

BetaShares Australian Dividend Harvester Fund (managed fund)

 **ASX: HVST**

30 November 2018



BetaShares
Exchange Traded Funds

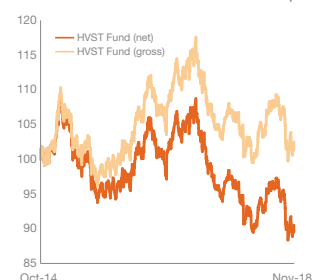
Investment Objective

The Fund aims to provide investors with exposure to large capitalisation Australian shares along with regular franked dividend income, paid monthly, that is at least double the income yield of the broad Australian sharemarket on an annual basis.

In addition, the Fund aims to reduce the volatility of the equity investment returns and defend against losses in declining markets.

Performance

Value of \$100 invested since inception



| PERIOD | FUND RETURN (NET) | FUND RETURN (GROSS) |
|--|-------------------|---------------------|
| 1 mth | -0.57% | -0.28% |
| 3 mth | -6.97% | -6.24% |
| 6 mth | -3.53% | -2.09% |
| 1 yr | -7.64% | -4.77% |
| 3 yr (p.a) | -2.23% | 0.87% |
| 5 yr (p.a) | - | - |
| Inception | -2.65% | 0.34% |
| Volatility reduction v. S&P/ASX 50 since inception (p.a) | | -37.03% |

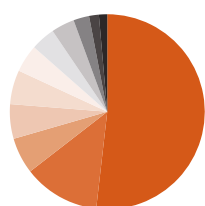
Fund returns are calculated in A\$ using net asset value per unit at the start and end of the specified period and do not reflect the brokerage or the bid ask spread that investors incur when buying and selling units on the ASX. Returns are after fund management costs, assume reinvestment of any distributions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

Distributions

| | |
|-------------------------------------|-------|
| 12 mth distribution yield (%) | 11.1% |
| 12 mth gross distribution yield (%) | 14.5% |
| Franking level (%) | 71.2% |

Yield figures are calculated by summing the prior 12 month net and gross fund per unit distributions divided by the fund closing NAV per unit at quarter-end. Franking level is total franking level over the last 12 months. Past performance is not an indicator of future performance.

Sector Allocation



| | |
|------------------------|-------|
| Financials | 51.8% |
| Materials | 12.7% |
| Healthcare | 6.0% |
| Industrials | 5.7% |
| Real Estate | 5.7% |
| Consumer Discretionary | 4.6% |
| Consumer Staples | 4.0% |
| Energy | 3.9% |
| Communication Services | 2.6% |
| Information Technology | 1.6% |
| Other | 1.4% |

Top 10 Exposures

| COMPANY | WEIGHTING | COMPANY | WEIGHTING |
|--------------------------------|-----------|----------------------|-----------|
| Westpac Banking Corp | 11.3% | BHP | 4.5% |
| ANZ | 10.9% | CSL Ltd | 3.7% |
| National Australia Bank Ltd | 10.0% | Woolworths Group Ltd | 1.7% |
| Macquarie Group Ltd | 8.5% | Wesfarmers Ltd | 1.6% |
| Commonwealth Bank of Australia | 5.7% | Telstra Corp Ltd | 1.6% |

Trading Information

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

| | |
|-----------------|--------------------|
| EXCHANGE | ASX |
| ASX CODE | HVST |
| CURRENCY | AUD |
| TRADING HOURS | 10:00-16:00 (AEST) |
| BLOOMBERG CODE | HVST AU |
| IRESS CODE | HVST.ASX |
| IRESS INAV CODE | HVSTINAV.ETF |

Fund Information

| | |
|----------------|------------------------|
| DISTRIBUTIONS | MONTHLY |
| MANAGEMENT FEE | 0.65% P.A |
| EXPENSES | ESTIMATED AT 0.25% P.A |
| FUND INCEPTION | 29 OCTOBER 2014 |

Contact

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There are risks associated with an investment in the Fund, including market risk, security specific risk, concentration risk, the risk management strategy may not be effective, and selling futures in rising markets can be expected to limit the Fund's capital growth. 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 follows an active “dividend harvest” strategy, which seeks to maximise the Fund’s exposure to dividend paying Australian shares (the “Securities Portfolio”).

In addition, the Fund employs a risk management strategy which actively seeks to reduce volatility and defend against losses in declining markets. The Fund does not track a published benchmark.

The Dividend Harvester Strategy

The Fund’s Securities Portfolio is generally selected from amongst the largest 50 Australian shares (by market capitalisation) on the ASX, which are screened for high dividend and franking outcomes based upon expected future gross dividend payments.

The Fund employs a ‘dividend harvest’ strategy which aims to maximise exposure to dividend paying shares. In general, the Securities Portfolio will provide exposure to fourteen or more shares which will be rebalanced approximately every two months. The rebalancing (or ‘harvesting’) process aims to include in the portfolio the shares that are expected, within the next rebalance period, to provide the highest gross yield outcomes.

In addition, the Fund employs a risk management strategy (implemented by selling ASX SPI 200 futures) which seeks to reduce the effects of market uncertainty on the Securities Portfolio and to create a smoother ride for investors.

Benefits of BetaShares Australian Dividend Harvester Fund

- ▶ **High income** – Strong, tax-effective monthly income from large cap shares aiming to be at least double the income yield of the broad Australian sharemarket on an annual basis
- ▶ **Equity returns with reduced downside market risk** – exposure to the majority of the upside total return potential of the securities portfolio, with the benefit of potentially reduced downside in declining markets
- ▶ **Enhanced franking credits** – Fund seeks to provide a higher level of franking credits compared to the broad Australian sharemarket
- ▶ **A smoother ride** – potential for reduced volatility despite changing market conditions
- ▶ **Cost effective** – cost of Fund is lower than traditional active managers focussing on Australian equities
- ▶ **Liquidity** – available to trade on the ASX like any share
- ▶ **Transparent** – Fund’s portfolio, value of the Fund’s assets and net asset value per unit available daily on our website

How to use the BetaShares Australian Dividend Harvester Fund in your portfolio

While the Fund is expected to have broad application and be suitable for a variety of investors, it has been specifically designed to meet the needs of SMSFs, pre-retirees and retiree investors. The Fund can be used to implement a variety of investment strategies. For example:

- ▶ Investors seeking high levels of franked dividend income and high tax efficiency
- ▶ Investors seeking high income whilst mitigating the risk of market volatility and large market drawdowns
- ▶ Investors seeking equity exposure but who may be concerned about uncertain financial markets
- ▶ Investors seeking relatively consistent monthly distributions to assist with investment planning

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