

BetaShares Global Government Bond 20+ Year ETF - Currency Hedged

ASX: GGOV

31 December 2020



BetaShares
Exchange Traded Funds

Investment Objective

The Fund aims to track the performance of an index (before fees and expenses) that provides exposure to a portfolio of high quality, long-maturity, income-producing bonds issued by governments of G7 nations.

Performance

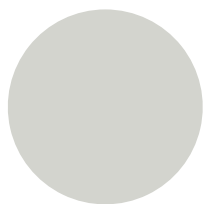
Value of \$100 invested since inception



PERIOD	FUND RETURN	INDEX RETURN
1 mth	0.28%	0.40%
3 mth	-0.06%	0.06%
6 mth	0.72%	0.82%
1 yr	-	12.51%
3 yr (p.a)	-	9.90%
5 yr (p.a)	-	9.34%
Inception	0.42%	0.61%

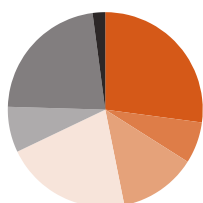
Fund returns are calculated in A\$ using net asset value per unit at the start and end of the specified period and do not reflect the brokerage or the bid ask spread that investors incur when buying and selling units on the ASX. Returns are after fund management costs, assume reinvestment of any distributions 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



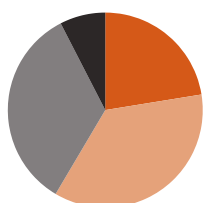
● Sovereign Bonds 100.0%

Country Allocation



● United States 27.1%
● Germany 6.9%
● France 12.9%
● Britain 21.0%
● Italy 7.6%
● Japan 22.4%
● Canada 2.1%

Credit Quality (% weight in portfolio)



● A 22.4%
● AAA 36.1%
● AA 33.9%
● BBB 7.6%

Top 10 Exposures

COMPANY	WEIGHTING	COMPANY	WEIGHTING
UK Gilt 3.25% JAN-44	5.1%	French Govt OAT 4.5% APR-41	3.3%
French Govt OAT 4% APR-60	3.8%	US Treasury Bond 3.75% NOV-43	3.2%
Japan Govt 30y 1.9% SEP-42	3.6%	UK Gilt 4.25% DEC-49	3.1%
UK Gilt 3.75% JUL-52	3.4%	US Treasury Bond 2% FEB-50	2.9%
Germany BRD 2.5% AUG-46	3.4%	UK Gilt 4% JAN-60	2.9%

Trading Information

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

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

Fund Information

DISTRIBUTIONS	QUARTERLY
MANAGEMENT FEE	0.19% P.A.
EXPENSES	0.03% P.A.
FUND INCEPTION	7 MAY 2020

Underlying Index Characteristics

INDEX	S&P G7 SOVEREIGN DURATION-CAPPED 20+ YEAR AUD HEDGED BOND INDEX
BLOOMBERG CODE	SPG7SDC
NUMBER OF COMPONENTS	135

Contact

- ▶ betashares.com.au
- ▶ 1300 487 577 (Australia)
- ▶ + 61 2 9290 6888 (ex Australia)
- ▶ info@betashares.com.au

There are risks associated with an investment in the Fund, including interest rate risk, credit risk, international investment risk and non-traditional index methodology risk. For more information on risks and other features of the Fund, please see the Product Disclosure Statement.

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Yield and Portfolio Characteristics

Running Yield (% p.a.) ¹	1.58%
Yield to Maturity (% p.a.) ²	0.72%
Average Maturity (Yrs) ³	25.92
Modified Duration (Yrs) ⁴	19.98
Average Credit Rating ⁵	AA

(1) Average coupon (weighted by market value) of the bonds in the portfolio, divided by the current market price of the bonds. Provides an indication of expected current income from making an investment at market price. This value will vary over time as interest rates change.

(2) Total expected return from the bond portfolio, based on current bond prices and assuming no change in prevailing interest rates. This value will vary over time.

(3) Average (weighted by market value) length of time until the current bonds in the portfolio mature.

(4) A measure of the sensitivity of the portfolio's value to a change in interest rates. For example, a Modified Duration of 21 years implies that a 1% rise in the reference interest rate will reduce the value of the portfolio by 21.00%.

(5) Average credit rating for the bonds in the portfolio. Credit ratings should not be used as a basis for assessing investment merit. Credit ratings merely reflect the opinions of particular ratings agencies, and do not provide any assurance regarding the bond issuer's ability to meet its payment obligations in relation to a bond. They are limited in scope and may be changed or withdrawn at any time.

Investment Strategy

The Fund's index is designed to provide exposure to fixed-rate long-maturity bonds issued by the governments of the G7 nations (USA, Japan, Germany, United Kingdom, Italy, France and Canada). To be eligible for inclusion in the index, a bond must be issued in the country's local currency in the respective domestic market, and have a remaining term to maturity of more than 20 years. Securities are weighted in the Fund's index according to their market value, but will be adjusted at monthly rebalance dates to ensure that no country will have a dollar duration contribution to the Fund's index above 25%. The foreign currency exposure of index constituents is hedged back to the Australian Dollar.

Benefits of BetaShares Global Government Bond 20+ Year ETF - Currency Hedged

- ▶ **Defensive characteristics** – in periods of equity market weakness, government bonds have tended to rise in value, providing diversification benefits to portfolios. The Fund's focus on long duration bonds further enhances these potential defensive benefits
- ▶ **Diversification** – to the extent interest rates and bond yields tend to decline in periods of equity market weakness, long duration bond returns will tend to exhibit greater return offset with equity returns - enhancing their appeal as a source of diversification¹
- ▶ **Superior credit quality** – the Fund's portfolio comprises only bonds issued by national governments from the G7 developed-market economies, providing exposure of credit quality that is generally superior to portfolios that include corporate bonds, or government bonds issued by non-G7 issuers
- ▶ **Regular, quarterly income** – portfolio holdings, value of Fund's assets, yield information and net asset value per unit available daily on our website
- ▶ **Low cost** – management costs of only 0.22% p.a.*
- ▶ **Transparent** – portfolio holdings and net asset value per unit available daily on our website
- ▶ **Liquidity** – available to trade on the ASX like any share

(1) The market value of long-duration bonds will generally be more sensitive to changes in interest rates than shorter duration bonds. For example, when interest rates decline, the value of long-duration bonds tends to increase more than that of shorter duration bonds, and vice versa. At times, this change in value may be relatively large.

(*) Other fees and costs, such as transactional and operational costs, may apply. Refer to the PDS for more information.

How to use the BetaShares Global Government Bond 20+ Year ETF - Currency Hedged in your portfolio

- ▶ A core component of a fixed income allocation providing diversification benefits to investment portfolios
- ▶ A capital-efficient way of obtaining exposure to long term bond yields
- ▶ A complement to a holding of Australian government bonds

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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