

**BETASHARES**

# A200: Costs matter!

## BetaShares Australia 200 ETF



**BetaShares**  
Exchange Traded Funds

May 2018

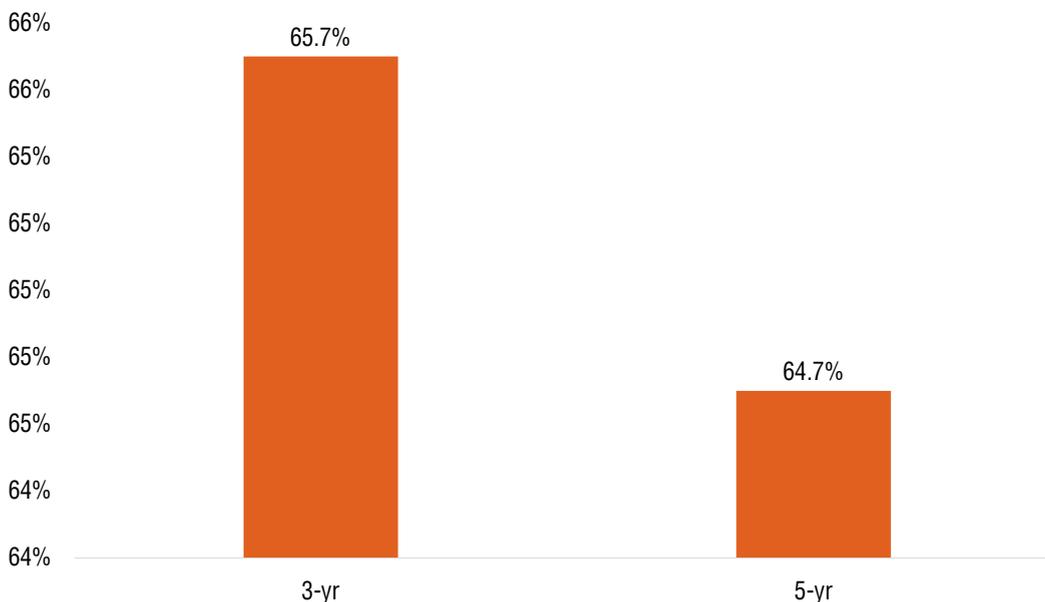
## How lower investment fees are important to boosting your savings over time

### Why pay active management fees for passive investment performance?

Although many investment managers trumpet their ability to produce market-beating returns over time, the statistical fact is that on average most simply don't. In fact, according to a leading industry survey, around two-thirds of active Australian equity managers underperformed their benchmark index over the past five years to 30 June 2017. What's more, these results have not tended to change much over time, and are also consistent with international evidence suggesting active managers have a hard time, on average, beating passive investment benchmarks.

It begs the question: if most active managers can't beat the market, why should investors pay high fees for the privilege? According to data from a leading industry researcher, Morningstar, the average fee currently charged by Australian active equity managers is 1.55% p.a.

### % of Active Australian Equity Managers that Underperformed their Benchmark - Periods to 30 June 2017



Source: S&P

### A200: Easy access to Australian sharemarket performance at the lowest cost in the world

By contrast, BetaShares' A200 ETF – which provides exposure to 200 of the largest companies listed on the Australian share market by market capitalisation – charges only 0.07% a year!

Yes, the decimal point is in the right place.

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In fact, the A200 ETF is the lowest cost Australian equity ETF in the world\*. And being an exchange traded fund (ETF), gaining access is easy – all you need is a share trading account. A200 can be bought and sold on the ASX with a click of a mouse just as easily as buying and selling company shares like the Commonwealth Bank (CBA) or BHP-Billiton (BHP). A200 provides instant diversification across the largest Australian companies on the market, and is fully transparent in that A200's portfolio holdings are available daily on BetaShares' website.

\*Source: Bloomberg, based on expense ratios of Australian shares ETFs traded in Australia or on overseas exchanges.

### Index Top 10 Exposures As at 30 April 2018

COMPANY	WEIGHTING	COMPANY	WEIGHTING
Commonwealth Bank	7.9%	CSL Ltd	4.8%
BHP	6.3%	Wesfarmers Ltd	3.1%
Westpac	6.1%	Telstra Corp Ltd	2.4%
National Australia Bank Ltd	5.0%	Woolworths Group Ltd	2.3%
ANZ	4.9%	Macquarie Group Ltd	2.2%

Table shows top constituents of the Solactive Australia 200 Index, the index A200 aims to track, as at 30 April 2018. Source: BetaShares. Actual constituents of A200 may differ.

### Do low investment fees really make a difference? You bet!

Seemingly small differences in management fees may not at face value appear to matter all that much to investment returns, but thanks to the power of compounding, it can amount to a lot over time.

Consider a simple example. Imagine a new investor makes an initial investment in the market of \$10,000 that then grows in real terms by 5% p.a. Over 40 years – close to the average investment time span for new investors entering the workforce – that initial investment would have grown to be worth a respectable \$38,835 in today's dollars if the investor had paid the average Australian active investment management fee of 1.55% p.a. Not bad, you might say.

But, as evident in the chart below, if the investor had paid A200's 0.07% p.a. investment fee, with the same pre-fee investment performance their nest egg after 40 years would have been worth \$68,547 – or a whopping 77% more!

Costs really do matter!

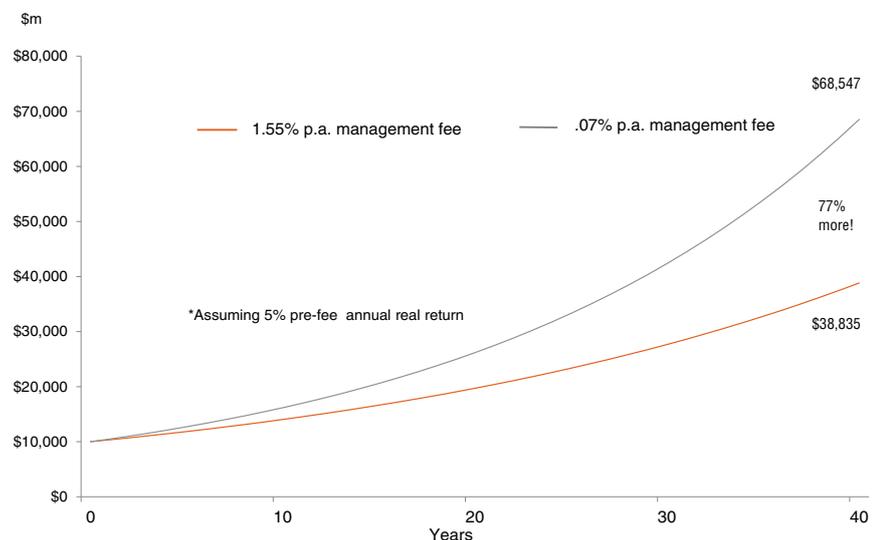
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### Investment Portfolio Value Over Time



Illustrative only. Assumed performance is not indicative of actual performance. Actual performance of A200 and the Australian sharemarket may differ.

### Trading Information

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

<b>EXCHANGE</b>	ASX
<b>ASX CODE</b>	A200
<b>CURRENCY</b>	AUD
<b>TRADING HOURS</b>	10:00-16:00 (AEST)
<b>BLOOMBERG CODE</b>	A200 AU
<b>IRESS CODE</b>	A200.AXW

### A200 Fund Information

<b>DISTRIBUTIONS</b>	QUARTERLY
<b>MANAGEMENT COSTS</b>	0.07% P.A
<b>FUND INCEPTION</b>	7 MAY 2018
<b>INDEX</b>	SOLACTIVE AUSTRALIA 200 INDEX

### Contact

- ▶ [betashares.com.au](http://betashares.com.au)
- ▶ 1300 487 577 (Australia)
- ▶ + 61 2 9290 6888 (ex Australia)
- ▶ [info@betashares.com.au](mailto:info@betashares.com.au)

These are risks associated with an investment in the Fund, including market risk, security specific risk, industry sector risk and index tracking risk. For more information on risks and other features of the Fund please see the Product Disclosure Statement.

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