



etfWATCH

2018 AUSTRALIAN ETF & LIC REPORT

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ABOUT ETF WATCH

ETF Watch was launched in late 2015, when the founders saw a gap in the market for easy to digest information within the burgeoning Exchange Traded Fund (ETF) and Listed Investment Company (LIC) space. With a searchable fund database and regular, well researched articles, ETF Watch is now Australia's leading website for ETFs & LICs, with over 24,000 Australians visiting every month.



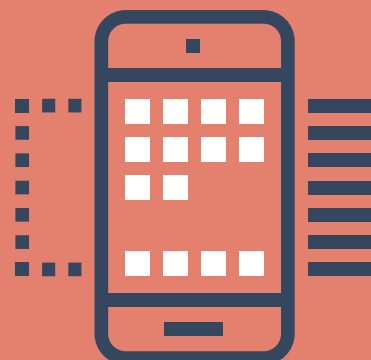
ABOUT THIS REPORT

This is our second annual ETF & LIC report. Prepared with information available at the end of the 2018 Financial Year (30 June 2018), the report is a snapshot of the ETF and LIC market at this point in time.

In this report we give readers a 101 on the differences between ETFs & LICs, take a look at some of the trends in ETFs & LICs and have a look at some of the different types of ETFs & LICs available in Australia.

We also include detailed tables of all ETFs & LICs we cover, including management fees, performance and their investment focus.

We hope you enjoy this report, if you would like to get in contact please reach out to us at hello@etfwatch.com.au.



2018 FINANCIAL YEAR SUMMARY

ETF INFLOWS HIT NEW RECORDS



ETFs closed the financial year with \$38.87 billion under management, an impressive 30% growth on the previous year. This was through a combination of positive investment performance and new inflows of \$7.4 billion, up from \$5.2 billion last financial year

NEW ETF LISTINGS CONTINUE

23 new ETFs were launched in the financial year, bringing the total number of ETFs available on the ASX to 179. In the previous financial year, 25 new ETFs were launched. 57% of new ETFs launched this last year had an international focus.



LICS REMAIN IN FAVOUR



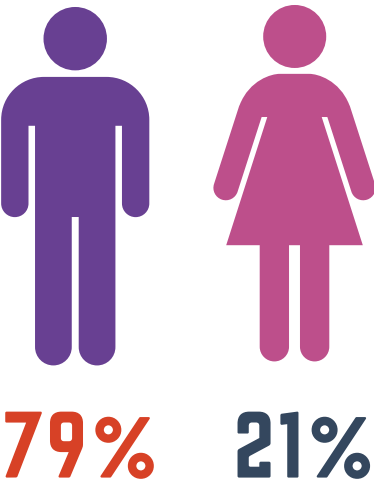
11 new LICs were launched, raising over \$5 billion. LIC raisings were over 300% higher than last year and included two \$1 billion plus capital raisings. The LIC Market is now valued at \$41 billion, up over \$8 billion in the year.

DEMOGRAPHICS OF ETF WATCH READERS

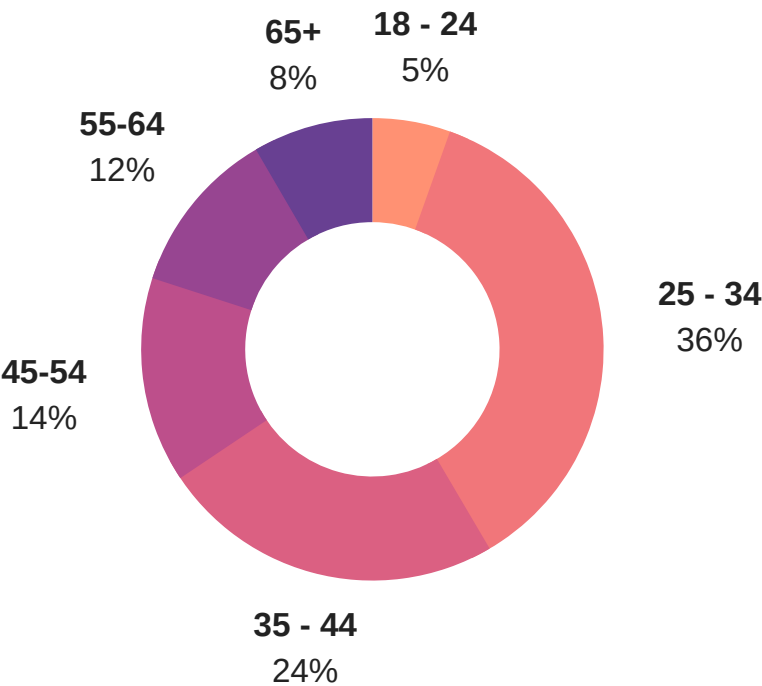
With over 24,000 monthly visitors, ETF Watch is fast becoming the resource of choice for ETF and LIC investors. Our user demographics for FY 2018 are outlined below.



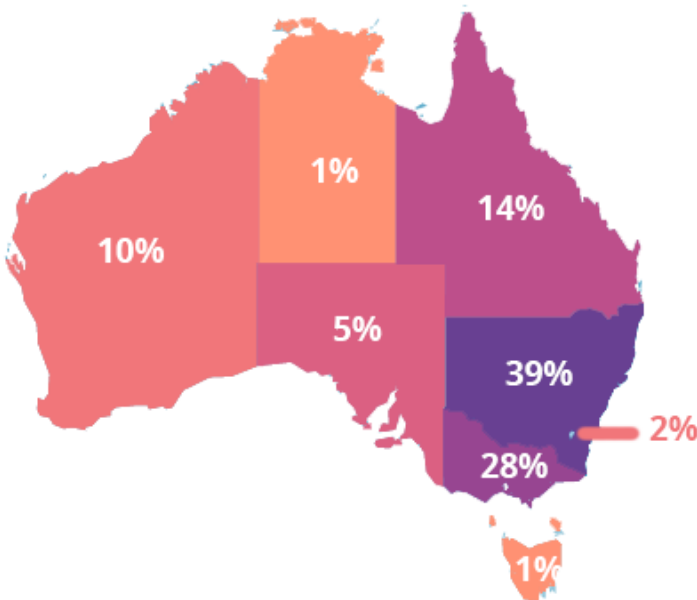
GENDER



AGE



LOCATION



WHAT ARE ETFs & LICs?

Exchange Traded Funds (ETFs) and Listed Investment Companies (LICs) are both assets that are able to be bought and sold on the Australian Securities Exchange (ASX). Their popularity with investors in recent years has exploded, resulting in over 250 different funds now being available on the ASX.



WHAT DO THESE FUNDS DO?

When you invest in an ETF or LIC you are investing in a portfolio of individual assets. Some funds track an entire share market index, for example an ETF that tracks the S&P/ASX 200 will hold the top 200 funds listed on the ASX. Other funds hold smaller portfolios of stocks and allow the fund manager to invest based on their discretion. ETFs and LICs do not need to invest in shares, there are now a wide range of ETFs and LICs that invest in cash, bonds, currency, commodities, etc.

WHAT ARE THE DIFFERENCES IN ETFs AND LICs?

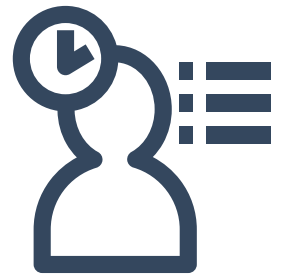
Traditionally the biggest differences between ETFs & LICs is ETFs generally track an index return and do not try to outperform that index. LICs on the other hand may use an index as their benchmark but seek to outperform. This is referred to as passive management and active management. This difference is not always the case however, and in recent times there has been more of a crossover with many new ETFs coming on the market that are fully or partially actively managed.

The biggest difference between ETFs and LICs is ETFs always track close to their underlying investment value, however LIC share prices can vary widely from their underlying investment value. This is generally referred to as trading at a premium or discount to their Net Asset Value (NAV).

You can find out more about ETFs and LICs at the [ETF Watch ETF & LIC Guide](#).

ETF & LIC MANAGEMENT TYPES

At ETF Watch we split the 'management type' of a fund into one of four types. The different management types are explained below.



INDEX TRACKING

Traditionally ETFs are index tracking, meaning they invest as per a market capitalisation based index. Eg a S&P/ASX200 ETF invests in the 200 largest listed companies in Australia.

SMART BETA

Recently there's been an explosion in Smart Beta ETFs. These funds track an alternative index to a 'market capitalisation' index. There are many types of Smart Beta strategies including high dividend, equal weight & factor based strategies.

ACTIVELY MANAGED

Actively managed funds are where a fund manager uses their own skills to try to outperform. Traditionally this was the domain of LICs and unlisted managed funds, but recently there have been more actively managed ETFs launched.

INVERSE INDEX

These are funds which take an opposite position to the index, so investors can expect to receive the opposite returns to the underlying index. Also known as 'bear' funds, there are only a few of these available.

2018 ETF REVIEW



+30%
GROWTH



\$38.9 BILLION
ETF FUNDS UNDER MANAGEMENT

+23
NEW ETFS



179
TOTAL ETFS ON ASX



\$663M
NEW INFLOWS



**VANGUARD AUSTRALIAN
SHARES INDEX ETF**
HIGHEST INFLOW ETF

\$3.8B
TOTAL SIZE



SPDR S&P/ASX 200 FUND
LARGEST ETF BY MARKET CAPITALISATION



+58.11%
TOTAL RETURN



**BETASHARES CRUDE OIL INDEX
ETF - CURRENCY HEDGED**
HIGHEST RETURN ETF

+11.00%
TOTAL YIELD



ISHARES GLOBAL 100 AUD HEDGED
HIGHEST YIELD ETF

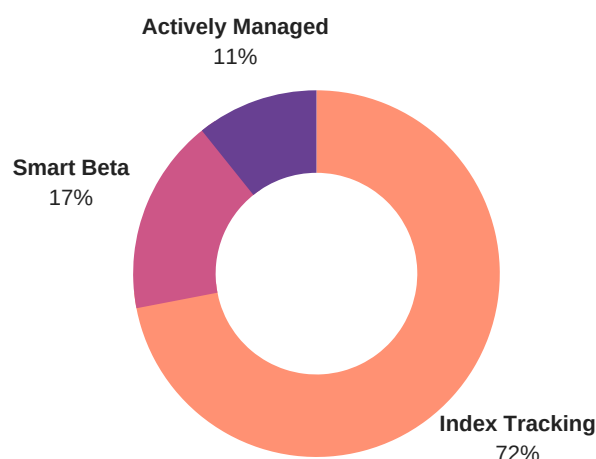
ETFs continued their march into the mainstream in FY 2018, adding \$7.4 billion in new inflows, an increase of 42% on the previous year. 23 new funds were listed, a similar number to the previous year, with a trend of new listings in thematic and active ETFs.

There were two of the ETF listings that stole the headlines this year. The first being Vanguard's 4 diversified ETFs, allowing investors to access diversified portfolios in a single share trade.

The second was Betashares Australia 200 ETF, offering access to the broad Australian share market for 0.07% per annum, half the cost of similar funds.

10 of the new ETFs launched were in the burgeoning Actively Managed ETF sub segment. We expect to see more of these as Active Fund Managers see the Exchange Traded Product structure as a legitimate method to distribute their products. Whilst traditional index tracking ETFs continue to dominate flows, 11% of flows went to Actively Managed ETFs, materially higher than last year

ETF INFLOWS FY 2018



The continued success of ETFs and the threats they present to many traditional fund managers has seen doubters present arguments that they are risky tools and will be responsible for the next market crash. We believe these arguments are unfounded, and in fact ETFs help provide market liquidity and support efficient asset markets.

There are now 50 ETFs available that focus on Australian shares, with 5 new ETFs launched in the 2018 Financial Year. The total size of Australian shares ETFs is \$14b, with \$2.2b of new inflows for the year. Australian shares performed reasonably well, with the average return of 10.87%, and average distribution yield of 4.38%.



Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
OZR	SPDR S&P/ASX 200 Resources Fund	SSGA	Index Tracking	\$73m	\$27m	0.40%	40.05%	2.97%	Resource Stocks	Resources
QRE	Beta Shares S&P/ASX 200 Resources Sector ETF	BetaShares	Index Tracking	\$148m	\$106m	0.39%	39.93%	1.65%	Resource Stocks	Resources
MVR	VanEck Vectors Australian Resources ETF	VanEck	Index Tracking	\$97m	\$55m	0.35%	36.61%	3.57%	Resource Stocks	Resources
GEAR	BetaShares Geared Australian Equity Fund (Hedge Fund)	BetaShares	Smart Beta	\$75m	\$1m	0.80%	23.19%	7.01%	Equities All	Geared Equities
ISO	iShares S&P/ASX Small Ordinaries ETF	Blackrock	Index Tracking	\$106m	\$30m	0.55%	23.07%	2.34%	Small Caps	Small Ordinaries
SSO	SPDR S&P/ASX Small Ordinaries Fund	SSGA	Index Tracking	\$22m	\$7m	0.50%	22.96%	2.61%	Small Caps	Small Caps
VSO	Vanguard MSCI Australian Small Companies Index	Vanguard	Index Tracking	\$189m	\$76m	0.30%	18.39%	3.98%	Small Caps	Small Caps
MVS	VanEck Vectors Small Cap Dividend Payers ETF	VanEck	Smart Beta	\$70m	\$4m	0.49%	18.19%	3.41%	Small Caps	Dividend Yield
SMLL	BetaShares Australian Small Companies Select Fund (managed fund)	Betashares	Smart Beta	\$22m	\$11m	0.39%	16.45%	1.32%	Small Caps	Quality small companies
EX20	BetaShares Australian Ex-20 Portfolio Diversifier ETF	Betashares	Smart Beta	\$37m	\$23m	0.25%	15.89%	2.29%	Equities All	ASX ex top 20
MOAT	VanEck Vectors Morningstar Wide Moat ETF	VanEck	Actively Managed	\$59m	\$8m	0.49%	15.52%	0.95%	Equities All	Value
AUMF	iShares Edge MSCI Australia Multifactor ETF	iShares	Smart Beta	\$10m	\$2m	0.30%	15.04%	4.40%	Equities All	Target Factors
ZOZI	ETFs S&P/ASX 100 ETF	ETFs	Index Tracking	\$9m	\$-23m	0.24%	13.92%	8.21%	Large Caps	Large Caps
MVE	VanEck Vectors S&P/ASX MidCap ETF	VanEck	Index Tracking	\$89m	\$48m	0.45%	13.36%	3.90%	Mid Caps	Mid cap companies
UBA	UBS IQ MSCI Australia Ethical ETF	UBS	Index Tracking	\$205m	\$29m	0.17%	13.06%	4.30%	Ethical Investment	Ethical Investment

2018 ETF REVIEW

AUSTRALIAN SHARES

Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
VAS	Vanguard Australian Shares Index	Vanguard	Index Tracking	\$2,834m	\$663m	0.14%	12.77%	3.83%	Equities All	ASX 300
MVW	VanEck Vectors Australian Equal Weight ETF	VanEck	Smart Beta	\$524m	\$222m	0.35%	12.51%	3.26%	Large Caps	Equal Weighting
STW	SPDR S&P/ASX 200 Fund	SSGA	Index Tracking	\$3,794m	\$-8m	0.19%	12.49%	4.22%	Equities All	ASX 200
IOZ	iShares S&P/ASX 200 ETF	Blackrock	Index Tracking	\$1,164m	\$410m	0.15%	12.37%	3.88%	Equities All	ASX 200
QOZ	BetaShares FTSE RAFI Australia 200 ETF	BetaShares	Smart Beta	\$289m	\$25m	0.40%	12.28%	4.19%	Equities All	Economic Footprint
SFY	SPDR S&P/ASX 50 Fund	SSGA	Index Tracking	\$515m	\$53m	0.29%	10.83%	4.72%	Large Caps	ASX 50
ILC	iShares S&P/ASX 20 ETF	Blackrock	Index Tracking	\$319m	\$-13m	0.24%	10.69%	4.88%	Large Caps	ASX 20
AUST	Betashares Managed Risk Australian Share Fund	BetaShares	Smart Beta	\$22m	\$-11m	0.49%	10.28%	4.25%	Equities All	Downside protected
VLC	Vanguard MSCI Australian Large Companies Index	Vanguard	Index Tracking	\$84m	\$8m	0.20%	10.24%	4.48%	Large Caps	Large Caps
MVOL	iShares Edge MSCI Australia Minimum Volatility ETF	iShares	Smart Beta	\$2m	\$-5m	0.30%	9.92%	4.63%	Equities All	Low Volatility
ZYAU	ETFS S&P/ASX 300 High Yield Plus ETF	ETFS	Smart Beta	\$64m	\$43m	0.35%	9.64%	5.21%	Equities All	Dividend Yield
RARI	Russell Australian Responsible Investment ETF	Russell Investment	Smart Beta	\$71m	\$4m	0.45%	9.04%	6.10%	Ethical Investing	Dividend Yield
FDIV	VanEck Vectors S&P/ASX Franked Dividend ETF	VanEck	Smart Beta	\$4m	\$0m	0.35%	9.01%	5.70%	Large Caps	Franked Dividends
SWTZ	Switzer Dividend Growth Fund (Managed Fund)	Switzer AM	Actively Managed	\$77m	\$10m	0.89%	8.62%	3.82%	Equities All	Dividend Yield
YMAX	BetaShares Australian Top 20 Equity Yield Maximiser Fund	BetaShares	Smart Beta	\$374m	\$-15m	0.79%	7.57%	8.67%	Large Caps	Dividend Harvesting
DIV	UBS IQ Morningstar Australia Dividend Yield ETF	UBS	Actively Managed	\$11m	\$-16m	0.30%	7.00%	5.40%	Equities All	Dividend Yield
ETF	UBS IQ Morningstar Australia Quality ETF	UBS	Actively Managed	\$8m	\$-19m	0.30%	6.55%	3.16%	Equities All	Equities All
MVB	VanEck Vectors Australian Banks ETF	VanEck	Index Tracking	\$35m	\$8m	0.28%	6.40%	5.54%	Financials	Banks
IHD	iShares S&P/ASX Dividend Opportunities Fund ETF	Blackrock	Smart Beta	\$257m	\$8m	0.30%	5.42%	4.92%	Equities All	Dividend Yield
SYI	SPDR MSCI Australia Select High Dividend Yield Fund	SSGA	Smart Beta	\$164m	\$-17m	0.35%	5.08%	5.05%	Equities All	Dividend Yield
KSM	K2 Australian Small Cap Fund	K2 Asset MGMT	Actively Managed	\$14m	\$-3m	2.00%	4.60%	6.51%	Small Caps	Small Caps

2018 ETF REVIEW

AUSTRALIAN SHARES

Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
RDV	Russell High Dividend Australian Shares ETF	Russell Investment	Actively Managed	\$282m	\$16m	0.34%	4.25%	6.45%	Equities All	Dividend Yield
VHY	Vanguard Australian Shares High Yield ETF	Vanguard	Smart Beta	\$1076m	\$269m	0.25%	2.68%	7.43%	Equities All	Dividend Yield
OZF	SPDR S&P/ASX 200 Financials ex A-REITS Fund	SSGA	Index Tracking	\$63m	\$2m	0.40%	1.74%	4.59%	Financials	Financial Sector
QFN	Beta Shares S&P/ASX 200 Financials Sector ETF	BetaShares	Index Tracking	\$22m	\$-5m	0.39%	1.48%	3.89%	Financials	Financial Sector
HVST	BetaShares Australian Dividend Harvester Fund (Managed Fund)	BetaShares	Smart Beta	\$199m	\$-190m	0.90%	-4.41%	9.67%	Equities All	Dividend Harvesting
BEAR	BetaShares Australian Equities Bear (Hedge Fund)	BetaShares	Inverse Index	\$51m	\$-6m	1.38%	-9.83%	0.00%	Equities All	Negative correlation
AOD	Aurora Dividend Income Trust (Managed Fund)	Aurora FM	Actively Managed	\$7m	\$-2m	0.97%	-13.97%	5.45%	Equities All	Dividend Harvesting
BBOZ	BetaShares Australian Equities Strong Bear (Hedge Fund)	BetaShares	Inverse Index	\$89m	\$8m	1.38%	-22.47%	0.00%	Equities All	Negative Correlation
HBRD*	BetaShares Active Australian Hybrids Fund (managed fund)	Betashares	Actively Managed	\$100m	\$100m	0.55%	-	-	Hybrid Equities	Hybrids
FAIR*	BetaShares Australian Sustainability Leaders ETF	Betashares	Smart Beta	\$164m	\$158m	0.49%	-	-	Ethical Investing	Sustainability
EINC*	BetaShares Legg Mason Equity Income Fund (managed fund)	Betashares / Legg Mason	Actively Managed	\$13m	\$13m	0.85%	-	-	Equities All	Income Yield
EIGA*	eInvest Income Generator Fund (Managed Fund)	Perennial Value	Actively Managed	\$18m	\$17m	0.80%	-	-	Equities All	Dividend Yield
A200*	Betashares Australia 200 ETF	Betashares	Index Tracking	\$50m	\$48m	0.07%	-	-	Equities All	Top 200 Equities
INIF*	InvestSMART Australian Equity Income Fund (Managed Fund)	Invest-Smart	Actively Managed	\$34m	\$34m	0.97%	-	-	Equities All	Value Investing

*Represents funds that commenced trading in the 2018 Financial Year

There are now 70 ETFs available that focus on global shares, with 8 new ETFs launched in the 2018 Financial Year and 8 ETFs closed. The total size of International shares ETFs is \$16b, with \$3.4b of new inflows for the year. International ETFs had another good year, with average total return of 11.96% and average distribution yield of 2.44%.



Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
TECH	ETFS Morningstar Global Technology ETF	ETFS	Smart Beta	\$58m	\$44m	0.45%	34.83%	6.98%	Technology	Economic Moats
NDQ	Betashares NASDAQ 100	BetaShares	Index Tracking	\$341m	\$133m	0.48%	30.83%	0.46%	Technology	NASDAQ index
HACK	BetaShares Global Cybersecurity ETF	Betashares	Index Tracking	\$87m	\$47m	0.67%	26.09%	2.56%	Technology	Cyber Security
IJR	iShares Core S&P SmallCap 600	Blackrock	Index Tracking	\$166m	\$57m	0.07%	25.62%	1.07%	Small Caps	Small Cap 600
GGUS	Betashares Geared US Equity Fund - Currency Hedged (Hedge Fund)	BetaShares	Smart Beta	\$18m	\$7m	0.80%	25.28%	0.77%	Equities All	Geared Equities
FUEL	BetaShares Global Energy Companies ETF - Currency Hedged	Betashares	Index Tracking	\$29m	\$21m	0.57%	24.95%	4.14%	Energy	Global Energy companies
UBU	UBS IQ MSCI USA Ethical ETF	UBS	Index Tracking	\$7m	\$0m	0.20%	21.99%	1.83%	Ethical Investments	Ethical Investing
ETHI	BetaShares Global Sustainability Leaders ETF	Betashares	Smart Beta	\$210m	\$125m	0.59%	21.50%	1.43%	Ethical Investments	Environmental Leaders
VTS	Vanguard US Total Market Shares Index	Vanguard	Index Tracking	\$1,344m	\$152m	0.04%	19.15%	1.48%	Equities All	USA All
SPY	SPDR S&P 500 ETF Trust	SSGA	Index Tracking	\$22m	\$-2m	0.09%	19.05%	1.73%	Large Caps	S&P 500
IVV	iShares Core S&P 500	Blackrock	Index Tracking	\$2,739m	\$146m	0.04%	18.09%	1.59%	Large Caps	S&P 500
IJH	iShares Core S&P MidCap 400	Blackrock	Index Tracking	\$143m	\$4m	0.07%	17.78%	1.18%	Mid Caps	Mid Cap 400
WDMF	iShares Edge MSCI World Multifactor ETF	iShares	Smart Beta	\$71m	\$56m	0.35%	17.69%	4.76%	Equities All	Target Factors
UBJ	UBS IQ MSCI Japan Ethical ETF	UBS	Index Tracking	\$5m	\$1m	0.40%	17.31%	1.76%	Japan	Ethical Investing
QUAL	VanEck Vectors MSCI World Ex-Australia ETF	VanEck	Smart Beta	\$381m	\$108m	0.40%	17.28%	3.09%	Equities All	Quality Companies
MGE	Magellan Global Equities Fund	Magellan FG	Actively Managed	\$1,051m	\$86m	1.35%	16.83%	3.47%	Equities All	Equities All

2018 ETF REVIEW

GLOBAL SHARES

Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
UBP	UBS IQ MSCI Asia APREX 50 Ethical ETF	UBS	Index Tracking	\$9m	\$5m	0.45%	16.44%	1.18%	Ethical Investments	Ethical Investing
WXOZ	SPDR S&P World Ex Australia Fund	SSGA	Index Tracking	\$172m	\$0m	0.30%	15.72%	2.73%	Large Caps	Global ex Australia
QMIX	SPDR MSCI World Quality Mix Fund	SSGA	Smart Beta	\$8m	\$2m	0.40%	15.68%	2.84%	Equities All	Quality Companies
IWLD	iShares Core MSCI World All Cap ETF	Blackrock	Index Tracking	\$29m	\$17m	0.16%	15.47%	1.56%	Equities All	Developed Markets
IZZ	iShares China Large-Cap ETF	Blackrock	Index Tracking	\$96m	\$15m	0.74%	15.47%	2.90%	Large Caps	China
IAA	iShares Asia 50 ETF	Blackrock	Index Tracking	\$434m	\$106m	0.50%	15.40%	1.47%	Large Caps	Asian Large Caps
UBW	UBS IQ MSCI World ex Australia Ethical ETF	UBS	Index Tracking	\$29m	\$7m	0.35%	15.14%	2.17%	Ethical Investments	Ethical Investing
VGS	Vanguard MSCI Index International Series	Vanguard	Index Tracking	\$1,097m	\$461m	0.18%	15.14%	2.81%	Large Caps	Global ex Australia
QUS	Betashares FTSE RAFI US 1000 ETF	BetaShares	Smart Beta	\$41m	\$6m	0.40%	15.03%	2.30%	Equities All	Value Weighting
IOO	iShares Global 100 ETF	Blackrock	Index Tracking	\$1,404m	\$84m	0.40%	14.80%	1.91%	Large Caps	100 Largest
IJP	iShares MSCI Japan ETF	Blackrock	Index Tracking	\$263m	\$68m	0.48%	14.31%	1.24%	Japan	Japan
IHVV	iShares S&P 500 AUD Hedged	Blackrock	Index Tracking	\$108m	\$10m	0.10%	13.50%	1.91%	Large Caps	S&P 500 Hedged
UMAX	Betashares S&P500 Yield Maximiser Fund (Managed Fund)	BetaShares	Smart Beta	\$93m	\$-2m	0.79%	12.94%	4.43%	Equities All	Dividend Harvesting
MHG	Magellan Global Equities Fund Currency Hedged (Managed Fund)	Magellan Financial Group	Actively Managed	\$67m	\$9m	1.35%	12.27%	4.33%	Equities All	Hedged
VAE	Vanguard FTSE Asia ex Japan Shares Index ETF	Vanguard	Index Tracking	\$97m	\$68m	0.40%	11.99%	3.11%	Equities All	Asia Ex Japan
WVOL	iShares Edge MSCI World Minimum Volatility ETF	iShares	Smart Beta	\$11m	\$-2m	0.30%	11.52%	2.63%	Equities All	Low Volatility
WXHG	SPDR S&P World Ex Australia (Hedged) Fund	SSGA	Index Tracking	\$82m	\$-2m	0.35%	11.43%	2.52%	Large Caps	Global ex Australia
WEMG	SPDR S&P Emerging Markets Fund	SSGA	Index Tracking	\$20m	\$3m	0.65%	11.19%	2.72%	Equities All	Emerging Markets
VGAD	Vanguard MSCI Index International Series (Hedged)	Vanguard	Index Tracking	\$413m	\$145m	0.21%	11.01%	5.13%	Large Caps	Global ex Australia (hedged)
WRLD	Betashares Managed Risk Global Share Fund	Betashares	Smart Beta	\$29m	\$-14m	0.54%	10.98%	1.06%	Equities All	Downside Protected

2018 ETF REVIEW

GLOBAL SHARES

Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
IHWL	iShares Core MSCI World All Cap (AUD Hedged) ETF	Blackrock	Index Tracking	\$12m	\$6m	0.19%	10.96%	1.16%	Equities All	Developed Markets
IEM	iShares MSCI Emerging Markets ETF	Blackrock	Index Tracking	\$615m	\$98m	0.68%	10.81%	1.84%	Large Caps	Emerging Markets
VEU	Vanguard All-World EX US Shares Index	Vanguard	Index Tracking	\$1,243m	\$305m	0.11%	9.65%	2.34%	Large Caps	Global ex USA
IHO0	iShares Global 100 AUD Hedged	Blackrock	Index Tracking	\$37m	\$8m	0.43%	9.60%	11.00%	Large Caps	Hedged
IVE	iShares MSCI EAFE ETF	Blackrock	Index Tracking	\$331m	\$46m	0.33%	9.51%	2.47%	Large Caps	Global ex USA
ZYUS	ETFS S&P 500 High Yield Low Volatility ETF	ETFS	Smart Beta	\$52m	\$4m	0.35%	9.16%	5.71%	Equities All	Dividend Yield
WDIV	SPDR S&P Global Dividend Fund	SSGA	Smart Beta	\$170m	\$51m	0.50%	8.98%	8.11%	Equities All	Dividend Yield
KII	K2 Global Equities Fund (Hedge Fund)	K2 AM	Actively Managed	\$17m	\$-9m	1.00%	8.87%	0.00%	Equities All	Long/Short
VGE	Vanguard FTSE Emerging Markets Shares	Vanguard	Index Tracking	\$204m	\$88m	0.48%	8.71%	1.86%	Large Caps	Emerging Markets
UBE	UBS IQ MSCI Europe Ethical ETF	UBS	Index Tracking	\$11m	\$3m	0.40%	8.42%	2.86%	Ethical Investments	Ethical Investing
VEQ	Vanguard FTSE Europe Shares ETF	Vanguard	Index Tracking	\$194m	\$104m	0.35%	7.97%	2.23%	Equities All	European Equities
HJPN	BetaShares WisdomTree Japan ETF - Currency Hedged	Betashares	Smart Beta	\$64m	\$24m	0.58%	7.28%	2.45%	Japan	Large Cap dividend payers
IEU	iShares Europe ETF	Blackrock	Index Tracking	\$762m	\$127m	0.60%	6.66%	2.36%	Large Caps	Europe 350 Index
IKO	iShares MSCI South Korea Capped ETF	Blackrock	Index Tracking	\$42m	\$-2m	0.62%	6.51%	2.47%	South Korea	South Korea
ITW	iShares MSCI Taiwan ETF	Blackrock	Index Tracking	\$48m	\$-22m	0.62%	6.36%	2.18%	Taiwan	Taiwan
ESTX	ETFS EURO STOXX 50® ETF	ETFS	Index Tracking	\$65m	\$55m	0.35%	6.34%	3.83%	Large Caps	Europe
FOOD	BetaShares Global Agriculture Companies ETF - Currency Hedged	Betashares	Smart Beta	\$17m	\$8m	0.57%	5.68%	1.17%	Agriculture	Global Agriculture
DRUG	BetaShares Global Healthcare ETF - Currency Hedged	Betashares	Index Tracking	\$25m	\$6m	0.57%	4.41%	0.31%	Health Care	Global Health Care
GDX	VanEck Vectors Gold Miners ETF	VanEck	Index Tracking	\$69m	\$9m	0.53%	4.36%	0.66%	Resource Stocks	Gold Miners
HEUR	BetaShares WisdomTree Europe ETF - Currency Hedged	Betashares	Smart Beta	\$50m	\$5m	0.58%	3.48%	1.48%	Large Caps	Large Cap dividend payers
IXI	iShares Global Consumer Staples ETF	Blackrock	Index Tracking	\$107m	\$-40m	0.47%	1.99%	1.85%	Equities All	Consumer Staples

2018 ETF REVIEW

GLOBAL SHARES

Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
CETF	VanEck Vectors ChinaAMC A-Share ETF	VanEck	Index Tracking	\$10m	\$8m	0.72%	1.53%	1.02%	China	China
BNKS	BetaShares Global Banks ETF - Currency Hedged	Betashares	Index Tracking	\$72m	\$34m	0.57%	1.35%	2.21%	Financials	Global Banks
MNRS	Betashares Global Gold Miners ETF - Currency Hedged	Betashares	Index Tracking	\$5m	\$0m	0.57%	-4.54%	0.43%	Resource Stocks	Global Gold Miners
QAG	BetaShares Agricultural ETF - Currency Hedged (Synthetic)	BetaShares	Index Tracking	\$3m	\$1m	0.69%	-13.94%	0.00%	Agriculture	Ag comm- odities
BBUS	Betashares US Eq Strong Bear Hedged Fund	BetaShares	Inverse Index	\$59m	\$21m	1.38%	-28.55%	0.00%	Equities All	Negative correlation
ROBO*	ETFS ROBO Global Robotics and Automation ETF	ETF Securities	Smart Beta	\$104m	\$105m	0.82%	-	-	Technology	Robotics
PIXX*	Platinum International Fund (Quoted Managed Hedge Fund)	Platinum	Actively Managed	\$211m	\$235m	1.10%	-	-	Equities All	Global Equities
PAXX*	Platinum Asia Fund (Quoted Managed Hedge Fund)	Platinum	Actively Managed	\$92m	\$110m	1.10%	-	-	Equities All	Asian Equities
MOGL*	Montgomery Global Equities Fund (Managed Fund)	Mont-gomery IM	Actively Managed	\$81m	\$76m	1.32%	-	-	Equities All	Income & Growth
ESGI*	VanEck Vectors MSCI International Sustainable Equity ETF	Vaneck	Smart Beta	\$4m	\$4m	0.55%	-	-	Ethical Investments	Sustainabil ity leaders
EMKT*	VanEck Vectors MSCI Multifactor Emerging Markets Equity ETF	VanEck	Smart Beta	\$4m	\$0m	0.69%	-	-	Emerging Markets	Multi Factors
VMIN*	Vanguard Global Minimum Volatility Active ETF (Managed Fund)	Vanguard	Actively Managed	\$2m	\$0m	0.28%	-	-	Equities All	Low Volatility
VVLU*	Vanguard Global Value Equity Active ETF (Managed Fund)	Vanguard	Actively Managed	\$6m	\$2m	0.28%	-	-	Equities All	Value Investing

*Represents funds that commenced trading in the 2018 Financial Year

There are 10 ETFs available that focus on property and infrastructure, with two new ETF launched in the 2018 Financial Year. The total size of property & infrastructure ETFs is \$2.2b, with \$359m of new inflows for the year. It was an OK year for Property & Infrastructure, with an average total return of 8.70% and average distribution yield of 4.67%. All property focused ETFs outperformed infrastructure ETFs.



Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
MVA	VanEck Vectors Australian Property ETF	VanEck	Index Tracking	\$120m	\$50m	0.35%	12.89%	5.83%	Property	Listed Property
VAP	Vanguard Australian Property Securities Index ETF	Vanguard	Index Tracking	\$1024m	\$97m	0.23%	12.60%	8.93%	Property	Listed Property
SLF	SPDR S&P/ASX 200 Listed Property Fund	SSGA	Index Tracking	\$554m	\$-21m	0.40%	12.47%	8.94%	Property	Listed Property
RENT	AMP Capital Global Property Securities Fund (unhedged) (managed fund)	AMP Capital / Betashares	Actively Managed	\$15m	\$0m	0.99%	9.68%	1.53%	Property	Global Property
DJRE	SPDR Dow Jones Global Real Estate Fund	SSGA	Index Tracking	\$242m	\$89m	0.50%	7.74%	3.34%	Property	Global Property
MICH	Magellan Infrastructure Fund (Currency Hedged) (Managed Fund)	Magellan	Actively Managed	\$179m	\$91m	1.05%	7.02%	2.87%	Infra-structure	Global Infra-structure
GLIN	AMP Capital Global Infrastructure Securities Fund (unhedged) (managed fund)	AMP Capital / Betashares	Actively Managed	\$24m	\$1m	0.85%	4.07%	2.20%	Infra-structure	Global Infra-structure
IFRA	VanEck Vectors FTSE Global Infrastructure (Hedged) ETF	VanEck	Index Tracking	\$77m	\$40m	0.52%	3.14%	3.80%	Infra-structure	Global Infra-structure
CORE*	ETFs Global Core Infrastructure ETF	ETF Securities	Smart Beta	\$3m	\$3m	0.55%	-	-	Infra-structure	Low Volatility
RINC*	BetaShares Legg Mason Real Income Fund (managed fund)	Betashares / Legg Mason	Actively Managed	\$10m	\$10m	0.85%	-	-	Infra-structure	Property, Utilities & Infra-structure

*Represents funds that commenced trading in the 2018 Financial Year

There are now 16 ETFs available that focus on commodities and currency, with no new ETFs launched in the 2018 Financial Year. The total size of commodities and currency is \$1.4b, with \$52m in net outflows for the year. Performance was mixed, with Crude Oil the top performing ETF and most currencies performing reasonably well against the falling Australian dollar



Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
OOO	BetaShares Crude Oil Index ETF- Currency Hedged (Synthetic)	BetaShares	Index Tracking	\$33m	\$-23m	0.69%	58.11%	0.00%	Physical Commodity	Oil
ETPMPD	ETFS Physical Palladium	ETF Securities	Index Tracking	\$1m	\$-1m	0.49%	14.55%	0.00%	Physical Commodity	Palladium
QCB	BetaShares Commodities Basket ETF - Currency Hedged (Synthetic)	BetaShares	Index Tracking	\$11m	\$1m	0.69%	10.06%	0.00%	Physical Commodity	Diverse Commodity
ZCNH	ETFS Physical Renminbi ETF	ETFS	Index Tracking	\$0m	\$0m	0.30%	8.21%	0.00%	Currency	China
YANK	BetaShares Strong U.S. Dollar Fund (hedge fund)	Betashares	Index Tracking	\$12m	\$5m	1.38%	7.22%	0.00%	Currency	Geared USD / AUD
ZUSD	ETFS Physical US Dollar ETF	ETFS	Index Tracking	\$20m	\$8m	0.30%	5.55%	0.51%	Currency	US Dollar
PMGOLD	Perth Mint Gold	Perth Mint Australia	Index Tracking	\$133m	\$9m	0.15%	5.15%	0.00%	Gold	Gold
POU	BetaShares British Pound ETF	BetaShares	Index Tracking	\$21m	\$-36m	0.45%	5.03%	0.00%	Currency	British Pound
EEU	BetaShares Euro ETF	BetaShares	Index Tracking	\$8m	\$3m	0.45%	4.90%	0.00%	Currency	Euro
USD	BetaShares U.S. Dollar ETF	BetaShares	Index Tracking	\$463m	\$-67m	0.45%	4.51%	0.17%	Currency	US Dollar
GOLD	ETFS Physical Gold	ETF Securities	Index Tracking	\$591m	\$50m	0.40%	4.16%	0.00%	Gold	Gold
ETPMPM	ETFS Physical Precious Metal Basket	ETF Securities	Index Tracking	\$5m	\$0m	0.44%	2.71%	0.00%	Physical Commodity	Precious Metals
ETPMAG	ETFS Physical Silver	ETF Securities	Index Tracking	\$58m	\$2m	0.49%	-0.10%	0.00%	Physical Commodity	Silver
QAU	BetaShares Gold Bullion ETF - Currency Hedged	BetaShares	Index Tracking	\$57m	\$-1m	0.59%	-1.15%	0.00%	Gold	Gold
ETPMPT	ETFS Physical Platinum	ETF Securities	Index Tracking	\$1m	\$-4m	0.49%	-5.12%	0.00%	Physical Commodity	Platinum
AUDS	BetaShares Strong Australian Dollar Fund (hedge fund)	Betashares	Smart Beta	\$4m	\$3m	1.38%	-10.55%	1.96%	Currency	Geared AUD / USD

There are now 21 ETFs available that focus on Fixed Income, with three new ETFs launched in the 2018 Financial Year. The total size of fixed income is \$3.0b, with \$986m of new inflows for the year. The average total return for fixed income ETFs was 2.26%, with average distribution yield of 3.29%, meaning most funds on average experienced a slight capital loss.



Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
PLUS	VanEck Vectors Australian Corporate Bond Plus ETF	Vaneck	Smart Beta	\$195m	\$159m	0.32%	7.99%	6.83%	Fixed Income	High Yield Corporate Bonds
ILB	iShares UBS Government Inflation ETF	Blackrock	Index Tracking	\$117m	\$25m	0.26%	3.84%	0.93%	Fixed Income	Government Bonds
VACF	Vanguard Australian Corporate Fixed Interest Index ETF	Vanguard	Index Tracking	\$127m	\$89m	0.26%	3.27%	2.67%	Fixed Income	Corporate Bonds
GOVT	SPDR S&P/ASX Australian Government Bond Fund	SSGA	Index Tracking	\$13m	\$-3m	0.22%	3.05%	2.15%	Fixed Income	Government Bonds
IAF	iShares UBS Composite Bond ETF	Blackrock	Index Tracking	\$583m	\$161m	0.20%	2.79%	2.35%	Fixed Income	Corporate Bonds
VAF	Vanguard Australian Fixed Interest Index	Vanguard	Index Tracking	\$705m	\$61m	0.20%	2.69%	2.89%	Fixed Income	Corporate Bonds
BOND	SPDR S&P/ASX Australian Bond Fund	SSGA	Index Tracking	\$23m	\$-5m	0.24%	2.52%	2.56%	Fixed Income	Corporate Bonds
VGB	Vanguard Australian Government Bond Index ETF	Vanguard	Index Tracking	\$137m	\$5m	0.20%	2.51%	2.92%	Fixed Income	Government Bonds
IGB	iShares UBS Treasury ETF	Blackrock	Index Tracking	\$31m	\$1m	0.26%	2.46%	2.55%	Fixed Income	Treasury Bonds
QPON	BetaShares Australian Bank Senior Floating Rate Bond ETF	Betashares	Index Tracking	\$237m	\$221m	0.19%	2.45%	2.45%	Fixed Income	Floating rate bonds
RGB	Russell Australian Government Bond ETF	Russell Investment	Index Tracking	\$61m	\$0m	0.24%	2.26%	2.02%	Fixed Income	Government Bonds
RCB	Russell Australian Select Corporate Bond ETF	Russell Investment	Index Tracking	\$165m	\$33m	0.28%	2.21%	3.29%	Fixed Income	Corporate Bonds
VIF	Vanguard International Fixed Interest (Hedged) ETF	Vanguard	Index Tracking	\$196m	\$96m	0.20%	2.16%	4.51%	Fixed Income	International Fixed Interest

Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
RSM	Russell Australian Semi-Government Bond ETF	Russell Investment	Index Tracking	\$61m	\$0m	0.26%	2.06%	2.01%	Fixed Income	Government Bonds
IHHY	iShares Global High Yield Bond (Hedged) ETF	Blackrock	Smart Beta	\$26m	\$9m	0.56%	1.13%	5.87%	Fixed Income	High Yield Corporate Bonds
VCF	Vanguard International Credit Securities Index (Hedged) ETF	Vanguard	Index Tracking	\$99m	\$5m	0.30%	0.74%	6.32%	Fixed Income	Global Credit
IHCB	iShares Global Corporate Bond ETF (Hedged)	Blackrock	Index Tracking	\$81m	\$15m	0.26%	-0.03%	2.95%	Fixed Income	Global Credit
IHEB	iShares J.P. Morgan USD Emerging Markets Bond (AUD Hedged) ETF	Blackrock	Index Tracking	\$13m	\$6m	0.51%	-3.38%	4.03%	Fixed Income	Emerging Markets Bonds
FLOT*	Vaneck Vectors Australian Floating Rate ETF	Vaneck	Index Tracking	\$85m	\$85m	0.22%	-	-	Fixed Income	Floating rate bonds
VBND*	Vanguard Global Aggregate Bond Index (Hedged) ETF	Vanguard	Index Tracking	\$17m	\$17m	0.20%	-	-	Fixed Income	Global Bonds
CRED*	BetaShares Australian Investment Grade Corporate Bond ETF	Betashares	Smart Beta	\$4m	\$4m	0.25%	-	-	Fixed Income	Corporate Bonds

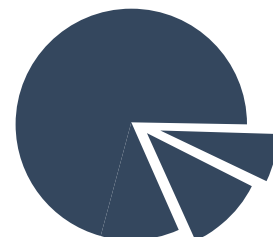
*Represents funds that commenced trading in the 2018 Financial Year

There remain four ETFs available that focus on cash, with three new ETFs launched in the 2018 Financial year, all towards the end of the year. The total size of the market is \$1.5b, with cash returns this year remaining poor at 1.79 - 2.10%.



Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
ISEC	iShares Enhanced Cash ETF	Blackrock	Smart Beta	\$36m	\$31m	0.12%	2.10%	1.83%	Cash	Enhanced Cash Yield
AAA	Betashares Australian High Interest Cash ETF	Betashares	Index Tracking	\$1311m	\$65m	0.18%	1.97%	2.01%	Cash	30 day bank bill
BILL	iShares Core Cash ETF	Blackrock	Index Tracking	\$197m	\$187m	0.07%	1.83%	1.61%	Cash	Bank Bill Index
MONY	UBS IQ Cash ETF	UBS	Index Tracking	\$1m	\$0m	0.18%	1.79%	1.69%	Cash	Australian Cash

A new category for 2018, Diversified ETFs are those that invest across a broad range of sectors, either through tactical allocations or strategic allocations based on modern portfolio theory. We've added Diversified ETFs since Vanguard launched 4 investment risk profile based ETFs this year.



Code	Fund Name	Issuer	Mgmt Type	Market Cap	FY 17 Inflows	Mgmt Cost	1 year total return	1 year yield	Industry	Focus
DMKT	AMP Capital Dynamic Markets Fund (Hedge Fund)	AMP Capital / Betashares	Actively Managed	\$29m	\$11m	0.50%	5.31%	4.92%	All	Dynamic Asset Allocation
GROW	Schroder Real Return Fund (Managed Fund)	Schroders	Actively Managed	\$47m	\$11m	0.90%	4.24%	2.59%	All	Dynamic Asset Allocation
VDCO*	Vanguard Diversified Conservative Index ETF	Vanguard	Index Tracking	\$10m	\$10m	0.27%	-	-	Diversified	Multi Sector
VDDBA*	Vanguard Diversified Balanced Index ETF	Vanguard	Index Tracking	\$24m	\$24m	0.27%	-	-	Diversified	Multi Sector
VDHG*	Vanguard Diversified High Growth Index ETF	Vanguard	Index Tracking	\$65m	\$68m	0.27%	-	-	Diversified	Multi Sector
VDGR*	Vanguard Diversified Growth Index ETF	Vanguard	Index Tracking	\$33m	\$35m	0.27%	-	-	Diversified	Multi Sector

*Represents funds that commenced trading in the 2018 Financial Year

2018 LIC REVIEW



+24%
GROWTH



\$41.1 BILLION
LIC FUNDS UNDER MANAGEMENT

+11
NEW LICS



110
TOTAL LICS ON ASX



\$1.55B
IPO RAISING



MAGELLAN GLOBAL TRUST
LARGEST LIC IPO

\$7.3B
TOTAL SIZE



AUSTRALIAN FOUNDATION INVESTMENT COMPANY
LARGEST LIC BY MARKET CAPITALISATION



+48.89%
TOTAL RETURN



NGE CAPITAL LIMITED
HIGHEST RETURN LIC

+12.12%
TOTAL YIELD



BENJAMIN HORNIGOLD LIMITED
HIGHEST YIELD LIC

The 2018 Financial Year was another big one for Listed Investment Companies. Whilst the number of new IPOs was steady on last year, the capital raised was significantly higher, and included two billion dollar plus IPOs, in Magellan Global Trust and L1 Long Short Fund. IPOs alone raised over \$5 billion.

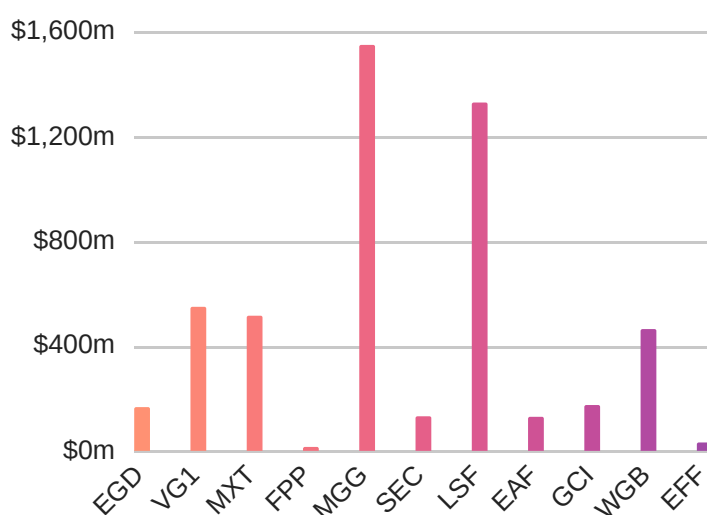
The last year saw a couple of changes in how LICs are issued. The first being the move to LIC issuers funding the costs of IPOs themselves, rather than passing the cost onto investors and offering 'bonus options' as sweeteners to the deal. This provides a much better outcome to investors and we have no doubt there is a correlation between this and the amount of capital raised in the IPOs where this approach was taken.

The second is the emergence of Listed Investment Trusts (LIT) as an alternative to Listed Investment Companies. LITs offer many similar attributes to LICs, but must pass on all earnings to investors. This means less stability of income compared to a LIC, but more favourable tax outcomes to some investors.

Many of the LICs launched in FY 2018 used the LIT structure, and with the Labor Party promising changes to the franking credit regime if they win the next election, we expect to see LIT become the tax structure of choice if this materialises.

The year also saw a number of smaller funds re-position themselves in the market, with name and ticker changes, and often a change in investment manager or investment strategy. One of the potential pitfalls of LICs, is the ability for the investment manager to change their strategy, with retail share holders able to provide little influence on the process. These changes can see significant portfolio turnover, or a change in strategy which may not be in the investor's best interests.

LIC IPOs FY 2018



There's plenty more LIC IPOs in the pipeline, and we don't expect to see demand drop any time soon. Like Active ETFs, an increasing number of fund managers are seeing LICs as a legitimate method to distribute their products and are tapping into the billions of dollars of capital available from those who prefer the simplicity that these bring investors.

2018 LIC REVIEW

AUSTRALIAN SHARES

There are 56 LICs that we follow that focus on Australian shares, with 3 new LICs launched in the 2018 Financial Year. These funds now account for \$30.3b in funds under management. The average total return (by share price growth & dividends) for the year was 8.07%, with dividend yield of 4.95%. Average management fess for Australian LICs were 0.96%pa, with 61% of LICs having performance fees. The average pre tax discount to Net Asset Value (NAV) at 30 June was 7.17%, and average post tax discount 3.56%.



Code	Fund Name	Market Cap	Mgmt Cost	Performance fees	1 year total return	1 year yield	30 June pre tax premium / discount	30 June post tax premium / discount	Industry	Focus
NGE	NGE Capital Limited	\$25m	3.20%		48.89%	0.00%	-15.51%	-15.51%	Equities All	High Conviction
CVF	Contrarian Value Fund Limited	\$82m	1.00%	Yes	39.44%	8.33%	-11.28%	-3.28%	Equities All	Value
ACQ	Acorn Capital Investment Fund Limited	\$61m	1.00%	Yes	30.11%	5.11%	-15.92%	-9.10%	Small Caps	Microcaps
WMI	WAM Microcap Limited	\$200m	1.00%	Yes	28.44%	1.78%	5.20%	10.98%	Small Caps	Sub \$300m companies
AGM	Australian Governance & Ethical Index Fund	\$46m	0.19%		28.41%	31.04%	-1.07%	-1.07%	Equities All	Ethical
WIC	Westoz Investment Company Limited	\$152m	1.00%	Yes	27.60%	6.25%	-9.13%	-4.90%	Small Caps	Western Australia companies
FGX	Future Generation Investment Fund Limited	\$441m	1.00%		18.63%	4.02%	-1.82%	1.61%	Equities All	Fund of Funds
PIC	Perpetual Investment Company	\$298m	1.00%		18.36%	5.31%	1.21%	3.18%	Mid Caps	Mid Caps
OZG	Ozgrowth Limited	\$64m	1.00%	Yes	15.63%	3.13%	-20.35%	-17.81%	Small Caps	Western Aus Comp
GC1	Glennon Small Companies Limited	\$48m	1.00%	Yes	15.56%	4.44%	-17.36%	-12.28%	Small Caps	Small Caps
BST	Barrack St Investments Limited	\$18m	1.00%	Yes	14.41%	3.11%	-16.53%	-15.01%	Small Caps	Small Caps
DUI	Diversified United Investment	\$860m	0.17%		14.11%	3.90%	-8.07%	7.89%	Equities All	Equities All
FSI	Flagship Investments Limited	\$43m	0.00%	Yes	12.30%	4.85%	-16.25%	-11.04%	Equities All	Growth Bias
TEK	Thorney Technologies LTD	\$63m	1.50%	Yes	11.36%	0.00%	-2.00%	-2.00%	Tech-nology	Tech-nology
AUI	Australian United Investment	\$1,073m	0.13%		11.19%	4.26%	-6.08%	9.36%	Equities All	Equities All
KAT	Katana Capital	\$33m	1.00%	Yes	10.90%	3.15%	-20.15%	-21.78%	Equities All	Equities All

Code	Fund Name	Market Cap	Mgmt Cost	Performance fees	1 year total return	1 year yield	30 June pre tax premium / discount	30 June post tax premium / discount	Industry	Focus
WDE	Wealth Defender Equities	\$108m	0.98%		10.69%	3.77%	-11.38%	-13.32%	Equities All	Equities All
CLF	Concentrated Leaders Fund Limited	\$73m	2.40%		10.26%	4.70%	-9.19%	-4.26%	Equities All	Concentrated
AFI	Australian Foundation Investment Company (AFIC)	\$7,307m	0.18%		10.15%	4.13%	-1.75%	15.36%	Equities All	Equities All
MA1	Monash Absolute Investment Company	\$40m	1.50%	Yes	9.33%	0.00%	-16.65%	-17.95%	Equities All	Absolute Return
CIN	Carlton Investments	\$876m	0.10%		8.79%	3.78%	-10.81%	7.40%	Equities All	Buy & Hold
AMH	AMCIL	\$251m	0.77%		8.74%	3.83%	-5.88%	2.13%	Equities All	Equities All
ARG	Argo Investments	\$5,653m	0.18%		8.02%	4.11%	-2.33%	11.31%	Equities All	Equities All
CDM	Cadence Capital	\$397m	1.00%	Yes	7.69%	6.48%	-0.08%	-3.70%	Equities All	Equities All
AEG	Absolute Equity Performance Fund Ltd	\$118m	1.50%	Yes	7.56%	4.00%	-1.77%	0.26%	Large Caps	Long/Short
WLE	WAM Leaders Limited	\$809m	1.00%	Yes	7.17%	4.04%	-5.76%	-3.15%	Large Caps	Large Caps
FOR	Forager Australian Shares Fund	\$175m	1.10%	Yes	6.73%	10.73%	19.25%	19.25%	Equities All	Value Investing
8EC	8IP Emerging Companies Limited	\$38m	1.25%	Yes	6.67%	3.33%	-12.30%	-10.58%	Small Caps	Small Caps
WAX	WAM Research Limited	\$284m	1.00%	Yes	6.48%	6.15%	17.88%	21.24%	Industrials	Small to mid caps
MLT	Milton Corporation	\$3,034m	0.14%		6.39%	4.17%	-2.54%	10.82%	Equities All	Equities All
CBC	CBG Capital	\$23m	1.00%		6.17%	3.39%	-13.12%	-10.45%	Equities All	Equities All
CIE	Contango Income Generator Limited	\$97m	0.95%		6.01%	8.60%	-2.89%	-1.78%	Mid Caps	Dividend Yield
WAM	WAM Capital	\$1,591m	1.00%	Yes	5.96%	6.38%	17.47%	20.34%	Small Caps	Long/Short
SNC	Sandon Capital Investments Limited	\$45m	1.25%	Yes	5.85%	7.45%	-6.96%	-3.29%	Equities All	Activist Investment
WAA	WAM Active	\$46m	1.00%	Yes	5.55%	5.09%	0.50%	2.01%	Equities All	Long/Short
CYA	Century Australia	\$90m	1.00%	Yes	5.47%	2.25%	-7.25%	-10.28%	Equities All	Equities All
CAM	Clime Capital Limited	\$78m	1.00%	Yes	5.17%	5.75%	-9.90%	-7.98%	Equities All	Equities All
MIR	Mirrabooka Investments	\$425m	0.70%		4.81%	5.19%	3.86%	17.47%	Mid Caps	Mid Caps

2018 LIC REVIEW

AUSTRALIAN SHARES

Code	Fund Name	Market Cap	Mgmt Cost	Performance fees	1 year total return	1 year yield	30 June pre tax premium / discount	30 June post tax premium / discount	Industry	Focus
WHF	Whitefield	\$397m	0.35%		3.91%	3.91%	-9.38%	-1.30%	Equities All	Equities All
IBC	Ironbark Capital Limited	\$67m	0.65%	Yes	1.70%	3.70%	-8.58%	-7.72%	Equities All	Equities All
TOP	Thorney Opportunities Limited	\$140m	0.75%	Yes	1.08%	1.80%	-13.86%	-9.09%	Small Caps	Activist Investment
ABW	Aurora Absolute Return Fund	\$3m	1.49%	Yes	0.82%	5.83%	-33.62%	-33.62%	Equities All	Long/Short
AYF	Australian Enhanced Income Fund	\$19m	0.85%		0.00%	5.69%	-3.51%	-2.09%	Hybrid Equities	Hybrid Equities
NCC	NAOS Emerging Opportunities Company Limited	\$75m	1.25%	Yes	-0.19%	5.45%	-1.95%	-0.40%	Small Caps	Long/Short
BKI	BKI Investment Company Limited	\$1,106m	0.18%		-1.34%	4.52%	-6.44%	-0.97%	Equities All	Equities All
NAC	NAOS Absolute Opportunities Company Limited	\$50m	1.75%	Yes	-2.66%	5.07%	-13.96%	-14.73%	Equities All	Long/Short
DJW	Djerriwarrh Investments	\$747m	0.39%		-2.72%	5.43%	2.11%	2.74%	Large Caps	Enhanced Yield
PL8	Plato Income Maximiser Limited	\$304m	0.90%		-3.01%	3.38%	-6.73%	-6.56%	Equities All	Monthly Dividends
NSC	NAOS Small Cap Opportunities Company Limited	\$129m	1.25%	Yes	-7.78%	7.22%	-19.47%	-16.85%	Small Caps	Small Caps
QVE	QV Equities Limited	\$317m	0.90%		-11.12%	3.06%	-6.50%	-2.54%	Mid Caps	Ex top 20
ALF	Australian Leaders Fund Limited	\$281m	1.00%	Yes	-11.20%	3.32%	-15.57%	-15.57%	Equities All	Long/Short
WMK	Watermark Market Neutral Fund Limited	\$70m	1.00%	Yes	-17.33%	3.47%	-15.79%	-16.67%	Equities All	Market Neutral
BAF	Blue Sky Alternatives Access Fund Limited	\$171m	1.20%	Yes	-27.35%	4.27%	-29.68%	-28.23%	Alternative Inv	Alternative Inv
SEC*	Spheria Emerging Companies Limited	\$129m	1.00%	Yes	-	-	-7.47%	-7.69%	Small Caps	Small Caps
LSF*	L1 Long Short Fund Limited	\$1,250m	1.40%	Yes	-	-	5.59%	1.75%	Equities All	Long Short
EFF*	Evans & Partners Australian Flagship Fund	\$32m	0.98%	Yes	-	-	0.00%	0.00%	Equities All	Australian Equities

*Represents funds that commenced trading in the 2018 Financial Year

There are 28 ETFs that we follow that focus on global shares, with 5 new LICs launched in the 2018 Financial Year. These funds now account for \$8.7b in funds under management. The average total return (by share price growth) for the year was 2.07%, with dividend yield of 3.67%. Average management fees were 1.34%, with 82% of global LICs having performance fees. The average pre tax discount to Net Asset Value at 30 June was 6.57%, and average post tax discount 2.71%.



Code	Fund Name	Market Cap	Mgmt Cost	Performance fees	1 year total return	1 year yield	30 June pre tax premium / discount	30 June post tax premium / discount	Industry	Focus
MFF	MFF Capital Investments Limited	\$1,444m	1.25%		38.56%	1.29%	-3.30%	16.19%	Equities All	Equities All
PMC	Platinum Capital Limited	\$598m	1.50%	Yes	29.97%	5.93%	19.46%	27.00%	Equities All	Equities All
PAI	Platinum Asia Investments Limited	\$454m	1.10%	Yes	29.06%	4.93%	5.35%	8.25%	Equities All	Equities All ex Japan
FGG	Future Generation Global Investment Company Limited	\$403m	1.00%		26.85%	0.93%	1.92%	6.75%	Equities All	Fund of Funds
PGF	PM Capital Global Opportunities Fund Limited	\$467m	1.00%	Yes	23.62%	3.26%	-4.58%	3.81%	Equities All	Equities All
EAI	Ellerston Asian Investments	\$117m	0.95%	Yes	14.97%	0.00%	-8.41%	-4.78%	Equities All	Equities All ex Japan
PIA	Pengana International Equities Limited	\$287m	1.50%	Yes	11.31%	6.33%	-5.66%	-4.51%	Ethical Investment	Ethical Investment
EGI	Ellerston Global Investments Limited	\$117m	0.95%	Yes	9.90%	3.96%	-8.81%	-6.51%	Equities All	Equities All
PAF	PM Capital Asian Opportunities Fund Limited	\$64m	1.00%	Yes	8.26%	4.59%	-10.17%	-4.38%	Equities All	Long/Short
TGG	Templeton Global Growth	\$318m	1.00%		7.72%	3.31%	-8.92%	-5.08%	Equities All	Equities All
EGF	Evans & Partners Global Flagship Fund	\$147m	0.0125	Yes	4.86%	27.61%	-3.95%	-3.95%	Equities All	Global Equities
GFL	Global Masters Fund	\$22m	0.85%		2.97%	0.00%	-4.98%	6.23%	Equities All	Fund of Funds
HML	Henry Morgan Limited	\$61m	2.00%	Yes	0.00%	0.00%	13.36%	38.00%	All	Futures
WQG	WCM Global Growth Limited	\$98m	1.25%	Yes	-2.27%	0.00%	-12.21%	-10.03%	Equities All	Global Equities
GVF	Global Value Fund Limited	\$157m	1.50%	Yes	-2.76%	5.43%	-3.28%	-2.70%	Equities All	Equities All
APL	Antipodes Global Investment Company Ltd	\$433m	1.10%	Yes	-5.22%	0.00%	-7.16%	-5.07%	Equities All	Long/Short

2018 LIC REVIEW

GLOBAL SHARES

Code	Fund Name	Market Cap	Mgmt Cost	Performance fees	1 year total return	1 year yield	30 June pre tax premium / discount	30 June post tax premium / discount	Industry	Focus
MEC	Morphic Ethical Equities Fund Limited	\$47m	1.25%	Yes	-6.76%	0.00%	-10.96%	-9.65%	Ethical Investment	Ethical Investment
WGF	Watermark Global Leaders Fund Limited	\$76m	1.20%	Yes	-9.85%	0.00%	-15.28%	-14.49%	Equities All	Market Neutral
BHD	Benjamin Hornigold Limited	\$17m	3.00%	Yes	-16.16%	12.12%	-38.39%	-35.20%	All	Managed Futures Contracts
BTI	Bailador Technology Investments limited	\$89m	1.75%	Yes	-17.78%	0.00%	-33.33%	-30.19%	Technology	Tech Stocks
FPC	Fat Prophets Global Contrarian Fund Ltd	\$42m	1.25%	Yes	-19.13%	0.00%	-17.17%	-16.74%	Equities All	Contrarian Investing
LSX	Lion Selection Group Limited	\$45m	1.50%	Yes	-21.05%	0.00%	-3.23%	-3.23%	Resource Stocks	Mining Start ups
AIB	Aurora Global Income Trust	\$2m	1.33%	Yes	-59.35%	4.67%	-31.40%	-31.40%	Equities All	Dividend Yield
EGD*	Evans & Partners Global Disruption Fund	\$262m	1.55%		-	-	2.93%	2.93%	Technology	Disruption
VG1*	VGI Partners Global Investments Limited	\$625m	1.50%	Yes	-	-	4.61%	4.13%	Equities All	Global Equities
MGG*	Magellan Global Trust	\$1,684m	1.35%	Yes	-	-	-0.57%	-0.57%	Equities All	Global Equities
EAF*	Evans & Partners Asia Fund	\$158m	1.35%	Yes	-	-	-1.63%	-1.63%	Equities All	Asia ex Japan
WGB*	WAM Global Limited	\$468m	1.25%	Yes	-	-	1.84%	0.91%	Equities All	Global Equities

*Represents funds that commenced trading in the 2018 Financial Year

2018 LIC REVIEW INFRASTRUCTURE, FIXED INCOME

A handful of property, infrastructure and fixed income LICs exist, with three new IPOs this year. MCP Master Income Trust, listing this last year is the largest in this segment, raising over \$500m in their IPO, and later adding another \$250m through a capital raising.



Code	Fund Name	Market Cap	Mgmt Cost	Performance fees	1 year total return	1 year yield	30 June pre tax premium / discount	30 June post tax premium / discount	Industry	Focus
ALI	Argo Global Listed Infrastructure Limited	\$256m	1.20%		-0.68%	2.03%	-16.67%	-15.09%	Infrastructure	Global Infrastructure
URB	URB Investments Limited	\$66m	0.50%	Yes	-15.02%	0.47%	-14.29%	-14.29%	Infrastructure	Urban Renewal
MXT*	MCP Master Income Trust	\$752m	0.66%		-	-	3.50%	3.50%	Fixed Income	Corporate Debt
FPP*	Fat Prophets Global Property Fund	\$15m	1.00%	Yes	-	-	-10.05%	-10.05%	Property	Global Property
GCI*	Gryphon Capital Income Trust	\$175m	0.96%		-	-	0.00%	0.00%	Fixed Income	Residential Mortgages

*Represents funds that commenced trading in the 2018 Financial Year

CONCLUSION

We hope you enjoyed our second ETF & LIC review. There's no doubt the sector continues to explode in popularity and we expect to see further double digit growth in the 2019 Financial Year. Below we have listed some of our readers' favourite posts from the 2018 Financial Year. Thanks for reading!



WHICH SUPER FUNDS ALLOW YOU TO INVEST IN ETFS & LICs?

For most investors, super is a significant source of their wealth. More investors are looking to take more control of their super, including investing in ETFs and LICs. In this post we have a look at the funds that allow you to invest in these investments.



HOW WOULD CHANGES TO DIVIDEND IMPUTATION IMPACT LICs?

The Australian Labor Party recently announced changes to the dividend imputation system if they win the next election. This will impact many low tax paying investors, particularly LIC investors. We have a look at how LICs would be affected.



THE THEMATIC ETFS WE'D LIKE TO SEE ON THE ASX

The maturing of the Australian ETF market means ETF issuers need to get more creative in their listings, finding themes, trends and strategies that attract investor funds. We take a look at the thematic ETFs on the ASX and develop our fund wishlist.



DO DIVIDEND HARVESTING STRATEGIES STACK UP?

If there's one thing we've learned running ETF Watch it is that we Australians love dividends. Dividend Harvesting is a popular strategy employed by those seeking to maximise their yield. We take a look at the strategy and the ETFs which employ it.