

BetaShares Australian Equities Strong Bear Hedge Fund

 **ASX: BBOZ**

30 November 2018



BetaShares
Exchange Traded Funds

Investment Objective

The Fund provides investors with a simple way to profit from, or protect against, a declining Australian sharemarket. It seeks to generate magnified returns that are negatively correlated to the returns of the Australian sharemarket (as measured by the S&P/ASX 200 Accumulation Index).

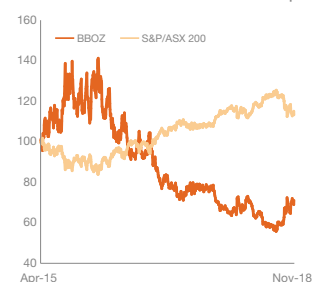
Portfolio Exposure

The Fund's exposure to movements in the Australian share market can be expected to vary between 200% to 275% short on a given day. Therefore a 1% fall in the Australian share market on a given day can be expected to deliver a 2.0% to 2.75% increase in the value of the Fund (and vice versa).

The portfolio exposure is actively monitored and adjusted to stay within this range. The Fund should not be expected to provide any particular short multiple of the market return over any time period. As such, investors should check BetaShares' website for details of the Fund's historical performance, as well as the current portfolio exposure, to ensure that the Fund continues to meet their investment objectives.

Performance

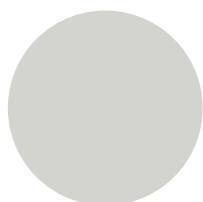
Value of \$100 invested since inception



PERIOD	FUND RETURN	S&P/ASX 200 RETURN
1 mth	4.48%	-2.21%
3 mth	25.90%	-9.29%
6 mth	9.18%	-3.68%
1 yr	5.26%	-0.97%
3 yr (p.a)	-15.75%	7.69%
5 yr (p.a)	-	-
Inception	-8.98%	3.49%

Graph shows performance of Fund relative to S&P/ASX 200 index since inception. Please note, the BBOZ Fund's portfolio is managed actively and should not be expected to provide any particular short multiple of the market return over any time period. 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.

Asset Allocation



- Short Australian Equities ~200% to 275%

Trading Information

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

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

Fund Information

DISTRIBUTIONS*	ANNUAL
MANAGEMENT FEE	1.19% P.A
EXPENSES	CAPPED AT 0.19% P.A
FUND INCEPTION	17 APRIL 2015

(* It is not the intention of the Fund to provide regular distributions to unitholders. In some circumstances the Fund may generate amounts of income which would be distributed to unitholders at least annually.

Contact

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- ▶ info@betashares.com.au

There are risks associated with an investment in the Fund, including risk associated with negatively correlated returns, market risk, futures risk and gearing risk. 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 cash and cash equivalents and sells equity index futures contracts (i.e. ASX SPI 200 futures). Selling these futures can typically be expected to generate a positive return when the S&P/ASX 200 Accumulation Index declines (and a negative return when the Index increases).

The Fund does not borrow for investment purposes, it uses ASX SPI 200 futures to obtain a magnified (or “geared”) short exposure. The Fund’s short exposure to the Index generally varies between 200% and 275% of the Fund’s Net Asset Value on a given day.

The Fund’s strategy of seeking returns that are negatively correlated to market returns is the opposite of most managed funds. Also, seeking to generate magnified returns means both investment gains and losses can be expected to be magnified. As such, the Fund may not be a suitable strategy for all investors. Investors should seek professional financial advice before investing, and monitor their investment actively. An investment in the Fund should only be considered as a component of an investor’s overall portfolio. Note that the Fund does not track a published benchmark and past performance is not an indication of future performance.

Benefits of BetaShares Australian Equities Strong Bear Hedge Fund

- ▶ **Simple access to short exposure** – ability to obtain magnified returns that are negatively correlated to the Australian sharemarket as simply as buying any share
- ▶ **Convenience** – avoid the complications and costs of other investments providing ‘short’ exposure, such as CFDs, futures, short selling individual equities
- ▶ **No margin calls** for investors – investors cannot lose more than their initial investment
- ▶ **Liquidity** – available to trade on the ASX like any share
- ▶ **Transparent** – portfolio exposure, value of the Fund’s assets, net asset value per unit and portfolio holdings available daily on our website

How to use the BetaShares Australian Equities Strong Bear Hedge Fund in your portfolio

The Fund can be used to implement a variety of investment strategies. For example:

- ▶ Hedge portfolios against falling markets
- ▶ Seek profits when markets decline
- ▶ Alternative to using futures, swaps or other derivatives – easier to trade and administer
- ▶ Pairs Trading – for example going long the Fund and long an individual stock to seek to reduce the impact of market movements on a stock’s performance
- ▶ Obtain short exposure instead of selling equities and crystallising capital gains

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