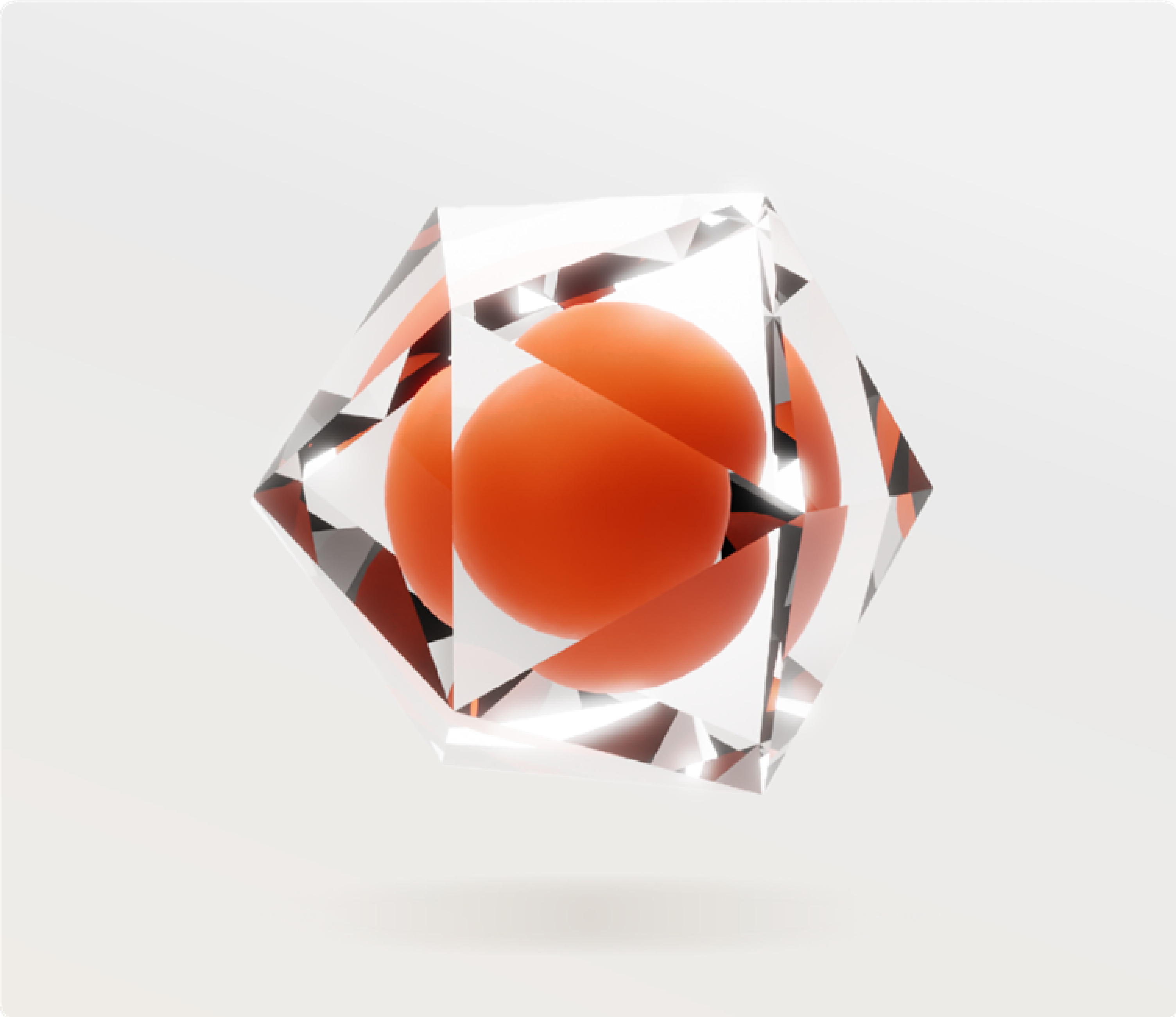

Betashares Dynamic Managed Accounts Report

Period ending February 2025

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1. Market Review

US President Donald Trump's threat of higher tariffs (taxes) on imports into the United States was a key market development over the past three months. Also notable was the launch of DeepSeek, a Chinese large language model with the potential to provide artificial intelligence research services at significantly cheaper cost than currently offered by leading US technology companies.

President Trump floated several tariffs proposals over the period, which generated significant market volatility out of concern that these taxes – along with potential retaliation from trading partners – could dampen global economic growth and place upward pressure on inflation.

Reflecting a slowing in the rate of decline in inflation, the US Federal Reserve cut interest rates in December though scaled back its expectations for rate cuts in 2025 and kept interest rates on hold at the January policy meeting. Markets still anticipate around two further US rate cuts later this year.

The launch of DeepSeek, moreover, gave rise to questions over the continued dominance of US companies in the development of artificial intelligence, especially if these services could be provided with significantly less need for electrical power, data centres and high-end computer chips. This concern added to the weakness in the US technology sector, especially for leading computer chip company, Nvidia.

Other noteworthy global developments were German elections, which saw a change in government and Chancellor, although with the extreme right-wing party, Alternative for Germany (AfD), kept from power. The new Chancellor, Friedrich Merz, has spoken of the need to boost German defense spending and legislative changes to allow for more fiscal stimulus.

The Bank of Japan also raised interest rates though, as it was better telegraphed to markets, resulted in less market volatility than its previous hike in August last year.

All up, US 10-year bond yields edged up 0.04% over the three months to end February to 4.21%. German 10-year bond yields rose a stronger 0.32% to 2.41%, while Japanese 10-year yields lifted by 0.33% to 1.38%. The yield-to-maturity for the Bloomberg Global Aggregate Bond Index edged up slightly by 0.02% to 3.54%.

US 10-year Government Bond Yields

Source: LSEG Datastream.

Broadly steady overall global yields meant the Bloomberg Global Aggregate Bond Index ($A hedged) returned 0.7% - similar to the gain in the previous three-month period.

In Australia, the lower-than-expected December quarter consumer price index (CPI) result – with "trimmed mean" annual underlying inflation falling to 3.2% - led the Reserve Bank to cut interest rates in February.

Markets anticipate at least two more RBA rate cuts this year, as underlying inflation falls back with the RBA's 2 to 3% target band. Economic growth remained subdued, weighed down by weak consumer spending. Employment growth remained solid, with the unemployment rate at a still low 4.1%. Economic growth lifted modestly in the December quarter to 0.6%, though private demand remained subdued with 0.4% growth while public demand grew by a stronger 1.0%.

Australian 10-year government bond yields edged down 0.05% over the period, with the yield on the Bloomberg Australian Composite Bond Index declining 0.16% to 4.27%. As a result, returns from the Bloomberg Australian Composite Bond Index rose by 1.6%, following a decline of 0.5% in the previous three-month period.

Among defensive assets, gold prices continued to move higher, with a solid 8.1% gain after a strong 5.6% gain over the previous three-month period. Global trade tensions and central banks buying to diversify reserve asset holdings continued to underpin support for gold.

The MSCI All-Country World Equity Index returned 0.8% in local currency terms, reflecting a solid 1.9% gain in forward earnings partly offset by a decline in the price-to-earnings valuation to 18.3. In unhedged $A terms, global equities returned a stronger 5.1% reflecting weakness in the Australia dollar, which fell from US65.1c to US 62.1c.

MSCI All Country World Equity Return Index

Source: Refinitiv. *MSCI All Country World Index Return (Local currency)

Across regions, a notable development was the underperformance of US stocks relative to non-US stocks. The US S&P 500 returns declined by 1.0%, where Europe's S&P 350 index returned 12.5%, and the MSCI Emerging Markets index returned 2.5%. Japan's Nikkei 225 returns declined by 2.6%. Global value stocks outperformed growth stocks over the period, helped by strength in Financials. Small Cap stocks, however, continue to lag large cap stocks.

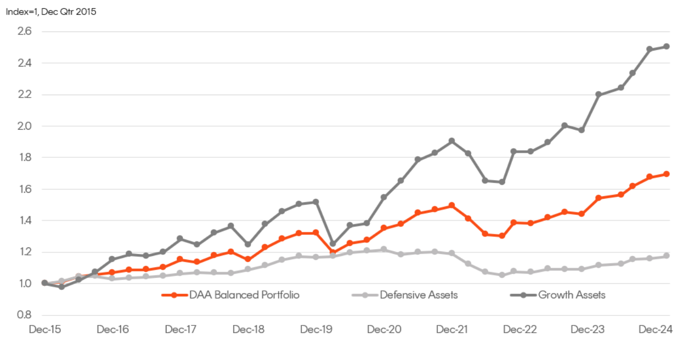
In Australia, returns on the S&P/ASX 200 Index declined by 2.6%, led by a 4.1% decline in the price-to-forward earnings (PE) valuation to 17.7. Forward earnings rose 0.9%, with dividends returning 0.6%. Among sectors, Technology, Listed Property and Health Care had the biggest declines while Industrial and Consumer Discretionary stocks posted the strongest positive returns.

2. Portfolio Review[1]

Returns across both Defensive and Growth assets were positive over the period to end-February, though Defensive asset returns were marginally stronger.

Overall Defensive assets returned 1.3%, while Growth assets returned 0.8%.

Dynamic Balanced Portfolio Performance



Source: Bloomberg, Betashares. Past performance is not an indicator of future performance. Growth and defensive asset returns are based on SAA (balanced) ETF weights.

As a result, the suite of dynamic managed accounts produced positive returns over this period. The Balanced portfolio returned 1.2%, or slightly ahead of its SAA benchmark return – helped by our overweight position in gold. Gold (via our position in QAU ETF) performed strongly with a 7.0% return over the quarter.

February Quarter 2025 (Quarterly performance)

	% return	Balanced Portfolio Weights *As at end of November 2024*		
	Qtr	SAA	DAA	+/-
Defensive Assets*	**1.3%**	**50.00%**	**47.50%**	**-2.50%**
Cash (AAA)	1.1%	5.00%		
Aust. Floating-Rate Bonds (QPON)	1.5%	4.50%	4.75%	0.25%
Aust. Fixed-Rate Bonds (OZBD)	2.0%	22.50%	22.25%	-0.25%
Global Bonds (VBND)	0.5%	18.00%	18.00%	
Gold (QAU)	7.0%		2.50%	2.50%
Growth Assets*	**0.8%**	**50.00%**	**52.50%**	**2.50%**
Aust. Equities (A200)	-2.6%	12.00%	12.00%	
Aust. Equities (QOZ)	-2.1%	5.25%	5.25%	
Aust. Equities (AQLT)	-1.5%	2.75%	2.75%	
US Equities (QUS)	0.9%	3.75%	3.75%	
US Equities (VTS)	2.7%	7.50%	7.50%	
Non-US Equities (VEU)	7.9%	6.75%	6.75%	
Global Equities (QLTY)	3.3%	3.00%	3.00%	
Global Equities (HGBL)	0.8%	6.50%	9.00%	2.50%
Global Infrastructure (GLIN)	-1.7%	2.50%	2.50%	
Quarterly % return		**1.1%**	**1.2%**	

*Defensive and growth asset returns are based on SAA weights.

Balanced Portfolio: Performance Attribution

Balanced Dynamic Portfolio

	Qtr	6-months	1-year	3-years	5-years
Return performance					
SAA	1.1%	4.4%	9.5%	6.1%	5.5%
DAA	1.2%	4.8%	9.9%	5.9%	5.2%
DAA vs SAA*	0.2%	0.3%	0.4%	-0.2%	-0.3%
Performance attribution**					
Growth vs. Defensive	0.0%	0.1%	0.1%	-0.2%	-0.3%
Intra defensive	0.2%	0.2%	0.3%	0.1%	0.0%
Intra growth	0.0%	0.0%	0.0%	-0.1%	0.0%

* Figures may not add up due to rounding.
**Growth vs. defensive refers to broad dynamic tilts between growth and defensive assets. Intra-defensive and intra-growth refer to tilts within each broad asset type. Attribution equals the difference in each ETF's quarterly return vs. overall SAA portfolio return multiplied by the difference between that ETF's DAA and SAA weights.

Australian fixed-rate bond returns, via the OZBD ETF, returned 2.0%. Global fixed-rate bonds, via the VBND ETF, returned 0.5%. Australian floating-rate bonds, via the QPON ETF, returned 1.5%, while the cash AAA ETF returned 1.1%.

Among Growth assets, global equities outperformed Australian equites, with especially strong gains in non-US equities. Currency-hedged developed market global equities (HGBL) returned 0.8%. Due to the weaker Australian dollar, unhedged global equity returns were stronger, with non-US equities (VEU) returning 7.9% reflecting solid gains in Europe and emerging markets. Unhedged US equities (VTS) returned 2.7%. Global infrastructure (GLIN) declined by 1.7%.

Among "smart beta" global equity exposures, the global quality ETF (QLTY) returned 3.3% slightly underperforming overall unhedged global equity returns. The equally-weight US stock ETF (QUS) also slightly underperformed its market-cap-weighted counterpart (VTS) with a 0.9% return.

Australian equities pulled back over the period, with returns from the A200 ETF down 2.6%. The fundamentally weighted equity ETF (QOZ) and the Australian quality ETF (AQLT) both outperformed their market-cap weighted counterpart (A200), with smaller return declines of 2.1% and 1.5% respectively.

Managed Account ETF Historic Returns

	Qtr	Prev. qtr	6-months	12-months
Defensive Assets	**1.3%**	**0.3%**	**1.6%**	**5.1%**
Cash (AAA)	**1.1%**	**1.1%**	**2.2%**	**4.5%**
Aust. Bonds	**1.9%**	**-0.2%**	**1.7%**	**5.4%**
Aust. Floating-Rate Bonds (QPON)	1.5%	1.3%	2.8%	5.9%
Aust. Fixed-Rate Bonds (OZBD)	2.0%	-0.5%	1.5%	5.3%
Global Bonds (VBND)	**0.5%**	**0.7%**	**1.2%**	**4.7%**
Gold, $US (QAU)	**7.0%**	**5.1%**	**12.5%**	**38.2%**
Growth Assets	**0.8%**	**6.4%**	**7.2%**	**14.0%**
Aust. Listed Property (VAP)	**-7.6%**	**6.1%**	**-2.0%**	**8.6%**
Aust. Equities	**-2.3%**	**5.5%**	**3.0%**	**10.2%**
Aust. Equities (A200)	-2.6%	5.3%	2.6%	9.8%
Aust. Equities (QOZ)	-2.1%	4.7%	2.5%	9.0%
Aust. Equities (AQLT)	-1.5%	7.8%	6.1%	17.3%
Global Equities	**2.9%**	**7.0%**	**10.1%**	**16.4%**
US Equities (QUS)	0.9%	11.4%	12.4%	17.2%
US Equities (VTS)	2.7%	12.5%	15.6%	22.9%
Non-US Equities (VEU)	7.9%	1.1%	9.1%	14.6%
Global Equities (QLTY)	3.3%	6.0%	9.5%	13.7%
Global Equities (HGBL)	0.8%	5.2%	5.9%	16.1%
Global Infrastructure (GLIN)	**-1.7%**	**5.3%**	**3.4%**	**18.2%**

Past performance is not an indicator of future performance.

[1]Growth Defensive, Australian and Global Aggregate. Returns are based on SAA benchmark ETF weights for the balanced managed accounts.

3. Market Outlook and Portfolio Positioning

Summary of Key Investment Themes - as at end of February 2025

Investment Theme	Investment Strategy	Comment / Analysis
Trump won't trump goldilocks outlook	Overweight growth vs defensive assets	Despite US President Trump's tariff threats, his actions are ultimately not expected to be drastic enough to threaten the resilience of global economic growth and the outlook for further declines in underlying inflation. As such, central banks are expected to continue gradually cutting official interest rates which will support corporate earnings and equity valuations.
Central bank reserve diversification	Overweight gold within defensive Assets	Gold prices have remained firm in the face of a strong $US and sticky bond yields in the past year, supported by central bank buying. We expect central bank buying to continue to support gold prices, which would also benefit from any increase in trade or geo-political risk.
Stronger global earnings	Overweight global equities vs. Australian equities	With Australian equity valuations not especially cheap versus global peers and the local earnings growth outlook still somewhat weaker, global equities are expected to continue to outperform. An historically expensive $US (cheap $A), moreover, favours a preference for hedged global equities.

Economic and market developments over the past few months have become somewhat more challenging, thanks in large part to the range of policy proposals announced by newly elected US President Donald Trump.

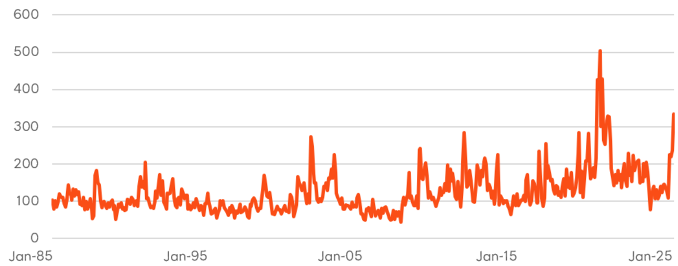
Although risks of at least a short-run equity market correction have increased, the Committee remained of the view that the return of Trump had not dislodged the likely main economic narrative for the year ahead, namely easing underlying inflation, resilient economic growth and corporate earnings, supported by further likely central bank rate cuts.

As such the Committee decided to leave unchanged all dynamic asset class tilts.

An important consideration in this regard is whether President Trump would continue to pursue policies – such as significant tariff increases or government spending cuts – if these seriously risked the performance of the US economy and/or Wall Street.

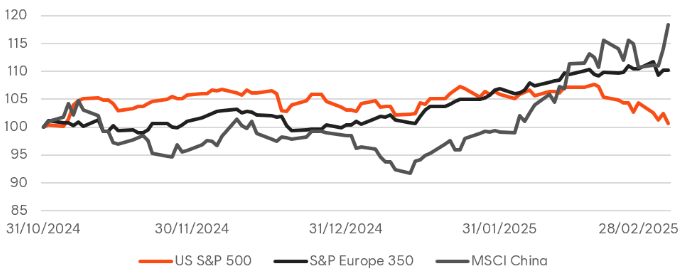
The assessment of the Committee is that he would not, though this did not rule out the possibility of economic or market volatility in the short-term before the President then relented and changed course. Trump's choice of a well-respected hedge fund manager, Scott Bessent, as his Treasury Secretary provides some grounds for optimism that economic policies won't persist in being too market disruptive.

US Policy Uncertainty Index



Source: PolicyUncertainty.com

Regional Equity Performance



Source: LSEG Datastream

There are also other grounds for global economic optimism. In Europe, the new German Government seems likely to pursue more expansionary fiscal policy, especially in defense. China also continues to provide stimulus to its economy in the face of ongoing property sector imbalances, with a recent welcome warming in support for technology entrepreneurs. Ahead of likely tariff increases, inflation also continues to ease in most economies, with central banks generally maintaining an easing policy bias. Annual growth in the core US consumption price deflator eased to 2.6% in January, after having been stuck at 2.8% for several months. Although tariffs pose an upside risk to goods inflation, an easing in US labour market tightness and weakening in housing rents bode well for further further declines in core services and housing inflation over the coming year.

Although US equity valuations remain elevated, the Committee noted this is less evident in other parts of the world. Central bank rate cuts suggest a further easing in long-term bond yields which should help support equity valuations. As noted above, corporate earnings growth expectations also remain positive.

Within global equity markets, cheaper valuations, greater US policy uncertainty, more Chinese and European fiscal stimulus and threats to the dominance of US technology companies given the arrival of DeepSeek suggests a risk of rotation in relative performance toward non-US markets over the coming year.

At this stage, however, the Committee has decided to refrain from overweighting non-US markets versus the

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US market specifically and remained more comfortable with a modest overweight to overall growth assets, with this favouring hedged global equities. This reflects the relatively stronger global earnings outlook compared to Australia, and an expected eventual weakening in the US dollar given its high historic valuation. The Australian corporate earnings outlook, although improving, remains patchy.

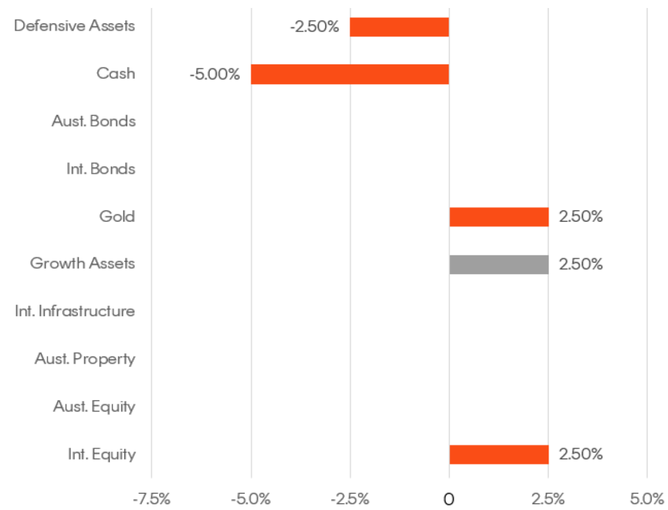
The Investment Committee also retained a modest overweight exposure to gold within Defensive assets. Gold is both a hedge against a potential upsurge in geo-political and trade risk and should benefit from further central bank buying.

To fund these overweight exposures to global equities and gold, the managed accounts retain an underweight exposure to cash and, where necessary, reduced exposure to bonds.

The Committee also conduced the annual Strategic Asset Allocation (SAA) Review. Key outcomes were:

1. No change to the strategic asset allocations at an asset class level and across risk profiles due to unchanged long-run capital market assumptions.
2. Increase the weight of US equities within global equities due to year-end rebalancing back to the global equity benchmark levels.
3. Introduction of 'Momentum' style factor within the Australian Equities asset class for the Dynamic series due to its potential for enhanced long-run risk-adjusted portfolio returns.
4. An increase in the smart beta ETF allocation from 40% to 50% within Australian equities due to their overall improved risk-adjusted return potential through the inclusion of the momentum factor.

Balanced Portfolio - Dynamic Tilts, end-February 2025



Further details can be found in the Strategic Asset Allocation review report **here.**

Investment Committee

David Bassanese
Chief Economist and Chair of Investment Committee

Louis Crous
Chief Investment Officer

Thong Nguyen
Head of Equities

Chamath De Silva
Head of Fixed Income

Cameron Gleeson
Senior Investment Strategist

Managed Accounts Weightings (as at end February 2025)

The Strategic and Dynamic Managed Accounts weights are detailed in the table below.

Defensive
Growth

	Conservative	Moderate	Balanced	Growth	High Growth	All Growth
Defensive	78.5%	63.0%	47.5%	27.0%	6.0%	
Growth	21.5%	37.0%	52.5%	73.0%	94.0%	100.0%





Asset Class	ETF	Conservative SAA	Conservative DAA	Conservative +/-	Conservative change	Moderate SAA	Moderate DAA	Moderate +/-	Moderate change	Balanced SAA	Balanced DAA	Balanced +/-	Balanced change	Growth SAA	Growth DAA	Growth +/-	Growth change	High Growth SAA	High Growth DAA	High Growth +/-	High Growth change	All Growth DAA	All Growth change
Defensive		80.0%	78.5%	-1.5%		65.0%	63.0%	-2.0%		50.0%	47.5%	-2.5%		30.0%	27.0%	-3.0%		10.0%	6.0%	-4.0%			
Cash	AAA	15.00%	5.00%	-10.00%		10.00%	5.00%	-5.00%		5.00%		-5.00%											
Aust.Bonds - Floating	QPON	6.50%	7.00%	0.50%		5.50%	6.00%	0.50%		4.50%	4.75%	0.25%		3.00%	3.00%								
Aust.Bonds - Fixed Govt	AGVT																						
Aust.Bonds - Fixed Corp	CRED																						
Aust.Bonds	OZBD	32.50%	35.00%	2.50%		27.50%	27.00%	-0.50%		22.50%	22.25%	-0.25%		15.00%	12.25%	-2.75%		10.00%	6.00%	-4.00%			
Int. bonds	VBND	26.00%	28.00%	2.00%		22.00%	22.00%			18.00%	18.00%			12.00%	9.25%	-2.75%							
Gold ($US)	QAU		3.50%	3.50%			3.00%	3.00%			2.50%	2.50%			2.50%	2.50%							
Growth		20.0%	21.5%	1.5%		35.0%	37.0%	2.0%		50.0%	52.5%	2.5%		70.0%	73.0%	3.0%		90.0%	94.0%	4.0%		100.0%	
Int. Infrastructure	GLIN									2.50%	2.50%			3.00%	3.00%			3.50%	3.50%			3.75%	
Aust. Equities	AQLT	2.50%	2.50%			2.50%	2.50%			2.50%	2.50%		-0.25%	4.25%	4.25%		0.50%	5.25%	5.25%		0.25%	5.75%	
Aust. Equities	QOZ	2.50%	2.50%			4.50%	4.50%		1.5%	5.00%	5.00%		-0.25%	7.00%	7.00%		-0.25%	9.00%	9.00%		-0.50%	9.50%	
Aust. Equities	MTUM									2.50%	2.50%		2.50%	2.75%	2.75%		2.75%	3.75%	3.75%		3.75%	4.00%	
Aust. Equities	A200	3.00%	3.00%			7.00%	7.00%		-1.5%	10.00%	10.00%		-2.00%	14.00%	14.00%		-3.00%	18.00%	18.00%		-3.50%	19.00%	
Int. Equities	QLTY	2.50%	2.50%			2.50%	2.50%			3.00%	3.00%			4.25%	4.25%			5.25%	5.25%			5.50%	
Int. Equities	BGBL																					23.00%	
Int. Equities	HGBL	3.50%	5.00%	1.50%		6.25%	8.25%	2.00%		6.50%	9.00%	2.50%		9.50%	12.50%	3.00%		12.50%	16.50%	4.00%		17.50%	
US Equities	QUS					2.75%	2.75%			3.75%	3.75%			5.50%	5.50%			7.00%	7.00%			8.00%	
US Equities	VTS	3.50%	3.50%			5.50%	5.50%		0.75%	8.25%	8.25%		0.75%	11.25%	11.25%		1.00%	14.75%	14.75%		1.50%		
Non-US Equities	VEU	2.50%	2.50%			4.00%	4.00%		-0.8%	6.00%	6.00%		-0.75%	8.50%	8.50%		-1.00%	11.00%	11.00%		-1.50%	4.00%	
Total		100%	100%			100%	100%			100%	100%			100%	100%			100%	100%			100%	
MER [1]		0.19%	0.20%			0.18%	0.20%			0.18%	0.19%			0.17%	0.18%			0.16%	0.16%			0.17%	

1. These are the weighted average management costs of the underlying funds in the managed accounts and can be expected to change over time as asset allocations and underlying investment vehicles change. These costs do not include certain other costs, such as any transaction costs (e.g. brokerage and bid-offer spreads) that might be incurred when implementing managed accounts.

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Betashares Managed Accounts: Performance Summary

The historical performance of the Strategic and Dynamic Managed Accounts is detailed in the table below.

	Conservative	Moderate	Balanced	Growth	High Growth	All Growth
Dynamic Managed Accounts						
Total Return Performance [1]						
3-months	1.5%	1.4%	1.2%	1.1%	0.9%	0.9%
6-months	3.2%	4.0%	4.8%	5.9%	6.9%	7.3%
12-months	7.1%	8.5%	9.9%	11.7%	13.2%	13.9%
3-year	2.8%	4.4%	5.9%	8.0%	10.2%	11.6%
5-year	2.0%	3.6%	5.2%	7.3%	9.5%	11.0%
Since incept. [2]	3.5%	4.7%	5.9%	7.4%	9.2%	10.4%
Volatility [2]	3.3%	4.5%	6.0%	8.0%	10.5%	11.7%
Net Yield [3]	3.1%	2.9%	2.7%	2.4%	2.3%	2.3%
Gross Yield [3]	3.2%	3.0%	2.9%	2.7%	2.7%	2.7%
Strategic (Benchmark) Managed Accounts						
Total Return Performance [1]						
3-months	1.3%	1.2%	1.1%	1.0%	1.0%	1.0%
6-months	2.8%	3.6%	4.4%	5.5%	6.7%	7.4%
12-months	6.7%	8.0%	9.5%	11.3%	13.1%	14.0%
3-year	2.9%	4.5%	6.1%	8.2%	10.6%	11.8%
5-year	2.2%	3.9%	5.5%	7.6%	9.9%	11.1%
Since incept [2]	3.5%	4.8%	6.1%	7.7%	9.6%	10.5%
Volatility [2]	3.2%	4.3%	5.9%	8.0%	10.5%	11.8%
Net Yield [3]	3.3%	3.0%	2.8%	2.5%	2.3%	2.3%
Gross Yield [3]	3.3%	3.2%	3.0%	2.8%	2.7%	2.7%

1. Portfolios are rebalanced on a quarterly baisis.
2. Since inception 31 December 2015
3. Trailing 12-months, as at 28 February 2025

Past performance is not an indicator of future performance.

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