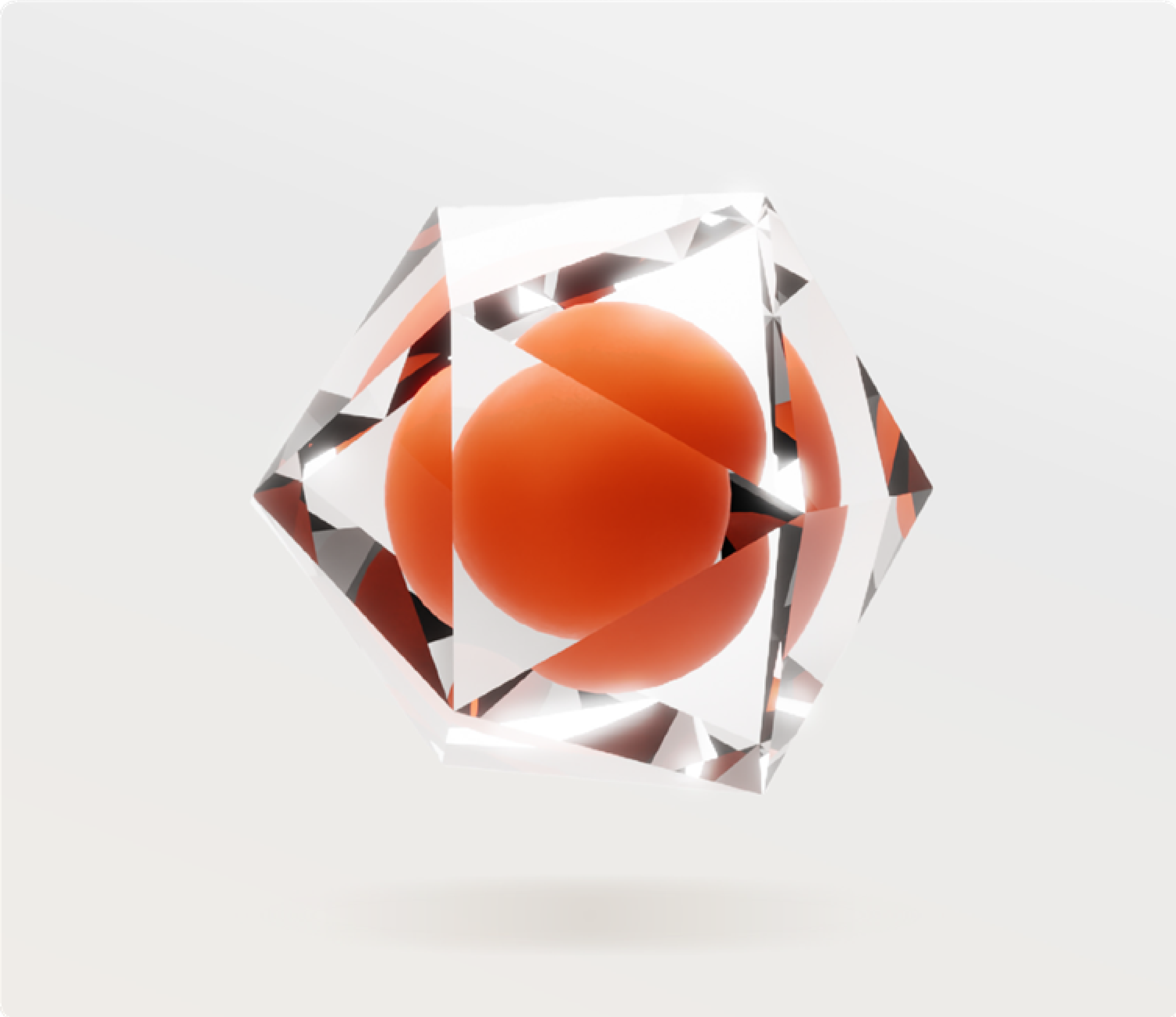

Betashares Dynamic Managed Accounts Report

Period ending May 2026

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E: info@betashares.com.au
T: 1300 487 577 (within Australia)
T: +61 2 9290 6888 (outside Australia)

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1. Economic & Market Review

Iran war creates global oil shock

The dominant market development over the last three months has been the war in Iran. The US and Israel launched coordinated airstrikes against Iranian military and nuclear infrastructure on 28 February, killing Supreme Leader Ayatollah Ali Khamenei on the first day of the conflict. He was subsequently replaced by his son, Mojtaba Khamenei.

Iran's response, on 4 March, was to declare the Strait of Hormuz closed and attack vessels attempting to transit it. The Strait carries roughly a fifth of global oil and LNG supplies, alongside fertiliser, food and pharmaceuticals. The International Energy Agency has characterised the resulting disruption as the largest supply shock in the history of the global oil market.

The initial market response was a sharp rise in energy prices, and a broad sell-off across both bond and equity markets on inflation concerns. US rate expectations repriced significantly, from anticipated further cuts in 2026 to a meaningful probability of hikes by early 2027.

Gold prices also declined, reflecting a general "flight to liquidity" among investors and the negative impact of higher bond yields and the US dollar.

Early US and Israeli hopes for regime change have not materialised. The Islamic Republic remains in place under new leadership, though a fragile US-Iran ceasefire and peace negotiations are now under way. Encouragingly, a run-down in global oil inventories has prevented acute physical shortages in major markets and limited further upward pressure on oil prices.

However, the Strait of Hormuz remains effectively closed, infrastructure damage across the Gulf is material, and any reopening is likely to be partial. Markets are pricing some optimism around a durable settlement, but the path back to normalised energy flows is neither short nor certain.

MSCI All Country World Index (local currency)

Source: LSEG Datastream.

AI Infrastructure Buildout Continues

The ongoing artificial intelligence (AI) infrastructure buildout remains a key support for markets. The March quarter US earnings season delivered meaningful upgrades for leading technology companies, underpinned by growing demand for AI compute.

The theme has also driven strong returns in markets critical to the AI supply chain, particularly Japan, South Korea and Taiwan. AI capex is fuelling demand for the chips and processors that underpin large language models, benefiting hardware companies through the value chain.

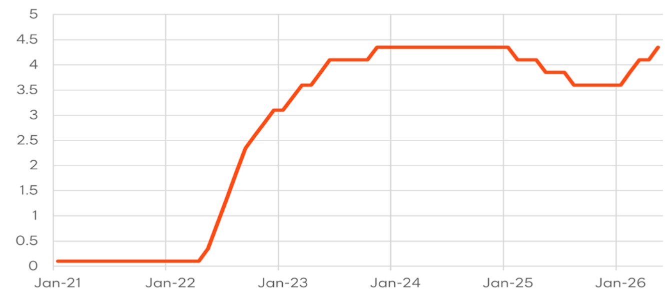
Meanwhile, earlier concerns that AI would rapidly disrupt established software companies (the so-called "SaaSpocalypse") have not materialised to the extent feared. Major incumbents have largely retained their customer bases to date, though the longer-term implications of agentic AI for seat-based pricing models remain an open question.

Australia's economic challenges

The Reserve Bank of Australia (RBA) raised the cash rate a further 25 basis points at its May meeting, taking the cash rate to 4.35%. This was the third consecutive hike of the year following increases in February and March, effectively reversing the easing cycle delivered through 2025. The RBA's hawkish pivot reflects the March quarter CPI release, which showed headline inflation at 4.6% and trimmed mean at 3.5%, alongside concerns that higher energy prices from the Middle East conflict will produce second-round effects on broader prices given already tight domestic capacity.

More recent data has been mixed. Softer labour market and partial inflation readings released after the May meeting have led markets to scale back the number of further hikes priced in, with a pause now expected at the June meeting.

RBA official cash rate



Source: LSEG Datastream.

The other major local development was the Federal Budget, which announced tax changes related to negative gearing, family trusts and capital gains on asset sales. Along with higher interest rates, these Budget changes are likely to dampen the outlook for house prices over the near term at least, and so weigh on household wealth and consumer spending. The effective increase in the capital gain tax on high growth investments also risks denting business confidence.

2. Portfolio Performance[1]

Overview

Over a volatile three-month period, the balanced dynamic asset allocation (DAA) portfolio returned 0.3%, underperforming the strategic benchmark return by 0.3%. Growth assets contributed positively, returning 1.4%, while defensive assets declined 0.8%.

May Quarterly Performance

	% return	Balanced Portfolio Weights *As at start of reporting quarter*		
	Qtr	SAA	DAA	+/-
Defensive Assets*	**-0.8%**	**50.00%**	**50.00%**	
Cash (AAA)	1.1%	5.00%	0.0%	-5.00%
Aust. Floating-Rate Bonds (QPON)	1.2%	4.50%	5.00%	0.50%
Aust. Fixed-Rate Bonds (OZBD)	-0.0%	22.50%	23.50%	1.00%
Global Bonds (WBND)	-0.9%	18.00%	19.00%	1.00%
Gold (QAU)	-12.5%		2.50%	2.50%
Growth Assets*	**1.4%**	**50.00%**	**50.00%**	
Aust. Equities (A200)	-4.0%	9.50%	9.50%	
Aust. Equities (QOZ)	-3.7%	4.50%	4.50%	
Aust. Equities (AQLT)	-2.3%	2.50%	2.50%	
Aust. Equities (MTUM)	-6.3%	2.50%	2.50%	
US Equities (QUS)	1.2%	3.25%	3.25%	
US Equities (VTS)	9.2%	7.75%	7.00%	-0.75%
Non-US Equities (VEU)	1.6%	6.00%	6.00%	
Global Equities (QLTY)	1.3%	3.00%	3.00%	
Global Equities (HGBL)	7.3%	8.50%	9.25%	0.75%
Global Infrastructure (GLIN)	-2.6%	2.50%	2.50%	
Quarterly % return		**0.6%**	**0.3%**	

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

The dynamic tilts detracted from performance, with the overweight to gold the dominant driver. The currency-hedged USD gold bullion ETF (QAU) declined 12.5% over the period, costing the portfolio approximately 0.3% of relative performance and explains the entirety of the quarter's underperformance.

Balanced Portfolio: Performance Attribution

	Qtr	6-months	1-year	3-years	5-years
Return performance					
SAA Passive	1.0%	2.8%	8.4%	9.3%	5.6%
SAA	0.6%	2.8%	8.4%	9.4%	5.6%
Smart Beta contribution	-0.4%	-0.1%	0.0%	0.1%	0.0%
DAA	0.3%	3.0%	9.4%	10.0%	5.8%
DAA contribution	-0.3%	0.2%	1.0%	0.5%	0.2%
DAA Performance attribution**					
Growth vs. Defensive	0.0%	0.1%	0.2%	0.1%	0.0%
Intra defensive	-0.3%	0.2%	0.8%	0.5%	0.3%
Intra growth	0.0%	-0.1%	0.0%	0.0%	-0.1%

Past performance is not an indicator of future performance.

**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.
Past performance is not an indicator of future performance.

Defensive Assets

Defensive returns of -0.8% reflected the gold decline alongside small losses in fixed-rate bonds, as energy-related inflation concerns pushed global yields higher. US 10-year yields rose 50 basis points to 4.44%, with the yield on the Bloomberg Global Aggregate Bond Index (AUD hedged) up 38 basis points to 3.76%.

Australian bond yields rose by less, with the market scaling back the number of further RBA hikes priced in. The Bloomberg AusBond Composite Index yield rose 28 basis points to 4.89%.

The portfolio's Global bond exposure (WBND) consequently declined 0.9%, while domestic fixed-rate bonds (OZBD) were flat. Cash (AAA) and Australian floating-rate bonds (QPON) returned 1.1% and 1.2%, respectively.

Growth Assets

Growth assets returned 1.4% in aggregate, with strength in US equities offset by weakness in Australian and European equities.

Hedged global equities (HGBL) returned 7.3% and unhedged US equities (VTS) gained 9.2%, both reflecting AI-driven strength in the US technology sector. Returns on unhedged developed markets ex-US (VEU) were more modest at 1.6%, held back by European weakness. Smart beta exposures within global equities detracted from performance. The rotation back toward technology and growth saw the equally-weighted US ETF (QUS) underperform its market-cap counterpart (VTS), with returns of 1.2% and 9.2% respectively. Global quality (QLTY) returns were also constrained at 1.3%.

Australian equities (A200) declined 4.0%, weighed down by domestic policy concerns. Within Australian equities, fundamentally-weighted (QOZ, -3.7%) and quality (AQLT, -2.3%) held up modestly better than A200, while momentum (MTUM, -6.3%) underperformed, leaving the blended smart beta exposure broadly in line with the market-cap benchmark.

Global infrastructure (GLIN) fell 2.6% on higher interest rate expectations.

Managed Account ETF Historic Returns

	Qtr	Prev. qtr	6-months	12-months
Defensive Assets*	**-0.8%**	**2.1%**	**1.3%**	**4.3%**
Cash (AAA)	**1.1%**	**0.9%**	**2.0%**	**3.9%**
Aust. Bonds	**0.2%**	**0.7%**	**0.9%**	**1.9%**
Aust. Floating-Rate Bonds (QPON)	1.2%	1.2%	2.4%	5.0%
Aust. Fixed-Rate Bonds (OZBD)	-0.0%	0.7%	0.6%	1.4%
Global Bonds (WBND)	**-0.9%**	**1.3%**	**0.4%**	
Gold, $US (QAU)	**-12.5%**	**23.5%**	**8.0%**	**35.4%**
Growth Assets*	**1.4%**	**3.3%**	**4.7%**	**14.4%**
Aust. Equities	**-4.0%**	**7.9%**	**3.6%**	**9.4%**
Aust. Equities (A200)	-4.0%	7.6%	3.3%	7.1%
Aust. Equities (QOZ)	-3.7%	12.6%	8.4%	19.1%
Aust. Equities (AQLT)	-2.3%	3.5%	1.0%	8.2%
Aust. Equities (MTUM)	-6.3%	4.3%	-2.3%	0.9%
Global Equities	**5.3%**	**-0.7%**	**4.6%**	**17.0%**
US Equities (QUS)	1.2%	-1.2%	0.0%	7.1%
US Equities (VTS)	9.2%	-7.0%	1.5%	16.1%
Non-US Equities (VEU)	1.6%	5.6%	7.3%	18.8%
Global Equities (QLTY)	1.3%	-3.7%	-2.4%	2.8%
Global Equities (HGBL)	7.3%	3.1%	10.7%	27.6%
Global Infrastructure (GLIN)	**-2.6%**	**9.9%**	**7.0%**	**15.1%**

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

Past performance is not an indicator of future performance.

[1] Growth, Defensive, Australian and Global Aggregate returns are based on DAA benchmark ETF weights for the Balanced managed accounts. Past performance is not an indicator of future performance.

3. Portfolio Positioning

Summary of Key Investment Themes - as at end of May 2026

Investment Theme	Investment Strategy	Comment / Analysis
Good fundamentals vs. short-run geopolitical risk	Neutral Growth vs Defensive Assets	Resilient global economic growth and strong corporate profits continue to support risk markets. Countering this optimism, however, is the ongoing war in Iran - a peace deal is still not in place and the Strait of Hormuz remains closed. This favours a continued neutral growth asset outlook for the time being.
RBA rate hike concerns	Overweight Australian fixed and floating-rate bonds	Due to already aggressive rate hike expectations, Australian fixed-rate bonds appear reasonable value while floating rate bonds offer a good yield pick-up over cash.
Weaker Australian outlook	Underweight Australian equities relative to hedged global equities	A hawkish central bank and major tax changes in the Federal Budget have dampened the Australian economic outlook relative to that of global peers.

At its May meeting, the Investment Committee concluded that maintaining the current neutral Growth versus Defensive asset exposure was appropriate. As we have previously noted, despite various global concerns facing investors – from disruption to global oil supply, higher rates and risks around AI disruption, the global economy and financial markets have so far continued to prove resilient.

After an initial sell-off, for example, global equities have rebounded strongly over the past two months, buoyed by hopes of some form of resolution in the Middle East and continued solid corporate profits arising from the AI infrastructure buildout especially. Given this impressive resilience to date, the Committee was not of a mind to underweight Growth assets overall, though it did feel the various risk factors discussed warranted a continued cautiously neutral position for the time being.

Although hope is currently trumping fear, the US and Iran are yet to find any middle ground and the Strait of Hormuz remains closed. The longer this stalemate persists, the greater the upside risk to oil prices once existing global oil inventories have been sufficiently depleted.

West Texas Intermediate (WTI), Oil Price, $US/barrel

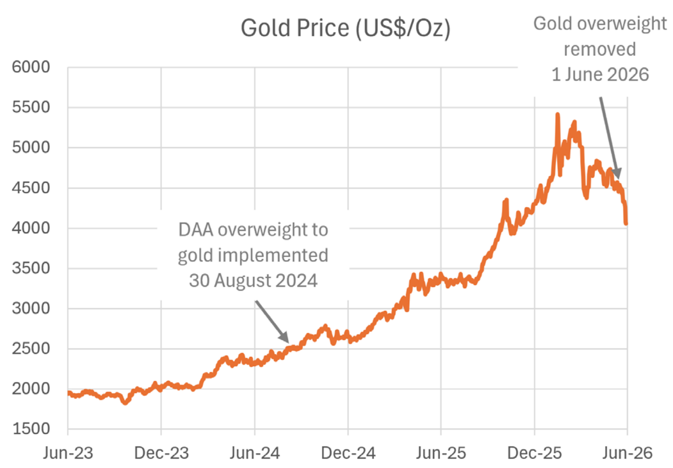
Source: LSEG Datastream.

Our judgement remains that some form of deal to avert more serious economic dislocation remains more likely than not – though our patience, along with that of global investors, is being tested. The rising costs to both the Iranian regime and President Trump, should hostilities continue, suggest it remains in their mutual interest to strike a deal sometime soon.

With regard to the ever-increasing AI capex, our judgement remains that we're still some way from speculative excess and that it will continue to provide stimulus for the broader economy. Demand for AI compute is still outstripping supply with significant scope for further growth as AI adoption grows across businesses and consumers. Indeed, reduced fears of AI disruption have led the Committee to remove the recent small tilt favouring non-US over US equities.

By contrast, the Committee has become more concerned over the Australian economic outlook, due to the RBA's fight against inflation and uncertainty introduced by the recent Federal Budget. The Australian corporate earnings outlook remains softer than that of global peers and seems at greater risk of further downgrades this year. Australian equities are also not especially cheap versus global equities. Accordingly, the Committee agreed to underweight Australian equities versus global equities, while keeping the overall Growth asset exposure at neutral.

Within defensive assets, the Committee also agreed to remove the long-standing overweight to gold, at least for a time. Gold has enjoyed a strong run over several years due to central bank reserve diversification and weakness in the US dollar. But rising bond yields and a more stable US dollar have checked gold's rise of late, even with war in Iran. While gold still retains useful diversification qualities, the Committee agreed the near-term risks are more two-sided and gold's price volatility is elevated, warranting a neutral dynamic allocation at this stage.



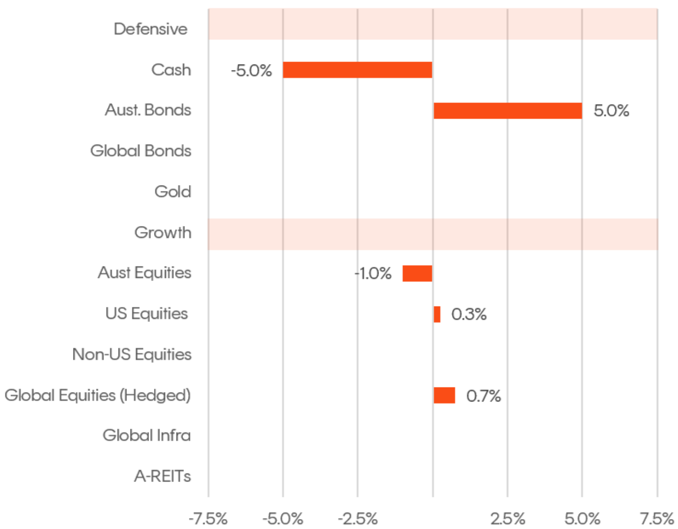
Source: Bloomberg

Reflecting global bond yield concerns, the Committee also removed the small overweight to global bonds. The Committee retained a small overweight to Australian bonds across most risk profiles, which are judged to offer better value than global bonds due to more aggressive rate hikes already priced domestically.

Cash remains underweight, with an increase in the allocation to high quality Australian floating rate bonds. Australian floating rate bonds now make up the largest overweight position within Defensive assets for Conservative through to Balanced risk profiles. The Committee views the yield pick up over cash to be attractive relative to the potential drawdown risk.

As always, the Committee agreed to continue to monitor the market environment closely, and to remain agile to adjust exposures as considered appropriate as market conditions evolve.

Balanced Portfolio - Dynamic Tilts, end-May 2026



Details of our Strategic Asset Allocation can be found **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

Daniel Choo
Head of Multi-Asset Investments

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Managed Accounts Weightings (as at end May 2026)

The Dynamic Managed Accounts weights are detailed in the tables below.

Defensive
Growth

Conservative

Moderate

Balanced

Asset Class	ETF	Conservative DAA	Conservative +/-	Conservative change	Moderate DAA	Moderate +/-	Moderate change	Balanced DAA	Balanced +/-	Balanced change
Defensive		80.0%			65.0%			50.0%		
Cash	AAA	5.00%	-10.00%		5.00%	-5.00%			-5.00%	
Aust.Bonds - Floating	QPON	13.75%	7.25%	5.25%	9.50%	4.00%	3.50%	8.50%	4.00%	3.50%
Aust.Bonds	OZBD	35.25%	2.75%		28.50%	1.00%		23.50%	1.00%	
Int. bonds	WBND	26.00%		-2.75%	22.00%		-1.00%	18.00%		-1.00%
Gold ($US)	QAU			-2.50%			-2.50%			-2.50%
Growth		20.0%			35.0%			50.0%		
Int. Infrastructure	GLIN							2.50%		
Aust. Equities	AQLT	2.50%			2.50%			2.50%		
Aust. Equities	QOZ	2.50%			4.50%			4.50%		
Aust. Equities	MTUM							2.50%		
Aust. Equities	A200	2.50%	-0.50%	-0.50%	6.25%	-0.75%	-0.75%	8.50%	-1.00%	-1.00%
Int. Equities	QLTY	2.50%			2.50%			3.00%		
Int. Equities	BGBL									
Int. Equities	HGBL	3.75%	0.25%	0.25%	6.75%	0.50%		9.25%	0.75%	
US Equities	QUS				2.75%			3.25%		
US Equities	VTS	3.75%	0.25%	0.25%	5.50%	0.25%	0.75%	8.00%	0.25%	1.00%
Non-US Equities	VEU	2.50%			4.25%			6.00%		
Non-US Equities	BEMG									
Total		100%			100%			100%		
MER[1]		0.19%			0.18%			0.18%		

Defensive
Growth

Growth

High Growth

All Growth

Asset Class	ETF	Growth DAA	Growth +/-	Growth change	High Growth DAA	High Growth +/-	High Growth change	All Growth DAA	All Growth +/-	All Growth change
Defensive		30.0%			10.0%					
Cash	AAA									
Aust.Bonds - Floating	QPON	2.00%	-1.00%	-0.50%						
Aust.Bonds	OZBD	16.00%	1.00%	2.00%	10.00%					
Int. bonds	WBND	12.00%		1.00%						
Gold ($US)	QAU			-2.50%						
Growth		70.0%			90.0%			100.0%	23.0%	
Int. Infrastructure	GLIN	3.00%			3.50%			3.75%		
Aust. Equities	AQLT	4.00%			5.25%			5.75%		
Aust. Equities	QOZ	7.00%			8.75%			9.75%		
Aust. Equities	MTUM	2.75%			3.50%			4.00%		
Aust. Equities	A200	12.00%	-1.00%	-1.00%	15.75%	-1.25%	-1.25%	17.50%	-1.50%	-1.50%
Int. Equities	QLTY	4.25%			5.25%			5.75%		
Int. Equities	BGBL							19.00%	19.00%	
Int. Equities	HGBL	13.00%	1.00%		16.75%	1.25%		18.75%	1.25%	
US Equities	QUS	4.75%			6.00%			7.75%	0.25%	0.75%
US Equities	VTS	10.75%		1.00%	14.00%		1.25%			
Non-US Equities	VEU	8.50%			11.25%			4.00%		-0.25%
Non-US Equities	BEMG							4.00%	4.00%	1.00%
Total		100%			100%			100%		
MER[1]		0.17%			0.16%			0.18%		

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.

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
Strategic (Benchmark) Managed Accounts						
Total Return Performance [1]						
3-months	0.4%	0.5%	0.6%	0.9%	1.3%	
6-months	1.7%	2.3%	2.8%	3.5%	4.3%	
12-months	5.2%	6.9%	8.4%	10.7%	13.1%	
3-year	6.0%	7.7%	9.4%	11.7%	14.1%	
5-year	2.8%	4.2%	5.6%	7.6%	9.7%	
Since incept.[2]	3.7%	5.0%	6.3%	7.9%	9.8%	
Volatility[2]	3.1%	4.3%	5.8%	7.8%	10.3%	
Net Yield[3]	3.4%	3.1%	2.8%	2.4%	2.1%	
Gross Yield[3]	3.4%	3.2%	3.0%	2.7%	2.4%	
Dynamic Managed Accounts						
Total Return Performance [1]						
3-months	-0.0%	0.2%	0.3%	0.7%	1.3%	1.6%
6-months	1.9%	2.5%	3.0%	3.8%	4.3%	4.3%
12-months	6.4%	8.1%	9.4%	11.9%	13.4%	14.0%
3-year	6.7%	8.3%	10.0%	12.3%	14.2%	15.2%
5-year	3.1%	4.5%	5.8%	7.8%	9.6%	10.6%
Since incept.[2]	3.8%	5.1%	6.3%	7.8%	9.5%	10.6%
Volatility[2]	3.3%	4.5%	5.9%	7.9%	10.3%	11.5%
Net Yield[3]	3.3%	3.0%	2.7%	2.3%	2.1%	2.3%
Gross Yield[3]	3.3%	3.2%	2.9%	2.6%	2.4%	2.6%

1. Portfolios are rebalanced on a quarterly basis.
2. Since inception 31 December 2015
3. Trailing 12-months, as at 31 May 2026

Past performance is not an indicator of future performance.

Betashares

T: 1300 487 577 (within Australia)

T: +61 2 9290 6888 (outside Australia)

E: info@betashares.com.au

W: betashares.com.au

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