



USTB

Global X US Treasury Bond ETF (Currency Hedged)



Invest in a currency hedged portfolio of US Treasuries.

Income - Fixed Income

FUND DETAILS

| | |
|------------------------|---|
| ASX Code | USTB |
| Bloomberg Code | USTB AU EQUITY |
| IRESS Code | USTB.AXW |
| Benchmark | iBoxx \$ Treasuries Index (AUD Hedged) |
| Mgt. Fee (% p.a.)* | 0.19 |
| Rebalance Frequency | Monthly |
| Distribution Frequency | Quarterly |
| W-8 BEN Form Required | No |
| Currency Hedged | Yes |

INTRODUCING USTB

USTB tracks the iBoxx \$ Treasuries Index (AUD Hedged). The index is market capitalisation weighted and mirrors the performance of debt (bonds) issued by the US government.

The fund gains its exposure to the index by investing substantially all of its assets in the Xtrackers II US Treasuries UCITS ETF, which is managed by DWS Group. DWS is a leading global asset manager with over €859 billion in assets under management as at 30 June 2023.

DID YOU KNOW?

- Many institutional investors use, or have used, US Treasuries in some capacity.
- US Treasuries are the most heavily-traded bonds in the world.

WHAT ARE US TREASURIES?

Like any government, the US government needs money to fund itself. In order to do this, the United States Department of the Treasury issues debt – sometimes called Treasuries – to finance government spending as an alternative to taxation.

The market for US government debt is the most liquid and deep of any type of financial instrument. As of October 2023, there is more than US\$26 trillion in outstanding Treasuries¹. Every day, hundreds of billions of dollars' worth of Treasuries change hands.

Treasuries are held and used by countless institutions around the world. They often use them to earn a return on their cash in a low-risk way. However, uses are not limited to this. They are also used for analytical purposes, as their yields set the risk-free rate of return.

UNDERSTANDING US TREASURIES

- **Yield Curve:** shows investors the yields to maturity (defined below) of bonds with different maturity dates. It gives investors an easy way to compare the rewards for holding bonds for different periods of time.
- **Debt Outstanding:** is the total face value of debt that a company, government or other entity has issued.
- **Duration:** measures the extent to which a bond's price responds to changes in prevailing interest rates.
- **Yield to Maturity:** measures the yield an investor would receive if all the coupon payments of a bond were received and the bond was held until maturity.
- **Currency Hedging:** is where the price changes between two currencies – such as Australian dollars and US dollars – are mitigated using derivatives.

*Calculated on the Net Asset Value (NAV) of the Fund. Comprised of a Management Fee of 0.13% p.a. plus estimated indirect costs of 0.07% p.a. Refer to the PDS for a complete list of fees and costs.

KEY FEATURES



Diversification

Exposure to U.S. Treasuries ranging from 1-30 year maturities.



Competitive Cost

At a 0.19% Management Fee, USTB offers access to U.S. Treasuries via the ASX at a competitive cost.



Alternative Income Cost

USTB seeks to generate an alternative a source of income while mitigating risk.

[1] <https://www.sifma.org/resources/research/us-treasury-securities-statistics/>



HOW USTB WORKS

The fund is passively managed, and therefore seeks to match the performance of its benchmark index, the iBoxx \$ Treasuries Index (AUD Hedged). The index reflects the market of tradable debt (bonds) denominated in US dollars issued by the US government. The index is rebalanced according to a pre-set methodology.

To qualify for index inclusion, bonds must:

- Have a minimum maturity of 18 months when they are issued, and, or rebalancing, have a remaining time to maturity of at least one year.
- Have a minimum amount outstanding of US\$1 billion per bond.

HOW TO USE USTB IN A PORTFOLIO

- To generate income, given that US treasuries offer higher yields than cash.
- To lower overall portfolio risk, as US treasuries have a low correlation to Australian equities.
- To complement existing fixed interest exposure through international diversification.

For more information on the Global X US Treasury Bond ETF (Currency Hedged) (ASX Code: USTB), please speak to Global X ETFs.

Client Services

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[1] (SIFMA, 2024) <https://www.sifma.org/resources/research/us-treasury-securities-statistics/>

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Information current as at 5 December 2023.

COMPOSITION OF USTB

Source: DWS, as at 30 September 2023

