

# Betashares Dynamic Balanced Income Portfolio



28 March 2024

## Investment Objective

Betashares Dynamic Balanced Income Portfolio aims to provide attractive risk-adjusted returns over time for investors considered to have a “medium” 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 3 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	2.29%	4.37%	8.86%	8.90%	5.00%	3.77%	4.75%

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.) <sup>1</sup>	3.81%
GROSS YIELD (% P.A.) <sup>1</sup>	3.81%
# OF ETF HOLDINGS	8

<sup>1</sup> 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.

\*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 Information

### PORTFOLIO INCEPTION

31 DECEMBER 2015

INDIRECT COSTS 0.40% P.A.\*\*

### MODEL MANAGER

BETASHARES CAPITAL LTD

### VOLATILITY (P.A.) SINCE

INCEPTION

6.16%

## 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

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.

**Contact** ▶ 1300 487 577 (Australia)  
▶ info@betashares.com.au

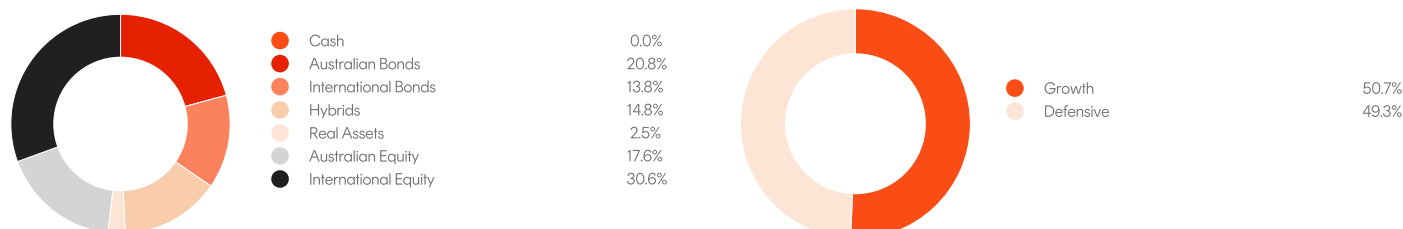
▶ + 61 2 9290 6888 (ex Aust)  
▶ betashares.com.au

# Betashares Dynamic Balanced Income Portfolio



28 March 2024

## Asset Allocation



## Underlying ETF Holdings

Asset Class	Security	Name	Weight
Australian Bonds			20.8%
	QPON	Betashares Australian Bank Senior Floating Rate Bond ETF	3.4%
	OZBD	Betashares Australian Composite Bond ETF	17.3%
International Bonds			13.8%
	VBND	Vanguard Global Aggregate Bond Index (Hedged) ETF	13.8%
Hybrids			14.8%
	HBRD	Betashares Active Australian Hybrids Fund (managed fund)	14.8%
Real Assets			2.5%
	RINC	Betashares Legg Mason Real Income Fund (managed fund)	2.5%
Australian Equity			17.6%
	EINC	Betashares Legg Mason Equity Income Fund (managed fund)	8.8%
	VHY	Vanguard Australian Shares High Yield ETF	8.8%
International Equity			30.6%
	INCM	Betashares Global Income Leaders ETF	30.6%

## 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.

### Important Information

The information contained in this document is general information only and does not constitute personal financial advice. It does not take into account any person's financial objectives, situation or needs. It has been prepared by Betashares Capital Limited (ABN 78 139 566 868, Australian Financial Services Licence No. 341181) ("Betashares"). The information is not a recommendation to make any investment or adopt any investment strategy. Investments in managed accounts, including underlying investment funds, are subject to investment risk and the value of an investor's portfolio can go down as well as up. Any person wishing to invest in managed accounts should obtain a copy of the relevant PDS for each underlying fund and obtain financial and tax advice in light of their individual circumstances. PDSs for Betashares funds are available from [www.betashares.com.au](http://www.betashares.com.au). To the extent permitted by law Betashares accepts no liability for any loss from reliance on this information.