

# BETASHARES LEGG MASON AUSTRALIAN BOND FUND (MANAGED FUND)



 **ASX: BNDS**

29 OCTOBER 2021

## OBJECTIVE

BNDS invests in an actively managed, diversified portfolio of Australian bonds and aims to outperform the Bloomberg AusBond Composite Index (Benchmark) over rolling three-year periods.

BNDS is managed by Western Asset, a leading fixed income manager and member of the Franklin Templeton Group.

## BENEFITS



### CORE FIXED INCOME SOLUTION

BNDS invests in a broad portfolio of Australian fixed income securities and is designed to be a 'one stop' core fixed income solution



### ATTRACTIVE INCOME PAID MONTHLY

Income is paid monthly at a rate that aims to be higher than cash and term deposits



### DEFENSIVE CHARACTERISTICS

Australian bonds historically have tended to rise in value when Australian shares have fallen



### PROFESSIONAL ACTIVE MANAGEMENT

Experienced investment management team actively manages the portfolio with the objective of outperforming its benchmark

## PERFORMANCE

PERIOD	1 mth	3 mth	6 mth	1 yr	3 yr (p.a.)	5 yr (p.a.)	Inception (p.a.)
FUND	-3.59%	-5.00%	-2.44%	-5.20%	-	-	2.96%
BENCHMARK	-3.55%	-4.93%	-2.33%	-5.30%	2.72%	2.58%	2.90%

## CALENDAR YEAR PERFORMANCE

PERIOD	YTD	2020	2019	2018	2017	2016	2015
FUND	-5.11%	4.92%	7.33%	-	-	-	-
BENCHMARK	-4.94%	4.48%	7.26%	-	-	-	-

Value of \$100 invested since inception



Source: BetaShares, Bloomberg. **Past performance is not indicative of future performance.**

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 bid-ask spread that investors may 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.

## FUND INFORMATION

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

ASX CODE BNDS

BLOOMBERG CODE BNDS AU

IRESS CODE BNDS.AXW

DISTRIBUTIONS MONTHLY

MGT FEE 0.42% P.A.

FUND INCEPTION 7 NOV 18



Western Asset Management, a wholly owned Specialist Investment Manager of Franklin Templeton, is one of the world's leading fixed income managers. With a focus on long-term fundamental value investing that employs a top-down and bottom-up approach, the firm has nine offices around the globe and deep experience across the range of fixed income sectors. Founded in 1971, Western Asset has been recognised for an approach emphasising team management and intensive proprietary research, supported by robust risk management.

## CATEGORISATION

AUSTRALIAN FIXED INCOME

ACTIVELY MANAGED

REGULAR INCOME

There are risks associated with an investment in BNDS, including interest rate risk, credit risk and market risk. For more information on risks and other features of BNDS, please see the Product Disclosure Statement.

## CONTACT

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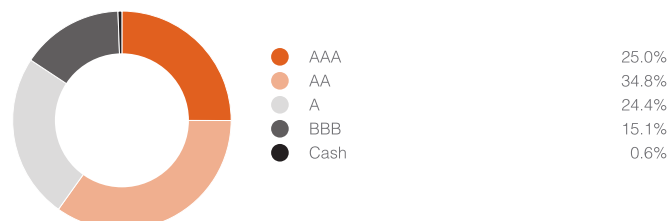
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## SECTOR ALLOCATION



## CREDIT QUALITY



## YIELD AND PORTFOLIO CHARACTERISTICS

RUNNING YIELD (% P.A.) <sup>1</sup>	2.70%
YIELD TO MATURITY (% P.A.) <sup>2</sup>	1.96%
YIELD TO WORST (% P.A.) <sup>3</sup>	1.92%
AVERAGE MATURITY (YRS) <sup>4</sup>	6.45
MODIFIED DURATION (YRS) <sup>5</sup>	5.80
AVERAGE CREDIT RATING <sup>6</sup>	AA

<sup>1</sup> Average coupon yield of the bonds in the portfolio (weighted by market value). Subject to change over time as interest rates and constituents change.

<sup>2</sup> The annualised total expected return of a portfolio if underlying bonds are held to maturity and does not default, and the coupons are reinvested. Assumes no change in interest rates. Subject to change over time.

<sup>3</sup> The annualised total expected return of a portfolio if underlying bonds are held to maturity or are called, does not default, and the coupons are reinvested. Yield to Worst is the lower of either Yield to Maturity or Yield to Call. Assumes no change in interest rates. Subject to change over time.

<sup>4</sup> Average length of time until the current bonds in the portfolio mature (weighted by market value).

<sup>5</sup> A measure of the sensitivity of the portfolio's value to a change in interest rates, e.g. modified duration of 6 years implies a 1% rise in the reference interest rate will reduce portfolio value by 6.00%.

<sup>6</sup> Average credit rating for the bonds in the portfolio. Credit ratings are opinions only and are not to be used as a basis for assessing investment merit. Ratings are subject to change.

Source: Bloomberg. Yields do not take into account fund fees and costs.

## MONTHLY COMMENTARY

The Fund fell -3.59% during October, marginally underperforming the Bloomberg Ausbond Composite Index which dropped -3.56%; the second worst monthly return on record, after a dramatic bear flattening of the yield curve.

Active interest rate strategies contributed via an underweight duration position as yields rose over the month, enhanced with a slight flattening position. Sector allocation detracted as spreads widened in corporate, and supranational, sovereign & agency (SSA) sectors where portfolios held spread duration overweights in addition a small overweight in covered bonds where spreads also widened. Security selection also detracted through REIT issuers Dexus, Mirvac, GPT and Charter Hall, tollway operators Transurban and Western Sydney Orbital.

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