

EXCHANGE SQUARE

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SQUARE



ASX



ASX Investment Products

2019



About ASX

\$2.6t

in superannuation, to grow to **\$9.4 trillion** by 2035 will provide tailwinds for future growth

\$1.9t

total market cap of ASX listed equities

6.9m

adult Australians own shares (38%)

5.98m

hold shares directly on the HIN



- > Name on title
- > All investments in one place
- > Transparency and Settlement Certainty
- > Efficient and cost effective

Source: APRA, Deloitte Actuaries and Consultants

SMSF trustee asset allocation favours ASX investments

1.1m

adult Australians are
trustees of SMSF

\$704b

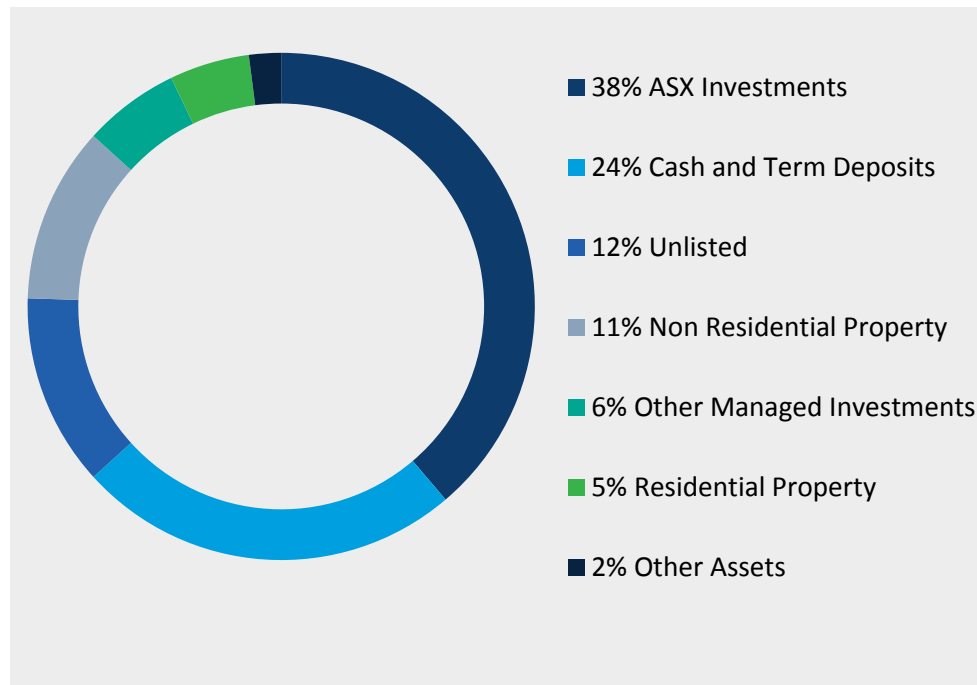
held in SMSFs and growing

\$263b

invested via ASX with a
high proportion in large
cap Australian equities

\$171b

invested in Cash and
Term Deposits



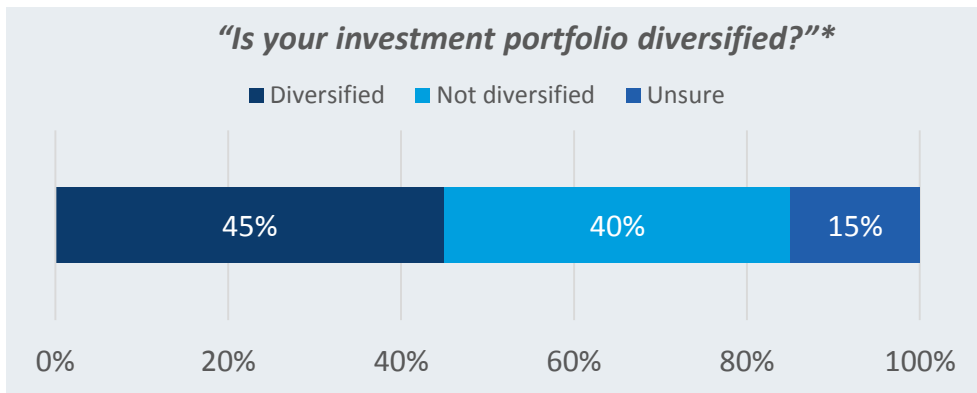
Research shows Australian investors are not diversified

Australian Investor Study 2017 – ASX & Deloitte

67% of investors surveyed want stable or guaranteed returns greater than 8.8%*

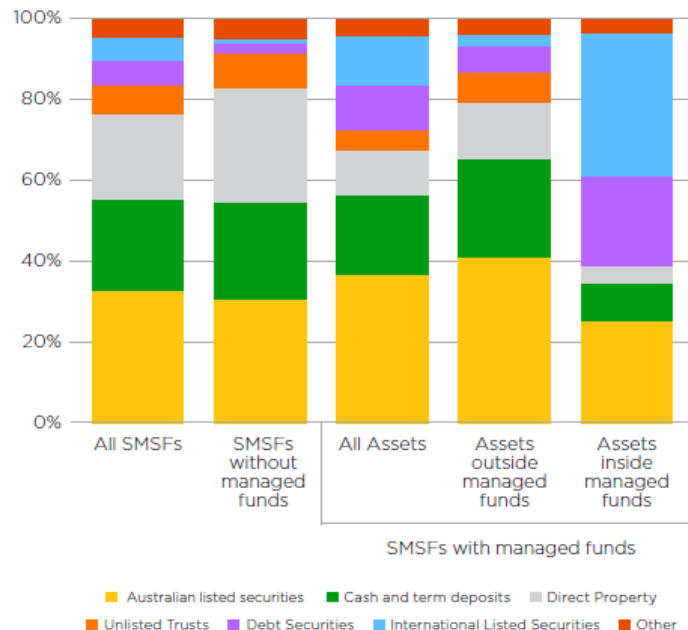
*“Is your investment portfolio diversified?”**

■ Diversified ■ Not diversified ■ Unsure



*Source: Australian Investor Study 2017 – ASX & Deloitte Access Economics

How SMSFs invest differently with or without managed fund holdings



Source: Class SMSF Benchmark Report December 2018

ASX Investment Products can help investors access key asset classes



ETPs



mFund



LICs



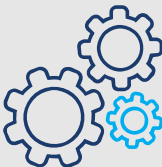
Infrastructure



AREITs



Choice



Efficient



Transparent



Cost
effective

Strong growth across all ASX Investment Product types

Over 500 investment options providing investors and advisers with choice

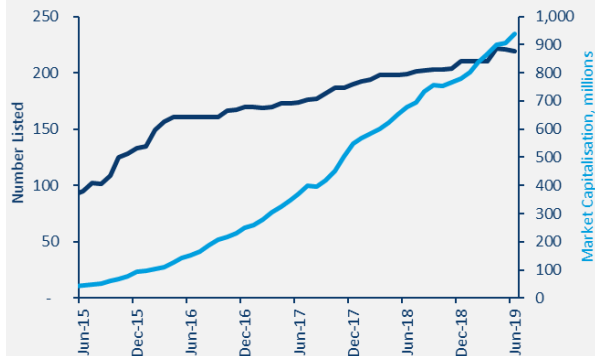
mFund

\$937m Funds under management

↑ 38.4% year on year

219 funds

mFunds Market Growth



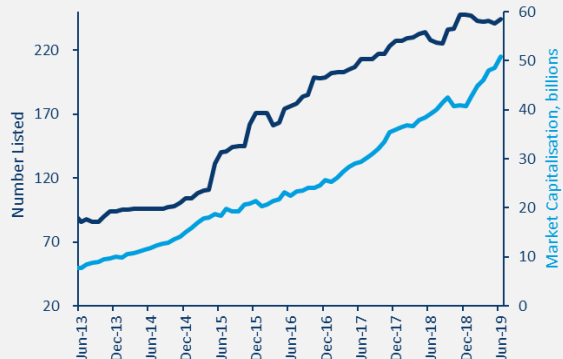
Exchange Traded Products

\$50bn Market Capitalisation

↑ 30.1% year on year

244 funds

ETPs Market Growth



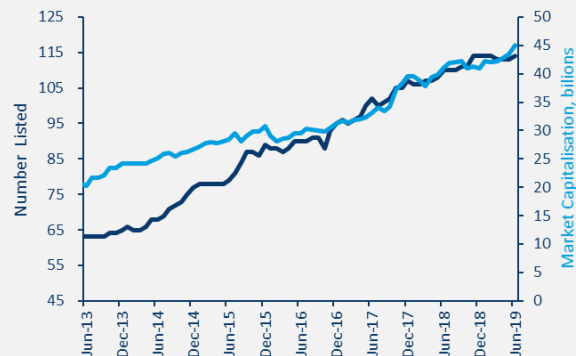
LICs and LITs

\$45bn Market Capitalisation

↑ 9.7% year on year

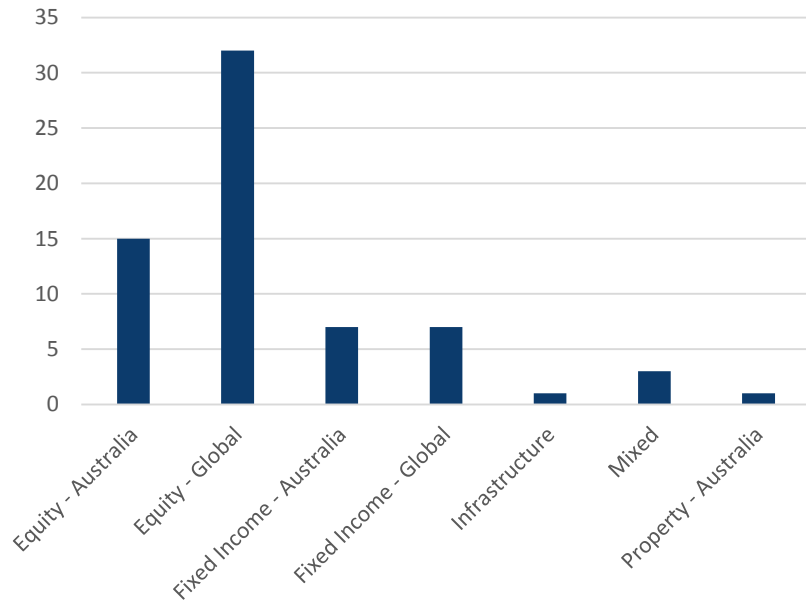
114 funds

LIC Market Growth



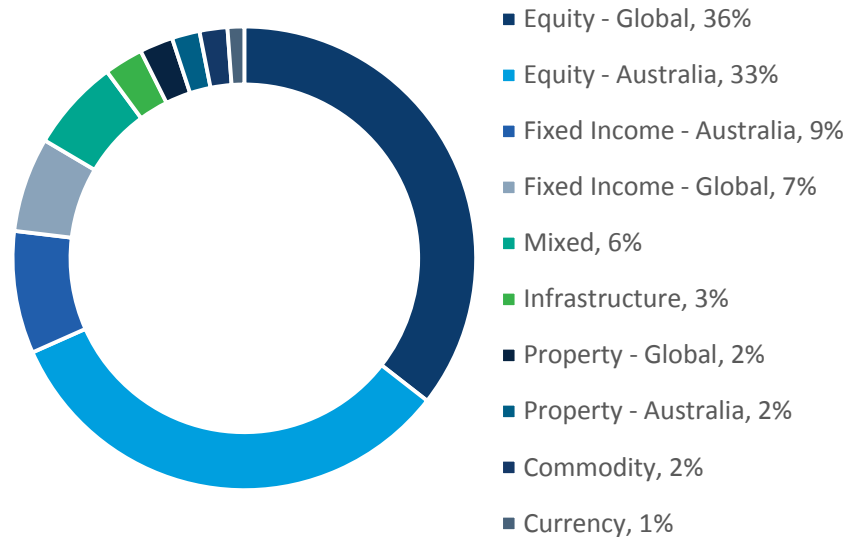
Investors now have access to a wide range of asset classes via funds on ASX

New funds by asset class since 2018



Source: ASX Investment Products Report April 2019, ASX internal reports

Asset class spread by # of funds as at Apr 2019

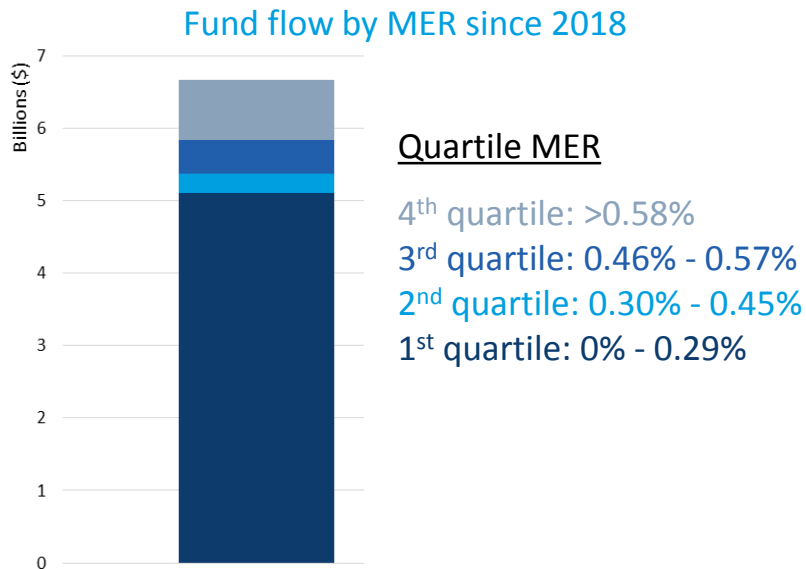


Source: ASX Investment Products Report April 2019

Recent trends in ASX Investment Products

Fee Compression

ETFs that offer exposure at a minimal MER are experiencing greater flows than their high-cost counterparts.



Product Differentiation

Increased demand for hard to access asset classes and strategies



Geographic



Asset Class



Sector Specific


















Smart Beta / Factor



Alternatives

Comparison of fund structures on the ASX

Listed Investment Company	Listed Investment Trust	mFund	ETMF – “Active ETF”	Traditional ETF
<div> Company</div>	<div> Trust</div>			
<div> After 30% tax</div>	<div> Full pass through – taxed at Investor’s Marginal Tax Rate</div>			
<div> Closed end</div>	<div> Open end</div>			
<div> Secondary market trading</div>	<div> Applications & Redemptions</div>	<div> Secondary market trading</div>		
<div> Up to monthly NTA</div>	<div> Up to qtrly NAV</div>	<div> Intra day iNAV</div>		
<div> Active</div>				<div> Passive</div>
<div> Can hold a variety of assets including cash</div>				

Panel session



Chris Blair

Strategic Account Manager, Private Wealth, Australia & New Zealand
AMP Capital



Ian Irvine

CEO,
Listed Investment Company & Trust Association



Listed Investment
Companies & Trusts
Association



Thank you.