



BetaShares

Exchange Traded Funds

Media release

BetaShares launches Australia's first currency ETF

BetaShares U.S. Dollar ETF

ASX code: USD

- ETF tracks performance of U.S. dollar relative to the Australian dollar
- Simple structure opens up foreign exchange markets to retail investors at wholesale rates
- For the first time, investors are able to trade currency on the ASX like any share

SYDNEY, 1 February 2011: BetaShares Capital Limited (BetaShares) today listed Australia's first currency ETF on the Australian Securities Exchange (ASX).

Trading under the ASX Code 'USD', *BetaShares U.S. Dollar ETF* tracks the performance of the U.S. dollar (US\$) relative to the Australian dollar (A\$).

The new ETF employs a simple, transparent and highly cost-effective structure, with the assets of the fund consisting of US dollars held in a bank account with JP Morgan Chase Bank.

The launch comes at a time of historic strength for the A\$, which is currently trading at about 40% above its long run average value, and the ETF should appeal to investors looking for a simple way to capitalise on any potential weakening in the A\$ relative to the US\$. For example, if the US\$ goes up 10% against the A\$ (i.e. if the A\$ falls in value), the price of the ETF should go up 10% too (before fees and expenses).

Drew Corbett, Head of Investment Strategy & Distribution at BetaShares, pointed out the tremendous cost effectiveness of the product relative to opening a US dollar bank account in Australia. An individual seeking to invest A\$10,000 in a US dollar bank account with one of the major Australian banks can pay up to \$700 over a 6 month period due to fees, costs and poor exchange rates. By contrast, that same investment in the *BetaShares U.S. Dollar ETF* would cost around A\$70. The cost savings primarily derive from the foreign currency rates that BetaShares is able to access - rates that were previously the domain of large wholesale investors only.

"Current FX investment options – whether FX trading platforms, CFDs or foreign currency bank accounts – can be complicated, expensive or potentially risky. Simply put, until now, there was no way for retail investors to get exposure the US dollar in a cost effective and simple manner" Mr Corbett said.

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The currency market is the largest and most liquid financial market in the world with turnover in excess of US\$3 trillion per day. The new BetaShares ETF provides investors with the ability to access this market simply, via the ASX, allowing them to execute a broad range of investment strategies.

“Complexity and cost has always been a barrier to currency exposure for retail investors. *BetaShares U.S. Dollar ETF* allows investors to take long or short term views on the US currency, diversify portfolios or hedge against currency risk. Investing is as simple as buying any share on the ASX.”

“For some investors, the *BetaShares U.S. Dollar ETF* also has potential tax advantages. For example, for those investors that hold their investments on capital account, any gains made using the ETF may be treated as capital gains, rather than income, which means investors may be able to benefit from capital gains discount should they qualify under the ATO regulations”, continued Mr. Corbett.

The U.S. Dollar ETF is the third ETF listed by BetaShares after the Resources Sector ETF (ASX: QRE) and Financial Sector ETF (ASX: QFN) listed on the ASX in mid December. The product launch is further evidence of BetaShares’ commitment to provide Australian investors with ETFs tailored to the Australian market.

Stephen Jani, Head of FX Sales at JP Morgan Chase Bank said: “We are excited to work with BetaShares in delivering a product which expands the investment suite for Australians. The ability to trade currency on the ASX will be of significant interest to anyone seeking direct exposure to the US dollar.”

“This ETF is an example of BetaShares’ ability to respond to market demand and quickly deliver solutions for the local investor”, Mr Corbett concluded.

Further information can be found at www.betashares.com.au and www.asx.com.au.

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About BetaShares

BetaShares is a specialist provider of ETFs designed for Australian investors. BetaShares objective is to expand the universe of investment possibilities open to investors by providing ETFs that empower investors to implement their investment strategies with ease.

About BetaShares ETFs

BetaShares ETFs are Australian domiciled ETFs which trade on the Australian Securities Exchange, and are bought and sold by investors like shares. BetaShares will deliver ETF products that allow investors to track the performance of a range of market indices and asset classes.

Australian-owned and managed, BetaShares is affiliated with BetaPro Management, one of the largest ETF issuers in North America.