



InvestSMART

Australian Exchange Traded Fund Report

MARCH QUARTER 2018

www.investsmart.com.au



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About this report

Welcome to InvestSMART's March Quarter 2018 Australian Exchange-Traded Products (ETP) update.

Exchange Traded Funds (ETFs) form the basis of a range of InvestSMART's Separately Managed Account (SMA) portfolios. The purpose of this report is to provide our clients with an easy to digest wrap of market activity as well as provide a greater level of insight into how and why we've built our SMA portfolios the way we have.

ETFs are a low-cost, hassle-free way for investors to achieve their investment objectives. Whether your aim is to diversify your portfolio or to obtain exposure to a particular investment theme, the ability to buy ETFs directly on market, their low cost and transparency has seen the popularity of these securities amongst investors grow rapidly.

We have categorised the ETP market by asset class to allow members to quickly identify suitable securities to fill any investment gaps in their portfolio and remain aligned to their specific investment objectives.

FIGURE 1: ASSET CLASSES

Asset Class	Description
Commodities	ETPs that provide exposure to various Commodities & Natural Resources
Currency	ETPs that provide exposure to various Currencies
Diversified	ETPs that provide Diversified Multi Sector exposure
Equities	ETPs that provide exposure to Equity Markets
Fixed Income & Cash	ETPs that provide exposure to Interest Rate Securities and Cash
Property & Infrastructure	ETPs that provide exposure to Domestic and Global Property and Infrastructure

A woman with glasses and a man with a beard are looking at a tablet together. The woman is on the left, wearing a light-colored top, and the man is on the right, wearing a white shirt. They are both smiling and appear to be in a professional setting. The background is softly blurred, showing what looks like a window with light coming through.

About InvestSMART

Founded in 1999, InvestSMART Group Limited (ASX:INV) believes everyone should have the confidence to control their financial future and it shouldn't be hard or expensive to do so.

Whether you're managing your own investments or looking for a little help, we deliver straightforward, flexible and affordable solutions to ensure you are better able to meet your investment goals.

Our three leading brands – InvestSMART, Eureka Report and Intelligent Investor – together offer actionable investment tools, wealth advice and independent ASX-listed stock research.

We're all about making investing simple. Statistics show four in five Australians do not receive any professional investment advice, with cost the primary reason. We aim to change that.

Through our Portfolio Manager, stock research, wealth commentary and affordable investment products, we believe we are delivering the right tools to help all Australians grow and protect their wealth.

Save time and invest in a diversified portfolio of ETFs with InvestSMART

Suitable for all investors as a total portfolio solution or the core of an investment plan.



InvestSMART

Diversified Income

Portfolio



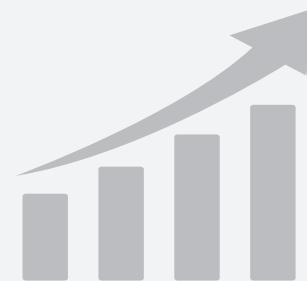
A portfolio of ETFs giving investors a mix of multiple asset classes to achieve a sustainable income and capital protection.



InvestSMART

Core Growth

Portfolio



A portfolio of ETFs giving investors a mix of multiple asset classes to achieve long term, stable capital growth.

InvestSMART Star Rating



When reviewing an ETF there are some key quantifiable metrics common to every security.

To save time in reviewing each and every ETF listed on the Australian Market, we have developed a Quantitative 5 Star Rating System that takes each of these items into account. It is reflective of the process we use to identify investments for our own SMA portfolios.

For our portfolios, we generally like to see a 4 to 5-star rating, as this implies the security rates well across each of the above-mentioned metrics. However, the star rating is best used as a filtering tool when comparing ETFs with the same objective. It does not make sense to compare a highly liquid, and hence low-cost S&P500 ETF to one designed to track the performance of emerging markets which are often less liquid and more expensive to access.

FIGURE 2: INVESTSMART STAR RATING CRITERIA

Factor	Description
Size	Funds under management.
Fees	Fund management fees as a percentage of FUM.
Liquidity	Trading volumes.
Spread	The average percentage difference between the bid & ask.
Tracking Error	The difference in the return profile of the Fund to its benchmark.

It should also be noted that the InvestSMART Star Rating is a quantitative measure and it does not take one's investment objectives into account.

The InvestSMART Star ratings do not constitute recommendations.

Additionally, we do not rate Actively Managed Funds or Structured products, and this is denoted by an NR or "Not Rated".

FIGURE 3: ETF STAR RATINGS AS AT 31 MARCH 2018

Star Rating	Number of ETFs
★★★★★	7
★★★★☆	31
★★★☆☆	58
★★★☆☆	42
★☆☆☆☆	4
Not Rated	34
Total	176

Highlights from this quarter

Changes we've made

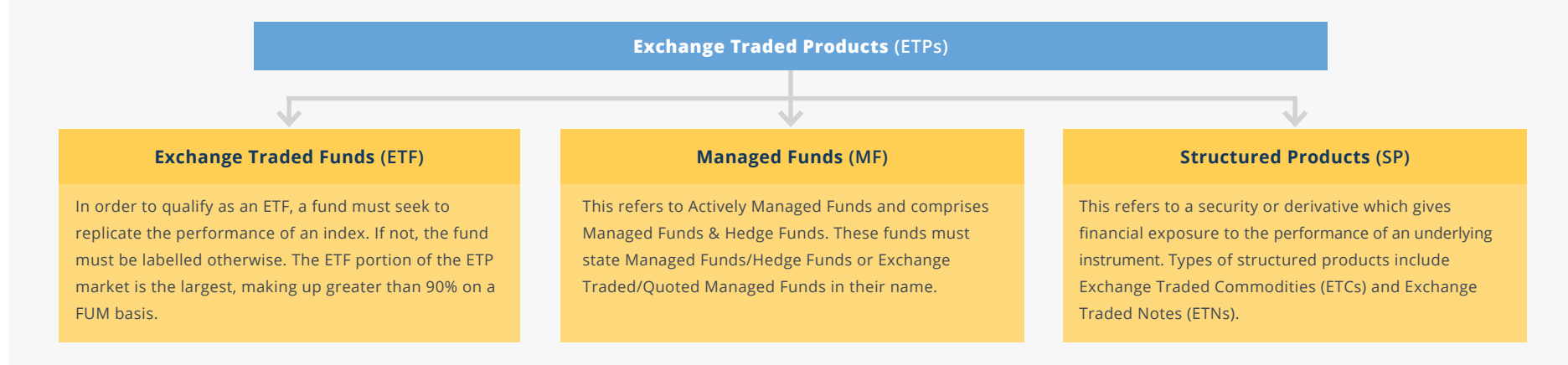
We encourage feedback from our members as it allows us to continually build more useful products. Following suggestions, this quarter we've made some changes to the report. These include:

- Clearer distinctions between Active & Passive
- Greater level of detail in breaking down asset classes

Let us know what else you'd like to see in our quarterly report. Contact us at support@investsmart.com.au.

An ASIC framework for defining Active vs Passive Funds

FIGURE 4: CATEGORISATION OF EXCHANGE TRADED PRODUCTS (ETPS)



Exchange Traded Products are those that include portfolio exposure securities that trade intra-day on an exchange. Broadly speaking, they can be categorised under two headers in reference to the portfolios management style, as either 'active' or 'passive'.

As the market for listed funds continues to grow, ASIC has sought to clarify the naming conventions in its [*Information Sheet 230: Exchange traded products*](#).

In simple terms, a passive fund *seeks to replicate or track* the performance of an index, specified combination of multiple indices, or other widely regarded benchmark, the value of which is continuously disclosed, or can be immediately determined.

An active fund is one that buy or sells investments based on an active investment strategy or where they *seek to outperform* a particular benchmark.

A grey area exists for **Smart Beta** products as they are somewhat of a Hybrid between active and passive management. So long as they seek to replicate or track the performance of an index, they can be referred to as an ETF.

As each type of product comes with varying levels of risk, we will adopt these conventions when referring to securities throughout our report to provide greater clarity to readers.

ETF due diligence

The Domestic ETF market is still quite small when we consider global exchanges, and the variety of options currently on offer is quite concentrated in regard to exposure. However, as the market matures, and more funds are listed, investors will need to be able to identify the differences between two similar ETFs.

This month we dive deeper into the due diligence process and provide a framework for identifying the differences between across ETFs.

Note, this framework is applicable to analysing ETFs, that is passively managed funds that seek to track the performance of a given index and does not necessarily apply to actively managed products which generally require greater understanding of the portfolio manager, investment philosophy, track record etc.

Exposure

“Does the fund deliver the desired exposure”

After identifying the gaps in your current portfolio, the next step is to identify securities designed to provide exposure to them.

ETFs are designed to track indices, so the quickest way to determine the exposure that an ETF will provide you is to understand its benchmark. Most ETFs will provide a rundown of the benchmark construction methodology within their PDS documentation and some key items to consider include:

FIGURE 5: BENCHMARK CONSTRUCTION METHODOLOGIES



Performance

“Evaluation of the ETFs performance”

Unlike an actively managed fund that is designed to provide returns in excess of their stated benchmark, ETFs are managed to track their chosen benchmark index. A well-managed ETF should track closely and how well the ETF tracks its benchmark can be monitored by two metrics.

The difference in returns of ETF to its Benchmark for a given period is referred to as the **tracking difference**. The **tracking error** refers to the volatility of the tracking difference and a lower tracking error suggests greater consistency in the difference.

You cannot invest in a benchmark index, that is why ETFs exist. However, doing so incurs costs and some reasons as to why an ETFs performance vary to its benchmark include:

- Management fee
- Tax
- Transactional/rebalancing costs
- Securities lending
- Poor management

The lower the tracking difference and error the better when comparing two similar ETFs.

Structure

“How is the fund constructed”

Dependant on the underlying asset which the ETF is designed to track, the issuer can elect to construct the ETF in a variety of ways. The reasons as to why the issuer may choose to construct a fund in a certain way may come down to cost, liquidity, number of benchmark constituents & holding practicality.

FIGURE 6: PORTFOLIO CONSTRUCTION METHODS

Physical

If an ETF has a physical construction methodology it physically holds the underlying securities.

Those funds that hold all the underlying securities are said to be fully replicating, while those that do not are classed as optimised or partially replicating. Some indices may comprise 000's of securities and replicating them in full can prove costly.

An optimised or partially replicating ETF seeks to find the sweet spot between maintaining a low tracking error without incurring unnecessary transactional costs.

Synthetic

These ETFs use derivatives as a means of delivering returns in line with a given index and open an investor up to a range of risks that a physical ETF do not, for example counterparty risk.

The most common reason an issuer may elect to construct a fund in this way is that physically holding the underlying security is impractical, in the case of many commodity ETFs.

Domicile

“Where is the fund domiciled, and how does that effect the investor”

A number of Internationally focused ETFs are domiciled overseas or “cross-listed” meaning that for tax purposes they are not ‘Australian Residents’.

For a cross listed ETF, the administrative burden at tax time is passed on to the investor. That is, each investor needs to fill out a W8-BEN form to be eligible for reduction in US withholding taxes from 30 to 15%. For an Australian Domiciled ETF investing in overseas securities, this only needs to be done once by the manager for the benefit of all investors.

There are two quick ways to determine if an ETF is cross listed:

1. Instead of a PDS, the ETF is issued with a Prospectus
2. The ASX refers to Internationally Domiciled securities as a “Chess-Depository-Interest” or CDI’s

When reviewing an ETF, you should identify where it is domiciled and understand the potential tax implications for you, and the effect this may have on the funds’ performance.

Costs

“What is the total cost of ownership”

The cost of an ETF is more than just its quoted management fee.

The other cost to consider when reviewing an ETF is the bid-offer spread. ETFs are designed to closely track the NAV of the underlying portfolio and this is done through the use of market makers. Market makers will place bids and offers either side of the NAV at a margin or “spread”.

This spread is designed to account for the transaction costs incurred in buying or selling the underlying portfolio constituents to account for money entering or exiting the fund so as not to disadvantage existing unit holders.

Generally, the less liquid the underlying securities in the ETF, the wider the spread will be. Other costs (or benefits) involved in running an ETF, such as rebalancing costs, taxes and securities lending revenue will be accounted for in the tracking difference.

Liquidity

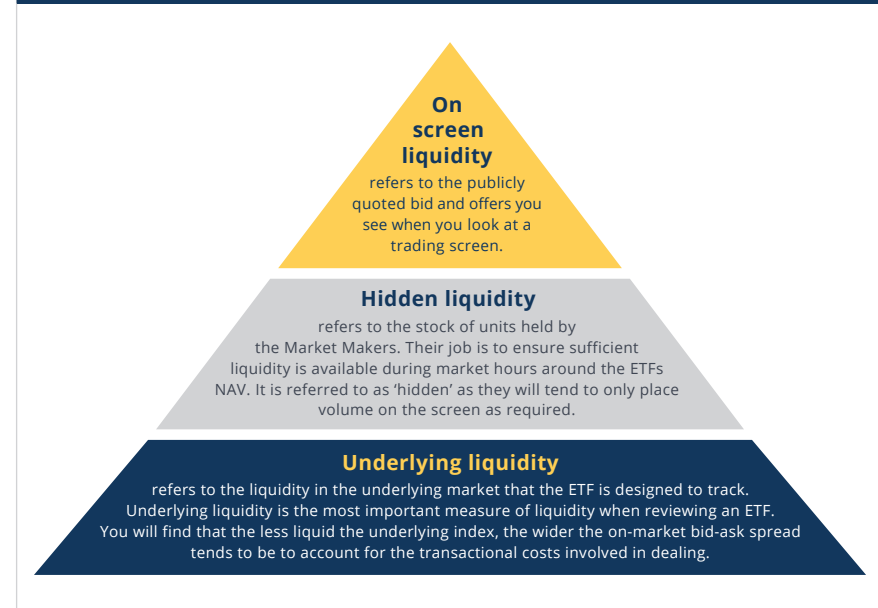
“Will I be able to buy or sell when I need to”

A common concern investors' have when reviewing an ETF is liquidity, or the ability to buy or sell when required. Unlike trading in equities, there are three levels to an ETFs liquidity.

Understanding underlying liquidity

As an example, SPDRs S&P/ASX 200 Fund is designed to track the S&P ASX 200. If SPDR needed to satisfy demand for a large order in excess of current units on screen and held by the market makers, a market maker would simply buy the constituent securities of the ETF on market and deliver them to SPDR. SPDR as issuer would then create new units and issue them to the Market Maker who would place them on market hence providing liquidity. This is a benefit of the open-ended structure of ETFs and the reason why price will track the funds NAV for the majority of the time.

FIGURE 7: THE THREE LEVELS OF ETF LIQUIDITY



Market Overview

Key Highlights



Total ETF Funds Under Management

+1.7%
to \$36.2 billion

\$1.5
billion



ETF Quarterly
Inflows

176
ETFs



At March 31, 2017

3 New
ETFs

Launched in the
March quarter

+11.2%

Best performing ETF

**BetaShares
Australian Equities
Strong Bear Fund**

7.4%

Best performing sector

**Equity Global
Technology**

38 ETFs

*with highest 4 or 5
star ratings*

-9.2%

Worst performing ETF

**BetaShares
Geared Australian
Equity Fund**

9.2%

Worst performing sector

**Equity Australia
Large Geared**

46 ETFs

*with lowest 1 or 2
star ratings*

Market Overview

Funds under management (FUM)

The Australian ETP market has grown to \$36bn as at March 2018. This is despite March posting the first negative month for FUM growth in 13 months. While net inflows were positive, negative equity market performance saw total FUM decline slightly.

FIGURE 8: MARKET GROWTH

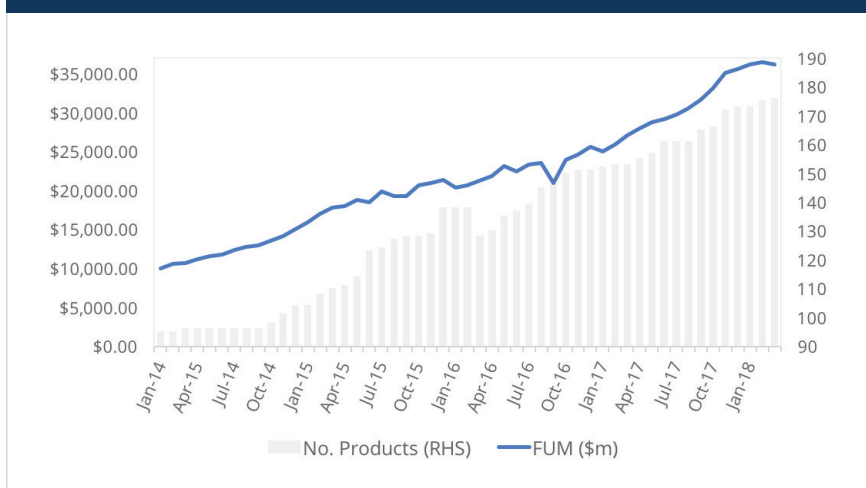
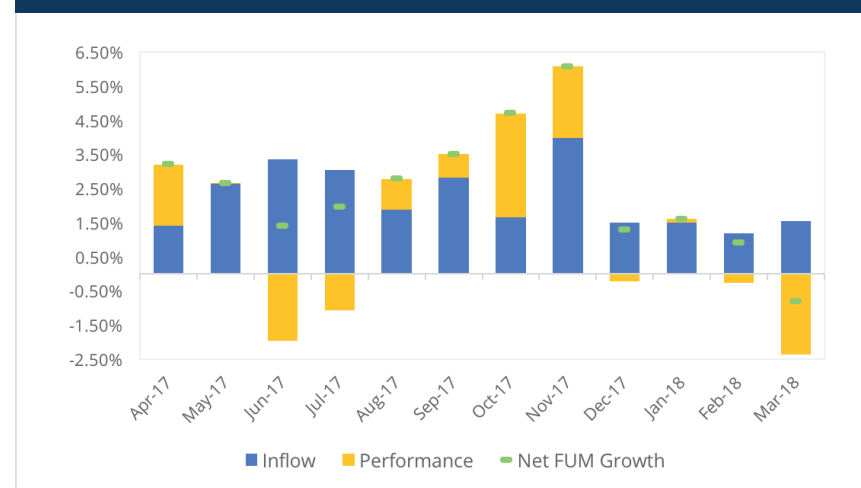


FIGURE 9: FUM GROWTH – INFLOWS VS PERFORMANCE



During the period BetaShares launched two new funds while VanEck issued one. This has taken the number of ETPs listed on the ASX to 176, up from 173 in December 2017.

FIGURE 10: ETP MARKET BREAKDOWN BY ISSUER

Issuer	No. Funds (Dec)	No. Funds (Mar)	FUM \$m (Dec)	FUM \$m (Mar)	Market share
Blackrock	39	39	\$10,431.83	\$10,593.62	29.29%
Vanguard	22	22	\$10,077.28	\$10,229.50	28.28%
State Street	16	16	\$5,691.77	\$5,556.27	15.36%
Betashares	42	44	\$4,527.69	\$4,591.57	12.69%
Magellan	3	3	\$1,189.27	\$1,211.39	3.35%
VanEck	10	11	\$969.78	\$1,132.03	3.13%
Russell	6	6	\$647.82	\$641.83	1.77%
ETFS Securities	15	15	\$889.28	\$974.70	2.69%
Market Vectors	4	4	\$445.87	\$469.53	1.30%
UBS	9	9	\$272.19	\$269.67	0.75%
Platinum	2	2	\$194.76	\$275.15	0.76%
Switzer	1	1	\$77.67	\$75.60	0.21%
Montgomery	1	1	\$62.58	\$71.78	0.20%
Schroder	1	1	\$45.25	\$45.53	0.13%
K2 Asset Management	2	2	\$36.89	\$33.28	0.09%
	173	176	\$35,559.93	\$36,171.46	100.00%

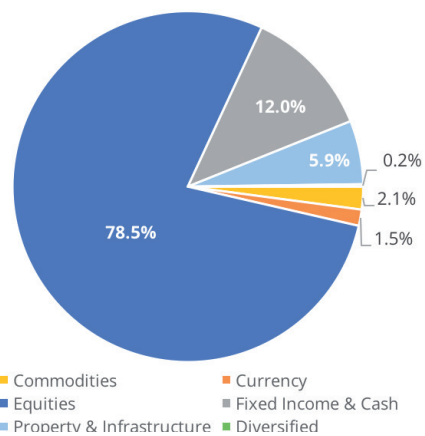
Source: MorningStar, ASX

FIGURE 11: AUSTRALIAN ETP MARKET BREAKDOWN



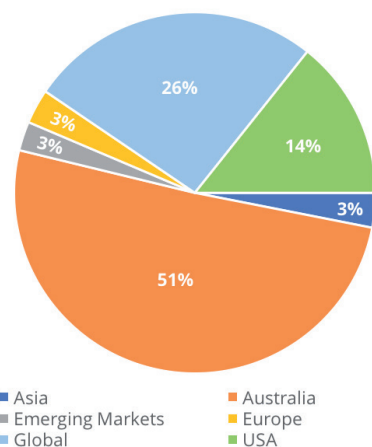
Asset Class

The largest asset class in terms of both product range as well as FUM is equities, representing over 75% of the market.



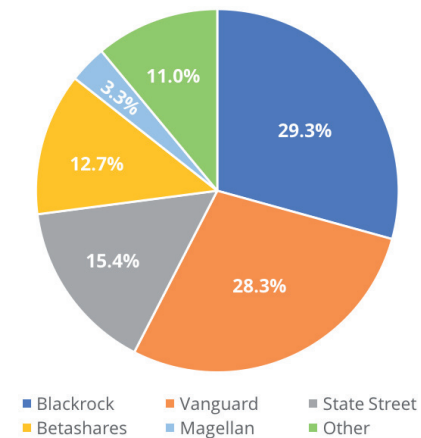
Geography

Geographically, the largest exposure for ETFs across the market is Australia, followed by those providing diversified global exposure.



Issuer

With combined FUM of over \$30 billion, close to 90% of the Australian ETFs market is managed by five issuers, namely BlackRock, Vanguard, State Street, BetaShares and Magellan.

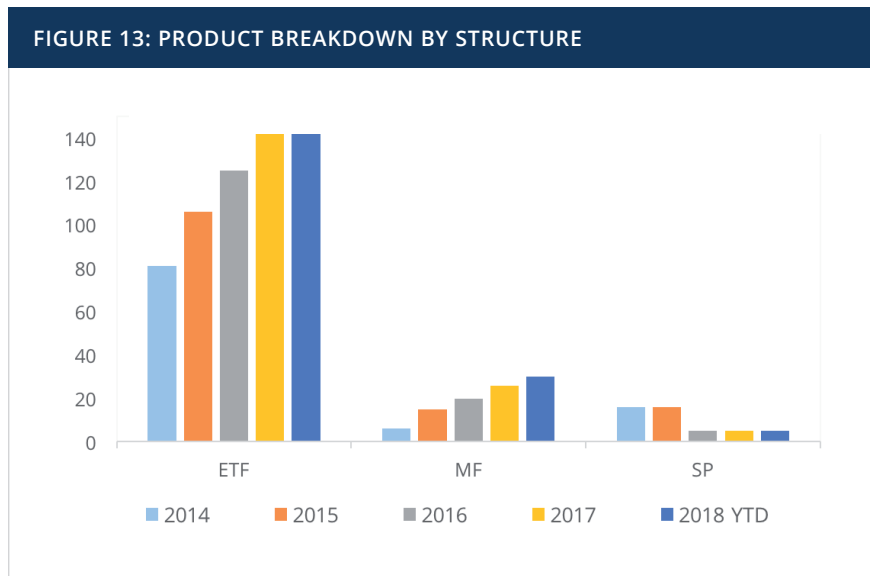


Source: ASX, Morningstar

Two new actively managed funds from BetaShares were listed this quarter as well as a sustainable equity ETF from VanEck.

FIGURE 12: NEW ETP LISTINGS

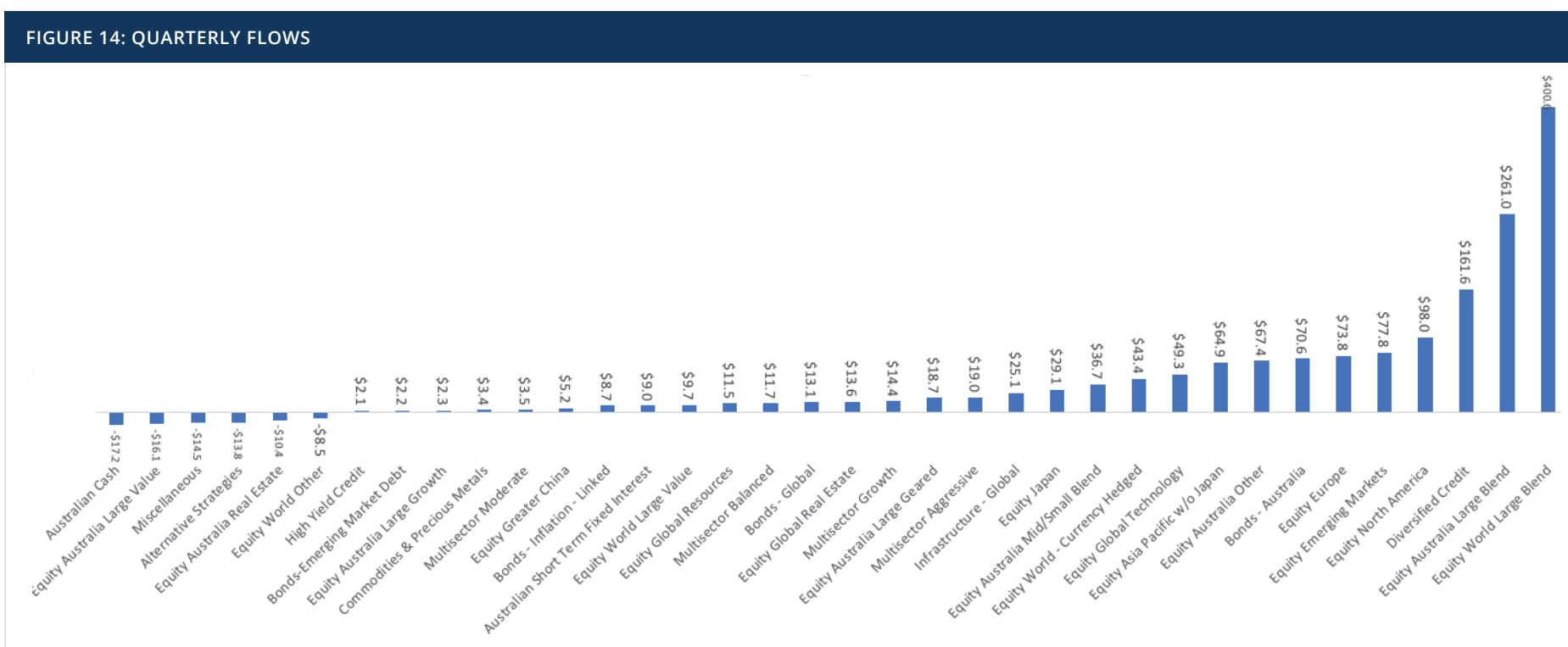
Security	Fund	Asset Class	Focus
EINC	BetaShares Legg Mason Equity Income Fund	Equities	Actively-managed diversified portfolio of income-oriented Australian shares.
RINC	BetaShares Legg Mason Real Income Fund	Property & Infrastructure	Actively-managed diversified portfolio of ASX-listed securities holding real or “hard” physical assets.
ESGI	VanEck Vectors MSCI Intl Sust Eq ETF	Equities	Diversified portfolio of sustainable international companies listed on exchanges in developed markets.



Market Overview

Flows

Fund flow is an interesting metric when analysing the ETP market as it provides insight to investor sentiment. Given the majority of ETPs are index tracking, that is they are designed to replicate the performance of a given market index or asset class, analysing flows gives an insight into trends in market sentiment toward a given asset class or thematic.



Source: ASX

Global and Domestic large cap equity products saw the majority of inflows for the March Quarter and The Vanguard MSCI Index International ETF (VGS) saw the largest inflows for the quarter, at \$120.7m. At a security level domestic property, as represented by the Vanguard Australian Property Securities Index ETF (VAP) saw the largest outflows due to poor performance in the sector.

In dollar terms, cumulative inflows to date currently exceed those seen at this point last year.

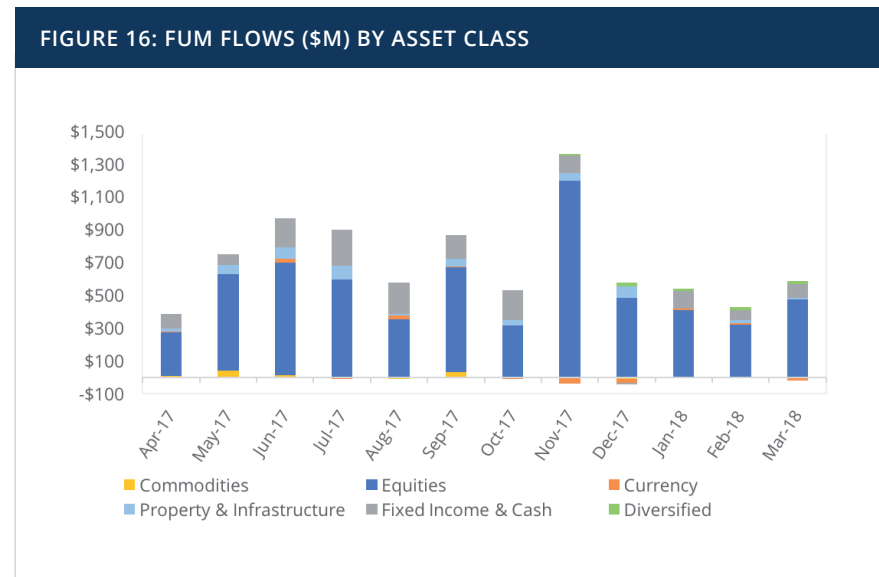
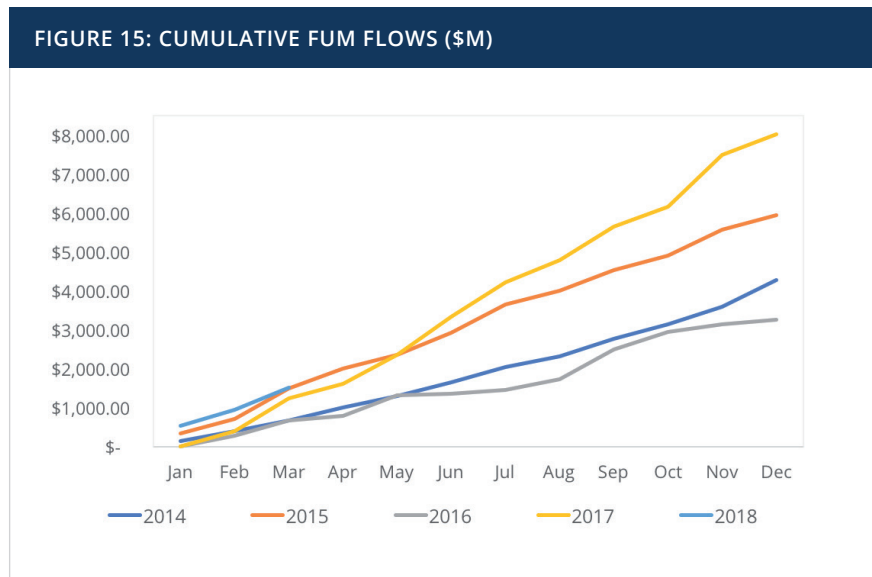


FIGURE 17: LARGEST INFLOWS (QTR),		
ETF	Flows (\$m)	Sub Category
[VGS] Vanguard MSCI Index Intl ETF	\$120.71	Equity World Large Blend
[STW] SPDR? S&P/ASX 200 ETF	\$95.43	Equity Australia Large Blend
[VEU] Vanguard All-World ex-US Shares ETF	\$88.69	Equity World Large Blend
[PIXX] Platinum International (Quoted Mngd Hdg)	\$60.55	Equity World Large Blend
[VHY] Vanguard Australian Shares High Yld ETF	\$57.74	Equity Australia Large Blend

Source: ASX, Morningstar

FIGURE 18: LARGEST OUTFLOWS (QTR)		
ETF	Qtr Flows (\$m)	Sub Category
[VAP] Vanguard Australian Property Secs ETF	\$(47.50)	Equity Australia Real Estate
[QOZ] BetaShares FTSE RAFI Australia 200 ETF	\$(41.91)	Equity Australia Large Blend
[HVST] BetaShares Australian Div Harvester(mgd)	\$(41.12)	Equity Australia Large Value
[AAA] BetaShares Aus High Interest Cash ETF	\$(23.24)	Australian Cash
[QFN] BetaShares S&P/ASX200 Fincls Sect ETF	\$(18.35)	Equity Australia Other

Source: ASX, Morningstar

Market Overview

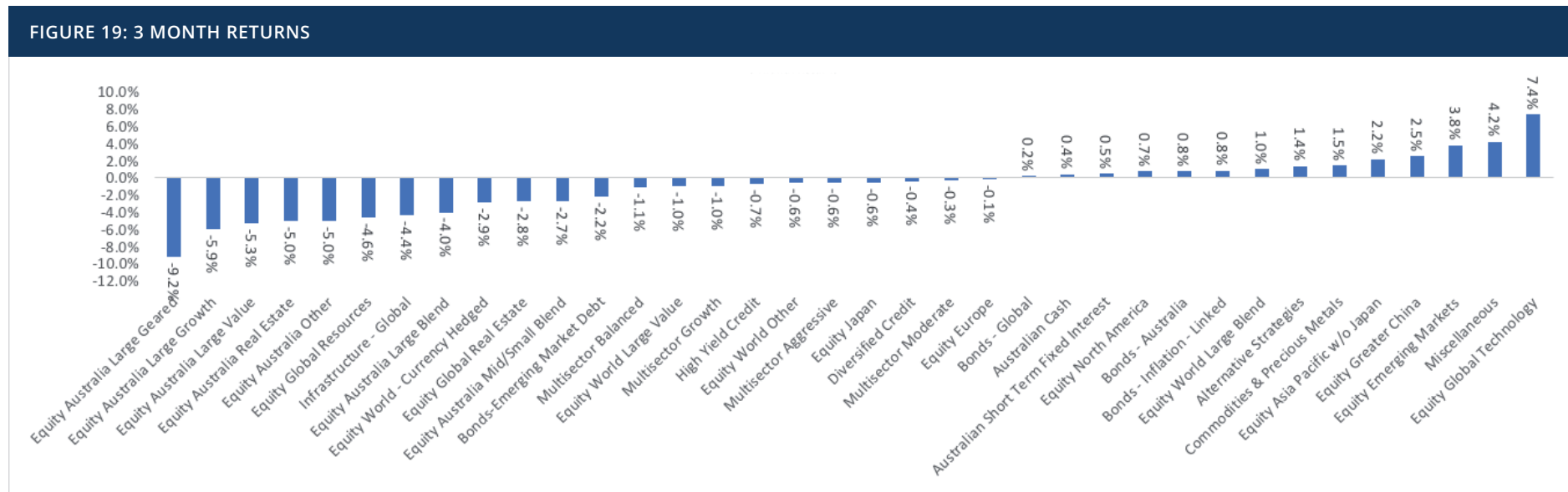
Performance

An ETF should closely track its underlying index. Unlike active fund mandates, negative returns do not necessarily mean the fund manager is doing a bad job, but rather reflects the performance of the underlying securities the ETF has been designed to track.

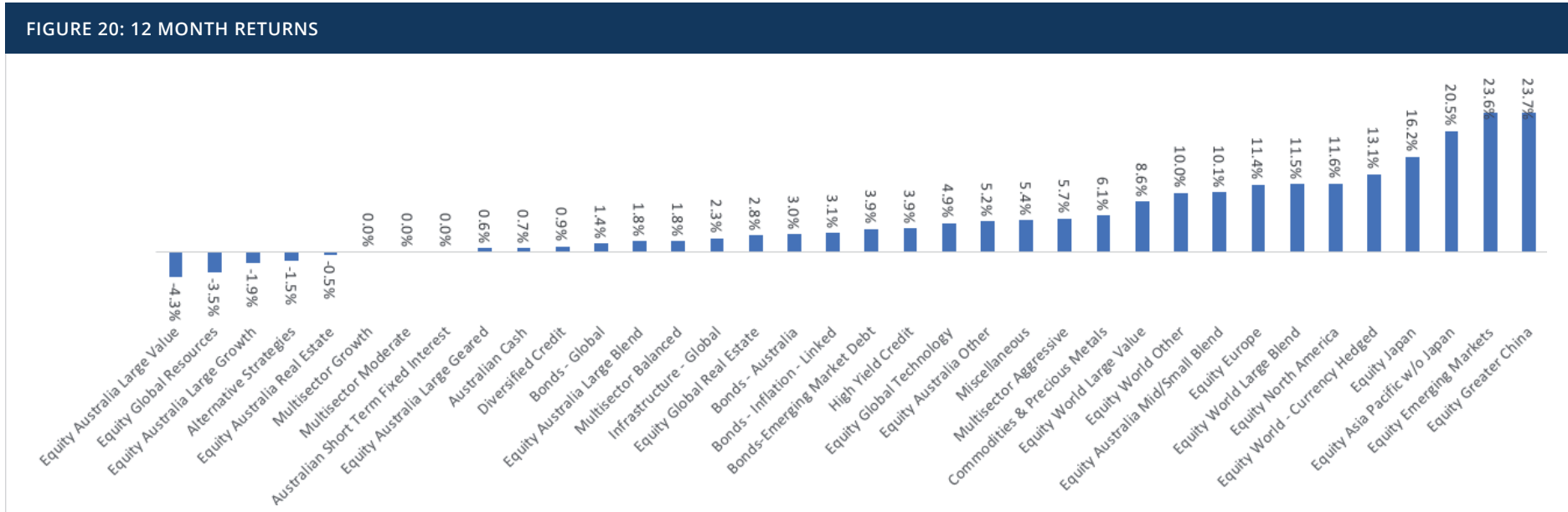
When reviewing an actively managed fund though, cost vs long term performance is an important metric to consider.

Overview

For the March quarter, global tech saw the best returns on average, while geared Australian equity saw standout negative returns. For the 12 months to date, Asian equities were the standout sector with ETPs exposed to the region returning in excess of 20%.



Source: ASX, Morningstar



Source: ASX, Morningstar

FIGURE 21: TOP FIVE PERFORMING SECURITIES

ETF	3 Mth Return	Sub Category
[BBOZ] BetaShares Australian Eqs Strong BearHdg	11.24%	Alternative Strategies
[HACK] Betashares Global Cybersecurity ETF	10.49%	Equity Global Technology
[TECH] ETFs Morningstar Global Technology ETF	8.91%	Equity Global Technology
[OOO] BetaShares Crude Oil ETF Ccy Hgd(Synth)	8.02%	Commodities & Precious Metals
[ITW] iShares MSCI Taiwan ETF	6.50%	Equity World Other

Source: Morningstar

FIGURE 22: WORST FIVE PERFORMING SECURITIES

ETF	3 Mth Return	Sub Category
[GEAR] BetaShares Geared Australian Equity(Hdg)	-9.21%	Equity Australia Large Geared
[RVL] Russell Inv Australian Value ETF	-8.83%	Equity Australia Large Value
[MVA] VanEck Vectors Australian Property ETF	-7.27%	Equity Australia Real Estate
[DIV] UBS IQ Morningstar Australia Div Yld ETF	-6.98%	Equity Australia Large Growth
[RDV] Russell Inv High Dividend Aus Shrs ETF	-6.89%	Equity Australia Large Value

Source: Morningstar

Securities Overview **Commodities**

TOTAL FUM	QTR FLOWS	NO. OF FUNDS	FOCUS
\$759.0m	\$4.3m	10	<p>Securities designed to provide exposure to the performance of various commodities and natural resources.</p> <p>We do not hold any Commodity focused ETFs in our SMA Portfolios.</p>

OVERVIEW

Despite strong returns, **BetaShares Crude Oil ETF (OOO)** was the one ETP to see net outflows this quarter and in a reverse to the December quarter, **BetaShares Currency Hedged Gold Bullion ETF (QAU)** saw the highest net inflows for the sector. This is likely due to protectionist policy, US-China trade tensions and a run in bond markets as inflation increased.

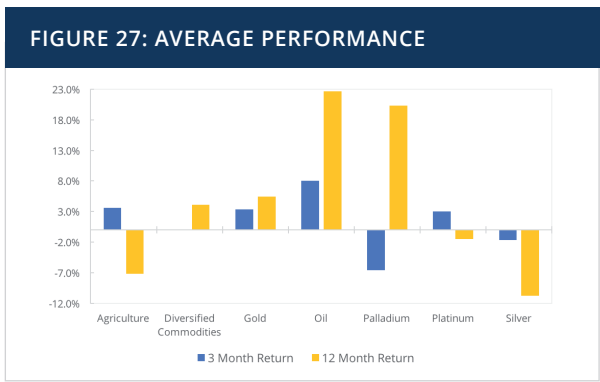
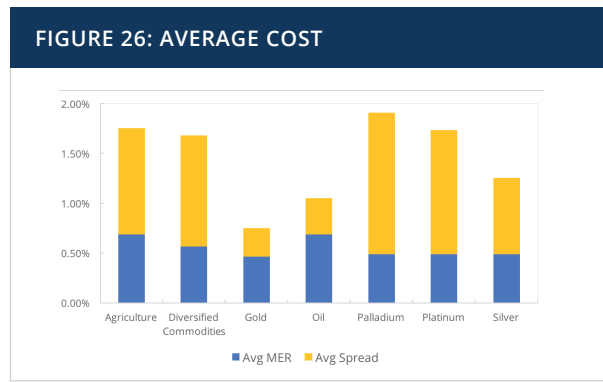
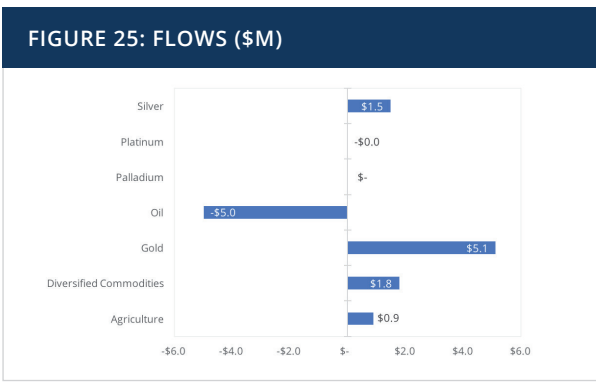
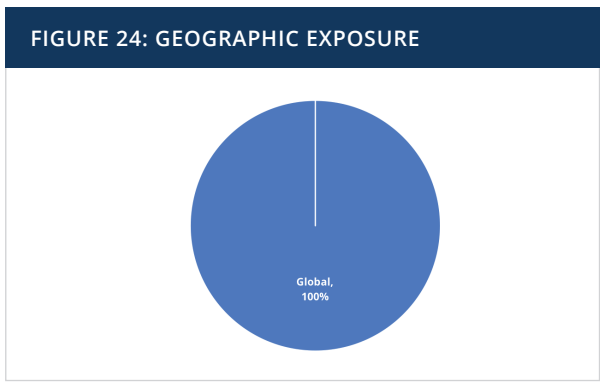
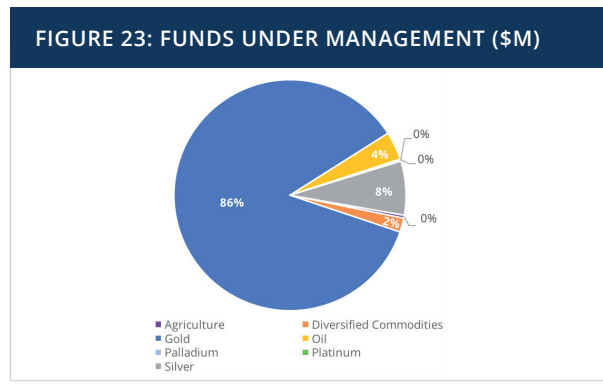


FIGURE 28: COMMODITY ETFS

Security	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
GLOBAL												
Agriculture												
[QAG] BetaShares Agriculture ETF CcyHgd(Synth)	\$3.17	\$0.90	0.69%	1.06%	15.24%	3.57%	-7.15%	0.00%	Annual	ETF	Miscellaneous	★☆☆☆☆
Diversified Commodities												
[ETPMPM] ETFS Physical PM Basket ETC	\$5.04	-	0.44%	1.33%	0.80%	0.86%	3.55%	0.00%	Semi-Annual	SP	Commodities & Precious Metals	NR
[QCB] BetaShares Com Basket ETF Ccy Hgd(Synth)	\$9.86	\$1.79	0.69%	0.90%	15.61%	-0.79%	4.62%	0.00%	Annual	ETF	Commodities & Precious Metals	★☆☆☆☆
Gold												
[GOLD] ETFS Physical Gold ETC	\$582.55	\$0.00	0.40%	0.16%	3.28%	4.46%	5.34%	0.00%	Semi-Annual	Share	Commodities & Precious Metals	NR
[QAU] BetaShares Gold Bullion ETF Ccy Hedged	\$55.29	\$5.12	0.59%	0.42%	8.84%	1.71%	5.27%	0.00%	Annual	ETF	Commodities & Precious Metals	★★☆☆☆
[ZGOL] ETFS Physical Singapore Gold ETF	\$13.78	-	0.40%	0.29%	4.26%	4.02%	5.61%	0.00%	Annual	ETF	Commodities & Precious Metals	★★☆☆☆
Oil												
[OOO] BetaShares Crude Oil ETF Ccy Hgd(Synth)	\$29.91	-\$4.99	0.69%	0.36%	14.27%	8.02%	22.67%	0.00%	Annual	ETF	Commodities & Precious Metals	★★☆☆☆
Palladium												
[ETPMPD] ETFS Physical Palladium ETC	\$1.07	-	0.49%	1.42%	7.18%	-6.54%	20.30%	0.00%	Quarterly	SP	Commodities & Precious Metals	NR
Platinum												
[ETPMPT] ETFS Physical Platinum ETC	\$1.20	-\$0.00	0.49%	1.25%	4.67%	3.06%	-1.45%	0.00%	Quarterly	SP	Commodities & Precious Metals	NR
Silver												
[ETPMAG] ETFS Physical Silver ETC	\$57.33	\$1.48	0.49%	0.77%	3.35%	-1.69%	-10.79%	0.00%	Semi-Annual	SP	Commodities & Precious Metals	NR

Source: ASX, Morningstar

Securities Overview **Currency**

TOTAL FUM	QTR FLOWS	NO. OF FUNDS	FOCUS
\$567.0m	-\$12.50m	8	Securities designed to track the performance of the Australian dollar relative to various currencies. We do not hold any Currency focussed ETFs in our SMA Portfolios.

OVERVIEW

The weakening AUD is likely due to the Federal Funds rate overtaking the official RBA cash rate for the first time in 19 years.

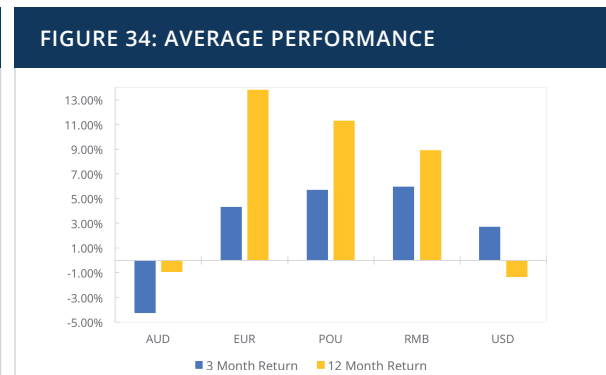
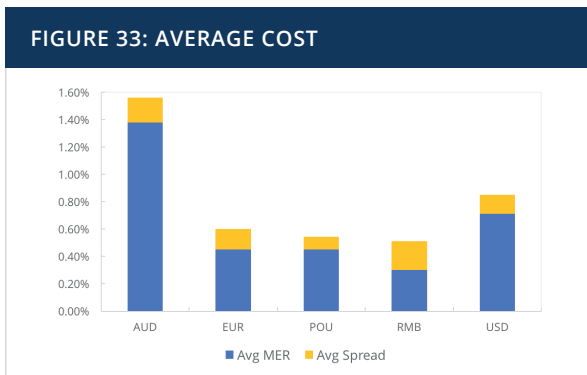
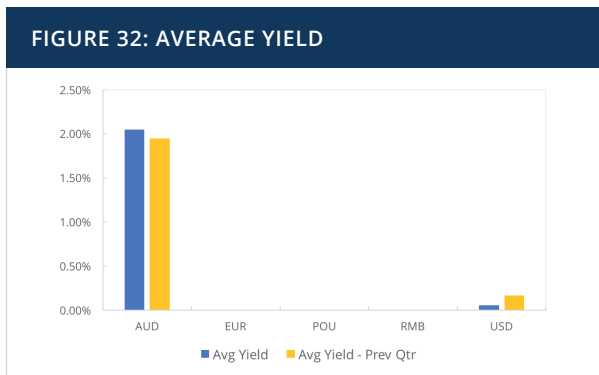
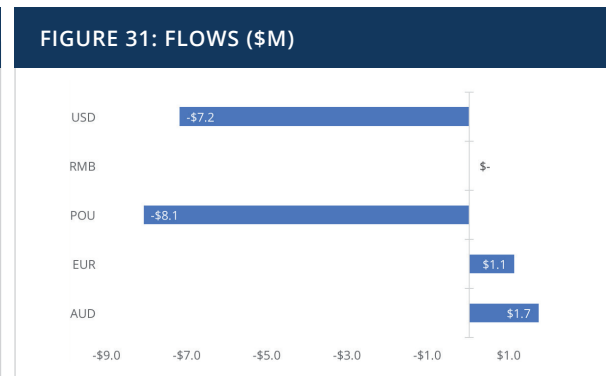
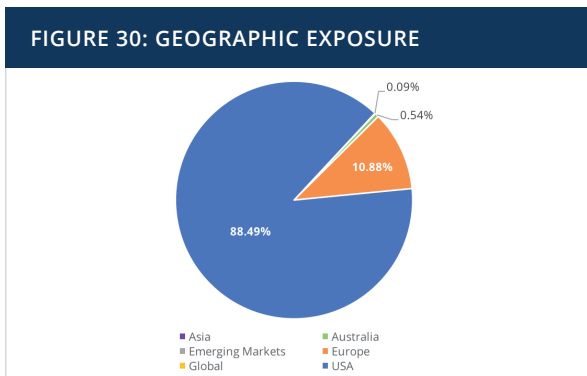
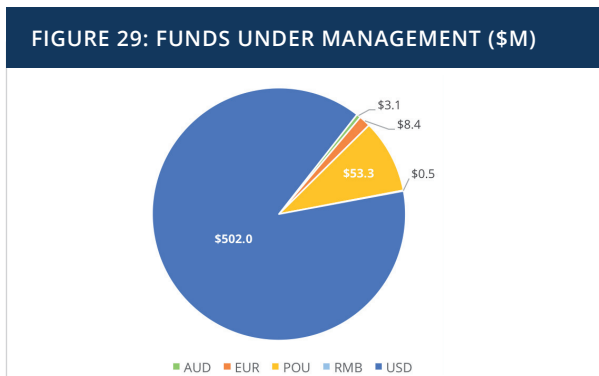


FIGURE 35: CURRENCY ETFS

Security	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
ASIA												
[ZCNH] ETFS Physical Renminbi ETF	\$0.49	-	0.30%	0.21%	0.90%	5.98%	8.93%	0.00%	Annual	ETF	Miscellaneous	★★★★★
EUROPE												
[EEU] BetaShares Euro ETF	\$8.42	\$1.12	0.45%	0.15%	17.12%	4.31%	13.82%	0.00%	Semi-Annual	ETF	Miscellaneous	★★★★★
[POU] BetaShares British Pound ETF	\$26.66	\$(4.06)	0.45%	0.09%	11.27%	5.72%	11.30%	0.00%	Semi-Annual	ETF	Miscellaneous	★★★★★
AUSTRALIA												
[AUDS] BetaShares Strong Australian Dollar Hdg	\$3.07	\$1.73	1.38%	0.18%	125.26%	-4.26%	-0.94%	2.05%	Annual	MF	Alternative Strategies	NR
USA												
[USD] BetaShares US Dollar ETF	\$475.62	\$(6.71)	0.45%	0.10%	9.68%	2.10%	-0.35%	0.17%	Semi-Annual	ETF	Miscellaneous	★★★★★
[YANK] BetaShares Strong US Dollar Hedge	\$13.62	\$1.13	1.38%	0.18%	32.44%	3.91%	-3.72%	0.00%	Annual	MF	Alternative Strategies	NR
[ZUSD] ETFS Physical US Dollar ETF	\$12.76	\$(1.64)	0.30%	0.13%	8.68%	2.14%	-0.02%	0.00%	Annual	ETF	Miscellaneous	★★★★★

Source: ASX, Morningstar

Securities Overview **Property & Infrastructure**

TOTAL FUM	QTR FLOWS	NO. OF FUNDS	FOCUS
\$2,119.0m	\$29.0m	10	Securities designed to track various Domestic and Global Property & Infrastructure indexes. We hold positions in VAP, IFRA & DJRE in our SMA Portfolios.

OVERVIEW

December saw strong performance across the domestic REIT sector while March saw the opposite. Expectations of rising interest rates globally saw a sell off across both domestic and global REIT and infrastructure assets.

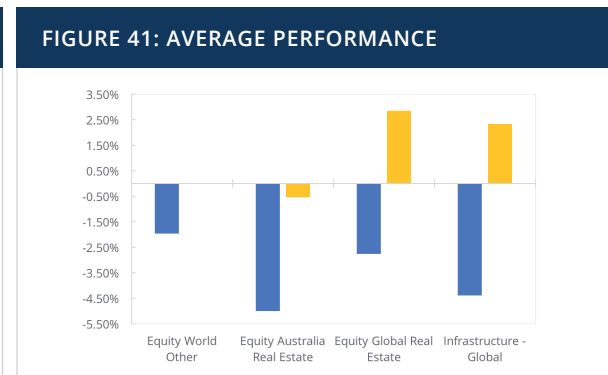
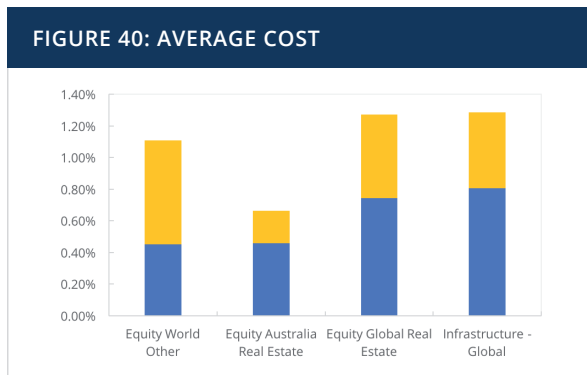
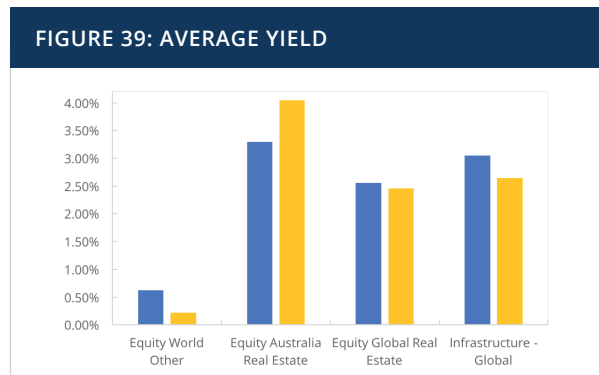
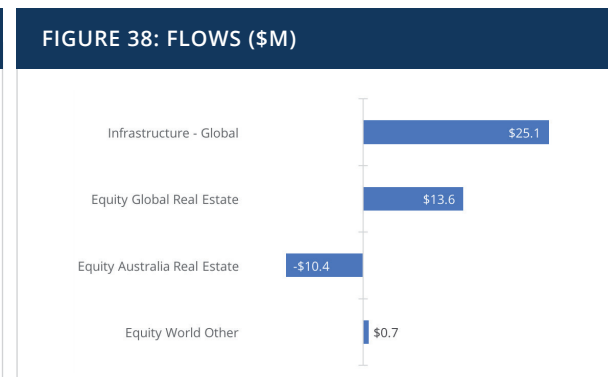
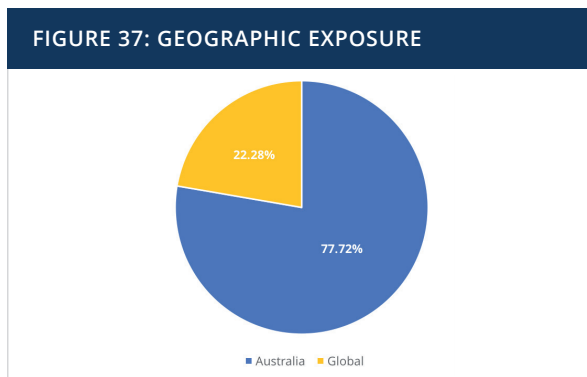
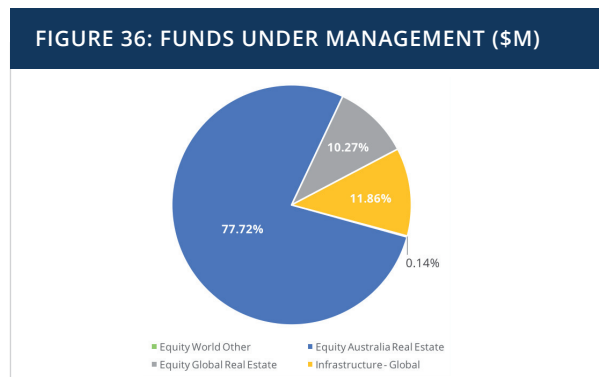


FIGURE 42: PROPERTY & INFRASTRUCTURE ETFS

Security	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
AUSTRALIA												
Property												
[MVA] VanEck Vectors Australian Property ETF	\$102.60	\$32.18	0.35%	0.14%	16.88%	-7.27%	-0.90%	6.05%	Semi-Annual	ETF	Equity Australia Real Estate	★★★★★
[SLF] SPDR? S&P/ASX 200 Listed Property ETF	\$554.19	\$(2.48)	0.40%	0.16%	2.70%	-6.49%	-1.10%	4.06%	Quarterly	ETF	Equity Australia Real Estate	★★★★★
[VAP] Vanguard Australian Property Secs ETF	\$983.38	\$(47.50)	0.23%	0.09%	5.68%	-6.23%	-0.18%	3.08%	Quarterly	ETF	Equity Australia Real Estate	★★★★★
Property & Infrastructure												
[RINC] BetaShares Legg Mason Real Income Fund	\$7.39	\$7.37	0.85%	0.45%	6.42%	0.00%	0.00%	0.00%	Quarterly	MF	Equity Australia Real Estate	NR
GLOBAL												
Infrastructure												
[GLIN] AMP Capital Global Infrs Secs Unhdg	\$22.17	\$(4.31)	0.85%	0.77%	10.58%	-5.25%	-0.62%	2.33%	Quarterly	MF	Infrastructure – Global	NR
[IFRA] VanEck Vectors FTSE Gbl Infrs(Hdg)ETF	\$70.68	\$11.43	0.52%	0.21%	14.68%	-5.03%	1.78%	4.04%	Quarterly	ETF	Infrastructure – Global	★★★★★
[MICH] Magellan Infrastructure Ccy Hdg ETF	\$158.63	\$18.00	1.05%	0.46%	4.83%	-2.93%	5.81%	2.78%	Semi-Annual	MF	Infrastructure – Global	NR
[CORE] ETFS Global Core Infrastructure ETF	\$3.03	\$0.74	0.45%	0.66%	6.79%	-1.97%	0.00%	0.62%	Quarterly	ETF	Equity World Other	★★★★★
Property												
[DJRE] SPDR? Dow Jones Global Real Estate ETF	\$204.31	\$16.61	0.50%	0.19%	5.89%	-3.34%	0.09%	3.57%	Semi-Annual	ETF	Equity Global Real Estate	★★★★★
[RENT] AMP Capital Global Property Secs Unhdg	\$13.49	\$(3.06)	0.99%	0.86%	13.24%	-2.19%	5.60%	1.55%	Quarterly	MF	Equity Global Real Estate	NR

Source: ASX, Morningstar

Securities Overview Fixed Income & Cash

TOTAL FUM	QTR FLOWS	NO. OF FUNDS	FOCUS
\$4,340.0m	\$250.10m	25	Securities designed to provide investors access to Domestic and Global Fixed Income & Cash Markets. We hold positions in AAA, FLOT, QPON, VBND, IAF, VACF, VGB & IGB in our SMA Portfolios.

OVERVIEW

Diversified credit saw the largest inflows this quarter and following on from last quarter, the largest recipients of these flows were **QPON, FLOT & HBRD** indicating a continued desire for exposure to floating rate securities.

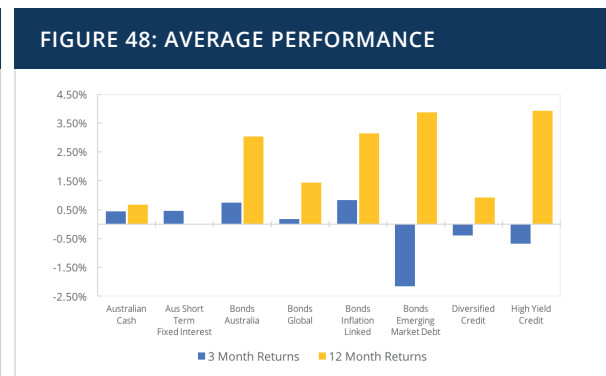
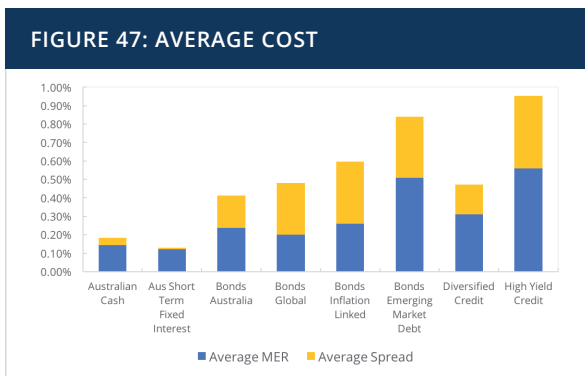
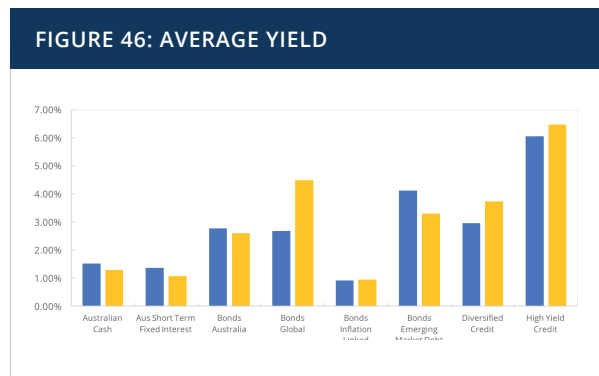
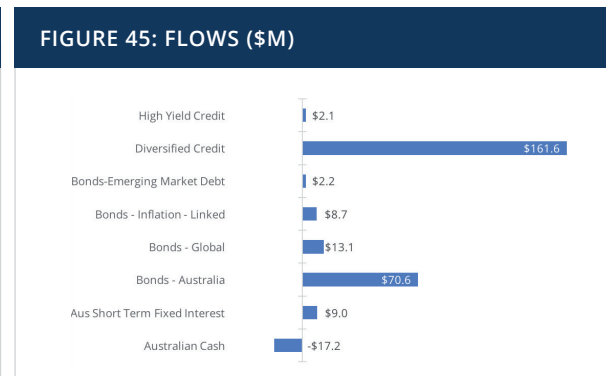
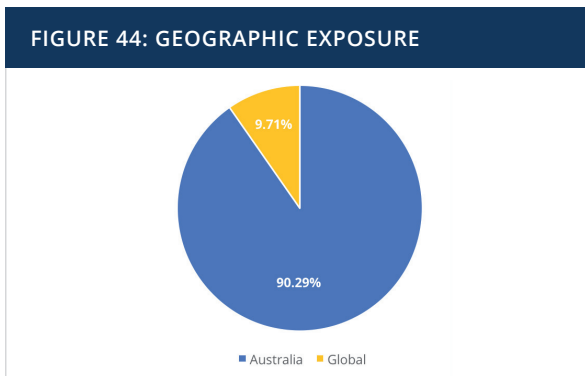
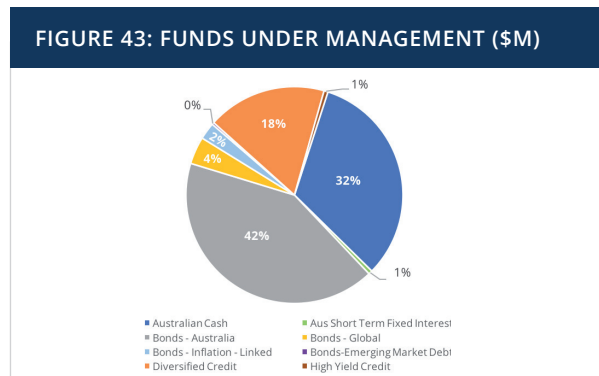


FIGURE 49: FIXED INCOME & CASH ETFS – PT 1

	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
GLOBAL												
Corporate												
[IHCB] iShares Core Global Corp Bd AUDH ETF	\$88.50	\$4.15	0.26%	0.25%	15.80%	-1.66%	2.58%	2.99%	Tri-Annual	ETF	Diversified Credit	★★★★★
[IHYY] iShares Global High Yield Bond AUDH ETF	\$25.60	\$2.13	0.56%	0.39%	19.42%	-0.68%	3.93%	6.05%	Tri-Annual	ETF	High Yield Credit	★★★★★
Diversified												
[IHCB] iShares JP Morgan USD EmMkts Bd AUDH ETF	\$13.81	\$2.15	0.51%	0.33%	18.12%	-2.15%	3.87%	4.12%	Tri-Annual	ETF	Bonds-Emerging Market Debt	★★★★★
[VCF] Vanguard Intl Credit Secs Idx (Hdg) ETF	\$116.25	\$5.77	0.30%	0.26%	5.19%	-1.01%	2.90%	6.64%	Quarterly	ETF	Diversified Credit	★★★★★
[VBND] Vanguard Global Aggregate Bd Hdg ETF	\$8.04	\$3.51	0.20%	0.31%	28.15%	-0.20%	0.00%	0.73%	Quarterly	ETF	Bonds – Global	★★★★★
Government												
[VIF] Vanguard Intl Fxd Intr Idx (Hdg) ETF	\$169.23	\$9.61	0.20%	0.25%	7.58%	0.55%	2.86%	4.63%	Quarterly	ETF	Bonds – Global	★★★★★
AUSTRALIA												
Cash												
[AAA] BetaShares Aus High Interest Cash ETF	\$1,233.89	(23.24)	0.18%	0.02%	15.41%	0.50%	2.02%	2.00%	Monthly	ETF	Australian Cash	★★★★★
[BILL] iShares Core Cash ETF	\$169.87	\$6.02	0.07%	0.01%	3.76%	0.43%	0.00%	1.16%	Monthly	ETF	Australian Cash	★★★★★
[ISEC] iShares Enhanced Cash ETF	\$25.08	\$9.03	0.12%	0.01%	16.95%	0.45%	0.00%	1.37%	Monthly	ETF	Australian Short Term Fixed Interest	★★★★★
[MONY] UBS IQ Cash ETF	\$1.00	\$0.00	0.18%	0.09%	1.03%	0.38%	0.00%	1.40%	Monthly	ETF	Australian Cash	★★★★★
Corporate												
[PLUS] VanEck Vectors Australian Corp Bd+ ETF	\$177.14	\$25.14	0.32%	0.19%	6.97%	0.93%	0.00%	2.76%	Quarterly	ETF	Diversified Credit	★★★★★
[RCB] Russell Inv Australian Select CorpBd ETF	\$159.50	\$6.09	0.28%	0.24%	4.62%	0.53%	2.72%	4.11%	Quarterly	ETF	Bonds – Australia	★★★★★

Source: ASX, Morningstar

FIGURE 50: FIXED INCOME & CASH ETFS – PT 2

	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
AUSTRALIA												
Corporate												
[VACF] Vanguard Australian Corp Fxd Intr ETF	\$100.09	\$15.89	0.26%	0.23%	7.29%	0.83%	4.12%	2.66%	Quarterly	ETF	Bonds – Australia	★★★★★
[FLOT] VanEck Vectors Australian Fltng Rt ETF	\$81.14	\$29.09	0.22%	0.08%	16.82%	0.43%	0.00%	1.90%	Monthly	ETF	Diversified Credit	★★★★★
[QPON] Betashares Aus Bank Sr Fltng Rt Bd ETF	\$247.17	\$57.44	0.22%	0.04%	12.94%	0.13%	0.00%	1.98%	Monthly	ETF	Diversified Credit	★★★★★
Diversified												
[IAF] iShares Core Composite Bond ETF	\$528.78	\$31.77	0.20%	0.08%	6.01%	0.83%	3.08%	2.34%	Quarterly	ETF	Bonds – Australia	★★★★★
[VAF] Vanguard Australian Fixed Interest ETF	\$704.31	\$22.58	0.20%	0.06%	4.51%	0.84%	3.12%	2.89%	Quarterly	ETF	Bonds – Australia	★★★★★
Government												
[BOND] SPDR? S&P/ASX Australian Bond ETF	\$23.47	\$(5.09)	0.24%	0.17%	6.57%	0.79%	3.60%	2.76%	Quarterly	ETF	Bonds – Australia	★★★★★
[GOVT] SPDR? S&P/ASX Australian Govt Bd ETF	\$12.94	\$0.00	0.22%	0.16%	11.28%	0.85%	3.40%	2.21%	Quarterly	ETF	Bonds – Australia	★★★★★
[IGB] iShares Treasury ETF	\$25.63	\$4.09	0.26%	0.16%	22.21%	0.95%	3.01%	2.56%	Quarterly	ETF	Bonds – Australia	★★★★★
[ILB] iShares Government Inflation ETF	\$109.38	\$8.73	0.26%	0.34%	7.58%	0.83%	3.14%	0.91%	Quarterly	ETF	Bonds – Inflation – Linked	★★★★★
[RGB] Russell Inv Australian Government Bd ETF	\$60.18	\$0.01	0.24%	0.27%	1.25%	0.57%	2.39%	2.80%	Quarterly	ETF	Bonds – Australia	★★★★★
[RSM] Russell Inv Australian Semi-Govt Bd ETF	\$61.00	\$0.03	0.26%	0.27%	2.66%	0.42%	1.95%	2.44%	Quarterly	ETF	Bonds – Australia	★★★★★
[VGB] Vanguard Australian Government Bond ETF	\$137.50	\$(4.78)	0.20%	0.12%	6.33%	0.89%	2.98%	2.92%	Quarterly	ETF	Bonds – Australia	★★★★★
Hybrids												
[HBRD] BetaShares Active Australian Hybrids Fund (managed fund)	\$60.92	\$40.01	0.55%	0.14%	31.00%	-1.17%	0.00%	1.42%	Monthly	MF	Diversified Credit	NR

Source: ASX, Morningstar

Securities Overview Diversified

TOTAL FUM	QTR FLOWS	NO. OF FUNDS	FOCUS
\$78.0m	\$56.60m	4	Securities designed to provide investors with diversified multi sector asset allocation. We manage a range of diversified SMA Portfolios.

OVERVIEW

Although coming off a small base, the diversified sector almost doubled during the quarter with the majority of flows directed to the “multisector aggressive” sub category. However, negative equity market performance saw the growth orientated funds post the worst returns for the quarter.

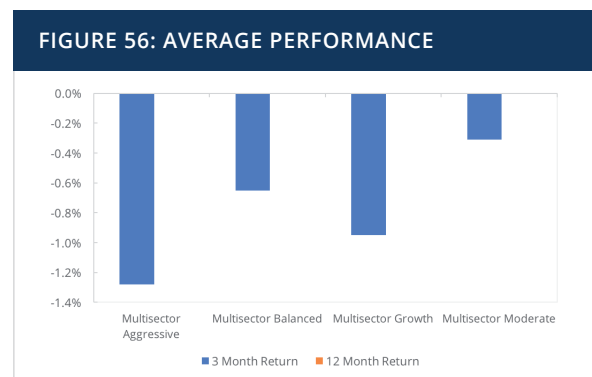
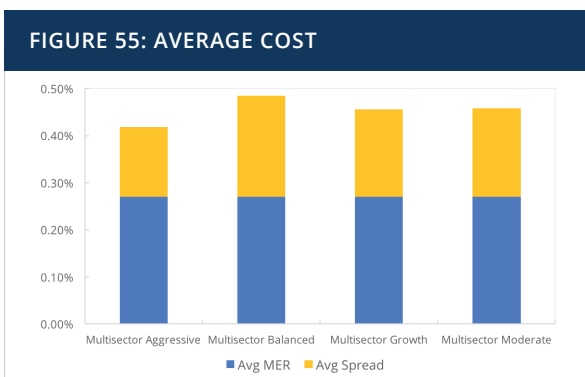
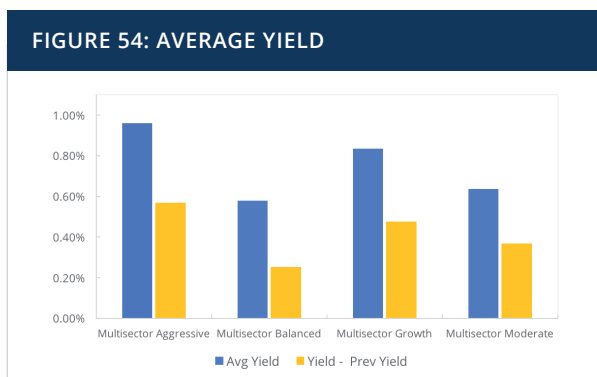
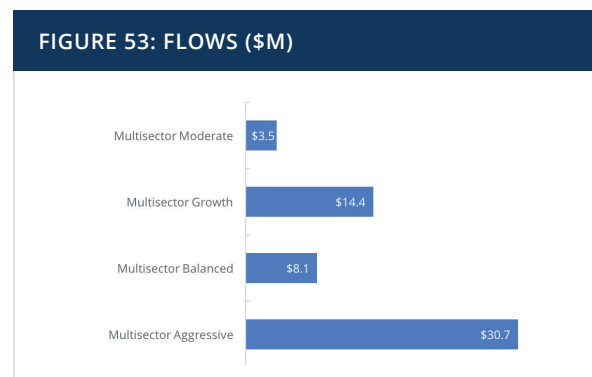
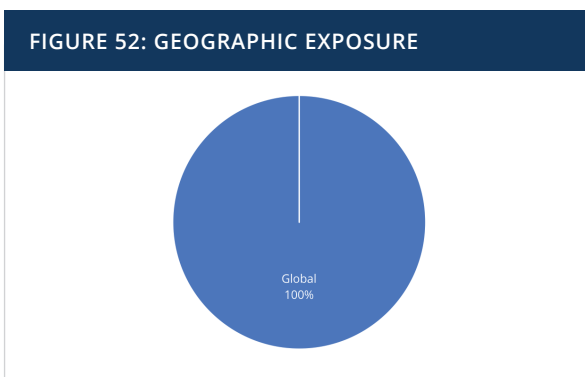
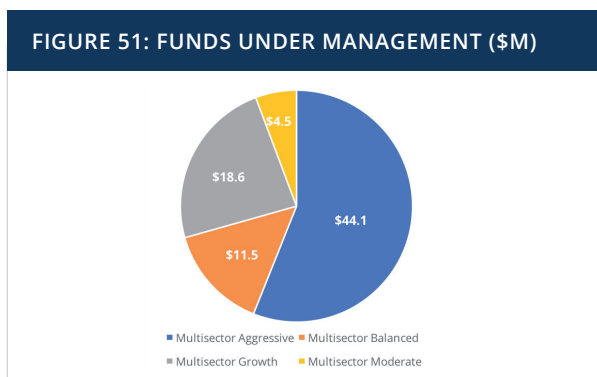


FIGURE 57: DIVERSIFIED ETFS													
	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION			
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating	
GLOBAL													
Balanced													
[VDBA] Vanguard Diversified Balanced ETF	\$11.46	\$8.05	0.27%	0.22%	38.41%	-0.65%	0.00%	0.58%	Quarterly	ETF	Multisector Balanced	★★★★★	
Conservative													
[VDCO] Vanguard Diversified Conservative ETF	\$4.49	\$3.50	0.27%	0.19%	41.87%	-0.31%	0.00%	0.64%	Quarterly	ETF	Multisector Moderate	★★★★★	
High Growth													
[VDHG] Vanguard Diversified High Growth ETF	\$44.11	\$30.69	0.27%	0.15%	35.72%	-1.28%	0.00%	0.96%	Quarterly	ETF	Multisector Aggressive	★★★★★	
Growth													
[VDGR] Vanguard Diversified Growth ETF	\$18.64	\$14.38	0.27%	0.19%	37.43%	-0.95%	0.00%	0.84%	Quarterly	ETF	Multisector Growth	★★★★★	

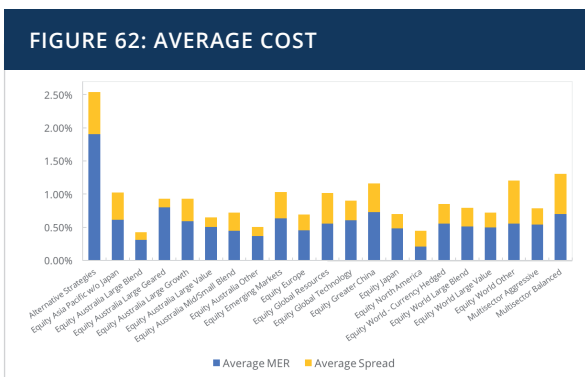
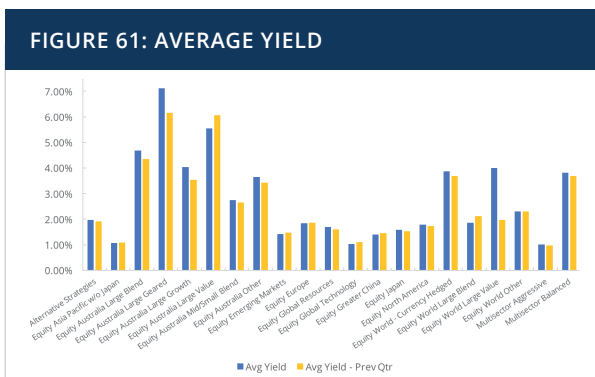
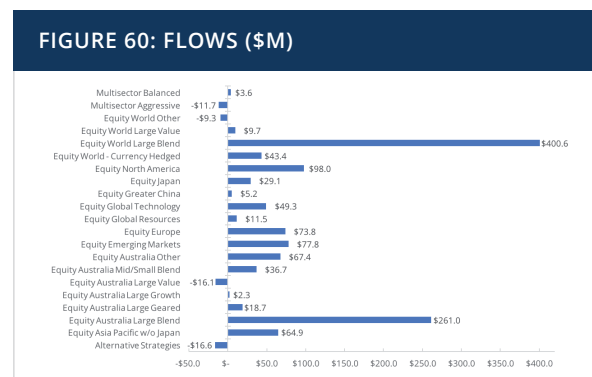
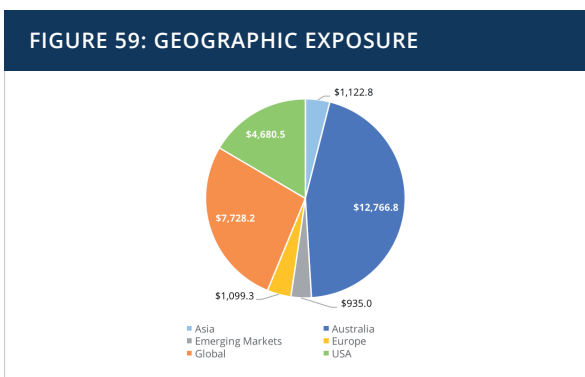
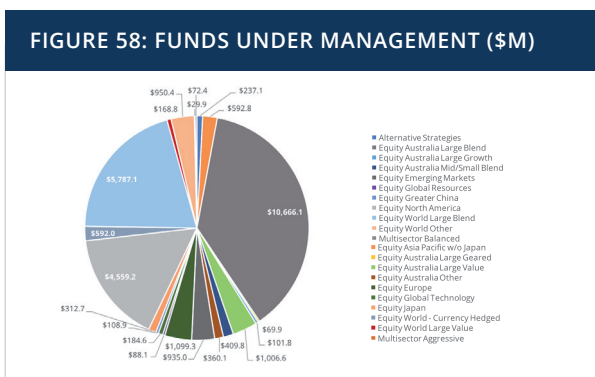
Source: ASX, Morningstar

Securities Overview Equities

TOTAL FUM	QTR FLOWS	NO. OF FUNDS	FOCUS
\$28,332m	\$1,199.50m	120	<p>This group of securities provides the investor with broad-based as well as specific sector exposure across domestic and international equity markets.</p> <p>We hold positions in IAA, IVV, VEQ, VEU, UMAX, VGS & IOZ our SMA Portfolios.</p>

OVERVIEW

Global tech was the best performing sector on average during the March quarter. With upgrades to global growth expectations, \$400m if net inflows were directed to large cap global equity, with 50% of this going to Vanguard alone.



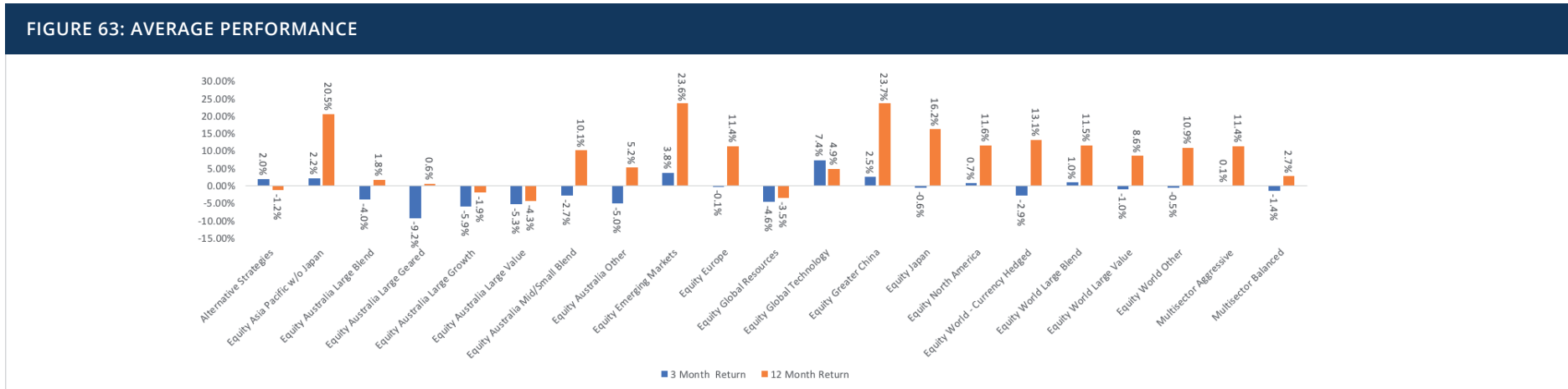


FIGURE 64: EQUITY ETFS EUROPE

	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
EUROPE												
Equities – Broad												
[ESTX] ETFs EURO STOXX 50? ETF	\$68.20	\$17.61	0.35%	0.15%	19.85%	0.44%	12.49%	1.16%	Semi-Annual	ETF	Equity Europe	★★★★☆
[HEUR] BetaShares WisdomTree Europe ETF-Ccy Hdg	\$50.42	\$(1.15)	0.58%	0.21%	15.56%	-1.63%	2.19%	1.50%	Semi-Annual	ETF	Equity Europe	★★★☆☆
[IEU] iShares Europe ETF (AU)	\$807.04	\$34.22	0.60%	0.12%	7.24%	-0.22%	13.28%	2.05%	Semi-Annual	ETF	Equity Europe	★★★★☆
[VEQ] Vanguard FTSE Europe Shares ETF	\$162.54	\$22.26	0.35%	0.38%	9.40%	0.57%	14.62%	2.14%	Quarterly	ETF	Equity Europe	★★★★☆
Equities – Strategy												
[UBE] UBS IQ MSCI Europe Ethical ETF	\$11.12	\$0.89	0.40%	0.34%	4.63%	0.20%	14.40%	2.41%	Annual	ETF	Equity Europe	★★★☆☆

Source: ASX, Morningstar



FIGURE 65: EQUITY ETFS – EMERGING MARKETS												
	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
EMERGING MARKETS												
Equities – Broad												
[IBK] iShares MSCI BRIC ETF (AU)	\$39.13	\$2.36	0.72%	0.90%	8.65%	4.32%	28.49%	1.23%	Semi-Annual	ETF	Equity Emerging Markets	★★★★★
[IEM] iShares MSCI Emerging Markets ETF (AU)	\$665.77	\$45.24	0.69%	0.18%	6.54%	3.14%	23.21%	1.56%	Semi-Annual	ETF	Equity Emerging Markets	★★★★★
[VGE] Vanguard FTSE Emerging Markets Shrs ETF	\$209.15	\$26.88	0.48%	0.26%	13.47%	4.40%	19.70%	1.65%	Quarterly	ETF	Equity Emerging Markets	★★★★★
[WEMG] SPDR? S&P Emerging Markets ETF	\$20.99	\$3.36	0.65%	0.26%	21.52%	3.27%	22.94%	1.26%	Annual	ETF	Equity Emerging Markets	★★★★★

Source: ASX, Morningstar

FIGURE 66: EQUITY ETFS – USA												
	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
USA												
Equities – Broad												
[IJH] iShares S&P Mid-Cap ETF	\$140.67	\$17.55	0.07%	0.30%	18.98%	1.19%	10.31%	1.09%	Quarterly	ETF	Equity North America	★★★★★
[IJR] iShares S&P Small-Cap ETF	\$109.63	\$1.17	0.07%	0.49%	5.77%	2.64%	12.06%	1.02%	Quarterly	ETF	Equity North America	★★★★★
[IRU] iShares Russell 2000 ETF (AU)	\$74.04	\$(2.45)	0.20%	0.35%	4.66%	1.89%	11.14%	1.03%	Quarterly	ETF	Equity North America	★★★★★
[IVV] iShares S&P 500 ETF	\$2,490.31	\$23.42	0.04%	0.09%	4.71%	1.20%	13.29%	1.55%	Quarterly	ETF	Equity North America	★★★★★
[NDQ] BetaShares NASDAQ 100 ETF	\$262.33	\$8.69	0.48%	0.11%	14.69%	5.01%	20.93%	0.40%	Semi-Annual	ETF	Equity North America	★★★★★
[QUS] BetaShares FTSE RAFI US 1000 ETF	\$38.39	\$0.02	0.40%	0.14%	4.94%	-0.65%	8.63%	2.20%	Semi-Annual	ETF	Equity North America	★★★★★
[SPY] SPDR? S&P 500 ETF	\$19.16	\$(0.15)	0.09%	0.29%	9.82%	1.17%	13.21%	1.62%	Quarterly	ETF	Equity North America	★★★★★
[VTS] Vanguard US Total Market Shares ETF	\$1,206.99	\$41.75	0.04%	0.10%	4.28%	1.37%	13.21%	1.47%	Quarterly	ETF	Equity North America	★★★★★
Equities – Strategy												
[GGUS] BetaShares Geared US Eq- Ccy Hdg	\$17.28	\$5.20	0.80%	0.14%	91.43%	-5.57%	22.57%	0.69%	Annual	MF	Equity World - Currency Hedged	NR
[IHVV] iShares S&P 500 AUD Hedged ETF	\$108.70	\$9.75	0.10%	0.18%	11.04%	-1.43%	13.45%	1.80%	Annual	ETF	Equity North America	★★★★★
[UBU] UBS IQ MSCI USA Ethical ETF	\$6.31	-	0.20%	0.20%	2.13%	1.19%	12.78%	1.90%	Annual	ETF	Equity North America	★★★★★
[UMAX] BetaShares S&P 500 Yield Maximiser	\$89.81	\$0.08	0.79%	0.19%	6.09%	-0.76%	6.98%	4.41%	Quarterly	MF	Equity World Other	NR
[ZYUS] ETFs S&P 500 High Yield Low Volatil ETF	\$49.96	\$(4.17)	0.35%	0.22%	10.03%	-4.31%	-1.19%	6.36%	Quarterly	ETF	Equity North America	★★★★★
[BBUS] BetaShares US Eqs Strong Bear H-Ccy Hdg	\$66.90	\$7.14	1.38%	0.26%	71.14%	-0.62%	-27.65%	0.00%	Annual	MF	Alternative Strategies	NR

Source: ASX, Morningstar

FIGURE 67: EQUITY ETFS – ASIA

	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
ASIA												
Equities – Broad												
[CETF] Market Vectors ChinaAMC A-Share ETF(Syn)	\$9.86	\$0.54	0.72%	0.42%	20.87%	2.23%	24.00%	0.92%	Annual	ETF	Equity Greater China	★★★★★
[HJPN] BetaShares WisdomTree Japan ETF-Ccy Hdg	\$70.26	\$(0.89)	0.58%	0.20%	20.13%	-5.81%	12.99%	2.34%	Semi-Annual	ETF	Equity Japan	★★★★★
[IAA] iShares Asia 50 ETF (AU)	\$422.59	\$26.52	0.50%	0.46%	5.67%	3.75%	28.95%	1.17%	Semi-Annual	ETF	Equity Asia Pacific w/o Japan	★★★★★
[IHK] iShares MSCI Hong Kong ETF (AU)	\$15.06	\$(1.94)	0.48%	1.23%	19.46%	0.45%	17.12%	3.68%	Semi-Annual	ETF	Equity World Other	★★★★★
[IJP] iShares MSCI Japan ETF (AU)	\$237.88	\$29.98	0.48%	0.22%	10.67%	2.00%	17.75%	1.05%	Semi-Annual	ETF	Equity Japan	★★★★★
[IKO] iShares MSCI South Korea ETF (AU)	\$40.54	\$(0.00)	0.64%	0.87%	4.75%	1.51%	23.08%	2.42%	Annual	ETF	Equity World Other	★★★★★
Equities – Broad												
[ISG] iShares MSCI Singapore ETF	\$6.11	\$(0.52)	0.48%	1.02%	3.91%	3.70%	19.20%	2.83%	Semi-Annual	ETF	Equity World Other	★★★★★
[ITW] iShares MSCI Taiwan ETF	\$46.73	\$(1.23)	0.64%	1.36%	1.42%	6.50%	16.54%	2.21%	Annual	ETF	Equity World Other	★★★★★
[IZZ] iShares China Large-Cap ETF (AU)	\$99.01	\$4.64	0.74%	0.44%	16.48%	2.72%	23.41%	1.89%	Semi-Annual	ETF	Equity Greater China	★★★★★
[VAE] Vanguard FTSE Asia ex Japan Shrs Idx ETF	\$71.08	\$17.84	0.40%	0.37%	20.80%	2.08%	22.07%	2.80%	Quarterly	ETF	Equity Asia Pacific w/o Japan	★★★★★
[PAXX] Platinum Asia (Quoted Managed Hdg)	\$89.99	\$20.49	1.10%	0.46%	10.73%	-0.26%	0.00%	0.00%	Annual	MF	Equity Asia Pacific w/o Japan	NR
Equities – Strategy												
[UBJ] UBS IQ MSCI Japan Ethical ETF	\$4.51	-	0.40%	0.22%	4.48%	2.01%	17.74%	1.39%	Annual	ETF	Equity Japan	★★★★★
[UBP] UBS IQ MSCI Asia APEX 50 Ethical ETF	\$9.17	-	0.45%	0.35%	13.91%	3.13%	31.11%	0.31%	Annual	ETF	Equity Asia Pacific w/o Japan	★★★★★

Source: ASX, Morningstar

FIGURE 68: EQUITY ETFS – AUSTRALIA – PT 1												
	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
AUSTRALIA												
Equities – Broad												
[EX20] BetaShares Aus Ex-20 Port Divrs ETF	\$25.75	\$3.44	0.25%	0.15%	13.15%	-2.15%	11.95%	2.15%	Semi-Annual	ETF	Equity Australia Large Blend	★★★★☆
[ILC] iShares S&P/ASX 20 ETF	\$306.33	\$0.30	0.24%	0.08%	4.87%	-4.25%	-2.32%	4.99%	Quarterly	ETF	Equity Australia Large Blend	★★★★☆
[IOZ] iShares Core S&P/ASX 200 ETF	\$1,255.47	\$29.47	0.15%	0.07%	4.21%	-3.92%	2.34%	3.84%	Semi-Annual	ETF	Equity Australia Large Blend	★★★★★
[ISO] iShares S&P/ASX Small Ordinaries ETF	\$82.15	\$3.15	0.55%	0.30%	4.96%	-2.98%	14.12%	2.10%	Semi-Annual	ETF	Equity Australia Mid/Small Blend	★★★☆☆
[MVE] VanEck Vectors S&P/ASX MidCap ETF	\$68.18	\$8.15	0.45%	0.15%	8.97%	-3.87%	10.97%	3.76%	Semi-Annual	ETF	Equity Australia Mid/Small Blend	★★★★☆
[MVS] VanEck Vectors Small Coms Masters ETF	\$67.25	\$0.04	0.49%	0.32%	5.78%	-1.88%	8.46%	3.22%	Semi-Annual	ETF	Equity Australia Mid/Small Blend	★★★★☆
[MVW] VanEck Vectors Australian Equal Wt ETF	\$447.00	\$49.70	0.35%	0.08%	9.69%	-3.67%	6.97%	3.19%	Semi-Annual	ETF	Equity Australia Large Blend	★★★★☆
[QOZ] BetaShares FTSE RAFI Australia 200 ETF	\$255.45	\$(41.91)	0.40%	0.11%	13.58%	-4.46%	1.51%	4.20%	Semi-Annual	ETF	Equity Australia Large Blend	★★★★☆
[SFY] SPDR? S&P/ASX 50 ETF	\$472.46	\$11.35	0.29%	0.06%	4.23%	-4.24%	-0.31%	5.06%	Quarterly	ETF	Equity Australia Large Blend	★★★★☆
[SSO] SPDR? S&P/ASX Small Ordinaries ETF	\$18.85	\$2.94	0.50%	0.25%	4.29%	-2.92%	14.42%	2.49%	Semi-Annual	ETF	Equity Australia Mid/Small Blend	★★★☆☆
[STW] SPDR? S&P/ASX 200 ETF	\$3,511.15	\$95.43	0.19%	0.04%	10.21%	-3.90%	2.43%	4.55%	Quarterly	ETF	Equity Australia Large Blend	★★★★★
[VAS] Vanguard Australian Shares ETF	\$2,533.68	\$(6.68)	0.14%	0.05%	7.28%	-3.80%	2.74%	3.78%	Quarterly	ETF	Equity Australia Large Blend	★★★★★
[VLC] Vanguard MSCI Australian Large Coms ETF	\$77.66	\$0.04	0.20%	0.06%	4.43%	-4.74%	-2.08%	4.57%	Quarterly	ETF	Equity Australia Large Blend	★★★★☆
[VSO] Vanguard MSCI Australian Small Coms ETF	\$153.69	\$17.72	0.30%	0.11%	8.34%	-2.30%	12.72%	3.72%	Semi-Annual	ETF	Equity Australia Mid/Small Blend	★★★★☆
[ZOZI] ETFs S&P/ASX 100 ETF	\$8.25	\$0.01	0.24%	0.18%	2.92%	-3.91%	1.37%	5.15%	Quarterly	ETF	Equity Australia Large Blend	★★★★☆

Source: ASX, Morningstar

FIGURE 69: EQUITY ETFs – AUSTRALIA – PT 2

	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
AUSTRALIA												
Equities – Sector												
[MVB] VanEck Vectors Australian Banks ETF	\$28.87	\$2.13	0.28%	0.11%	8.77%	-5.51%	-6.79%	5.89%	Tri-Annual	ETF	Equity Australia Other	★★★★★
[MVR] VanEck Vectors Australian Resources ETF	\$81.46	\$46.27	0.35%	0.14%	27.84%	-3.83%	19.61%	3.06%	Semi-Annual	ETF	Equity Australia Other	★★★★★
[OZF] SPDR? S&P/ASX 200 Fincls EX A-REIT ETF	\$58.93	\$(10.32)	0.40%	0.09%	5.96%	-6.01%	-9.34%	5.16%	Semi-Annual	ETF	Equity Australia Other	★★★★★
[OZR] SPDR? S&P/ASX 200 Resources ETF	\$59.26	\$3.03	0.40%	0.15%	11.33%	-4.32%	17.49%	2.23%	Semi-Annual	ETF	Equity Australia Other	★★★★★
[QFN] BetaShares S&P/ASX200 Fincls Sect ETF	\$13.75	\$(18.35)	0.39%	0.12%	66.26%	-6.00%	-7.01%	4.15%	Semi-Annual	ETF	Equity Australia Other	★★★★★
[QRE] BetaShares S&P/ASX200 Res Sect ETF	\$117.83	\$44.65	0.39%	0.23%	170.97%	-4.30%	17.45%	1.40%	Semi-Annual	ETF	Equity Australia Other	★★★★★
Equities – Strategy												
[AUMF] iShares Edge MSCI Australia Mltfctr ETF	\$7.73	\$1.17	0.30%	0.22%	11.35%	-3.50%	6.43%	4.27%	Semi-Annual	ETF	Equity Australia Large Blend	★★★★★
[AUST] BetaShares Managed Risk Australian Share	\$24.90	\$0.16	0.49%	0.11%	5.30%	-4.09%	1.12%	4.30%	Semi-Annual	MF	Equity Australia Large Blend	NR
[BBOZ] BetaShares Australian Eqs Strong BearHdg	\$83.00	\$(16.67)	1.38%	0.13%	48.45%	11.24%	-1.69%	0.00%	Annual	MF	Alternative Strategies	NR
[BEAR] BetaShares Aus Equities Bear Hedge	\$53.95	\$(4.22)	1.38%	0.11%	22.02%	4.81%	-0.20%	0.00%	Annual	MF	Alternative Strategies	NR
[DIV] UBS IQ Morningstar Australia Div Yld ETF	\$26.24	\$0.11	0.30%	0.19%	1.98%	-6.98%	-1.30%	4.20%	Quarterly	ETF	Equity Australia Large Growth	★★★★★
[ETF] UBS IQ Morningstar Australia Quality ETF	\$8.19	\$(2.07)	0.30%	0.12%	1.73%	-5.14%	2.82%	1.52%	Semi-Annual	ETF	Equity Australia Large Blend	★★★★★
[FDIV] VanEck Vectors S&P/ASX Franked Div ETF	\$3.68	\$0.01	0.35%	0.14%	10.75%	-5.43%	-4.16%	5.81%	Quarterly	ETF	Equity Australia Large Blend	★★★★★
[GEAR] BetaShares Geared Australian Equity(Hdg)	\$69.87	\$18.72	0.80%	0.13%	47.18%	-9.21%	0.61%	7.11%	Semi-Annual	MF	Equity Australia Large Geared	NR
[IHD] iShares S&P/ASX Dividend Opps ETF	\$251.36	\$0.21	0.30%	0.11%	3.50%	-5.90%	-3.41%	5.18%	Quarterly	ETF	Equity Australia Large Value	★★★★★
[MVOL] iShares Edge MSCI Australia Mini Vol ETF	\$6.33	\$0.00	0.30%	0.16%	3.33%	-3.77%	2.64%	4.75%	Semi-Annual	ETF	Equity Australia Large Blend	★★★★★

Source: ASX, Morningstar

FIGURE 70: EQUITY ETFS – AUSTRALIA – PT 3												
	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
AUSTRALIA												
Equities – Strategy												
[RARI] Russell Inv Australian Rspnb Inv ETF	\$68.38	\$6.29	0.45%	0.23%	3.71%	-4.19%	-0.69%	5.53%	Semi-Annual	ETF	Equity Australia Large Value	★★★★★
[RDV] Russell Inv High Dividend Aus Shrs ETF	\$279.96	\$10.92	0.34%	0.09%	3.83%	-6.89%	-1.81%	6.70%	Quarterly	ETF	Equity Australia Large Value	★★★★★
[RVL] Russell Inv Australian Value ETF	\$12.82	\$0.04	0.34%	0.07%	8.43%	-8.83%	-5.33%	4.64%	Semi-Annual	ETF	Equity Australia Large Value	★★★★★
[SMML] BetaShares Australian Small Coms Sel	\$19.70	\$4.67	0.39%	0.50%	11.43%	-2.53%	0.00%	1.22%	Semi-Annual	MF	Equity Australia Mid/Small Blend	NR
[SWTZ] Switzer Dividend Growth	\$75.60	\$2.18	0.89%	0.49%	3.78%	-4.91%	-2.51%	3.87%	Quarterly	MF	Equity Australia Large Growth	NR
[SYI] SPDR? MSCI Australia Sel Hi Div Yld ETF	\$178.35	\$0.19	0.35%	0.07%	9.08%	-4.74%	-2.97%	4.93%	Quarterly	ETF	Equity Australia Large Value	★★★★★
[UBA] UBS IQ MSCI Australia Ethical ETF	\$176.13	\$7.23	0.17%	0.09%	1.64%	-4.32%	0.83%	4.14%	Semi-Annual	ETF	Equity Australia Large Blend	★★★★★
[VHY] Vanguard Australian Shares High Yld ETF	\$1,014.03	\$57.74	0.25%	0.08%	6.18%	-6.33%	-2.23%	8.06%	Quarterly	ETF	Equity Australia Large Blend	★★★★★
[YMAX] BetaShares Aus Top 20 Eq Yld Maxmsr	\$381.90	\$(1.14)	0.79%	0.19%	4.63%	-3.41%	-1.20%	9.11%	Quarterly	MF	Equity Australia Large Blend	NR
[ZYOU] ETFS S&P/ASX 300 High Yield Plus ETF	\$51.37	\$9.95	0.35%	0.16%	12.10%	-4.03%	4.61%	10.13%	Quarterly	ETF	Equity Australia Large Blend	★★★★★
[HVST] BetaShares Australian Div Harvester(mgd)	\$208.52	\$(41.12)	0.90%	0.12%	13.38%	-6.41%	-16.10%	11.91%	Monthly	MF	Equity Australia Large Value	NR
[KSM] K2 Australian Small Cap Fund	\$15.47	\$(0.60)	2.70%	1.32%	1.55%	-3.62%	12.11%	9.83%	Annual	MF	Alternative Strategies	NR
[FAIR] BetaShares Australian Sustnby Ldrs ETF	\$98.67	\$46.76	0.49%	0.15%	24.16%	-1.16%	0.00%	0.24%	Semi-Annual	ETF	Equity Australia Large Blend	★★★★★
[EINC] BetaShares Legg Mason Equity Income Fund	\$7.22	\$7.41	0.85%	0.35%	6.11%	0.00%	0.00%	0.00%	Quarterly	MF	Equity Australia Large Value	NR

Source: ASX, Morningstar

FIGURE 71: EQUITY ETFS – GLOBAL – PT 1

	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
GLOBAL												
Equities – Broad												
[IHO0] iShares Global 100 AUD Hedged ETF	\$35.15	-	0.43%	0.44%	5.88%	-3.19%	10.34%	11.69%	Annual	ETF	Equity World - Currency Hedged	★★★★★
[IHWL] iShares Core MSCI World All Cap AUDH ETF	\$11.44	\$2.65	0.19%	0.38%	13.82%	-2.04%	10.99%	1.11%	Semi-Annual	ETF	Equity World - Currency Hedged	★★★★★
[IOO] iShares Global 100 ETF (AU)	\$1,332.56	\$12.68	0.40%	0.13%	3.18%	0.08%	13.29%	1.91%	Semi-Annual	ETF	Equity World Large Blend	★★★★★
[IVE] iShares MSCI EAFE ETF (AU)	\$316.06	\$9.81	0.33%	0.19%	5.50%	0.22%	13.83%	2.19%	Semi-Annual	ETF	Equity World Large Blend	★★★★★
[IWLD] iShares Core MSCI World All Cap ETF	\$22.54	\$2.54	0.16%	0.40%	7.83%	1.05%	13.28%	1.46%	Semi-Annual	ETF	Equity World Large Blend	★★★★★
[KII] K2 Global Equities Fund (Hedge Fund)	\$17.81	\$(2.24)	2.70%	1.33%	4.42%	-1.79%	11.38%	0.00%	Quarterly	MF	Alternative Strategies	NR
[MGE] Magellan Global Equities	\$988.79	\$24.63	1.35%	0.40%	3.17%	0.65%	13.38%	1.68%	Annual	MF	Equity World Large Blend	NR
[MHG] Magellan Global Equities Currency Hdg	\$63.97	\$3.56	1.35%	0.50%	3.07%	-1.83%	13.08%	1.70%	Annual	MF	Equity World - Currency Hedged	NR
[QUAL] VanEck Vectors MSCI Wld ex Aus Qlty ETF	\$339.78	\$18.96	0.40%	0.13%	7.76%	1.83%	15.68%	2.90%	Annual	ETF	Equity World Large Blend	★★★★★
[UBW] UBS IQ MSCI World ex Australia Ethcl ETF	\$27.00	\$1.98	0.35%	0.25%	4.56%	0.72%	13.22%	1.79%	Annual	ETF	Equity World Large Blend	★★★★★
[VEU] Vanguard All-World ex-US Shares ETF	\$1,176.98	\$88.69	0.11%	0.12%	4.48%	1.46%	16.08%	2.34%	Quarterly	ETF	Equity World Large Blend	★★★★★
[VGAD] Vanguard MSCI Index Intl (Hdg) ETF	\$385.65	\$29.68	0.21%	0.09%	8.85%	-2.38%	10.80%	5.08%	Semi-Annual	ETF	Equity World - Currency Hedged	★★★★★
[VGS] Vanguard MSCI Index Intl ETF	\$940.55	\$120.71	0.18%	0.07%	9.26%	0.73%	13.28%	2.66%	Quarterly	ETF	Equity World Large Blend	★★★★★
[WXHG] SPDR? S&P World ex Australia(Hedged) ETF	\$78.52	\$2.33	0.35%	0.23%	3.73%	-2.36%	11.07%	2.94%	Annual	ETF	Equity World - Currency Hedged	★★★★★
[WZOZ] SPDR? S&P World ex Australia ETF	\$166.80	\$3.54	0.30%	0.18%	1.56%	0.76%	13.63%	2.19%	Annual	ETF	Equity World Large Blend	★★★★★
[PIXX] Platinum International (Quoted Mngd Hdg)	\$185.17	\$60.55	1.10%	0.33%	15.04%	0.83%	0.00%	0.00%	Annual	MF	Equity World Large Blend	NR

Source: ASX, Morningstar

FIGURE 72: EQUITY ETFS – GLOBAL – PT 2												
	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
GLOBAL												
Equities – Sector												
[BNKS] BetaShares Glb Banks ETF-Ccy Hdg	\$75.12	\$5.14	0.57%	0.29%	21.59%	-2.18%	11.32%	2.13%	Semi-Annual	ETF	Equity World Other	★★★★★
[DRUG] BetaShares Glb Healthcare ETF-Ccy Hdg	\$21.48	\$(2.11)	0.57%	0.39%	22.13%	-2.44%	6.90%	0.31%	Semi-Annual	ETF	Equity World Other	★★★★★
[FOOD] BetaShares Glb Agltr Coms ETF-Ccy Hdg	\$17.32	\$1.19	0.57%	0.40%	21.15%	-5.50%	7.91%	1.12%	Semi-Annual	ETF	Equity World Other	★★★★★
[FUEL] BetaShares Glb Energy Coms ETF-Ccy Hdg	\$15.94	\$4.61	0.57%	0.36%	31.53%	-3.82%	3.95%	3.95%	Semi-Annual	ETF	Equity Global Resources	★★★★★
[GDx] Market Vectors Gold Miners ETF	\$67.16	\$6.90	0.53%	0.35%	8.29%	-3.71%	-3.28%	0.67%	Annual	ETF	Equity Global Resources	★★★★★
[HACK] Betashares Global Cybersecurity ETF	\$64.92	\$4.90	0.67%	0.32%	10.41%	10.49%	14.70%	2.30%	Semi-Annual	ETF	Equity Global Technology	★★★★★
[IXI] iShares Global Consumer Staples ETF (AU)	\$108.47	\$(8.18)	0.47%	0.38%	4.26%	-3.63%	2.57%	1.92%	Semi-Annual	ETF	Equity World Other	★★★★★
[IXJ] iShares Global Healthcare ETF (AU)	\$482.33	\$(2.11)	0.47%	0.34%	3.34%	0.71%	9.05%	1.25%	Semi-Annual	ETF	Equity World Other	★★★★★
[IXP] iShares Global Telecom ETF (AU)	\$47.43	\$0.38	0.47%	0.67%	3.43%	-3.94%	-1.22%	3.02%	Semi-Annual	ETF	Equity World Other	★★★★★
[MNRS] BetaShares Glb Gold Miners ETF-Ccy Hdg	\$4.97	-	0.57%	0.67%	15.84%	-6.38%	-11.13%	0.47%	Semi-Annual	ETF	Equity Global Resources	★★★★★
[ROBO] ETFS ROBO Gbl Robotics and Atmtn ETF	\$75.95	\$31.74	0.69%	0.29%	23.45%	2.69%	0.00%	0.00%	Annual	ETF	Equity Global Technology	★★★★★
Equities – Strategy												
[DMKT] AMP Capital Dynamic Markets ETF (Hedge)	\$26.84	\$2.51	0.50%	0.67%	4.71%	-2.44%	2.25%	5.04%	Semi-Annual	MF	Multisector Balanced	NR
[ETHI] BetaShares Global Sstnby Ldrs ETF	\$168.54	\$40.44	0.59%	0.27%	12.50%	4.11%	18.60%	1.29%	Semi-Annual	ETF	Equity World Large Blend	★★★★★
[GROW] Schroder Real Return ETF	\$45.53	\$1.13	0.90%	0.54%	4.56%	-0.27%	3.16%	2.59%	Semi-Annual	MF	Multisector Balanced	NR
[MOAT] Market Vectors Morningstar Wide Moat ETF	\$52.74	\$2.44	0.49%	0.32%	5.37%	-0.42%	10.89%	0.92%	Annual	ETF	Equity North America	★★★★★
[QMIX] SPDR? MSCI World Quality Mix	\$8.08	\$0.92	0.40%	0.28%	5.19%	0.22%	12.71%	2.28%	Semi-Annual	ETF	Equity World Large Blend	★★★★★
[TECH] ETFS Morningstar Global Technology ETF	\$43.71	\$12.69	0.45%	0.30%	19.99%	8.91%	0.00%	0.79%	Semi-Annual	ETF	Equity Global Technology	★★★★★
[WDIV] SPDR? S&P Global Dividend ETF	\$168.81	\$9.68	0.50%	0.22%	7.70%	-1.03%	8.55%	4.01%	Semi-Annual	ETF	Equity World Large Value	★★★★★

Source: ASX, Morningstar

FIGURE 73: EQUITY ETFS – GLOBAL – PT 3												
	FUM (\$M)		COSTS			PERFORMANCE		INCOME		CATEGORISATION		
	Total FUM	Qtr Flows	MER	Avg Spread	Avg Liquidity	3 Mths	12 Mths	Yield	Frequency	Structure	Sub Category	Star Rating
GLOBAL												
Equities – Strategy												
[WDMF] iShares Edge MSCI World Multifactor ETF	\$28.59	\$4.99	0.35%	0.42%	7.37%	2.24%	19.49%	4.39%	Semi-Annual	ETF	Equity World Large Blend	★★★★★
[WRLD] BetaShares Managed Risk Global Share	\$29.91	\$(11.65)	0.54%	0.25%	20.17%	0.05%	11.36%	1.01%	Annual	MF	Multisector Aggressive	NR
[WVOL] iShares Edge MSCI World Minimum Vol ETF	\$9.85	\$(2.20)	0.30%	0.59%	21.00%	-0.73%	7.97%	2.59%	Semi-Annual	ETF	Equity World Large Blend	★★★★★
[MOGL] Montgomery Global Equities (Managed Fd)	\$71.78	\$8.39	1.32%	0.45%	9.51%	2.23%	0.00%	0.00%	Semi-Annual	MF	Equity World Large Blend	NR
[ESGI] VanEck Vectors MSCI Intl Sust Eq ETF	\$4.02	\$4.02	0.55%	0.34%	58.31%	0.00%	0.00%	0.00%	Annual	ETF	Equity World Large Blend	★★★★★



Get international exposure with the InvestSMART International Equities Portfolio

Glossary

Bid-offer spread: is the bid offer spread is the difference between the highest price that a buyer is willing to pay and the lowest price a seller is willing to sell at.

Commodity: A raw material or primary agricultural product that can be bought and sold.

Currency Hedging: is a risk management technique companies can use to hedge their foreign exchange risk usually using forward contracts and options.

Derivative: A derivative is a contract that derives its value from an underlying asset.

Diversified: Diversification is a way of managing risk by investing in a variety of lowly correlated securities.

Domicile: The legal home country of a company.

Equal Weighted: means that each stock is given the same weight in a portfolio.

ETF: An ETF is an investment fund that is traded on a stock exchange, tracking an index.

Floating rate securities: an investment with variable interest payments based on a floating rate.

Flows: The amount of money coming into or out of a fund.

Fully replicating: An ETF that tracks the benchmark index by holding all the stocks in the index.

Funds under Management (FUM): The market value of the assets which a fund manages on behalf of investors.

Hidden liquidity: refers to the stock of units held by the Market Makers. Their job is to ensure sufficient liquidity is available during market hours around the ETFs NAV. It is referred to as 'hidden' as they will tend to only place volume on the screen as required.

Leverage: using debt to finance assets.

Liquidity: describes the degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price.

Managed Funds (MF): if you invest in a managed fund your money, along with those of other investors will be collectively invested by an investment team in various assets.

Management Expense Ratio (MER): A fee charged to the assets of a fund used to pay for the costs of running the fund.

Market Capitalisation: The number of shares outstanding multiplied by the share price

Multisector aggressive: Funds that invest in a number of sectors and are heavily weighted towards growth assets

Multi sector asset allocation: Funds that invest across a number of sectors

On screen liquidity: simply refers to the publicly quoted bid and offers you see when you look at a trading screen.

Optimised/partially replicating: As opposed for fully replicating, partially replicating ETFs track the benchmark index without holding all the stocks in the index.

PDS: product disclosure statement is a document, or sometimes a group of documents, that contains information about a financial product including any significant benefits and risks, the cost of the financial product and the fees and charges that the financial product issuer may receive.

Prospectus: A Prospectus is a formal legal document that is issued upon on listing on an exchange. It outlines how the raised money will be used and should contain all the information required for investors to make an informed decision.

Security: a tradeable financial asset.

Separately Managed Account (SMA): An SMA is an investment account managed to a model portfolio that is controlled by a portfolio manager. Unlike a managed fund, an SMA is not a pooled investment, everyone's funds are not in the same bucket. You have your own account and you are the beneficial owner of the stocks held in that account.

Spread: The difference between the price at which someone is willing to buy a security and the price at which someone is willing to sell a security

Star Rating: InvestSMART's star rating is a measure of key quantifiable metrics for ETFs: size, fees, liquidity, spread, tracking error

Structured Products (SP): This refers to a security or derivative which gives financial exposure to the performance of an underlying instrument. Types of structured products include Exchange Traded Commodities (ETCs) and Exchange Traded Notes (ETNs).

Tracking difference: The difference in returns of ETF to its Benchmark for a given period

Tracking error: refers to the volatility of the tracking difference

Underlying liquidity: refers to the liquidity in the underlying market that the ETF is designed to track. Underlying liquidity is the most important measure of liquidity when reviewing an ETF. You will find that the less liquid the underlying index, the wider the on-market bid-ask spread tends to be to account for the transactional costs involved in dealing.

Yield: The income return on an investment, such as interest or dividends received from holding it. Yield is usually expressed as an annual percentage rate.



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