

nabtrade webinar

ETF TRADING STRATEGIES

Four light-colored wooden blocks are arranged in a row on a surface, each with a black letter on top. From left to right, the letters are E, T, F, and S, spelling out "ETF S". The background is a blurred image of a newspaper or financial document.

Information in this presentation is current as at 31 July 2019

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ETF TRADING STRATEGIES WEBINAR



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ETF Specialist, BlackRock
iShares



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Associate Director, Morningstar
Australasia



VISHAL TECKCHANDANI (MODERATOR)

Customer Insights Manager,
nabtrade

Opening remarks and what we'll discuss



45 minutes

- ETF trading strategies for both short- and long-term investors
- How to compare ETFs' suitability, fees and liquidity
- Tips on placing orders with ETFs
- ETF trading trends and valuable research tools on nabtrade

Q&A and closing remarks



15 minutes

**Don't forget, you can submit questions
at any time**

You can also download the presentation

Paula Gigler
Vice President

July 2019

iShares[®]
by BlackRock

NABTRADE ETF TRADING STRATEGIES

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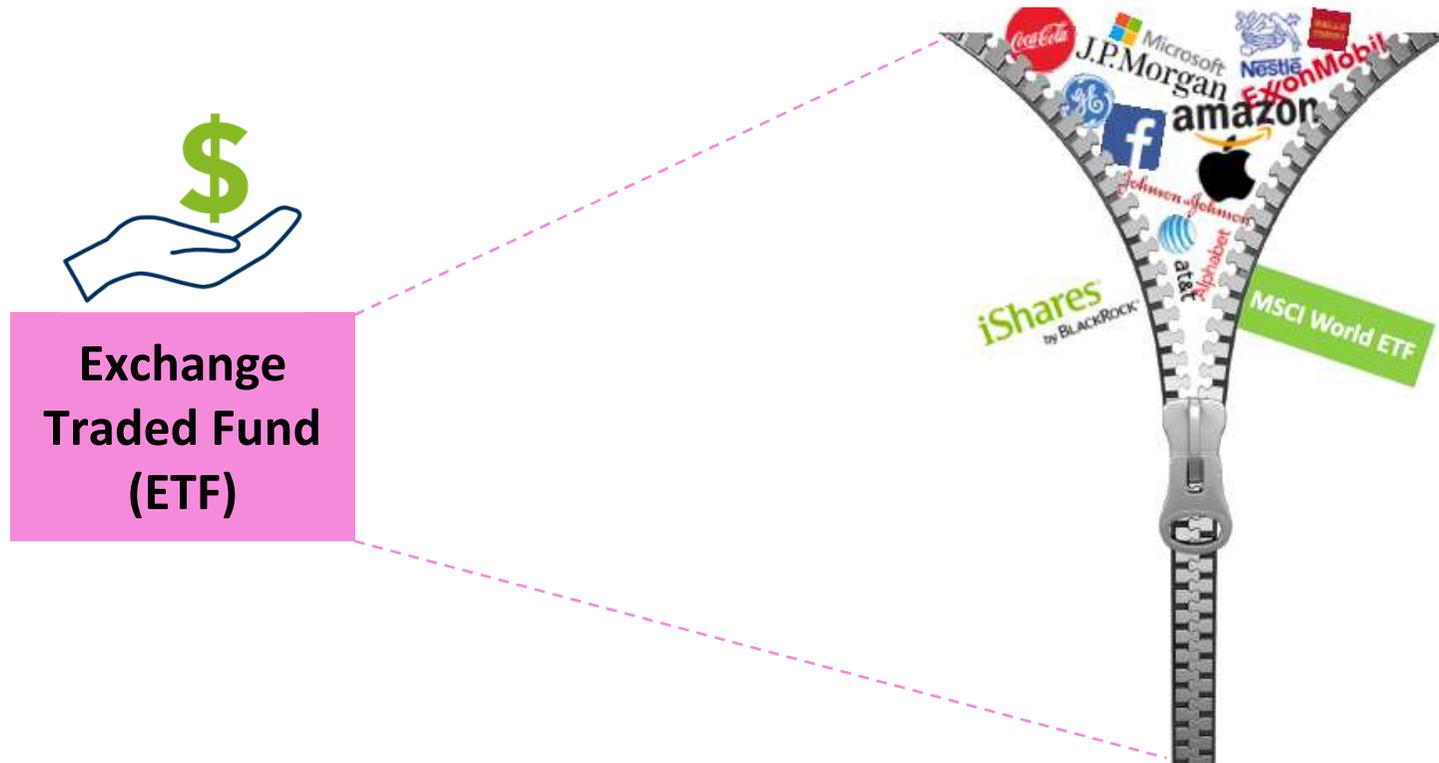
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Agenda

1	Exchange-Traded Funds
2	ETF Investment Trends
3	ETF Trading
4	ETF Portfolio Strategies
5	Stay Up-to-Date
6	Questions

So what exactly is an ETF?



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Explaining Diversification

Company-specific risk is reduced with a diversified portfolio

The growing impact of social media on stakeholders can be frightening



- 1
- 2
- 3
- 4
- 5

Markets Insider @MktsInsider [Follow](#)

Tesla is dropping after @elonmusk says the stock price is 'higher than we have any right to deserve' buff.ly/2u1DDkd

Elon Musk @elonmusk [Follow](#)

Elon was found passed out against a Tesla Model 3, surrounded by "Teslaquilla" bottles, the tracks of dried tears still visible on his cheeks.

This is not a forward-looking statement, because, obviously, what's the point?

Happy New Month!

Elon Musk @elonmusk [Follow](#)

Replying to @elonmusk @zeynep
You know what, don't bother showing the video. We will make one of the mini-sub/pod going all the way to Cave 5 no problemo.

Elon Musk @elonmusk [Follow](#)

Am considering taking Tesla private at \$420. Funding secured.

9:48 AM - 7 Aug 2018

Bloomberg
Tesla Is Facing U.S. Criminal Probe Over Elon Musk Statements



Source: Bloomberg as of 08/04/19. S&P 500 Performance based on total annual return between 31/12/2016 – 31/03/2019. Index returns are for illustrative purposes only. Where a company or a key figure is mentioned, it is only provided as a reference and does not represent endorsement by these companies. Reference to specific company names is for illustration only and should not be construed as investment advice or recommendation. Blackrock has not acquired any rights or license to reproduce the trademarks, logos or images set out in this document. The trademarks, logos and images set out in this document are used only for the purposes of this presentation. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

Source: Twitter as of 08/04/2019.

Agenda

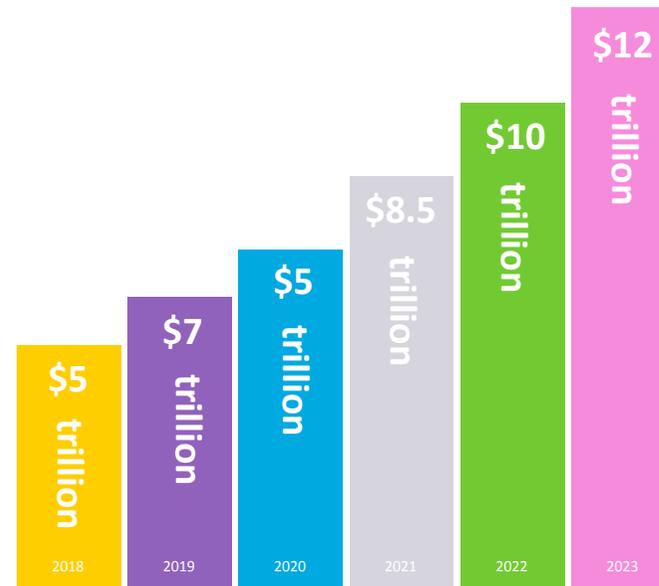
1	Exchange-Traded Funds
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Four trends empowering ETF investors

- 1. ETF investors are active investors
- 2. Investors are sensitive to cost
- 3. A transformation in the business model for financial advice
- 4. An evolution in the way bonds trade favours ETFs for efficient access

Global ETF assets are predicted to grow to US\$12T by 2023¹

Potential global ETF asset growth trajectory¹



1. BlackRock; Global Business Intelligence, as of April 2018

What is so attractive about ETFs?



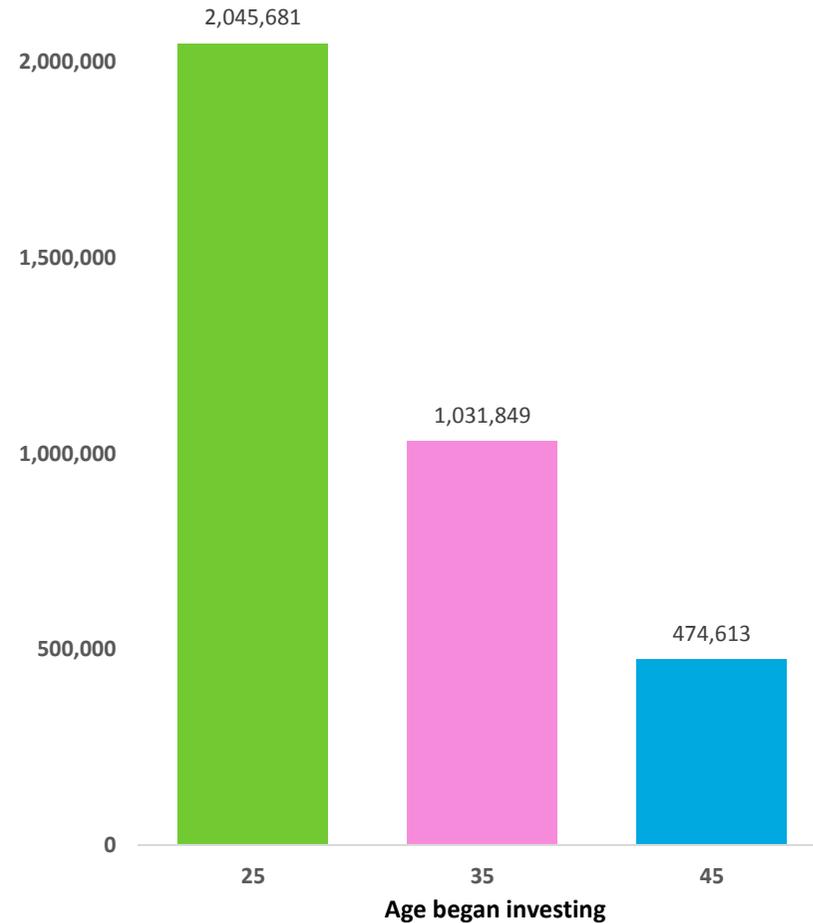
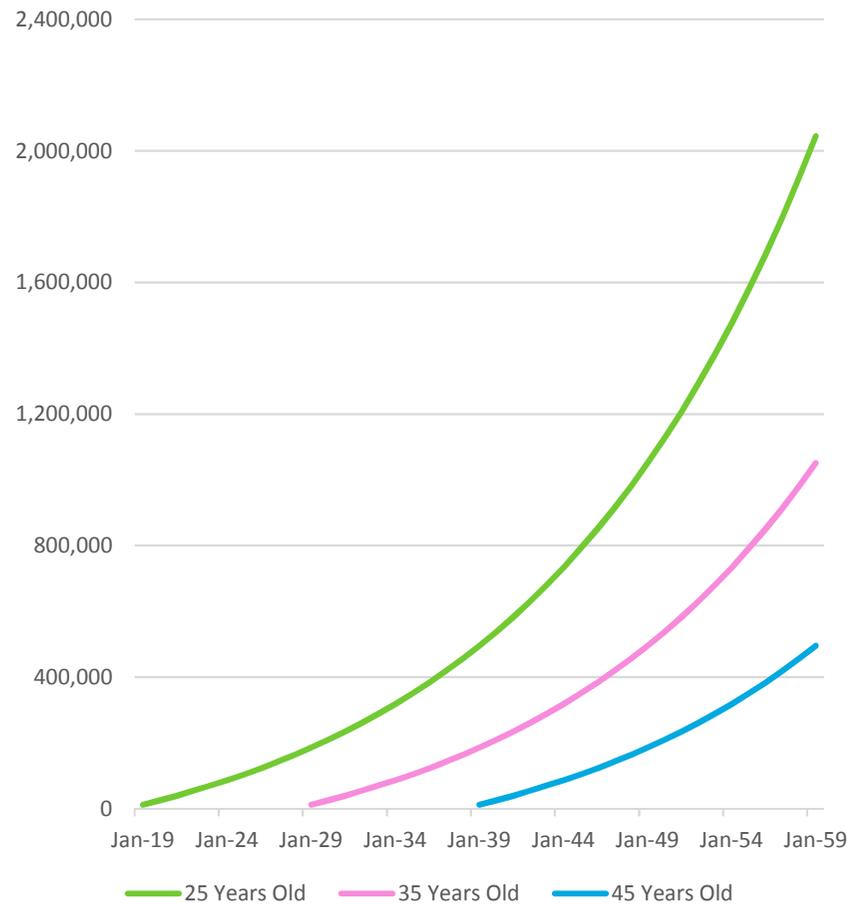
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Time in the market is important

Retirement is often overlooked – thinking long-term is imperative in today’s market

The results of investing earlier shows greater upside potential



For illustrative purposes only. Figures are assuming a real annual interest rate of 6%, compounded monthly. This is not a recommendation to invest in any particular financial product. This material provides general information only and has not been prepared having regard to your objectives, financial situation or needs. There can be no guarantee that the investment strategy can be successful and the value of investments may go down as well as up.

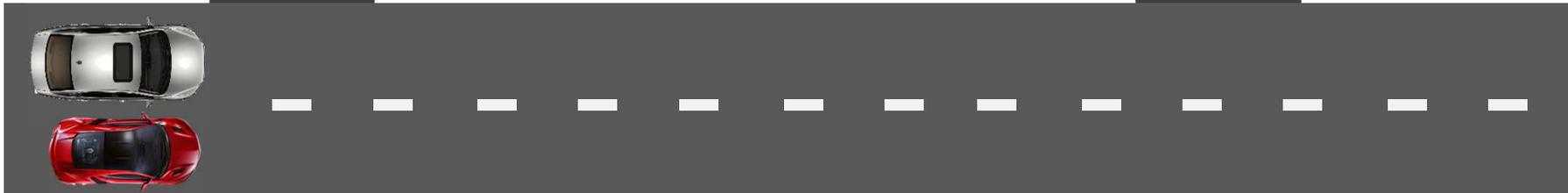
Active vs Index Investing

Active Investing

Aim to outperform a benchmark

Index Investing

Long-term investing to obtain returns of an index.



For illustrative purposes only.

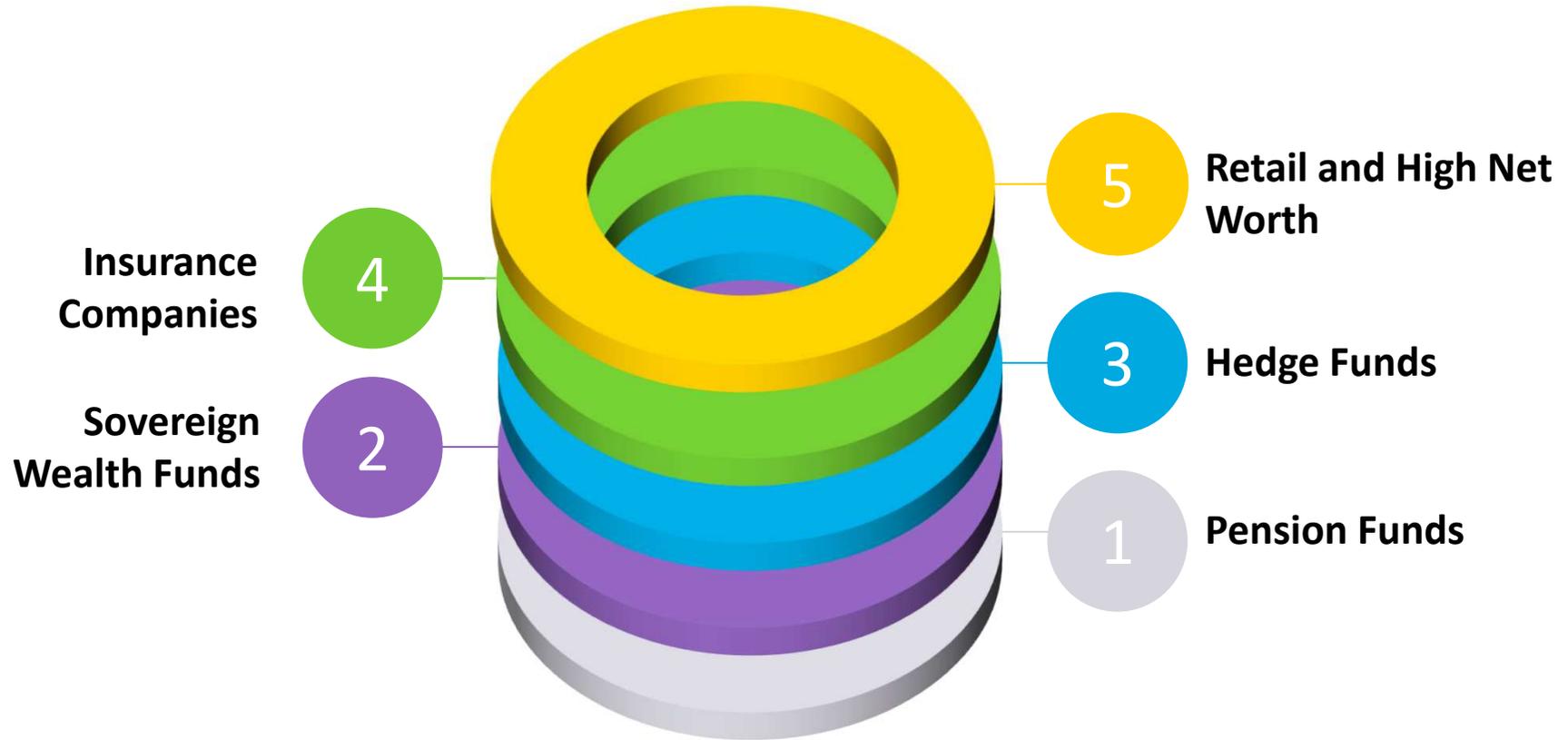
ETF investors are active investors with the breadth of choice
How do you decide what investment strategies suits you?



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Who are the main users of ETFs?



The Importance of Asset Allocation

Asset Allocation

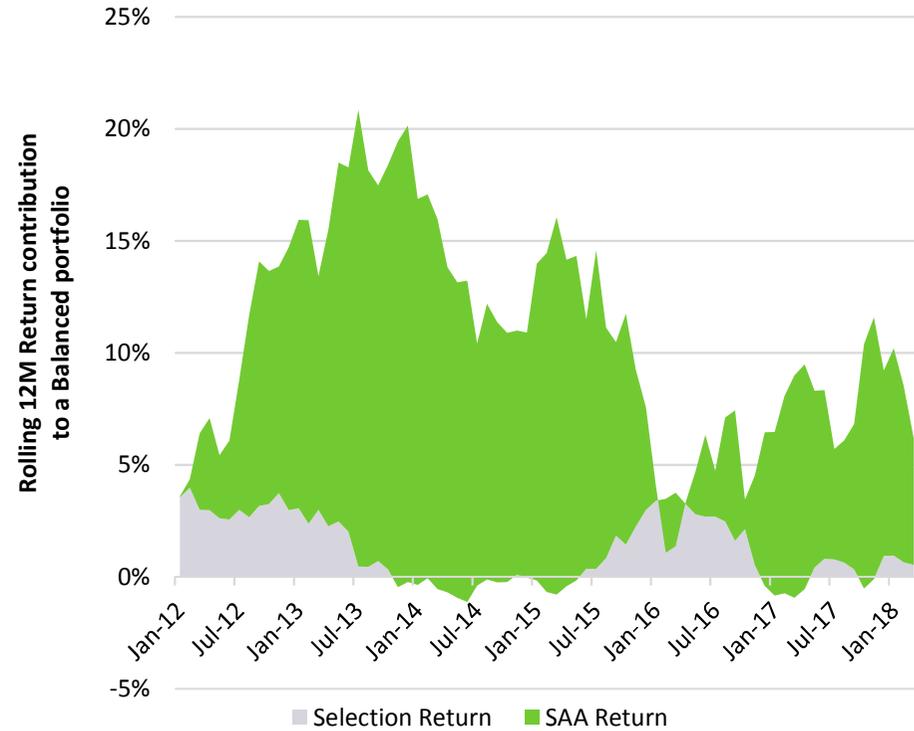


99.4% Of portfolio variance explained by benchmark choice *

0.2% Mean active return, after cost, over benchmark *

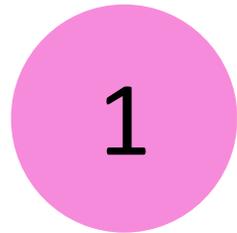
50% Of variation in active return is attributable to factors *

Fund Selection



Source: * A Review of Norges Bank's Active Management of the Government Pension Fund Global. Magnus Dahlquist, Bernt Arne Ødegaard, 5 January 2018.
 Reference to the company names mentioned in this document is merely for explaining the investment strategy and does not constitute investment advice, or investment recommendation for those companies.
 Past performance is not an indicator of future performance.

Common Uses of ETFs



INTERNATIONAL DIVERSIFICATION

ETFs can be used to **maintain market exposure** while preparing for a portfolio transition

IOO
(iShares Global 100 ETF)



CORE EXPOSURE

ETFs provide access to a variety of core market exposures in a **cost effective and liquid** vehicle

IVV
(iShares Core S&P 500 ETF)



TACTICAL EXPOSURE

ETFs are a **convenient method of over- or under-weighting** certain regions, countries, sectors on the basis of short-term views

IXJ
(iShares Global Healthcare ETF)



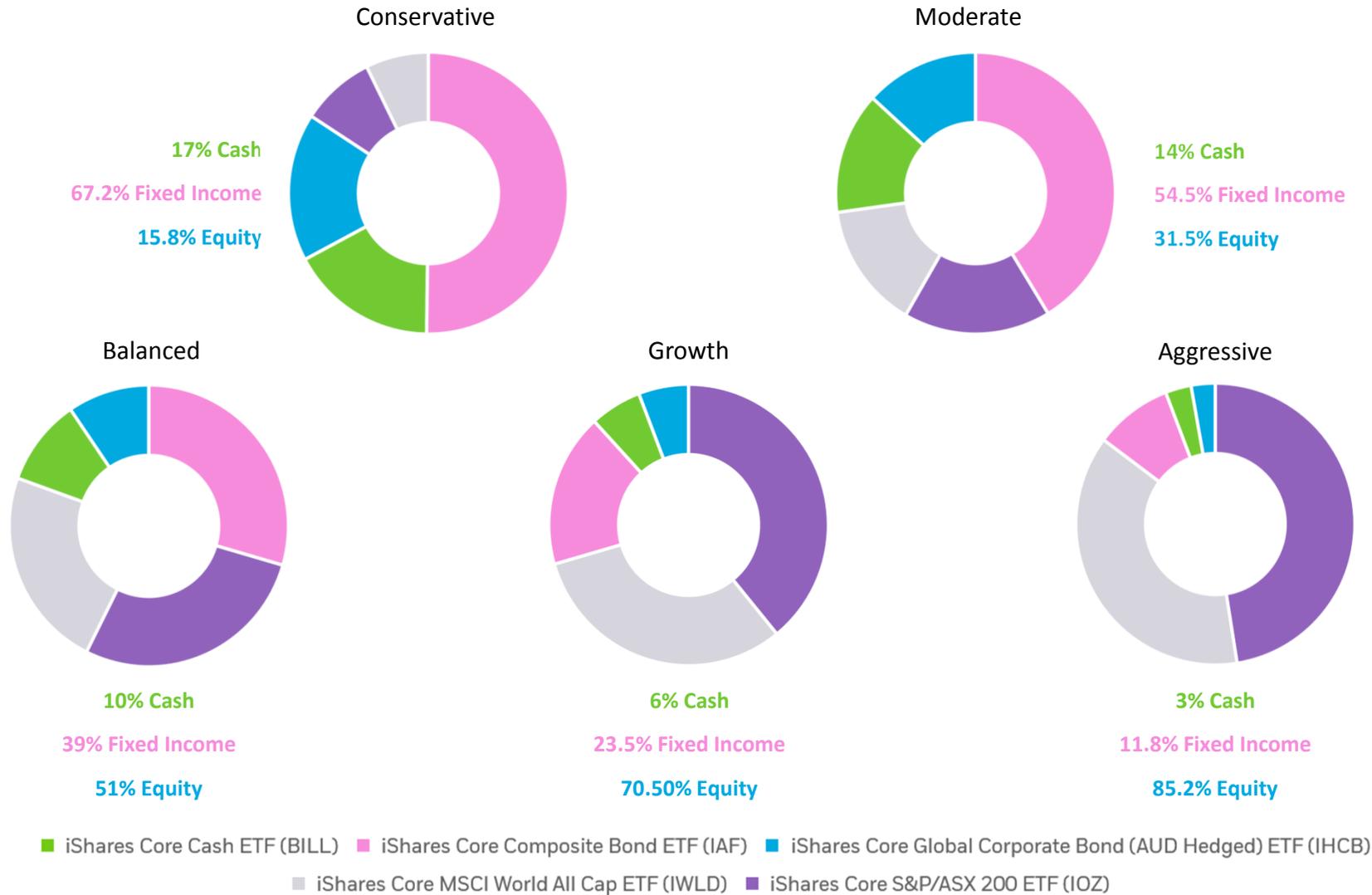
LIQUIDITY MANAGEMENT

ETFs can help investors to **remain fully invested** while maintaining liquidity

IOZ
(iShares Core S&P/ASX 200ETF)

The example contained herein is hypothetical and strictly for illustrative and education purposes only. Mentioning of iShares ETFs does not constitute as any investment advice or recommendation.

Building a core portfolio with ETFs – iShares Core STRATEGIC model portfolios



Source: BlackRock. iShares core Strategic model portfolio allocations as of 28/02/2019

iShares Core Model Portfolios

Our Core Model Portfolios are available **Free** via our website

You can adapt, tweak, and modify these with our **Core Builder Tool**.

iShares by BLACKROCK Core Builder

1 Select portfolio value 2 Select funds 3 View portfolio summary

iSHARES CORE
Building blocks for the heart of a portfolio.

Allocate the portfolio value

Indicate below the investment amount you would like to allocate to your client's sample portfolio. This can range from AUD 1,000 to AUD 1,000,000,000.

You will have the opportunity in the final step to adjust this if you change your mind.

AUD 1,000 **Select funds**

① Why does the amount matter?

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iShares by BLACKROCK

iShares Core Model Portfolios
31 December 2017

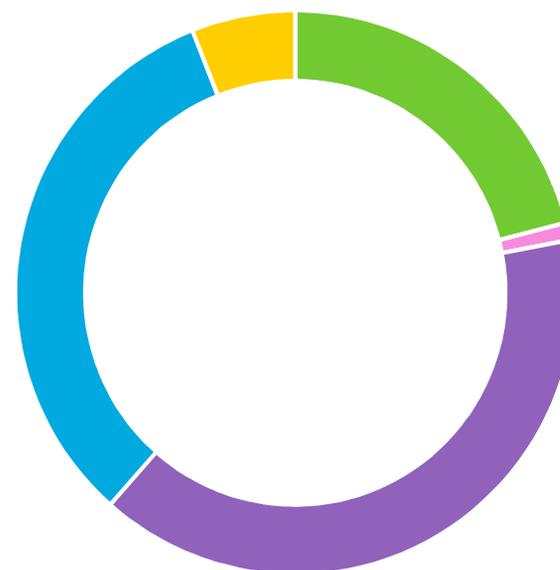
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iSHARES CORE MODEL PORTFOLIOS DECEMBER 2017 3

Example: Growth Model Portfolio (27th June 2019)

Australian Fixed Income (21.0%)	
iShares Core Composite Bond ETF (IAF)	18.3%
iShares Treasury ETF (IGB)	2.7%
International Fixed Income (1.0%)	
iShares Core Global Corporate Bond (AUD Hedged) ETF (IHCB)	1.0%
International Equities (32.5%)	
iShares S&P 500 ETF (IVV)	9.0%
iShares S&P 500 (AUD Hedged) ETF (IHVV)	8.0%
iShares Europe ETF (IEU)	3.0%
iShares MSCI Emerging Markets ETF (IEM)	5.0%
iShares Edge MSCI World Minimum Volatility ETF (WVOL)	4.0%
iShares Edge MSCI World Multifactor ETF (WDMF)	3.5%

Australian Equities (39.5%)	
iShares Core S&P/ASX 200 ETF (IOZ)	36.5%
iShares Edge MSCI Australia Minimum Volatility ETF (MVOL)	3.0%
Cash (6.0%)	
iShares Enhanced Cash ETF (ISEC)	3.5%
AusBond Bank Bill Index	2.5%



Source: BlackRock as at 27th June 2019. For illustrative purposes only. This is not a recommendation to invest in any particular financial product. This material provides general information only and has not been prepared having regard to your objectives, financial situation or needs

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Asset Class Views

Tactical views on selected assets from a U.S. dollar perspective, July 2019

Fixed Income	US government bonds	▼
	US municipal bonds	▲
	US Credit	▬
	European Sovereigns	▲
	European Credit	▬
	EM Debt	▲
	Asia Fixed Income	▬
Equities	US	▲
	Europe	▬
	Japan	▼
	Emerging Markets	▬
	Asia ex-Japan	▼

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Learn About ETFs

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Find a fund

Type Fund Name or Ticker Q **OR** ∨

INVESTMENT INSIGHTS

Trying to pick winners is not enough

19-Nov-2018

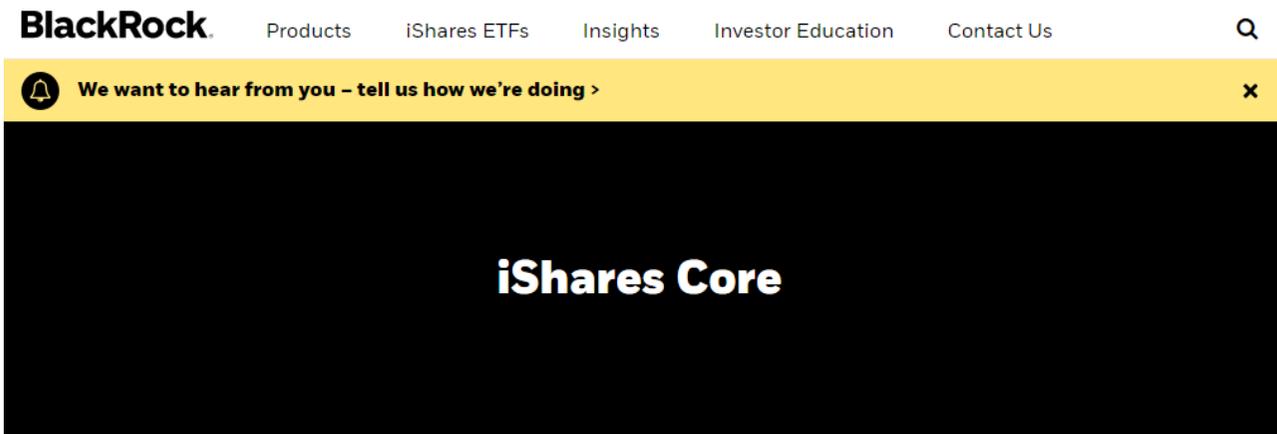
Investing is more than just picking securities whose prices you feel will go up the most.

INSIGHTS

Cash: Unlocking its true potential

> [Read full article](#)

Stay in touch with iShares...



iShares Core is a series of six low-cost, high quality funds designed to provide a simple way to construct diversified and robust portfolios.

At less than 1/6th of the average cost of Australian managed funds,¹ the iShares Core suite provides broad market exposure across Australian equities, international equities (hedged and unhedged) Australian fixed income, international fixed income (hedged) and Australian dollar cash.

Build your portfolio with the help of the iShares Core Builder tool



SIMPLE



CUSTOMISED



SHAREABLE

Demystifying ETFs



Alex Prineas, Associate Director - Manager Research
Morningstar Australasia

31 July 2019

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Research Ratings and Reports

Morningstar looks at funds from a number of angles

The Morningstar Rating™ for Funds



Scale
1 to 5 stars
5= the top of the scale

- Characteristics
- ▶ Performance-based
 - ▶ Backward-looking
 - ▶ Quantitative

The Morningstar Analyst Rating™ for Funds



Gold, Silver, Bronze, Neutral, Negative

- ▶ Based on analyst research
- ▶ Forward-looking
- ▶ Qualitative

The Morningstar Sustainability Rating™ for Funds



1 to 5 globes
5= the top of the scale

- ▶ Portfolio-based
- ▶ Analyses the environmental, social, and governance (ESG)* scores and controversies of companies held in the portfolio
- ▶ Quantitative

*Examples of environmental factors may include energy use, carbon emissions, or deforestation. Some social factors may include a company's labor standards or employee engagement. Governance covers how a company pays its executives or what kinds of political contributions it makes.

Global Scale, Local Expertise

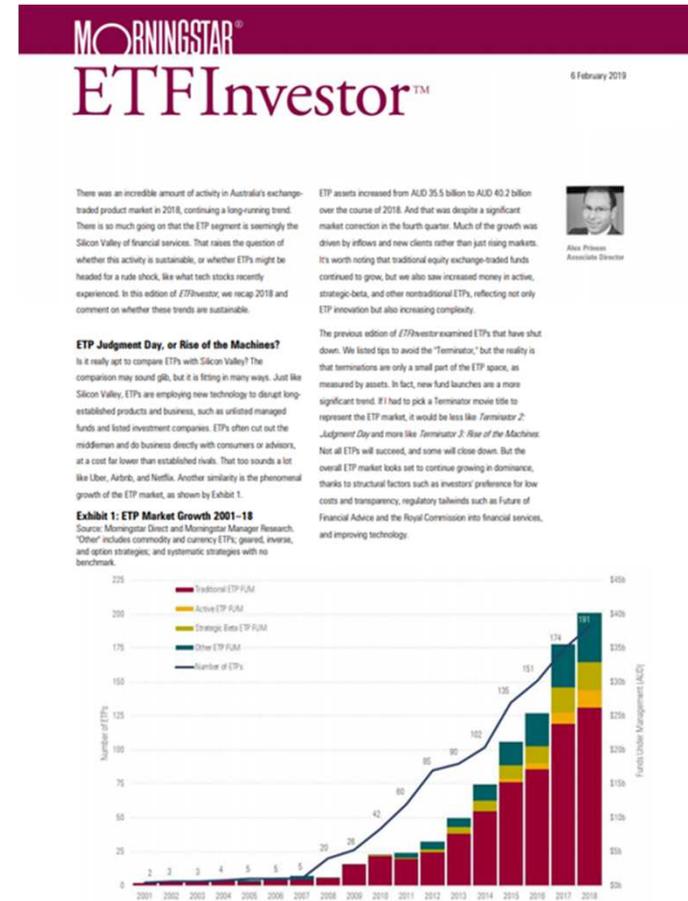
Morningstar analysts each have, on average, more than a decade of industry experience across a wide range of sectors and investment types.

Region	Number of Analysts	Average Industry Experience (Years)	Average Morningstar Experience (Years)	Number of CFAs	Number of Advanced Degrees
North America	49	11.9	8.2	15	23
Asia/Pacific	31	9.2	3.7	8	13
EMEA	41	11.3	5.2	11	19
Total/Average	121	10.9	5.7	34	55

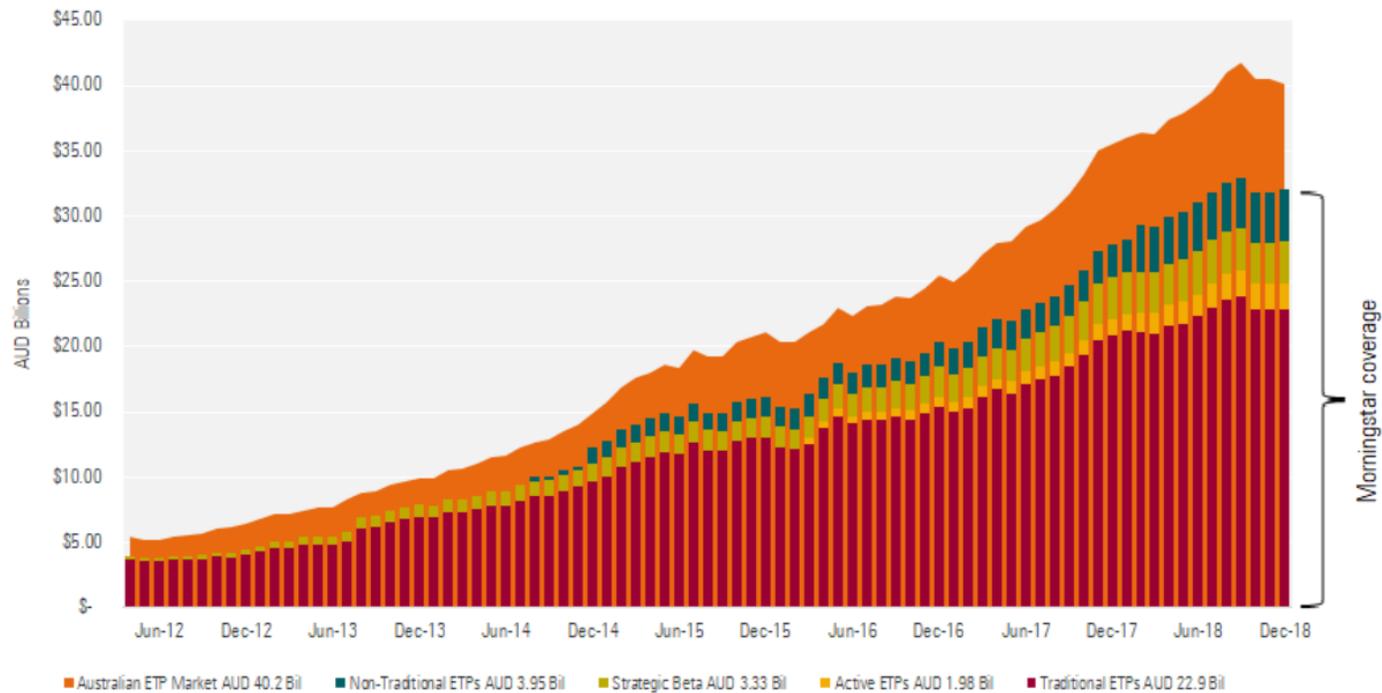
In Australia we have 13 analysts – and work closely with global colleagues.

ETF/ETP and LIC Research

- Coverage of 72 Exchange Traded Products and 13 Listed Investment Companies/Listed Investment Trusts in Australia
 - Covers 80% of ETP FUM and 58% of LIC FUM
- The same research approach as used for unlisted managed funds
 - Annual manager reviews
 - Assess advantages and shortcomings of individual vehicle structures
 - Analyst proposals evaluated and voted on by ratings committee
- Regular commentary on trends and developments across listed products



ETP Market Growth and Morningstar Coverage, 2012 to 2018.

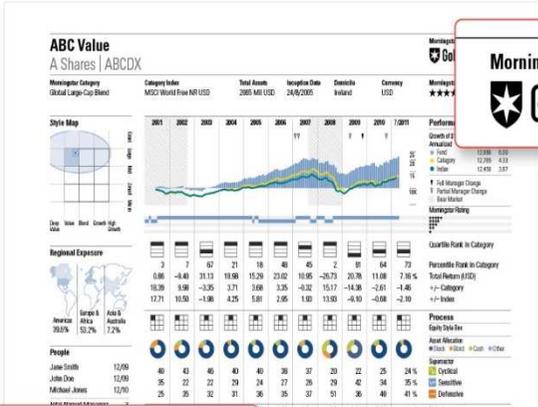


“Non-traditional” includes commodity and currency ETPs; geared, inverse and option strategies; and systematic strategies with no benchmark.

Source: Morningstar Direct.

Global Ratings Process, Uniformly Applied

Morningstar's global network of 115 analysts provide objective, independent, forward-looking assessments of managed investments.



Morningstar Analyst Rating™
Gold

September 12, 2011

Morningstar Pillars

- Process | pages 2-3 + Positive
- Performance | page 4 + Positive
- People | page 5 + Positive
- Parent | page 6 ○ Neutral
- Price | page 7 - Negative

Morningstar Analyst Rating
Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Forward-looking perspective





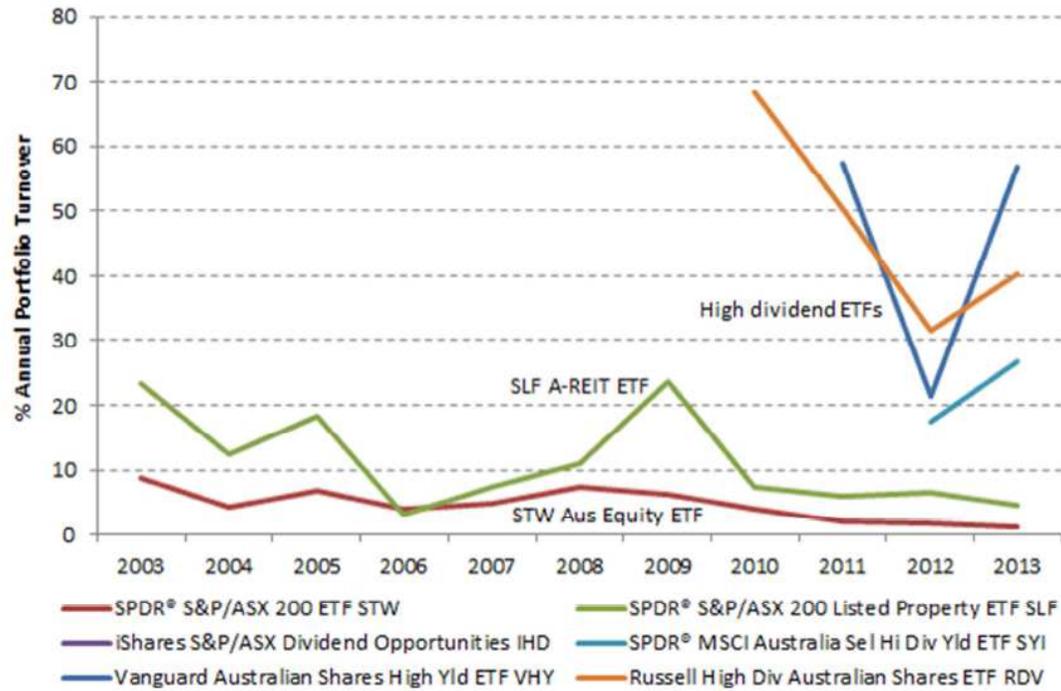
Evaluation based on five key pillars







Understand the Investment Strategy



Source: Morningstar Direct.

Five Pillars of the Morningstar Analyst Rating: Parent



Parent

Culture & Stewardship

Manager Interest Alignment

Organisation Structure & Financial Stability

Regulatory History

Parent Pillar in the Analyst Rating

We prefer funds within strong parent organisations focused on responsible stewardship of investor assets.

Corporate Culture	Manager Incentives	Owner structure	Regulatory History
<u>Stewardship or Salesmanship?</u>	<u>Are Managers' Interests Aligned?</u>	<u>Who has control?</u>	<u>Does the Firm Comply with Regulations?</u>
<ul style="list-style-type: none">× Is the investment team stable and talented?× Does the firm focus on known strengths or unproven trends?× Is the firm's primary interest asset gathering or care of capital?	<ul style="list-style-type: none">× Do managers invest meaningfully in the strategies they run?× Are managers paid to deliver strong long-term returns?	<ul style="list-style-type: none">× How will a change in control impact investors?× Is the firm financially profitable and stable?	<ul style="list-style-type: none">× Has the firm violated industry regulations?× If so, how has the firm made things right?

Morningstar ETF Research & Thought Leadership

Monday, October 17, 2017 11:03 AM

iShares S&P 500 ETF (IVV) Morningstar Analyst Rating: **Gold** (10/20/2016)

Morningstar Category: Australian Fixed Equity North America
 Category Index: MSCI USA NR AUD
 Prospectus Benchmark: S&P 500 TR AUD

Style Map

Performance
 Time Period: 11/03/2013 to 28/02/2018

Annual Returns %

Year	IVV	S&P 500 TR AUD
2013	53.51	24.21
2014	13.31	11.77
2015	11.77	12.71
2016	2.20	11.42
2017	12.19	12.14

Snapshot

Inception Date	15/05/2000
Management Fee	0.04
Assets (millions)	2,545
Avg Div Yld (3 Mo)	11.380
12 Month Yield %	1.71
Portfolio Date	15/03/2018
Distribution Freq	Quarterly
ETF	No
Replication Method	Physical Sample
Fund Lg Structure	Open Ended Investment Company

Monthly Fund Flows (millions)

Morningstar Analyst Pillar Ratings

Process Pillar	Positive
Performance Pillar	Positive
People Pillar	Positive
Parent Pillar	Positive
Pricing Pillar	Positive

Risk/Return Analysis (3 years)

Metric	IVV	Category	Peer
Standard Deviation %	10.88	10.75	—
Alpha %	0.91	0.88	—
Sharpe Ratio	0.82	0.80	—
W/Spread	0.78	—	—
Beta	1.01	—	—
Alpha %	0.28	—	—
Treynor Ratio	0.75	—	—
Sortino Ratio	1.74	1.68	—

Morningstar Take
 By Alexander Primes 06/02/2018

It's tough to envisage a better U.S. equity vehicle than iShares S&P 500 (IVV) tracks the S&P 500, a well diversified and representative index that active managers have struggled to beat. That's especially the case given IVV's remarkably low fee of 0.04%—lower than any other exchange-traded fund in Australia. Even more, revenue from iShares securities besides IVV is further offset costs.

IVV is not just cheap—it's also capably managed. A large and experienced team runs the AUD 100 billion New York-listed parent ETF, where it has a long record of tracking the benchmark. The Australian vehicle is a cross-listing, meaning investors can tap into the liquidity of the massive primary listing. While this scale minimizes bid-ask spreads, cross-listings do come with paperwork and U.S. estate tax complications.

Nevertheless, the dominance and diversity of American companies means that by purchasing this one ETF, investors get exposure to a broad portfolio of some of the world's best companies, including ones that are underrepresented in Australia, such as technology and healthcare. IVV offers diversification, as the S&P 500 has a low correlation to Australian equities. But there is some exposure to mid-cap names, the S&P 500 is mostly large-cap-focused, so IVV is not quite as diversified as some of its peers and may lag in times of mid-cap outperformance. While American companies have a global footprint, this single-country ETF will depend on the U.S. economy, currency, and policy settings and their inherent risks. On the other hand, IVV should outperform when small caps struggle, which often occurs in down markets.

As up IVV sits the basin—namely an exceedingly low fee, liquidity, a track record of effective implementation, and a diversified portfolio. Many investors won't need this type of vehicle as they already have U.S. exposure through global equity or diversified funds. But for investors seeking a dedicated U.S. vehicle, IVV is outstanding.

Return Date (Mid-End): 28/02/2018 28/02/2018 28/02/2018

Reference date in this report reflects its effect on the fund's net asset value. Morningstar's Analyst Rating is based on the fund's performance relative to its benchmark and peer funds. The fund's performance is measured against the benchmark and peer funds. The fund's performance is measured against the benchmark and peer funds. The fund's performance is measured against the benchmark and peer funds.

MORNINGSTAR

A Global Guide to Strategic-Beta Exchange-Traded Products

Executive Summary

- Three years ago, we introduced our naming convention and taxonomy for the fast-growing universe of strategic-beta exchange-traded products, or ETPs. In this year's guide, we provide an update on the state of the global strategic-beta ETP landscape.
- In recent years, the space has grown more rapidly than the broader ETP market as well as the asset-management industry as a whole. That said, the pace of these products' market-share gains has decelerated more recently as exchange-traded funds tracking more-traditional benchmarks have been gaining a greater share of net new flows.
- Strategic-beta ETPs' growth has been driven by new cash flows, new launches, and the entrance of new players—some of which are traditional, buy-side-investor active managers.
- We expect these trends will continue and may ultimately accelerate as newer ETPs tracking new and unproven benchmarks season and more new entrants make their way into the market.
- As of June 30, 2017, there were 1,320 strategic-beta ETPs, with collective assets under management of approximately \$707 billion worldwide. Assets in these products grew 28.3% relative to their June 30, 2016, level.
- Dividend-sensitized/weighted ETPs continue to rank at or near the top of the list of the most popular grouping of strategic-beta ETPs. This should come as little surprise when considered in the context of the prevailing interest-rate environment.
- Multifactor ETPs have surged in number and popularity. As of the end of June 2017, there were 349 such ETPs worldwide, with collective AUM of \$57 billion.
- The number of new product launches has come off a bit from the record level set last year. There were 204 new strategic-beta ETPs brought to market in the 12 months through June 2017, down slightly from 211 during the prior period. More strategic-beta ETPs were introduced in Europe than all other regions combined. As a result, the European menu is now looking every bit as saturated as that in the United States.

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MORNINGSTAR

ETF Investor

18 August 2017

A plethora of cash, short-term and floating rate ETIs launched recently, all offering parking spots for your money. It's tempting to simply pick the fund with the highest yield, but the products are not interchangeable. Fees and investments vary, and the old rule of "the higher the return, the higher the risk" remains relevant. These funds are conservative versus equity and longer-dated bond ETIs, but even so, investors need to know what they're getting into. Let's take a look.

new that there is no track record of returns or income available to cross-check, with the exception of iShares' High Interest Cash ETF (IHC), which launched in 2012. Furthermore, some managers quoted net figures, and some used gross (that is, they didn't include fees in their calculations). Some factbooks quoted no yield numbers at all and we had to email the fund managers for clarification.

The average credit rating methodologies vary too, for example some using the short-term rating scale (A-1, A-2 and so on) and others applying long-term credit ratings (AAA, AA, etc).

You Get What You DON'T Pay For
 The old saying "you get what you pay for" is not so true in the investing world. After all, you invest to earn a return, and any reduction in the yields to the return, straight into your pocket. So you could argue "you get what you don't pay for." Unlike equity funds, we shouldn't advocate investing in a cheap fund that doesn't have the skills to pay the bill, but if two funds are equally good, we'd choose the cheaper one.

Don't Compare Apples with Oranges or Yields
 Exhibit 1 offers a snapshot of each of the new products. However we take yield figures with a grain of salt because the numbers quoted by fund managers are often not directly comparable. The cited factbooks and fund sites quote "netting yield," while others quoted "yield to maturity." There shouldn't be much difference because the funds are extremely low duration and high credit quality, but even so we are wary, because the funds are as Exhibit 1—Cash and Yield ETIs

Source: Morningstar Direct and Fund Manager Factbooks and Correspondence.

Table 1: Cash and Yield ETIs

Product	Yield	Duration	Rating	Assets
High Interest Cash (IHC)	4.5%	0.1	A-1	\$1.2B
High Interest Cash (IHC)	4.5%	0.1	A-1	\$1.2B
High Interest Cash (IHC)	4.5%	0.1	A-1	\$1.2B

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Morningstar ETF Research & Thought Leadership

Ten Tips for More Effective ETF Investing

Alex Prineas
Associate Director, Manager Research

Investors want more information and further education to help them effectively use ETFs. That's what polling data suggested at the May 2019 Morningstar Investment Conference. In the conference's listed investments session, 62% of respondents wanted more information and education materials. Only one third of respondents believed there is adequate information available to make investment decisions and trade listed funds effectively.

That raises an eyebrow, because ETFs sometimes trade with wider than normal bid/ask spreads, or deviate substantially from their net asset value, or NAV, which can jack up the cost to investors. Reasons for this can range from market volatility, illiquid or closed underlying markets, thin market-making activity, or operational errors. We've seen extreme spreads and discounts in US-listed ETFs at times, and to a lesser but still substantial degree, in Australia too. Yet by being aware of a few simple rules, investors can avoid most of these issues.

It's worthwhile revisiting the 10 rules of thumb for ETF transactions that we published in 2015. Every rule remains just as relevant in 2019, and we wouldn't be surprised if these rules remain relevant for years to come.

1. "No Limit" is a Poker Game, Not an Investment Strategy. Consider Using Limit Orders, Not Market Orders

Market orders can be useful when time is of the essence and price is of secondary importance, or when there is plenty of liquidity. Investors using market orders want to execute their entire order as soon as possible.

For large, very liquid ETFs that trade contemporaneously with their underlying securities, market orders will likely result in fast execution at a good price. But there are smaller or less liquid ETFs, and there are also ETFs that trade out of sync with their constituent securities (such as US equity ETFs where there's no overlap between Australian and US trading hours). Limit orders help ensure favourable execution from a price perspective. A buy limit order will fetch the buyer a price less than or equal to the limit price, while a sell limit order will transact at a price greater than or equal to the limit price.

2. Avoid Trading at Open, Close, or in the Auction Period

For ASX-listed ETFs, this means at the very least, avoid trading earlier than 10.15am or later than 3.45pm. At these times, market-makers may not be watching the market as closely, and some underlying stocks may not be trading, making it more difficult for the market-maker to calculate an accurate price.

3. Check the Bid/Ask Spread

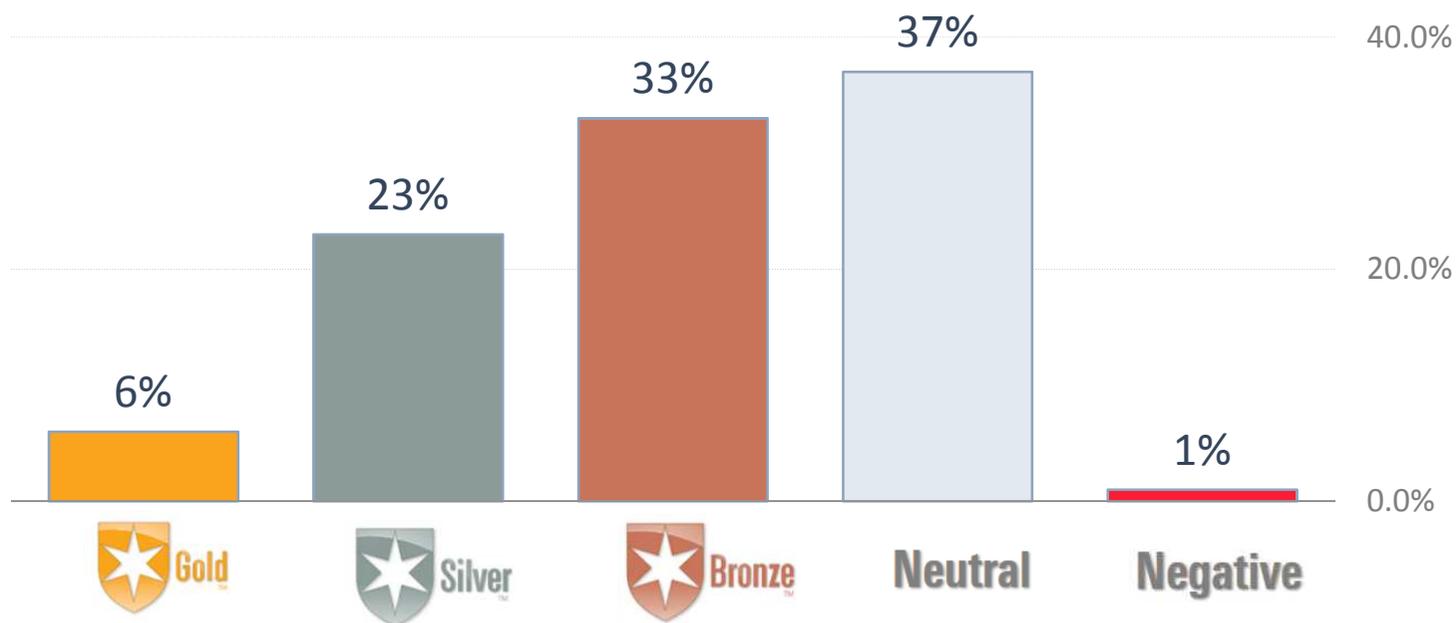
If the bid/ask spread is wide, it may indicate that something is amiss, and it might pay to delay your trade or dig further. It is also worth observing the bid/ask spread to see if it is unstable, that is, narrowing and expanding frequently. If so, it's a sign market makers are adjusting for risk and caution may be required.

4. Be Wary When Transacting While Underlying Securities Are Not Open for Trading

ETF trading volumes should be substantially higher and bid/ask spreads will typically be lower when the underlying stocks are also trading and have transparent pricing. For example, trade Asian ETFs in the afternoon, once the Hong Kong, Singapore, and Shanghai exchanges are open. In

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Australian Manager Research Universe as of 31/01/18

AN OVERVIEW OF EXCHANGE-TRADED FUNDS ON NABTRADE

*Empower yourself to make
confident investment decisions*

ETF S

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**International trades will incur a foreign exchange conversion spread of between 0.50% to 0.80% of the trade transaction value.*

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what ETFs and managed investments are popular among customers?

ETF TRANSACTIONS GROWING AT **↑ 45% P.A.**
SINCE 2014 ON NABTRADE



CORE EXPOSURES



- Australian Foundation Investment Company (AFI:ASX)
- WAM Capital (WAM:ASX)
- SPDR S&P/ASX 200 ETF (STW:ASX)
- iShares Core S&P 500 ETF (IVV:ASX)
- BetaShares NASDAQ 100 ETF (NDQ:ASX)
- Vanguard Australian Property Securities ETF (VAP:ASX)



CANNABIS (AND TACTICAL BETS)



- MMJ Group Holdings (MMJ:ASX)
- BetaShares Crude Oil Index (Currency Hedged) Synthetic ETF
- iShares Europe ETF (IEU:ASX)



PORTFOLIO PROTECTION



- BetaShares Australian Equities Strong Bear Hedge Fund (BBOZ:ASX)
- BetaShares US Dollar ETF (USD:ASX)

USEFUL INFORMATION

you can access with an account



The screenshot displays the nabtrade website interface for the iShares S&P 500 ETF (IVV:ASX). The page includes a navigation bar, a search bar, and a main content area with various data points and charts. Eight red callout boxes are overlaid on the page, numbered 1 through 8, pointing to specific features:

- 1:** Points to the current price of \$353.88 and the real-time streaming quotes.
- 2:** Points to the Fund Strategy section.
- 3:** Points to the 1 Year Price Performance chart showing a +12.27% increase.
- 4:** Points to the Morningstar Style Box chart.
- 5:** Points to the Performance and Profile table.
- 6:** Points to the Relative Percentage of Top 5 Holdings pie chart.
- 7:** Points to the Similar investments to IVV section.
- 8:** Points to the Morningstar Current Rating (Gold).

Information you can access:

1. PRICING (LIVE FOR ASX ETFs)
2. FUND STRATEGY & SNAPSHOT
3. PERFORMANCE CHART
4. MORNINGSTAR STYLE BOX & RATING
5. PERFORMANCE/PROFILE/DIVIDENDS
6. TOP HOLDINGS
7. SIMILAR INVESTMENTS
8. RESEARCH

iShares Core S&P 500 ETF (AU) IVV

26 07 2019 04:21pm AEST

|Alexander Prineas

iShares Core S&P 500 (AU) IVV

Suitability

iShares Core S&P 500 (AU) IVV is one of the cheapest ETFs in Australia, and one of the best. It charges an incredibly low 0.04% per year. Revenue from iShares' securities lending helps to further offset costs. Its large trading volumes and liquid constituents means it also boasts consistently low bid-ask spreads (a cost of trading) compared with other international equity ETFs. Furthermore, in 2018 IVV switched from a cross-listing to a dedicated local Australian exchange-traded fund, making an already stellar ETF even more attractive, by simplifying taxes and paperwork. IVV tracks the S&P 500, a well-diversified and representative index that active managers have struggled to beat. IVV is not just cheap—it's also capably managed. A large and experienced team runs the more than AUD 200 billion US-listed parent ETF, where it has a long record of tracking the benchmark. The dominance and diversity of American companies means that by purchasing this one ETF, investors get exposure to a broad portfolio of some of the world's best companies, including areas that are under-represented in Australia, such as technology and healthcare. IVV offers diversification, as the S&P 500 has a low correlation to Australian equities. Whilst there is some exposure to mid-cap names, the S&P 500 is mostly large-cap-focused, so it's worth noting there are even more diversified indexes available that stray further down the cap spectrum, holding as many as 3,500 names. IVV should do well when large-cap lead the market. While American companies have a global footprint, this single-country ETF depends on the US economy, currency, and policy settings and their inherent risks. On the other hand, IVV should outperform when small caps struggle, which often occurs in down markets. All up, IVV ticks the boxes—namely, an incredibly low fee, liquidity, diversification, and a track record of effective implementation. For investors seeking a dedicated US vehicle, IVV must be considered.

Morningstar Current Rating

as of 17 06 2019

GOLD	SILVER	BRONZE	NEUTRAL	NEGATIVE
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Morningstar Previous Rating

as of 21 07 2016

GOLD	SILVER	BRONZE	NEUTRAL	NEGATIVE
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Fund rating



Suitability



Fundamental view



Portfolio construction



Fees



Alternatives

FIND AN ETF

with our ETF scanner tool



Accessing the ETF scanner

Finding the ETFs scanner tool:

- Login to nabtrade
- Hover your cursor over the 'Insights Centre' tab
- Select 'ETFs'

Using the ETFs scanner tool:

- Select the relevant criteria from 'Your Filters'
- Click on 'View Results'
- A list of ETFs will appear at the bottom of the page. You can sort the results by 'Performance' and 'Income'

Exchange Traded Funds (ETFs)

Your Filters

Asset Class: Fixed Income Market Cap: More than \$500M \$100M - \$500M Sector Allocation: Regional Allocation: Exchange: Australia ASX

Asset Class: Commodities Equity Fixed Income Money Market Market Cap: More than \$500M \$100M - \$500M \$20M - \$100M Less than \$20M Sector Allocation: Basic Materials Financial Industrials Technology Regional Allocation: United States Asia Developed Asia Emerging Eurozone Exchange: Australia ASX Germany ETR Hong Kong SE United States

Overview Performance **Income**

Total Returns Showing 7 of 7 Results

Code	Name	Last Price	Since Inception	YTD	1 Month	6 Months	5 Years	10 Years
ISAP	iShares Core Composite Bond ETF	\$108.21	4.65%	--	--	--	--	--
RCB	Russell Investments Australian Select Corporate	\$10.01	4.22%	1.54%	0.00%	2.81%	4.31%	--
VGB	Vanguard Australian Government Bond Index ETF	\$45.32	4.2%	--	--	--	--	--
VAF	Vanguard Australian Fixed Interest Index ETF	\$45.15	3.51%	0.7%	-1.27%	2.52%	--	--
VPLUS	Vectors Vectors Australian Corporate Bond Plus ETF	\$17.25	3.57%	0.2%	-0.32%	1.36%	--	--
VIF	Vanguard International Fixed Interest Index (Incl.)	\$47.81	3.05%	0.00%	0.00%	0.61%	--	--
QPON	Securities Australian Bank Senior Floating Rate	\$25.51	2.37%	0.44%	0.17%	0.97%	--	--

Screenshot sourced from the nabtrade secure site

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THREE INVESTMENT THEMES TO CONSIDER

By Peter Switzer
Wed 24 July 2019 10:30 AM

Managing your portfolio

Share   

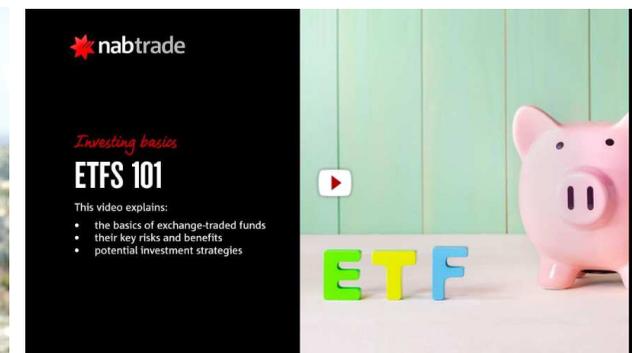
Anyone who has watched or read me for years knows I don't punt on companies. I do take the advice of respected stock analysts. Sometimes, for example, with my BHP call in the \$14 region, I'll take a three-year speculation on a quality company that has been beaten up by an irrational, too punishing market.

You have to remember a lot of momentum on stocks is driven by short-term haters and lovers of companies, which creates an opportunity. It's why I think Link (LNKASQ) looks like a decent longer-term play. But that's for another day.

Today I want to go back to my often talked about strategy of using exchange traded funds (ETFs) when you're looking at a buying opportunity. The three in question target three areas worth taking a punt on for good historical reasons.

The first is an ETF that captures a stocks' sector — small caps — that's likely to benefit from a post-trade war truce. Cyclical stocks and more risky companies should be beneficiaries of that time when rotation out of dividend-paying and big cap, bond-proxy stocks begins.

Instead of picking individual stocks, an exchange traded fund that picks up 200 small cap companies could be the ticket. The chart below shows the iShares S&P/ASX Small Ordinaries ETF (ISO:ASX) over five years. The share was hit before the mid-2018 sell off at around \$5.35 and it's \$4.96 at the time of writing. So if the trade war truce brings expected optimism, taking out \$5.35 would bring a 7.8% gain on top of a dividend yield of 2.39%.



INTRODUCING

model portfolios on nabtrade



What is a model portfolio?

A model portfolio is a selection of investments, chosen by expert investment managers, designed to fulfil various investor needs.

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- Select 'Model Portfolios'

iShares Core Model Portfolios

Every investor is different and this knowledge underpins the flexible tools to create portfolios tailored to your needs. The iShares Core Model Portfolios, using iShares Core ETFs provides a simple and low-cost way to build a diversified portfolio for the long term.

The five model portfolios have been expertly designed for a range of needs and risk preferences, these are; Conservative, Moderate, Balanced, Growth and Aggressive. These portfolios are based on the average portfolio allocations across asset classes by Australian managed funds in these categories.

They are meant to be illustrative only and demonstrate a range of investment outcomes. They are not intended to be investment advice.



Profile	iShares Core ETFs	Composite Management Fee [^]	Annualised Index Total Return*
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iShares Core S&P/ASX 200 ETF (IOZ)	38.5%		
iShares Core MSCI World All Cap ETF (IWLD)	31.5%		
iShares Core Composite Bond ETF (IAF)	17.7%	0.16	6.40
iShares Core Global Corporate Bond (AUD Hedged) ETF (IHCB)	6.3%		
iShares Core Cash ETF	6.0%		

Screenshots sourced from the nabtrade secure site

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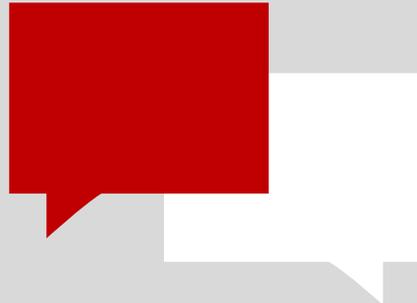
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