

BetaShares Managed Risk Australian Share Fund (managed fund)

ASX: AUST

30 November 2018



BetaShares
Exchange Traded Funds

Investment Objective

The Fund aims to provide exposure to a broadly diversified portfolio of Australian shares, while reducing the volatility of the equity investment returns and defending against losses in declining markets.

Performance

Value of \$100 invested since inception

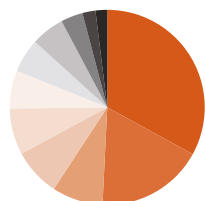


PERIOD	FUND RETURN	S&P/ASX 200 RETURN
1 mth	-1.59%	-2.21%
3 mth	-8.12%	-9.29%
6 mth	-2.92%	-3.68%
1 yr	-1.64%	-0.97%
3 yr (p.a)	3.91%	7.69%
5 yr (p.a)	-	-
Inception	4.01%	7.95%

VOLATILITY	FUND	S&P/ASX 200
Inception (p.a)	8.4%	12.0%

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 the bid ask spread that investors 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. Returns for periods longer than one year are annualised. Past performance is not an indicator of future performance. Source: BetaShares, Bloomberg.

Sector Allocation



● Financials	33.0%
● Materials	17.8%
● Healthcare	8.4%
● Industrials	7.9%
● Real Estate	7.7%
● Consumer Discretionary	6.3%
● Consumer Staples	5.6%
● Energy	5.5%
● Communication Services	3.7%
● Information Technology	2.2%
● Utilities	1.9%

Top 10 Exposures

COMPANY	WEIGHTING	COMPANY	WEIGHTING
Commonwealth Bank	7.6%	National Australia Bank Ltd	4.1%
BHP	6.2%	Woolworths Group Ltd	2.3%
Westpac Banking Corp	5.5%	Macquarie Group Ltd	2.3%
CSL Ltd	5.0%	Wesfarmers Ltd	2.2%
ANZ	4.7%	Telstra Corp Ltd	2.1%

Trading Information

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

EXCHANGE	ASX
ASX CODE	AUST
CURRENCY	AUD
TRADING HOURS	10:00-16:00 (AEST)
BLOOMBERG CODE	AUST AU
IRESS CODE	AUST.AXW
IRESS INAV CODE	AUSTINAV.ETF

Fund Information

MANAGEMENT FEE	0.39% P.A
EXPENSES	CAPPED AT 0.10% P.A
DISTRIBUTIONS	SEMI-ANNUAL
FUND INCEPTION	9 NOVEMBER 2015

Contact

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There are risks associated with an investment in the Fund, including market risk, the risk management strategy may not be effective, and selling futures in rising markets can be expected to limit the Fund's capital growth. For more information on risks and other features of the Fund please see the Product Disclosure Statement.

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Investment Strategy

The Fund invests in a passively managed portfolio of Australian shares (consisting of 200 of the largest shares on the ASX by market capitalisation). In addition, the Fund employs a risk management strategy which actively seeks to reduce volatility and defend against losses in declining markets. The Fund does not track a published benchmark.

The Managed Risk Strategy

In addition to investing in the share portfolio, the Fund employs a risk management strategy. The Fund actively monitors sharemarket volatility and, when volatility rises, applies a “handbrake” to reduce the impact of major market declines. It does this by reducing investors’ exposure to shares in falling markets, while still allowing a level of participation in rising markets. The risk management strategy utilised by the Fund aims to provide investors with a smoother investment ride.

The risk management strategy is implemented by selling equity index futures contracts (i.e. ASX SPI 200 futures). Selling futures can be expected to generate a positive return when the sharemarket declines, and a negative return when the sharemarket rises. The extent of the risk management position will vary over time based on the existing and historic volatility of the share portfolio. Typically, the risk management position is expected to be in the range of 10-50%, and will not exceed 70%, of the Fund’s net asset value. Generally, in periods of higher volatility, futures exposure will be increased, with the objective of lowering the Fund’s volatility and reducing downside exposure.

Benefits of BetaShares Managed Risk Australian Share Fund

- ▶ **Equity returns with reduced downside risk** – obtain exposure to the majority of the upside potential of the Australian sharemarket, with the benefit of potentially reduced downside in declining markets
- ▶ **Income** – opportunity to benefit from the dividends and associated franking credits in the Australian sharemarket
- ▶ **A smoother ride** – potential for reduced volatility despite changing market conditions
- ▶ **Diversification** – gain exposure to a diversified portfolio of Australian shares in a single trade
- ▶ **Cost effective** – cost of Fund is lower than traditional active managers focussing on Australian equities
- ▶ **Liquidity** – available to trade on the ASX like any share
- ▶ **Transparent** – Fund’s portfolio, value of the Fund’s assets and net asset value per unit available daily on our website

How to use the BetaShares Managed Risk Australian Share Fund in your portfolio

While the Fund is expected to have broad application and be suitable for a variety of investors, it has been specifically designed to meet the needs of SMSFs, pre-retirees and retiree investors. The Fund can be used to implement a variety of investment strategies. For example:

- ▶ A core allocation to Australian shares, with potential for reduced market volatility and lower drawdowns
- ▶ Tactical equity exposure for investors who may be concerned about uncertain financial markets

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