

Invest in good health

HEALTHCARE: A GLOBAL GROWTH SECTOR

There are long-term drivers pushing global healthcare expenditures higher.



Combination of global population growth and ageing demographics.



Prevalence of chronic diseases will continue to drive up the demand for healthcare.



Emerging economies will need massive levels of healthcare expenditures to close the gap.



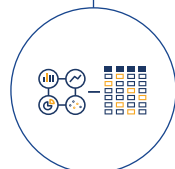
Higher and sustainable levels of healthcare expenditures globally, which will benefit multinational healthcare companies.

PROCESS



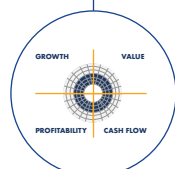
Collection and screening of financial statements and company data

The financial statements of all publicly traded companies with reliable and consistent reports are collected and screened, which is over 1800 companies. MarketGrader screens through millions of data records to identify reporting anomalies and inconsistencies and filters out those it deems unreliable.



Calculation of metrics designed to identify growth compounders

Next, MarketGrader calculates a series of metrics that seek to find companies with characteristics that include consistent top to bottom line growth—not just explosive short term growth—with sustainable margins and high cash flow generation; a sound capital structure that doesn't impair operating growth, combined with high returns on invested capital; and reasonable valuations relative to sustainable growth rates.



Calculation of 24 Fundamental Indicators Focused on GARP + Quality

Next, MarketGrader aggregates all data points into 24 individually graded indicators, which are classified into the four categories: Growth, Value, Profitability and Cash Flow. Since business models vary greatly across industries and sectors and between companies of very different scale, these indicators also vary to account for such differences.



Calculation of the Final MarketGrader Score and Rating

Lastly, all 24 fundamental indicators are aggregated into a final MarketGrader Score, on a scale from zero to 100; with the top 100 selected. Then, the top 50 are selected based on market capitalisation. Constituents are equally weighted.

HLTH OFFERS

Global growth opportunity

A sector with significant growth potential due to shifting global demographics, social changes, research & development and innovation supporting increased demand in healthcare-related products and services.

A portfolio of global healthcare leaders comprising the most fundamentally strong companies

Invests in 50 fundamentally sound and attractively valued companies with the best growth prospects in the healthcare sector.

Targeted exposure and diversification

A portfolio which targets focussed exposure to healthcare and offers true diversification by equally weighting across companies.

ASX code	HLTH
Commencement date	10 September 2020
Management cost	0.45% p.a.
Index	MarketGrader Developed Markets (ex-Australia) Health Care Index
Stock number	50

Key risks	An investment in the ETF carries risks associated with: financial markets generally, individual company management, industry sectors, foreign currency, country or sector concentration, political, regulatory and tax risks, fund operations and tracking an index. See the PDS for details.
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