

# Australian ETF Review

May 2026



# Betashares Australian ETF Review – May 2026

## Australian ETF industry rockets past \$350 billion following strong growth

- 1** The Australian ETF industry set a new record, reaching **\$364 billion** in funds under management after a third consecutive month of net flows above **\$5 billion**. Strong inflows, combined with positive global market performance, pushed the industry above **\$350 billion** for the first time.
- 2** Australian equities led for inflows, attracting **\$2.2 billion** in net new money. International equities followed closely with **\$2.1 billion**, while fixed income ranked third with **\$680 million**.
- 3** Issuer flow concentration increased, with Betashares, Vanguard and iShares capturing over **77%** of industry inflows.



# Industry Growth – May 2026

## Australian ETF AUM (\$B)

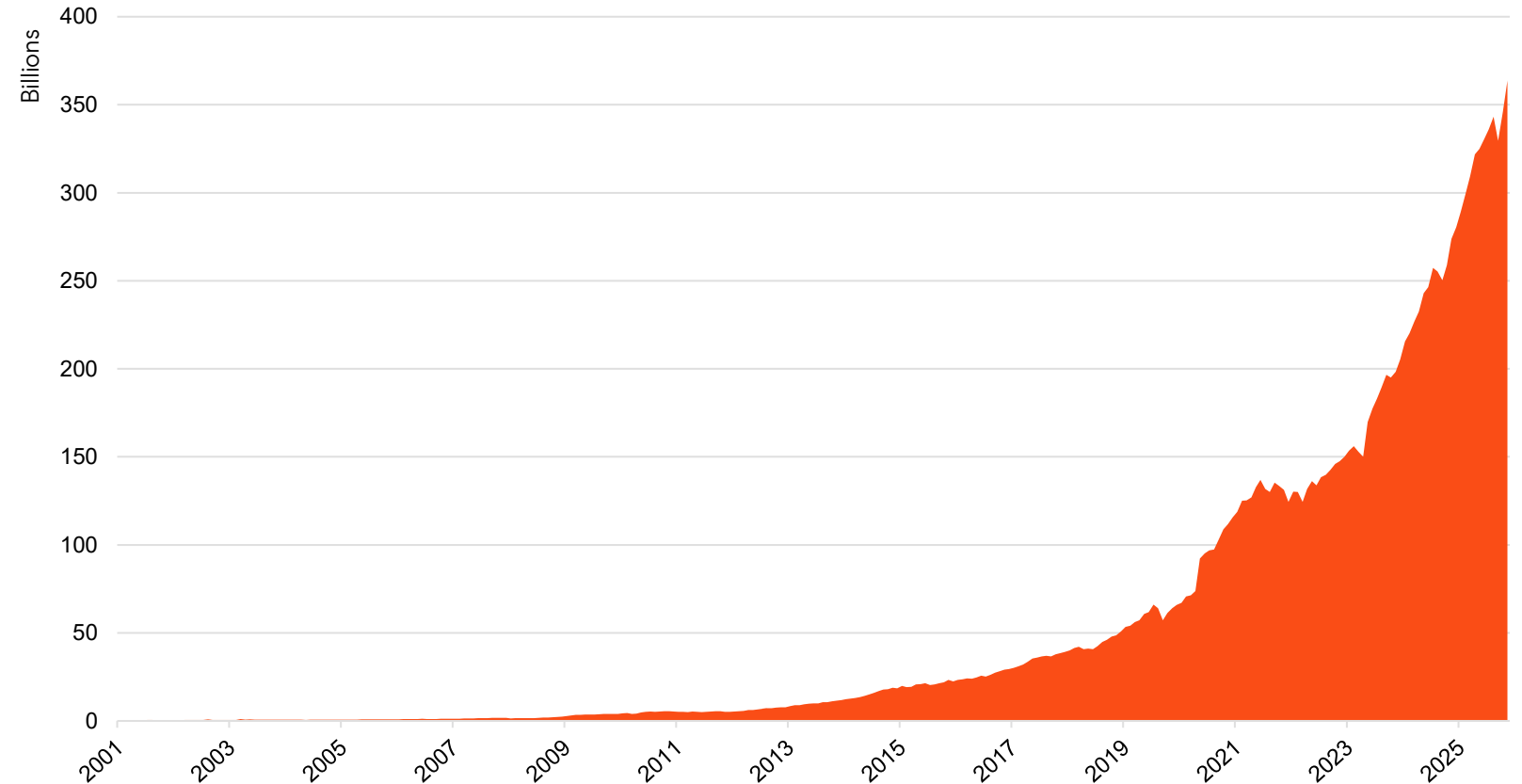
As of May 2026

Australian ETF  
Market Cap  
(ASX + CBOE)

**\$364B**

CAGR

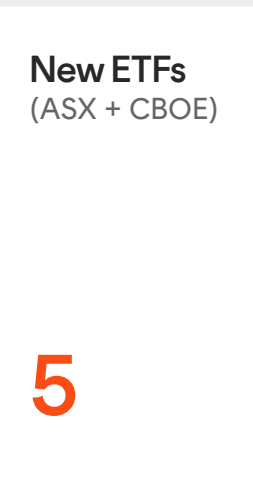
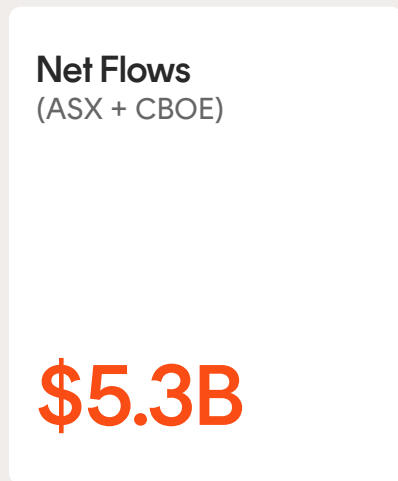
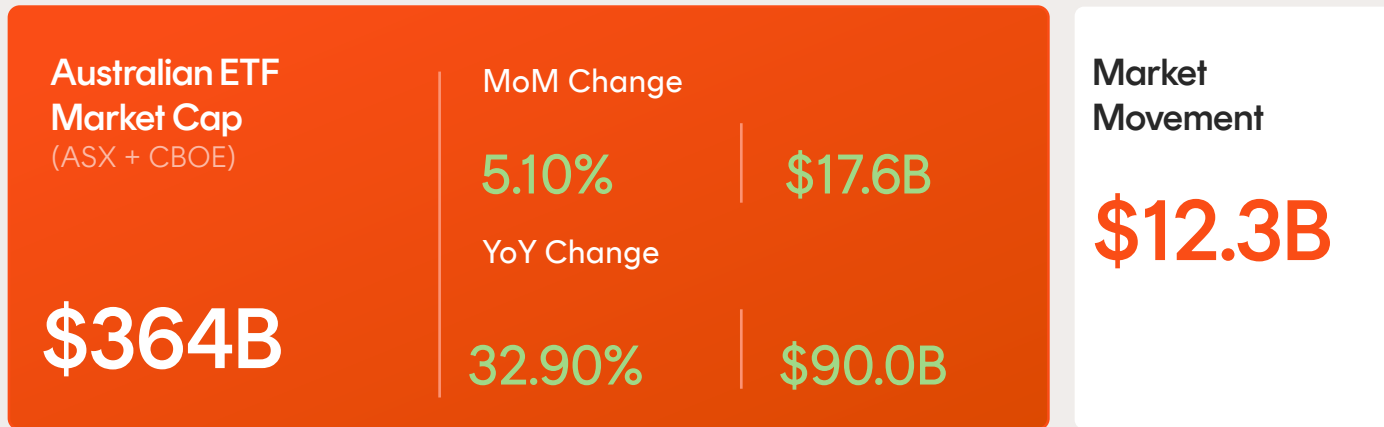
**42%**



Source: ASX, CBOE, Betashares

# Australian ETF Industry Summary – May 2026

## Industry Snapshot - May



The Australian ETF industry set a new record, reaching **\$364 billion** in funds under management after a third consecutive month of net flows above **\$5 billion**. Strong inflows, combined with positive global market performance, pushed the industry above **\$350 billion** for the first time.



# Market Insights

- Global equity markets extended their rally through May. S&P 500 companies reported 27% year-on-year earnings growth in Q1 2026, more than double consensus, driven by the hyperscaler capex cycle. Emerging markets were a standout, the MSCI EM index rose 9.7% as investors rotated into Asian chip manufacturers as a higher-beta, cheaper alternative to US mega-cap tech. Korea and Taiwan were the principal beneficiaries. [Asian technology](#) and [broad emerging market](#) ETFs capture this exposure on the ASX.
- Domestically, the 12 May [federal budget](#) was the major event. The proposed removal of the CGT discount for investments falls unevenly across vehicle types. Unlike direct portfolios and managed funds, ETFs can better manage turnover through in-specie creation and redemption, avoiding internal capital gains crystallisation under the revised regime. For clients reassessing their portfolio structure, the case for ETFs has strengthened if the budgets proposed change go through unchanged. Betashares has published detailed analysis, including the [CGT changes](#), [ETF tax advantages](#), and [broader portfolio implications](#).

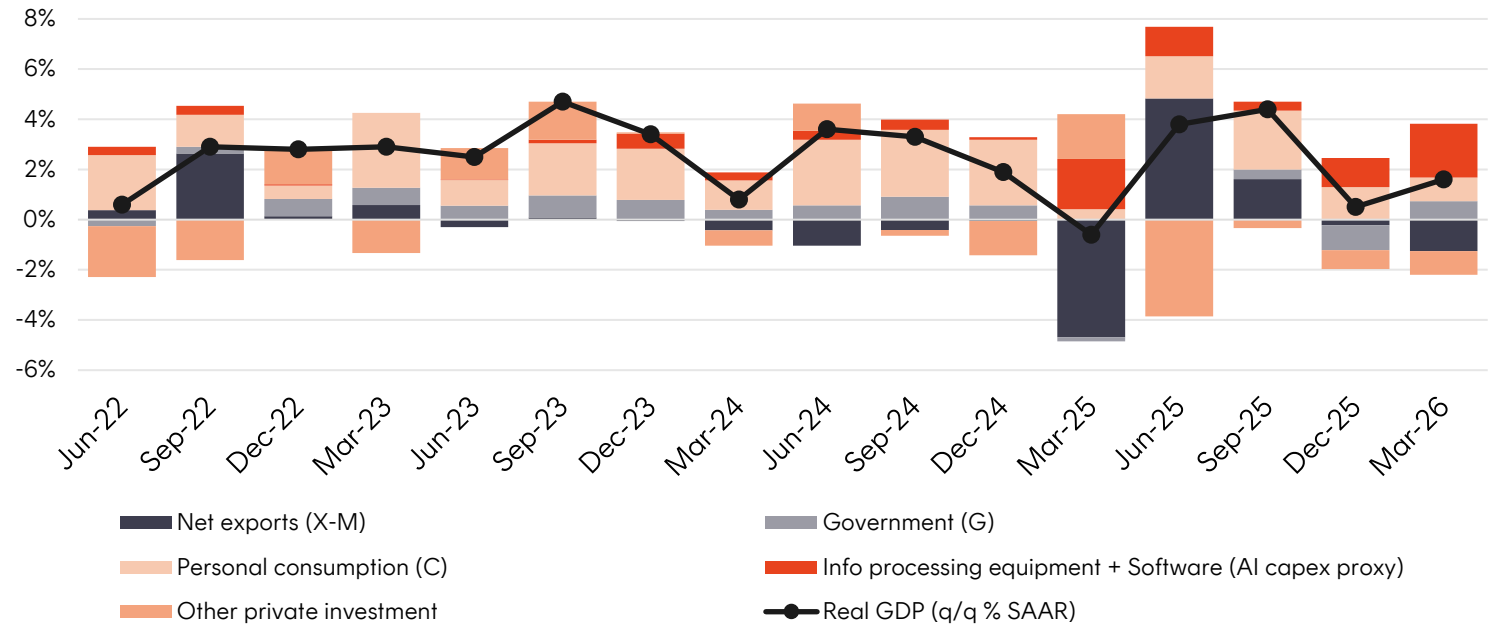


**Tom Wickenden**

Betashares, Investment Strategist

## Chart in focus

Contribution to US Real GDP growth  
(q/q % annualised, seasonally adjusted)

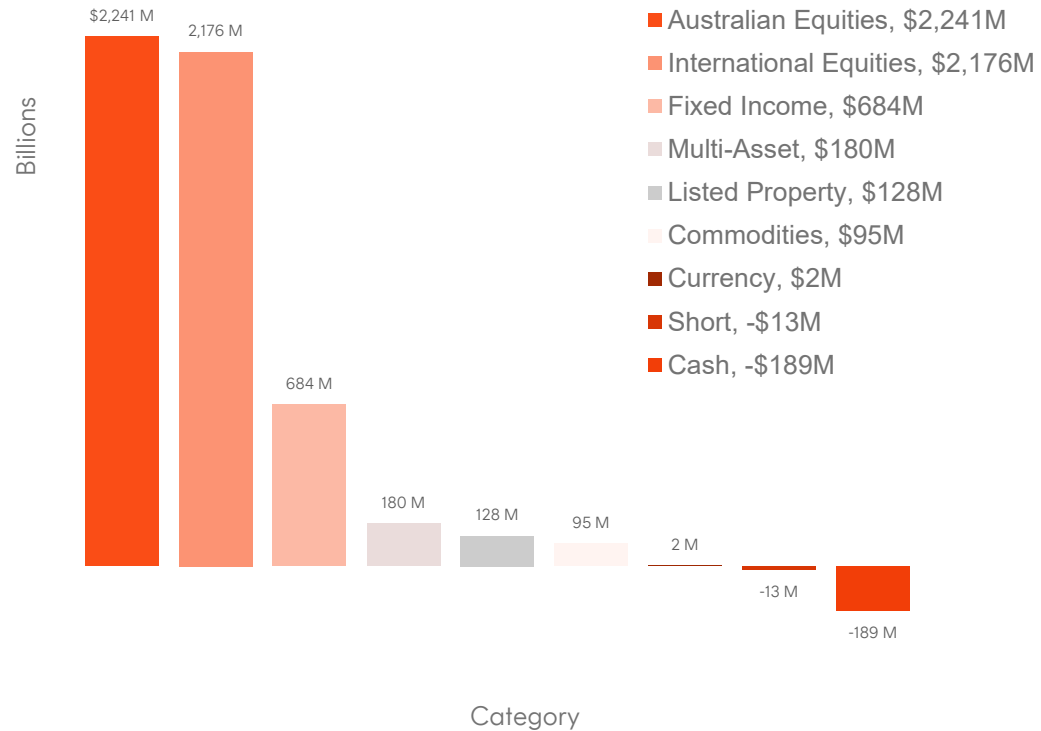


Source: Betashares, BEA NIPA Tables T1.1.1 / T1.1.2 / T1.1.6 / T5.3.6 (line 32). IPE + Software contribution computed from real chained-2017 USD levels using the share-weighted approximation  $((L_t/L_{t-1})^s - 1) \times (L_{t-1}/GDP_{t-1})$ . Q1 2025 contributions are distorted by the pre-tariff import surge in technology equipment.

**Why it's important:** The AI capex cycle is not only fuelling global equity markets but also the US economy. Since the March quarter of last year, US real GDP prints have shown information processing equipment and software making a significant contribution to overall growth. Using these as a proxy for AI capex spending, we estimate AI has driven around 71% of real GDP growth over the past five quarters.

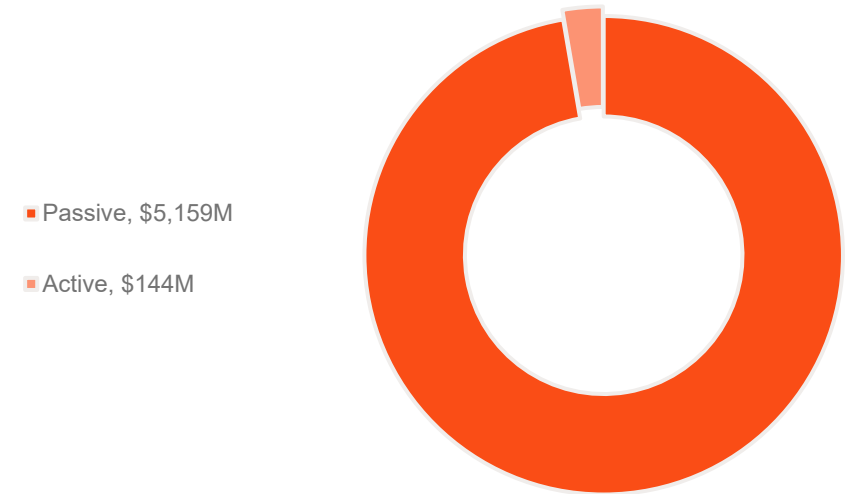
# Category Flows

## Category Flows – May



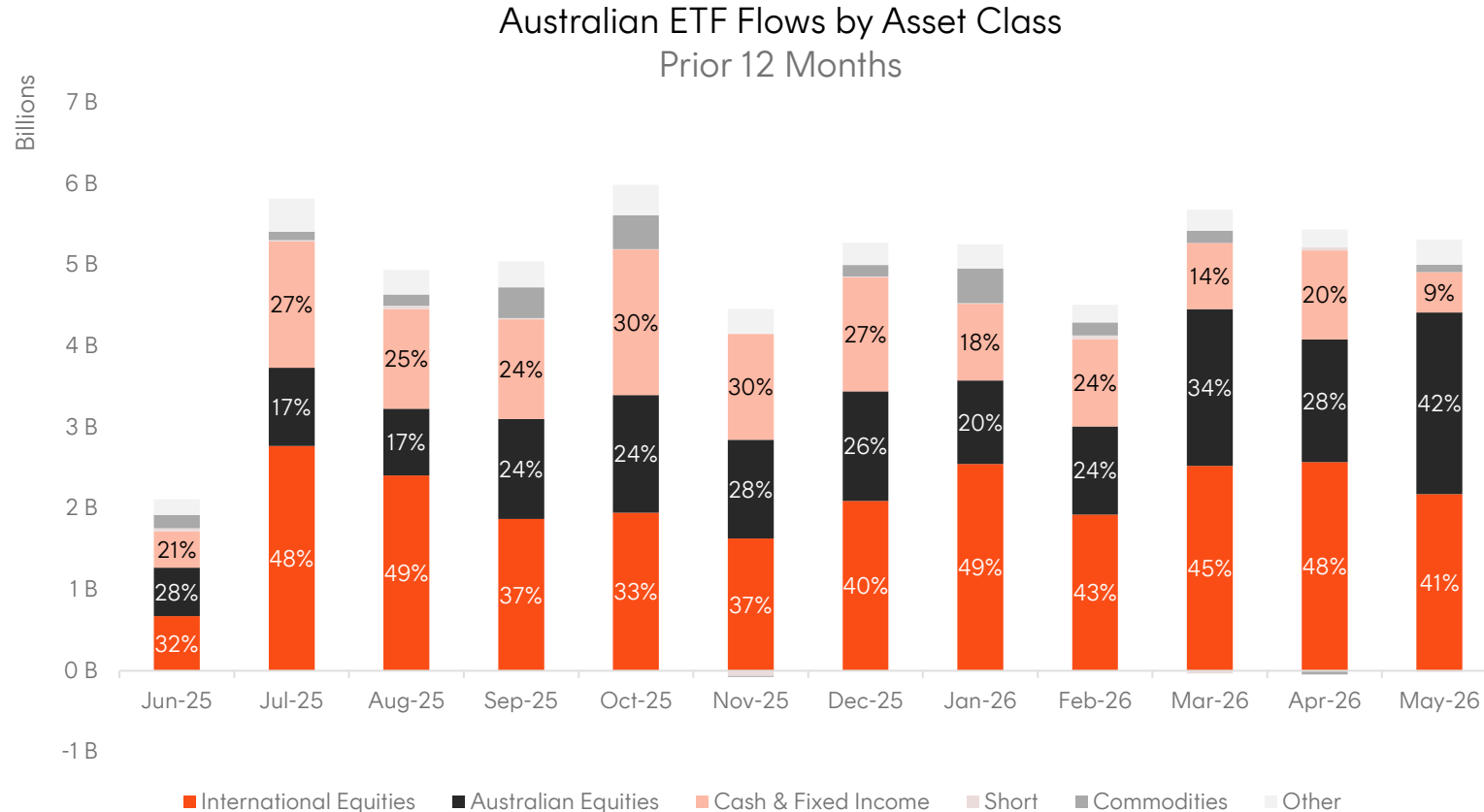
Source: ASX,CBOE, Betashares

## Passive / Active Flows – May



Source: ASX,CBOE, Betashares

# Flows by asset class – prior 12 months

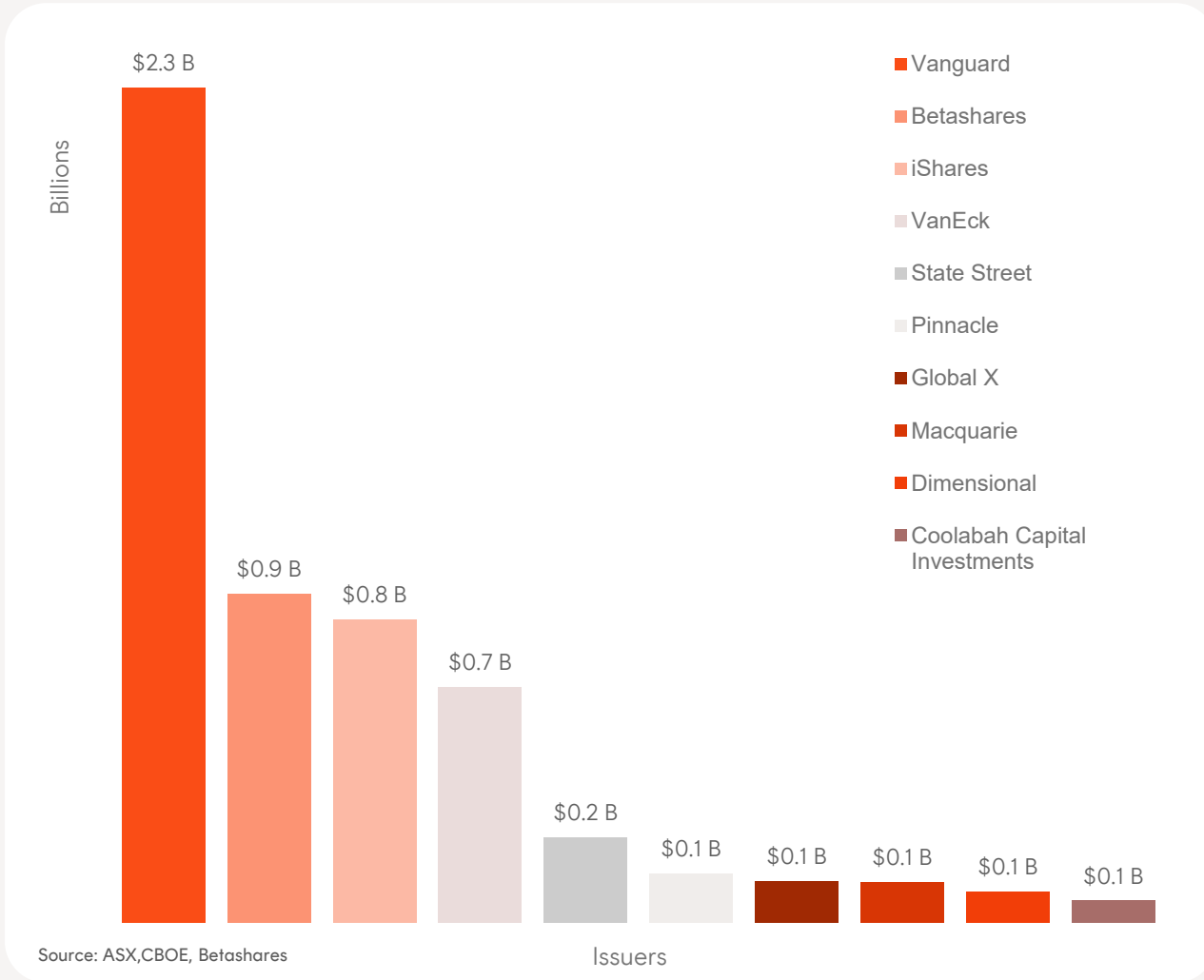


Source: ASX, CBOE, Betashares

ETF flows in May were broadly in line with April at \$5.3 billion. Australian equities claimed the top spot for the month at \$2.24 billion, narrowly ahead of international equities at \$2.18 billion - the first time Australian equities led over the last 12 months. Cash & fixed income fell sharply to \$494 million from \$1.1 billion in April. Short exposures swung back into negative territory, and commodities returned to positive flows after April's outflow.



# Top 10 Issuer Flow – May 2026



Rank	Provider	Inflow Value	% of Monthly Flow
01	Vanguard	\$2,337,817,746.03	44.09%
02	Betashares	\$920,189,180.49	17.35%
03	iShares	\$848,153,361.73	16.00%
04	VanEck	\$659,999,635.95	12.45%
05	State Street	\$239,424,611.97	4.52%
06	Pinnacle	\$137,366,646.86	2.59%
07	Global X	\$115,850,111.58	2.18%
08	Macquarie	\$113,302,060.13	2.14%
09	Dimensional	\$86,649,356.79	1.63%
10	Coolabah Capital Investments	\$61,609,637.21	1.16%

# Top 10 ETF Flows – May 2026

## Inflows

Ticker	Product	Category	Inflow Value
VAS	Vanguard Australian Shares Index ETF	Australian Equities	\$1,026,225,654
VEU	Vanguard All-World ex US Shares Index ETF	International Equities	\$283,799,454
VGS	Vanguard MSCI Index International Shares ETF	International Equities	\$272,493,489
IVV	iShares S&P 500 ETF	International Equities	\$272,437,124
IFRA	VanEck FTSE Global Infrastructure (Hedged) ETF	International Equities	\$220,758,395
VHY	Vanguard Australian Shares High Yield ETF	Australian Equities	\$197,465,390
A200	Betashares Australia 200 ETF	Australian Equities	\$194,661,100
BGBL	Betashares Global Shares ETF	International Equities	\$190,863,550
VBND	Vanguard Global Aggregate Bond Index (Hedged) ETF	Fixed Income	\$161,667,253
REIT	VanEck FTSE International Property (Hedged) ETF	Listed Property	\$107,481,845

Source: ASX,CBOE, Betashares

## Outflows

Ticker	Product	Category	Outflow Value
MGOC	Magellan Global Fund (Open Class) (Managed Fund)	International Equities	-\$313,056,971
AAA	Betashares Australian High Interest Cash ETF	Cash	-\$195,004,076
CUIV	ClearBridge Global Infrastructure Value Fund Active ETF	International Equities	-\$55,730,048
GOLD	Global X Physical Gold	Commodities	-\$53,070,562
VAE	Vanguard FTSE Asia Ex-Japan Shares Index ETF	International Equities	-\$45,786,037
AASF	Airlie Australian Share Fund	Australian Equities	-\$40,715,249
DVDY	VanEck Morningstar Australian Moat Income ETF	Australian Equities	-\$30,905,315
GGOV	Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged	Fixed Income	-\$28,902,261
MMKT	Betashares Australian Cash Plus Active ETF	Cash	-\$27,961,669
USTB	Global X US Treasury Bond (Currency Hedged) ETF	Fixed Income	-\$24,297,094

# Largest Funds by Market Cap

Ticker	Product	Issuer	Market Cap	Rank Movement
VAS	Vanguard Australian Shares Index ETF	Vanguard	\$25,503,479,366	0
VGS	Vanguard MSCI Index International Shares ETF	Vanguard	\$16,436,854,780	0
IVV	iShares S&P 500 ETF	iShares	\$13,797,341,096	0
<u>A200</u>	<b>Betashares Australia 200 ETF</b>	<b>Betashares</b>	<b>\$9,808,410,497</b>	0
<u>NDQ</u>	<b>Betashares NASDAQ 100 ETF</b>	<b>Betashares</b>	<b>\$8,964,133,459</b>	+1
IOZ	iShares Core S&P/ASX 200 ETF	iShares	\$8,688,721,765	-1
QUAL	VanEck MSCI World Ex-Australia Quality ETF	VanEck	\$8,502,278,918	0
VHY	Vanguard Australian Shares High Yield ETF	Vanguard	\$7,484,276,762	0
VGAD	Vanguard MSCI Index International Shares (Hedged) ETF	Vanguard	\$7,239,392,506	0
VTS	Vanguard US Total Market Shares Index ETF	Vanguard	\$6,751,363,226	+1

Source: ASX, CBOE, Betashares

# Performance

May's top performers were dominated by cybersecurity and broader technology themes, with the sector delivering exceptional returns across multiple strategies. South Korea retained its place from the prior month, continuing to reflect strong investor interest in the region's technology-heavy market. Asian technology exposure also featured, reinforcing a broader theme of outperformance across innovation-driven, high-growth equities. Semiconductors held on at the margins, suggesting AI-related hardware demand remained a tailwind, albeit with some moderation relative to April.

## Global Cybersecurity ETF

ASX: HACK

Access the world's leading cybersecurity companies

## Betashares Asia Technology Tigers ETF

ASX: ASIA

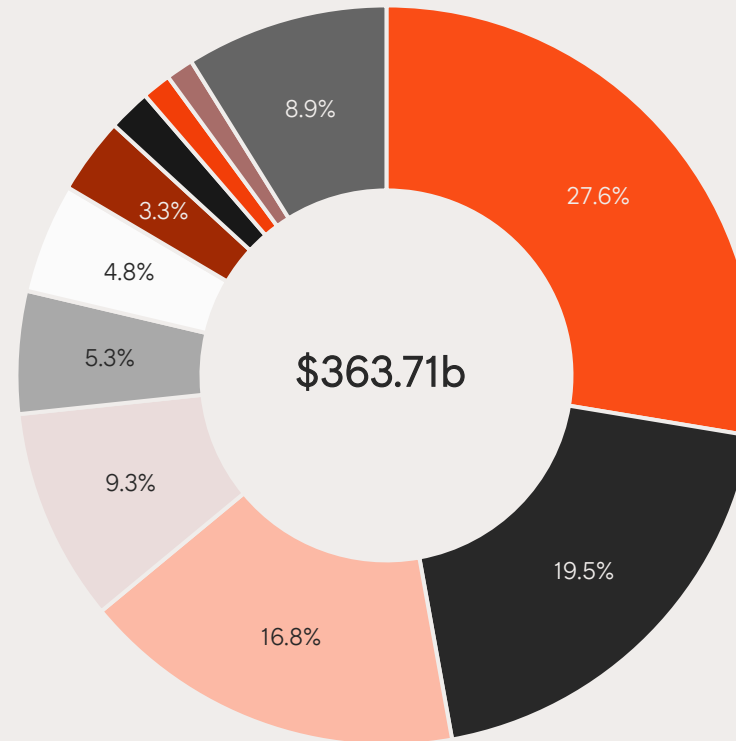
Exposure to the 50 largest Asian technology companies (ex-Japan)

Rank	Ticker	Product Name	Performance (%)
1	BUGG	Global X Cybersecurity ETF	36.53%
2	HACK	Betashares Global Cybersecurity ETF	31.75%
3	IKO	iShares MSCI South Korea Capped Index ETF	31.60%
4	ASIA	Betashares Asia Technology Tigers ETF	27.13%
5	SEMI	Global X Semiconductor ETF	26.51%

Source: Bloomberg, Betashares

# Funds Under Management – Industry

- Vanguard, \$100.42b
- Betashares, \$71.09b
- iShares, \$61.27b
- VanEck, \$33.92b
- Dimensional, \$19.46b
- Global X, \$17.48b
- State Street, \$12.14b
- Magellan, \$6.73b
- Franklin Templeton, \$4.63b
- Pinnacle, \$4.36b
- Other, \$32.2b



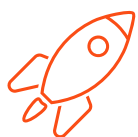
Source: ASX,CBOE, Betashares

# Fund in focus

ASX: RCKT

## Space Industry ETF

Australia's first dedicated space industry ETF - invest in the next frontier



### Pure-play exposure to the space economy

RCKT provides exposure to leading companies directly involved in the space industry – including space launches and transportation, space infrastructure and manufacturing, as well as satellite communications, connectivity and data services.



### Fast-tracking next generation space companies

RCKT's index includes a fast-track feature that enables eligible newly listed companies to be added to the portfolio, usually two trading days post IPO. This gives investors timely exposure to some of the most anticipated listings in the space sector.



### Invest in an industry with rapid growth potential

The global space economy is forecast to reach US\$1.8 trillion by 2035<sup>1</sup>, as falling launch costs unlock new commercial opportunities across space transportation, satellite, and data services.

<sup>1</sup> Source: World Economic Forum and McKinsey & Company, 2024. Actual outcomes may differ materially from forecasts.



Betashares Capital Ltd

Level 46, 180 George Street, Sydney, NSW 2000, Australia

T: +61 2 9290 6849 M: +61 412 037 245

W: [www.betashares.com.au](http://www.betashares.com.au)

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