Betashares Dynamic Conservative Portfolio

28 March 2024

Investment Objective

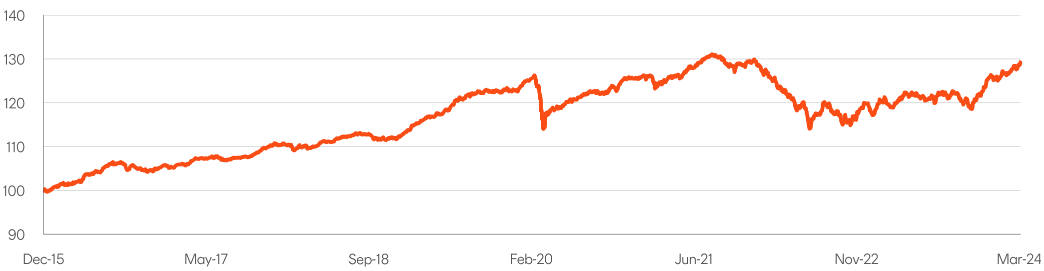
Betashares Dynamic Conservative Portfolio aims to provide attractive risk-adjusted returns over time for investors considered to have a "low" risk profile, as defined by Australian Prudential Regulation Authority's (APRA) "standard risk measure", or SRM*.

The portfolio aims to achieve this objective by investing in a selection of exchange traded funds, or ETFs, that provide exposure to a diverse range of asset classes and investment strategies. Portfolio exposure to these ETFs is dynamically adjusted over time with the aim of matching or exceeding returns from the strategic benchmark whilst retaining a long-run expectation of no more than 1 negative portfolio return year, on average, every 20-years.

Portfolio Performance

Period	1 mth	3 mth	6 mth	1 yr	3 yr (p.a.)	5 yr (p.a.)	Inception (p.a.)
Return	1.40%	2.43%	7.36%	6.29%	1.19%	2.04%	3.16%

Value of $100 invested since inception



Source: Betashares, Bloomberg. Portfolio returns are calculated by using each underlying fund's net asset value at the start and end of the specified period, assume reinvestment of any distributions back into the relevant underlying fund, and do not take into account tax paid as an investor. Returns are after management costs incurred in the underlying funds, but do not reflect the transaction costs (eg brokerage or bid ask spreads) that investors incur when implementing their portfolios. Past performance is not indicative of future performance.

Yield and Portfolio Characteristics

YIELD (% P.A.)[1]	2.89%
GROSS YIELD (% P.A.)[1]	3.00%
# OF ETF HOLDINGS	10

[1] Yield calculated by summing the prior 12 month net and gross fund per unit distributions, pro-rated for model weight, divided by model closing value at quarter end. Past performance is not an indicator of future performance.

Portfolio Information

PORTFOLIO INCEPTION
31 DECEMBER 2015

INDIRECT COSTS
0.19% P.A.**

MODEL MANAGER
BETASHARES CAPITAL LTD

VOLATILITY (P.A.) SINCE INCEPTION
3.33%

Investment Committee Voting Members

DAVID BASSANESE
CHIEF ECONOMIST AND HEAD 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

*Based on the Standard Risk Measure (SRM) calculated by the model manager. The SRM is based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Investors should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option.

**As at 28 March 2024. These are the weighted average management costs of the underlying funds in the portfolio 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 transaction costs (eg brokerage or bid ask spreads) that investors incur when implementing their portfolios.

Portfolio risks include: the investment objective may not be achieved, market risk, liquidity risk, currency risk with international investments, and interest rate risk and counterparty default risk with bond investments.

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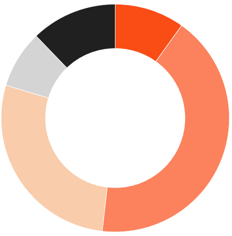
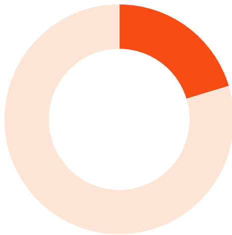
Asset Allocation



Cash	9.9%
Gold	0.0%
Australian Bonds	41.9%
International Bonds	27.8%
Property	0.0%
Australian Equity	8.2%
International Equity	12.2%



Growth	20.3%
Defensive	79.7%

Underlying ETF Holdings

Asset Class	Security	Name	Weight
Cash			9.9%
	AAA	Betashares Australian High Interest Cash ETF	9.9%
Australian Bonds			41.9%
	QPON	Betashares Australian Bank Senior Floating Rate Bond ETF	6.9%
	OZBD	Betashares Australian Composite Bond ETF	35.0%
International Bonds			27.8%
	VBND	Vanguard Global Aggregate Bond Index (Hedged) ETF	27.8%
Australian Equity			8.2%
	A200	Betashares Australia 200 ETF	5.6%
	QOZ	Betashares FTSE RAFI Australia 200 ETF	2.6%
International Equity			12.2%
	QUS	Betashares S&P 500 Equal Weight ETF	2.6%
	QLTY	Betashares Global Quality Leaders ETF	2.5%
	VEU	Vanguard All-World ex US Shares Index ETF	3.8%
	VTS	Vanguard US Total Market Shares Index ETF	3.3%

Monthly Market Review

An easing in global bond yields led to stronger returns for defensive assets in March. The global equity market rally also continued, producing positive returns for growth assets. Gold and listed property returns were especially strong.

The main event over the month was confirmation by the US Federal Reserve that it still anticipates three interest rate cuts later this year, despite recent stronger than expected US inflation reports, and an upgrade to the Fed's own economic growth and inflation forecasts. This provided some relief to markets. At the same time, the latest US inflation reports for February – while firm – were a touch later than those for January and in line with market expectations. US economic growth remained solid, underpinned by a strong labour market and firm consumer spending.

The other major development over the month was the Bank of Japan's widely anticipated decision to move away from its negative interest rate policy – with the official cash rate lifting from -0.1% to +0.1%. This reflected the sustained welcome lift in Japanese inflation over the past year. Financial markets handled the decision well, with Japanese equities holding up and the yen exchange rate remaining soft versus the US dollar.

In Australia, the monthly inflation report for February pointed to a continued easing in pricing pressures, which bolstered hopes that the Reserve Bank would cut interest rates later this year. Economic activity data was mixed: employment growth bounced back strongly even as consumer spending and household confidence remained subdued. The RBA, for its part, shifted to a more neutral policy bias, reducing the risk of further rate hikes. US 10-year government bonds eased by 0.05% in February to 4.20% - compared with a low of 3.8% late last year. Australian 10-year bond yields fell by a larger 0.17% to 3.96%.

Among defensive assets, due to the fall in bond yields, returns from the global fixed-rate bond ETF, VBND, returned 0.8%. The fixed-rate Australian composite bond ETF, OZBD returned 1.4%. The Australian floating rate bond ETF, QPON and the AAA cash ETF continued to produce steady smaller positive returns of 0.5% and 0.3% respectively.

Among growth assets, US equities (VTS), returned 3.0%, while non-US equities (VEU) returned 2.8%. Australian equities (A200) and listed property ETF (VAP) returned 3.4% and 9.5% respectively.

The models retained a neutral exposure to growth assets relative to defensive – reflecting the fact that while global recession risks had eased, equity valuations (especially in the US) remained a little stretched and the goal of bringing down inflation has not yet been fully realised. The models retain an overweight in bonds within defensive assets, on the view that central banks are likely close to finished in raising policy rates, underlying inflation will continue to ease, and rate cuts are still likely in the coming year.

NOTE: Weights are based on end month ETF valuations.