

BetaShares Geared U.S. Equity Fund - Currency Hedged (hedge fund)

 **ASX: GGUS**

30 November 2018

 **BetaShares**
Exchange Traded Funds

Investment Objective

The Fund provides investors with a simple way to obtain a cost-effective geared exposure to the returns of the U.S. sharemarket, hedged to Australian dollars.

Performance

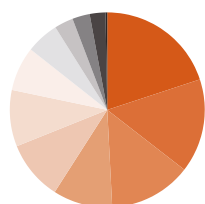
Value of \$100 invested since inception



PERIOD	FUND RETURN	S&P 500 RETURN
1 mth	3.73%	1.96%
3 mth	-14.44%	-4.54%
6 mth	1.26%	2.72%
1 yr	3.14%	5.66%
3 yr (p.a)	20.17%	11.47%
5 yr (p.a)	—	—
Inception	16.03%	10.21%

Graph shows performance of Fund relative to S&P 500 index since inception. 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.

Sector Allocation



Information Technology	19.9%
Healthcare	15.6%
Financials	13.7%
Consumer Discretionary	9.9%
Communication Services	9.9%
Industrials	9.4%
Consumer Staples	7.4%
Energy	5.4%
Utilities	3.1%
Real Estate	2.9%
Materials	2.6%
Other	0.3%

Top 10 Exposures

COMPANY	WEIGHTING	COMPANY	WEIGHTING
Microsoft Corp	3.6%	JPMorgan Chase & Co	1.6%
Apple Inc	3.5%	Facebook Inc	1.4%
Amazon.com Inc	3.0%	Alphabet Inc (Class C)	1.4%
Berkshire Hathaway Inc	1.8%	Exxon Mobil Corp	1.4%
Johnson & Johnson	1.7%	Alphabet Inc (Class A)	1.4%

Trading Information

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

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

Fund Information

DISTRIBUTIONS	ANNUAL
MANAGEMENT FEE*	0.74% P.A (GROSS ASSET VALUE)
EXPENSES	0.06% P.A (GROSS ASSET VALUE)
FUND INCEPTION	17 AUGUST 2015

(* Other costs apply, including borrowing costs)

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 market risk, gearing risk and lender 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 combines funds received from investors with borrowed funds, and invests the proceeds in a portfolio that provides exposure to a broadly diversified basket of the largest 500 equity securities listed in the U.S., weighted by market capitalisation (as measured by the S&P 500 Index). The portfolio is hedged to Australian dollars with the aim of eliminating the effect of currency fluctuations on portfolio performance. The Fund is expected to earn dividends on the underlying portfolio.

The Fund is 'internally geared', meaning all gearing obligations are met by the Fund. The Fund's gearing ratio (the total amount borrowed expressed as a percentage of the total assets of the Fund) will be managed between 50-65%. Gearing levels are actively monitored and adjusted to stay within this range.

Gearing magnifies gains and losses and may not be a suitable strategy for all investors. Investors in geared strategies should be willing to accept higher levels of investment volatility and potentially large moves (both up and down) in the value of their investment. Investors should seek professional financial advice before investing, and monitor their investment actively. Note that the Fund does not track a published benchmark and past performance is not an indication of future performance.

Benefits of BetaShares Geared U.S. Equity Fund

- ▶ **Simple access to geared exposure** – ability to obtain magnified returns to the U.S. sharemarket as simply as buying any share on the ASX
- ▶ **Convenience** – avoid the complexity associated with other alternatives providing gearing – no need for margin loans, loan application forms or credit checks
- ▶ **Cost effective** – management fee lower than most geared fund alternatives
- ▶ **Lower cost of borrowing** – Fund uses its capacity as a wholesale investor to borrow at significantly lower interest rates than those available directly to individual investors
- ▶ **No margin calls for investors** – gearing obligations met by the Fund with no further recourse to the investor, meaning investors cannot lose more than their initial investment
- ▶ **SMSF eligible** – a means to access gearing in superannuation as a component of a diversified portfolio
- ▶ **Diversification** – exposure to a broadly diversified portfolio of shares representative of the U.S. share market, assisting with risk management of a geared investment
- ▶ **Reduced administration** – as an Australian domiciled fund, investors do not need to fill out W8 BEN forms, or risk any potential U.S. estate tax issues
- ▶ **Reduced currency risk** – U.S. dollar exposure hedged to the Australian dollar
- ▶ **Liquidity** – available to trade on ASX like any share
- ▶ **Transparent** – gearing ratio, value of the Fund's assets, net asset value per unit and portfolio holdings available daily on our website

How to use the BetaShares Geared U.S. Equity Fund in your portfolio

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

- ▶ Increasing U.S. market exposure via an efficient use of capital
- ▶ Increasing exposure to the U.S. sharemarket for SMSFs that have reached the concessional contribution cap

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