

# **BetaShares** Australian Dividend Harvester (ASX: HVST) August 2019

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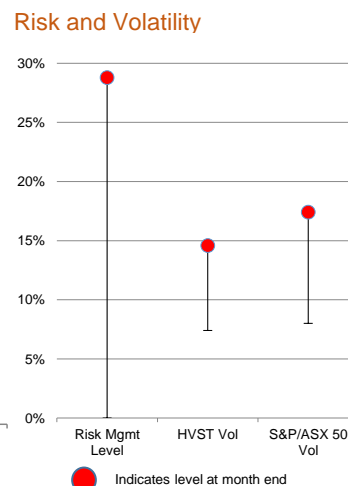
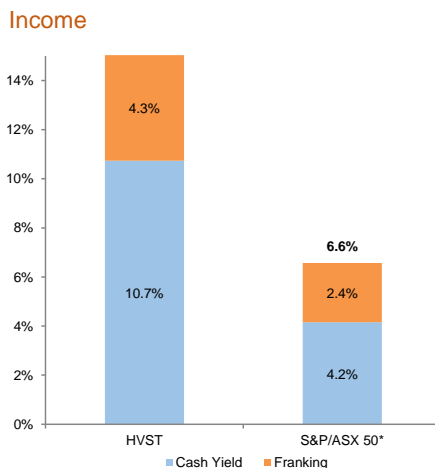
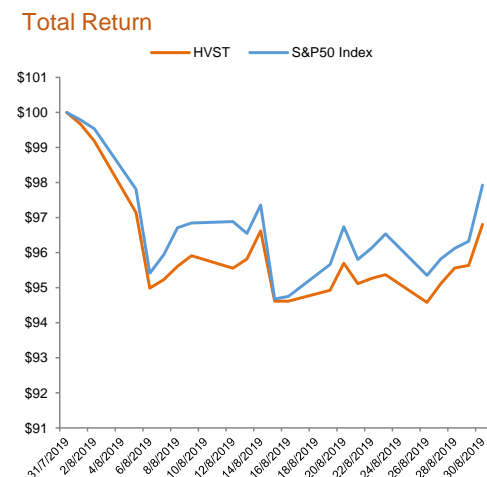
**Objective:** Provide investors with exposure to large capitalisation Australian shares along with regular franked dividend income, paid monthly, that is at least double the income yield of the broad Australian sharemarket on an annual basis. In addition, the Fund aims to reduce the volatility of the equity investment returns and defend against losses in declining markets.

Sector Concentrations	HVST	S&P/ASX 50
Consumer Discretionary	6.9%	4.6%
Materials	23.0%	17.0%
Financials	34.2%	37.0%
Utilities	5.8%	1.8%
Consumer Staples	4.5%	5.4%
Industrials	9.3%	7.2%
Health Care	1.3%	9.7%
Energy	8.8%	5.2%
Information Technology	0.3%	0.6%
Communication Services	4.6%	3.4%
Real Estate	1.2%	8.1%

Top 10 Exposures	
CBA	7.0%
BHP	6.7%
SUN	6.4%
WES	6.4%
IAG	6.0%
S32	5.7%
AGL	5.7%
FMG	4.9%
QAN	4.7%
MPL	4.5%

Fund Inception Date (29 Oct 2014)	HVST	S&P/ASX 50*	Difference
12 Month Net Yield*	10.7%	4.2%	↑ 6.6%
12 Month Gross Yield (Est.)*	15.0%	6.6%	↑ 8.5%
12 Month Annual Volatility*	10.0%	11.9%	↓ 16.2%
Total Cash Distributed (per unit since inception)	\$9.930	n/a	n/a
Number of Distributions	57	n/a	n/a

\*12 month trailing



## **Commentary: (as at August 31, 2019)**

Market volatility rose significantly in August as trade wars continued to weigh on the global economy. Both China and the U.S. are in an arms race with additional new tariffs announced this month and no sign of a deal in sight. In Australia, Materials were the worst performing sector resulting from a sharp fall in the iron ore spot price, returning -24.9% for the month.

For the month of August, HVST returned -3.19%, whilst the S&P/ASX 50 Index returned -2.07%. HVST's stock portfolio (-2.52%) underperformed the S&P/ASX 50 Index (-2.07%) by 0.44%. This was driven by overweight positions in BHP Group (-10.97%) and South32 (-15.92%). Risk Management Protection in HVST increased rapidly (from 0% to 20.0% by mid-month and up to 28.8% by month end) as market volatility increased. This provided some cushioning, but detracted from HVST's return (by 0.68%) as the market rebounded. Realised volatility for the S&P/ASX 50 Index increased to 17.4% whilst HVST's was lower at 14.6%.

A cash distribution of \$0.112 per unit or 0.70% distribution yield was paid in August.

On 26 August 2019, HVST revised its income objective. Details of the change can be found in the link below:

<https://www.asx.com.au/asxpdf/20190826/pdf/447v370rp60bp1.pdf>

Source: Betashares, Bloomberg

\*This is an estimate only for this distribution period. The final amount will be determined as at the end of the financial year and may differ materially from the estimate due to various factors, including changes in the number of units on issue.

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Net Asset Value	
NAV per unit (31 Jul)	\$16.18
NAV per unit (31 Aug)	\$15.55

Distributions	
Ex-Distribution Date	01 Aug
Distribution (per unit)	\$0.112
Est. Franking Credits (p.u.)*	\$0.036
Net Yield for Period	0.70%

1 Month Realised Volatility	
HVST	14.6%
S&P/ASX 50	17.4%

Monthly Total Returns	31-Aug-19
HVST	-3.19%
S&P/ASX 50	-2.07%

Risk Management Level for the Month	
Minimum	0.0%
Maximum	28.8%