



BetaShares

Exchange Traded Funds

BETASHARES AUSTRALIAN ETF REVIEW

MONTH ENDING MAY 2020



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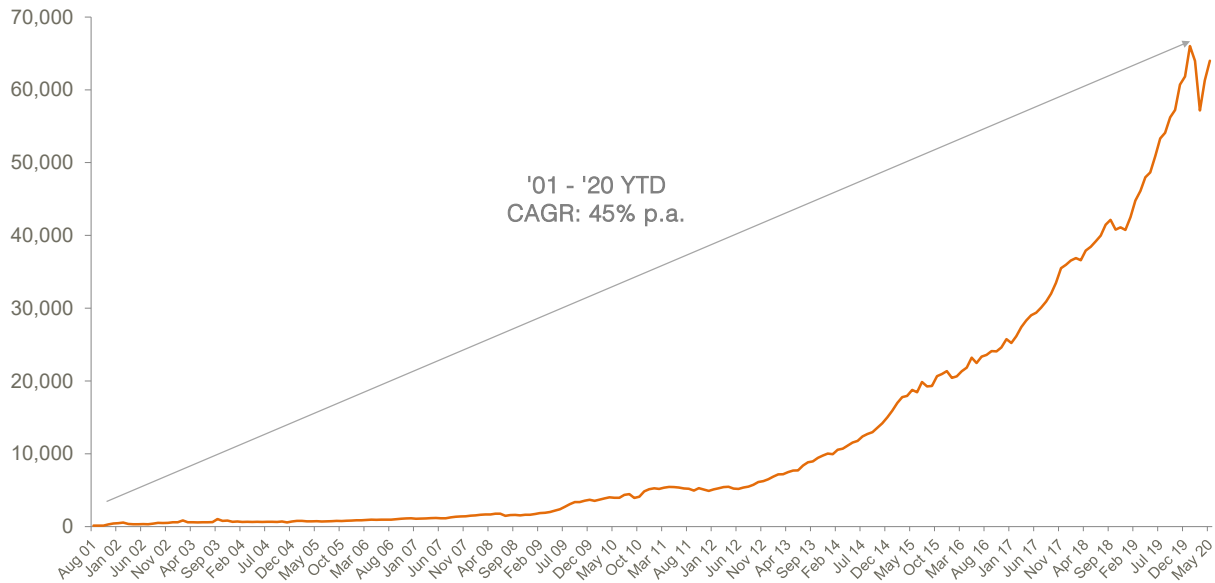
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AUSTRALIAN EXCHANGE TRADED FUND INDUSTRY: SUMMARY MAY 2020

ETF INDUSTRY STRAGES A 'V' SHAPED RECOVERY

- While there are many economists focused on trying to predict the potential 'shape' of the economic recovery (V, L, U, W!) it is clear that the Australian ETF industry has staged a 'V' shaped rebound.
- The industry closed the month of May at **\$64B**, or only 3% off its highest end-of-month peak of \$66B recorded at end January.
- Industry FuM grew by **\$2.7B** (4.4% MoM increase) to end May at **\$64.0B**. Industry growth over the last 12 months has been **28%**, with absolute growth of **\$13.3B** over this period.
- Importantly for the industry, more than half of this month's growth (60%) came from net new money, which amounted to **\$1.6B**
- Trading value remained high in May, albeit dropping from the two record figures set in the months before. At **\$8.2B** value traded for the month, it was still, however the **3rd highest trading value on record**, with ETF usage continuing to remain strong in both rising and falling markets.
- 3 new products launched this month including [BetaShares Global Government Bond 20+ Year ETF – Currency Hedged](#), and two new fixed income products from iShares. 3 single exposure bond products matured.
- At a category level, much like the two months preceding it, the highest level of flows were, once again, in Australian equities which received \$541m in new flows. However, as compared to the month before May, we saw increased flow into international equities products (largely broad market) and, in a reversal of flows for March and April, saw net flows into Australian bond products (\$190m) after two months of outflows.
- Outflows were limited this month, and were primarily in Cash and Global Bond exposures as investors continued to favour 'risk on' exposures.
- After several months of large falls, we saw Crude Oil exposures perform strongly over May, with BetaShares [OOO ETF](#) rising ~33%, followed by the [Australian Technology sector \(via ATEC\)](#) which gained ~15% in the month.

AUSTRALIAN ETP MARKET CAP: JULY 2001 – MAY 2020



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

MARKET CAP

- Australian Exchange Traded Funds Market Cap: **\$64.0B¹**
- Market cap increase for month: **4.4%, \$2.7B**
- Market cap growth for last 12 months: **31%, + \$15.3B**

NEW MONEY

- Net new money for month (units outstanding by \$ value): **+\$1.6B**

PRODUCTS

- 249 Exchange Traded Products trading on the ASX & Chi-X – 3 new products launched including [BetaShares Global Government Bond 20+ Year ETF – Currency Hedged](#), and two new fixed income products from iShares. 3 single exposure bond products matured.

TRADING VALUE

- ASX ETF Trading value remained high, but dropped back the record months of March and April – however at over \$8B, it was still the **3rd highest trading value on record (\$8.2B)**

PERFORMANCE

- After several months of large falls, we saw Crude Oil exposures perform strongly over May, with BetaShares [OOO ETF](#) rising ~33%, followed by the [Australian Technology sector \(via ATEC\)](#) which rose ~15% in the month

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

TOP 10 PRODUCTS: MAY 2020

By Market Cap

Ticker	Product	Issuer	Market Cap	Rank Movement
VAS	Vanguard Australian Shares Index ETF	Vanguard	\$5,262,795,060	
STW	SPDR S&P/ASX 200	State Street	\$3,651,026,508	
IVV	iShares S&P 500 ETF	iShares	\$3,186,603,392	
IOZ	iShares Core S&P/ASX 200 ETF	iShares	\$2,127,620,430	+1
VGS	Vanguard MSCI Index International Shares ETF	Vanguard	\$2,107,189,312	-1
VTS	Vanguard US Total Market Shares Index ETF	Vanguard	\$1,835,813,710	
IOO	iShares S&P Global 100 ETF	iShares	\$1,757,778,222	
GOLD	ETFS Physical Gold	ETF Securities	\$1,725,781,370	+1
AAA	Betashares Australian High Interest Cash ETF	BetaShares	\$1,698,164,554	-1
MGE	Magellan Global Equities Fund (Managed Fund)	Magellan	\$1,693,599,363	

Other products with > \$1B AUM: IAF, MVW, 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	\$42,120,932	
VAS	Vanguard Australian Shares Index ETF	Vanguard	\$28,452,746	
BBUS	BetaShares US Equities Strong Bear Currency Hedged (Hedge Fund)	BetaShares	\$20,772,073	+1
IOZ	iShares Core S&P/ASX 200 ETF	iShares	\$18,287,848	+1
STW	SPDR S&P/ASX 200	State Street	\$17,015,100	-2
BILL	iShares Core Cash ETF	iShares	\$12,419,566	+31
AAA	Betashares Australian High Interest Cash ETF	BetaShares	\$12,212,025	+1
GOLD	ETFS Physical Gold	ETF Securities	\$11,164,810	+1
IXJ	iShares S&P Global Healthcare ETF	iShares	\$10,738,936	+37
GEAR	BetaShares Geared Australian Equity Fund (Hedge Fund)	BetaShares	\$10,386,699	-4

Top 10 Inflows (by \$) - Month

Ticker	Product	Inflow Value
VAS	Vanguard Australian Shares Index ETF	\$231,268,398
IOZ	iShares Core S&P/ASX 200 ETF	\$141,798,321
IAF	iShares Core Composite Bond ETF	\$110,852,368
STW	SPDR S&P/ASX 200	\$99,100,344
BBOZ	BetaShares Australian Strong Bear (Hedge Fund)	\$80,657,929
GOLD	ETFS Physical Gold	\$79,277,129
MSTR	Morningstar International Shares Active ETF (Managed Fund)	\$74,776,783
VGAD	Vanguard MSCI Index International Shares (Hedged) ETF	\$62,053,386
BBUS	BetaShares US Equities Strong Bear Currency Hedged (Hedge Fund)	\$60,215,274
NDQ	BetaShares NASDAQ 100 ETF	\$57,663,575

Bottom 10 Inflows (by \$) - Month

Ticker	Product	Inflow Value
AAA	Betashares Australian High Interest Cash ETF	-\$56,050,961
IXI	iShares S&P Global Consumer Staples ETF	-\$34,987,591
VCF	Vanguard International Credit Securities Index (Hedged) ETF	-\$30,963,842
QRE	BetaShares S&P/ASX 200 Resources Sector ETF	-\$27,149,003
PLUS	VanEck Vectors Australian Corporate Bond Plus ETF	-\$21,036,253
IHVV	iShares S&P 500 AUD Hedged ETF	-\$19,431,956
IHCB	iShares Core Global Corporate Bond (AUD Hedged) ETF	-\$17,218,089
QPON	BetaShares Australian Bank Senior Floating Rate Bond ETF	-\$16,429,138
ISEC	iShares Enhanced Cash ETF	-\$12,536,114
IJP	iShares MSCI Japan ETF	-\$11,677,140

Top Performing Products – May 2020

Ticker	Product Name	Performance (%)
OOO	BetaShares Crude Oil Index ETF-Currency Hedged (Synthetic)	33.4%
ATEC	BetaShares S&P/ASX Australian Technology ETF	14.6%
ETPMAG	ETFS Physical Silver	13.1%
HACK	BetaShares Global Cybersecurity ETF	12.3%
VSO	Vanguard MSCI Australian Small Companies Index ETF	11.5%

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

Broad Category	Inflow Value
Australian Equities	\$665,646,911
International Equities	\$493,338,587
Fixed Income	\$166,011,513
Commodities	\$142,437,503
Short	\$129,657,253

Top Category Outflows (by \$) – May 2020

Broad Category	Inflow Value
Cash	-\$72,595,693
Currency	-\$385,026

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

Sub-Category	Inflow Value
Australian Equities - Broad	\$541,003,012
International Equities - Developed World	\$300,499,656
Australian Bonds	\$190,597,079
Gold	\$111,321,559
International Equities - Sector	\$86,496,956

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

Cash	-\$72,595,693
Global Bonds	-\$24,585,566
Australian Equities - Australian Equities - Sector	-\$10,642,310
Currency	-\$385,026