

InvestSMART ETF Scorecard 2024

Best & worst performers

+ 5-star rated ETFs



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Welcome to InvestSMART's ETF Scorecard

The Australian exchange-traded fund (ETF) industry has seen remarkable growth over the past decade, fundamentally altering the investment landscape. With more than 360 ETFs available, Australian investors have unprecedented access to diverse investment opportunities.

ETFs are a go-to for many investors, thanks to their flexibility, low costs, and ability to track broad market indexes. Whether it's building wealth, saving for retirement, or investing for kids, ETFs are seen as a smart choice for long-term goals.

InvestSMART's inaugural ETF Scorecard report deep dives into the performance of Australian ETFs and ranks the best and worst performers over the past 12 months overall and within six broad categories. The report also reveals the most – and least – popular based on funds under management flows.

We go one step further by assigning each ETF a star rating out of five. Why the star ratings? Because short-term returns don't always tell the whole story. For example, six of this year's 10 best performing ETFs score three stars or lower. Our goal is to help investors look past hot sectors and focus on long-term performance.

With more investors turning to ETFs to diversify their asset allocation, we are witnessing a shift in how Australians build wealth. I believe the next decade will see ETFs play a significant role in investors' wealth-building strategies as property becomes more expensive and increasingly unattainable for younger people.

InvestSMART was one of Australia's first portfolio managers to exclusively use ETFs, consistently leveraged the power of low-cost, passive investing, with our diversified portfolios achieving returns of 3.8% and 8.5% since inception, outperforming similar competitor funds by an average of 1.5% to 2.4% annually. Of course, past performance is not a guarantee of future returns. Turn to [page 10](#) to learn how to invest with us or try our free [statement-of-advice](#) quiz to find out which InvestSMART portfolio suits your goals.

We appreciate your interest in our report and hope it is a valuable resource for your investment decisions.

Ron

InvestSMART Group CEO



Top three reasons for considering ETFs



56%

Building wealth



31%

Retirement



6%

Investing for kids

Source: InvestSMART

ETF LANDSCAPE 2024



\$213bn

Assets under management (AUM)



67

new ETFs launched

363

ETFs on the ASX



38

new active ETFs

29

new passive ETFs



\$47bn

FUM flows (net)

ETF category with the most inflows

International equities

\$17.8bn

ETF category with the most outflows

Currency

-\$31m

1-YEAR HIGHLIGHTS



Best-performing ETF

Betashares Geared US Equity Fund Currency Hedged (ASX: GGUS)

46.6% Growth of \$1,000 over 1 year = \$1,466

Worst-performing ETF

Global X Ultra Short Nasdaq 100 Complex ETF (ASX: SNAS)

-40.5% Growth of \$1,000 over 1 year = \$595 (-\$405)

Most expensive ETF

Hejaz Equities Fund (ASX: ISLM) 1.89%p.a.



Least expensive ETF

Vanguard US Total Market Shares Index ETF (ASX: VTS) 0.03%p.a.

10 most popular ETFs gained **\$16.1bn** AUM

=

31% of total inflows

10 least popular ETFs lost **\$2.5bn** AUM

=

56% of total outflows



5-YEAR HIGHLIGHTS

Best 5★ rated ETF

SPDR S&P 500 ETF Trust (ASX: SPY)

15.3%p.a. over 5 years Growth of \$1,000 over 5 years = \$2,040

104 ETFs received a 5★ and 4★ rating

11 ETFs received a 1★ rating



Best-performing ETF

Betashares Geared US Equity Fund Currency Hedged (ASX: GGUS)

20.3%p.a. over 5 years Growth of \$1,000 over 5 years = \$2,521



10 best-performing ETFs over one year

ASX Code	ETF Name	Category	1-yr return	MER	Growth of \$1K over 1 year	Star rating
GGUS	Betashares Geared US Equity Fund*	Global shares	46.6%	0.80%	\$1,466	4
CRYP	Betashares Crypto Innovators ETF	Global shares	43.3%	0.67%	\$1,433	3
LNAS	Global X Ultra Long Nasdaq 100 Complex ETF	Global shares	41.7%	1.00%	\$1,417	2
MCCL	Munro Climate Change Leaders Fund^	Global shares	39.3%	0.90%	\$1,393	2
MVB	VanEck Australian Banks ETF	Australian shares	38.7%	0.28%	\$1,387	4
SEMI	Global X Semiconductor ETF	Global shares	37.0%	0.45%	\$1,371	4
OZF	SPDR S&P/ASX 200 Financials ex A-REIT Fund	Australian shares	36.0%	0.34%	\$1,360	3
MKAX	Montaka Global Extension Fund#	Global shares	35.9%	1.25%	\$1,359	2
QFN	Betashares Financials Sector ETF	Australian shares	35.8%	0.34%	\$1,358	3
LPGD	Loftus Peak Global Disruption Fund^	Global shares	34.0%	1.20%	\$1,340	4

*Currency Hedged (Hedge Fund) ^Managed Fund #Hedge Fund

Australian investors have enjoyed an excellent 12 months, with both international and Australian equity markets moving higher.

With a return of 46.6%, the **Betashares Geared US Equity Fund – Currency Hedged (ASX: GGUS)** was the top performer for the 12 months to 31 August 2024.

This ETF provides investors with geared exposure to the returns of the broader US share market. It does this by combining investors' funds with borrowed funds to invest in the S&P 500. The total amount borrowed is kept between 50%-65% of the total assets of the fund.

GGUS's outsized gains were a result of a stellar performance by the S&P 500 combined with leverage and a currency hedge. Using leverage is a high-risk strategy that can work well if markets move in your favour but can also involve significant losses if the market moves against you.

In second spot is the **Betashares Crypto Innovators ETF (ASX: CRYP)** with a return of 43.3%. CRYP invests in a portfolio of listed cryptocurrency companies that have risen significantly due to higher cryptocurrency prices.

Despite its excellent one-year performance, the ETF is still trading at below half of its 2021 listing price, highlighting the speculative nature of this investment.

Not far behind is the **Global X Ultra Long Nasdaq 100 Complex ETF (ASX: LNAS)** which returned 41.7% and invests primarily in a portfolio of long E-mini Nasdaq-100 Futures contracts.

10 worst-performing ETFs over one year

ASX Code	ETF Name	Category	1-yr return	MER	Growth of \$1K over 1 year	Star rating
SNAS	Global X Ultra Short Nasdaq 100 Complex ETF	Global shares	-40.5%	1.00%	\$595	1
BBUS	Betashares US Equities Strong Bear*	Global shares	-37.7%	1.38%	\$623	2
HGEN	Global X Hydrogen ETF	Global shares	-33.6%	0.69%	\$664	2
TANN	Betashares Solar ETF	Global shares	-29.7%	0.69%	\$703	1
ETPMPD	Global X Physical Palladium	Commodities	-25.2%	0.49%	\$748	1
GMTL	Global X Green Metal Miners ETF	Global shares	-21.4%	0.69%	\$786	2
CLNE	VanEck Global Clean Energy ETF	Global shares	-21.4%	0.65%	\$786	2
BBOZ	Betashares Australian Strong Bear^	Australian shares	-19.7%	1.38%	\$803	1
CNEW	VanEck China New Economy ETF	Asian shares	-18.4%	0.95%	\$816	3
GCO2	Global X Global Carbon ETF (Synthetic)	Commodities	-17.5%	0.45%	\$825	1

*Currency Hedged (Hedge Fund) ^Hedge Fund

The past 12 months might have been excellent for many ETFs but others have not fared so well.

The worst performer for the 12 months to 31 August 2024 was the **Global X Ultra Short Nasdaq 100 Complex ETF (ASX: SNAS)** which returned -40.5%.

SNAS is both a short and leveraged product, which means that when the Nasdaq 100 rises (as it has over the past 12 months) the ETF not only sustains losses, but those losses are magnified due to leverage.

The US market has risen in 69 of the past 100 years and fallen in the other 31. Hence, shorting the US market in any given year is simply a bad bet. Given SNAS's poor performance, InvestSMART has given it its lowest star rating of one.

The second worst-performing ETF is the **Betashares US Equities Strong Bear Hedge Fund – Currency Hedged (ASX: BBUS)** which returned -37.7%. BBUS is another high-risk ETF that is negatively correlated to the returns of the US share market and holds gearing risk.

Third among the worst performers is the **Global X Hydrogen ETF (ASX: HGEN)** which returned -33.6%. HGEN provides exposure to companies in the global hydrogen industry. However, with the industry still in its early stages, many companies have struggled with the significant costs associated with building out the global hydrogen ecosystem.

One common thread amongst many of the ETFs in this list is that they follow themes, however, themes fall in and out of favour.

10 most popular ETFs

over one year

ASX Code	ETF name	Category	Net inflow (\$m)	1-yr return	MER	Growth of \$1K over 1 year	Star rating
VAS	Vanguard Australian Shares Index ETF	Australian shares	\$2,524	16.1%	0.07%	\$1,161	5
A200	Betashares Australia 200 ETF	Australian shares	\$2,437	16.7%	0.04%	\$1,167	5
QUAL	VanEck MSCI International Quality ETF	Global shares	\$2,027	23.1%	0.40%	\$1,231	4
VGS	Vanguard MSCI Index International Shares ETF	Global shares	\$1,816	17.7%	0.18%	\$1,177	5
IVV	iShares S&P 500 ETF	Global shares	\$1,798	19.6%	0.04%	\$1,196	5
NDQ	Betashares NASDAQ 100 ETF	Global shares	\$1,382	19.9%	0.48%	\$1,199	4
IOZ	iShares Core S&P/ASX 200 ETF	Australian shares	\$1,165	16.1%	0.05%	\$1,162	5
BGBL	Betashares Global Shares ETF	Global shares	\$1,148	18.0%	0.08%	\$1,180	5
SUBD	VanEck Australian Subordinated Debt ETF	Australian fixed income	\$954	7.0%	0.29%	\$1,070	5
VGAD	Vanguard MSCI Index International Shares*	Global shares	\$895	21.8%	0.21%	\$1,218	4

*Hedged

ETFs are one of the most popular ways for Australians to invest, with total assets under management hitting \$213 billion in August 2024 – an increase of about \$61 billion from August 2023. The gains are due to solid growth on global share markets and strong investor cash inflows.

The **Vanguard Australian Shares Index ETF (ASX: VAS)** was the most popular ETF over the past 12 months. With net inflows of \$2.524 billion, it topped the list for the highest flow in funds under management for the 12 months to 31 August 2024. VAS, which tracks the S&P/ASX 300 Index, is also the largest ETF in Australia

The second most popular ETF is the **Betashares Australia 200 ETF (ASX: A200)** with net inflows of \$2.437 billion. A200 tracks the 200 largest companies in Australia.

Both VAS and A200 are broad-based ETFs, have low fees and have received InvestSMART's highest rating of five stars.

Rounding out the top three popular ETFs is an international ETF – the **VanEck MSCI International Quality ETF (ASX: QUAL)**. It tracks the performance of the MSCI World ex-Australia Quality Index.

One interesting trend is the significant inflows into international ETFs which was the most popular ETF category over the 12 months to August 2024. One likely reason is that investors see the benefits of investing internationally and want exposure to the booming US tech sector.

10 least popular ETFs

over one year

ASX Code	ETF name	Category	Net inflow (\$m)	1-yr return	MER	Growth of \$1K over 1 year	Star rating
MHHT	Magellan High Conviction Trust*	Global shares	-\$458	16.5%	1.50%	\$1,165	2
GOLD	Global X Physical Gold	Commodities	-\$441	22.9%	0.40%	\$1,229	5
FAIR	Betashares Australian Sustainability Leaders ETF	Australian shares	-\$404	14.5%	0.49%	\$1,145	4
XARO	ActiveX Ardea Real Outcome Bond Fund*	Global fixed income	-\$357	-0.8%	0.50%	\$992	3
WVOL	iShares Edge MSCI World Minimum Volatility ETF	Global shares	-\$214	13.2%	0.25%	\$1,132	4
HYGG	Hyperion Global Growth Companies Fund*	Global shares	-\$175	21.3%	0.70%	\$1,213	4
WDIV	SPDR S&P Global Dividend Fund	Global shares	-\$122	13.3%	0.35%	\$1,133	4
EMMG	Betashares Martin Currie Emerging Markets Fund*	Emerging market shares	-\$108	6.3%	1.00%	\$1,063	1
MICH	Magellan Infrastructure Fund^	Infrastructure	-\$107	11.8%	1.06%	\$1,118	2
OZF	SPDR S&P/ASX 200 Financials ex A-REIT Fund	Australian shares	-\$105	36.0%	0.34%	\$1,360	3

*Managed Fund ^Currency Hedged Managed Fund

The **Magellan High Conviction Trust (ASX: MHHT)** had the highest outflow in funds under management for the 12 months to 31 August 2024. Interestingly, the outflows of \$458 million occurred on the back of a good one-year performance, with the ETF returning 16.5%.

However, Magellan has struggled in recent years due to poor performance and the turmoil surrounding the departure of high-profile chairman, Hamish Douglass.

The ETF with the second biggest outflows is **Global X Physical Gold (ASX: GOLD)** which saw \$441 million leave the fund. It's the biggest gold ETF on the ASX and provides investors with a low-cost and secure way to own physical gold. The size of the outflows may seem surprising given the ETF's excellent one-year returns of 22.9%, however, outflows from gold ETFs have been a global phenomenon.

As physical gold doesn't provide investors with any dividends, owning gold can have high opportunity costs, especially when interest rates are high. Hence many investors have switched out of gold, into other income-generating asset classes such as bonds and equities.

With outflows of \$404 million, the **Betashares Australian Sustainability Leaders ETF (ASX: FAIR)** is third on the least popular list. FAIR achieved a healthy return of 14.5% over the past 12 months, however, it has slightly underperformed other Australian ESG ETFs in recent years, which may be why some investors have switched out of it.

Investing made simple, bring your goals to life



Three easy steps to getting started:

1. Find the right investment portfolio

InvestSMART offers a wide variety of professionally managed ETF portfolios. Our diversified portfolios range from conservative to high-growth options. Not sure which one is right for you? Try our [free statement-of-advice quiz](#) for a recommendation. You can also choose from a selection of asset-class-specific portfolios such as Australian or international shares or spread your investment over any number of portfolios.

2. Open your investment account

You can submit your application using our easy online process. You can set up your account as an individual, company, SMSF or a range of other options. Then you can fund your portfolio and start investing.

3. Let us do the work

We manage the day-to-day trading and operation of each investment portfolio to make sure they continue to meet their objectives. Our fees start at \$55 and are capped at \$550 p.a.

We also look after all the paperwork and provide real-time performance reporting and all the information you need to make tax time easy. An InvestSMART portfolio lets you get on with life, while your investments work hard to achieve your goals.

Try out InvestSMART's [free statement of advice](#). Take our short quiz and find the right ETF portfolio for your financial goals.

Our diversified ETF Portfolios

InvestSMART
Conservative

3.8%

Annualised performance* since
29 Dec 2014

InvestSMART
Balanced

5.4%

Annualised performance* since
29 Dec 2014

InvestSMART
Growth

7.1%

Annualised performance* since
24 Oct 2014

InvestSMART
High Growth

8.5%

Annualised performance* since
27 Oct 2014

InvestSMART
Ethical Growth

8.1%

Annualised performance* since
1 Nov 2020

*As of 31 August 2024 after management + admin fees.



Australian share ETFs

Best performers over one year

ASX code	ETF name	1-yr return	MER	Growth of \$1K over 1 year	Star rating
VLC	Vanguard MSCI Aus. Large Co. Index ETF	19.4%	0.20%	\$1,194	4
ILC	iShares S&P/ASX 20 ETF	18.8%	0.24%	\$1,188	4
SFY	SPDR S&P/ASX 50	17.5%	0.20%	\$1,175	4
QOZ	Betashares FTSE RAFI Australia 200 ETF	17.2%	0.40%	\$1,172	4
A200	Betashares Australia 200 ETF	16.7%	0.04%	\$1,167	5

Worst performers over one year

ASX code	ETF name	1-yr return	MER	Growth of \$1K over 1 year	Star rating
MVW	VanEck Australian Equal Weight ETF	9.4%	0.35%	\$1,094	5
IOZ	iShares Core S&P/ASX 200 ETF	16.1%	0.05%	\$1,162	5
VAS	Vanguard Australian Shares Index ETF	16.1%	0.07%	\$1,161	5
STW	SPDR S&P/ASX 200	16.2%	0.05%	\$1,162	5

The top performer in the Australian share ETF category is the **Vanguard MSCI Australian Large Companies Index ETF (ASX: VLC)** with a return of 19.4% for the 12 months to 31 August 2024.

VLC invests in the largest 16 companies in Australia and its great performance is primarily due to the significant gains made in the big banks, with CBA up about 37%, NAB up 32%, Westpac up 42% and ANZ roughly 20%.

A close second is the **iShares S&P/ASX 20 ETF (ASX: ILC)** which tracks the performance of the 20 largest Australian securities listed on the ASX and returned 18.8%. It too benefited from the growth of the big four banks which account for about 36% of its holdings.

ILC is followed by the **SPDR S&P/ASX 50 Fund (ASX: SFY)** with a return of 17.5%. SFY provides exposure to the ASX's top 50 securities and like the two ETFs ahead of it, SFY has a relatively high concentration of the big four banks in its portfolio. They account for about 29% of its holdings.

The worst performer in this category is the **VanEck Australian Equal Weight ETF (ASX: MVW)** with a return of 9.4%. This ETF carries equal weight of the ASX's top 73 stocks, with each stock comprising around 1.35%. As can be seen, the benefits of this year's big bank gains are diluted significantly in this ETF.

The remaining three ETFs on the 'worst performer' list actually performed quite well with returns not far behind the best-performing Australian share ETFs.

Though Australian shares have performed admirably this year, they have lagged international shares which have grown significantly due to the gains in big tech stocks.



Global share ETFs

Best performers over one year

ASX code	ETF name	1-yr return	MER	Growth of \$1K over 1 year	Star rating
IHOO	iShares Global 100 AUD Hedged ETF	26.0%	0.43%	\$1,260	4
WXHG	SPDR World ex Aus. Carbon Control Hedged	25.3%	0.10%	\$1,253	4
HNDQ	Betashares NASDAQ 100 ETF Hedged	23.3%	0.51%	\$1,233	4
IHVV	iShares S&P 500 AUD Hedged ETF	23.2%	0.10%	\$1,232	5
U100	Global X US 100 ETF	22.8%	0.24%	\$1,228	n/a

Worst performers over one year

ASX code	ETF name	1-yr return	MER	Growth of \$1K over 1 year	Star rating
IJR	iShares S&P Small-Cap ETF	11.0%	0.07%	\$1,110	4
QUS	Betashares S&P 500 Equal Weight ETF	11.8%	0.29%	\$1,119	4
VEU	Vanguard All-World ex US Shares Index ETF	12.0%	0.07%	\$1,120	5
IJH	iShares S&P Midcap ETF	12.2%	0.07%	\$1,122	5
VEQ	Vanguard FTSE Europe Shares ETF	12.7%	0.35%	\$1,127	4

The **iShares Global 100 AUD Hedged ETF (ASX: IHOO)** nabbed the top spot with a return of 26% for the 12 months to 31 August 2024. It provides investors with exposure to a broad range of large international companies in developing and emerging markets. IHOO is currency hedged but there is also an unhedged option (ASX: IOO) which had a slightly lower return of 22.1%.

The performance was powered by information technology stocks, which make up about 42% of the portfolio and include Apple, Microsoft and NVIDIA. Apple was up 21% over the 12-month period, Microsoft by about 27% and NVIDIA's growth was in the triple digits – 146%.

In second spot is the **SPDR World ex-Australia Carbon Control Fund (ASX: WXHG)** which returned 25.3% and is also currency hedged. It offers investors access to large- and mid-cap shares in developed markets (excluding Australia) but with greatly reduced average carbon intensity. It also excludes securities that fail to pass ESG-focused screens.

It's a very close race between the remaining ETFs on the top performer list with returns ranging from 22.8% to 23.3%.

The worst-performing global share ETF is the **iShares S&P Small-Cap ETF (ASX: IJR)** which gives investors exposure to small US companies and returned 11%.

The second worst performer is the **Betashares S&P 500 Equal Weight ETF (ASX: QUS)** with a return of 11.8%. Being an 'equal weight' index, each company makes up around 0.2% of the index. Interestingly, its performance shows that the majority of the 500 biggest companies in the US had relatively average years compared to the big tech stocks.



Australian fixed-income ETFs

Best performers over one year

ASX code	ETF name	1-yr return	1-yr yield	MER	Growth of \$1K over 1 year	Star rating
CRED	Betashares Aus. Invest. Grade Bond ETF	10.1%	4.7%	0.25%	\$1,101	5
HCRD	Betashares IR Hedged Aus. Corp. Bond ETF	8.9%	4.7%	0.29%	\$1,089	2
XGOV	VanEck 10+ Year Aus. Gov. Bond ETF	8.7%	3.0%	0.22%	\$1,087	3
5GOV	VanEck 5-10 Year Aus. Gov. Bond ETF	7.7%	2.4%	0.22%	\$1,077	3
PLUS	VanEck Australian Corporate Bond Plus ETF	7.4%	3.6%	0.32%	\$1,074	4

Worst performers over one year

ASX code	ETF name	1-yr return	1-yr yield	MER	Growth of \$1K over 1 year	Star rating
ILB	iShares Government Inflation ETF	4.1%	1.8%	0.18%	\$1,041	5
IGB	iShares Treasury ETF	4.5%	2.3%	0.18%	\$1,045	5
VGB	Vanguard Aus. Gov. Bond Index ETF	4.8%	2.4%	0.16%	\$1,048	5
RSM	Russell Invest Aus. Semi-Gov. Bond ETF	5.0%	0.0%	0.26%	\$1,050	3
GOVT	SPDR S&P/ASX Aus. Gov. Bond Fund	5.0%	1.1%	0.10%	\$1,051	4

Fixed-income ETFs experienced a relatively flat 12 months as interest rates remained steady. Bond ETF prices typically go higher when interest rates fall.

The top-performing ETF is the **Betashares Australian Investment Grade Bond ETF (ASX: CRED)** which returned 10.1% in the 12 months to 31 August 2024. Its distribution yield was 4.7%. The portfolio holds around 50 corporate bonds that have been selected based on expected returns. To be eligible, bonds must have amounts outstanding of at least \$250 million and a term to maturity of between 5.25 and 10.25 years.

The **Betashares Interest Rate Hedged Australian Grade Corporate Bond ETF (ASX: HCRD)** is second with a return of 8.9% and a distribution yield of 4.7%. It provides exposure to corporate bonds by investing in CRED – the ETF in top spot. HCRD also uses bond futures contracts to reduce interest rate risk.

Third on the top performer list is the **VanEck 10+ Year Australian Government Bond ETF (ASX: XGOV)**. It invests in a portfolio of Australian government bonds which have maturity dates between 10 and 20 years.

The worst performer is the **iShares Government Inflation ETF (ASX: ILB)** with a return of 4.1% which includes a yield of 1.8%. The index ILB tracks is designed to measure the performance of a segment of the Australian bond market comprised of inflation-linked fixed-income securities.

Bonds, and particularly government bonds, are an important part of any well-diversified portfolio. They are low risk, pay out a stable income, and protect your capital if held to maturity.



Australian high-yield ETFs

Best performers over one year

ASX code	ETF name	1-yr return	1-yr yield	MER	Growth of \$1K over 1 year	Star rating
RDV	Russell High Dividend Aust. Shares ETF	18.8%	4.5%	0.34%	\$1,188	4
HVST	Betashares Aus.Dividend Harvester Fund [^]	18.1%	6.0%	0.72%	\$1,181	2
IHD	iShares S&P/ASX Dividend Opp. ESG Screened ETF	17.0%	5.7%	0.23%	\$1,170	4
VHY	Vanguard Australian Shares High Yield ETF	16.8%	5.7%	0.25%	\$1,168	4
YMAX	Betashares Aus. Top20 Equity Yield Maximiser [^]	16.5%	7.6%	0.76%	\$1,166	3

[^]Managed Fund

Worst performers over one year

ASX code	ETF name	1-yr return	1-yr yield	MER	Growth of \$1K over 1 year	Star rating
INIF	Intelligent Investor Aus. Equity Income [^]	6.1%	2.0%	0.97%	\$1,061	3
EIGA	eInvest Income Generator Fund [^]	10.1%	5.5%	0.80%	\$1,101	1
SYI	SPDR MSCI Aus. Select High Dividend Yield	12.0%	4.2%	0.20%	\$1,120	4
SWTZ	Switzer Dividend Growth Fund (Quoted [^])	12.0%	11.1%	0.89%	\$1,120	1
EINC	Betashares Martin Currie Equity Income [^]	12.3%	3.7%	0.85%	\$1,123	1

[^]Managed Fund

Dividends and distributions are a much-loved part of Australia's investing landscape, and that's why some ETFs are specifically designed with a strategy to maximise distribution returns.

The best performer in this category is the **Russell Investments High Dividend Australian Shares ETF (ASX: RDV)** with a return of 18.8% and a distribution yield of 4.5% for the 12 months to 31 August 2024.

RDV seeks to track the return of the Russell Australia High Dividend Index, which is designed to provide investors with diversified exposure to blue-chip Australian companies that pay above-average dividends, including franking credits. The ETF contains around 50 holdings and its largest holding is CBA with a weighting of 7.7%.

In second place is the **Betashares Australian Dividend Harvester Fund (ASX: HVST)** with a return of 18.1% and a distribution yield of 6%.

The third best performer is the **iShares S&P/ASX Dividend Opportunities ESG Screened ETF (ASX: IHD)** with a return of 17.0% and a distribution yield of 5.7%.

One of the main reasons for the strong performance of most Australian high-dividend ETFs has been the performance of the big four banks. Over the 12 months to 31 August 2024, the share price of Westpac is up 42%, with CBA up 37%, NAB up 32% and ANZ up 20%.

The worst performer is the **Intelligent Investor Australian Equity Income Fund (ASX: INIF)** with a return of 6.1% and a distribution yield of 2%. Though INIF has had a solid five-year performance, this year it has underperformed, primarily due to it not holding any of the big banks in its portfolio.



Commodity ETFs

Best performers over one year

ASX code	ETF name	1-yr return	MER	Growth of \$1K over 1 year	Star rating
QAU	Betashares Gold Bullion ETF*	26.4%	0.59%	\$1,264	3
PMGOLD	Perth Mint Gold	23.1%	0.15%	\$1,231	5
GOLD	Global X Physical Gold	22.9%	0.40%	\$1,229	5
NUGG	VanEck Gold Bullion ETF	22.5%	0.25%	\$1,225	3
ETPMAG	Global X Physical Silver	14.3%	0.49%	\$1,143	4

*Currency Hedged

Worst performers over one year

ASX code	ETF name	1-yr return	MER	Growth of \$1K over 1 year	Star rating
ETPMPD	Global X Physical Palladium	-25.2%	0.49%	\$748	1
GCO2	Global X Global Carbon ETF^	-17.5%	0.45%	\$825	1
XCO2	VanEck Global Carbon Credits ETF^	-12.8%	0.45%	\$872	2
ETPMPT	Global X Physical Platinum	-8.3%	0.49%	\$917	3
BCOM	Global X Bloomberg Commodity Complex ETF	-7.2%	0.60%	\$928	2

^Synthetic

With global growth slowing, commodities have had a mixed 12 months. However, one bright spot has been gold, which has taken out the top four positions in our best-performing commodity ETFs list.

The gold price has performed particularly well, due to a combination of increased geopolitical risk, expectations of US rate cuts, and aggressive buying by many of the world's central banks including China, India, Poland and Turkey.

The best-performing commodity ETF over the 12 months to 31 August 2024 was the **Betashares Gold Bullion ETF – Currency Hedged (ASX: QAU)** with a return of 26.4%. QAU is backed by physical gold bullion and had a slightly higher return than its competitors due to its currency hedging.

The second-best performer was **Perth Mint Gold (ASX: PMGOLD)** which returned 23.1%. This ETF is backed by gold bullion stored at the Perth Mint and is guaranteed by the government of Western Australia.

With a return of 22.9%, **Global X Physical Gold (ASX: GOLD)** is in third, followed by **VanEck Gold Bullion ETF (ASX: NUGG)** in fourth returning 22.5%.

Rounding out the top five we have another precious metal ETF – **Global X Physical Silver (ASX: ETPMAG)** – but this one is backed by physical silver.

The worst-performing commodity ETF for the past 12 months was **Global X Physical Palladium (ASX: ETPMPD)** with a return of -25.2%. Palladium is used in manufacturing catalytic converters in the auto industry and has suffered due to the introduction of cheaper platinum products. Palladium has also been hurt by the rise of electric vehicles, which don't use catalytic converters.



Australian ethical ETFs

Best performers over one year

ASX code	ETF name	1-yr return	MER	Growth of \$1K over 1 year	Star rating
RARI	Russell Aus. Responsible Investment ETF	20.4%	0.45%	\$1,204	4
VETH	Vanguard Ethically Conscious Aus. Shares ETF	19.4%	0.16%	\$1,194	4
IESG	iShares Core MSCI Australia ESG ETF	17.7%	0.09%	\$1,177	5
GRNV	VanEck MSCI Australian Sustainable Equity ETF	16.9%	0.35%	\$1,169	4
E200	SPDR S&P/ASX 200 ESG Fund	16.8%	0.05%	\$1,168	4

Worst performers over one year

ASX code	ETF name	1-yr return	MER	Growth of \$1K over 1 year	Star rating
IMPQ	eInvest Better Future Fund [^]	3.0%	0.99%	\$1,030	1
INES	Intelligent Investor Ethical Share Fund [^]	9.9%	0.97%	\$1,099	2
GIVE	Perpetual ESG Australian Share Fund [^]	13.8%	0.65%	\$1,138	2
FAIR	Betashares Aus. Sustainability Leaders ETF	14.5%	0.49%	\$1,145	4

[^]Managed Fund

Just one percentage point separates the two top performers in the Australian ethical ETF category which consists of ETFs that prioritise environmental issues, social issues and/or corporate governance (ESG).

In pole position is the **Russell Investments Australian Responsible Investment ETF (ASX: RARI)** with a return of 20.4% for the 12 months to 31 August 2024, followed by the **Vanguard Ethically Conscious Australian Shares ETF (ASX: VETH)** which returned 19.4%.

RARI tracks the Russell Australia ESG High Dividend Index by investing predominantly in Australian shares and trusts listed on the ASX and is weighted towards companies that demonstrate positive ESG characteristics after applying a negative screening. It also focuses on companies likely to provide high-quality dividend income.

Runner up, VETH, tracks the FTSE Australia 300 Choice Index which excludes companies that have a specified level of business involvement in fossil fuels, nuclear power, alcohol, tobacco, cannabis, gambling, adult entertainment or weapons.

The biggest companies in VETH include the big banks and mining companies such as BHP and Woodside Energy are omitted. This has been fortuitous as the big miners declined in price and stocks such as the big banks performed well.

The worst performer is the **eInvest Better Future Fund (ASX: IMPQ)** which returned just 3%. IMPQ is an active fund which hand picks small to mid-sized companies that adhere to certain ethical/green standards.

InvestSMART



5-star rated ETFs

Short-term returns never tell the full story. That's why we have also ranked ETFs by their InvestSMART rating and then by their five-year performance to the end of August 2024. Our rating system scores ETFs based on size, fees, liquidity, spread and tracking error for passive ETFs and outperformance to benchmark over one, two, three and five years for active ETFs.

You'll notice most of the highly rated ETFs are broad-based passive ETFs with ultra-low fees. These types of ETFs tend to be the best performers when measured over the long term.

The recent SPIVA Australia Scorecard, which measures the performance of actively managed funds relative to benchmarks, found that 85% of Australian active funds underperformed the S&P/ASX 200 Index over the 15 years to 31 December 2023. This same trend was seen with global share funds.

The five-star ETF with the best performance over the past five years is the **SPDR S&P 500 ETF Trust (ASX: SPY)**. It returned an impressive 15.3%p.a. and if you had invested \$1,000 in the ETF five years ago it would now be worth \$2,040. SPY offers exposure to 500 of the largest US-listed companies. The phenomenal rise of big tech companies including Apple, Microsoft and NVIDIA contributed to the ETFs strong result.

At the other end of the spectrum, the **Betashares Australian Strong Bear (Hedge Fund) ETF (ASX:**

BBOZ) has a one-star InvestSMART rating and delivered a loss of 23.01%p.a. over five years. If you had invested \$1,000 in BBOZ five years ago it would now be worth just \$270.

BBOZ is also one of the most expensive ETFs with an annual fee of 1.38%. It is a leveraged ETF designed to increase in value when the S&P/ASX 200 Index declines. This strategy has worked against it, as the performance of the index over the past five years has seen several new all-time highs in the period.

The best-performing ETF over five years is the **Betashares Geared US Equity Fund – Currency Hedged (ASX: GGUS)** with a return of 20.32%p.a. A \$1,000 investment five years ago would now be worth \$2,521. GGUS has a four-star InvestSMART rating and is also the best performer over one year.

The worst performer over five years is the **Betashares US Equities Strong Bear Hedge Fund – Currency Hedged (ASX: BBUS)** which fell by 32.71%p.a. A \$1,000 investment five years ago would be sitting at just \$138. BBUS gets just two stars from InvestSMART and is the second-worst performer over 12 months.

Predicting which sectors and companies will excel in the future is inherently challenging. However, by maintaining a highly diversified portfolio of ETFs, investors are well-positioned to gain exposure to future high performers, increasing their likelihood of capitalising on emerging opportunities.

InvestSMART 5-star rated ETFs ★★★★★

ASX Code	Name	Category	5-Yr Return (%p.a.)	MER	Growth of \$1k over 5 years
SPY	SPDR S&P 500 ETF Trust	Global shares	15.32%	0.09%	\$2,040
IVV	iShares S&P 500 ETF	Global shares	15.07%	0.04%	\$2,018
VTS	Vanguard US Total Market Shares Index ETF	Global shares	14.62%	0.03%	\$1,978
IWLD	iShares Core MSCI World ex Australia ESG ETF	Global shares	13.94%	0.09%	\$1,920
GEAR	Betashares Geared Australian Equity Fund (Hedge Fund)	Australian shares	13.62%	0.80%	\$1,893
VGS	Vanguard MSCI Index International Shares ETF	Global shares	12.85%	0.18%	\$1,830
IHVV	iShares S&P 500 AUD Hedged ETF	Global shares	12.58%	0.10%	\$1,809
IJH	iShares S&P Midcap ETF	Global shares	11.48%	0.07%	\$1,722
PMGOLD	Perth Mint Gold	Commodities	10.04%	0.15%	\$1,614
GOLD	Global X Physical Gold	Commodities	9.73%	0.40%	\$1,591
A200	Betashares Australia 200 ETF	Australian shares	9.72%	0.04%	\$1,590
STW	SPDR S&P/ASX 200	Australian shares	9.57%	0.05%	\$1,580
IOZ	iShares Core S&P/ASX 200 ETF	Australian shares	9.39%	0.05%	\$1,566
VAS	Vanguard Australian Shares Index ETF	Australian shares	9.38%	0.07%	\$1,565
MVW	VanEck Australian Equal Weight ETF	Australian shares	7.90%	0.35%	\$1,462
VEU	Vanguard All-World ex US Shares Index ETF	Global shares	7.75%	0.07%	\$1,453
HBRD	Betashares Active Australian Hybrids Fund	Australian fixed income	4.33%	0.55%	\$1,236

ASX Code	Name	Category	5-Yr Return (%p.a.)	MER	Growth of \$1k over 5 years
QPON	Betashares Australian Bank Senior Floating Rate Bond ETF	Australian fixed income	2.63%	0.22%	\$1,139
AAA	Betashares Australian High Interest Cash ETF	Cash	1.99%	0.18%	\$1,104
ISEC	iShares Enhanced Cash ETF	Cash	1.90%	0.12%	\$1,099
BILL	iShares Core Cash ETF	Cash	1.78%	0.07%	\$1,092
ILB	iShares Government Inflation ETF	Australian fixed income	0.91%	0.18%	\$1,046
CRED	Betashares Australian Investment Grade Bond ETF	Australian fixed income	0.63%	0.25%	\$1,032
BNDS	Betashares Western Asset Australian Bond Fund (Managed Fund)	Australian fixed income	-0.47%	0.42%	\$977
IAF	iShares Core Composite Bond ETF	Australian fixed income	-0.69%	0.10%	\$966
VAF	Vanguard Australian Fixed Interest Index ETF	Australian fixed income	-0.70%	0.10%	\$965
VGB	Vanguard Australian Government Bond Index ETF	Australian fixed income	-1.07%	0.16%	\$947
IGB	iShares Treasury ETF	Australian fixed income	-1.35%	0.18%	\$934

InvestSMART 4-star rated ETFs ★★★★★

ASX Code	Name	Category	5-Yr Return (%p.a.)	MER	Growth of \$1k over 5 years
GGUS	Betashares Geared US Equity Fund Currency Hedged (Hedge Fund)	Global shares	20.32%	0.80%	\$2,521
NDQ	Betashares NASDAQ 100 ETF	Global shares	20.23%	0.48%	\$2,512
IOO	iShares Global 100 ETF	Global shares	16.59%	0.40%	\$2,155
ETHI	Betashares Global Sustainability Leaders ETF	Global shares	16.48%	0.59%	\$2,144
QUAL	VanEck MSCI International Quality ETF	Global shares	16.26%	0.40%	\$2,124
HACK	Betashares Global Cybersecurity ETF	Global shares	16.03%	0.67%	\$2,103
MOAT	VanEck Morningstar Wide Moat ETF	Global shares	15.32%	0.49%	\$2,040
IHO0	iShares Global 100 AUD Hedged ETF	Global shares	14.89%	0.43%	\$2,002
QHALL	VanEck MSCI World Ex-Australia Quality (Hedged) ETF	Global shares	14.52%	0.43%	\$1,970
QLTY	Betashares Global Quality Leaders ETF	Global shares	13.78%	0.35%	\$1,907
VESG	Vanguard Ethically Conscious International Shares Index ETF	Global shares	12.98%	0.18%	\$1,841
MVB	VanEck Australian Banks ETF	Australian shares	12.71%	0.28%	\$1,819
IHWL	iShares Core MSCI World ex Australia ESG (AUD Hedged) ETF	Global shares	12.57%	0.13%	\$1,808
WXOZ	SPDR S&P World ex Australia Carbon Control Fund	Global shares	12.47%	0.07%	\$1,800
WXHG	SPDR World ex Australia Carbon Control (Hedged) Fund	Global shares	12.01%	0.10%	\$1,763
VHY	Vanguard Australian Shares High Yield ETF	Australian shares	11.88%	0.25%	\$1,753
VGAD	Vanguard MSCI Index International Shares (Hedged) ETF	Global shares	11.80%	0.21%	\$1,746

ASX Code	Name	Category	5-Yr Return (%p.a.)	MER	Growth of \$1k over 5 years
IXJ	iShares Global Healthcare ETF	Global shares	11.52%	0.40%	\$1,725
VLC	Vanguard MSCI Australian Large Companies Index ETF	Australian shares	11.34%	0.20%	\$1,711
QRE	Betashares Resources Sector ETF	Australian shares	11.34%	0.34%	\$1,711
QUS	Betashares S&P 500 Equal Weight ETF	Global shares	11.00%	0.29%	\$1,685
ILC	iShares S&P/ASX 20 ETF	Australian shares	10.93%	0.24%	\$1,680
OZR	SPDR S&P/ASX 200 Resources Fund	Australian shares	10.92%	0.34%	\$1,679
QOZ	Betashares FTSE RAFI Australia 200 ETF	Australian shares	10.49%	0.40%	\$1,647
MVE	VanEck S&P/ASX MidCap ETF	Small/Mid Cap Aus. shares	10.03%	0.45%	\$1,613
IJR	iShares S&P Small-Cap ETF	Global shares	10.03%	0.07%	\$1,613
SFY	SPDR S&P/ASX 50	Australian shares	9.43%	0.20%	\$1,569
VDHG	Vanguard Diversified High Growth Index ETF	Mixed asset	9.43%	0.27%	\$1,569
ASIA	Betashares Asia Technology Tigers ETF	Asian shares	9.36%	0.67%	\$1,564
WRLD	Betashares Managed Risk Global Share Fund (Managed Fund)	Global shares	9.29%	0.54%	\$1,559
ETPMAG	Global X Physical Silver	Commodities	9.04%	0.49%	\$1,541
SYI	SPDR MSCI Australia Select High Dividend Yield Fund	Australian shares	8.96%	0.20%	\$1,536
IEU	iShares Europe ETF	Global shares	8.93%	0.58%	\$1,534
VISM	Vanguard MSCI International Small Companies Index ETF	Global shares	8.79%	0.32%	\$1,524
VEQ	Vanguard FTSE Europe Shares ETF	Global shares	8.56%	0.35%	\$1,508
IHD	iShares S&P/ASX Dividend Opportunities ESG Screened ETF	Australian shares	8.25%	0.23%	\$1,486

ASX Code	Name	Category	5-Yr Return (%p.a.)	MER	Growth of \$1k over 5 years
VSO	Vanguard MSCI Australian Small Companies Index ETF	Small/Mid Cap Aus. shares	8.06%	0.30%	\$1,473
IVE	iShares MSCI EAFE ETF	Global shares	8.00%	0.31%	\$1,469
MVR	VanEck Australian Resources ETF	Australian shares	7.89%	0.35%	\$1,462
GRNV	VanEck MSCI Australian Sustainable Equity ETF	Australian shares	7.72%	0.35%	\$1,450
RDV	Russell Investments High Dividend Australian Shares ETF	Australian shares	7.60%	0.34%	\$1,442
RARI	Russell Investments Australian Responsible Investment ETF	Australian shares	7.52%	0.45%	\$1,437
ZYUS	Global X S&P 500 High Yield Low Volatility ETF	Global shares	7.40%	0.35%	\$1,429
IJP	iShares MSCI Japan ETF	Asian shares	7.33%	0.50%	\$1,424
VDGR	Vanguard Diversified Growth Index ETF	Mixed asset	6.99%	0.27%	\$1,402
SMLL	Betashares Australian Small Companies Select Fund (Managed Fund)	Australian shares	6.76%	0.39%	\$1,387
EX20	Betashares Australian Ex-20 Portfolio Diversifier ETF	Small/Mid Cap Aus. shares	6.71%	0.25%	\$1,384
GDX	VanEck Gold Miners ETF	Global shares	6.33%	0.53%	\$1,359
FAIR	Betashares Australian Sustainability Leaders ETF	Australian shares	6.15%	0.49%	\$1,348
WVOL	iShares Edge MSCI World Minimum Volatility ETF	Global shares	5.96%	0.25%	\$1,336
SLF	SPDR S&P/ASX 200 Listed Property Fund	Australian property	5.14%	0.16%	\$1,285
VAP	Vanguard Australian Property Securities Index ETF	Australian property	5.10%	0.23%	\$1,282
VAE	Vanguard FTSE Asia Ex-Japan Shares Index ETF	Asian shares	5.01%	0.40%	\$1,277
VBLD	Vanguard Global Infrastructure Index ETF	Infrastructure	4.95%	0.47%	\$1,273
WDIV	SPDR S&P Global Dividend Fund	Global shares	4.81%	0.35%	\$1,265
VDBA	Vanguard Diversified Balanced Index ETF	Mixed asset	4.65%	0.27%	\$1,255

ASX Code	Name	Category	5-Yr Return (%p.a.)	MER	Growth of \$1k over 5 years
VGE	Vanguard FTSE Emerging Markets Shares ETF	Emerging market shares	4.29%	0.48%	\$1,234
IEM	iShares MSCI Emerging Markets ETF	Emerging market shares	3.53%	0.69%	\$1,190
IFRA	VanEck FTSE Global Infrastructure (Hedged) ETF	Infrastructure	3.22%	0.20%	\$1,171
VDCO	Vanguard Diversified Conservative Index ETF	Mixed asset	2.57%	0.27%	\$1,135
MVA	VanEck Australian Property ETF	Australian property	2.51%	0.35%	\$1,132
FLOT	VanEck Australian Floating Rate ETF	Australian fixed income	2.30%	0.22%	\$1,120
RCB	Russell Investments Australian Select Corporate Bond ETF	Australian fixed income	1.51%	0.28%	\$1,078
ZYAU	Global X S&P/ASX 200 High Dividend ETF	Australian shares	1.49%	0.24%	\$1,077
VACF	Vanguard Australian Corporate Fixed Interest Index ETF	Australian fixed income	1.08%	0.20%	\$1,055
DJRE	SPDR Dow Jones Global Real Estate ESG Fund	Global property	0.89%	0.20%	\$1,045
PLUS	VanEck Australian Corporate Bond Plus ETF	Australian fixed income	0.83%	0.32%	\$1,042
REIT	VanEck FTSE International Property (Hedged) ETF	Global property	-0.07%	0.20%	\$996
IHCB	iShares Core Global Corporate Bond (AUD Hedged) ETF	Global fixed income	-0.67%	0.26%	\$967
VCF	Vanguard International Credit Securities Index (Hedged) ETF	Global fixed income	-0.82%	0.30%	\$960
VBND	Vanguard Global Aggregate Bond Index (Hedged) ETF	Global fixed income	-1.32%	0.20%	\$936
VEFI	Vanguard Ethically Conscious Global Aggregate Bond Index (Hedged) ETF	Global fixed income	-1.33%	0.26%	\$935
GOVT	SPDR S&P/ASX Australian Government Bond Fund	Australian fixed income	-1.46%	0.10%	\$929
VIF	Vanguard International Fixed Interest Index (Hedged) ETF	Global fixed income	-1.55%	0.20%	\$925
AGVT	Betashares Australian Government Bond ETF	Australian fixed income	-1.81%	0.22%	\$912
IZZ	iShares China Large-Cap ETF	Asian shares	-5.57%	0.60%	\$751

InvestSMART 3-star rated ETFs ★★ ★

ASX Code	Name	Category	5-Yr Return (%p.a.)	MER	Growth of \$1k over 5 years
HJPN	Betashares Japan ETF - Currency Hedged	Asian shares	17.32%	0.56%	\$2,223
ACDC	Global X Battery Tech & Lithium ETF	Global shares	16.51%	0.69%	\$2,147
TECH	Global X Morningstar Global Technology ETF	Global shares	13.58%	0.45%	\$1,891
VVLU	Vanguard Global Value Equity Active ETF (Managed Fund)	Global shares	12.69%	0.28%	\$1,817
ESGI	Vaneck MSCI International Sustainable Equity ETF	Global shares	12.61%	0.55%	\$1,811
NDIA	Global X India Nifty 50 ETF	Asian shares	11.94%	0.69%	\$1,757
QFN	Betashares Financials Sector ETF	Australian shares	11.78%	0.34%	\$1,745
QMIX	SPDR MSCI World Quality Mix Fund	Global shares	11.70%	0.18%	\$1,739
OZF	SPDR S&P/ASX 200 Financials ex A-REIT Fund	Australian shares	11.38%	0.34%	\$1,714
RBTZ	Betashares Global Robotics and Artificial Intelligence ETF	Global shares	11.20%	0.57%	\$1,700
DRUG	Betashares Global Healthcare ETF - Currency Hedged	Global shares	10.99%	0.57%	\$1,684
IIND	Betashares India Quality ETF	Asian shares	10.98%	0.80%	\$1,683
WDMF	iShares Edge MSCI World Multifactor ETF	Global shares	10.86%	0.35%	\$1,675
ESTX	Global X EURO STOXX 50 ETF	Global shares	9.66%	0.35%	\$1,586
INIF	Intelligent Investor Australian Equity Income Fund (Managed Fund)	Australian shares	9.39%	0.97%	\$1,566
YMAX	Betashares Australia Top20 Equity Yield Maximiser Fund (Managed Fund)	Australian shares	9.03%	0.76%	\$1,541
EMKT	Vaneck MSCI Multifactor Emerging Markets Equity ETF	Emerging market shares	8.87%	0.69%	\$1,529

ASX Code	Name	Category	5-Yr Return (%p.a.)	MER	Growth of \$1k over 5 years
ROBO	Global X ROBO Global Robotics & Automation ETF	Global shares	8.76%	0.69%	\$1,522
FUEL	Betashares Global Energy Companies ETF - Currency Hedged	Global shares	8.00%	0.57%	\$1,469
F100	Betashares FTSE 100 ETF	Global shares	7.98%	0.45%	\$1,468
QAU	Betashares Gold Bullion ETF (Currency Hedged)	Commodities	7.69%	0.59%	\$1,448
AUMF	iShares Edge MSCI Australia Multifactor ETF	Australian shares	7.66%	0.30%	\$1,446
MVOL	iShares Edge MSCI Australia Minimum Volatility ETF	Australian shares	6.85%	0.30%	\$1,392
INCM	Betashares Global Income Leaders ETF	Global shares	6.28%	0.45%	\$1,356
ETPMPM	Global X Physical Precious Metals Basket	Commodities	5.54%	0.44%	\$1,309
PAXX	Platinum Asia Fund (Quoted Managed Hedge Fund)	Global shares	5.51%	1.10%	\$1,307
IKO	iShares MSCI South Korea ETF	Asian shares	5.47%	0.45%	\$1,305
IXI	iShares Global Consumer Staples ETF	Global shares	5.36%	0.40%	\$1,298
IAA	iShares Asia 50 ETF	Asian shares	5.12%	0.51%	\$1,284
ISO	iShares S&P/ASX Small Ordinaries ETF	Small/Mid Cap Aus. shares	3.91%	0.55%	\$1,211
MVS	VanEck Small Companies Masters ETF	Small/Mid Cap Aus. shares	3.32%	0.49%	\$1,178
FEMX	Fidelity Global Emerging Markets Fund (Managed Fund)	Emerging market shares	3.29%	0.99%	\$1,175
IHHY	iShares Global High Yield Bond (AUD Hedged) ETF	Global fixed income	2.22%	0.56%	\$1,116
XARO	ActiveX Ardea Real Outcome Bond Fund (Managed Fund)	Global fixed income	1.77%	0.50%	\$1,092
USD	Betashares U.S Dollar ETF	Currency	1.58%	0.45%	\$1,082
RSM	Russell Investments Australian Semi-Government Bond ETF	Australian fixed income	0.22%	0.26%	\$1,011

ASX Code	Name	Category	5-Yr Return (%p.a.)	MER	Growth of \$1k over 5 years
ETPMPT	Global X Physical Platinum	Commodities	-0.32%	0.49%	\$984
BOND	SPDR S&P/ASX Australian Bond Fund	Australian fixed income	-1.11%	0.24%	\$946
IHEB	iShares J.P.Morgan USD Emerging Markets Bond (AUD Hedged) ETF	Global fixed income	-1.45%	0.51%	\$930
RGB	Russell Investments Australian Government Bond ETF	Australian fixed income	-1.66%	0.24%	\$920
CNEW	VanEck China New Economy ETF	Asian shares	-2.28%	0.95%	\$891

InvestSMART 2-star rated ETFs ★★

ASX Code	Name	Category	5-Yr Return (%p.a.)	MER	Growth of \$1k over 5 years
WCMQ	WCM Quality Global Growth Fund (Quoted Managed Fund)	Global shares	11.98%	1.25%	\$1,761
INES	Intelligent Investor Ethical Share Fund (Managed Fund)	Australian shares	10.75%	0.97%	\$1,666
AGX1	Antipodes Global Shares (Quoted Managed Fund)	Global shares	9.43%	1.10%	\$1,569
UMAX	Betashares S&P 500 Yield Maximiser Fund (Managed Fund)	Global shares	9.31%	0.79%	\$1,560
HEUR	Betashares Europe ETF - Currency Hedged	Global shares	8.75%	0.56%	\$1,521
MOGL	Montaka Global Equities Fund (Managed Fund)	Global shares	8.06%	1.32%	\$1,473
BNKS	Betashares Global Banks ETF - Currency Hedged	Global shares	7.81%	0.57%	\$1,457
MHG	Magellan Global Equities Fund Currency Hedged (Managed Fund)	Global shares	6.82%	1.35%	\$1,390
MNRS	Betashares Global Gold Miners ETF - Currency Hedged	Global shares	6.81%	0.57%	\$1,390

ASX Code	Name	Category	5-Yr Return (%p.a.)	MER	Growth of \$1k over 5 years
FOOD	Betashares Global Agriculture Companies ETF	Global shares	6.09%	0.57%	\$1,344
HVST	Betashares Australian Dividend Harvester Fund (Managed Fund)	Australian shares	6.02%	0.72%	\$1,340
PIXX	Platinum International Fund (Quoted Managed Hedge Fund)	Global shares	5.96%	1.10%	\$1,336
AUST	Betashares Managed Risk Australian Share Fund (Managed Fund)	Australian shares	5.23%	0.49%	\$1,290
SSO	SPDR S&P/ASX Small Ordinaries Fund	Small/Mid Cap Aus. shares	4.35%	0.50%	\$1,237
WEMG	SPDR S&P Emerging Markets Carbon Control Fund	Emerging market shares	3.98%	0.35%	\$1,216
GROW	Schroder Real Return (Managed Fund)	Mixed asset	3.93%	0.84%	\$1,213
CURE	Global X S&P Biotech ETF	Global shares	3.78%	0.45%	\$1,204
MICH	Magellan Infrastructure Fund (Currency Hedged) (Managed Fund)	Infrastructure	1.58%	1.06%	\$1,081
CETF	VanEck FTSE China A50 ETF	Asian shares	-1.25%	0.60%	\$939
YANK	Betashares Strong US Dollar Fund (Hedge Fund)	Currency	-1.87%	1.38%	\$910
OOO	Betashares Crude Oil Index ETF-Currency Hedged (Synthetic)	Commodities	-7.43%	1.29%	\$680
BEAR	Betashares Australian Equities Bear (Hedge Fund)	Australian shares	-8.22%	1.48%	\$651
BBUS	Betashares US Equities Strong Bear Currency Hedged (Hedge Fund)	Global shares	-32.71%	1.38%	\$138

InvestSMART 1-star rated ETFs ★

ASX Code	Name	Category	5-Yr Return (%p.a.)	MER	Growth of \$1k over 5 years
SWTZ	Switzer Dividend Growth Fund (Quoted Managed Fund)	Australian shares	7.16%	0.89%	\$1,413
EIGA	eInvest Income Generator Fund (Managed Fund)	Australian shares	6.94%	0.80%	\$1,399
EINC	Betashares Martin Currie Equity Income Fund (Managed Fund)	Australian shares	6.84%	0.85%	\$1,392
IMPQ	eInvest Better Future Fund (Managed Fund)	Small/Mid Cap Aus. shares	6.16%	0.99%	\$1,348
VMIN	Vanguard Global Minimum Volatility Active ETF (Managed Fund)	Global shares	5.05%	0.28%	\$1,280
EMMG	Betashares Martin Currie Emerging Markets Fund (Managed Fund)	Emerging market shares	3.08%	1.00%	\$1,164
KSM	K2 Australian Small Cap Fund (Hedge Fund)	Small/Mid Cap Aus. shares	1.86%	1.31%	\$1,097
RINC	Betashares Martin Currie Real Income Fund (Managed Fund)	Australian property	1.44%	0.85%	\$1,074
AUDS	Betashares Strong Australian Dollar Fund (Hedge Fund)	Currency	-5.74%	1.38%	\$744
ETPMPD	Global X Physical Palladium	Commodities	-7.99%	0.49%	\$659
BBOZ	Betashares Australian Strong Bear (Hedge Fund)	Australian shares	-23.03%	1.38%	\$270

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A group of five people, including a child, are seated around a wooden table on a brick-paved patio. They are dining and talking. The patio is illuminated by warm string lights. In the background, there is a modern building with large glass windows and a dark sky with a crescent moon.

Methodology

There are two key areas explored in the InvestSMART ETF Scorecard report – best and worst performers and five-star rated ETFs.

InvestSMART's star ratings

An important aspect of the report is InvestSMART's star rating system for ETFs. InvestSMART assigns a rating out of five stars to every ETF on the ASX.

We focus on the following key metrics:

1. Size of the ETF: Funds under management.
2. Fees: Cost of investing in the ETF.
3. Liquidity: Trading volumes.
4. Spread: The average percentage difference between the bid and ask price.
5. Tracking error: The difference in the return profile of the ETF to its benchmark.

For active ETFs, we consider the ability of the fund to outperform over one, two, three and five years, with a higher weighting for longer-term outperformance.

This system guides our selection of ETFs for our diversified portfolios. We typically prefer ETFs with a four- or five-star rating as this implies the ETF rates well across each of the above-mentioned metrics. The star rating is especially useful as a filtering tool when comparing ETFs with similar objectives.

Best & worst performers

We categorise the findings by the 10 best- and worst-performing ETFs based on one-year returns as well as the five best and worst performers within broad categories including Australian shares, global shares, Australian fixed income, Australian high yield, commodities and ethical ETFs. Additionally, we've ranked the most and least popular ETFs by funds under management net inflows/outflows over a one-year period.

We have also calculated what a \$1,000 investment in each ETF 12 months ago would be worth now for individual investors to be able to easily see how much money they could have made or lost. All the data is for the 12 months ending 31 August 2024.

Five-star rated ETFs

We have ranked ETFs by their InvestSMART rating and then by their five-year performance. This is important because one-year returns don't always reflect the quality of an ETF. Investors need to look beyond short-term gains from a hot sector and focus on long-term performance. A consistent track record over multiple years is a better indicator of an ETF's ability to deliver steady returns in the future.

We have also calculated what a \$1,000 investment in each ETF five years ago would be worth now. All the data is for the five years to 31 August 2024.

InvestSMART ETF Scorecard 2024

Best & worst performers

+ 5-star rated ETFs

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All information about performance returns is historical. Past performance information is given for illustrative purposes only and should not be relied upon as, and is not, an indication of future performance. The value of your investment may fall or rise. Forward looking indications or statements are only an expression of our expectations and do not guarantee that the relevant matters will eventuate. They involve known and unknown risks, uncertainties, contingencies, assumptions and other important factors that are outside the control of InvestSMART.

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