



# 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

\*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.

#### 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 Treasuries<sup>1</sup>. 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.

[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.

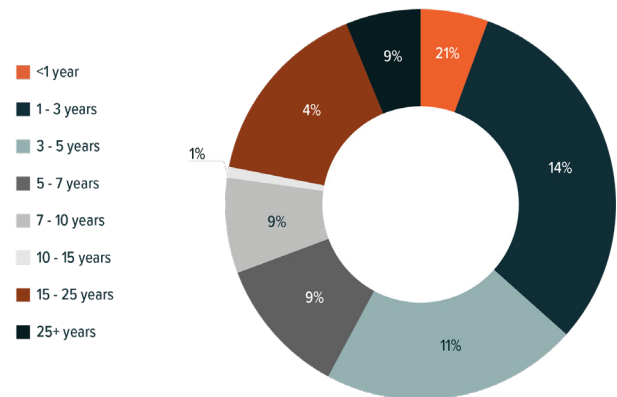
## Client Services

+61 2 8311 3488 | [Info@globalxetfs.com.au](mailto:Info@globalxetfs.com.au)

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

## COMPOSITION OF USTB

Source: DWS, as at 30 September 2023



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](http://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](http://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. 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. The value or return of an investment will fluctuate and an investor may lose some or all of their investment. Past performance is not a reliable indicator of future performance.

The iBoxx \$ Treasuries Index (the "Index") referenced herein is the property of Markit Indices GmbH ("Index Provider") and has been licensed for use in connection with Global X US Treasury Bond ETF (Currency Hedged) (the "Fund"). Each party acknowledges and agrees that the Fund is not sponsored, endorsed or promoted by the Index Provider. The Index Provider makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaims any warranty either as to the quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index and/or the composition of the Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Index at any particular time on any particular date or otherwise. The Index Provider shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Index, and the Index Provider is under no obligation to advise the parties or any person of any error therein. The Index Provider makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling the Fund, the ability of the Index to track relevant markets' performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Provider has no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. No party purchasing or selling the Fund, nor the Index Provider, shall have any liability to any party for any act or failure to act by the Index Provider in connection with the determination, adjustment, calculation or maintenance of the Index. The Index Provider and its affiliates may deal in any obligations that compose the Index, and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the issuers of such obligations or their affiliates, and may act with respect to such business as if the Index did not exist, regardless of whether such action might adversely affect the Index or the Fund.

Information current as at 5 December 2023.