



# BETASHARES AUSTRALIAN ETF REVIEW

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**HALF YEAR REVIEW 2014  
& JUNE 2014**

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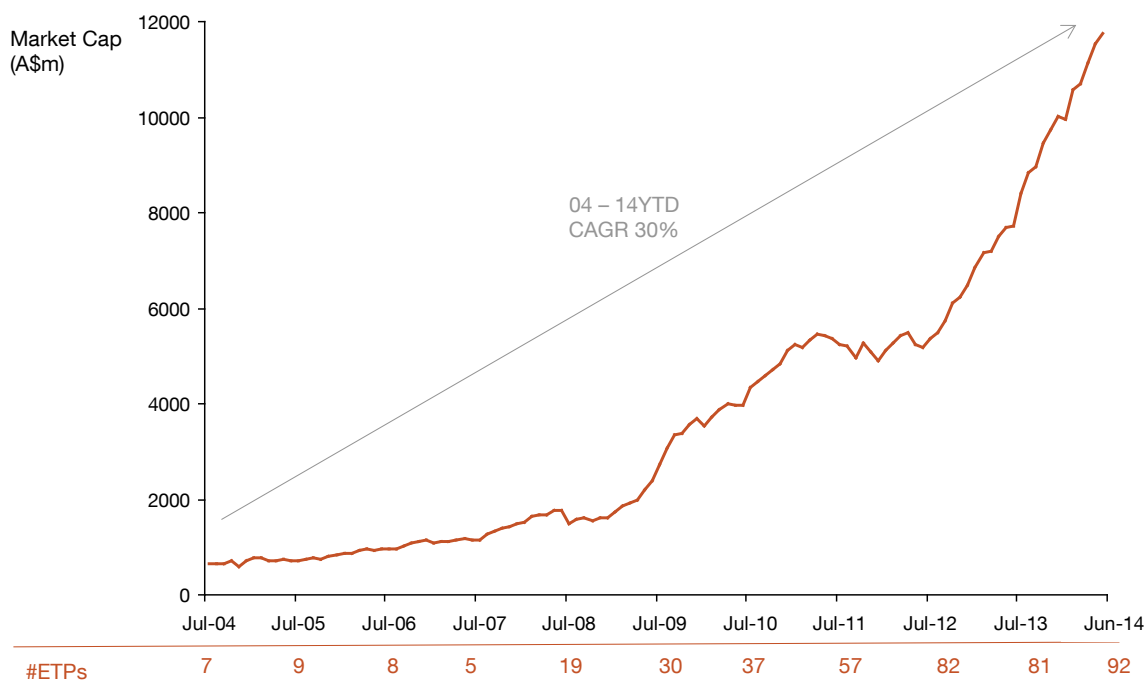
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## AUSTRALIAN EXCHANGE TRADED FUND INDUSTRY: HALF YEAR REVIEW 2014

- Australia's exchange traded fund industry continued to soar to record levels in the first half of 2014, hitting a **fresh record high market capitalisation of \$11.6B** as at end June 2014
- Market capitalisation for the industry **grew ~17%** for the half, adding **\$1.7B** to the industry
- Over the last twelve months, the industry's growth has been an impressive **52.7%**, with market capitalisation growing **\$4.1B**
- New unit growth was actually even stronger than market capitalisation growth at **~19%** for the half, indicating that notwithstanding little price growth in the markets, investors continued to support ETFs, adding **~\$1.7B of net new money** to the industry
- Overall trading values were stable compared to the previous half, recording a very slight decline
- Product development activity continues to be low, with only 3 new products launching in the period
- Investors were particularly drawn to international equities, with ~\$500m of net inflows into these products over the period
- In addition, high yield equities continued to be a major theme, attracting over \$350m of net inflows
- At a product level, income-oriented products were the most popular with **BetaShares Australian High Interest Cash ETF (AAA)** and **BetaShares Equity Yield Maximiser Fund (YMAX)** recording the #1 and #3 largest net inflows for the half. **Vanguard Australian Shares Index ETF (VAS)** recorded the second highest level of inflows for the same period
- Total outflows for the period were muted, largely confined to a single style based ETF, **Russell Australian Value ETF (RVL)** and **ETFS Physical Gold (GOLD)** as gold continued to be shunned by investors.
- The best performance for the half came from Australian Listed Property ETFs and specific commodities, including Palladium and Oil
- The future of the industry looks rosy and we retain our end of 2014 forecast of an industry size of between \$13-\$15B, with expectations at the higher end of the range
- We also expect significant new launches in the second half, after a slow 12 month period for product development

## MARKET SIZE AND GROWTH: HALF YEAR 2014

### Australian ETP Market Cap: July 2004 – June 2014 (A\$m)



## **MARKET CAP**

- ASX Exchange Traded Funds Market Cap: **\$11.6B – new record high**
- Market cap growth for half year: **17.4%,+ \$1.74B**
- Market cap growth for last twelve months: **52.7%, +\$4.1B**

## **NEW MONEY**

- New unit growth for half year (units outstanding by number): **19.1%**
- Net new money (units outstanding by \$ value): **+\$1.66B**

## **PRODUCTS**

- 92 Exchange Traded Products trading on the ASX
- 3 new product launched in the half year

## **TRADING VALUE**

- Trading value marginally decreased (-3%) compared to previous half year period

## **PERFORMANCE**

- Listed Property and Commodity exposures the best performing products for the half year

## TOP 10 PRODUCTS: HALF YEAR 2014

### By Market Cap

Ticker	Product	Issuer	Market Cap (this month)	Rank Movement
STW AU Equity	SPDR S&P/ASX 200 Fund	State Street	\$2,319,730,000	-
IVV AU Equity	iShares S&P 500	iShares	\$1,120,010,000	-
VAS AU Equity	Vanguard Australian Shares Index ETF	Vanguard	\$657,400,000	+1
IOO AU Equity	iShares S&P Global 100	iShares	\$647,020,000	-1
AAA AU Equity	Betashares Australian High Interest Cash ETF	BetaShares	\$537,962,000	-
SLF AU Equity	SPDR S&P/ASX 200 Listed Property Fund	State Street	\$443,700,000	-
Gold AU Equity	ETFS Physical Gold	ETFS	\$431,176,000	-
VHY AU Equity	Vanguard Australian Shares High Yield ETF	Vanguard	\$396,779,000	-
SFY AU Equity	SPDR S&P/ASX 50 Fund	State Street	\$372,322,000	-
IOZ AU Equity	iShares MSCI Australia 200	iShares	\$328,568,000	-

Other products with > \$200m AUM: IEM AU, VTS AU, IEU AU, RDV AU, IHD AU, VEU AU, ILC AU, VAP AU, YMAX A,

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

Ticker	Product	Creation Value
AAA AU Equity	Betashares Australian High Interest Cash ETF	\$222,970,457
VAS AU Equity	Vanguard Australian Shares Index ETF	\$142,510,791
YMAX AU Equity	BetaShares Equity Yield Maximiser Fund	\$132,508,054
IOO AU Equity	iShares S&P Global 100	\$115,874,071
IVV AU Equity	iShares S&P 500	\$111,463,807
IEU AU Equity	iShares S&P Europe 350	\$82,068,753
VTS AU Equity	Vanguard US Total Market Shares Index ETF	\$78,601,050
IOZ AU Equity	iShares MSCI Australia 200	\$75,500,713
VHY AU Equity	Vanguard Australian Shares High Yield ETF	\$71,647,276
VEU AU Equity	Vanguard All-World ex-US Shares Index ETF	\$71,049,143

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

Ticker	Product	Redemption Value
RVL AU Equity	Russell Australian Value ETF	(\$31,801,337)
Gold AU Equity	ETFS Physical Gold	(\$28,508,851)
IBK AU Equity	iShares MSCI BRIC	(\$11,105,033)
QFN AU Equity	BetaShares S&P/ASX 200 Financials-x-A-REIT ETF	(\$6,620,730)
OZF AU Equity	SPDR S&P/ASX 200 Financials ex REIT Fund	(\$4,123,849)
WEMG AU Equity	SPDR S&P EMERGING MARKETS FD	(\$1,561,714)
ETPMAG AU Equity	ETFS Physical Silver	(\$1,464,279)
QAU AU Equity	BetaShares Gold Bullion ETF - Currency Hedged	(\$1,331,429)
ETPMPM AU Equity	ETFS Physical PM Basket	(\$1,127,886)
ITW AU Equity	iShares MSCI Taiwan	(\$711,203)

### By Average Daily Trading Value (6 months)

Ticker	Product	Issuer	ADTV
STW AU Equity	SPDR S&P/ASX 200 Fund	State Street	\$ 9,108,952
AAA AU Equity	Betashares Australian High Interest Cash ETF	BetaShares	\$ 4,018,320
IVV AU Equity	iShares S&P 500	iShares	\$ 4,003,660
VAS AU Equity	Vanguard Australian Shares Index ETF	Vanguard	\$ 2,216,282
YMAX AU Equity	BetaShares Equity Yield Maximiser Fund	BetaShares	\$ 1,499,886
IOO AU Equity	iShares S&P Global 100	iShares	\$ 1,482,437
IEU AU Equity	iShares S&P Europe 350	iShares	\$ 1,343,334
VHY AU Equity	Vanguard Australian Shares High Yield ETF	Vanguard	\$ 1,148,450
VEU AU Equity	Vanguard All-World ex-US Shares Index ETF	Vanguard	\$ 1,086,818
USD AU Equity	BetaShares U.S Dollar ETF	BetaShares	\$ 1,061,632

### Top 5 Category Inflows (by \$) - YTD

Category	Inflow Value
International Equities - Developed	\$489,654,185
Aus. High Yield	\$353,119,426
Aus. Equities - Broad	\$298,877,831
Cash	\$222,970,457
A-REIT Sector	\$88,465,093

### Top Category Outflows (by \$) - YTD

Category	Outflow Value
Style	(\$31,103,666)
Commodities	(\$29,005,460)
Financials Sector	(\$9,159,807)
Resources Sector	(\$552,033)

### Top Performing Products – Half Year

Ticker	Product Name	Performance (%)
SLF	SPDR S&P/ASX 200 Listed Property Fund	12.5%
ETPMPD	ETFS Physical Palladium	12.2%
VAP	Vanguard Australian Property Securities Fund	12.1%
MVA	Market Vectors Australian Property	11.5%
OOO	BetaShares Crude Oil ETF (Currency Hedged)	10.9%

## AUSTRALIAN EXCHANGE TRADED FUND INDUSTRY: MONTH OF JUNE 2014

### AUSSIE! AUSSIE! AUSSIE!

- Another strong month of growth saw the industry reach another fresh high
- Market growth for June was 2.4% with net new money into the industry \$370m
- The buying trend towards Australian equities and away from international equities continued this month with Australian equities exposures being the largest two categories for inflows
- Outflows were small this month, with some modest selling out of emerging markets equities

### MARKET CAP & NEW MONEY

- Market cap growth for month: **2.36%,+ \$267.5m**
- New unit growth for half year (units outstanding by number): **4.7%**
- Net new money (units outstanding by \$ value): **+\$369.9m**
- No new products launched this month

### TRADING VALUE

- Trading value increased 41% month on month

### PERFORMANCE

- Silver and Currency-Hedged Gold the best performers

## TOP 10 PRODUCTS: JUNE 2014

By Average Daily Trading Value (20 days)

Ticker	Product	Issuer	ADTV 20 days	Rank Movement
STW AU Equity	SPDR S&P/ASX 200 Fund	State Street	\$11,183,220	-
AAA AU Equity	Betashares Australian High Interest Cash ETF	BetaShares	\$8,293,526	-
YMAX AU Equity	BetaShares Equity Yield Maximiser Fund	BetaShares	\$4,654,675	+4
IVV AU Equity	iShares S&P 500	iShares	\$4,147,160	-1
VEU AU Equity	Vanguard All-World ex-US Shares Index ETF	Vanguard	\$2,646,389	+15
VAS AU Equity	Vanguard Australian Shares Index ETF	Vanguard	\$2,022,147	-2
VHY AU Equity	Vanguard Australian Shares High Yield ETF	Vanguard	\$1,635,234	-2
IOO AU Equity	iShares S&P Global 100	iShares	\$1,317,019	-2
IEU AU Equity	iShares S&P Europe 350	iShares	\$1,157,538	+2
VTS AU Equity	Vanguard US Total Market Shares Index ETF	Vanguard	\$1,020,973	+4

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

Ticker	Product	Creation Value
YMAX AU Equity	BetaShares Equity Yield Maximiser Fund	\$73,664,000
VAS AU Equity	Vanguard Australian Shares Index ETF	\$66,752,640
AAA AU Equity	Betashares Australian High Interest Cash ETF	\$65,392,619
STW AU Equity	SPDR S&P/ASX 200 Fund	\$51,426,800
VAP AU Equity	Vanguard Australian Property Securities Index ETF	\$14,982,456
VEU AU Equity	Vanguard All-World ex-US Shares Index ETF	\$12,913,051
VTS AU Equity	Vanguard US Total Market Shares Index ETF	\$10,786,220
RDV AU Equity	Russell High Dividend Australia Shares ETF	\$10,387,755
QOZ AU Equity	BetaShares FTSE RAFI Australia 200 ETF	\$7,528,740
RCB AU Equity	Russell Australian Select Corporate Bond ETF	\$6,166,800

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

Ticker	Product	Redemption Value
IBK AU Equity	iShares MSCI BRIC	(\$2,476,773)
MVB AU Equity	Market Vectors Australian Banks	(\$1,089,424)
ISG AU Equity	iShares MSCI Singapore	(\$354,893)

### Top 5 Category Inflows (by \$) - Month

Category	Inflow Value
Aus. Equities - Broad	\$129,251,945
Aus. High Yield	\$98,966,102
Cash	\$65,392,619
International Equities - Developed	\$24,860,881
A-REIT Sector	\$18,095,605

### Top Category Outflows (by \$) - Month

Category	Outflow Value
International Equities - Emerging Markets	(\$2,476,773)
Financials Sector	(\$1,089,424)

### Top Performing Products – Month

Ticker	Product Name	Performance
ETPMAG	ETFS Physical Silver	8.3%
QAU	BetaShares Gold Bullion ETF (Currency Hedged)	4.8%
IJP	iShares MSCI Japan	3.8%
GOLD	ETFS Physical Gold	3.7%
OOO	BetaShares Crude Oil ETF (Currency Hedged)	3.5%