

# Betashares Australian Investment Grade Corporate Bond ETF

 **ASX: CRED**



29 February 2024

## Objective

CRED aims to track the performance of an index (before fees and expenses) that provides exposure to a portfolio of senior, fixed-rate, investment grade Australian corporate bonds.

## Strategy

CRED's strategy is to invest in securities offering superior expected excess returns over Australian government bonds. Up to 50 bonds are selected, with eligible bonds requiring amounts outstanding of at least \$250 million and a term to maturity of between 5.25 to 10.25 years.

Eligible bonds are ranked by yield above benchmark (being a Commonwealth Government bond of similar maturity), with each bond assigned an equal weight as at each rebalance date. No single issuer shall have a weight in excess of 7% at each rebalance date.

## Benefits



### Attractive income paid monthly

Income is paid monthly at a rate expected to be higher than term deposits, government and composite bond exposures.



### Diversification & defence

Australian corporate bonds historically have tended to rise when Australian shares have fallen, providing potential diversification and defensive benefits for portfolios.



### Invest in bonds intelligently

CRED selects bonds based on expected returns rather than debt outstanding, seeking to avoid the shortcomings of traditional debt-weighted indices and provide higher returns.



### Ranking

Underlying portfolio comprises senior bonds, which rank above shareholders in the event of issuer default.

## Performance

PERIOD	1 mth	3 mth	6 mth	1 yr	3 yr (p.a.)	5 yr (p.a.)	10 yr (p.a.)	Inception (p.a.)
FUND	0.03%	4.76%	4.54%	7.40%	-1.39%	1.65%	-	2.39%
INDEX	-	4.75%	4.48%	7.35%	-1.26%	1.97%	4.42%	2.70%

## Calendar year performance

PERIOD	YTD	2023	2022	2021	2020	2019	2018	2017
FUND	0.50%	11.21%	-14.69%	-3.23%	7.69%	11.69%	-	-
INDEX	0.49%	11.05%	-14.45%	-2.86%	8.76%	11.81%	4.75%	7.56%

Value of \$100 invested since inception



Source: Betashares, Bloomberg. **Past performance is not indicative of future performance.**

Fund returns are calculated in A\$ using net asset value per unit at the start and end of the specified period and do not reflect the brokerage or bid-ask spread that investors may incur when buying and selling units on the ASX. Returns are after fund management costs, assume reinvestment of any distributions and do not take into account income tax.

## Fund information

Betashares Funds can be bought or sold during the trading day on the ASX, and trade like shares.

ASX CODE CRED

BLOOMBERG CODE CRED AU

IRESS CODE CRED.AXW

DISTRIBUTIONS MONTHLY

MGT FEE 0.22% P.A.

EXPENSES

CAPPED AT 0.03% P.A.

FUND INCEPTION 31 MAY 18

## About the index

INDEX

SOLACTIVE AUSTRALIAN

INVESTMENT GRADE CORPORATE

BOND SELECT TR

BLOOMBERG CODE SOLAUSIG

NO OF COMPONENTS 54

## Categorisation

AUSTRALIAN CORPORATE  
BONDS

FIXED INCOME

REGULAR INCOME

There are risks associated with an investment in CRED, including interest rate risk, credit risk, market risk and index tracking risk. For more information on risks and other features of CRED, please see the Product Disclosure Statement.

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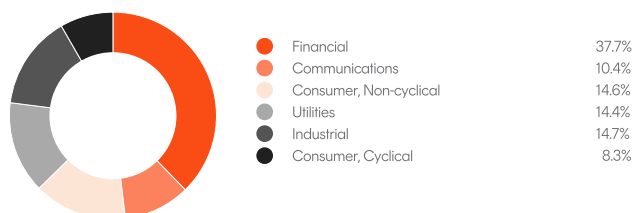
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## Sector allocation



## Credit quality



## Top 10 exposures

Bond	Weighting
Deutsche Bahn Fin GMBH 6.016% Nov-33	4.3%
Auckland Intl Airport 6.482% Nov-33	2.4%
Australia Pacific Airportt 3.763% Nov-31	2.3%
Scentre Group Trust 1/2 6.5% May-31	2.3%
Westconnex Finance 3.15% Mar-31	2.3%
Ausnet Services 6.134% May-33	2.3%
Contact Energy Ltd 6.398% Nov-30	2.3%
NSW Electricity 2.543% Sep-30	2.2%
Woolworths Group 2.75% Nov-31	2.2%
Verizon Comms 2.65% May-30	2.2%

## Yield and portfolio characteristics

Running yield (% p.a.) <sup>1</sup>	4.36%
Yield to maturity (% p.a.) <sup>2</sup>	5.60%
Yield to worst (% p.a.) <sup>3</sup>	5.60%
Average maturity (yrs) <sup>4</sup>	7.09
Modified duration (yrs) <sup>5</sup>	5.62
Average credit rating <sup>6</sup>	A-

- 1 Average coupon yield of the bonds in the portfolio (weighted by market value). Subject to change over time as interest rates and constituents change.
- 2 The annualised total expected return of a portfolio if underlying bonds are held to maturity and does not default, and the coupons are reinvested. Assumes no change in interest rates. Subject to change over time.
- 3 The annualised total expected return of a portfolio if underlying bonds are held to maturity or are called, does not default, and the coupons are reinvested. Yield to Worst is the lower of either Yield to Maturity or Yield to Call. Assumes no change in interest rates. Subject to change over time.
- 4 Average length of time until the current bonds in the portfolio mature (weighted by market value).
- 5 A measure of the sensitivity of the portfolio's value to a change in interest rates, e.g. modified duration of 6 years implies a 1% rise in the reference interest rate will reduce portfolio value by 6.00%.
- 6 Average credit rating for the bonds in the portfolio. Credit ratings are opinions only and are not to be used as a basis for assessing investment merit. Ratings are subject to change.

Source: Bloomberg. Yields do not take into account fund fees and costs.

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