



BETASHARES AUSTRALIAN ETF REVIEW

MONTH ENDING AUGUST 2015

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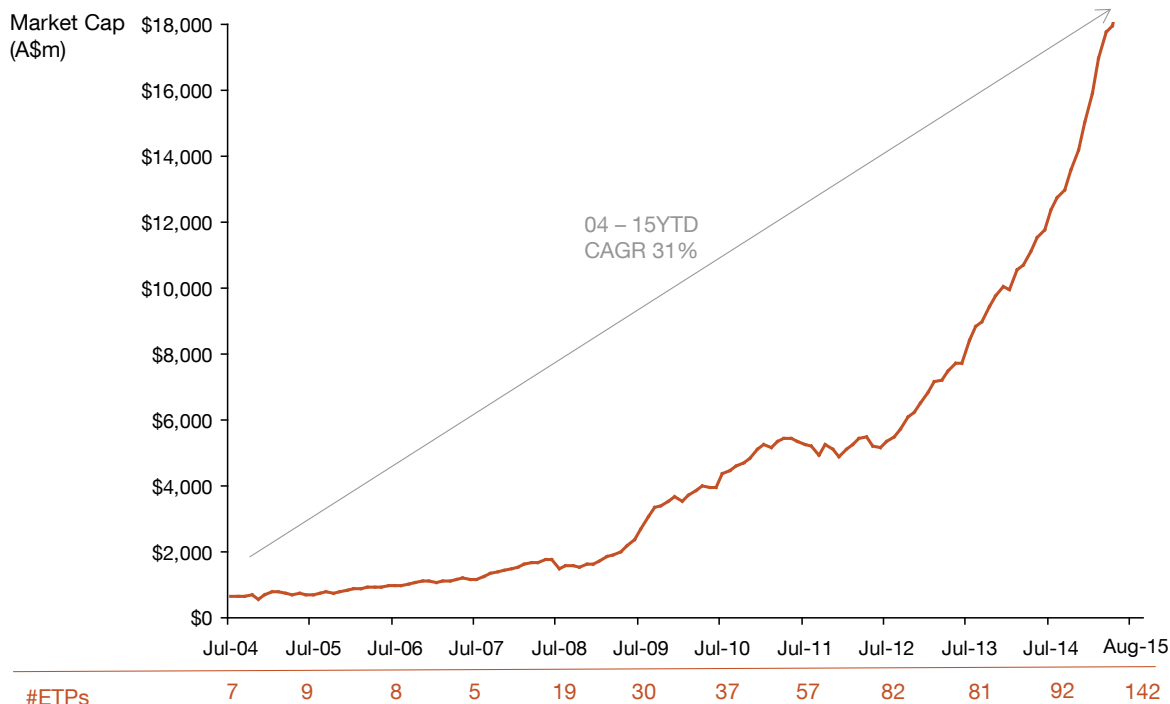
AUSTRALIAN EXCHANGE TRADED FUND INDUSTRY: SUMMARY AUGUST 2015

AUGUST 2015: MARKET VOLATILITY BRINGS WITH IT RECORD TRADING

- In a month where share markets fell sharply, the Australian ETF industry experienced positive net inflows, with volatility bringing with it a record month of ETF trading
- Overall, the Australian exchange traded fund industry declined in value ending the month at **\$19.0B**
- Market capitalisation declined by ~4% (\$703m) due to market falls
- Notwithstanding market declines, the structural growth in the industry continued with net inflows of ~\$330m for the month
- With significant market volatility, Australian investors used exchange traded funds to express both bullish and bearish views on global markets, which led to **all time high monthly trading value** of \$2.3B for the month
- 3 new products were launched this month, including two new US equities exposures from BetaShares, the BetaShares U.S. Equities Strong Bear Hedge Fund – Currency Hedged (BBUS) and the BetaShares Geared U.S. Equities Fund (hedge fund) – Currency Hedged (GGUS). In addition, Magellan launched a currency-hedged version of their Global Equities Fund (MHG)
- Inflows for the month were split between Australian and International equities (primarily global exposures rather than US specific)
- Net outflow activity by category was low, and largely confined to outflows in emerging markets equities
- Best performance this month came from the BetaShares Australian Equities Strong Bear Hedge Fund (BBOZ) which returned ~19% as the share markets tumbled!

MARKET SIZE AND GROWTH: AUGUST 2015

Australian ETP Market Cap: July 2004 – August 2015 (A\$m)



CAGR: Compound Annual Growth Rate
Source: ASX, BetaShares

MARKET CAP

- ASX Exchange Traded Funds Market Cap: \$19.0B
- Market cap growth for month: -3.8%, -\$703.4m
- Market cap growth for last twelve months: 51.3%, +\$6.5B

NEW MONEY

- New unit growth for month (units outstanding by number): 4.8%
- Net new money (units outstanding by \$ value): +\$329.1m

PRODUCTS

- 142 Exchange Traded Products trading on the ASX
- 3 new product launched– **BetaShares U.S. Equities Strong Bear Hedge Fund – Currency Hedged (BBUS)**, **BetaShares Geared U.S. Equities Fund (hedge fund) – Currency Hedged**, & **Magellan Global Equities Fund (Currency Hedged) (MHG)**

TRADING VALUE

- Average trading value increased 23% month on month to hit a **new record high** of \$2.3B in traded value for the month

PERFORMANCE

- **BetaShares Australian Equities Strong Bear Hedge Fund (BBOZ)** and **BetaShares Australian Equities Bear Hedge Fund (BEAR)** the best performing products this month

TOP 10 PRODUCTS: AUGUST 2015

By Market Cap

Ticker	Product	Issuer	Market Cap (this month)	Rank Movement
STW AU Equity	SPDR S&P/ASX 200 Fund	State Street	\$2,808,629,900	-
IVV AU Equity	iShares S&P 500	iShares	\$1,934,180,000	-
VAS AU Equity	Vanguard Australian Shares Index ETF	Vanguard	\$1,050,310,100	-
IOO AU Equity	iShares S&P Global 100	iShares	\$1,035,530,000	-
VTS AU Equity	Vanguard US Total Market Shares Index ETF	Vanguard	\$734,625,000	-
AAA AU Equity	Betashares Australian High Interest Cash ETF	BetaShares	\$706,747,000	-
IEU AU Equity	iShares S&P Europe 350	iShares	\$595,120,000	+1
SLF AU Equity	SPDR S&P/ASX 200 Listed Property Fund	State Street	\$564,642,000	-1
VEU AU Equity	Vanguard All-World ex-US Shares Index ETF	Vanguard	\$531,929,000	-
VHY AU Equity	Vanguard Australian Shares High Yield ETF	Vanguard	\$521,433,000	-

Other products with > \$300m AUM: USD, VAP, Gold, SFY, IXJ, IEM, IOZ, YMAX,

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	\$13,132,210	-
IVV AU Equity	iShares S&P 500	iShares	\$8,731,018	-
VAS AU Equity	Vanguard Australian Shares Index ETF	Vanguard	\$7,232,365	-
IEM AU Equity	iShares MSCI Emerging Markets	iShares	\$6,239,179	+12
AAA AU Equity	Betashares Australian High Interest Cash ETF	BetaShares	\$6,131,386	-
USD AU Equity	BetaShares US Dollar ETF	BetaShares	\$5,226,065	-2
IOO AU Equity	iShares S&P Global 100	iShares	\$3,592,752	+3
IEU AU Equity	iShares S&P Europe 350	iShares	\$3,468,750	-2
BBOZ AU Equity	BetaShares Australian Equities Strong Bear Hedge	BetaShares	\$3,221,809	+13
VTS AU Equity	Vanguard US Total Market Shares Index ETF	Vanguard	\$3,143,230	-3

Top 10 Creations (by \$) - Month

Ticker	Product	Creation Value
VAS AU Equity	Vanguard Australian Shares Index ETF	\$89,186,064
MGE AU Equity	Magellan Global Equities Fund (Mgd Fund)	\$38,150,393
VHY AU Equity	Vanguard Australian Shares High Yield ETF	\$30,264,400
VEU AU Equity	Vanguard All-World ex-US Shares Index ETF	\$26,373,624
IHOO AU Equity	iShares Global 100 ETF (Hedged)	\$25,689,445
VTS AU Equity	Vanguard US Total Market Shares Index ETF	\$25,145,575
GEAR AU Equity	BetaShares Geared Australian Equity Fund	\$23,556,890
VAF AU EQUITY	Vanguard Australian Fixed Interest ETF	\$17,476,410
VAP AU Equity	Vanguard Australian Property Securities Index ET	\$16,112,096
VGS AU Equity	Vanguard International Shares ETF	\$15,232,828

Top 10 Redemptions (by \$) - Month

Ticker	Product	Redemption Value
STW AU Equity	SPDR S&P/ASX 200 Fund	(\$69,295,520)
IEM AU Equity	iShares MSCI Emerging Markets	(\$23,583,246)
Gold AU Equity	ETFs Physical Gold	(\$12,295,288)
RCB AU Equity	Russell Australian Select Corporate Bond ETF	(\$12,225,720)
IJP AU Equity	iShares MSCI Japan	(\$6,596,269)
IAF AU EQUITY	iShares UBS Composite Bond Index Fund	(\$3,177,936)
WXOZ AU Equity	SPDR S&P World Ex Australia Fund	(\$2,976,544)
IOO AU Equity	iShares S&P Global 100	(\$2,925,223)
IZZ AU Equity	iShares FTSE/Xinhua China 25	(\$2,215,043)
IAA AU Equity	iShares S&P Asia 50	(\$1,078,660)

Top Performing Products - Month

Ticker	Product Name	Performance (%)
BBOZ	BetaShares Australian Equities Strong Bear Hedge Fund	19.0%
BEAR	BetaShares Australian Equities Bear Fund	8.4%
PMGOLD	Perth Mint Gold	7.5%
ETPOIL	ETFS Brent Crude Oil	6.3%
ZGOL	ANZ ETFS Physical Gold ETF	6.2%

Top 5 Category Inflows (by \$) - Month

Category	Inflow Value
International Equities - Developed	\$83,036,508
International Equities - Global	\$71,477,593
Aus. Equities - Broad	\$64,656,564
Aus. High Yield	\$50,729,789
A-REIT Sector	\$22,158,658

Top Category Outflows (by \$) - Month

Category	Outflow Value
International Equities - Emerging Markets	(\$23,806,149)
Commodities	(\$3,061,547)