betashares

# A smarter way to invest in fixed income

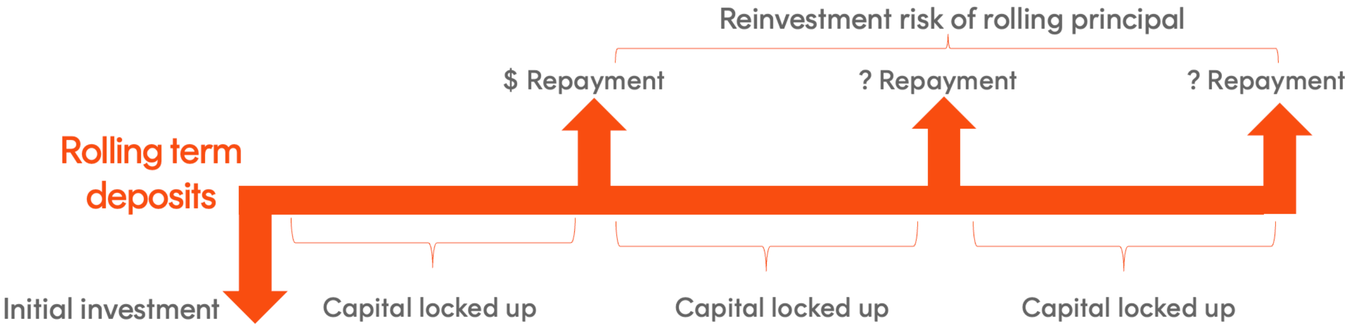
**Investing in fixed income, like bonds, can be a great way to earn steady income and diversify your investment portfolio. Traditionally, accessing high-quality bonds was something only large institutions could do. But now, with the introduction of fixed income ETFs, everyone can invest in these products easily and cost-effectively.**

## The limitations of traditional bond funds and term deposits

While traditional bond ETFs have been instrumental in opening access to the wholesale bond market, they often fail to replicate the certainty of outcomes and income profile of holding an individual bond to maturity. This has led many investors to fall back on term deposits, which come with certain limitations:

- **Limited access:** Term deposits lock up your money, making it difficult to access without penalties.
- **Lower yields:** Term deposits typically offer lower interest rates than corporate bonds (which carry higher risk). Additionally, short-term term deposits require you to reinvest frequently, exposing you to the risk of lower interest rates in the future, unlike corporate bonds which typically increase in value when interest rates fall.
- **Lack of flexibility:** Term deposits restrict your ability to quickly move your money to better opportunities as they arise.

Figure 1: Rolling term deposits visualised; for illustrative purposes only



# Introducing Betashares Defined Income Bond ETFs

Now there is a solution that combines the predictability of direct bonds with the flexibility of ETFs. Our new Betashares Defined Income Bond ETFs are the first of their kind in Australia, offering a smarter way to invest in fixed income.

## Why consider Betashares Defined Income Bond ETFs?

### Attractive, predictable income

Betashares Defined Income Bond ETFs target fixed monthly income payments, providing predictability of cash flow*.

### A clear investment timeline, with daily liquidity

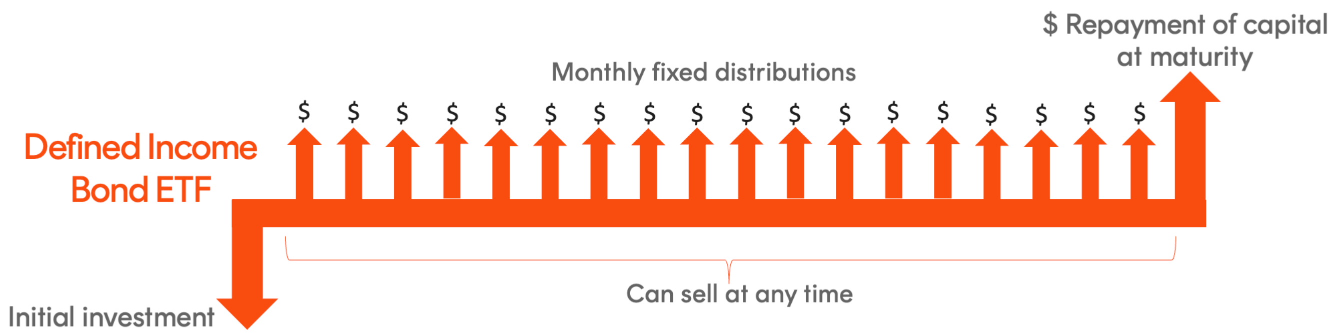
Like a traditional bond, these ETFs have a set maturity date, when you'll receive the value (NAV) of your units. Like any ETF, you also have the flexibility to buy or sell any time prior to maturity on the ASX with T+2 settlement.

### A portfolio of bonds in one trade

Betashares Defined Income Bond ETFs invest in a portfolio of corporate bonds, giving you diversified exposure across a range of corporate issuers.

* The target monthly distribution may vary in certain circumstances. Please refer to the PDS.

Figure 2: Cash flow profile of Betashares Defined Income ETFs, for illustrative purposes only



# How Betashares Defined Income Bond ETFs work

These ETFs provide exposure to a portfolio of high-quality corporate bonds maturing in a designated year. When you invest in a Betashares Defined Income Bond ETF, you are essentially buying an interest in the Fund's diversified portfolio of bonds.

Each fund pays out fixed monthly income to investors based on the prevailing market yield (after taking into account fees and costs) of the initial portfolio of securities. At the end of the ETF's term, the Fund is terminated and investors receive the NAV of their units. This structure allows you to benefit from the fixed income and predictability of individual bonds while enjoying the liquidity and ease of trading that ETFs provide.

Unlike term deposits, an investment in the Funds does not receive the benefit of any government guarantee. It's important to be aware of the risks involved when investing in corporate bonds (see below).

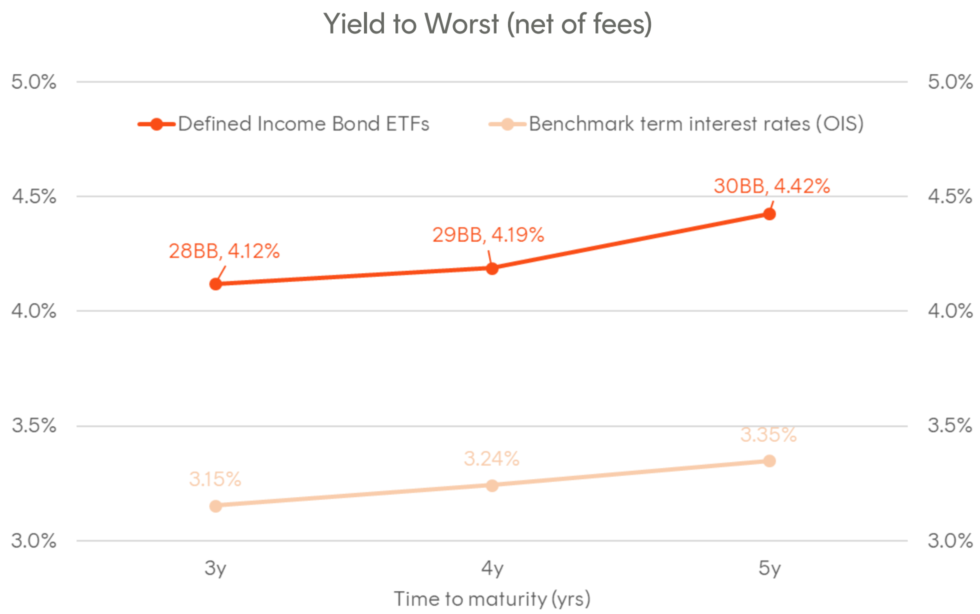
# The Betashares Defined Income Bond ETFs range

We offer a range of ETFs with different maturity dates to suit different investment horizons:

- **Betashares 2028 Fixed Term Corporate Bond Active ETF (ASX: 28BB):** maturing in May 2028
- **Betashares 2029 Fixed Term Corporate Bond Active ETF (ASX: 29BB):** maturing in May 2029
- **Betashares 2030 Fixed Term Corporate Bond Active ETF (ASX: 30BB):** maturing in May 2030

Investing in fixed income doesn't have to be complicated or restricted to large institutions. With Betashares Defined Income Bond ETFs, you can enjoy predictable income, clear investment timelines, and the flexibility to access your money when you need it. As the first of their kind in Australia, these ETFs offer a smarter way to invest in fixed income.

**Figure 3: Yield comparison as at 1-May-2025**




Source: Bloomberg. Overnight Indexed Swap (OIS) represent the market's expectation of the total return on cash invested at the prevailing daily cash rate over different time periods. Each Defined Income Bond ETF's YTW is net of fees and represents the annualised total expected return of a Fund's portfolio if underlying bonds are held to maturity or called and do not default, and the coupons are reinvested at the YTW. The YTW is the lower of the Yield to Maturity (YTM) or Yield to Call (YTC). Assumes no change in interest rates. Yields are subject to change over time.

There are risks associated with an investment in the Funds, including interest rate risk, credit risk and market risk. Investment value can go up and down. An investment in the Funds should only be considered as a part of a broader portfolio, taking into account your particular circumstances, including your tolerance for risk. For more information on risks and other features of the Funds, please see the Product Disclosure Statement and Target Market Determination, both available at **betashares.com.au**.