

BETASHARES ACTIVE AUSTRALIAN HYBRIDS FUND (MANAGED FUND)



BetaShares
Exchange Traded Funds

 **ASX: HBRD**

30 SEPTEMBER 2021

OBJECTIVE

HBRD aims to provide investors with attractive income returns from an actively managed, diversified portfolio of primarily hybrid securities, and seeks to reduce the volatility and downside risk that may be experienced by direct holders of hybrids.

STRATEGY

HBRD will invest in an actively managed portfolio of hybrid securities, bonds and cash, overseen by a professional investment manager. If the hybrids market is assessed to be overvalued or to present a heightened risk of capital loss, HBRD can allocate more of the portfolio to lower risk securities such as cash or bonds.

Hybrid securities have complex and unique terms of issue and involve higher risk when compared to traditional fixed income investments. An investment in HBRD may not be suitable for all investors and should only be made by investors who fully understand the features and risks of hybrid securities or after consulting a professional financial adviser.

BENEFITS



PROFESSIONALLY MANAGED HYBRIDS EXPOSURE

HBRD offers convenient exposure to a diversified portfolio of hybrids, which seeks to reduce the potential downside risk of directly holding individual hybrids



ATTRACTIVE, TAX-EFFICIENT INCOME PAID MONTHLY

HBRD pays income monthly at a rate expected to be higher than cash and senior bonds, along with franking credits



ACTIVE MANAGEMENT

Active management by a fixed income specialist targets lower volatility and reduced risk. HBRD is able to increase exposure to cash and bonds if required given market conditions in order to reduce risk



PORTFOLIO DIVERSIFICATION

Hybrids have historically exhibited low correlation to equities and generally have shown defensive characteristics during sharemarket declines

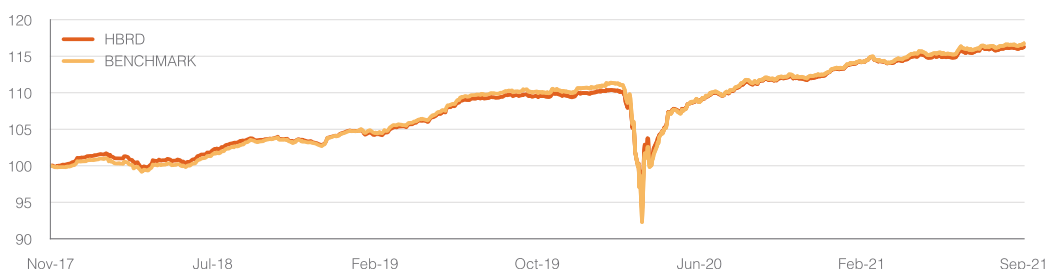
PERFORMANCE

PERIOD	1 mth	3 mth	6 mth	1 yr	3 yr (p.a.)	5 yr (p.a.)	Inception (p.a.)
FUND	0.23%	0.35%	1.57%	4.08%	3.88%	-	3.96%
BENCHMARK	0.27%	0.32%	1.75%	4.35%	4.04%	-	4.07%

CALENDAR YEAR PERFORMANCE

PERIOD	YTD	2020	2019	2018	2017	2016	2015
FUND	2.61%	3.07%	5.66%	2.92%	-	-	-
BENCHMARK	2.91%	3.99%	6.34%	3.46%	-	-	-

Value of \$100 invested since inception



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

Graph shows fund performance relative to the Solactive Australian Hybrid Securities Index since fund 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 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 HBRD

BLOOMBERG CODE HBRD.AU

IRESS CODE HBRD.ASX

IRESS INAV CODE

HBRDINAV.ETF

DISTRIBUTIONS MONTHLY

MGT FEE 0.45% P.A.

EXPENSES

ESTIMATED AT 0.10% P.A.

PERFORMANCE FEE

15.5% OF PERFORMANCE

ABOVE THE BENCHMARK

FUND INCEPTION 13 NOV 17

BENCHMARK

SOLACTIVE AUSTRALIAN

HYBRID SECURITIES INDEX

INVESTMENT MANAGER

COOLABAH CAPITAL

INSTITUTIONAL

INVESTMENTS PTY LTD

ABOUT THE INVESTMENT MANAGER

Coolabah Capital Institutional Investments Pty Ltd is an independent Australian active-fixed income specialist, with expertise in valuing, analysing and investing in hybrid securities.

CATEGORISATION

HYBRID SECURITIES

ACTIVELY MANAGED

REGULAR INCOME

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

CONTACT

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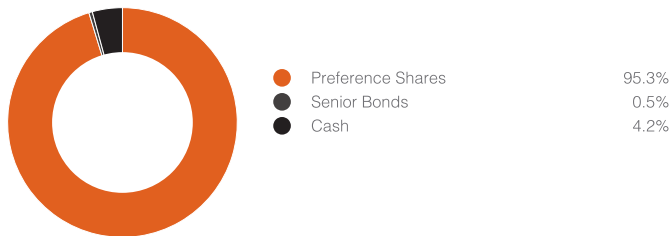
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SECTOR ALLOCATION



YIELD AND PORTFOLIO CHARACTERISTICS

RUNNING YIELD (P.A.)¹ 2.44%

GROSS RUNNING YIELD (P.A.)² 3.40%

INDEX CONSTITUENTS 38

¹ Average yield (weighted by market value) of the hybrids portfolio, divided by the current market price of the securities. Provides an indication of expected current income from making an investment at market price. This value will vary over time.

² Average estimated gross yield (weighted by market values and inclusive of franking credits) of the hybrids in the portfolio, divided by the current market price of the securities. Provides an indication of the expected current income from making an investment at market price. This figure is indicative only and will vary over time. Not all investors will be able to obtain the full value of franking credits.

TOP 10 EXPOSURES

SECURITY

ANZPE

ANZPG

CBAPD

CBAPF

CBAPH

SECURITY

NABPF

NABPH

WBCPH

WBCPI

WBCPJ

MONTHLY COMMENTARY

HBRD returned 0.23% before franking credits and after fees in September 2021, ending the month with a net running yield of 2.44% (gross running yield of 3.40%). Over the last 12 months, HBRD has returned 4.08% before franking and after fees. Since inception, HBRD has returned an unfranked 3.96% annualised after fees, with only an average 88% portfolio weight to ASX hybrids, relative to the Solactive Australian Hybrid Securities Index's (Solactive Index) 4.07% unfranked, return and the RBA Cash Rate + 2.5% return of 3.31%. HBRD's since inception volatility of 5.31% has been lower than the benchmark Solactive Index's volatility of 5.70% and less than a third of the 17.43% volatility of the All Ords Accumulation Index. At the end of September, HBRD was diversified across 40 hybrids/bonds, and had a 95.3% allocation to hybrids, 0.5% to subordinated bonds, and 4.2% to cash.

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