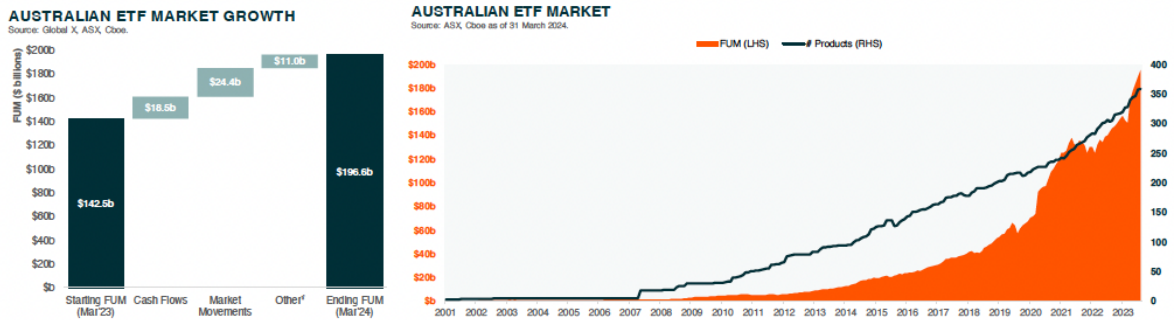




Global X Australian ETF Market Scoop

Industry Overview

The Australian Exchange Traded Fund (ETF) market grew 37.9% over the past year to \$196.6 billion across 358 products. This was driven by over \$18.5 billion in net inflows, positive market movements, and numerous unlisted active funds converting into active ETFs.



Other includes active ETFs that have launched via conversion from unlisted managed funds or dual-listed share classes.

Best Performing ETFs

Cryptocurrency ETFs were the best performing ETFs over the past year, driven by the launch of spot bitcoin ETFs in the US (a model already in place in Australia) and anticipation of the notable upcoming bitcoin halving cycle. Technology ETFs continue to surge driven by the consistent theme of artificial intelligence (AI) innovation and a potential softer economic landing.

Ticker	Fund Name	1-Year Total Return
EBTC	Global X 21Shares Bitcoin ETF	+ 168.3%
CRYP	Betashares Crypto Innovators ETF	+ 161.0%
EETH	Global X 21Shares Ethereum ETF	+ 108.5%
LNAS	Global X Ultra Long Nasdaq 100 Hedge Fund	+ 104.1%
FANG	Global X FANG+ ETF	+ 76.0%

Source: Bloomberg as of 31 March 2024.

Worst Performing ETFs

Energy transition and clean energy ETFs have remained the poorest performers, weighed down by higher interest rates which impacted borrowing costs given their long project timelines and higher reliance on debt. Inverse leveraged exchange-listed funds have lagged, as they typically underperform during market upswings.

Ticker	Fund Name	1-Year Total Return
SNAS	Global X Ultra Short Nasdaq 100 Hedge Fund	- 57.2%
BBUS	Betashares U.S. Equities Strong Bear Hedge Fund	- 44.4%
TANN	Betashares Solar ETF	- 28.3%
ETPMPD	Global X Physical Palladium	- 26.6%
HGEN	Global X Hydrogen ETF	- 25.8%

Source: Bloomberg as of 31 March 2024.



Most and Least Popular ETFs by Net Flows

The majority of net flows were directed toward low-cost vanilla ETFs with three of the lowest cost Australian share ETFs (VAS, IOZ and A200) garnering in a total of \$4.3 billion in net flows over the past year. The bulk of the outflows were from active ETFs which, despite accounting for the majority of new ETF listings, are still seeing money leaving their funds.

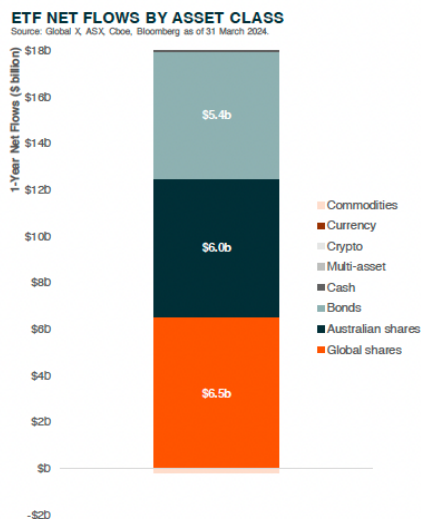
Ticker	Fund Name	1-Year Total Return
VAS	Vanguard Australian Shares Index ETF	\$1.8b
A200	Betashares Australia 200 ETF	\$1.4b
IOZ	iShares Core S&P/ASX 200 ETF	\$1.1b
TLRA	Talaria Global Equity Fund (Managed Fund)	\$1.0b
QUAL	VanEck MSCI World Ex-Australia Quality ETF	\$842m

Source: Bloomberg as of 31 March 2024.

Ticker	Fund Name	1-Year Total Return
MGOC	Magellan Global Fund – Open Class Units (Managed Fund)	-\$2.2b
AMVE	AllianceBernstein Managed Volatility Equities Fund (Managed Fund)	-\$306.9m
HYGG	Hyperion Global Growth Companies Fund (Managed Fund)	-\$254.7m
VVLU	Vanguard Global Value Equity Active ETF (Managed Fund)	-\$240.0m
XARO	ActiveX Ardea Real Outcome Bond Fund (Managed Fund)	-\$200.0m

Source: Bloomberg as of 31 March 2024.

Global shares have roared back to start 2024, being the most popular asset class attracting \$6.5 billion in net flows over the past year (and \$3.1 billion year-to-date in 2024). Cash ETFs have seen moderated flows compared to the prior year as investors are taking a “risk-on” sentiment and seemingly deploying money into growth asset classes in the face of potential interest rate cuts and improving economic conditions.



As more investors allocate to low-cost strategies through the ETF wrapper, the weighted average ETF fee in Australia has fallen to 0.34% per year, which is over half the weighted average cost of Australian managed funds.¹

¹ Morningstar database of Australian domiciled managed funds as of March 2024.



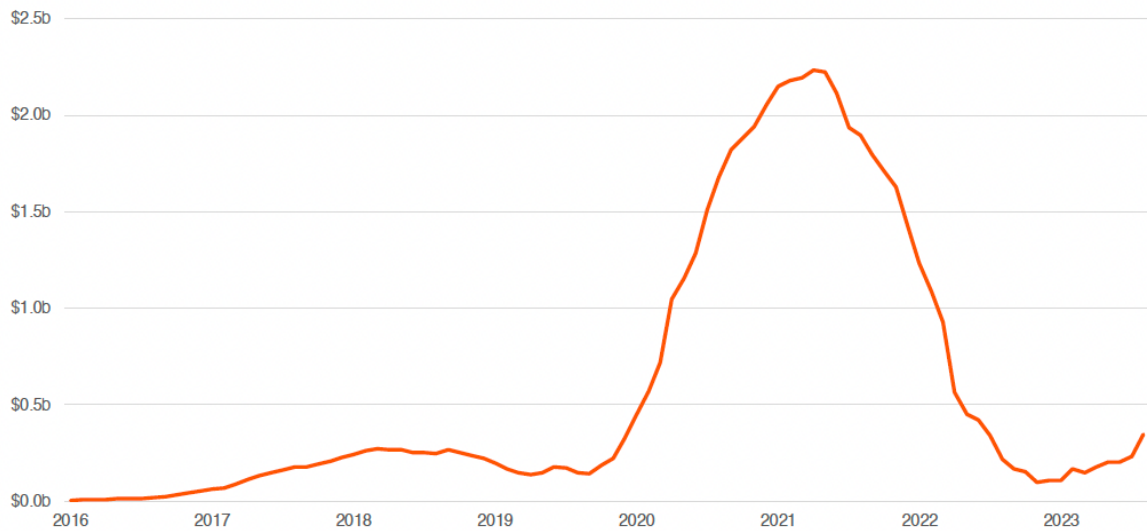
Feature Insight: Thematic ETFs Signs of Resurgence

Thematic ETFs have been a key innovation in the ETF industry, enabling investors to gain exposure to specialised global megatrends. There are now ~40 thematic ETFs available in the Australian market for investors to choose from, with a total of \$5.4 billion of Australian investor money within them.

During 2022 and 2023, thematic ETFs fell out of favour in the face of increasing interest rates to curb strong inflationary pressures. After taking in over \$2.2 billion in net flows in 2021, a tenth of this came into thematic ETFs in 2023.

Thematic ETFs Trailing 1 Year Net Flows

Source: Global X, ASX, Cboe, Bloomberg as of 31 March 2024.



This fall was attributable due to investors allocating to other asset classes like bonds and cash, and the fact that thematics underperformed. Companies with imbedded long-term cash flows naturally fall in price as interest rates rise. Nevertheless, indications suggest that the peak in rate hikes may be here, with the next move potentially being a rate cut which could bode favourably for thematic ETFs.²

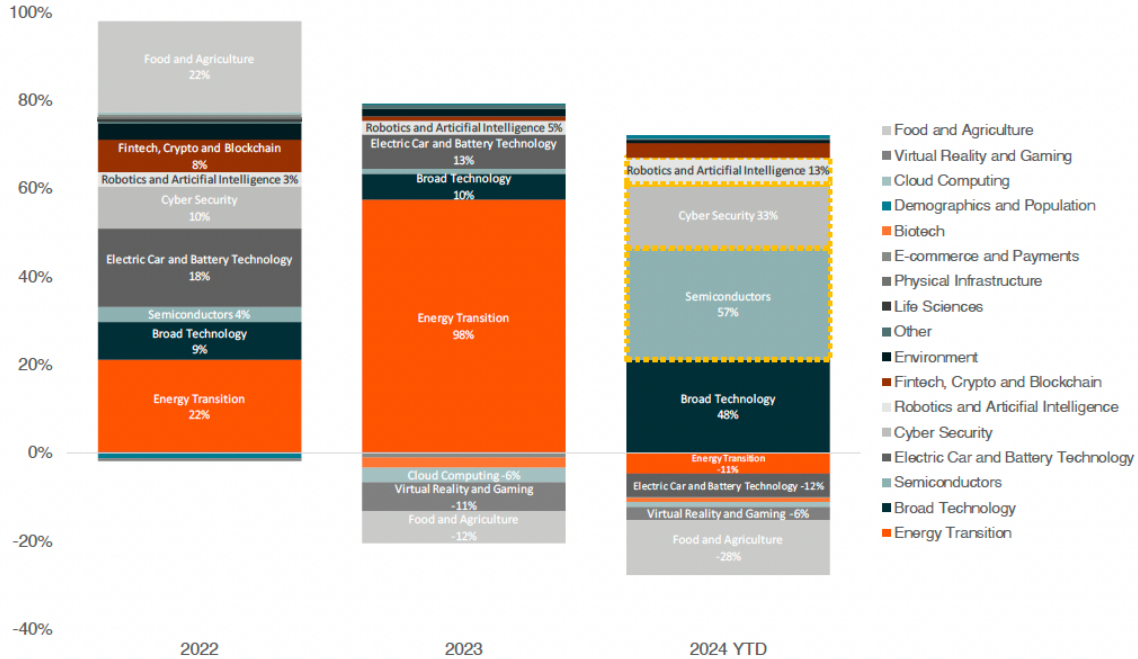
2024 has shown a resurgence in thematic ETFs with improved flows and glimpses of growth beginning to surface in various sectors. While areas such as virtual reality, food and cloud computing have not seen much up-take, energy transition ETFs were popular last year, and interest is rising in technology-related ETFs, particularly in semiconductors and artificial intelligence (AI). This trend is anticipated to persist, as AI represents a significant megatrend shaping the future in terms of product innovation, industrial efficiencies, and productivity improvements.

² Based on ASX Interbank Cash Rate Futures and CME FedWatch Tool.



Thematic ETF Flows by Category

Source: Global X, ASX, Cboe, Bloomberg as of 31 March 2024.



Flows into AI-related ETFs including semiconductors have exploded so far in 2024. Robotics and artificial intelligence ETFs have more than doubled in terms of popularity compared to last year, while investors allocated over \$53 million into semiconductor ETFs in the first three months of the year. Cybersecurity ETFs also saw stronger level of support in an age of continued investment in efforts to combat cyber crime and ensuring databases are safe. Australians invested around \$30 million into cybersecurity ETFs so far in 2024 (compared with just \$270,000 in net flows in the entire 2023 year).

We anticipate ongoing product innovation within thematic ETFs and increased use by investors as satellite exposures in their portfolios, allowing them to express tailored investment perspectives. Rather than being seen as speculative unsustainable bets, thematic ETFs are being increasingly integrated into portfolios as long-term allocations to express structural outlooks on innovation and global trajectories.



About Global X

Global X ETFs is a leading ETF provider with a growing range of innovation-led products built to help Australian investors and their advisers achieve better investment outcomes. Global X's nuanced understanding of the local market is backed by an international network providing access to a successful pool of thematic, commodity, income, core, and digital asset ETFs. Our product line-up features 35 ETFs, with more than \$7 billion in assets under management.

This document is issued by Global X Management (AUS) Limited ("Global X") (Australian Financial Services Licence Number 466778, ACN 150 433 828) and Global X is solely responsible for its issue. This document may not be reproduced, distributed or published by any recipient for any purpose. Under no circumstances is this document to be used or considered as an offer to sell, or a solicitation of an offer to buy, any securities, investments or other financial instruments. Offers of interests in any retail product will only be made in, or accompanied by, a Product Disclosure Statement (PDS) which is available at www.globalxetfs.com.au. In respect of each retail product, Global X has prepared a target market determination (TMD) which describes the type of customers who the relevant retail product is likely to be appropriate for. The TMD also specifies distribution conditions and restrictions that will help ensure the relevant product is likely to reach customers in the target market. Each TMD is available at www.globalxetfs.com.au.

The information provided in this document is general in nature only and does not take into account your personal objectives, financial situations or needs. Before acting on any information in this document, you should consider the appropriateness of the information having regard to your objectives, financial situation or needs and consider seeking independent financial, legal, tax and other relevant advice having regard to your particular circumstances. Any investment decision should only be made after obtaining and considering the relevant PDS and TMD.

This document has been prepared by Global X from sources which Global X believes to be correct. However, none of Global X, the group of companies which Mirae Asset Global Investments Co., Ltd is the parent or their related entities, nor any of their respective directors, employees or agents make any representation or warranty as to, or assume any responsibility for the accuracy or completeness of, or any errors or omissions in, any information or statement of opinion contained in this document or in any accompanying, previous or subsequent material or presentation. To the maximum extent permitted by law, Global X and each of those persons disclaim all any responsibility or liability for any loss or damage which may be suffered by any person relying upon any information contained in, or any omissions from, this document.

Investments in any product issued by Global X are subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of Global X, the group of companies of which Mirae Asset Global Investments Co., Ltd is the parent, or their related entities, nor any respective directors, employees or agents guarantees the performance of any products issued by Global X or the repayment of capital or any particular rate of return therefrom.

The value or return of an investment will fluctuate and an investor may lose some or all of their investment. All fees and costs are inclusive of GST and net of any applicable input tax credits and reduced input tax credits, and are shown without any other adjustment in relation to any tax deduction available to Global X. Past performance is not a reliable indicator of future performance. Forecasts are not guaranteed, and undue reliance should not be placed on them. This information is based on views held by Global X as at 08/04/2024.