

AUSTRALIAN FINANCIALS SECTOR WHICH BANK?

BetaShares Sector ETFs – Financials (ASX CODE: QFN)

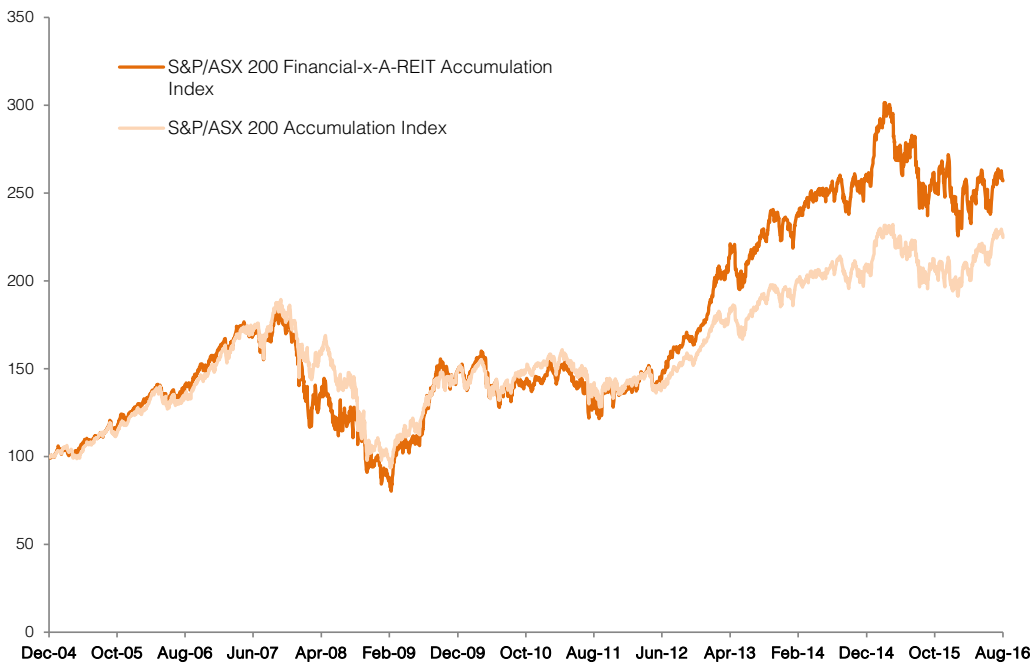


BetaShares
Exchange Traded Funds

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The Australian Financials Sector

S&P/ASX 200 FINANCIAL-X-A-REIT ACC INDEX V S&P/ASX 200 INDEX ACC INDEX (INDEXED TO 100) TO AUGUST 2016



Year	Fin. Sector Return	ASX 200 Return
2016	-5.3%	5.8%
2015	4.7%	2.6%
2014	9.8%	5.6%
2013	34.8%	20.2%
2012	29.0%	20.3%
2011	-5.1%	-10.5%
2010	-4.5%	1.6%

Source: Bloomberg. Past performance is not an indicator of future performance

The Australian Financials sector is widely regarded as one of the most stable and safe systems globally. Indeed, it was the stability of our banking system during the Global Financial Crisis that led Dun & Bradstreet to rate Australia first on its Global Risk Indicator alongside Canada, Norway and Switzerland.

The BetaShares Financials Sector ETF (**QFN**) gives investors the opportunity to gain access to the growth and income performance of the S&P/ASX 200 Financial-x-A-REIT Sector as easily as buying any share.

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Participate in the Highest Yielding Sector of the Australian Equity Market

As the below table indicates, the S&P/ASX 200 Financial-x-A-REIT Sector has experienced the highest average grossed up dividend performance of all sectors over the last 9 years.

GROSS AGGREGATE DIVIDEND YIELD OF AUSTRALIAN EQUITY SECTOR (2006-2016)

NAME	AVG (05-15)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
FINANCIAL SECTOR-x-A-REIT	7.62	7.62	7.32	7.18	8.17	9.68	7.82	6.08	12.08	6.18	5.67
A-REIT SECTOR	6.38	4.95	4.42	5.84	5.45	6.62	6.25	6.94	12.14	6.16	5.17
UTILITIES SECTOR	6.25	5.56	5.69	5.99	5.93	6.34	6.74	7.31	8.48	6.85	4.16
CONSUMER STAPLES SECTOR	6.38	6.47	7.73	6.41	6.29	7.17	5.75	5.33	7.86	5.91	5.28
CONSUMER DISCRETIONARY SECTOR	5.90	5.08	5.42	4.30	6.55	7.81	6.03	5.16	9.22	5.22	4.88
RESOURCES SECTOR	3.88	9.18	5.56	4.11	3.75	3.54	2.38	2.64	3.94	2.37	2.82
HEALTHCARE SECTOR	2.55	2.32	2.02	2.32	2.49	4.07	3.20	3.13	2.96	2.14	1.51

Denotes #1 ranking sector (gross dividend yield) for calendar year

Note: Telecommunications Sector removed due to single stock saturation (As at July 2015, Telstra represented ~91% of Sector)

Which Bank? The Difficulty of Stockpicking

Until recently, Australian investors with an interest in the Financials sector faced the dilemma of having to pick individual financials stocks in order to obtain exposure to the sector.

As a result of the difficulties of picking the future best performers, many investors have simply chosen to buy shares in one or two of the big banks. However, picking the best performer is not for the faint of heart! The table below sets out the performance ranks of the Big Four Australian banks (Commonwealth Bank, Westpac, ANZ Bank and National Australia Bank) over the last two decades. As you can see, the leaderboard changes yearly!

AUSTRALIAN BANKS PERFORMANCE RATINGS - YOY CALENDAR RETURNS - 1992 - 2015¹

	COMMONWEALTH BANK	WESTPAC	ANZ BANK	NATIONAL AUSTRALIA BANK
2015	2	1	4	3
2014	1	2	3	4
2013	4	3	2	1
2012	2	1	3	4
2011	2	3	4	1
2010	2	3	1	4
2009	1	3	2	4
2008	4	1	2	3
2007	1	2	3	4
2006	3	4	2	1
2005	1	2	3	4
2004	3	1	2	4
2003	2	1	3	4
2002	3	4	2	1
2001	4	2	1	3
2000	4	2	1	3
1999	1	3	2	4
1998	1	3	4	2
1997	1	3	4	2
1996	4	3	1	2
1995	2	3	1	4
1994	3	1	2	4
1993	3	4	1	2
1992	2	3	4	1

Bank	Times ranked #1
	7
	6
	6
	5

(1) Includes dividends. Source: Bloomberg

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Which Bank? No Need to Pick

The BetaShares Financials Sector ETF (**QFN**) aims to track the performance of the S&P/ASX 200 Financial-x-A-REIT Index, so now you can buy the whole sector, gaining exposure to the largest Australian Financials equities, without having to worry about picking a winner.

The Benefits and Applications of BetaShares Financials Sector ETF

The BetaShares Financials Sector ETF (**QFN**) enjoys several benefits and applications that make it a very compelling choice to investors looking to obtain low cost exposure to the Australian financials sector.

Benefits

- The benefits of shares (tradeable, liquid) and index funds (diversified, low cost) in one product
- Simple to trade - traded like any share through your online broker or adviser
- Liquid – trade on ASX throughout the day with robust bid-offer spreads
- Transparent – portfolio composition available daily
- Flexible – can be used to implement a range of investment strategies
- Cost effective – Fund tracks the performance of an index (no ‘active manager’ fees)
- Portfolio management not required – the ETF tracks the index without the need for any investor intervention
- Can be included in SMSFs (self managed super funds)
- Australian domiciled

Applications

- Building blocks for portfolio construction – long term asset allocation to the sector
- Tactical allocation to sectors
- Portfolio Stabilisation – Use ETFs as part of your core strategy to free up resources for alpha opportunities
- Cash equitisation (invest cash in ETF pending individual stock selection; avoid “cash drag”)
- Pairs trading (buy ETF, short sell individual security)
- SMSF strategic allocations - index diversisty and rebalancing lowers company specific risk

Trading Information

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

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

Index Information

INDEX	S&P/ASX 200 Financial x-A-REIT
ASX INDEX CODE	XXJ
BLOOMBERG INDEX CODE	AS51FNXP INDEX

Fund Information

ISSUER	BetaShares Capital Ltd
ADMINISTRATOR	RBC Investor Services
CUSTODIAN	RBC Investor Services
AUDITOR	PricewaterhouseCoopers
DISTRIBUTIONS	June and December
MANAGEMENT COSTS	0.39% p.a
FUND INCEPTION	10 December 2010

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There are risks associated with an investment in the Fund, including market risk, security specific risk and sector concentration risk. For more information on risks and other features of the Fund please see the Product Disclosure Statement.

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