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# Global ETFs

## Factoring in alternative market exposures

### Exchange Traded Funds

#### Global Quality Factor ETFs

**QLTY** BetaShares Global Quality Leaders ETF

**QMIx** SPDR MSCI World Quality Mix Fund

**QUAL** VanEck Vectors MSCI World ex Australia Quality ETF

**QHALL** VanEck Vectors MSCI World ex Australia Quality ETF (A\$ Hedged)

#### Global Min. Volatility Factor ETFs

**VMIN** Vanguard Global Minimum Volatility Active ETF (Managed Fund)

**WVOL** iShares Edge MSCI World Minimum Volatility ETF

#### Global Value ETFs

**VVLU** Vanguard Global Value Equity Active ETF (Managed Fund)

#### Global Multi-Factor ETFs

**MOAT** VanEck Vectors Morningstar Wide Moat ETF

**VGMF** Vanguard Global Multi-Factor Active ETF (Managed Fund)

**WDMF** iShares Edge MSCI World Multifactor ETF

This report is to be read in conjunction with the PDS/ Prospectus of each listed managed investment and the risks on page 9

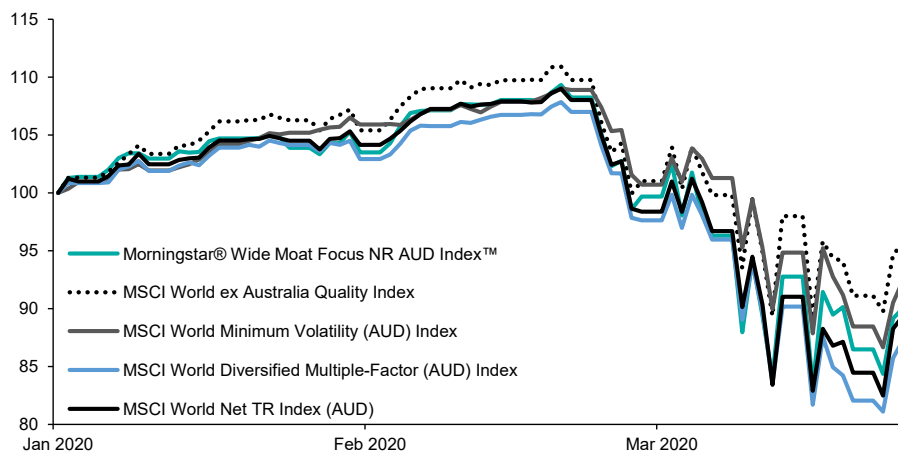
In the space of a month, the MSCI World Index (in USD) had been sold-off by over 30%. The modern world is experiencing an unprecedented systematic shutdown of borders and businesses, suppressing the outlook of future economic global growth. Confidence has been diminished and uncertainty remains high as the world awaits a return to normality.

It is, however, certain that the bottom of the market cycle will be unknown until it has come and gone. Dollar-cost averaging is one strategy at this time to buy into the market whilst reducing the risk of further sudden falls in asset prices. An alternative strategy is investing in factor-based ETFs, also known as Smart Beta ETFs, to gain a tilted exposure to the global equity market. Whilst traditional ETFs track a market-cap weighted index, a factor-based ETF applies a rules-based investing approach.

The factor-based ETFs explored in this report are aimed at providing a defensive tilt to long global equities. These factors include companies that are included into a portfolio due to high quality scores based on key fundamental factors, minimum volatility strategies that aim to decrease less than the broad market during downturns and strategies that incorporate multiple-factors to reduce intra-portfolio correlation.

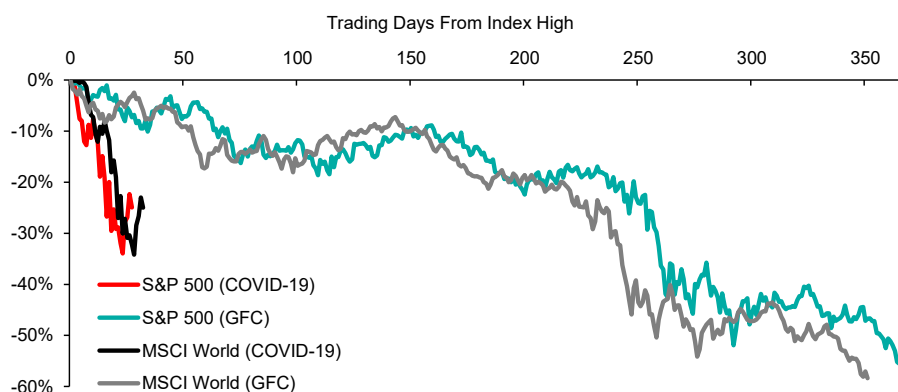
Each ETF offers the ability to stay invested through various market conditions.

Figure 1 - Factor index returns v MSCI World Index rebased to 100



SOURCE: BLOOMBERG. BELL POTTER RESEARCH. DATA AS AT 25 MARCH 2019

Figure 2 - Comparison of trading days from index high



SOURCE: IRESS. RETURNS ARE IN LOCAL CURRENCY. DATA AS AT 27 MARCH 2019

# ASX global factor ETFs

Table 1 - Global quality factor ETF details

Name	Code	Index	Management Costs (p.a.) <sup>1</sup>	Holdings	Unit Price <sup>2</sup>	Market Capitalisation <sup>1</sup>
BetaShares Global Quality Leaders ETF	<b>QLTY</b>	iSTOXX MUTB Global Ex-Australia Quality Leaders Index	0.35%	~150	\$18.00	\$41.1m

QLTY aims to provide investors with exposure to a diversified portfolio of 150 quality global companies (ex-Australia) with high return on equity and profitability, low leverage and sustainable cash flows. The index components are selected based on a combined ranking of 4 fundamental ratios – return on equity, debt-to-capital, cash flow generation ability and business stability. Securities are initially derived from the STOXX Global 1800 ex-Australia Index and dividend into North America, Europe and Asia/Pacific. A screen is applied to each region to only select stocks that rank within the top 50% by return on equity and top 95% by financial health, profitability and stability. From this, a composite quality score is calculated and the top 150 stocks are the components of the index. The index is weighted by free-float market capitalisation, each stock is capped at 2% and rebalanced half-yearly.

SPDR MSCI World Quality Mix Fund	<b>QMIX</b>	MSCI World Factor Mix A-Series Index	0.40%	~782	\$19.68	\$20.9m
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QMIX aims to track the performance (before fees and expenses) of the Index, which combines historically defensive factors (quality and minimum volatility) with a pro-cyclical factor (value) allowing investors to participate in multiple investment views in one allocation. The Index is the equal weighted combination of the MSCI Quality Index, MSCI Value Weighted Index and MSCI Minimum Volatility Index. The weights are rebalanced half-yearly. Combining these three factor indexes in equal proportions has been viewed by the provider as offering a smoother performance return and greater diversification compared to individual factor indices.

VanEck Vectors MSCI World ex Australia Quality ETF	<b>QUAL</b>	MSCI World ex Australia Quality Index	0.40%	~300	\$20.08	\$858.9m
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QUAL seeks to track the performance of the MSCI World ex Australia Quality Index (before fees and expenses). The index is based on the wider MSCI World ex-Australia Index, aiming to capture the performance of quality growth stocks selected from this Index. Each security is ranked on the quality score that is based on return on equity, earnings variability and debt to equity ratio. Securities eligible for inclusion are weighted in the index as Quality Score x Market Capitalisation, with a 5% weighting cap for individual issuers. The index is rebalanced half-yearly.

VanEck Vectors MSCI World ex Australia Quality (A\$ Hedged) ETF	<b>QHAL</b>	MSCI World ex Australia Quality 100% Hedged to AUD Index	0.43%	~300	\$23.92	\$34.0m
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QHAL tracks the same index and methodology as QUAL but is 100% hedged to AUD.

SOURCE: COMPANY REPORTS. <sup>1</sup>AS AT 29 FEBRUARY 2020. FOR A COMPLETE BREAKDOWN OF FEES AND ADDITIONAL COSTS, PLEASE REFER TO THE PDS/PROSPECTUS OF EACH INVESTMENT PRODUCT. <sup>2</sup>AS AT 25 MARCH 2020

Table 2 - Global minimum volatility and value factor ETF details

Name	Code	Index	Management Costs (p.a.) <sup>1</sup>	Holdings	Unit Price <sup>2</sup>	Market Capitalisation <sup>1</sup>
Vanguard Global Minimum Volatility Active ETF (Managed Fund)	<b>VMIN</b>	FTSE Global All Cap Index (AUD hedged)	0.28%	~261	\$45.12	\$14.6m
VMIN is an active ETF, seeking to provide long-term capital appreciation with volatility lower than the FTSE Global All Cap Index (AUD Hedged), before taking into account fees, expenses and tax. The portfolio aims to be diversified across sectors, countries, and industry groups. The portfolio manager uses a quantitative model to evaluate all of the securities in an investment universe that seeks to achieve the lowest amount of expected volatility subject to a set of reasonable constraints designed to foster portfolio diversification and liquidity. Vanguard aims to hedge the majority of VMIN's currency exposure back to AUD, targeted to reduce further portfolio volatility.						
iShares Edge MSCI World Minimum Volatility ETF	<b>WVOL</b>	MSCI World Minimum Volatility (AUD) Index	0.30%	~459	\$30.80	\$129.7m
WVOL seeks to track the performance of the MSCI World Minimum Volatility Net TR Index in AUD (before fees and expenses). The index aims to generate lower volatility relative to the broader global developed equity markets. The companies within the Index are selected using a minimum volatility strategy that optimises the Parent Index (MSCI World Index) using the Barra multi-factor equity model, which estimates the risk profile and expected volatility of each company and the correlation between all companies in the Parent Index. The strategy then aims to select a subset of companies with the lowest absolute volatility of returns, subject to certain constraints.						
Vanguard Global Value Equity Active ETF (Managed Fund)	<b>VVLU</b>	FTSE Developed All-Cap in Australian dollars Index	0.28%	~1273	\$34.50	\$17.7m
VVLU is an active ETF, seeking to provide long term capital appreciation by investing in global equity securities demonstrating value characteristics. The investable universe of securities is the FTSE Developed All-Cap Index and the Russell 3000 Index. The portfolio aims to be diversified across sectors, countries and industry groups. The portfolio manager uses a rules-based quantitative model to evaluate all of the securities in an investment universe comprised of large and mid, and small capitalisation stocks and to construct an equity portfolio that seeks to achieve exposure to securities with lower prices relative to fundamental measures of value. Securities with lower prices relative to fundamental value may be identified by measures such as book to price, earnings to price and cash flow to price ratios.						

SOURCE: COMPANY REPORTS. <sup>1</sup>AS AT 29 FEBRUARY 2020. FOR A COMPLETE BREAKDOWN OF FEES AND ADDITIONAL COSTS, PLEASE REFER TO THE PDS/PROSPECTUS OF EACH INVESTMENT PRODUCT. <sup>2</sup>AS AT 25 MARCH 2020

Table 3 - Global multi-factor ETF details

Name	Code	Index	Management Costs (p.a.) <sup>1</sup>	Holdings	Unit Price <sup>2</sup>	Market Capitalisation <sup>1</sup>
VanEck Vectors Morningstar Wide Moat ETF	<b>MOAT</b>	Morningstar® Wide Moat Focus Net Return AUD Index	0.49%	~48	\$68.15	\$152.3m

MOAT aims to track the performance of the Morningstar Wide Moat Focus NR Index in AUD. The index is a high conviction strategy that comprises of at least 40 to 80 wide moat companies in the US that Morningstar considers to be attractively priced based on Morningstar's proprietary methodology that considers quantitative and qualitative factors. Wide moat companies are those in which they have very high confidence excess returns will remain for 10 years, with excess returns more likely than not to remain for at least 20 years.

Vanguard Global Multi-Factor Active ETF (Managed Fund)	<b>VGMF</b>	FTSE Developed All-Cap in Australian dollars Index	0.34%	~907	\$41.25	\$14.1m
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VGMF is an active ETF, seeking to provide long-term capital appreciation and aims to outperform the FTSE Developed All-Cap Index (with net dividends reinvested) in Australian dollars Index before taking into account fees, expenses and tax. The investable universe of securities is the FTSE Developed All-Cap Index and the Russell 3000 Index. The portfolio aims to be diversified across sectors, countries, and industry groups, with the end portfolio providing the potential to generate higher returns relative to the broad equity market. The portfolio manager employs a rules-based quantitative process to evaluate securities based on three factors – momentum, quality and value.

iShares Edge MSCI World Multi-Factor ETF	<b>WDMF</b>	MSCI World Diversified Multiple-Factor (AUD) Index	0.35%	~333	\$29.29	\$218.2m
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WDMF seeks to track the performance of the MSCI World Diversified Multiple-Factor Net TR Index in AUD (before fees and expenses). The index is designed to measure the performance of developed market equities that have favorable exposure to four target style factors subject to constraints. These are Quality (financially healthy firms), Value (inexpensive stocks), Size (smaller companies) and Momentum (trending stocks). The companies within the Index are selected from the Parent Index (MSCI World Index) using the Barra multi-factor equity model to maximise the exposure to the four targeted style factors while maintaining market risk similar to the Parent Index.

SOURCE: COMPANY REPORTS. <sup>1</sup>AS AT 29 FEBRUARY 2020. FOR A COMPLETE BREAKDOWN OF FEES AND ADDITIONAL COSTS, PLEASE REFER TO THE PDS/PROSPECTUS OF EACH INVESTMENT PRODUCT. <sup>2</sup>AS AT 25 MARCH 2020

# Regional exposure

The USA is the predominant regional exposure amongst each of the ETFs, with it being the sole focus of MOAT. For comparison, the MSCI World Index has an allocation to the USA of ~64%, followed by Japan with ~8%. Many of the ETFs will be ex-Australia focus, although this is only approximately a 2% exposure in the MSCI World Index.

Table 4 - Regional exposures

BetaShares Global Quality Leaders ETF	SPDR MSCI World Quality Mix Fund	VanEck Vectors MSCI World ex Australia Quality ETF
QLTY	QMIX	QUAL
<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>
USA 69.0%	USA 61.5%	USA 71.9%
Japan 10.6%	Japan 8.8%	UK 6.5%
Switzerland 4.4%	UK 5.1%	Switzerland 5.7%
France 2.7%	Canada 3.8%	Japan 3.2%
Denmark 2.5%	Australia 3.5%	France 2.5%
Spain 1.8%	Switzerland 3.1%	Denmark 1.8%
UK 1.8%	France 2.9%	Ireland 1.6%
Hong Kong 1.2%	Germany 2.0%	Canada 1.5%
Finland 1.0%	Hong Kong 2.0%	Netherlands 1.3%
Other 5.0%	Netherlands 1.2%	Germany 0.9%
Vanguard Global Minimum Volatility Active ETF (Managed Fund)	iShares Edge MSCI World Minimum Volatility ETF	Vanguard Global Value Equity Active ETF (Managed Fund)
VMIN	WVOL	VVLU
<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>
USA 51.3%	USA 58.9%	USA 61.9%
Japan 7.8%	Japan 9.7%	Japan 8.8%
Canada 6.0%	Canada 6.7%	UK 5.5%
UK 5.9%	Australia 6.4%	France 3.4%
Australia 4.0%	Hong Kong 3.6%	Korea 3.4%
Korea 2.9%	Switzerland 3.2%	Germany 3.0%
China 2.6%	UK 2.1%	Canada 3.0%
Switzerland 2.2%	Spain 1.3%	Italy 2.0%
India 2.1%	Germany 1.3%	Hong Kong 1.4%
Germany 1.8%	Singapore 1.2%	Spain 1.2%
VanEck Vectors Morningstar Wide Moat ETF	Vanguard Global Multi-Factor Active ETF (Managed Fund)	iShares Edge MSCI World Multi-Factor ETF
MOAT	VGMF	WDMF
<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>
USA 99.7%	USA 62.4%	USA 66.3%
Other 0.3%	Japan 8.7%	UK 6.9%
	UK 5.5%	Australia 6.7%
	Canada 3.3%	Japan 4.7%
	Germany 2.6%	Canada 4.3%
	France 2.6%	Hong Kong 2.5%
	Sweden 2.4%	France 1.8%
	Switzerland 2.2%	Netherlands 1.6%
	Australia 2.1%	Switzerland 1.1%
	Korea 1.4%	Germany 0.8%

SOURCE: COMPANY REPORTS.

## Sector exposure

Unlike the regional exposures, the underlying sector weights of each portfolio is more unique across the mandates. Quality facto ETFs are more overweight IT and Health Care in relation to the MSCI World Index. Financials and Consumer Staples provide the characteristics of lower volatility and also result in a higher value score across these ETFs.

Table 5 - Sector exposures

BetaShares Global Quality Leaders ETF		SPDR MSCI World Quality Mix Fund		VanEck Vectors MSCI World ex Australia Quality ETF	
QLTY		QMIX		QUAL	
<i>as at 29 February 2020</i>		<i>as at 29 February 2020</i>		<i>as at 29 February 2020</i>	
IT	32.8%	IT	19.2%	IT	33.9%
Healthcare	22.7%	Financials	14.8%	Health Care	19.3%
Industrials	12.5%	Health Care	12.3%	Consumer Staples	11.6%
Consumer Discretionary	12.0%	Consumer Staples	10.3%	Industrials	11.3%
Financials	6.9%	Industrials	9.7%	Consumer Discretionary	9.8%
Communication Services	6.6%	Consumer Discretionary	8.9%	Communication Services	9.1%
Consumer Staples	4.4%	Communication Services	8.6%	Financials	3.1%
Real Estate	1.1%	Materials	5.5%	Materials	1.4%
Materials	0.9%	Utilities	4.4%	Real Estate	0.4%
		Real Estate	3.9%	Other/Cash	0.1%
Vanguard Global Minimum Volatility Active ETF (Managed Fund)		iShares Edge MSCI World Minimum Volatility ETF		Vanguard Global Value Equity Active ETF (Managed Fund)	
VMIN		WVOL		VVLU	
<i>as at 29 February 2020</i>		<i>as at 29 February 2020</i>		<i>as at 29 February 2020</i>	
Financials	29.0%	Financials	15.7%	Financials	27.7%
Consumer Services	13.8%	Consumer Staples	13.5%	Industrials	14.3%
Industrials	12.1%	IT	12.0%	Consumer Services	13.0%
Consumer Goods	9.7%	Materials	9.7%	Consumer Goods	10.3%
Technology	9.2%	Communication	9.0%	Oil & Gas	10.0%
Health Care	7.4%	Utilities	8.8%	Basic Materials	8.4%
Utilities	7.1%	Real Estate	8.2%	Utilities	5.5%
Telecommunications	6.8%	Health Care	7.8%	Technology	4.3%
Basic Materials	3.8%	Industrials	7.5%	Health Care	4.0%
Oil & Gas	1.1%	Consumer Discretionary	6.4%	Telecommunications	2.5%
VanEck Vectors Morningstar Wide Moat ETF		Vanguard Global Multi-Factor Active ETF (Managed Fund)		iShares Edge MSCI World Multi-Factor ETF	
MOAT		VGMF		WDMF	
<i>as at 29 February 2020</i>		<i>as at 29 February 2020</i>		<i>as at 29 February 2020</i>	
Health Care	24.2%	Financials	25.5%	IT	22.2%
IT	18.9%	Industrials	21.0%	Industrials	12.4%
Financials	12.1%	Consumer Goods	13.0%	Consumer Discretionary	12.2%
Industrials	11.8%	Technology	11.0%	Financials	10.4%
Consumer Discretionary	10.4%	Consumer Services	10.3%	Health Care	9.9%
Consumer Staples	7.4%	Health Care	9.2%	Consumer Staples	8.4%
Communication Services	4.8%	Basic Materials	4.2%	Materials	7.5%
Materials	3.8%	Oil & Gas	3.2%	Real Estate	7.4%
Energy	3.6%	Utilities	1.5%	Utilities	5.0%
Utilities	2.5%	Telecommunications	1.1%	Communication	3.5%

SOURCE: COMPANY REPORTS.

# Underlying portfolio exposure

The Vanguard Managed Funds are active and the underlying security holdings have the greatest deviation away from the underlying indices compared to the other ETFs that provide a filter or ranking of a broader world index. Many of the Quality companies are representative of the MSCI World Index top weights with the emission of Amazon.com.

Table 6 - Top 10 holdings

BetaShares Global Quality Leaders ETF	SPDR MSCI World Quality Mix Fund	VanEck Vectors MSCI World ex Australia Quality ETF
QLTY	QMIX	QUAL
<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>
NVIDIA Corp 2.5%	Apple Inc 2.5%	Microsoft Corp 5.6%
Adobe Inc 2.4%	Microsoft Corp 2.4%	Apple Inc 5.3%
Roche Holding AG 2.2%	Johnson & Johnson 1.4%	Facebook Inc - Class A 3.1%
Novo Nordisk A/S 2.2%	Visa Inc 1.3%	Visa Inc 2.9%
Apple Inc 2.1%	Facebook Inc - Class A 1.3%	Johnson & Johnson 2.9%
Visa Inc 2.1%	Procter & Gamble 1.1%	Alphabet Inc - Class C 2.7%
Alphabet Inc - Class C 2.1%	Alphabet Inc - Class C 1.1%	Alphabet Inc - Class A 2.6%
Facebook Inc 2.1%	Alphabet Inc - Class A 1.1%	Mastercard Inc 2.6%
TJX Cos Inc 2.0%	Roche Holding AG 1.1%	Roche Holding AG 2.4%
Intel Corp 2.0%	Intel Corp 1.0%	Nestle SA 2.1%
Vanguard Global Minimum Volatility Active ETF (Managed Fund)	iShares Edge MSCI World Minimum Volatility ETF	Vanguard Global Value Equity Active ETF (Managed Fund)
VMIN	WVOL	VVLU
<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>
Blackstone Mortgage Trust Inc	Newmont 1.8%	General Motors Co.
Starwood Property Trust Inc	Barrick Gold Corp 1.2%	Marathon Petroleum Corp
KT&G Corp	Coca-Cola 1.1%	DuPont de Nemours Inc
Cable One Inc	Franco Nevada Corp 1.0%	EOG Resources Inc
Amdocs Ltd	Pepsico Inc 0.9%	Ford Motor Co.
Power Assets Holdings Ltd	Duke Energy Corp 0.9%	CVS Health Corp
National Bank of Canada	Verizon Communications Inc 0.9%	HP Inc
China Biologic Product Holdings	Nextra Energy Inc 0.8%	HCA Healthcare Inc
Apollo Comm. Real Estate Fin.	Deutsche Telekom N AG 0.8%	Cigna Corp
MFA Financial Inc	Nestle SA 0.8%	Micron Technology
VanEck Vectors Morningstar Wide Moat ETF	Vanguard Global Multi-Factor Active ETF (Managed Fund)	iShares Edge MSCI World Multi-Factor ETF
MOAT	VGMF	WDMF
<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>
ServiceNow Inc 3.1%	Target Corp	Intel Corp 2.7%
Biogen Idec Inc 3.1%	Intel Corp	Walmart Inc 2.3%
Salesforce.com Inc 2.8%	Micron Technology Inc	Texas Instrument Inc 2.1%
Amazon.com Inc 2.8%	Lam Research Corp	Intuit Inc 1.8%
Bristol-Myer Squibb 2.7%	Phillips 66	BHP Group Ltd 1.6%
Philip Morris 2.7%	AT&T Inc	Micron Technology Inc 1.5%
Gilead Sciences Inc 2.7%	Aon plc	Biogen Inc 1.5%
Intel Corp 2.7%	Valero Energy Corp	Target Corp 1.3%
Guidewire Software Inc 2.6%	Merck & Co Inc	Rio Tinto Plc 1.3%
Blackrock Inc 2.6%	Johnson Controls International	Aon plc 1.3%

SOURCE: COMPANY REPORTS.



# Unit price performance

As at the end of February 2020, the MSCI World Index had a year-to-date return of -0.8% and -9.0% in AUD and USD, respectively. Whilst many of these featured ETFs aren't expected to provide absolute returns greater than the broad equity market (except for the Vanguard Active ETFs), they may instead limit the downside during volatile periods.

Table 7 - ETF unit price performance

BetaShares Global Quality Leaders ETF	SPDR MSCI World Quality Mix Fund	VanEck Vectors MSCI World ex Australia Quality ETF
QLTY	QMIX	QUAL
<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>
1 Month -3.1%	1 Month -4.9%	1 Month -4.2%
3 Month 0.5%	3 Month -1.7%	3 Month 0.7%
YTD 1.0%	YTD -0.6%	YTD 1.0%
6 Month 9.4%	6 Month 5.0%	6 Month 9.2%
1 Year 22.2%	1 Year 16.5%	1 Year 23.6%
3 Year n/a	3 Year 14.6%	3 Year 18.5%
Distribution Yield 0.4%	Distribution Yield 3.1%	Distribution Yield 1.5%
Distribution Freq. Half Yearly	Distribution Freq. Half Yearly	Distribution Freq. Yearly
Vanguard Global Minimum Volatility Active ETF (Managed Fund)	iShares Edge MSCI World Minimum Volatility ETF	Vanguard Global Value Equity Active ETF (Managed Fund)
VMIN	WVOL	VVLU
<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>
1 Month -7.6%	1 Month -4.9%	1 Month -7.9%
3 Month -6.0%	3 Month -1.3%	3 Month -9.7%
YTD -6.8%	YTD 0.7%	YTD -10.3%
6 Month -2.3%	6 Month 1.2%	6 Month 0.7%
1 Year 6.1%	1 Year 15.2%	1 Year -4.1%
3 Year n/a	3 Year 13.2%	3 Year n/a
Distribution Yield 1.0%	Distribution Yield 3.1%	Distribution Yield 4.6%
Distribution Freq. Quarterly	Distribution Freq. Half Yearly	Distribution Freq. Quarterly
VanEck Vectors Morningstar Wide Moat ETF	Vanguard Global Multi-Factor Active ETF (Managed Fund)	iShares Edge MSCI World Multi-Factor ETF
MOAT	VGMF	WDMF
<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>	<i>as at 29 February 2020</i>
1 Month -3.6%	1 Month -6.6%	1 Month -5.1%
3 Month -2.3%	3 Month -6.0%	3 Month -3.8%
YTD -0.3%	YTD -5.1%	YTD -2.4%
6 Month 9.6%	6 Month 1.5%	6 Month 3.7%
1 Year 19.9%	1 Year n/a	1 Year 8.3%
3 Year 18.2%	3 Year n/a	3 Year 11.5%
Distribution Yield 1.3%	Distribution Yield 1.5%	Distribution Yield 2.2%
Distribution Freq. Yearly	Distribution Freq. Quarterly	Distribution Freq. Half Yearly

SOURCE: COMPANY REPORTS, BLOOMBERG.



# Risks

- **Investment strategy risk:** Historical performance is no guarantee of future performance, and cannot be solely relied upon in evaluating a managers ability to provide value. There is no guarantee that the strategy of a fund will be executed by the manager/provider successfully or will deliver in meeting it's desired objectives.
- **Manager/Responsible entity risk:** A fund could unexpectedly terminate, change its fees and expenses, or the responsible entity may be replaced by another entity. Key personal from the investment manager of an actively managed fund may leave also leave.
- **Currency risk:** Unhedged investments in global securities are subject to fluctuations in foreign exchange rates that may adversely affect the AUD value of the portfolio. Conversely, hedged investment vehicles may underperform if there are positive AUD movements in the foreign exchange market.
- **Concentration risk:** A smaller number of holdings in a fund may increase the non-systemic associated with the portfolio.
- **Underlying benchmark risk:** Investors should understand the objective of the index and in particular the selection criteria and methodology of individual weighting in the benchmark. There is no guarantee that the benchmark used will meet its objectives or produce a satisfactory return.
- **Geographic risk:** A natural or other disaster could occur in a geographic area that may have an adverse impact on a large proportion of the underlying companies operations and therefore the return of the fund.
- **Liquidity risk:** ETFs are generally highly reliable on market makers making a market in units to ensure stable liquidity. There may be times when market liquidity is thin and spreads widen out which possesses a risk of trading at a price that is less representative of the fair value of the ETF.
- **Tracking risk:** The price at which the units trade on the ASX may not accurately reflect the NAV at a particular point in time. The role of the market maker will be to minimize the tracking error, not to eliminate it.

**Refer to the Product Disclose Statement or Prospectus of each ETF for further information on risks associated with each specific investment and the risks of using ETFs.**

## Exchange Traded Funds

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