**
- Market cap decrease for month: **-3.1%, -\$2.0B – first monthly decrease in 14 months**
- Market cap growth for last 12 months: **43%, + \$19.2B**

## NEW MONEY

- New unit growth for month (units outstanding by number): **+2.5%**
- Net new money for month (units outstanding by \$ value): **+\$1.6B**

## PRODUCTS

- 255 Exchange Traded Products trading on the ASX & Chi-X – 1 new product launched this month, an actively managed emerging bonds product
- 2 single bond products matured

## TRADING VALUE

- ASX ETF Trading value increased 42% **to reach an all-time record month of trading - \$7.2B**

## PERFORMANCE

- Top performance this month was from Silver, followed by the Strong Bear Products, [BBUS](#) (US Equities) and [BBOZ](#) (Australian Equities).

## TOP 10 PRODUCTS: FEBRUARY 2020

### By Market Cap

| Ticker        | Product                        | Issuer       | Market Cap (this month) | Rank Movement |
|---------------|--------------------------------|--------------|-------------------------|---------------|
| VAS AU Equity | Vanguard Australian Shares Ind | Vanguard     | \$4,541,500,000         | -             |
| STW AU Equity | SPDR S&P/ASX 200 Fund          | State Street | \$3,502,720,000         | -             |
| IVV AU Equity | iShares Core S&P 500 ETF/Austr | iShares      | \$3,385,510,000         | -             |
| VGS AU Equity | Vanguard MSCI Index Internatio | Vanguard     | \$2,210,530,000         | -             |
| IOZ AU Equity | iShares CORE S&P/ASX 200 ETF   | iShares      | \$2,076,470,000         | -             |
| AAA AU Equity | BetaShares Australian High Int | BetaShares   | \$1,925,110,000         | +1            |
| VAP AU Equity | Vanguard Australian Property S | Vanguard     | \$1,755,010,000         | +1            |
| IOO AU Equity | iShares Global 100 ETF/AU      | iShares      | \$1,745,900,000         | -2            |
| MGE AU Equity | Magellan Global Equities Fund  | Magellan     | \$1,706,900,000         | +1            |
| VTS AU Equity | Vanguard Total Stock Market ET | Vanguard     | \$1,636,910,000         | -1            |

Other products with > \$1000m AUM: Gold, VAF, VEU, VHY, IAF, MVW,

### By Average Daily Trading Value (20 days)

| Ticker         | Product                        | Issuer         | ADTV 20 days | Rank Movement |
|----------------|--------------------------------|----------------|--------------|---------------|
| VAS AU Equity  | Vanguard Australian Shares Ind | Vanguard       | \$23,016,479 | +1            |
| IOZ AU Equity  | iShares CORE S&P/ASX 200 ETF   | iShares        | \$18,156,373 | -1            |
| AAA AU Equity  | BetaShares Australian High Int | BetaShares     | \$16,549,515 | +1            |
| STW AU Equity  | SPDR S&P/ASX 200 Fund          | State Street   | \$16,388,488 | -1            |
| A200 AU Equity | BetaShares Australia 200 ETF   | BetaShares     | \$14,939,643 | +4            |
| Gold AU Equity | ETFs Metal Securities Australi | ETF Securities | \$13,789,552 | +4            |
| BBOZ AU Equity | BetaShares Australian Equities | BetaShares     | \$12,478,762 | -             |
| IVV AU Equity  | iShares Core S&P 500 ETF/Austr | iShares        | \$12,008,560 | -2            |
| VGS AU Equity  | Vanguard MSCI Index Internatio | Vanguard       | \$11,239,926 | +2            |
| IOO AU Equity  | iShares Global 100 ETF/AU      | iShares        | \$8,022,499  | +19           |

### Top 10 Creations (by \$) - Month

| Ticker         | Product                        | Creation Value |
|----------------|--------------------------------|----------------|
| VEU AU Equity  | Vanguard FTSE All-World ex-US  | \$284,341,615  |
| VTS AU Equity  | Vanguard Total Stock Market ET | \$250,338,438  |
| RARI AU Equity | Russell Invest Aust Responsibl | \$109,857,300  |
| Gold AU Equity | ETFs Metal Securities Australi | \$109,818,336  |
| IOZ AU Equity  | iShares CORE S&P/ASX 200 ETF   | \$103,668,810  |
| AAA AU Equity  | BetaShares Australian High Int | \$102,352,053  |
| ETHI AU Equity | BetaShares Global Sustainabili | \$74,314,800   |
| IEM AU Equity  | iShares MSCI Emerging Markets  | \$68,487,436   |
| MICH AU Equity | Magellan Infrastructure Fund - | \$52,788,622   |
| QPON AU Equity | BetaShares Australian Bank Sen | \$49,570,637   |

### Top 10 Redemptions (by \$) - Month

| Ticker         | Product                            | Redemption Value |
|----------------|------------------------------------|------------------|
| A200 AU Equity | BetaShares Australia 200 ETF       | (\$151,893,984)  |
| IOO AU Equity  | iShares Global 100 ETF/AU          | (\$30,539,660)   |
| QOZ AU Equity  | BetaShares FTSE RAFI Australia     | (\$21,100,050)   |
| IJP AU Equity  | iShares MSCI Japan ETF/AU          | (\$20,933,760)   |
| QRE AU Equity  | BetaShares Australian Resources Fu | (\$17,694,040)   |
| DMKT AU Equity | AMP Capital Dynamic Markets Fu     | (\$10,625,185)   |
| IZZ AU Equity  | iShares China Large-Cap ETF/Au     | (\$6,156,560)    |
| USD AU Equity  | BetaShares US Dollar ETF           | (\$4,745,780)    |
| ZYAU AU EQUITY | ETFs S&P/ASX 300 High Yield PI     | (\$4,550,160)    |
| YMAX AU Equity | BetaShares Australian Top 20 E     | (\$3,439,600)    |



### Top Performing Products – February 2020

| Ticker | Product Name  | Performance (%) |
|--------|---|-----------------|
| ETPMPD | ETFS Metal Securities Australia                       | 23.0%           |
| BBUS   | BetaShares US Equities Strong Bear Hedge Fund         | 20.9%           |
| BBOZ   | BetaShares Australian Equities Strong Bear Hedge Fund | 20.3%           |
| ETPMPM | ETFS Platinum   | 9.5%            |
| BEAR   | BetaShares Australian Equities Hedge Fund             | 8.6%            |

### Top 5 Category Inflows (by \$) – February 2020

| Broad Category         | Inflow Value  |
|------------------------|---------------|
| International Equities | \$935,433,158 |
| Fixed Income           | \$306,359,541 |
| Commodities            | \$176,865,128 |
| Cash                   | \$122,328,315 |
| Australian Equities    | \$86,849,945  |

### Top Category Outflows (by \$) – February 2020

| Broad Category | Outflow Value  |
|----------------|----------------|
| Multi-Asset    | (\$11,406,238) |
| Currency       | (\$7,220,055)  |

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

| Sub-Category                             | Inflow Value  |
|--|---------------|
| International Equities - US              | \$330,783,147 |
| International Equities - Developed World | \$330,417,092 |
| Australian Bonds                         | \$183,608,087 |
| Gold                                     | \$159,011,816 |
| Australian Equities - Ethical            | \$136,559,893 |

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

| Sub-Category                           | Outflow Value  |
|--|----------------|
| Australian Equities - Broad            | (\$46,526,022) |
| International Equities - Asia          | (\$31,541,224) |
| Australian Equities - Resources Sector | (\$15,654,260) |
| Multi-Asset                            | (\$11,406,238) |
| Currency                               | (\$7,220,055)  |