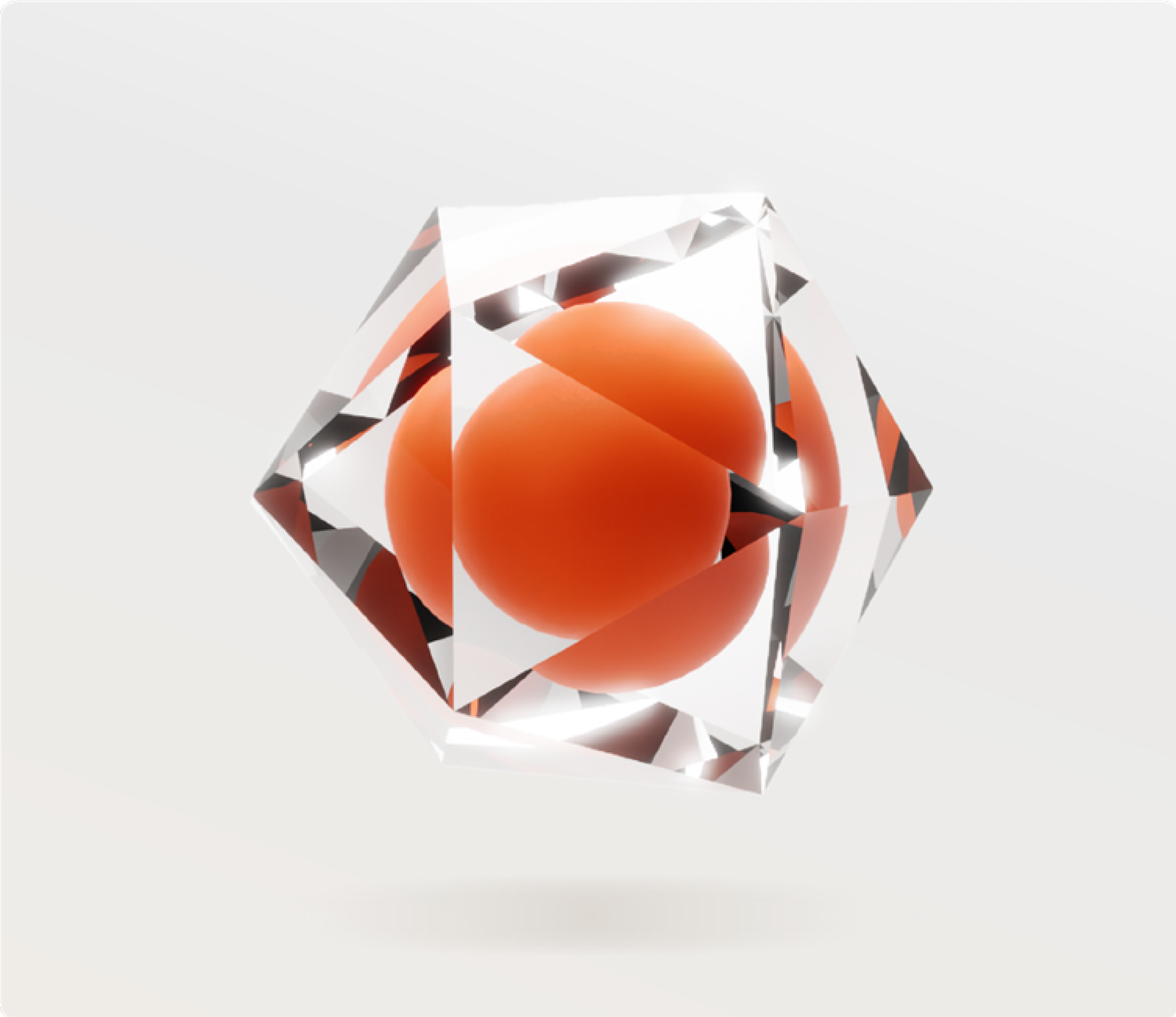

Betashares Dynamic Managed Accounts Report

Period ending May 2025

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1. Market Review

Financial markets continued to exhibit significant volatility over the recent three-month period, largely reflecting uncertainty over US President Trump's tariff policy. Markets remained nervous as higher tariffs – a tax on US imports – risk raising US inflation and lowering economic growth, at least over the short-run.

After early declines, equity markets recovered strongly over May. All up, the MSCI All-Country World Equity Index returned 0.5% in local currency terms, with a modest decline in the price-to-earnings (PE) ratio offset by a further lift in forward earnings. A firmer Australian dollar meant global equities declined by 0.9% in unhedged Australian dollar terms.

Gains were stronger in non-US markets, with the MSCI Emerging Markets Index and Japan's Nikkei returning 3.8% and 3.0% respectively. The US S&P 500 declined by 0.4% over the period, while Europe's S&P 350 index returned 0.7%. The US market also underperformed in the previous three-month period.

Equity markets began the period under downward pressure due to Trump's ongoing threat of higher tariffs – culminating in the April 2 "Liberation Day" announcement of significant tariff increases for most countries in the world. Further undermining investor sentiment was the tit-for-tat escalation in tariff levels between the United States and China.

These actions led to steep equity market declines up to early April and some upward pressure on bond yields as many investors began to withdraw capital from the United States. Equity markets bottomed on April 8, however, with President Trump announcing a 90-day postponement of planned tariff increases on April 9. Markets were further buoyed by a US-China agreement on May 12 to drastically reduce planned tariff levels ahead of planned trade talks.

Amidst this volatility, the US Federal Reserve continued to leave official interest rates on hold at the March and May policy meetings.

Another US notable development in the period was the "One Big Beautiful Bill" package of tax cuts and limited spending cuts passed by the US House of Representatives. The Congressional Budget Office estimates the package would add $US 2.4 trillion to US public debt over the next decade. The package has yet to be agreed by the Senate or the President, each of which may seek to make their own modifications. Persistently large US budget deficits are starting to worry bond market investors, though the increase in US long-term bond yields has so far remained relatively contained.

In Japan, long-term bond yields also faced some upward pressure due to expectations of more fiscal stimulus and rate hikes from the Bank of Japan.

In Europe, Friedrich Merz was elected Chancellor by the German parliament by a closer margin than expected. This dented investor hopes that he would have strong authority to pursue more fiscal stimulus, through increased public spending on infrastructure, green energy projects and defense.

China's economy continued to hold up despite the threat of higher US tariffs, with the Government announcing further stimulus measures.

All up, US 10-year bond yields edged up 0.19% over the three months to end May to 4.40%. German 10-year bond yields rose 0.09% to 2.50%, while Japanese 10-year yields lifted by 0.12% to 1.50%. That said, the yield- to-maturity for the Bloomberg Global Aggregate Bond Index edged up only 0.03% to 3.57%.

US 10-year Government Bond Yields

Source: LSEG Datastream.

Gold prices continued to move higher, with a solid 15.1% gain after a strong 8.1% 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.

In Australia, the Federal election saw the Labor party returned with a larger majority in the lower house, though the Greens were left with the balance of power in the Senate. A further easing in annual "trimmed mean" underlying inflation to 2.9% in the March quarter led the Reserve Bank to cut interest rates at the May policy meeting to 3.85%. It was the second rate cut this year. Economic growth slowed to only 0.2% in the March quarter after an encouraging 0.6% gain in the December quarter. Markets attach a high chance to a follow up RBA rate cut in July, with the official cash rate expected to end the year around 3%.

Australian 10-year government bond yields edged down 0.04% over the period, with the yield on the Bloomberg Australian Composite Bond Index declined by 0.26% to 4.01%.

Despite a decline in forward earnings, Australia's S&P/ASX 200 Index returned 4.3% over the period, helped by a rise in PE ratio to 18.6. Gains were especially strong among the technology, telecommunications, and financial sectors.

MSCI All Country World Equity Return Index

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

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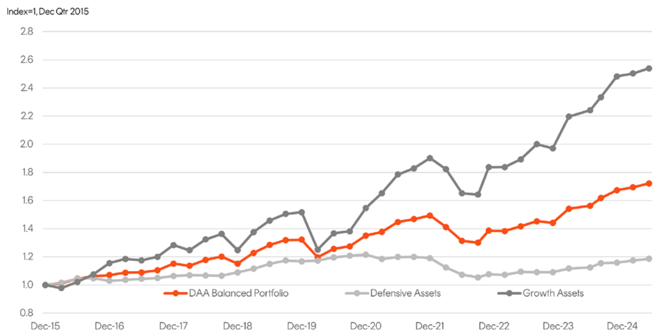
2. Portfolio Review[1]

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

Overall Defensive assets returned 1.1%, while Growth assets returned 1.5%.

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 modest gains over the period. The Balanced portfolio returned 1.6%, or slightly ahead of its SAA benchmark return – largely reflecting our overweight exposure to gold. Indeed, among Defensive assets, gold (QAU) was again a standout performer with a 14.7% return.

May Quarter 2025 (Quarterly performance)

	% return	Balanced Portfolio Weights		
		As at end of February 2025		
	Qtr	SAA	DAA	+/-
Defensive Assets*	1.1%	50.00%	47.50%	-2.50%
Cash (AAA)	1.0%	5.00%		
Aust. Floating-Rate Bonds (QPON)	1.1%	4.50%	4.75%	0.25%
Aust. Fixed-Rate Bonds (OZBD)	2.0%	22.50%	22.25%	-0.25%
Global Bonds (VBND)	0.0%	18.00%	18.00%	
Gold (QAU)	14.7%		2.50%	2.50%
Growth Assets*	1.5%	50.00%	52.50%	2.50%
Aust. Equities (A200)	4.4%	10.00%	10.00%	
Aust. Equities (QOZ)	2.9%	5.00%	5.00%	
Aust. Equities (AQLT)	5.4%	2.50%	2.50%	
Aust. Equities (MTUM)	6.2%	2.50%	2.50%	
US Equities (QUS)	-4.9%	3.75%	3.75%	
US Equities (VTS)	-3.9%	8.25%	8.25%	
Non-US Equities (VEU)	4.6%	6.00%	6.00%	
Global Equities (QLTY)	0.0%	3.00%	3.00%	
Global Equities (HGBL)	0.3%	6.50%	9.00%	2.50%
Global Infrastructure (GLIN)	2.8%	2.50%	2.50%	
Quarterly % return		1.3%	1.6%	

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

Balanced Portfolio: Performance Attribution

Balanced Dynamic Portfolio

	Qtr	6-months	1-year	3-years	5-years
Return performance					
SAA	1.3%	5.8%	10.2%	7.8%	6.6%
DAA	1.6%	6.5%	11.0%	7.9%	6.7%
DAA contribution	0.3%	0.7%	0.8%	0.1%	0.0%
DAA Performance attribution**					
Growth vs. Defensive	0.0%	0.2%	0.2%	-0.2%	0.0%
Intra defensive	0.3%	0.6%	0.7%	0.3%	0.2%
Intra growth	0.0%	-0.1%	-0.1%	0.0%	-0.1%

**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.

Australian fixed-rate bond returns, via the OZBD ETF, returned 2.0%. Returns from global fixed-rate bonds, via the VBND ETF, were flat. Australian floating-rate bonds, via the QPON ETF, returned 1.1%, while the cash AAA ETF returned 1.0%.

Among Growth assets, currency-hedged developed market global equities (HGBL) returned 0.3%. Due to a stronger Australian dollar, overall unhedged global equity returns were weaker, with US equities (VTS) down 3.9% partly offset by a 4.6% gain in non-US equities (VEU). Global infrastructure (GLIN) returned 2.8%.

Among "smart beta" global equity exposures, the global quality ETF (QLTY) returns were flat, outperforming the overall decline in market-cap weighted unhedged global equites. The equally-weight US stock ETF (QUS) declined by 4.9%, underperforming its market-cap-weighted US counterpart.

Australian equities outperformed global equities over the period, with the A200 ETF returning 4.4%. The fundamentally weighted equity ETF (QOZ) underperformed, with a 2.9% return while Australian quality ETF (AQLT) outperformed with a 5.4% return.

Managed Account ETF Historic Returns

	Qtr	Prev. qtr	6-months	12-months
Defensive Assets	1.1%	1.6%	2.4%	6.2%
Cash (AAA)	1.0%	2.2%	2.2%	4.5%
Aust. Bonds	1.9%	1.7%	3.8%	7.3%
Aust. Floating-Rate Bonds (QPON)	1.1%	2.8%	2.6%	5.4%
Aust. Fixed-Rate Bonds (OZBD)	2.0%	1.5%	4.0%	7.7%
Global Bonds (VBND)	0.0%	1.2%	0.5%	5.0%
Gold, $US (QAU)	14.7%	12.5%	22.8%	38.1%
Growth Assets	1.5%	7.2%	2.3%	14.3%
Aust. Listed Property (VAP)	6.1%	-2.0%	-2.0%	11.8%
Aust. Equities	4.4%	3.0%	2.0%	13.6%
Aust. Equities (A200)	4.4%	2.6%	1.7%	13.3%
Aust. Equities (QOZ)	2.9%	2.5%	0.7%	10.6%
Aust. Equities (AQLT)	5.4%	6.1%	3.8%	20.7%
Global Equities	-0.8%	10.7%	2.5%	14.4%
US Equities (QUS)	-4.9%	12.4%	-4.1%	11.5%
US Equities (VTS)	-3.9%	15.6%	-1.3%	16.8%
Non-US Equities (VEU)	4.6%	9.1%	12.9%	17.5%
Global Equities (QLTY)	0.0%	9.5%	3.3%	15.7%
Global Equities (HGBL)	0.3%	5.9%	1.1%	12.0%
Global Infrastructure (GLIN)	2.8%	3.4%	1.0%	13.6%

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. Past performance is not an indicator of future performance.

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3. Market Outlook and Portfolio Positioning

Summary of Key Investment Themes - as at end of May 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 to 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 Hedged global equities & infrastructure vs. Australian equities	A stronger earnings outlook suggests global equities will outperform Australian equities. Infrastructre is also favoured due to its defensive qualities. A historically expensive $US (cheap $A), moreover, favours a preference for hedged global exposures.

Economic and market developments over the past few months remained challenging especially given the ongoing erratic tariff policy proposals by US President Donald Trump.

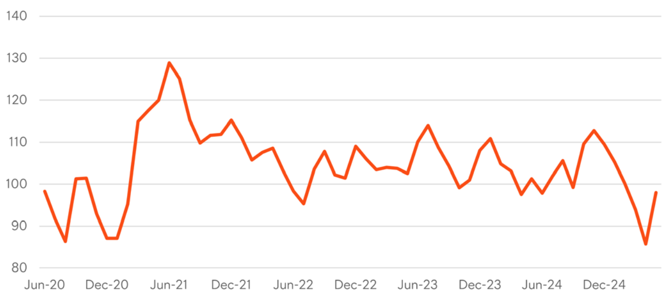
At one point, the significant tariff increases proposed on April 2, known as "Liberation Day", seemed likely to tip the US economy into a recession if they were not rescinded. Reflecting significant market volatility earlier in the period, the Investment Committee held a special meeting in early April though ultimately decided to leave portfolio settings unchanged.

Importantly, after some discussion, the Investment Committee ultimately remained steadfast in its view that Trump would not continue to pursue policies – such as significant tariff increases or government spending cuts – if these policies seriously risked the performance of the US economy and/or Wall Street.

After all, a US recession or serious equity market decline would risk the Republican party losing its majority in both the House of Representatives and/or Senate in next-year's US mid-term elections. That in turn could give rise to renewed impeachment charges against President Trump if Democrats won control of both houses.

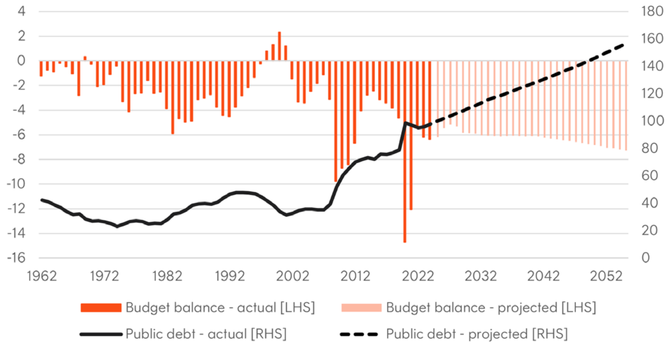
The Investment Committee also noted well-respected hedge fund manager, Scott Bessent, remained his Treasury Secretary and would likely continue to argue to favour of more market-supportive policies.

US Consumer Confidence



Source: US Conference Board

US Budget Balance & Debt % of GDP



Source: Congressional Budget Office (CBO)

As events transpired over the remainder of the period, this judgement has so far prevailed – with Trump at least postponing Liberation day tariff increases on April 9 and agreeing with China on May 12 to reduce their large, planned tariffs on each other. Secretary Bessent has also been tasked with pursing trade talks with major trading partners.

Another important consideration was the fact the US economic growth had continued to remain encouragingly resilient apart from a sharp drop in consumer sentiment. Employment growth has remained firm and corporate profits were still solid in the March quarter. US consumer sentiment has since rebounded with Trump's tariff backdowns. Underlying US inflation – albeit ahead of potential tariffs in coming months – had also remained relatively benign.

Outside of the United States, prospective fiscal stimulus in Europe, China and even Japan also seems likely to support their growth prospects. As for the US and Australia, easing inflation should also support further European central bank interest rate cuts.

Although US equity valuations remain elevated, the Committee noted this is less evident in other parts of the world. And despite lingering public debt concerns, central bank rate cuts and benign underlying inflation should limit the upward pressure on bond yields. What's more, central banks could intervene if they judged any upward pressure on bond yields risk becoming too economically disruptive.

While global corporate earnings growth expectations have come under downward pressure in recent months, the outlook is still for solid growth over the coming year. Expectations should stabilise if and when US tariff concerns ease.

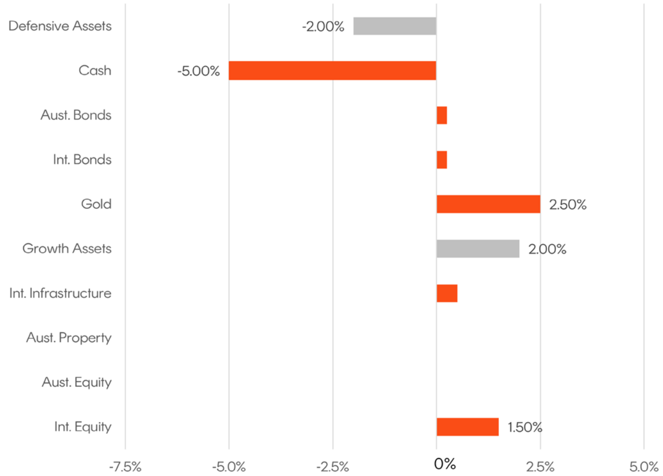
All up, at the follow-up end of May meeting, the Committee decided to retain a modest overweight to growth assets, but to scale it back marginally. Some of the overweight in growth assets was also shifted from hedged global equities (HGBL) to global infrastructure (GLIN) due to the latter's more defensive qualities. Australian equities were still considered as likely to underperform global equities due to a weaker earnings outlook and relatively rich valuations.

The Investment Committee retained an 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.

Accordingly, the Investment Committee agreed to continue monitoring the market environment closely and to remain flexible, adjusting exposures as deemed appropriate as conditions evolve..

Balanced Portfolio - Dynamic Tilts, end-May 2025



Details of our annual Strategic Asset Allocation review 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

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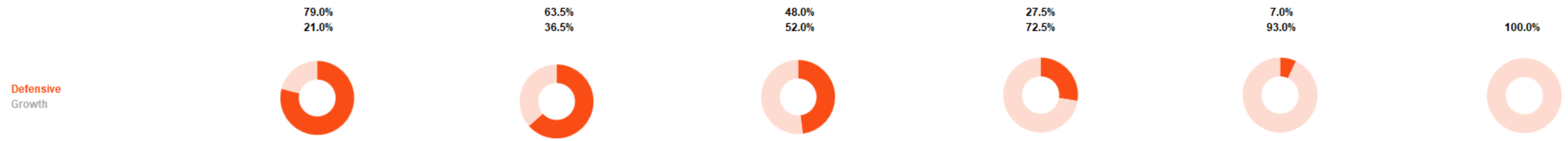
Managed Accounts Weightings (as at end May 2025)

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



		Conservative			Moderate			Balanced			Growth			High Growth			All Growth	
Asset Class	ETF	DAA	+/-	change	DAA	+/-	change	DAA	+/-	change	DAA	+/-	change	DAA	+/-	change	DAA	change
Defensive		**79.0%**	**-1.0%**	**0.5%**	**63.5%**	**-1.5%**	**0.5%**	**48.0%**	**-2.0%**	**0.5%**	**27.5%**	**-2.5%**	**0.5%**	**7.0%**	**-3.0%**	**1.0%**		
Cash	AAA	5.00%	-10.00%		5.00%	-5.00%			-5.00%									
Aust.Bonds - Floating	QPON	7.25%	0.75%	0.25%	6.00%	0.50%		4.75%	0.25%		2.75%	-0.25%	-0.25%					
Aust.Bonds	OZBD	35.25%	2.75%	0.25%	27.50%		0.50%	22.50%		0.25%	12.75%	-2.25%	0.50%	7.00%	-3.00%	1.00%		
Int. bonds	VBND	28.00%	2.00%		22.00%			18.25%	0.25%	0.25%	9.50%	-2.50%	0.25%					
Gold ($US)	QAU	3.50%	3.50%		3.00%	3.00%		2.50%	2.50%		2.50%	2.50%						
Growth		**21.0%**	**1.0%**	**-0.5%**	**36.5%**	**1.5%**	**-0.5%**	**52.0%**	**2.0%**	**-0.5%**	**72.5%**	**2.5%**	**-0.5%**	**93.0%**	**3.0%**	**-1.0%**	**100.0%**	
Int. Infrastructure	GLIN							3.00%	0.50%	0.50%	3.50%	0.50%	0.50%	4.00%	0.50%	0.50%	4.25%	0.50%
Aust. Equities	AQLT	2.50%			2.50%			2.50%			4.25%			5.25%			6.00%	0.25%
Aust. Equities	QOZ	2.50%			4.50%			5.00%			7.00%			9.00%			9.50%	
Aust. Equities	MTUM							2.50%			2.75%			3.75%			4.25%	0.25%
Aust. Equities	A200	3.00%			7.00%			10.00%			14.00%			18.00%			19.00%	
Int. Equities	QLTY	2.50%			2.50%			3.00%			4.25%			5.25%			5.75%	0.25%
Int. Equities	BGBL																23.25%	0.25%
Int. Equities	HGBL	4.50%	1.00%	-0.50%	7.75%	1.50%	-0.50%	8.00%	1.50%	-1.00%	11.50%	2.00%	-1.00%	15.00%	2.50%	-1.50%	16.00%	-1.50%
US Equities	QUS				2.75%			3.75%			5.50%			7.00%			8.00%	
US Equities	VTS	3.50%			5.50%			8.25%			11.25%			14.75%				
Non-US Equities	VEU	2.50%			4.00%			6.00%			8.50%			11.00%			4.00%	
Total		**100%**			**100%**			**100%**			**100%**			**100%**			**100%**	
MER[1]		**0.21%**			**0.20%**			**0.19%**			**0.18%**			**0.16%**			**0.17%**	

**Entering models for 1st time

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
Dynamic Managed Accounts						
Total Return Performance [1]						
3-months	1.7%	1.5%	1.6%	1.7%	1.4%	1.3%
6-months	3.2%	2.9%	2.8%	2.8%	2.4%	2.3%
12-months	8.7%	9.7%	11.0%	12.7%	13.7%	14.1%
3-year	5.1%	6.5%	7.9%	9.9%	11.7%	12.8%
5-year	2.9%	4.7%	6.7%	9.2%	11.8%	13.1%
Since incept. [2]	3.5%	4.8%	5.9%	7.4%	9.1%	10.3%
Volatility [2]	3.3%	4.5%	6.0%	8.1%	10.6%	11.8%
Net Yield [3]	3.0%	2.8%	2.6%	2.4%	2.2%	2.2%
Gross Yield [3]	3.1%	2.9%	2.8%	2.6%	2.5%	2.5%
Strategic Managed Accounts						
Total Return Performance [1]						
3-months	1.2%	1.1%	1.3%	1.3%	1.5%	1.4%
6-months	2.5%	2.3%	2.4%	2.3%	2.5%	2.4%
12-months	7.7%	8.8%	10.2%	11.9%	13.6%	14.3%
3-year	4.9%	6.3%	7.8%	9.8%	11.9%	12.9%
5-year	2.8%	4.7%	6.6%	9.2%	11.9%	13.4%
Since incept [2]	3.5%	4.8%	6.1%	7.6%	9.5%	10.4%
Volatility [2]	3.2%	4.4%	5.9%	8.0%	10.6%	11.9%
Net Yield [3]	3.2%	3.0%	2.8%	2.5%	2.3%	2.2%
Gross Yield [3]	3.3%	3.1%	3.0%	2.7%	2.6%	2.6%

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

Past performance is not an indicator of future performance.

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