Betashares Dynamic Managed Accounts Report

Period ending August 2026

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1. Economic & Market Review

Supported by strong corporate earnings, global equities proved resilient over the past three months, despite the mounting cost of the artificial intelligence (AI) rollout, rising bond yields and disrupted oil supplies due to the conflict in Iran.

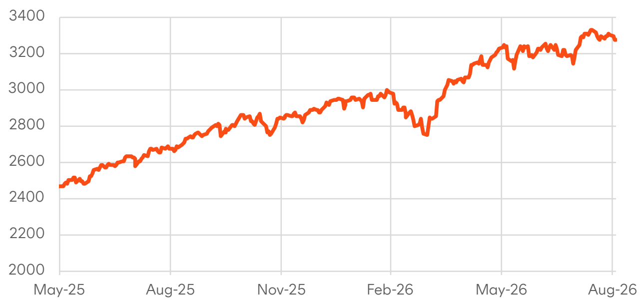
Iran conflict drags on

The ongoing Iran conflict remained a dominant market influence, with hopes of a peace deal culminating in the US and Iran signing a Memorandum of Understanding (MOU) on 17 June. This briefly lifted oil flows through the Strait of Hormuz, lowered oil prices and boosted global equities.

Unfortunately, the truce did not last. Oil flow through the Strait of Hormuz remains severely restricted, but the global economy has coped by drawing down inventories and rerouting some supply through Middle East channels that bypass the Strait. Although estimates vary, some oil is also reportedly slipping through by discreet means, such as by turning off tracking devices and sailing closer to Oman's coastline on the far side of the Strait. Iran is still holding out and has begun negotiating with Oman to jointly manage ship traffic through the Strait. Limited military exchanges recurred in early September.

The Iran war remains a risk factor for markets, though oil prices sit below their earlier-year peaks and the global economy is so far coping with the disruption.

MSCI All Country World Index (local currency)



Source: LSEG Datastream

Technology Pullback

The technology sector underperformed over the recent period as investors expressed mixed feelings about the AI investment boom. A key update from leading chip maker Nvidia affirmed strong demand for AI-related infrastructure, with another solid earnings result and guidance for further strong revenue growth. US hyperscalers Meta, Alphabet, Apple and Amazon also continue to invest heavily in data centres to support the growth in AI services.

At the same time, investors worried about the pay-off from these large investments, given rising competition in the AI space, the drain on free cash flow and growing reliance on debt to fund the rollout. The July release of Kimi K3, a more cost-effective Chinese open-weight large language model from start-up Moonshot AI, added to concerns, as did a correction in South Korean memory semiconductor names after a period of strong performance and investor positioning.

Bond market jitters

A further rise in bond yields was another key development, with US 10-year yields up 0.27% to 4.71%, following a sizeable 0.5% increase in the prior three-month period. This reflected a greater risk of US monetary tightening — with Federal Reserve officials continuing to warn that higher policy rates may be needed if inflation fails to slow — as well as concerns over rising US public sector debt.

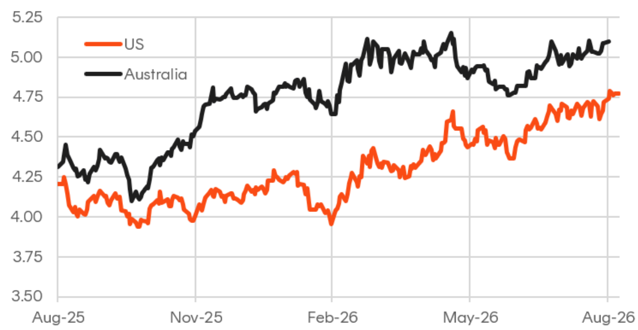
Sluggish domestic demand, stronger resources

Australian economic data remained mixed over the period, leaving markets still anticipating higher official interest rates by year end.

Employment has been volatile, falling in July after two strong monthly gains, and the unemployment rate rose to 4.5% in July. House prices have fallen five months in a row, to be down 4.7% from their March peak. The June quarter CPI was a little softer than expected, but the July monthly reading came in high. June quarter GDP growth was subdued, though slightly stronger than the RBA expected, and the earnings season was soft, with a modest downgrade to growth expectations.

All up, sticky inflation has the market expecting one further RBA rate hike by year end, with less confidence of cuts in 2027. Although the subdued domestic outlook has weighed on parts of the market, Australian equities outperformed globally over the recent period, supported by gains in defensive sectors and a relatively low weight to technology stocks which underperformed globally over the period.

US and Australian 10-Year Government Bond Yields



Source: LSEG Datastream

2. Portfolio Performance

Overview

The Balanced dynamic asset allocation (DAA) portfolio returned 2.0%, in line with the strategic benchmark. Growth assets contributed positively, returning 3.8%, while defensive assets returned a more modest 0.2%.

August Quarterly Performance (29 May 2026 – 31 August 2026)

	% return	Balanced Portfolio Weights *As at start of reporting quarter*		
	Qtr	SAA	DAA	+/-
Defensive Assets*	**0.2%**	**50.00%**	**50.00%**	
Cash (AAA)	1.1%	5.00%	0.0%	-5.00%
Aust. Floating-Rate Bonds (QPON)	1.4%	4.50%	8.50%	4.00%
Aust. Fixed-Rate Bonds (OZBD)	0.2%	22.50%	23.50%	1.00%
Global Bonds (WBND)	-0.4%	18.00%	18.00%	
Growth Assets*	**3.8%**	**50.00%**	**50.00%**	
Aust. Equities (A200)	4.5%	9.50%	8.50%	-1.00%
Aust. Equities (QOZ)	5.3%	4.50%	4.50%	
Aust. Equities (AQLT)	6.9%	2.50%	2.50%	
Aust. Equities (MTUM)	3.7%	2.50%	2.50%	
US Equities (QUS)	5.8%	3.25%	3.25%	
US Equities (VTS)	2.2%	7.75%	8.00%	0.25%
Non-US Equities (VEU)	2.5%	6.00%	6.00%	
Global Equities (QLTY)	7.0%	3.00%	3.00%	
Global Equities (HGBL)	2.9%	8.50%	9.25%	0.75%
Global Infrastructure (GLIN)	0.5%	2.50%	2.50%	
Quarterly % return		**2.0%**	**2.0%**	

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

Smart beta exposures contributed to model performance over the period, with the Balanced benchmark SAA return outperforming the same SAA portfolio using only market-cap weighted ETFs.

For the Balanced portfolio, the smart beta contribution was 0.4%, reflecting good gains in local and global quality and value exposures. Australian (AQLT) and global (QLTY) outperformed their market-cap counterparts, with gains of 6.9% and 7.0% respectively. Australian (QOZ) and US (QUS) value orientated exposures also outperformed their market-cap counterparts, with gains of 5.3% and 5.8% respectively.

Balanced Portfolio: Performance Attribution

	Qtr	6-months	1-year	3-years	5-years
Return performance					
SAA Passive	1.6%	2.7%	5.9%	9.0%	4.9%
SAA	2.0%	2.7%	6.2%	9.2%	5.0%
Smart Beta contribution	0.4%	0.0%	0.3%	0.2%	0.1%
DAA	2.0%	2.3%	6.9%	9.7%	5.1%
DAA contribution	0.0%	-0.4%	0.8%	0.6%	0.1%
DAA Performance attribution					
Growth vs. Defensive	0.0%	0.0%	0.0%	0.1%	-0.1%
Intra defensive	0.0%	-0.4%	0.7%	0.5%	0.2%
Intra growth	0.0%	0.0%	0.0%	0.0%	-0.1%

Positive gains were evident across the models, with stronger returns for higher risk portfolios due to the relative strength of Growth over Defensive assets. The Growth and High Growth models returned 2.7% and 3.5% respectively.

	Cons.	Mod.	Balanced	Growth	High Growth	All Growth
Dynamic Managed Accounts						
Total Return Performance [1]						
3-months	1.0%	1.6%	2.0%	2.7%	3.5%	3.8%
6-months	1.0%	1.8%	2.3%	3.4%	4.9%	5.5%
12-months	4.7%	6.0%	6.9%	8.9%	10.1%	10.7%
3-year	6.7%	8.3%	9.7%	12.0%	13.7%	
5-year	2.6%	3.9%	5.1%	7.0%	8.8%	
Since incept.[2]	3.8%	5.1%	6.3%	7.9%	9.6%	11.5%
Volatility[2]	3.3%	4.4%	5.8%	7.8%	10.2%	8.9%
Net Yield[3]	3.4%	3.1%	2.8%	2.5%	2.2%	2.3%
Gross Yield[3]	3.5%	3.2%	3.0%	2.8%	2.6%	2.7%

1. Portfolios are rebalanced on a quarterly basis.

2. Since inception is 31 December 2015 for all profiles, except All Growth, which commenced on 28 January 2025.

3. Trailing 12-months, as at 31 August 2026

Defensive Assets

Defensive assets returned 0.2%, as rising bond yields constrained the return from fixed-rate bonds. As noted above, US 10-year yields rose 27 basis points to 4.71%, with the yield on the Bloomberg Global Aggregate Bond Index (AUD hedged) up 28 basis points to 4.05%.

Australian bond yields also rose, with the Australian government 10-year bond yield rising 26 basis points to 5.09%. The Bloomberg AusBond Composite Index yield rose 18 basis points to 5.07%.

The portfolio's global bond exposure (WBND) consequently declined 0.4%, after a 0.9% decline in the previous period. Domestic fixed-rate bonds (OZBD) returned a modest 0.2%, after a flat performance in the previous period. Cash (AAA) and Australian floating-rate bonds (QPON) returned 1.1% and 1.4%, respectively.

Growth Assets

Growth assets returned 3.8% in aggregate, with Australian equities modestly outperforming global equities and hedged global equities modestly outperforming unhedged.

Hedged global equities (HGBL) returned 2.9%. Unhedged US equities (VTS) and non-US equities (VEU) gained 2.2 and 2.5% respectively. As noted above, quality and value smart beta exposures outperformed in the period. Global infrastructure (GLIN) returned 0.5%, with returns in the sector held back by global interest rate concerns.

Australian equities (A200) returned 4.5%, with especially good gains in more defensive sectors such as health care and consumer staples. The energy sector also performed well reflecting still high oil prices. As noted above, quality and value smart beta Australian equity exposures outperformed in the period, though momentum lagged due to a weaker performance by resources stocks.

3. Portfolio Positioning

Summary of Key Themes – as at end of August 2026

Investment Theme	Investment Strategy	Comment/Analysis
Solid fundamentals vs. short-run geopolitical risk	Overweight Growth vs Defensive Assets	Global economic growth and corporate earnings have proven resilient to both the Iran war and sporadic concerns about the artificial intelligence (AI) boom. The earnings outlook remains robust and equity valuations have become more attractive. Demand for AI services is likely to remain strong and the global economy should continue to cope with persistent US-Iran tensions.
Australian rate hike expectations	Overweight Australian floating and fixed-rate bonds vs. cash	Floating-rate bonds offer favourable risk-reward potential over cash and Australian fixed-rate bonds also reasonable value given rate hike expectations already priced into yields.
Weaker Australian outlook	Overweight Global vs Australian equities	A weaker local earnings growth outlook and somewhat expensive local valuations suggest the Australian market will underperform that of global peers

At its August meeting, the Investment Committee agreed to move from a neutral to moderate overweight Growth versus Defensive asset exposure.

This decision was taken despite rising bond yields, lingering uncertainty about the conflict in Iran and the ultimate profit payoff from the strong investment in AI service capacity. So far this year, equity markets have continued to broadly climb the wall of worry, underpinned by solid global economic growth and strong corporate earnings performance. Although markets may experience bouts of volatility, we expect this underlying equity market resilience to continue.

Further upside to bond yields seems limited, in our view, due to policy tightening expectations already priced in by the market and the recent easing in US inflation. What's more, a modest degree of further global monetary tightening may benefit bond markets, to the extent it reassures investors that central banks are serious about keeping inflation in check. Through limited bond market intervention, the US Administration has also shown sensitivity to the recent rise in long-term bond yields.

While there is upside risk to oil prices from the ongoing Iran conflict, the global economy has displayed a remarkable ability to adapt thus far, and we still suspect both sides have an interest in resolving the dispute before energy markets become too disruptive. US President Trump has demonstrated interest in securing a deal with Iran when oil prices reach much above $US 100/barrel, and he faces political pressure given upcoming mid-term elections in November.

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

Source: LSEG Datastream

Questions about the ultimate payoff from the AI investment boom will also likely persist, though the outlook is for continued strong growth in AI infrastructure and rapid adoption of AI services for the foreseeable future.

Equity valuations have improved, with the MSCI ACWI ending August at a price-to-forward earnings ratio of 16.9, compared to a recent peak of 19.6 at end-October 2025. Despite lingering global concerns, IBES analyst survey estimates show corporate earnings expectations have been revised up notably this year and imply 17% growth in forward earnings by end-2027.

MSCI All Country World Index, Price-to-forward earnings ratio

Source: LSEG Datastream

Within Growth assets, the Committee has retained a preference for global over Australian equities, notwithstanding the outperformance of the latter in the recent three-month period. Australian outperformance in this period reflected a surprise lift in valuations rather than stronger earnings. As a result, the Australian market is now trading at a modest valuation premium to global markets even though the earnings growth outlook remains weaker. IBES analyst survey estimates suggest 9% growth in Australian forward earnings by end-2027. There also appears greater downside risk to these earnings expectations given the outlook for below-trend economic growth over the foreseeable future due to restrictive monetary policy and falling house prices.

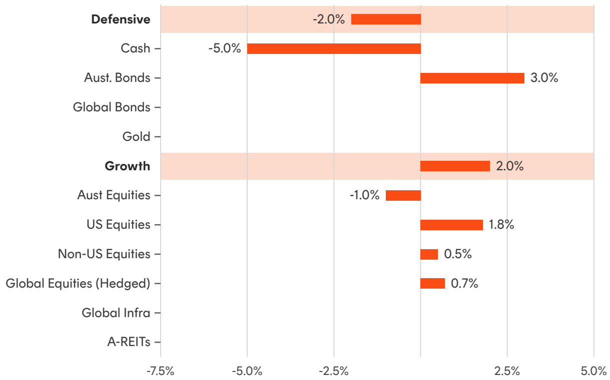
Within global equities, the Committee has adopted a more neutral outlook for hedged versus unhedged currency exposures. This reflects a more evenly balanced outlook for the Australian dollar given monetary tightening expectations in other countries such as the US have lifted to be more in line with those domestically.

Within defensive assets, the Committee has retained a preference for Australian floating rate bonds over cash given the former's favourable risk-return potential, and to fixed-rate Australian bonds to a lesser degree. As with global bonds, we note markets are already pricing in RBA interest rate hike expectations, resulting in a real 10-year Government bond yield of 2.8%, or the highest in the post-GFC period.

The Committee also decided to introduce global momentum (via the GTUM ETF) within the suite of global equity smart beta exposures. Held alongside other factor exposures such as quality and value, momentum has the potential to improve risk-adjusted returns. Adding global momentum aligns the global smart beta blend with that of Australian equities.

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-August 2026



Details of our Strategic Asset Allocation can be found **here**

Investment Committee

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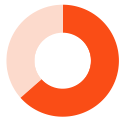
Managed Accounts Weightings (as at end August 2026)

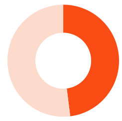
The Dynamic Managed Accounts weights are detailed in the tables below.

Defensive
Growth

Conservative



Moderate

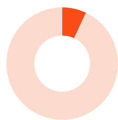


Balanced

		Conservative			Moderate			Balanced		
Asset Class	**ETF**	**DAA**	**+/-**	**change**	**DAA**	**+/-**	**change**	**DAA**	**+/-**	**change**
Defensive		**79.0%**			**63.5%**			**48.0%**		
Cash	AAA	5.00%	-10.00%		5.00%	-5.00%			-5.00%	
Aust.Bonds - Floating	QPON	12.75%	6.25%	-1.00%	8.00%	2.50%	-1.50%	6.50%	2.00%	-2.00%
Aust.Bonds	OZBD	35.25%	2.75%		28.50%	1.00%		23.50%	1.00%	
Int. bonds	WBND	26.00%			22.00%			18.00%		
Growth		**21.0%**			**36.5%**			**52.0%**		
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%		6.25%	-0.75%		8.50%	-1.00%	
Int. Equities	QLTY	2.50%			2.50%			3.00%		
Int. Equities	BGBL									
Int. Equities	HGBL	3.75%	0.25%		6.75%	0.50%		9.25%	0.75%	
Int. Equities	GTUM							2.50%		2.50%
US Equities	QUS				2.75%			3.25%		
US Equities	VTS	4.50%	1.00%	0.75%	6.50%	1.25%	1.00%	7.75%	1.75%	-0.25%
Non-US Equities	VEU	2.75%	0.25%	0.25%	4.75%	0.50%	0.50%	5.75%	0.50%	-0.25%
Non-US Equities	BEMG									
Int. Infrastructure	GLIN							2.50%		
Total		**100%**			**100%**			**100%**		
MER		**0.19%**			**0.18%**			**0.18%**		

Defensive
Growth

Growth



High Growth

All Growth

		Growth			High Growth			All Growth		
Asset Class	**ETF**	**DAA**	**+/-**	**change**	**DAA**	**+/-**	**change**	**DAA**	**+/-**	**change**
Defensive		**27.5%**			**7.0%**					
Cash	AAA									
Aust.Bonds - Floating	QPON		-3.00%	-2.00%						
Aust.Bonds	OZBD	15.50%	0.50%	-0.50%	7.00%	-3.00%	-3.00%			
Int. bonds	WBND	12.00%								
Growth		**72.5%**			**93.0%**			**100.0%**		
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%		15.75%	-1.25%		17.50%	-1.50%	
Int. Equities	QLTY	4.25%			5.25%			5.75%		
Int. Equities	BGBL							15.00%	0.25%	-4.00%
Int. Equities	HGBL	13.00%	1.00%		16.75%	1.25%		18.75%	1.25%	
Int. Equities	GTUM	3.00%		3.00%	3.50%		3.50%	4.00%		4.00%
US Equities	QUS	4.75%			6.00%			7.75%		
US Equities	VTS	10.50%	1.75%	-0.25%	14.00%	2.25%				
Non-US Equities	VEU	8.25%	0.75%	-0.25%	10.75%	0.75%	-0.50%	4.00%		
Non-US Equities	BEMG							4.00%		
Int. Infrastructure	GLIN	3.00%			3.50%			3.75%		
Total		**100%**			**100%**			**100%**		
MER		**0.18%**			**0.17%**			**0.19%**		

MER refers to 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
Strategic (Benchmark) Managed Accounts						
Total Return Performance[1]						
3-months	1.1%	1.6%	2.0%	2.7%	3.5%	3.9%
6-months	1.5%	2.2%	2.7%	3.7%	4.9%	5.4%
12-months	3.7%	5.1%	6.2%	8.0%	9.9%	11.1%
3-year	6.1%	7.6%	9.2%	11.3%	13.5%	
5-year	2.4%	3.7%	5.0%	6.9%	9.0%	
Since incept.[2]	3.7%	5.1%	6.4%	8.0%	9.9%	11.8%
Volatility[2]	3.1%	4.3%	5.8%	7.8%	10.2%	8.8%
Net Yield[3]	3.5%	3.2%	3.0%	2.6%	2.3%	2.1%
Gross Yield[3]	3.6%	3.3%	3.1%	2.8%	2.6%	2.4%
Dynamic Managed Accounts						
Total Return Performance[1]						
3-months	1.0%	1.6%	2.0%	2.7%	3.5%	3.8%
6-months	1.0%	1.8%	2.3%	3.4%	4.9%	5.5%
12-months	4.7%	6.0%	6.9%	8.9%	10.1%	10.7%
3-year	6.7%	8.3%	9.7%	12.0%	13.7%	
5-year	2.6%	3.9%	5.1%	7.0%	8.8%	
Since incept.[2]	3.8%	5.1%	6.3%	7.9%	9.6%	11.5%
Volatility[2]	3.3%	4.4%	5.8%	7.8%	10.2%	8.9%
Net Yield[3]	3.4%	3.1%	2.8%	2.5%	2.2%	2.3%
Gross Yield[3]	3.5%	3.2%	3.0%	2.8%	2.6%	2.7%

1. Portfolios are rebalanced on a quarterly basis.
2. Since inception is 31 December 2015 for all profiles, except All Growth, which commenced on 28 January 2025.
3. Trailing 12-months, as at 31 August 2026

Past performance is not an indicator of future performance.

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