



Improve outcomes in your client portfolios with Exchange Traded Funds (ETFs)

Rainmaker – Adviser Big Day Out – May 2016



BetaShares

Disclaimer



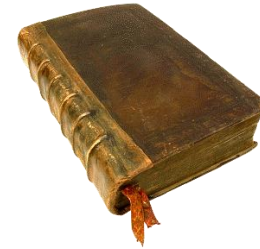
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Presentation Agenda



1. ETFs – Introduction and market update
2. ETFs – Features & Benefits
3. Applications in Client Portfolios
 - Asset class exposures
 - Core exposures
 - Strategy or outcomes based
 - Portfolio hedging

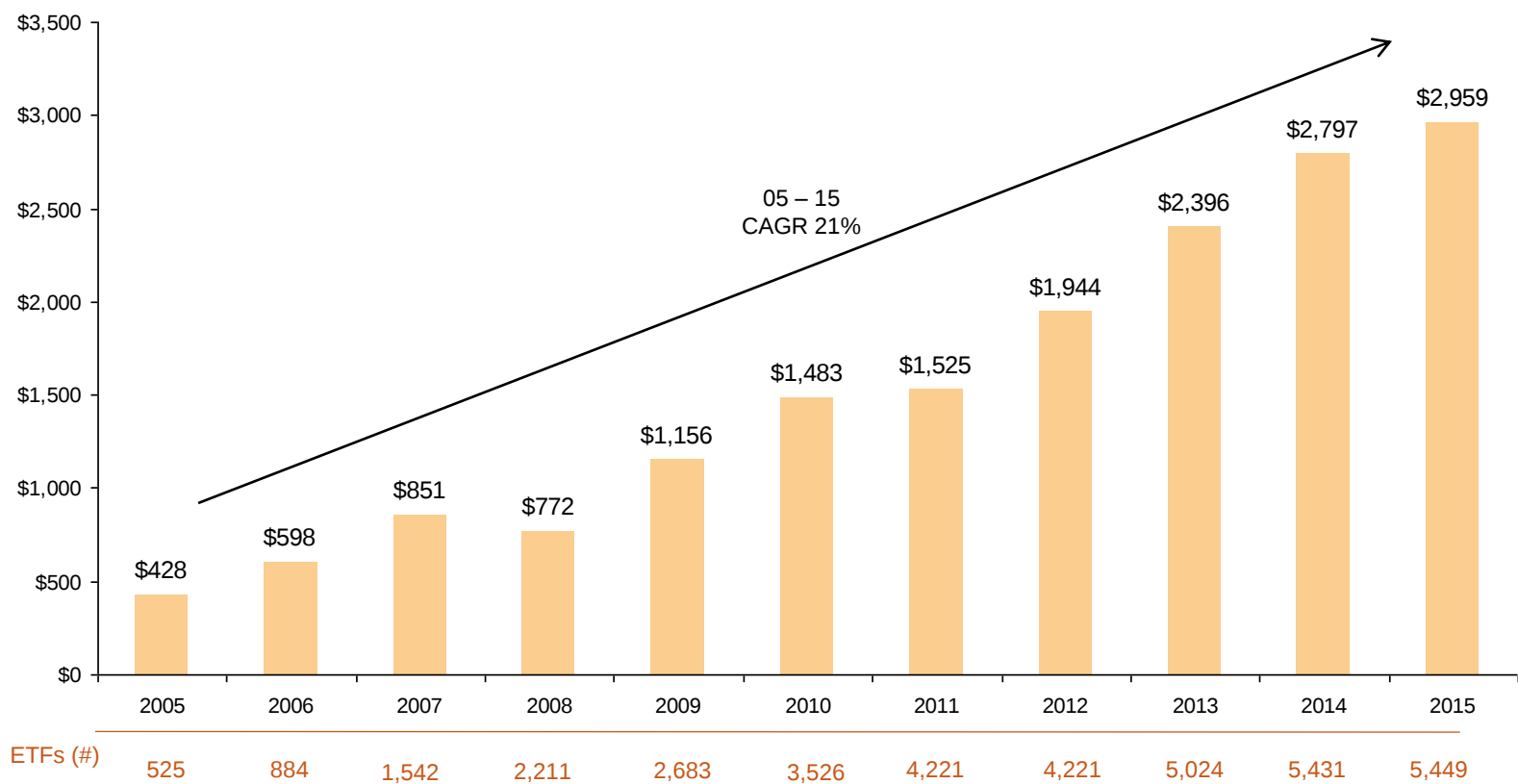
Evolution: Cheaper, Faster and Better



Growth of the Global ETF Industry



Global ETF Industry AUM⁽¹⁾
(US\$b)



Source: BlackRock

(1) Includes all exchange traded products (e.g. exchange-traded funds, exchange-traded commodities and exchange-traded notes)

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ETFs - will Australia follow in the US footsteps?



Which Investment Vehicles Do You Currently Use/Recommend with Clients?

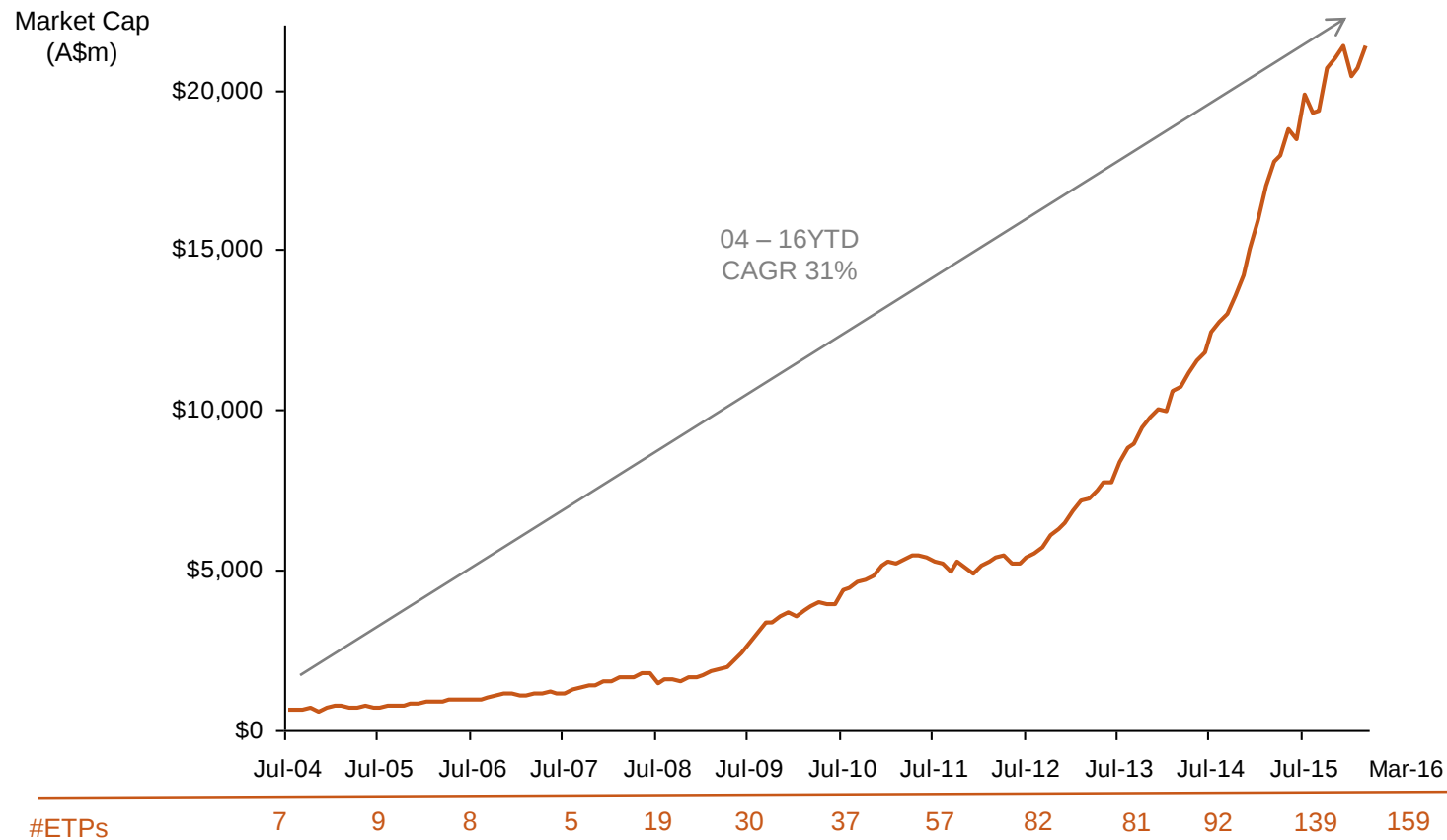
Investment Vehicle	2006	2008	2010	2012	2014	2015
Mutual funds (non-wrap)	85%	81%	88%	82%	82%	78%
ETFs	40%	44%	72%	74%	79%	81%
Cash and equivalents	53%	52%	84%	76%	79%	78%
Individual stocks	66%	69%	49%	53%	50%	53%
Individual bonds	60%	53%	52%	49%	45%	41%
Mutual fund wrap program(s)	39%	44%	42%	38%	40%	41%
Variable annuities	58%	58%	53%	49%	41%	38%
Fixed annuities	36%	23%	49%	35%	29%	28%
Private equity funds	3%	3%	8%	9%	11%	8%
Hedge funds	9%	5%	13%	9%	9%	9%

Source: FPA's Trends in Investing Surveys
(not all options are displayed here, only ones comparable year-over-year)

Australian ETF industry growing rapidly...



Australian ETP Market Cap: July 2004 – March 2016 (A\$m)



CAGR: Compound Annual Growth Rate

Source: ASX, BetaShares

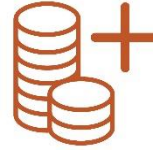
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ETPs offer lots of investment choice!



Domestic Equity

Broad
Small Cap
Large Cap
Financials
Resources
REIT
Other sectors



Cash & Fixed Income

High Interest Cash
Corporate Bond
Government Bond
Semi-Government
Inflation Linked



Commodities

Gold (A\$ Hedged)
Gold (Unhedged)
Silver
Platinum & Palladium
Crude Oil
Agriculture
Copper
Diversified Basket



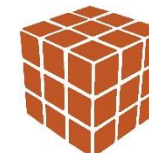
Currencies

US Dollar
British Pound
Euro



International

Broad World & Region
Country Specific
Emerging Markets
Global Sector



Strategy

High Dividend
Equity Income*
Value
Bear Series*
Geared*
Risk Managed*

*Managed funds

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About BetaShares



BetaShares is a leading manager of fund products that are traded on the Australian Securities Exchange (ASX)

- Funds under Management ~\$2.7bn as at March 31, 2016

Our Objective is to expand the range of investment options, providing a simple implement a broad range of investment strategies, with the interests of Australian Investors in mind.

- Deliver exposure to a variety of Asset Classes, Indices and strategies
- Currently 23 funds available on the ASX

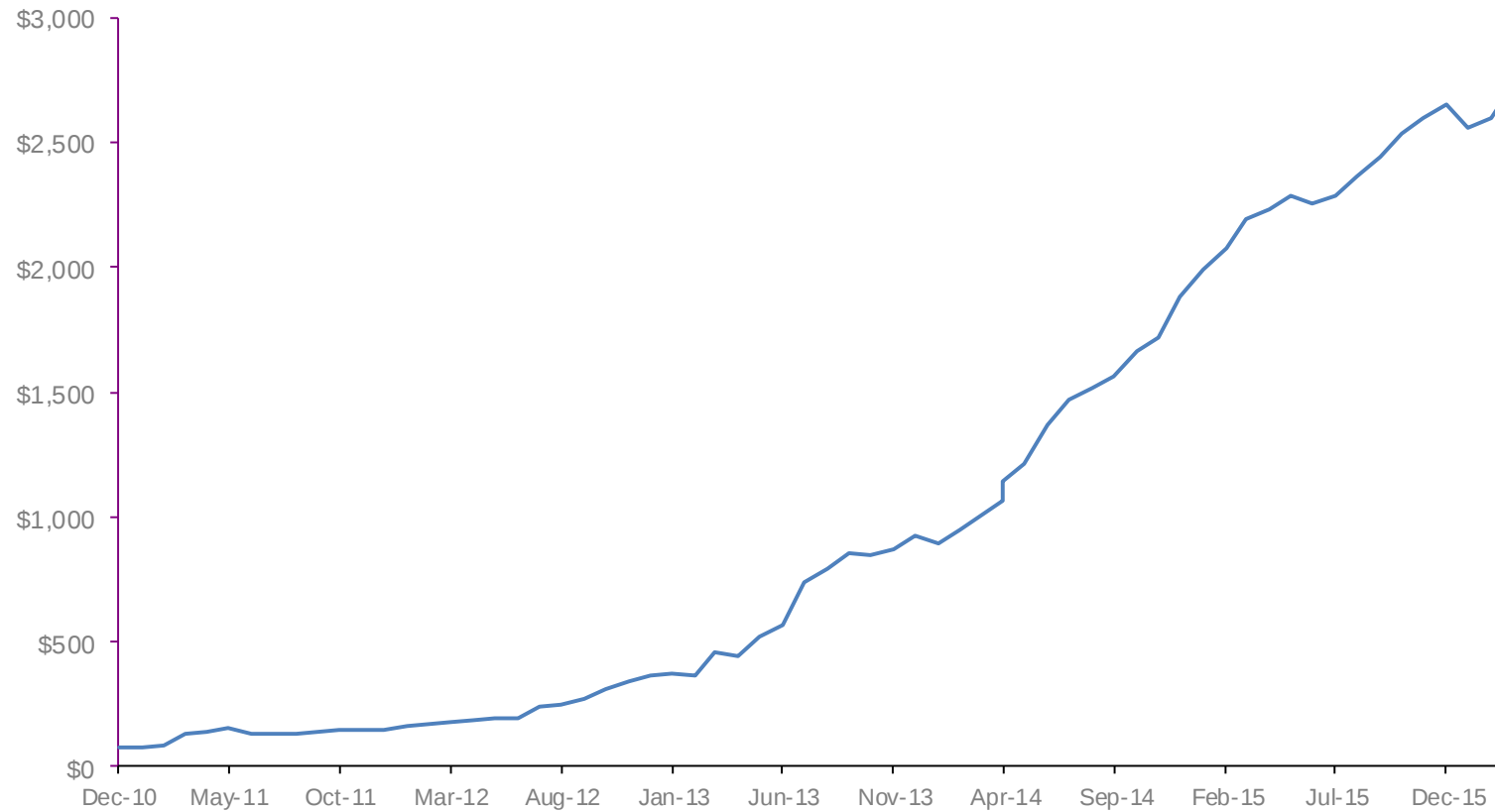
BetaShares is a member of the Mirae Asset Global Investment Group, one of the largest asset management firms in Asia with;

- Funds Under Management >\$75bn

BetaShares FuM Growth



BetaShares Total FuM (A\$m)



BetaShares FuM as at 31 March 2016: \$2,730m

What are exchange traded funds?



Investment funds

- ✓ that are open-ended
- ✓ exchange traded
- ✓ typically employ “rules based” strategies



LOW COST



HIGH TAX
EFFICIENCY



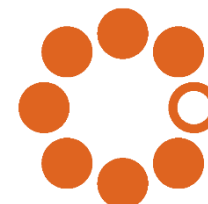
TRANSPARENT



ACCESS



LIQUID



DIVERSIFICATION

Applications of ETF for Investment Portfolios



1. Asset Class Exposure

- Use ETFs as way to get low-cost, liquid exposure to asset classes (eg cash, gold, commodities and alternatives)

2. Core Exposures

- A way to get low-cost, liquid exposure to a diversified portfolio of equities
- Complement existing active managers (funds or SMAs)

3. Strategy Based - Income Outcomes

- Tailor core exposures for income and yield objectives of clients

4. Portfolio Hedging

- Lock-in profits and hedge portfolios

1. Asset Class Exposure - Cash



ASX: AAA

BetaShares High Interest Cash ETF (AAA)	Avg. 1 year term deposit ⁽¹⁾	Wrap – Cash Savings Account ⁽²⁾	Avg. 1 month term deposit ⁽¹⁾	Avg. Online Savings Account Rate ⁽¹⁾	RBA Cash Rate/ 11AM Accounts	Avg. Online Broker Cash Account ⁽³⁾
2.50% (net)	2.25%	2.02%	2.01%	2.00%	2.00%	0.80%

As at 11 January 2016

Rate earned on AAA's bank account deposits. Includes AAA's management costs. Rate is variable. Current rate available at www.betashares.com.au

(1) Average rate offered by major Australian banks (2) Average of current rate offered by three major providers(3) Average of rate offered by Comsec and E*Trade

Source: Bank websites, wrap websites

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Depository Bank Panel – AAA

Current Members of Depository Bank



CommonwealthBank

(via Bankwest)



Rabobank



1. Asset Class Exposures – Currency Portfolio Applications



ASX: USD

1. A “deep value” play on US economic recovery

- Signs of earnings expansion
- Signs of employment growth
- Signs of potential for lower AUD:USD interest rate differential



2. Inverse Correlation position to AEQ

- When fully invested in Australian listed securities, holding USD position provides exposure to a historically negatively correlated asset class

3. “Risk off” decision

- Consistency in portfolio – Equities-to-cash for the International Equities allocation (already in place for Aust Equities)
- Implement without “crossing” currencies back into AUD

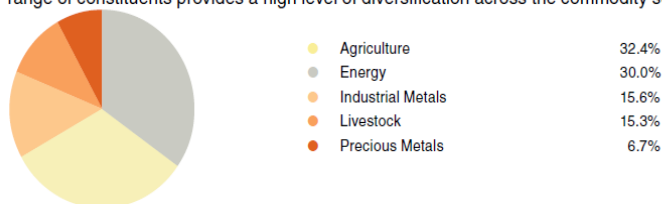
1. Asset Class Exposures - Commodities



Commodities Basket ETF (ASX Ticker: QCB)

Index Description & Asset Allocation As at 30 June 2015

The S&P GSCI Light Energy Index Excess Return is a broadly inclusive index that contains 24 commodities from all commodity sectors that meet certain eligibility requirements: six energy products, seven metals, eight agricultural and three livestock products. This broad range of constituents provides a high level of diversification across the commodity sector.

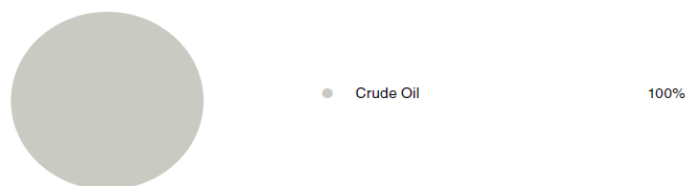


Crude Oil ETF (ASX Ticker: QCB)

Index Description

The S&P GSCI Crude Oil Index Excess Return tracks the performance of West Texas Intermediate ("WTI") crude oil futures traded on the New York Mercantile Exchange ("NYMEX"). WTI is the pricing benchmark for more than 160 internationally-traded crude oils.

Asset Allocation

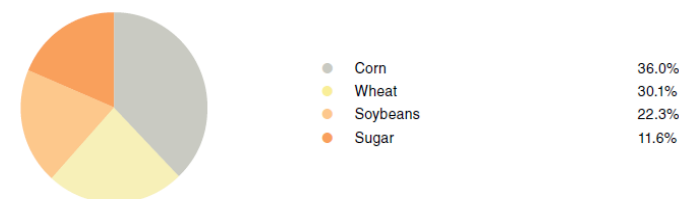


Agriculture ETF (ASX Ticker: QAG)

Index Description

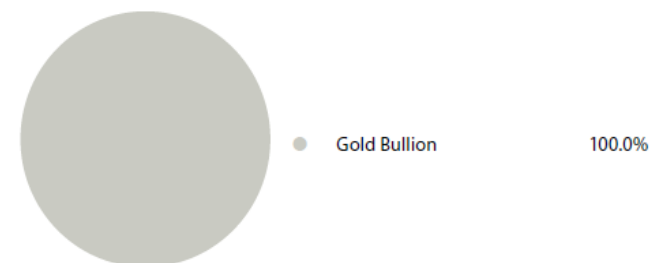
The S&P GSCI Agriculture Enhanced Select Index Excess Return comprises the 4 most significant agricultural commodities on a world production basis: corn, soybeans, sugar and wheat. These constituents provide diversification across the agricultural commodity sector. Agricultural commodities are primarily used in the production of foodstuff, drinks and textiles, and more recently in the production of bio-fuel.

Asset Allocation As at 30 June 2015



Gold Bullion ETF (ASX Ticker: QAG)

Asset Allocation



2. Core Exposures using ETFs



- Benefits to core passive exposure
 - Lowers portfolio cost
 - Asset class diversification (avoid the need to stock-pick)
 - Complement active managers
- Advances in index methodologies
 - Strategies that aim to produce superior performance compared to traditional market-cap indices
- Such index exposures available within an ETF

BetaShares FTSE RAFI Australia 200 ETF

Product Factsheet



ASX: QOZ

Product Name:

BetaShares FTSE RAFI Australia 200 ETF

Index Tracked & Description of Index

FTSE RAFI® Australia 200 Index. Contains the top 200 eligible securities with the largest RAFI fundamental scores listed on the ASX. The FTSE RAFI Index Series selects and weights index constituents using four fundamental factors, rather than market capitalisation, reflecting the company's economic footprint. The factors are sales, cash flows, dividends and book value.

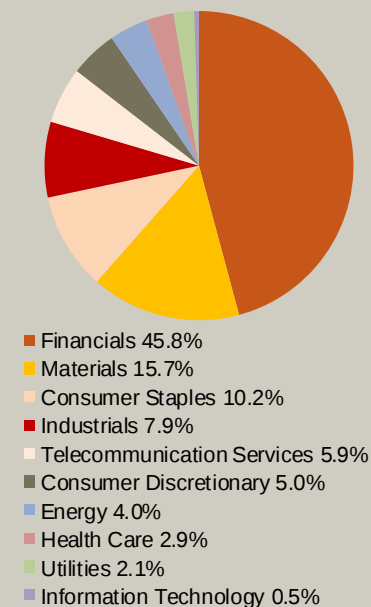
Key Information

ASX Code	QOZ
Index Name	FTSE RAFI Australia 200 Index
Index ASX Code	FRAUSTR Index
Bloomberg Code	QOZ AU
# of components	194*
Asset backing	Equities
Management Fee	0.30% p.a
Expense recovery	Capped at 0.10% p.a
ETF Inception Date	10 July 2013

Top 10 Index Components 31 December 2015

<u>Company</u>	<u>Index Weighting</u>
Commonwealth Bank	8.5%
Westpac Banking Corp	7.7%
National Australian Bank	6.1%
ANZ Banking Group	5.8%
BHP Billiton Ltd	5.2%
Telstra Corp	5.0%
Wesfarmers Ltd	4.7%
Woolworths Ltd	3.1%
Suncorp Group Ltd	2.3%
QBE Insurance Group Ltd	2.2%

Sector Allocation 31 December 2015

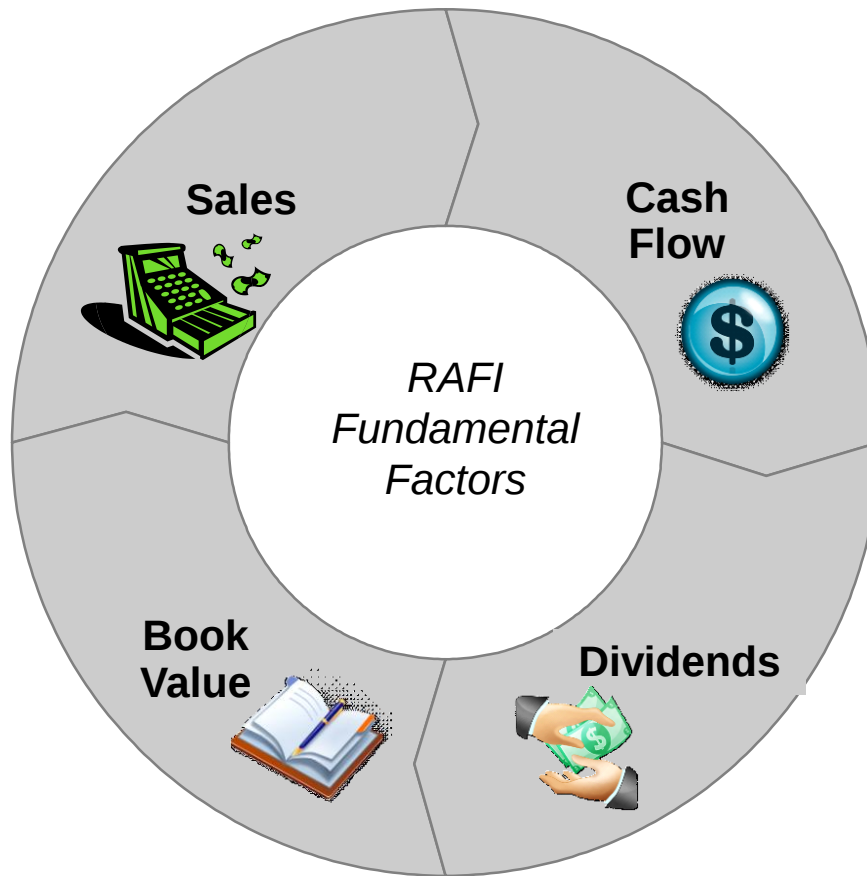


*Between annual rebalance dates the index components may differ from 200 due to corporate events.

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BetaShares

FTSE RAFI Australia 200 Index uses four fundamental factors to select and weight index

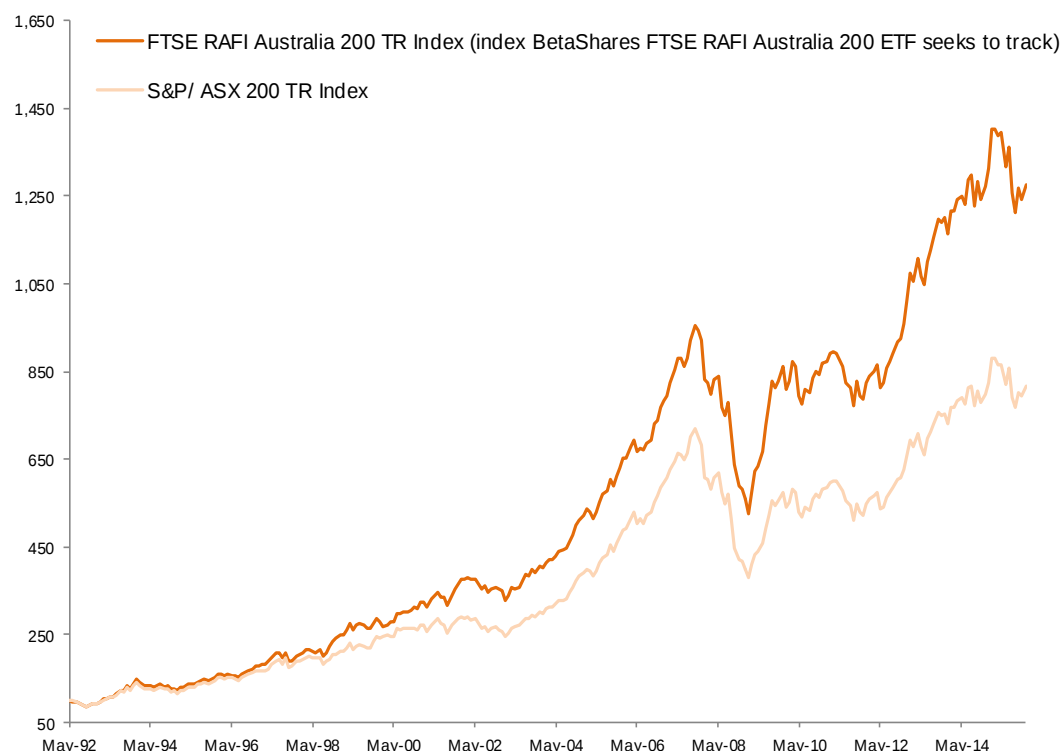


- Factors best reflect a company's 'economic footprint' and are not price related
- Factors are equally weighted
- Average of five years of historical data used for all measures except book value
- Methodology is transparent, repeatable and based on measures which have historically proved to be successful in delivering attractive performance outcomes compared to market-cap weighted indices

FTSE RAFI Australia 200 Index has outperformed S&P/ASX 200 Index since inception



FTSE RAFI Australia 200 Index v S&P/ASX 200 Index: May 1992 – December 2015



TOTAL RETURN	FTSE RAFI AUSTRALIA 200	S&P/ASX 200
3M	5.1%	6.5%
6M	-3.0%	-0.5%
1 YR	0.4%	2.6%
3 YR (p.a)	10.0%	9.2%
5 YR (p.a)	8.0%	7.0%
10 YR (p.a)	7.3%	5.6%
20 YR (p.a)	11.2%	9.0%
Incept (p.a)	11.4%	9.3%
Volatility (p.a)	12.9%	13.2%
Risk-adjusted return	0.884	0.707
Ending value of \$100	\$ 1,275.62	\$ 816.55

Value add since inception: **2.1% p.a**

Graph shows performance of underlying index relative to S&P/ASX 200 index, not ETF performance and does not take into account ETF management costs. You cannot invest directly in an index. Returns for periods longer than one year are annualised. Past performance is not an indicator of future performance of index or ETF. The FTSE RAFI Australia 200 Index was launched on 10/8/2009. Index returns prior to launch are simulated based on Research Affiliates' patented non-capitalisation weighted indexing system, method and computer program product. Actual investment results may differ from simulated results. Source: Bloomberg, FTSE

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FTSE RAFI Australia 200 Index has outperformed S&P/ASX 200 Index most years since inception



FTSE RAFI Australia 200 Index v S&P/ASX 200 Index Total Returns by Calendar Year

Total Return	FTSE RAFI 200	S&P/ASX 200	Difference
2015	0.4%	2.6%	-2.1%
2014	5.6%	5.6%	0.0%
2013	25.5%	20.2%	5.3%
2012	21.9%	20.3%	1.7%
2011	-9.4%	-10.5%	1.1%
2010	0.6%	1.6%	-1.0%
2009	48.6%	37.0%	11.5%
2008	-36.9%	-38.4%	1.5%
2007	20.1%	16.1%	4.0%
2006	21.8%	24.2%	-2.4%
2005	23.1%	22.8%	0.3%
2004	26.5%	28.0%	-1.5%
2003	14.4%	14.6%	-0.2%
2002	-3.0%	-8.8%	5.8%
2001	17.4%	10.4%	7.0%
2000	7.8%	6.4%	1.4%
1999	19.1%	18.7%	0.4%
1998	20.0%	9.8%	10.2%
1997	13.2%	12.7%	0.5%
1996	16.4%	14.4%	2.0%
1995	20.4%	21.1%	-0.7%
1994	-7.9%	-8.8%	0.8%
1993	48.7%	40.0%	8.6%

Table shows performance of underlying index relative to S&P/ASX 200 index, not ETF performance and does not take into account ETF management costs. You cannot invest directly in an index. Past performance is not an indicator of future performance of index or ETF. The FTSE RAFI Australia 200 Index was launched on 10/8/2009. Index returns prior to launch are simulated based on Research Affiliates' patented non-capitalisation weighted indexing system, method and computer program product. Actual investment results may differ from simulated results. Source: Bloomberg, FTSE

BetaShares FTSE RAFI U.S. 1000 ETF



ASX: QUS

Product Name: BetaShares FTSE RAFI U.S. 1000 ETF

Index Tracked & Description of Index

FTSE RAFI® US 1000 Index. Comprises the 1000 securities with the largest “fundamental values” amongst US listed stocks. The FTSE RAFI Index Series selects and weights index constituents using four fundamental factors, rather than market capitalisation, reflecting the company’s economic footprint. The factors are sales, cash flows, dividends and book value.

Key Information

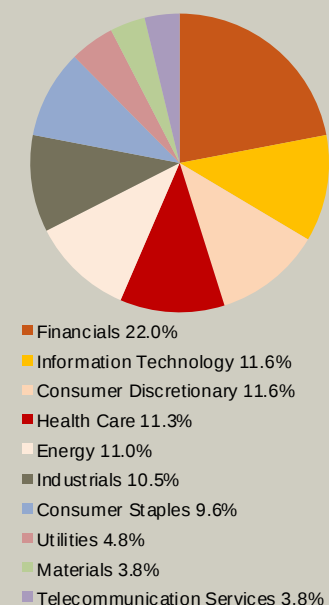
ASX Code	QUS
Bloomberg Code	QUS AU
Index Name	FTSE RAFI® U.S. 1000 Index
Bloomberg Index Code	TFR10QU Index
# of components	1030*
Asset backing	Equities
Management Fee	0.30% p.a
Expense recovery	Capped at 0.10% p.a
ETF Inception Date	18 December 2014

*Between annual rebalance dates the index components may differ from 1000 due to corporate events.

Top 10 Index Components 30 June 2015

<u>Company</u>	<u>Index Weighting</u>
Exxon Mobil Corp	2.7%
AT&T Inc	2.1%
JPMorgan Chase & Co	2.1%
Chevron Corp	1.8%
General Electric Co	1.8%
Bank of America Corp	1.7%
Wells Fargo & Co	1.6%
Citigroup Inc	1.4%
Pfizer Inc	1.3%
Apple Inc	1.3%

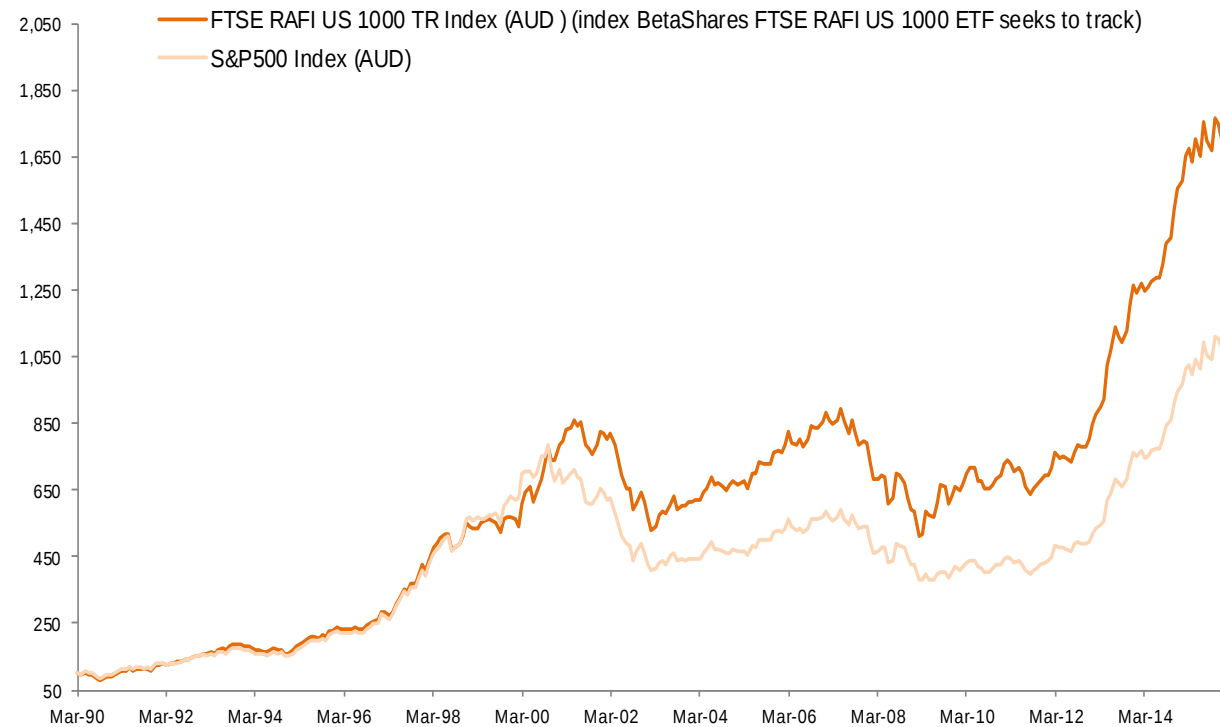
Sector Allocation 30 June 2015



FTSE RAFI US 1000 Index has outperformed S&P 500 Index since inception



FTSE RAFI US 1000 Index v S&P 500 Index: March 1990 – December 2015



TOTAL RETURN	FTSE RAFI US 1000	S&P 500
3M	1.8%	3.1%
6M	2.9%	5.9%
1 YR	9.4%	13.8%
3 YR (p.a)	28.6%	29.6%
5 YR (p.a)	19.7%	20.5%
10 YR (p.a)	8.3%	7.4%
20 YR (p.a)	10.5%	8.3%
Incept (p.a)*	11.6%	9.7%

Value add since inception*:
2.0% p.a

*Inception date is 31 March 1990
Graph shows performance of underlying index relative to S&P 500 index, not ETF performance and does not take into account ETF management costs. You cannot invest directly in an index. Returns for periods longer than one year are annualised. Past performance is not an indicator of future performance of index or ETF. The FTSE RAFI US 1000 Index was launched on 29/12/2005. Index returns prior to launch are simulated based on Research Affiliates' patented non-capitalisation weighted indexing system, method and computer program product. Actual investment results may differ from simulated results. Source: Bloomberg, FTSE
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BetaShares Nasdaq100 ETF



Product Name:

BetaShares Nasdaq 100 ETF

Index Tracked & Description of Index

The ETF aims to track the performance of the Nasdaq-100 Index®, before fees and expenses. The Nasdaq-100 Index® comprises securities of the 100 largest U.S. and international non-financial companies listed on the Nasdaq stock market.

ASX: NDQ

Key Information

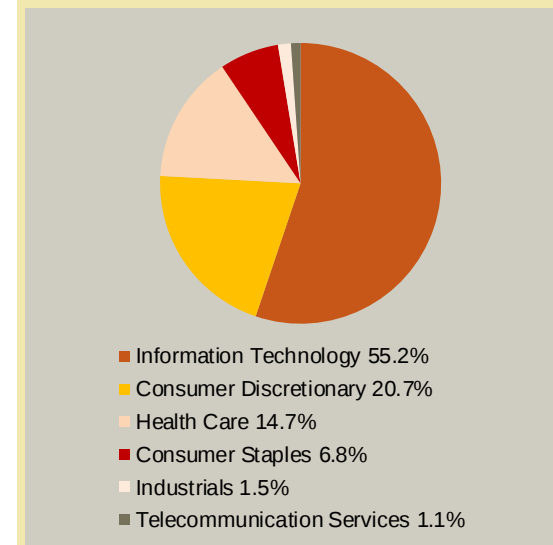
ASX Code	NDQ
Bloomberg Code	NDQ AU
IRESS Code	NDQ.AXW
# of components*	106
Asset backing	Equities
Management Fee	0.38% p.a.
Expense Recoveries	Capped at 0.10% p.a.
Inception Date	26 May 2015

*Between index rebalance dates the index components may differ from 100 due to corporate events.

Top 10 Index Components 31 December 2015

<u>Company</u>	<u>Index Weighting</u>
Apple Inc	11.1%
Microsoft Corp	8.4%
Amazon.com	6.0%
Alphabet (Class C)	5.0%
Facebook	4.5%
Alphabet (Class A)	4.3%
Intel Corp	3.1%
Gilead Sciences	2.8%
Cisco Systems Inc	2.6%
Comcast	2.6%

Sector Allocation 31 December 2015



NDQ: The 'new' world economy



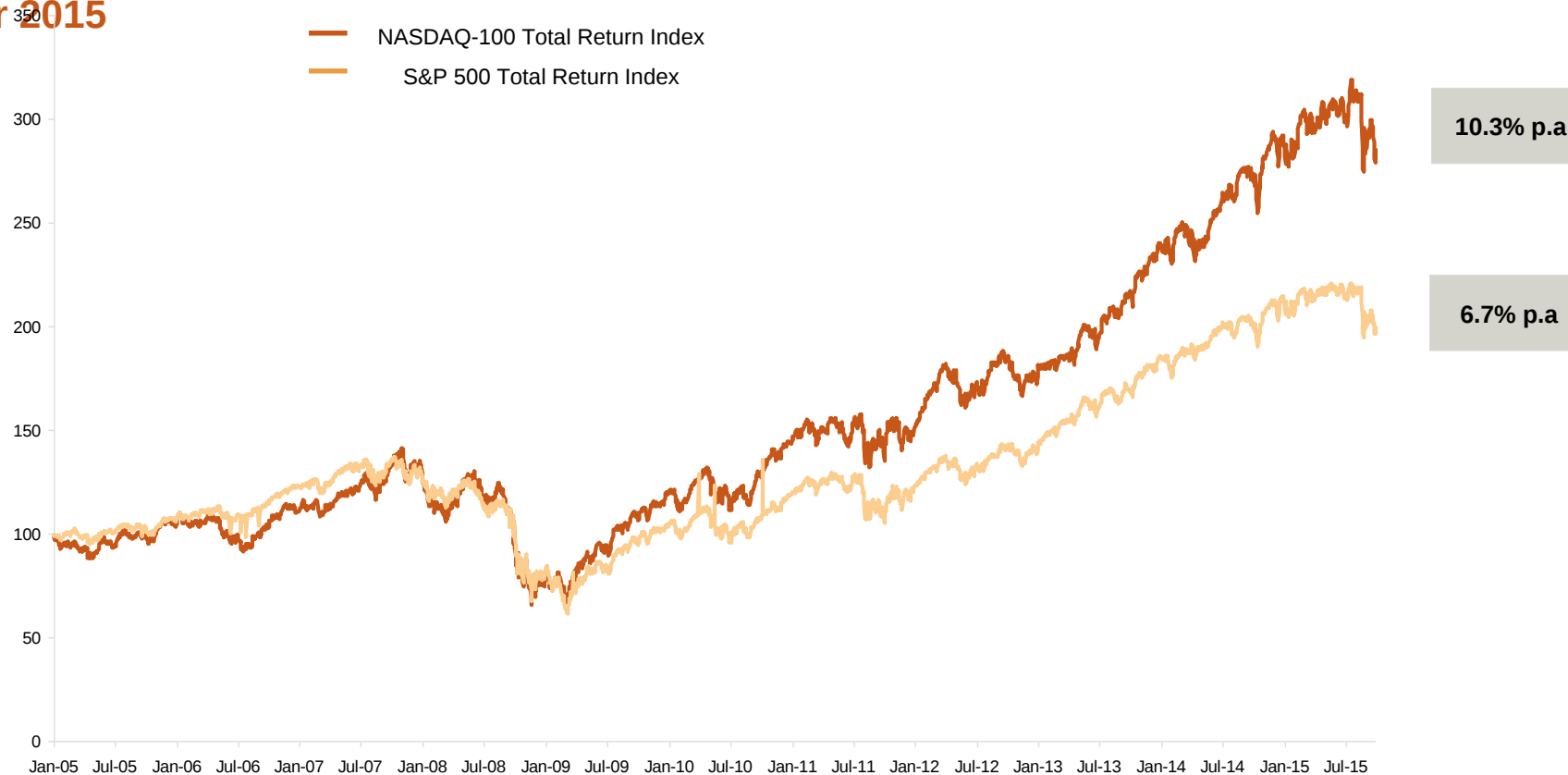
The Nasdaq-100 Index® has come to represent the new economy – a collection of young, growth enterprises that are on the forefront of innovation



Nasdaq-100 Index[®] has outperformed the S&P 500 over the last 10 years

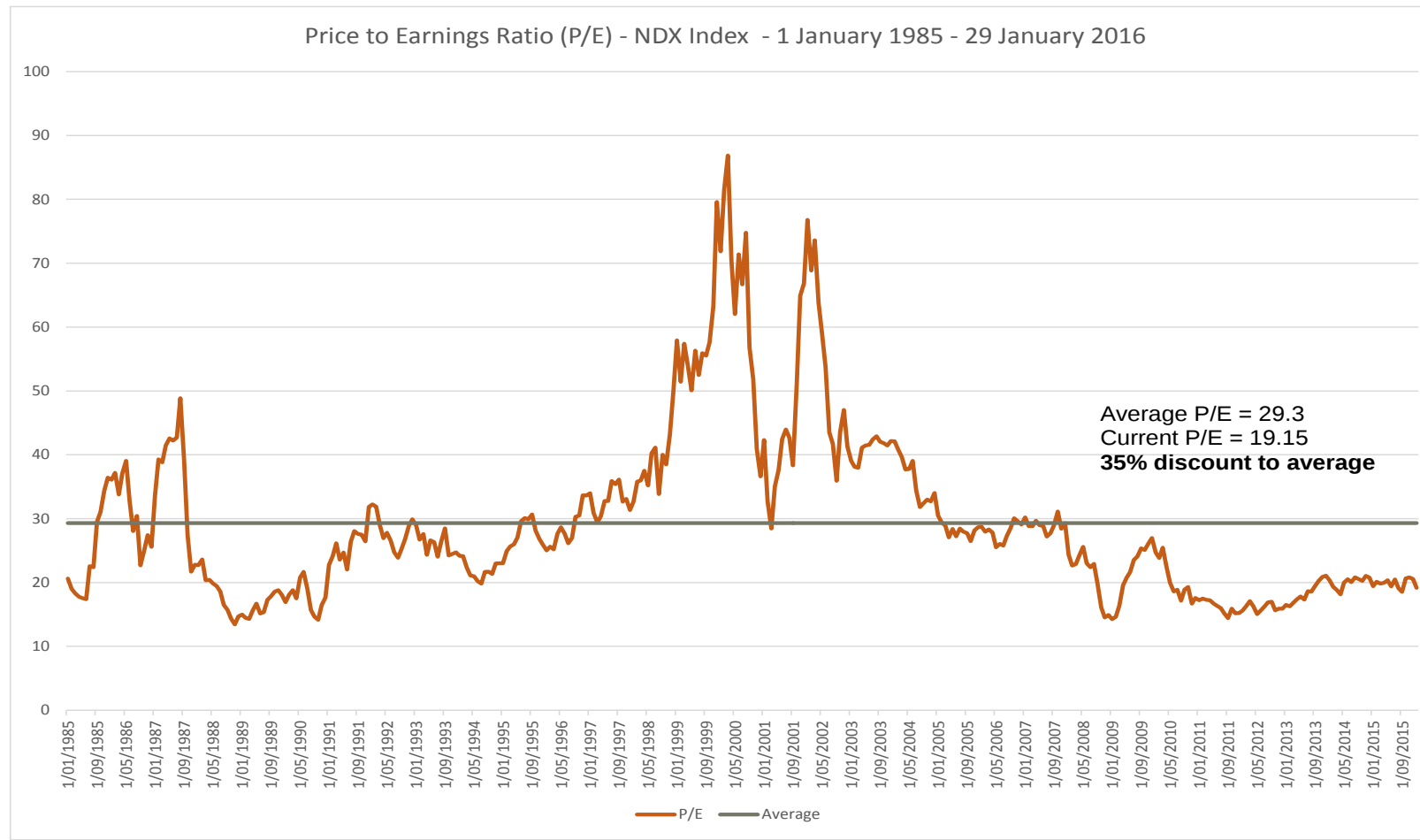


NASDAQ-100 Index v S&P 500 Index performance: January 2005 - December 2015



Source: Bloomberg. Past performance is not an indicator of future performance
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Just how expensive is the Nasdaq-100?



Source: Bloomberg, Thomson Reuters
Past performance is not an indicator of future performance
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BetaShares ETFs are the only Australian domiciled ASX ETFs providing US-specific exposure



Box 1: Enter your complete legal name

Box 2: Enter the country of incorporation or organization

Box 3: Check the entity type box that applies to you

Box 4: Enter your permanent address. Please note that this is not your mailing address. Do not use a P.O. Box, unless you live in a country that does not have street addresses

Box 5: Your mailing address, if different from your permanent address entered in Box 4

Box 6: Enter your US taxpayer identification number AND check the box indicating whether your US TIN is a "SSN or ITIN" or "EIN"

Box 9a: Check this box and enter the country where you claim to be a resident for income tax treaty purposes on the space provided

Box 9b: Check this box if you are required to enter a US taxpayer identification number

Box 9c: (Companies only) Check this box to certify that the beneficial owner is not an individual and, if applicable, meets the requirements of Limitation of Benefits clause contained in the treaty

W-8 BEN form is renewable every 3 years in order for investors in US-domiciled funds to benefit from reduced withholding tax (i.e. from 30% to 15%)

Investors in UMAX do not need to fill out a W-8 BEN form to benefit from reduced US withholding tax

BetaShares/Investment Trends ETF Report for 2013 found that US tax forms were the #1 problem investors encountered with ETFs (i.e. cross-listed ETFs)

3. Outcome Based ETFs



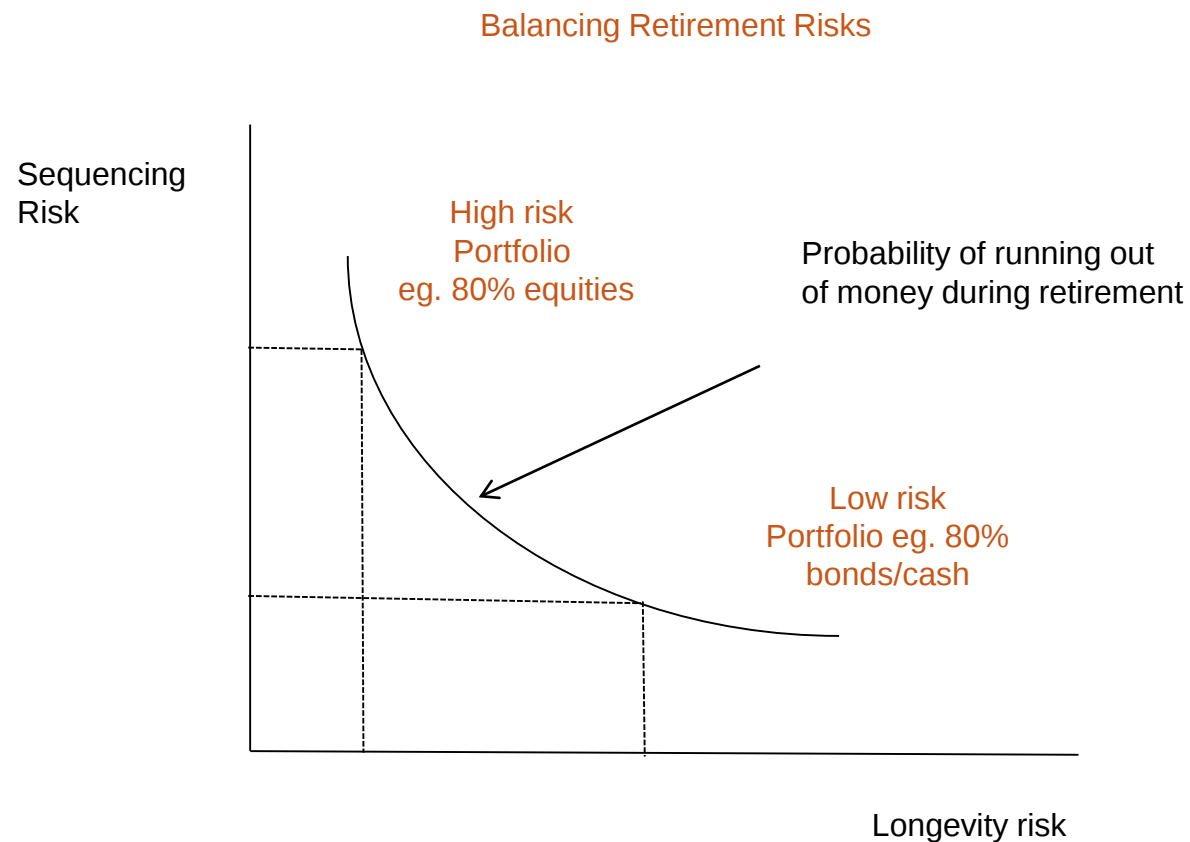
Flexibility of ETFs allows advisers to maintain diversified core exposure, but tilt to client requirements addressing:

- “The retirement challenge”– Longevity vs Sequencing Risks
- “The income challenge” – in a low rate environment

Outcomes or strategy delivered through a rules based or systematic investment processes well suited to ETF form

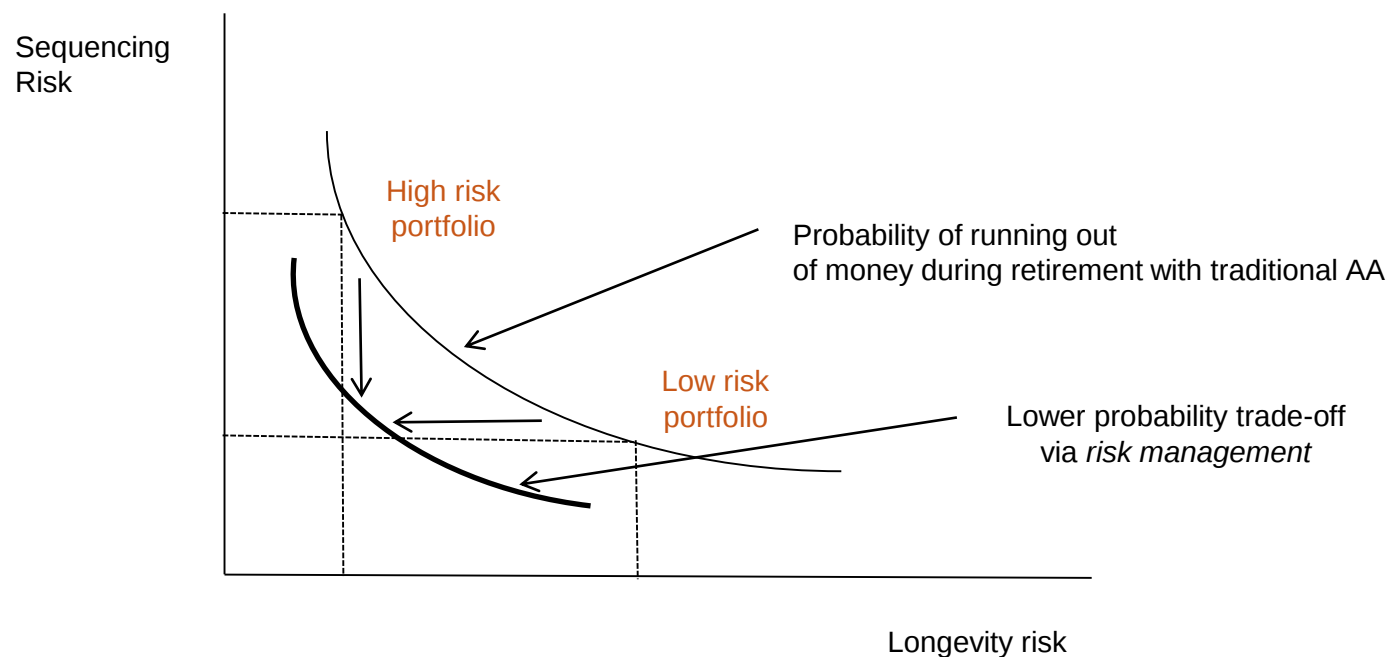
The result: retirees face a tough trade-off

Retirees need to balance sequencing vs. longevity risk



The aim: a more optimal risk-return trade-off

Equity income together with risk management may help reduce sequencing and/or longevity risk



The case for Harvester (HVST)



BetaShares Australian Dividend Harvester Fund (managed fund) (HVST) has been specifically designed to meet the investment challenges of SMSFs and retirees, offering the potential for:



Tax-effective income



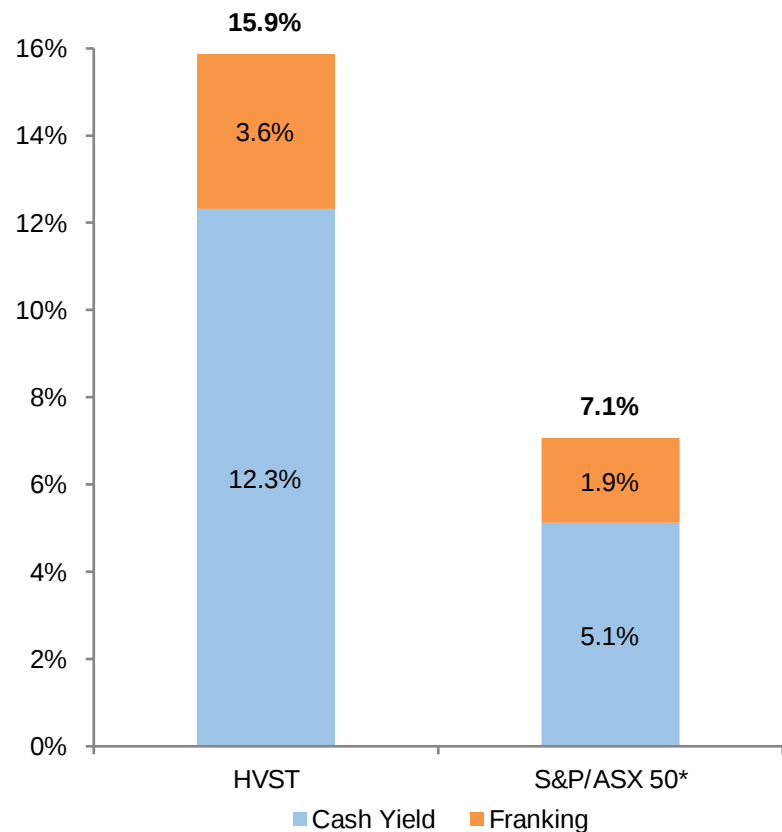
Reducing volatility risk

Tailor-Made for SMSFs & Retirees

HVST: Income and Volatility



BetaShares Australian Dividend Harvester Fund v S&P/ASX 50: Income and volatility to 31 March 2016



Fund Inception Date (29 Oct 2014)	HVST	S&P/ASX 50*	Difference	
12 Month Net Yield*	12.3%	5.1%	↑	7.2%
12 Month Gross Yield (Est.)*	15.9%	7.1%	↑	8.8%
12 Month Annual Volatility*	8.7%	18.5%	↓	53.2%

*S&P/ASX 50 based on 12 month trailir
Source: BetaShares, Bloomberg. Past performance is not an indicator of future performance
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Harvester's Risk Manager



Sample Clients



About Milliman

The risk management strategy employed by the Harvester Fund is being run in conjunction with **Milliman**, one of the largest institutional global risk managers in the world, assisting clients in managing risk on US\$500B worldwide

Milliman's risk management strategies have been used for the last 15 years by some of the largest firms and institutional investors in the world

Strategies used by Milliman helped their clients navigate the 'tech bubble' and global financial crisis

The Dividend Harvester Fund provides investors access to such a strategy, which was previously primarily confined to large institutional investors

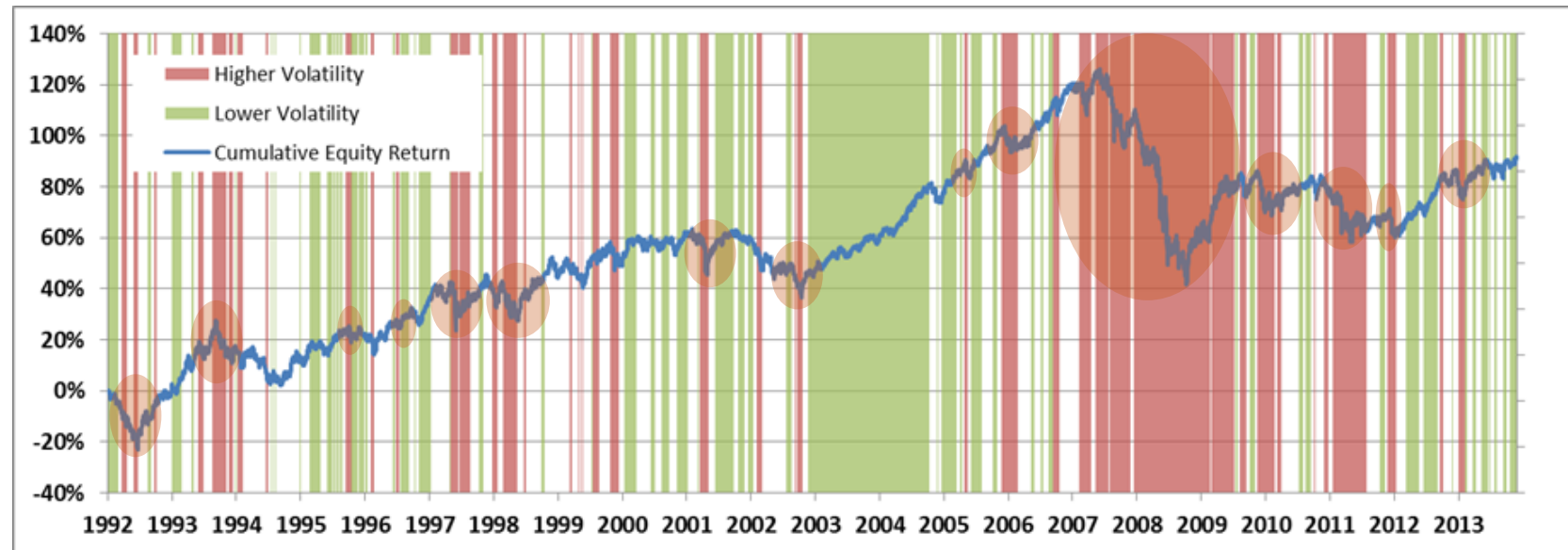
During market downturns, the risk management strategy seeks to curb potential portfolio losses while preserving principal and gains captured in favourable market conditions

Milliman has 55 offices globally and employs more than 2,600 professionals, including more than 1,300 qualified consultants and actuaries

High Volatility is frequently associated with sharply falling markets



S&P/ASX 200 Index (1992-2013): Cumulative equity return and volatility



Selected periods when increased market volatility was associated with market declines

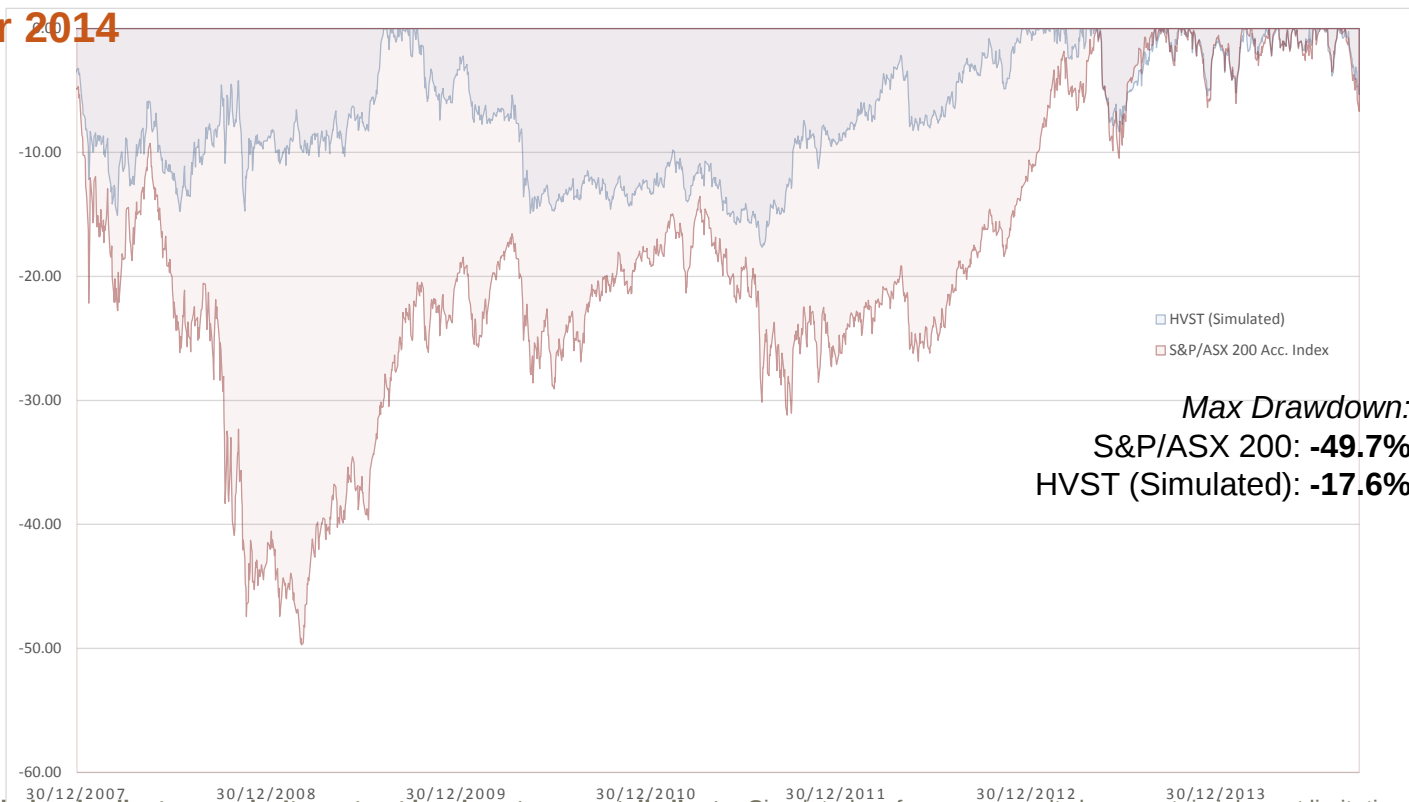
Source: Milliman Financial Risk Management LLC, 31/12/1991-31/12/2013. The chart above is historical and for illustrative purposes only. It does not represent actual performance of any investment. Past performance is no guarantee of future results.

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Harvester Strategy – Drawdown Analysis



BetaShares Harvester Strategy (Simulated) v S&P/ASX 200 Accumulation Index – Drawdown: 4 Dec 2007– 30 September 2014



This chart is for financial intermediary/wholesale client use only. It must not be given to any retail clients. Simulated performance results have certain inherent limitations.

Unlike an actual performance record, simulated results do not represent actual trading, are based on certain assumptions, and are produced with the benefit of hindsight. Also, since the trades have not actually been executed, the results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. No representation is being made that the Fund will achieve results similar to those shown. Past performance, simulated or actual, is not an indication of future performance Source: BetaShares, Milliman, Bloomberg

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Harvester Strategy has outperformed S&P/ASX 200 Index through the cycle



BetaShares Harvester Strategy (Simulated) v S&P/ASX 200 Index: 4 Dec 2007– 30 September 2014 (Indexed to 100) — BetaShares Harvester Strategy



	HVST Strategy	S&P ASX 200 Index + Risk Strategy	S&P ASX 200 Index
Annual return (% p.a.)	9.6%	4.2%	1.5%
Volatility (% p.a)	13.4%	9.1%	19.6%

This chart is for financial intermediary/wholesale client use only. It must not be given to any retail clients. Excludes the effects of management costs, transaction costs and cash held for futures margins. Simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading, are based on certain assumptions, and are produced with the benefit of hindsight. Also, since the trades have not actually been executed, the results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. No representation is being made that the Fund will achieve results similar to those shown. Past performance, simulated or actual, is not an indication of future performance. Source: BetaShares, Milliman, Bloomberg

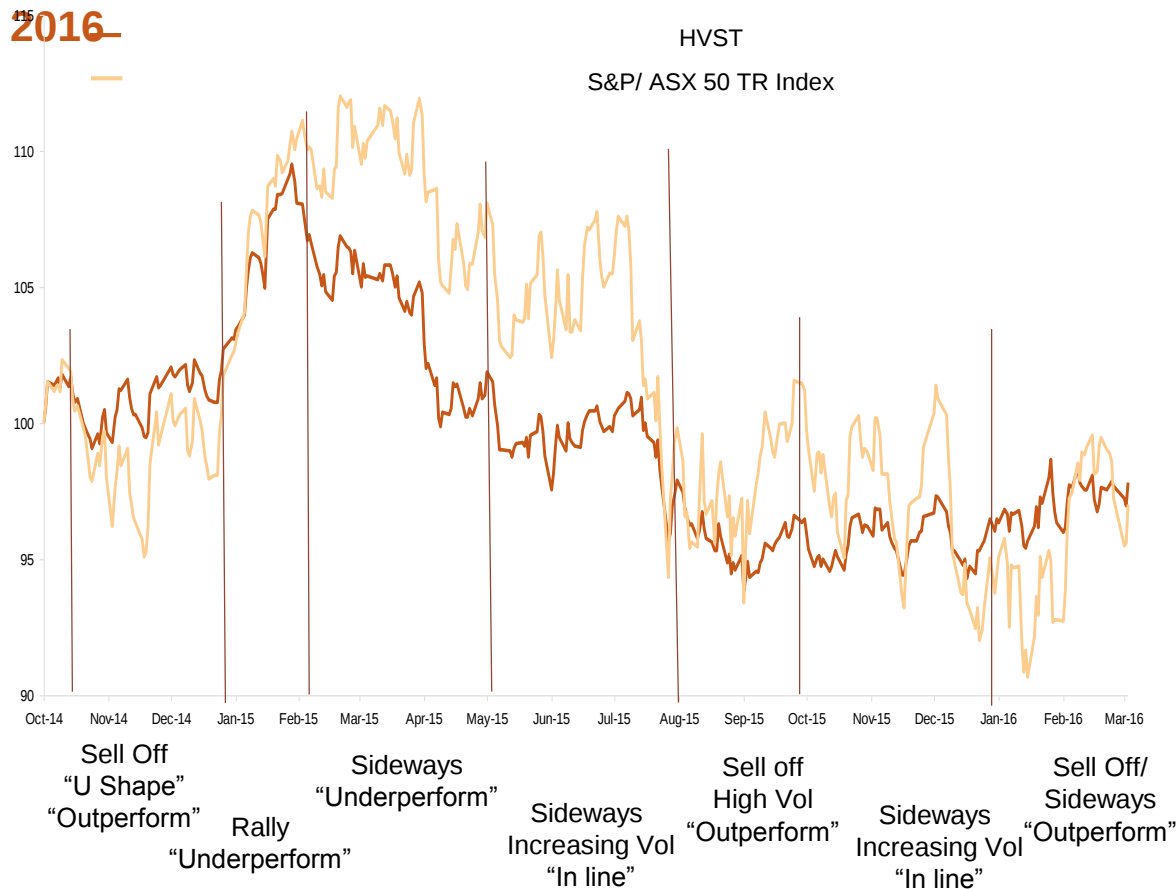
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HVST performance since inception



BetaShares Australian Dividend Harvester (HVST) v S&P/ASX 50 Index: Since Inception to 31 March 2016



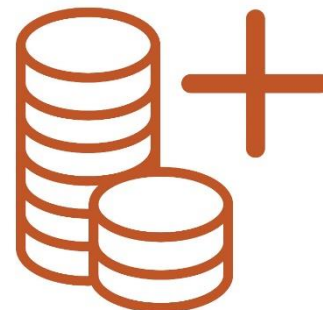
	HVST Strategy	S&P ASX 50 Index
Annual return (%)	-1.5%	-2.1%
Volatility (%, p.a)	8.7%	17.6%

Past performance is not an indicator of future performance. Source: Bloomberg, BetaShares
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BetaShares Risk Managed Funds



- BetaShares Australian Dividend Harvester Fund (managed fund)
(ASX Ticker: **HVST**)
- BetaShares Managed Risk Australian Share Fund (managed fund)
(ASX Ticker: **AUST**)
- BetaShares Managed Risk Global Share Fund (managed fund)
(ASX Ticker **WRLD**)

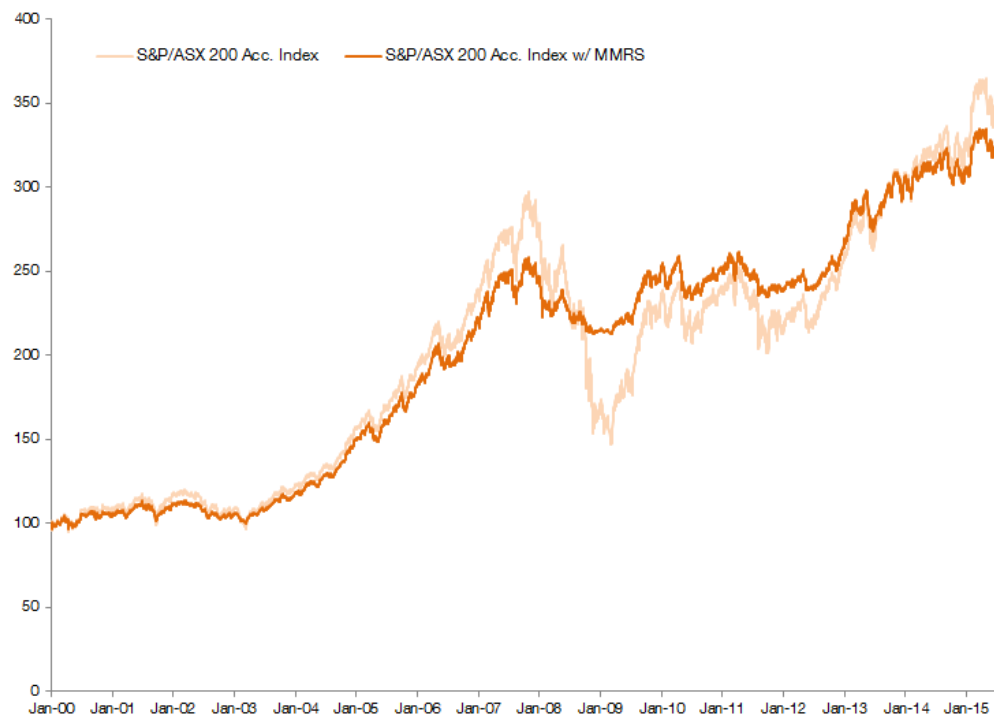


The Efficacy of the Risk Management Strategy



S&P/ASX 200 Index v S&P/ASX 200 Index + Milliman Managed Risk Strategy (Simulated) 1 Jan 2000 – 30 September 2015 (Indexed to 100)

*Volatility reduction of 45%
over last 15 years*



	S&P ASX 200 Acc. Index	S&P ASX 200 Acc. Index + Risk Strategy
Annual return (%, p.a.)	7.5%	7.4%
Volatility (%, p.a)	15.9%	8.8%
Risk Adjusted Return (p.a)	0.47	0.84

Adviser use only. Not for distribution to retail clients. Chart compares S&P/ASX 200 Accumulation Index with and without the "Milliman Managed Risk Strategy" (as used by the AUST Fund). **Excludes the effects of management costs, transaction costs and cash held for futures margins.** Simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading, are based on certain assumptions, and are produced with the benefit of hindsight. Also, since the trades have not actually been executed, the results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. No representation is being made that the AUST Fund will achieve results similar to those shown. Past performance, simulated or actual, is not an indication of future performance. Source: BetaShares, Milliman, Bloomberg

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BetaShares

MSCI World v MSCI World + Managed Risk Strategy



MSCI World v MSCI World + Milliman Managed Risk Strategy (Simulated) 1 Jan 2000 – 30 November 2015

(Indexed to 100)

**Volatility reduction
of 51% over last 15
years**



	MSCI World Aust. Index	MSCI World. Index + MMRS
Annual return (% p.a.)	2.3%	4.2%
Volatility (% p.a.)	15.9%	7.8%
Risk Adjusted Return (p.a.)	0.15	0.54

Adviser use only. Not for distribution to retail clients. Chart compares MSCI World Index with and without the “Milliman Managed Risk Strategy”. **Excludes the effects of management costs, transaction costs and cash held for futures margins.** Simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading, are based on certain assumptions, and are produced with the benefit of hindsight. Also, since the trades have not actually been executed, the results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. No representation is being made that the WRLD Fund will achieve results similar to those shown. Past performance, simulated or actual, is not an indication of future performance. Source: BetaShares, Milliman, Bloomberg

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BetaShares Australian Top 20 Equity Yield Maximiser Fund



Product Name:

BetaShares Australian Top 20 Equity Yield Maximiser Fund (managed fund)

ASX: YMAX

Investment Objective

The Fund aims to provide investors with exposure to a basket of 20 blue-chip Australian shares (as represented in the S&P/ASX 20 Index), while providing attractive quarterly income that exceeds the yield of a portfolio of the underlying shares over the medium term. In addition, the Fund aims to provide lower overall volatility than the underlying portfolio

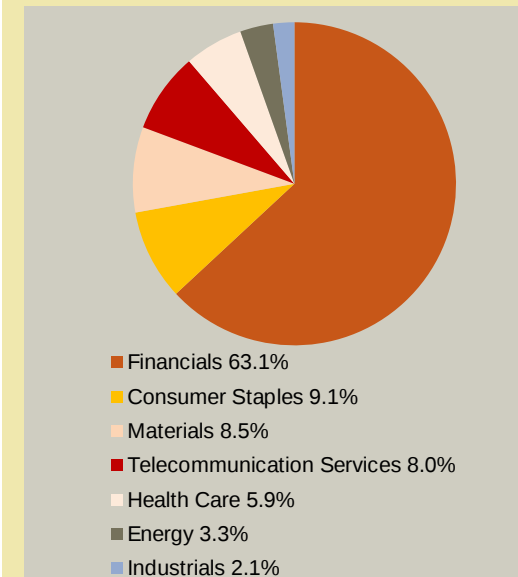
Key Information

ASX Code	YMAX
Bloomberg Code	YMAX AU
# of components	20
Asset backing	Equities
Management Fee	0.59% p.a.
Expense Recoveries	0.20% p.a. max
Inception Date	22 nd November 2012

Top 10 Index Components 31 December 2015

<u>Company</u>	<u>Index Weighting</u>
Commonwealth Bank	16.8%
Westpac Banking Corp	12.7%
ANZ Banking Group	9.1%
National Australian Bank	9.0%
Telstra Corp	8.0%
BHP Billiton Ltd	6.4%
CSL Ltd	5.9%
Wesfarmers Ltd	5.5%
Woolworths Ltd	3.5%
Macquarie Group Ltd	3.2%

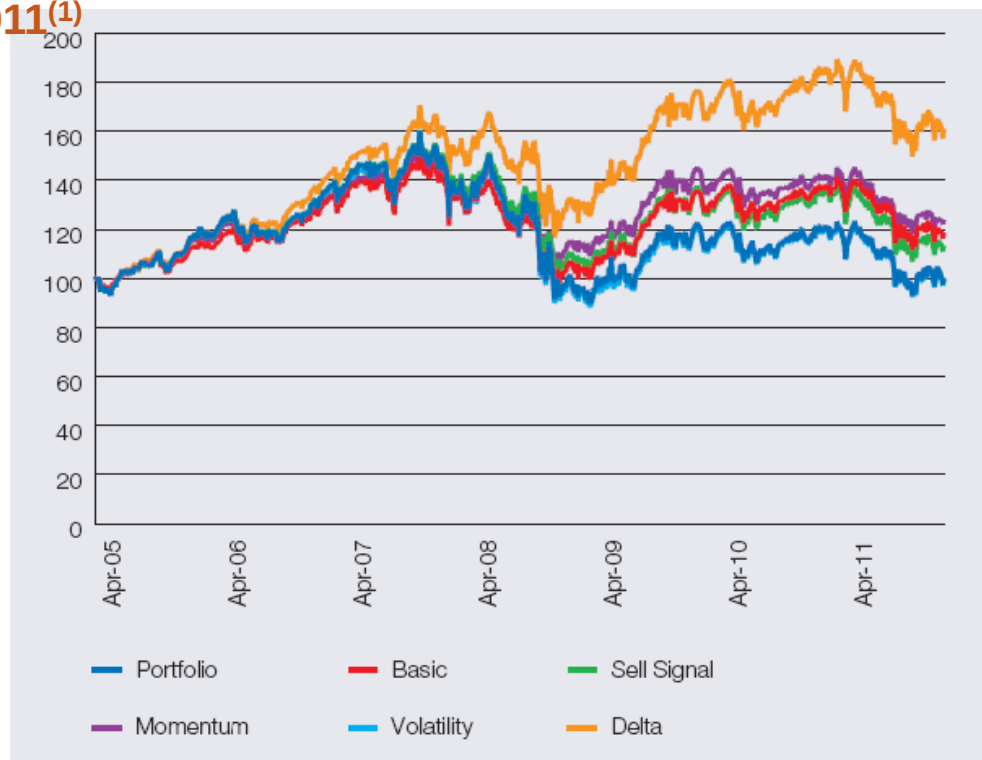
Sector Allocation 31 December 2015



Research has shown that equity income strategies using options may outperform



Summary results from ASX Buy-Write Study – April 2005 – December 2011⁽¹⁾

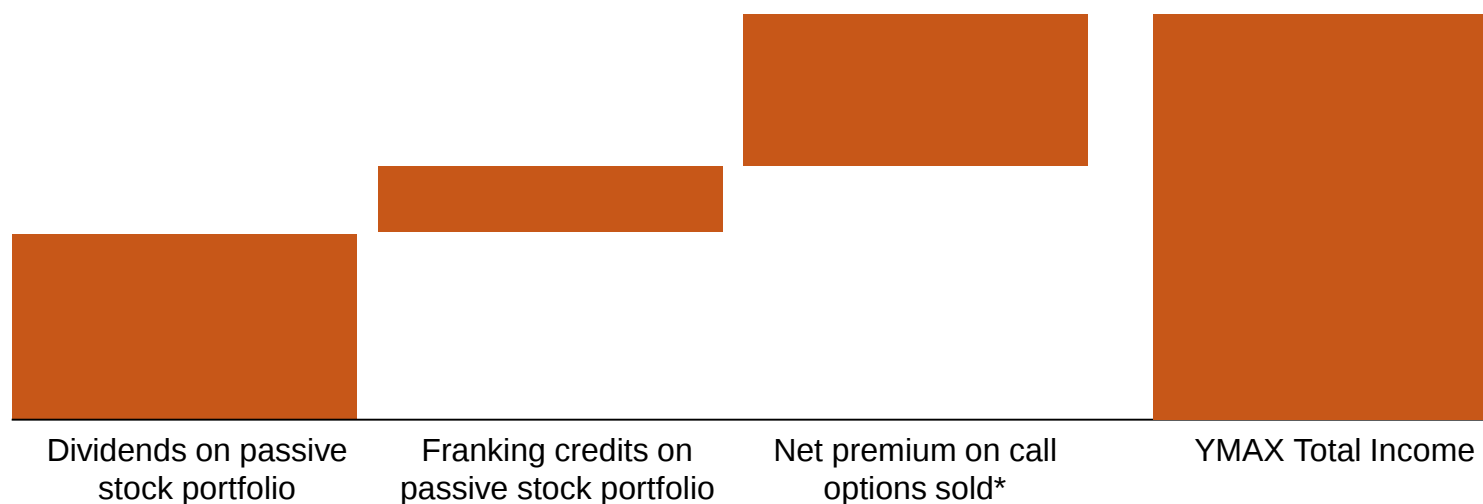


(1) ASX Market Insights “An Encyclopedia of Australian Buy-Write Returns (August 2012)”. Data from the ASX study is a general illustration of how various equity income (buy write) strategies have performed in different market conditions. The BetaShares Australian Top 20 Equity Yield Maximiser Fund will use an equity income strategy that combines elements from both the different buy-write strategies described and evaluated in the ASX research, along with certain modifications that seek to optimise the strategy. As a result the strategy of the BetaShares Equity Yield Maximiser Fund is not identical to that described in the ASX research, and the performance described in the ASX research is not indicative of the future performance of the Fund.

Equity Yield Maximiser Fund offers competitive levels of income combined with reduced volatility



Sources of income in BetaShares Equity Yield Maximiser Fund

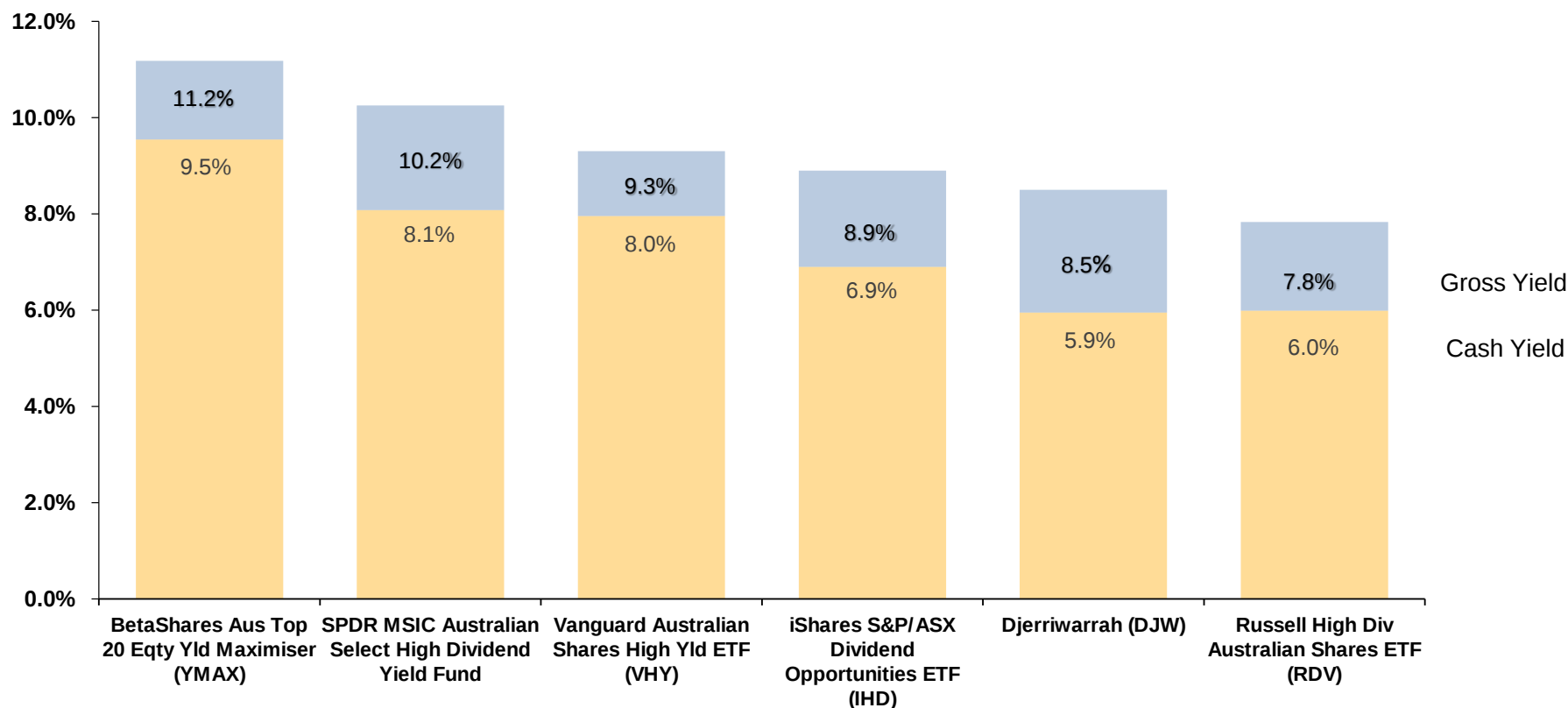


*Net option premiums may not be earned in all distribution periods (e.g. in a strongly rising market)

YMAX yield as at 4 January 2016 was 11.2% gross



Selected High Yield ASX ETPs: 12 month yield to 4 January 2016 (%)



Note: 12 month cash yield calculated as total distributions declared in the four quarters to 4 January 2016 divided by unit price on 4 January 2016. Past performance is not an indicator of future performance.

Source: Morningstar, Issuer websites, BetaShares

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4. Portfolio Hedging : Bear Fund

Bear Fund – Product Factsheet



ASX: BEAR

Product Name:

BetaShares Australian Equities Bear Hedge Fund

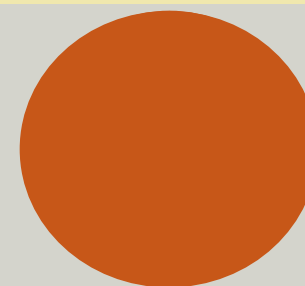
Investment Objective

The fund aims to provide investors with a simple way to profit from, or protect against, a decline of the Australian share market by seeking to generate returns that are negatively correlated to the returns of the Australian share market (as measured by the S&P/ASX 200 index).

Key Information

ASX Code	BEAR
Bloomberg Code	BEAR AU
IRESS Code	BEAR.AXW
Asset backing	Australian Dollars
Management Fee	1.19% p.a.
Expenses	Capped at 0.19% p.a
Fund Inception Date	6 July 2012

Portfolio Exposure



■ Short Australian Equities(1) ~100%

(1) Market movements may cause the Fund's exposure to vary between -90% to -110% on a given day. The Fund does not track any benchmark and should not be expected to provide the exact opposite of the market return over any time period.

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BetaShares

BEAR Fund – Performance Example



Performance of BetaShares BEAR Fund v. S&P/ASX 200 Index (6/7/2012-29/2/2016)

Fund Returns After Fees (%)

	1 month	3 month	6 month	1 year	3 year p.a	5 year p.a	Since Inception (p.a.)	Inception Date
Fund	2.01 %	4.78 %	3.61 %	15.86 %	-1.25 %	-	-6.61 %	6-Jul-12
S&P/ASX 200 Accum. Index	-1.76 %	-4.61 %	-4.05 %	-13.73 %	3.01 %	-	9.33 %	-

* As at 29 February 2016

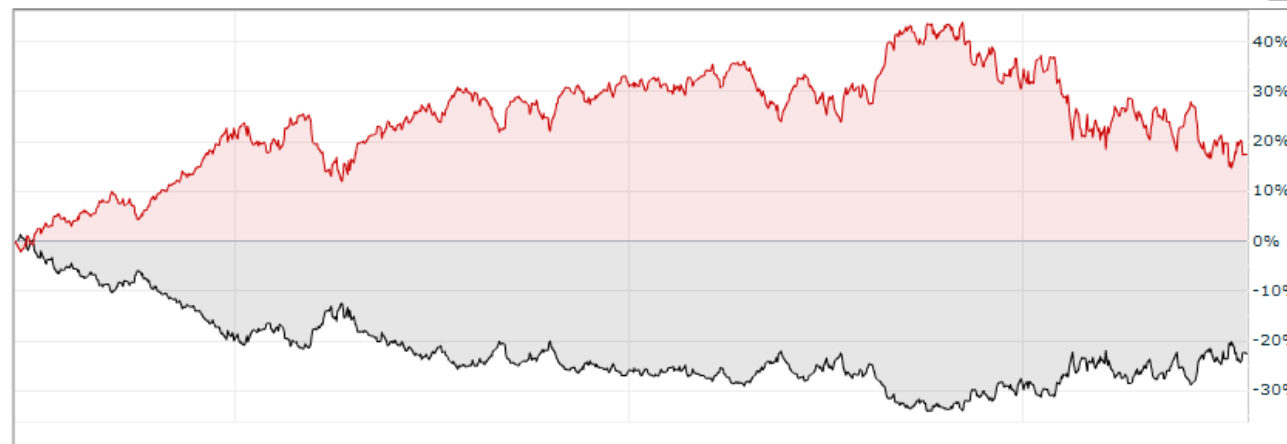
Prices

BETASHARES AUSTRALIAN UNITS

S&P/ASX 200 Price Index

06/07/2012 - 29/02/2016

Draw trend lines ☐



Source: BetaShares website, 29 February 2016. Past performance is not an indicator of future performance. The Fund's value can be expected to go down if the Australian sharemarket (S&P/ASX 200 index) goes up. The Fund does not track any benchmark and should not be expected to provide the exact opposite of the market return over any time period.

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4. Portfolio Hedging : BBOZ Fund

Strong Bear Fund – Product Factsheet



ASX: BBOZ

Product Name:

BetaShares Australian Equities Strong Bear Hedge Fund

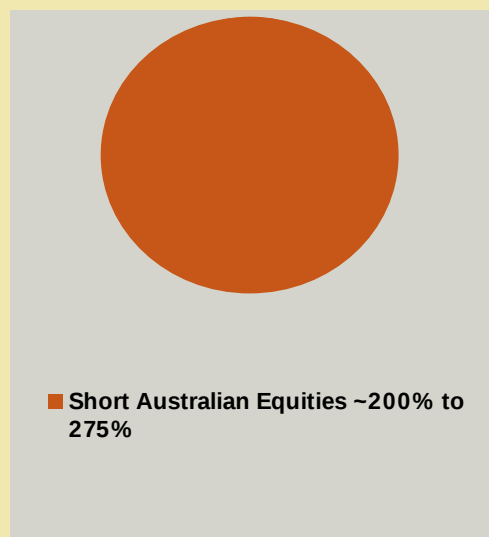
Investment Objective

The fund aims to help investors profit from, or protect against, a decline of the Australian share market by seeking to generate magnified returns that are negatively correlated to the returns of the Australian share market (as measured by the S&P/ASX 200 Index).

Key Information

ASX Code	BBOZ
Bloomberg Code	BBOZ AU
IRESS Code	BBOZ.AXW
Asset backing	Australian Dollars
Management Fee	1.19% p.a.
Expenses	Capped at 0.19% p.a
Fund Inception Date	17 April 2015

Portfolio Exposure



The Fund does not track any published benchmark and should not be expected to provide any particular short multiple of the market return over any time period.

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Enhancing the Adviser Value Proposition

BetaShares Adviser Support Materials



Portfolio Analytics



Educational Whitepapers

HIGHER INCOME WITH LESS VOLATILITY: STRATEGIES FOR BOOSTING SHARE INCOME

A BetaShares Educational Whitepaper



In a declining interest rate environment, and with ongoing concern about risk in the equity markets, investors are finding it increasingly difficult to rely upon traditional exposures to cash, bonds or equities to deliver adequate income with reasonable levels of volatility. "Income from shares" strategies range from the simple (buy high yielding shares like Telstra, or the banks, and collect dividends) to the more sophisticated (buy shares, collect the dividends and generate additional income through the sale of some of the upside price potential).

To implement this latter strategy, an investor buys a share (or share portfolio) and simultaneously sells or "writes" call options on the relevant shares. By selling call options, the investor is selling to the buyer of the option the right to buy the relevant share from the investor at a certain exercise price. The seller of the call option receives a fee (income) for doing so. This form of equity income or "buy-write" strategy is well established in investment practice and is especially popular when markets are sluggish or trending sideways.

- From the perspective of the owner of shares who sells call options over them (and receives a fee for doing so), this fee supplements the dividends on the underlying shares, potentially providing a significant boost to the income on those shares. Looked at another way, the fee subsidises the purchase price of the share, effectively lessening its cost, thereby reducing the risk of holding the share.
- From the perspective of the buyer of the call option (who pays a fee for doing so), the call option can be used as a way to obtain exposure to the potential upside of a share, with a smaller outlay than would be required to purchase the share directly. This is because the call option gives the holder the right to buy the share for a preset price within a stipulated time frame – see breakout box over the page.

An easy way to think of this strategy is that it allows the shareholder to "pre-sell" some of the future capital gain potential on the shares – and to receive payment immediately for doing so. Even better, if the share doesn't rise during the period of the option, or rises but only to a point below the price at which the investor has agreed to sell the share, the income received by the investor will have been earned without any impact on the shareholding itself.

When carefully managed, the "buy-write" approach can be a powerful income booster, but the problem for even sophisticated private investors is that the strategy can be time-consuming, costly and difficult to implement.

Until recently, the only alternative to implementing such a strategy directly (which can be complex and expensive), has been for investors to buy a traditional actively managed fund that implements such a strategy. Of course, investing in such a vehicle carries the risk that the active options trading implemented by the fund manager can go wrong. Such a fund also typically will come with relatively high management fees and, often, performance fees. With the GFC still seared in our collective psyche, many investors will be attracted to a simpler way of obtaining access to such an equity income strategy.

The BetaShares Equity Yield Maximiser Fund¹ (ASX code: YMAX) is an ASX-listed investment product that holds the 20 largest ASX listed securities, and uses a rules-based approach to sell (or "write") exchange-traded call options over these securities. With an annual management fee of 0.59% p.a. plus expenses capped at 0.20% p.a., YMAX is a lower cost alternative to traditional actively managed funds offering similar strategies.

Strategies aimed at generating income from shares are very popular when markets are sluggish or trending sideways

"Buy-write" strategy involves buying shares and then generating additional income through the sale of some of the upside price potential of the shares

"Buy-write" approach can be a powerful income booster, but has traditionally been costly and difficult to implement

YMAX fund uses a rules-based approach and gives investors a simple, low cost way to obtain access to an equity income strategy

BetaShares Educational Blog

BetaShares Blog

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By BetaShares 25 November 2013

BETA SHARES ACADEMY

How are ETFs created, and why does it matter?

This is the first of a series of posts in the "BetaShares Academy", which we will add to over time. The aim of the BetaShares Academy is to provide educational information on ETFs, their structure and key features – the "basics of ETFs". In this particular post, we focus on the way in which ETFs are "created" and how this makes ETFs a unique investment vehicle.

ETFs started life a couple of decades ago as a low cost way for traditional investment managers to hold and keep track of the "core" of their portfolios – the stocks they normally seek to hold for the very long term. In the era of paper based share trades – where expensive share custody arrangements were needed to hold and deliver share certificates at settlement of share trades – ETFs became used as a way of reducing custodial costs.

Related Articles

- How safe are my ETF assets?
- Who owns the Assets in my ETF?
- What is "arbitrage"? (any why does it matter for ETFs?)
- Launch of BetaShares Investment Trends ETF Report
- What is an Index?

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BetaShares Asset Allocation & Model Portfolios

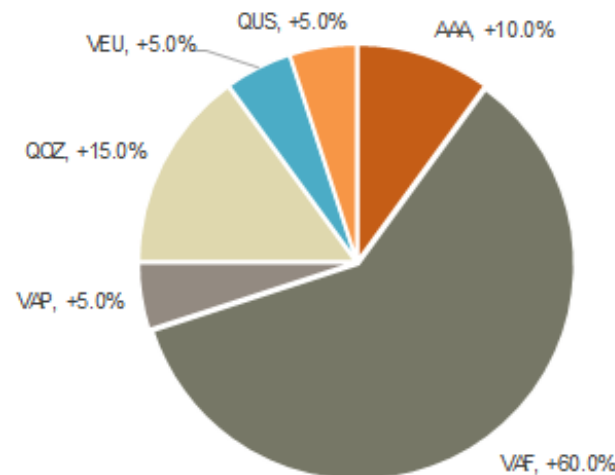


Balanced ETF Model Portfolios

Asset Class	Model ETFs	Strategic Weights	Dynamic Weights	Dynamic Range
Cash (AAA)	AAA	5%	10% +5%	0%-80%
Aust. Bonds (VAF)	VAF	45%	60% +15%	10%-80%
Aust. Property (VAP)	VAP	5%	5%	0%-30%
Aust. Equities (QOZ)	QOZ	30%	15% -15%	0%-60%
Int. Equities (50% VEU) (50% QUS)	QUS(50%) VEU (50%)	10%	10%	0%-30%
Commodities (QCB)	QCB	5%	0% -5%	0-30%
Defensive Growth		50% 50%	70% 30%	20%-80% 20%-80%
MER		0.30%	0.24%	

Dynamic Portfolios

Balanced Portfolio



The Liquidity of ETFs... More than meets the eye



'On Screen' liquidity

QOZ	\$11.900	↑ \$0.050 (0.42%)	Add to Watchlist Add to Alerts
BETASHARESRAFIAS ETF UNITS			

Warrant Quote									Discuss in Community
Bid (\$)	Offer (\$)	High (\$)	Low (\$)	Volume	Trades	Value (\$)	Open (\$)	Previous Close (\$)	
11.890	11.910	11.900	11.900	1,720	2	20,468	11.900	11.850	

Market Depth					
Buyers			Sellers		
No.	Volume	Price (\$)	Price (\$)	Volume	No.
1	100,000	11.890	11.910	122,500	2
1	22,500	11.870	11.920	25,000	1
2	125,000	11.860	11.930	30,000	1
1	30,000	11.850	11.940	100,000	1
1	130	11.600			
6 buyers for 277,630 units			5 sellers for 277,500 units		

'On screen'
liquidity ~\$3.3m

"Actual"
liquidity ~\$4.3B

Underlying liquidity (ADTV 3 months)

AMC AU EQUITY	\$55,505,170	ALZ AU EQUITY	\$2,922,874	LYC AU EQUITY	\$5,340,840
AMP AU EQUITY	\$58,301,110	AWE AU EQUITY	\$3,539,238	SAI AU EQUITY	\$4,689,766
ALL AU EQUITY	\$10,193,770	BOQ AU EQUITY	\$14,880,230	IGO AU EQUITY	\$2,937,466
ANZ AU EQUITY	\$193,935,800	BPT AU EQUITY	\$7,415,991	PNA AU EQUITY	\$8,656,895
ASX AU EQUITY	\$23,163,450	BEN AU EQUITY	\$16,690,150	VAH AU EQUITY	\$3,113,479
BLD AU EQUITY	\$21,829,160	CAB AU EQUITY	\$1,479,753	BKN AU EQUITY	\$7,741,424
BHP AU EQUITY	\$285,060,000	ALQ AU EQUITY	\$11,644,450	PDN AU EQUITY	\$8,785,673
CTX AU EQUITY	\$14,879,680	DJS AU EQUITY	\$9,536,007	NXS AU EQUITY	\$304,088
CCL AU EQUITY	\$32,629,810	DOW AU EQUITY	\$11,361,770	FDC AU EQUITY	\$15,241,570
COH AU EQUITY	\$20,416,310	EWG AU EQUITY	\$1,086,306	SEK AU EQUITY	\$20,377,230
CBA AU EQUITY	\$260,062,400	ENV AU EQUITY	\$3,480,533	TPI AU EQUITY	\$2,882,809
CPU AU EQUITY	\$24,964,620	FKP AU EQUITY	\$1,357,197	MGX AU EQUITY	\$3,927,689
CSL AU EQUITY	\$78,525,010	FWD AU EQUITY	\$1,603,167	CHC AU EQUITY	\$2,668,753
CSR AU EQUITY	\$6,721,574	FLT AU EQUITY	\$29,591,250	SIP AU EQUITY	\$1,677,844
FXJ AU EQUITY	\$6,572,443	GUD AU EQUITY	\$1,750,309	TTS AU EQUITY	\$13,296,720
CFX AU EQUITY	\$24,379,760	GWA AU EQUITY	\$2,136,288	SXL AU EQUITY	\$3,687,410
HVN AU EQUITY	\$9,213,232	HIL AU EQUITY	\$770,488	GFF AU EQUITY	\$4,506,797
ILU AU EQUITY	\$34,199,840	CRH AU EQUITY	\$401,495	SBM AU EQUITY	\$3,516,518
LEI AU EQUITY	\$31,849,850	IRE AU EQUITY	\$3,959,745	SPN AU EQUITY	\$5,928,959
LLC AU EQUITY	\$20,493,220	KCN AU EQUITY	\$4,315,712	CDD AU EQUITY	\$2,266,295
MGR AU EQUITY	\$26,297,200	MAH AU EQUITY	\$482,520	APZ AU EQUITY	\$385,460
NAB AU EQUITY	\$181,726,500	MRM AU EQUITY	\$2,179,253	MDL AU EQUITY	\$804,800
NCM AU EQUITY	\$87,311,080	MTS AU EQUITY	\$24,818,560	ABY AU EQUITY	\$50,844
FOX AU EQUITY	\$36,542,570	MND AU EQUITY	\$9,646,594	WTF AU EQUITY	\$2,507,378
OSH AU EQUITY	\$30,104,170	NUF AU EQUITY	\$3,258,588	EHL AU EQUITY	\$1,551,847
ORI AU EQUITY	\$41,279,380	ARI AU EQUITY	\$12,978,750	AGK AU EQUITY	\$26,395,960
ORG AU EQUITY	\$46,956,310	PRY AU EQUITY	\$9,239,243	BXB AU EQUITY	\$54,135,010
QAN AU EQUITY	\$15,983,090	RHC AU EQUITY	\$15,971,930	SKI AU EQUITY	\$9,632,418
QBE AU EQUITY	\$92,573,700	RSG AU EQUITY	\$4,996,496	KAR AU EQUITY	\$5,017,706
RMD AU EQUITY	\$26,819,780	ROC AU EQUITY	\$477,220	GRR AU EQUITY	\$306,043
RIO AU EQUITY	\$144,947,500	SGM AU EQUITY	\$8,760,581	FXL AU EQUITY	\$3,925,006
STO AU EQUITY	\$55,747,190	SMX AU EQUITY	\$1,525,218	AAX AU EQUITY	\$947,587
SHL AU EQUITY	\$21,000,980	TAP AU EQUITY	\$186,120	GBG AU EQUITY	\$760,050
SGP AU EQUITY	\$42,347,530	TSE AU EQUITY	\$3,590,952	MBN AU EQUITY	\$1,651,747
SUN AU EQUITY	\$59,139,380	UGL AU EQUITY	\$7,827,746	MIN AU EQUITY	\$11,462,070
TAH AU EQUITY	\$13,937,360	ERA AU EQUITY	\$836,766	TRS AU EQUITY	\$2,068,611
TLS AU EQUITY	\$167,086,400	GNC AU EQUITY	\$12,182,660	AIO AU EQUITY	\$22,755,540
TEN AU EQUITY	\$1,872,068	BWP AU EQUITY	\$3,816,066	BLY AU EQUITY	\$3,162,178
WES AU EQUITY	\$109,407,200	CPA AU EQUITY	\$15,629,900	GMG AU EQUITY	\$30,110,650
SWM AU EQUITY	\$6,205,696	CGF AU EQUITY	\$12,745,810	MQG AU EQUITY	\$66,883,420
BBG AU EQUITY	\$5,219,421	AAD AU EQUITY	\$2,430,743	NVT AU EQUITY	\$8,162,193
ASZ AU EQUITY	\$132,560	SYD AU EQUITY	\$30,209,250	CWN AU EQUITY	\$22,823,340
ANN AU EQUITY	\$10,757,880	APA AU EQUITY	\$19,956,770	FMG AU EQUITY	\$92,405,180
IAG AU EQUITY	\$42,176,960	CQR AU EQUITY	\$5,396,971	DXS AU EQUITY	\$23,417,390
IOF AU EQUITY	\$7,870,658	AWC AU EQUITY	\$14,230,520	PTM AU EQUITY	\$4,400,805
JHX AU EQUITY	\$17,517,380	MCR AU EQUITY	\$172,474	NWH AU EQUITY	\$4,449,718
PPT AU EQUITY	\$7,240,627	ABP AU EQUITY	\$1,787,431		
SGT AU EQUITY	\$9,722,836	TPM AU EQUITY	\$4,696,518		
TOL AU EQUITY	\$19,049,730	UXC AU EQUITY	\$618,564		
WBC AU EQUITY	\$201,266,700	WOR AU EQUITY	\$24,820,550		
WPL AU EQUITY	\$79,384,680	ASL AU EQUITY	\$6,804,122		
TEL AU EQUITY	\$4,814,625	IIN AU EQUITY	\$6,420,844		
GPT AU EQUITY	\$26,477,490	COF AU EQUITY	\$109,453		
TCL AU EQUITY	\$43,130,280	FBU AU EQUITY	\$10,790,130		
BSL AU EQUITY	\$21,330,960	IVC AU EQUITY	\$4,265,928		
APN AU EQUITY	\$381,426	IFL AU EQUITY	\$4,933,232		
ARP AU EQUITY	\$1,415,291	JBH AU EQUITY	\$16,255,410		

Source: Bloomberg, Comsec – 2 October 2013

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The Dividend Harvester Strategy



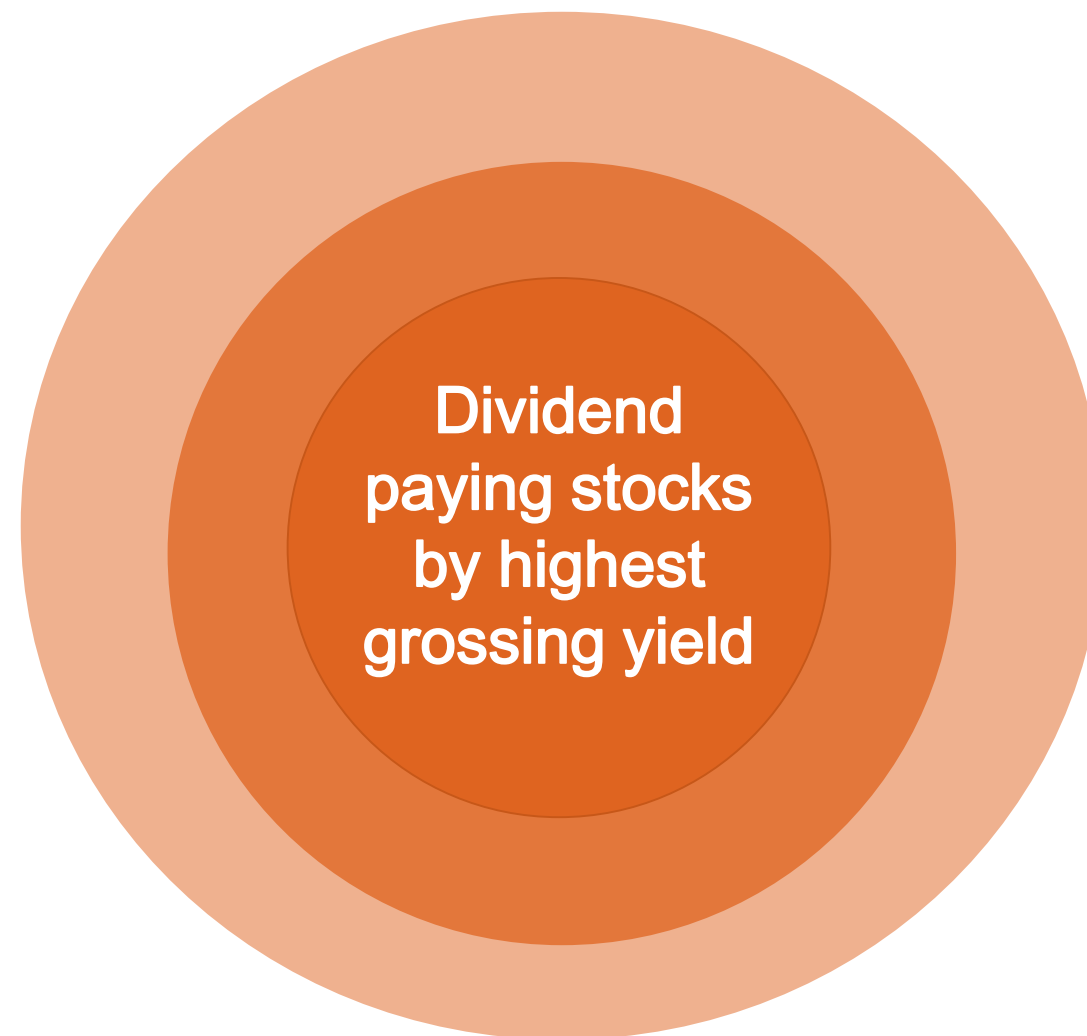
**ASX 50
UNIVERSE**

The Dividend Harvester Strategy



Stocks paying
dividends this
period

The Dividend Harvester Strategy



The Dividend Harvester Strategy



14 Stock Portfolio

The Dividend Harvester Strategy



Illustration of the Dividend Harvester Strategy – August/September 2015

Starting Universe: S&P/ASX 50

Ticker	Security Name	% Index Weight
CBA AT	COMMONWEALTH BANK OF AUSTRAL	11.2
WBC AT	WESTPAC BANKING CORP	8.5
BHP AT	BHP BILLITON LIMITED	7.7
ANZ AT	AUST AND NZ BANKING GROUP	7.5
NAB AT	NATIONAL AUSTRALIA BANK LTD	7.2
TLS AT	TELSTRA CORP LTD	6.4
WES AT	WESFARMERS LTD	4.0
CSL AT	CSL LTD	3.7
WOW AT	WOOLWORTHS LTD	3.0
MQG AT	MACQUARIE GROUP LTD	2.3
WPL AT	WOODSIDE PETROLEUM LTD	2.2
RIO AT	RIO TINTO LTD	2.1
SCG AT	SCENTRE GROUP	1.8
TCL AT	TRANSURBAN GROUP	1.7
QBE AT	QBE INSURANCE GROUP LTD	1.6
AMP AT	AMP LTD	1.6
WFD AT	WESTFIELD CORP	1.5
BXB AT	BRAMBLES LTD	1.5
AMC AT	AMCOR LIMITED	1.5
SUN AT	SUNCORP GROUP LTD	1.5
ORG AT	ORIGIN ENERGY LTD	1.2
IAG AT	INSURANCE AUSTRALIA GROUP	1.1
SYD AT	SYDNEY AIRPORT	1.0
S32 AT	SOUTH32 LTD	1.0
AZJ AT	AURIZON HOLDINGS LTD	1.0
AGL AT	AGL ENERGY LTD	0.9
NCM AT	NEWCREST MINING LTD	0.9
SGP AT	STOCKLAND	0.9
FDC AT	FEDERATION CENTRES	0.9
APA AT	APA GROUP	0.8
GMG AT	GOODMAN GROUP	0.8
CTX AT	CALTEX AUSTRALIA LTD	0.7
OSH AT	OIL SEARCH LTD	0.7
LLC AT	LEND LEASE GROUP	0.7
ORI AT	ORICA LTD	0.7
SHL AT	SONIC HEALTHCARE LTD	0.7
STO AT	SANTOS LTD	0.7
ASX AT	ASX LTD	0.7
RHC AT	RAMSAY HEALTH CARE LTD	0.7
GPT AT	GPT GROUP	0.7
JHX AT	JAMES HARDIE INDUSTRIES-CDI	0.6
DXS AT	DEXUS PROPERTY GROUP	0.6
MGR AT	MIRVAC GROUP	0.6
IFL AT	INFITEC PIVOT LTD	0.6
AIO AT	ASCIANO LTD	0.6
CPU AT	COMPUTERSHARE LTD	0.6
MPL AT	MEDIBANK PRIVATE LTD	0.5
SEK AT	SEEK LTD	0.5
CCL AT	COCA-COLA AMATIL LTD	0.4
CWN AT	CROWN RESORTS LTD	0.4

Filter for stocks paying dividends in next 2 months (+ market cap % liquidity filters)

Ticker	Security Name	Ex Date	Expected Gross Dividend (\$)	Closing Price as at 9/6/15 (\$)	Expected Gross Div Yield (%)
WPL	WOODSIDE PETROLEUM LTD	26/08/2015	\$ 2.102	\$ 35.60	5.79%
SUN	SUNCORP GROUP LTD	24/08/2015	\$ 0.714	\$ 13.20	5.46%
IAG	INSURANCE AUSTRALIA GROUP	7/09/2015	\$ 0.286	\$ 5.30	5.33%
BHP	BHP BILLITON LIMITED	31/08/2015	\$ 1.153	\$ 27.60	4.14%
WOW	WOOLWORTHS LTD	9/09/2015	\$ 1.100	\$ 27.10	4.05%
CBA	COMMONWEALTH BANK OF AUSTRALIA	18/08/2015	\$ 3.214	\$ 79.80	4.03%
WES	WESFARMERS LTD	28/08/2015	\$ 1.614	\$ 41.30	3.91%
RIO	RIO TINTO LTD	12/08/2015	\$ 1.999	\$ 56.40	3.58%
TLS	TELSTRA CORP LTD	17/08/2015	\$ 0.214	\$ 6.00	3.57%
AGL	AGL ENERGY LTD	25/08/2015	\$ 0.471	\$ 15.50	3.04%
AMP	AMP LTD	2/09/2015	\$ 0.181	\$ 6.10	2.97%
AZJ	AURIZON HOLDINGS LTD	28/08/2015	\$ 0.123	\$ 5.20	2.33%
ORG	ORIGIN ENERGY LTD	25/08/2015	\$ 0.286	\$ 12.60	2.25%
QBE	QBE INSURANCE GROUP LTD	26/08/2015	\$ 0.274	\$ 13.60	2.02%
AMC	AMCOR LIMITED	1/09/2015	\$ 0.235	\$ 14.10	1.67%

14 Largest Securities by Gross Yield (who meet yield threshold) included in Harvester Portfolio

Ticker	Security Name	Weighting
WPL	Woodside Petroleum	9.0%
SUN	Suncorp Group Ltd	9.0%
IAG	Insurance Australian Group Ltd	9.0%
BHP	BHP Billiton Ltd	9.0%
WOW	Woolworths Ltd	9.0%

Ticker	Security Name	Weighting
AMP	AMP Ltd	5.0%
AZJ	Aurizon Holdings Ltd	5.0%
ORG	Original Energy Ltd	5.0%
QBE	QBE Insurance Ltd	5.0%

Ticker	Security Name	Portfolio
CBA	Commonwealth Bank of Australia	7.0%
WES	Wesfarmers Ltd	7.0%
RIO	Rio Tinto Ltd	7.0%
TLS	Telstra	7.0%
AGL	AGL Energy Ltd	7.0%

Holdings comparison – FTSE RAFI Australia 200



December 2015

Top 10 Holdings

FTSE RAFI Australia 200 Index

COMPANY	WEIGHTS
Commonwealth Bank of Australia	8.61%
Westpac Banking Corp	7.87%
National Australia Bank Ltd	6.24%
Australia & New Zealand Banking Group Lt	5.96%
BHP Billiton Ltd	5.41%
Telstra Corp Ltd	4.96%
Wesfarmers Ltd	4.63%
Woolworths Ltd	3.15%
QBE Insurance Group Ltd	2.28%
Suncorp Group Ltd	2.27%

Top 10 Over/Under Weights v S&P/ASX 200 Index

OVERWEIGHTS

COMPANY	WEIGHTS
BHP Billiton Ltd	1.26%
Wesfarmers Ltd	1.25%
Suncorp Group Ltd	1.14%
QBE Insurance Group Ltd	1.04%
Qantas Airways Ltd	0.97%
Woolworths Ltd	0.89%
Spark New Zealand Ltd	0.68%
Metcash Ltd	0.63%
St Barbara Ltd	0.55%
National Australia Bank Ltd	0.48%

S&P/ASX 200 Australia 200 Index

COMPANY	WEIGHTS
Commonwealth Bank of Australia	10.56%
Westpac Banking Corp	8.09%
Australia & New Zealand Banking Group Lt	5.88%
National Australia Bank Ltd	5.76%
Telstra Corp Ltd	4.96%
BHP Billiton Ltd	4.14%
CSL Ltd	3.54%
Wesfarmers Ltd	3.38%
Woolworths Ltd	2.25%
Macquarie Group Ltd	2.04%

UNDERWEIGHTS

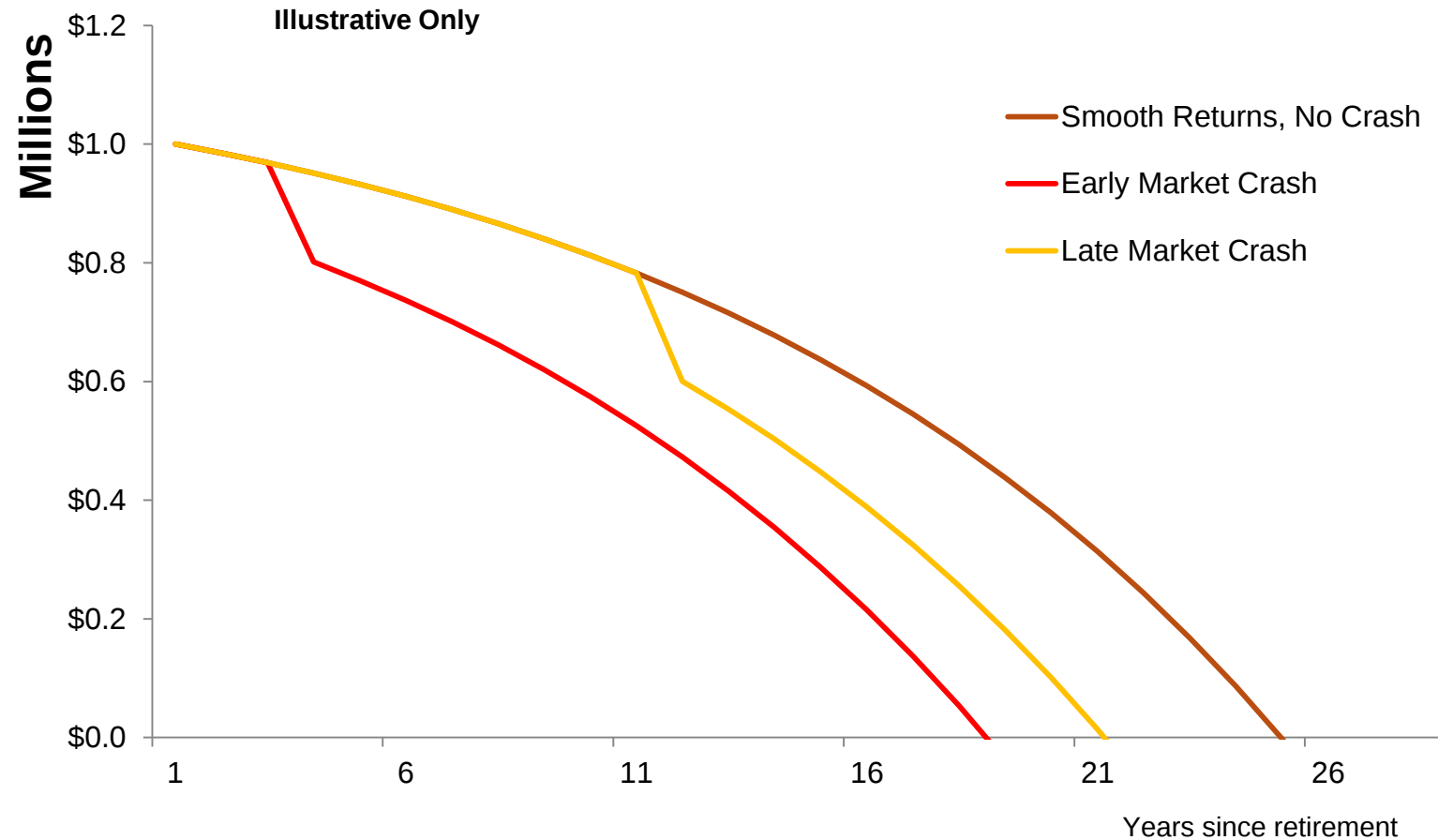
COMPANY	WEIGHTS
CSL Ltd	-2.47%
Commonwealth Bank of Australia	-1.95%
Transurban Group	-0.97%
Sydney Airport	-0.51%
Vicinity Centres	-0.48%
Westfield Corp	-0.45%
Brambles Ltd	-0.45%
Ramsay Health Care Ltd	-0.38%
Oil Search Ltd	-0.38%
APA Group	-0.32%

Source: Research Affiliates, FTSE, Bloomberg

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Relying on equities gives rise to “sequencing” risk

Market downturns are especially nasty for those that are living off their nest-egg



Harvester Strategy – Annual Yields



	HVST^	HVST^	HVST^	S&P/ASX 200	S&P/ASX 200	S&P/ASX 200
	Gross Yield	Net Yield	Franking %	Gross Yield	Net Yield	Franking %
2004	15.35%	10.90%	95%	5.77%	4.37%	75%
2005	17.76%	13.35%	77%	5.79%	4.45%	70%
2006	15.57%	11.65%	78%	5.66%	4.33%	72%
2007	16.51%	12.41%	77%	5.33%	4.08%	72%
2008	17.09%	13.25%	68%	4.93%	3.74%	74%
2009	15.78%	11.85%	77%	6.47%	4.90%	74%
2010	12.94%	9.76%	76%	5.20%	3.93%	76%
2011	16.81%	12.52%	80%	5.64%	4.25%	76%
2012	17.61%	13.08%	81%	6.85%	5.13%	78%
2013	16.83%	12.06%	92%	6.40%	4.76%	80%
2014	15.30%	11.50%	77%	5.98%	4.47%	79%
Average	16.14%	12.03%	79.92%	5.82%	4.40%	75.05%

^ Dividend yield is dividends paid after management fees and brokerage costs

As the fund is expected to produce significant levels of income, investors and their advisers can elect to adjust how much income is required and reinvest the remainder through the DRP

This chart is for financial intermediary/wholesale client use only. It must not be given to any retail clients.

Simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading, are based on certain assumptions, and are produced with the benefit of hindsight. Also, since the trades have not actually been executed, the results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. No representation is being made that the Fund will achieve results similar to those shown. Past performance, simulated or actual, is not an indication of future performance. Source: BetaShares, Milliman, Bloomberg

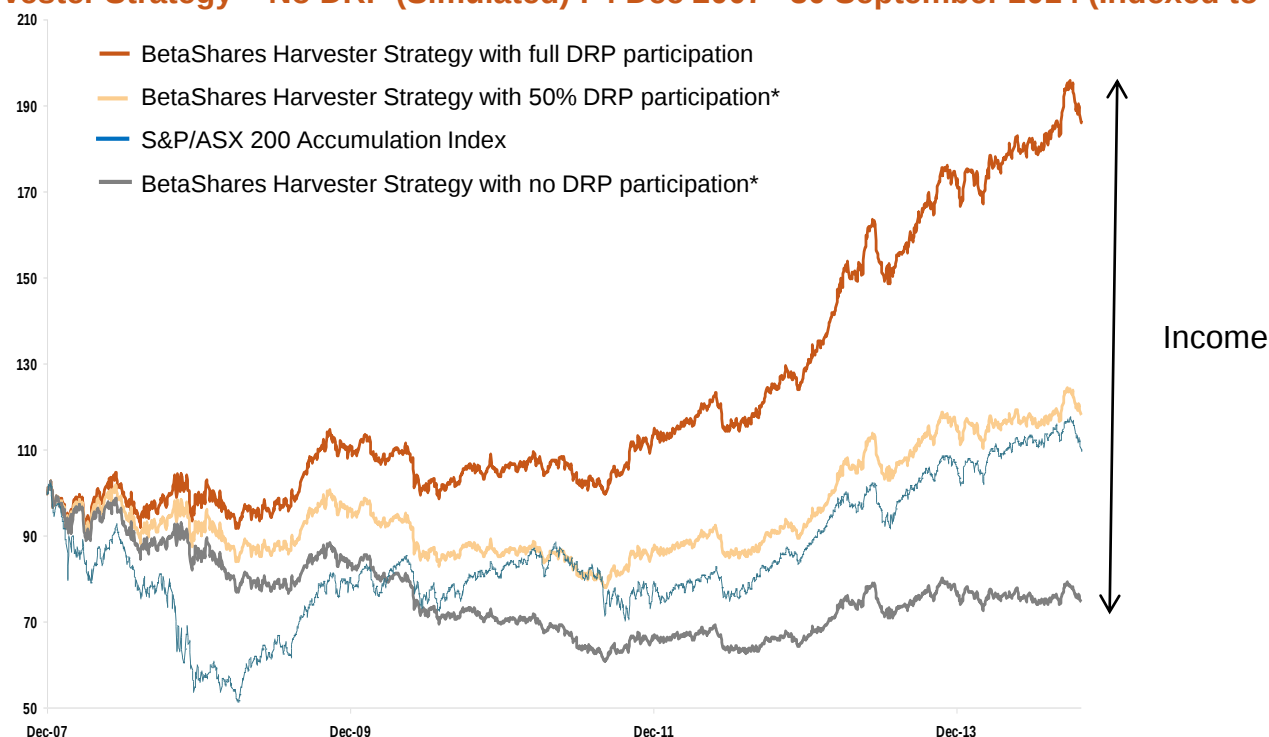
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Reinvesting distributions via the DRP for Harvester



BetaShares Harvester Strategy – Full DRP (Simulated) v BetaShares Harvester Strategy - 50% DRP (Simulation) v BetaShares Harvester Strategy – No DRP (Simulated) : 4 Dec 2007– 30 September 2014 (Indexed to 100)



This chart is for financial intermediary/wholesale client use only. It must not be given to any retail clients. Excludes the effects of management costs

*Assumes 14% average annual yield component from HVST strategy

Simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading, are based on certain assumptions, and are produced with the benefit of hindsight. Also, since the trades have not actually been executed, the results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. No representation is being made that the Fund will achieve results similar to those shown. Past performance, simulated or actual, is not an indication of future performance. Source: BetaShares, Milliman, Bloomberg

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BetaShares Managed Risk Australian Share Fund (ASX: AUST)



Product Name:

BetaShares Managed Risk Australian Share Fund (managed fund)

ASX: AUST

Investment Objective

The Fund aims to provide exposure to a broadly diversified portfolio of the largest 200 Australian shares by market capitalisation), while reducing the volatility of the equity investment returns and cushioning downside risk.

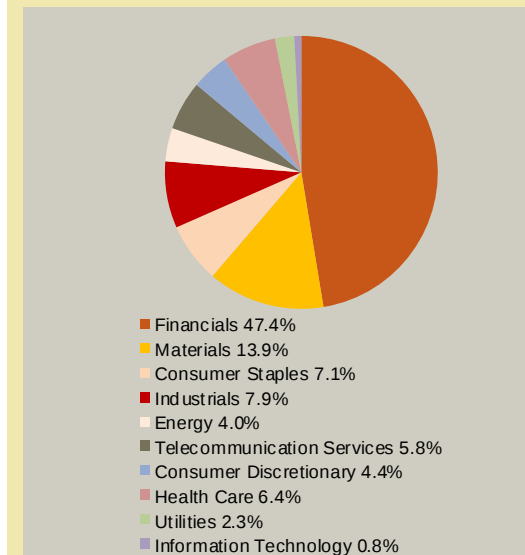
Key Information

ASX Code	AUST
Bloomberg Code	AUST AU
IRESS Code	AUST.AXW
Asset backing	Equities
Management Fee	0.39% p.a.
Expense recoveries	capped at 0.10% p.a.
Inception Date	19 October 2015

Top 10 Exposures 30 September 2015

<u>Company</u>	<u>Index Weighting</u>
Commonwealth Bank	9.5%
Westpac Banking Corp	7.3%
National Australian Bank	6.1%
ANZ Banking Group	6.0%
BHP Billiton Ltd	5.5%
Telstra Corp	5.3%
Wesfarmers Ltd	3.4%
CSL Ltd	3.2%
Woolworths Ltd	2.4%
Macquarie Group Ltd	2.0%

Sector Allocation 30 September 2015



BetaShares Managed Risk Global Share Fund (ASX: WRLD)



Product Name:

BetaShares Managed Risk Global Share Fund (managed fund)

ASX: WRLD

Investment Objective

The Fund aims to provide exposure to a broadly diversified portfolio of global shares listed on the stock exchanges of the world's major developed economies, while reducing the volatility of the equity investment returns and cushioning downside risk.

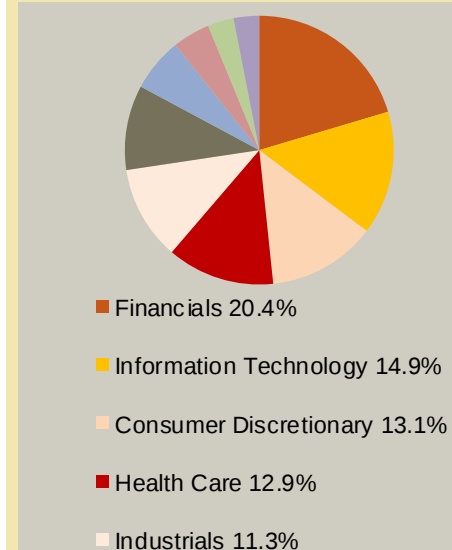
Key Information

ASX Code	WRLD
Bloomberg Code	WRLDAU
IRESS Code	WRLD.AXW
Asset backing	Equities
Management Fee	0.39% p.a.
Expense recoveries	capped at 0.15% p.a.
Inception Date	December 2015

Top 10 Exposures 30 November 2015

<u>Company</u>	<u>Weighting</u>
Apple Inc	2.1%
Microsoft Corp	1.4%
Exxon Mobil Corp	1.1%
General Electric Co	1.0%
Johnson & Johnson	0.9%
Amazon	0.8%
Wells Fargo & Co	0.8%
JP Morgan Chase & Co	0.8%
Facebook	0.8%
Berkshire Hathaway	0.8%

Sector Allocation 30 November 2015



Country Exposure 30 November 2015

<u>Country</u>	<u>Weighting</u>
United States	58.0%
Japan	9.0%
Britain	6.9%
Switzerland	3.6%
France	3.3%
Germany	3.2%
Canada	2.6%
Australia	2.4%
South Korea	1.6%
Other	9.5%