

# Betashares Active Australians Hybrids Fund (managed fund)



 **ASX: HBRD**

31 May 2024

## 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.

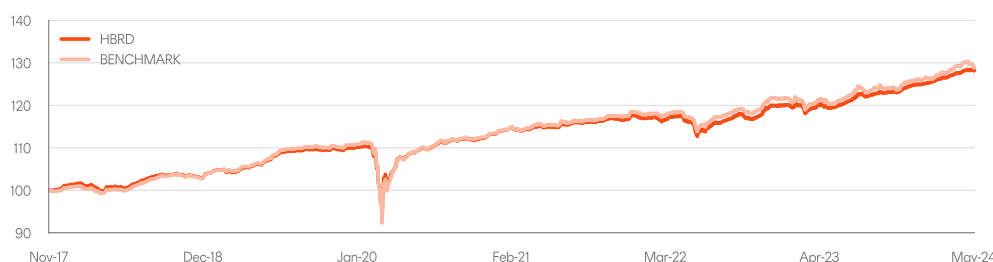
## Performance

PERIOD	1 mth	3 mth	6 mth	1 yr	3 yr (p.a.)	5 yr (p.a.)	10 yr (p.a.)	Inception (p.a.)
FUND	0.14%	1.60%	3.35%	7.28%	3.66%	3.66%	-	3.87%
BENCHMARK	-0.73%	1.27%	2.89%	7.12%	3.73%	3.73%	-	3.95%

## Calendar year performance

PERIOD	YTD	2023	2022	2021	2020	2019	2018	2017
FUND	2.70%	4.01%	2.01%	3.81%	3.07%	5.66%	2.92%	-
BENCHMARK	2.41%	3.37%	2.80%	4.44%	2.49%	6.34%	3.46%	6.23%

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

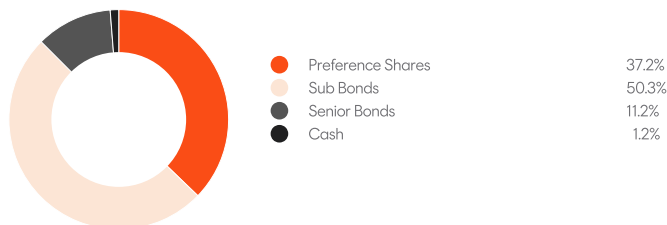
REGULAR INCOME

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** ▶ 1300 487 577 (Australia)  
▶ info@betashares.com.au

▶ +61 2 9290 6888 (ex Aust)  
▶ betashares.com.au

## Sector allocation



## Yield and portfolio characteristics

Gross running yield (% p.a.) <sup>1</sup>	6.56%
Net running yield (% p.a.) <sup>2</sup>	5.82%
All in yield (% p.a.) <sup>3</sup>	6.05%
Estimated yield to worst (% p.a.) <sup>4</sup>	6.02%
Discount margin (bps) <sup>5</sup>	169.99
Portfolio constituents	112

1 Average coupon yield of the securities in the portfolio (weighted by market value), inclusive of full benefit from franking credits. Subject to change over time as interest rates and constituents change.

2 Average coupon yield of the securities in the portfolio (weighted by market value), excluding any benefit from franking credits. Subject to change over time as interest rates and constituents change.

3 The sum of a floating-rate security's Discount Margin and its reference benchmark rate. Subject to change over time.

4 The estimated annualised total expected return of a bond if it is held to maturity or is called, the bond does not default, and the coupons are reinvested at the Yield To Worst (YTW). The YTW is the lower of either YTM or Yield to Call (YTC), where YTC is calculated in the same way as YTM but replacing the maturity date with the call date. For floating rate securities, the estimated YTW is calculated assuming forward BBSW projections based on market pricing of the swap curve, these projections are expected to change constantly along with market pricing. The fund's YTW is the weighted average of its underlying bonds' YTWs.

5 The difference or spread between the expected return of a floating-rate security and that of its underlying index, expressed as a margin above the underlying reference benchmark rate. Subject to change over time.

## Top 10 exposures

### Security

AN3PL

ANZ

CBAAU

CBAAU

CBAAU

### Security

NAB

NABPH

WBCPJ

WBCPM

WSTP

## Monthly commentary

In May 2024, HBRD returned 0.14% before franking credits and after fees (0.21% after franking credits and after fees), outperforming the benchmark Solactive Australian Hybrid Securities Index's (Solactive Index) -0.73% before franking credits and after fees.

HBRD ended the month with a net running yield of 5.82% pa (gross running yield of 6.56% pa), and a weighted average credit rating of investment grade BBB+.

Over the last 12 months, HBRD has returned 7.28% before franking credits and after fees (8.16% after franking credits and after fees), outperforming the benchmark Solactive Index's 7.12% before franking credits and after fees.

Since inception, HBRD has returned an unfranked 3.87% (franked 4.83% annualised after fees), relative to the benchmark Solactive Index's 3.95% pa unfranked return.

HBRD's since inception volatility of 4.24% pa has also been materially lower than the benchmark Solactive Index's volatility of 4.77% pa.

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