



# NASDAQ

## ASX: NDQ, HNDQ

### Betashares Nasdaq 100 ETF

### Betashares Nasdaq 100 Currency Hedged ETF

**The Nasdaq-100 Index® has come to represent the new economy – a collection of young, growth enterprises that are on the forefront of innovation**

With the Betashares Nasdaq 100 ETF (ASX: NDQ) and the Betashares Nasdaq 100 Currency Hedged ETF (ASX: HNDQ), Australian investors are able to access the Nasdaq-100 Index® or the Nasdaq-100 Currency Hedged AUD Index® as simply as buying any share on the ASX. NDQ gives Australian investors the chance to invest in many of the world's most innovative companies that continue to revolutionise our everyday lives including Apple, Facebook, Amazon, Google and Zoom, with the option of having the portfolio hedged back to the Australian Dollar (via HNDQ).

The Funds offer investors a simple and cost-effective way to diversify their investment portfolio into high growth potential U.S. equities, with a strong focus on technology, and the opportunity to gain exposure to one of the world's most actively traded indices.

HNDQ currently obtains its investment exposure indirectly by investing in NDQ, with its foreign currency exposure hedged back to the Australian Dollar.



## Fund Objective

The Betashares Nasdaq 100 ETF aims to track the performance of the Nasdaq-100 Index<sup>®</sup>, before fees and expenses. The Betashares Nasdaq 100 Currency Hedged ETF aims to track the Nasdaq-100 Currency Hedged AUD Index<sup>®</sup> before fees and expenses.

## What is the Nasdaq-100 Index<sup>®</sup>?

Launched in February 1985, the Nasdaq-100 Index<sup>®</sup> provides investors with exposure to the performance of the 100 largest non-financial companies listed on the Nasdaq Stock Market, by market capitalisation. The Index contains category defining companies across major industry groups such as technology, telecommunications and retail.

Since its launch, the Nasdaq-100 Index<sup>®</sup> has evolved into a leading barometer for strong, growth companies at the forefront of innovation. Companies included in the Nasdaq-100 Index<sup>®</sup> have helped drive the modern economy and the evolution of the Index, and, in many ways, the Index is a reflection of how the business world has shifted in the 21st century.

The Nasdaq-100 Currency Hedged AUD Index<sup>®</sup> provides the same investment exposure as the Nasdaq-100 Index<sup>®</sup>, with foreign currency exposure of the index constituents hedged back to the Australian Dollar.

## Access to Technology & Innovation

Australian investors wanting to take advantage of the significant growth currently taking place in the global technology sector have, to date, been severely restricted, with only a very small number of large-cap technology companies available on the ASX.

NDQ offers exposure to a sector under-represented in both the Australian S&P/ASX 200 Index and, for that matter, the benchmark U.S. Index, the S&P 500. As an illustration, the table below provides a breakdown of the index weightings by Industry.

INDEX Industry Breakdown by index: 30 JUNE 2020			
Sector	NASDAQ100	S&P500	ASX200
Consumer Discretionary	17.1%	10.8%	6.9%
Consumer Staples	4.9%	7.0%	6.5%
Energy	0.0%	2.8%	4.1%
Financials	0.0%	10.1%	27.3%
Health Care	7.2%	14.6%	12.2%
Industrials	2.0%	8.0%	7.4%
Information Technology	48.4%	27.5%	3.5%
Materials	0.0%	2.5%	19.5%
Real Estate	0.0%	2.8%	6.6%
Communication Services	19.7%	10.8%	4.2%
Utilities	0.7%	3.1%	1.9%

Source: Bloomberg  
 Technology sector includes GICS sector "Information Technology" plus for Nasdaq-100 and S&P 500 includes GICS Industry "Internet & Catalog Retail"; for S&P/ASX 200 includes Seek Ltd, REA Ltd, Trade Me Ltd & Ozforex Group index.

The Nasdaq-100 Index® and the Nasdaq-100 Currency hedged AUD Index® offer investors a significant technology allocation and contains household names such as:

- ▶ Apple
- ▶ Microsoft
- ▶ Google
- ▶ Amazon
- ▶ Ebay
- ▶ Netflix
- ▶ Zoom

## Performance

Over time, the companies that make up the Nasdaq-100 Index® have matured substantially, which has seen the fundamentals of the Index improve dramatically. Since 2003 to June 2020 the Nasdaq-100 Index® has had an annual compound growth rate of:

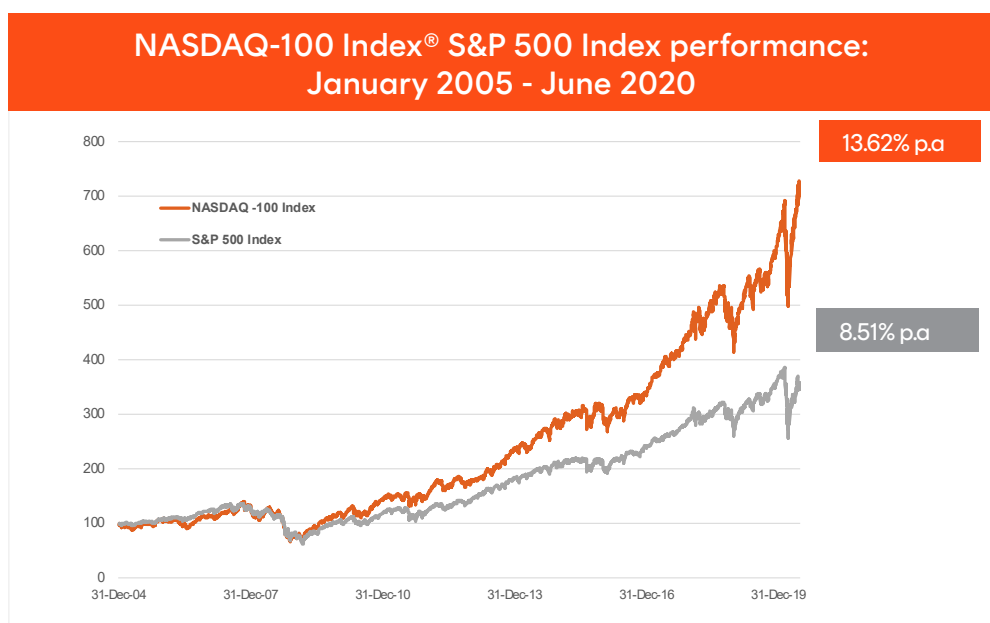
- ▶ +16% p.a. in earnings per share
- ▶ +12% p.a. in revenue
- ▶ +26% p.a. in dividends per share
- ▶ -2% in Price-to-earnings ratio\*

\* Price-to-earnings figure represents absolute change, not CAGR. Source: Bloomberg. Past performance is not an indicator of future performance

This improvement in Index fundamentals has corresponded to strong investment performance by the Nasdaq-100 Index® over the last decade. For example, since January 2005 to June 2020 the Nasdaq-100 Index® has outperformed the S&P 500 by ~5.1% per year.







Source: Bloomberg, Betashares. Past performance is not an indicator of future performance. Graph shows performance of underlying index, not ETF performance. Investors cannot invest directly in an index. Indexes have no fees.

## A currency-hedged approach

HNDQ may suit investors who want to invest in leading U.S. technology companies, and who also want to minimise the currency variable from the investment equation.

Currency fluctuations can have a significant impact on the returns from an unhedged investment. In periods when the Australian Dollar is rising, an unhedged approach will underperform an equivalent currency-hedged approach. Equally, in periods when the Australian Dollar is falling, unhedged exposures will outperform equivalent hedged exposures.

The main aim of currency hedging is not so much to take a position that the Australian Dollar will strengthen (although investors who are of this view can use currency-hedged investments to express that view), but rather to achieve a 'purer' exposure to the performance of the companies in the portfolio, minimising the influence of exchange rate movements, and substantially reducing a source of uncertainty.

# Benefits of Betashares Nasdaq 100 ETF and Betashares Nasdaq 100 Currency Hedged ETF

- ▶ **Access the new economy** - simple, cost-effective way to gain exposure to a diversified portfolio of some of the world's most revolutionary companies
- ▶ **Technology exposure** - obtain exposure to some of the largest, most innovative companies in the global technology sector including Apple, Google, Facebook and Zoom
- ▶ **U.S. exposure** - exposure to U.S. equities and U.S. currency
- ▶ **Cost-effective** – cost of ETF is lower than traditional active managers focusing on U.S. equities
- ▶ **Reduced administration** – as an Australian domiciled fund, investors do not need to fill out W-8BEN forms, or risk any potential U.S. estate tax issues
- ▶ **Accessible** – the Funds can be bought or sold like any share, and are not platform dependent
- ▶ **Liquidity** – the Funds trade on the ASX during the day
- ▶ **Transparent** – portfolio holdings, value of each Fund's assets and net asset value per unit available daily on Betashares' website

## Uses of Betashares Nasdaq 100 ETF and Betashares NASDAQ 100 Currency Hedged ETF

The Funds should have broad appeal and may be suitable for a variety of investors and uses:

- ▶ A core portfolio holding for U.S. growth equities providing transparency and diversification benefits
- ▶ Tactical exposure to the global technology sector
- ▶ A cost-effective complement and/or alternative to investments with active fund managers focusing on the U.S. equity market



There are risks associated with an investment in the Funds, including market risk and sector concentration risk, as well as foreign exchange risk (for NDQ) and currency hedging risk (for HNDQ). For more information on risks and other features of the Funds please see the Product Disclosure Statement.

An investment in the Fund is subject to investment risk and the value of units may go down as well as up. Neither Betashares Capital Ltd (ABN 78 139 566 868 AFS Licence 341181) ("Betashares") nor any other person guarantees the performance of the Fund or the repayment of capital or any particular rate of return. Past performance is not an indication of future performance. This information is prepared by Betashares, the product issuer. It is general information only and does not take into account your objectives, financial situation or needs so it may not be appropriate for you. Before making an investment decision you should consider the product disclosure statement ('PDS') and your circumstances and obtain financial advice. Investors may buy units in the Fund on the ASX through a stockbroker, financial adviser or online broker. This document does not constitute an offer of, or an invitation to purchase or subscribe for securities. To the extent permitted by law Betashares accepts no liability for any errors or omissions or loss from reliance on any of it. Betashares® and Back Your View® are registered trademarks of Betashares Holdings Pty Ltd.

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