

# BETASHARES AUSTRALIAN SMALL COMPANIES SELECT FUND (MANAGED FUND) ASX: SMLL

## Quarterly report - March 2020

Performance <sup>1</sup>	1 Month %	3 Months %	6 Months %	1 Year %	3 Years % p.a.	Inception <sup>2</sup> %
Fund Return (net)	-22.28%	-27.03%	-27.52%	-22.32%		-3.28%
Growth return	-22.28%	-28.00%	-28.48%	-24.23%		-6.09%
Income return	0.00%	0.97%	0.96%	1.92%		2.81%
S&P/ASX Small Ordinaries Accumulation Index	-22.38%	-26.72%	-26.17%	-21.02%		-1.51%
Active Return	0.09%	-0.31%	-1.35%	-1.30%		-1.77%

**Past performance is not a reliable indicator of future performance.**

<sup>1</sup> Returns are calculated after fees & expenses have been deducted and distributions have been reinvested.

<sup>2</sup> Inception date for the Fund is 7th April 2017.

### Investment objective

The Fund aims to provide investors with capital growth and income from a portfolio of small company shares listed on the ASX. The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term (after fees and expenses).

### Responsible entity

BetaShares Capital Ltd

### Investment strategy

The Fund's assets are invested in a portfolio of high quality, profitable small companies that are drawn from a universe of ASX-listed stocks that are generally within the 101-350 largest by market capitalisation. The portfolio typically consists of 50-100 stocks.

The portfolio is constructed using a series of screens that aim to identify companies with positive earnings and a strong ability to service debt. Relative valuation metrics and price momentum are also evaluated as part of the stock selection process. In addition, liquidity is taken into account with a view to selecting stocks that are more liquid relative to other small companies. The Fund does not track a published benchmark.

### Distribution frequency

Semi-annual

### Suggested minimum investment timeframe

At least five years

### Fund Facts

Inception Date	7-Apr-17
Fund Size	\$26m
Historical Tracking Error	3.85%
ASX Code	SMLL
Bloomberg Code	SMLL AU Equity
IRESS Code	SMLL.ASW

### Fees

	% p.a.
Management fees	0.32
Recoverable expenses	0.07
Performance fee <sup>1</sup>	15.5

<sup>1</sup> A performance fee may be payable.

This fee is 15.5% of the Fund's performance above the performance benchmark in a calendar quarter.

Top 5 positions <sup>1</sup>	%	Asset Allocation <sup>1</sup>	Actual %	Range %
Saracen Mineral Holdings Ltd	4.7	Security	97.8	90-100
Ansell Ltd	4.3	Cash	2.2	0-10
AusNet Services	3.8	<sup>1</sup> Average over the quarter		
carsales.com Ltd	3.2			
Mineral Resources Ltd	3.2			

<sup>1</sup> Excludes any small cap ETFs which may be used from time to time for cash management purposes.

Sector exposure <sup>1</sup>	Fund Weight % <sup>2</sup>	Index Weight % <sup>2</sup>	Active Weight %
Communication Services	6.71	4.68	2.03
Consumer Discretionary	16.61	11.37	5.24
Consumer Staples	4.46	9.30	-4.84
Energy	2.11	2.40	-0.29
Financials	7.27	9.85	-2.58
Health Care	7.15	9.48	-2.33
Industrials	13.76	6.83	6.93
Information Technology	3.00	10.44	-7.44
Materials	25.36	22.15	3.21
Real Estate	9.35	13.23	-3.88
Utilities	4.22	0.28	3.94
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>

<sup>1</sup> Excludes any small cap ETFs which may be used from time to time for cash management purposes.

<sup>2</sup> As at 31 March 2019

### Fund performance summary

The S&P/ASX Small Ordinaries Accumulation Index returned -26.72% for the quarter. The Fund under-performed the index by 0.31% over this period. Of this 0.31% relative under-performance, sector allocation detracted 2.73%, while stock selection contributed 2.42% over the quarter.

### Top contributors and detractors from sector allocation

Sector Name	Active Weight %	Index Return %	Sector Contribution %
Financials	-4.0	-36.0	0.32
Materials	1.5	-24.5	0.06
Real Estate	-4.6	-26.4	-0.01
Consumer Discretionary	5.0	-40.8	-0.72
Consumer Staples	-3.9	-3.9	-0.8
Information Technology	-6.3	-14.0	-0.81

Sector under-weight in Financials and over-weight in Materials were positive contributors to sector allocation. While under-weight Information Technology and Consumer Staples were the largest detractors to relative performance.

## Top contributors and detractors from security selection

### Key contributors

Security Name	Sector	Active Wgt %	Stock Return %	Value added %
AUSNET SERVICES	Utilities	2.9	0.6	0.74
ANSELL LTD	Healthcare	3.5	-5.3	0.71
SARACEN MINERAL HOLDINGS LTD	Materials	1.5	10.9	0.47
AP EAGERS LTD	Consumer Discretionary	-0.7	-69.3	0.37
IOOF HOLDINGS LTD	Financials	-1.1	-52.2	0.32

### Key detractors

Security Name	Sector	Active Wgt %	Stock Return %	Value added %
FLIGHT CENTRE TRAVEL GROUP L	Consumer Discretionary	1.7	-77.5	-1.17
FISHER & PAYKEL HEALTHCARE C	Healthcare	-1.8	36.7	-0.96
BEACH ENERGY LTD	Energy	2.9	-53.9	-0.92
NEXTDC LTD	Information Technology	-1.4	35.6	-0.71
METCASH LTD	Consumer Staples	-1.3	22.6	-0.58

On an individual basis, AusNet which is over-weight 2.9% was the largest contributor returning 0.6%, and this contributed 0.74% to the relative performance. While Flight Centre which is over-weight 1.7% in the portfolio was the largest detractor returning -77.5%, and this detracted 1.17% to the relative performance.

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