

ETF Securities Australia

Company overview

ETF Securities Australia is the independent champion of specialist exchange traded funds (ETFs). It helps Australian investors achieve better investment outcomes by providing intelligent access to products across equities, currencies and commodities. It manages more than AUD2.6 billion in assets under management across 16 ETFs, soon to be 18 upon launch of the new leveraged Nasdaq trading products.

ETF Securities is Australia's second oldest ETF provider and was founded in 2003 by entrepreneur and philanthropist Graham Tuckwell. ETF Securities launched the world's first gold ETF in its founding year, which trades as ETFS Physical Gold (ASX code: GOLD).

The Australian ETF industry has been slower to take-off than other major markets but has seen rapid growth in recent years. ETF assets under management have more than doubled from 2016 to current valuations of AUD63.46 billion across 206 products (source: Australian Securities Exchange, as at May 2020). The COVID-19 pandemic and accompanying market volatility has resulted in substantial increase in investor interest in ETFs, with trading volumes swelling from approximately 4% of total trades on the ASX to around 10%. The range of products offered by ETF Securities has supported investor needs and interests during this period, from growth trend focused ETFs like ETFS FANG+ ETF (ASX code: FANG), yield focused ETFs such as ETFS S&P 500 High Yield Low Volatility ETF (ASX code: ZYUS), and more defensive commodities like the previously mentioned GOLD or ETFS Physical Silver (ASX code: ETPMAG).

As the needs of Australian investors evolve, ETF Securities continues to adjust and expand its product offerings with the coming launch of the Nasdaq leveraged trading products a key aspect of the strategy to assist investors in creating diversified portfolios and offer access to specialised products to meet their needs.

New offerings

ETF Securities has joined forces with Nasdaq to offer two new trading products: ETFS Ultra Short NASDAQ 100 Hedge Fund (ASX code: SNAS) and ETFS Ultra Long NASDAQ 100 Hedge Fund (ASX code: LNAS). These will be launching on the ASX on 13 July 2020. Both trading products aim to provide investors with geared returns that are related to the returns of the Nasdaq-100. They are currency-hedged into Australian dollars and have a management fee of 1.00% per annum.

ETFS Ultra Long NASDAQ 100 Hedge Fund (ASX code: LNAS)

ETFS Ultra Long Nasdaq 100 Hedge Fund (ASX Code: LNAS) is an exchange traded managed fund that aims to provide investors with geared returns that are positively related to the returns of the Nasdaq-100 Index. The fund provides exposure to the Nasdaq-100 Index of between 200% and 275% of its net asset value.



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ETFs Ultra Short NASDAQ 100 Hedge Fund (ASX code: SNAS)

ETFs Ultra Short Nasdaq 100 Hedge Fund (ASX Code: SNAS) is an exchange traded managed fund that aims to provide investors with geared returns that are negatively related to the returns of the Nasdaq-100 Index. The fund provides exposure to the Nasdaq-100 Index of between -200% and -275% of its net asset value.

Nasdaq-ETF Securities Partnership

Innovative technology has been a major source of growth over the past decade and will continue to be so in the future based on global trends. The COVID-19 pandemic has served to accelerate some tech trends. The Nasdaq-100 is considered the preeminent index for the world's most innovative companies, with more than 50% of the index allocated to information technology, and the remainder of the index utilizing innovative technology in their operations. ETF Securities sought to give Australian investors the ability to use leveraged exposure to the Nasdaq-100 in their portfolios.

There are very few geared ETFs available in the Australian market, with none specifically dedicated to the Nasdaq-100. These types of products have been successfully implemented and are highly traded in many other jurisdictions. As the Australian ETF market continues to mature there is a growing demand for more specialized trading products. Derivative investments may otherwise be unavailable to certain investors whereas geared ETFs off access in a more cost-effective format, are simpler to use and potential losses are restricted to the amount invested.

ETF Securities is also investigating options to further expand its product offerings across asset classes. With more than 30,000 diverse indexes providing coverage across asset classes, countries and sectors, Nasdaq's wide range of offerings supports clients who have different investment objectives and appetites. This is the ideal partner for ETF Securities.

For more information

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