

Betashares Strong Australian Dollar Fund (hedge fund) Annual Hedge Fund Report

as at 29 December 2023

Fund's investment objective:	To provide Unitholders with geared exposure to the change in value of the Australian Dollar relative to the U.S. Dollar (i.e. it aims to provide a magnified "long" exposure to the value of the Australian Dollar relative to the U.S. Dollar).	
The Fund's actual asset allocation:	Cash equivalent investments:	100%
	Exchange traded derivatives (AUD/USD futures):	224.6%
The liquidity profile of the Fund's assets: (The estimated time required to sell an asset at the value ascribed to that asset in the Fund's most recently calculated net asset value)	Time to liquidate: 0-3 days 3+ days	Percentage of Fund: 100% 0%
The maturity profile of the Fund's liabilities: The Fund's material liabilities comprise any amounts payable in respect of the AUD/USD futures positions.	Maturity: 0-3 days 3+ days	Percentage of Fund: 0% 0% As at 29 December 2023 the Fund had no liabilities in respect of its futures positions
The Fund's gearing (leverage) ratio:	While the Fund generally will not borrow for investment purposes, it will use AUD / USD futures to obtain a magnified (or "geared") exposure. The Responsible Entity anticipates that the Fund's geared exposure to the change in value of the Australian Dollar relative to the U.S. Dollar will generally vary between 200% and 275% of the Fund's Net Asset Value on a given day. As at 29 December 2023, the Fund's geared exposure was 224.6% of the Fund's net asset value.	
Derivative counterparties engaged:	As disclosed in the Fund's PDS, the names of the Fund's derivatives counterparties (being clearing brokers which the Fund uses to buy or sell exchange-traded derivatives) are not disclosed in the Fund's periodic reporting to investors, because this information may change from time to time and is considered commercial-in-confidence. The Responsible Entity's criteria for selecting futures clearing brokers include that they must have, as a minimum, a long term investment grade credit rating from a major credit ratings agency. The central counterparty for clearing AUD / USD currency futures contracts is Chicago Mercantile Exchange (CME) (or a subsidiary).	
The Fund's investment returns (period ending 29 December 2023)*:	1 year: 5 years: Since inception: (28 November 2016)	-4.47% -7.99%p.a. -8.01%p.a.
Any change in key service providers to the Fund	No changes.	

*Returns are calculated in Australian dollars using net asset value per unit at the start and end of the specified period and do not reflect brokerage or the bid ask spread that investors incur when buying and selling units on the ASX. Returns are after fund management costs, assume reinvestment of any distributions and do not take into account tax paid as an investor in the Fund. Returns for periods longer than one year are annualised.

Current performance may be higher or lower than the performance shown. Past performance is not an indication of future performance.

The Fund's portfolio exposure is actively monitored and adjusted to stay within a 2x to 2.75x range on any given day. The Fund's returns will not necessarily be in the range 2x to 2.75x over periods longer than a day, due to the effects of rebalancing to maintain the Fund's daily target geared exposure range and compounding of investment returns over time. The Fund's returns over periods longer than one day may differ in amount and possibly direction from the daily target return range. This effect on returns over time can be expected to be more pronounced the more volatile the AUD/USD currency exchange rate and the longer an investor's holding period.

Due to the effects of rebalancing and compounding of investment returns over time, investors should not expect the Fund's Net Asset Value to be at a particular level for a given value of the Australian dollar relative to the U.S. dollar at any point in time.

Investors should actively monitor their investment as frequently as daily to ensure it continues to meet their investment objectives.

Gearing magnifies gains and losses and may not be a suitable strategy for all investors. An investment in the Fund is very high risk in nature.

IMPORTANT INFORMATION: This information has been prepared by Betashares Capital Ltd (ACN 139 566 868 AFS Licence 341181) ("Betashares") the issuer of the Fund. It is general information only and does not take into account any person's objectives, financial situation or needs. The information does not constitute an offer of, or an invitation to purchase or subscribe for securities. You should read the relevant PDS and ASX announcements and seek professional legal, financial, taxation, and/or other professional advice before making an investment decision regarding any Betashares Funds. For a copy of the PDS and more information about Betashares Funds go to www.betashares.com.au or call 1300 487 577. You may also wish to consider the relevant Target Market Determination, which sets out the class of consumers that comprise the target market for the Betashares Fund and is available at www.betashares.com.au/target-market-determinations.

Units in Betashares Funds trade on the ASX at market prices, not at NAV. An investment in any Betashares Fund is subject to investment risk including possible delays in repayment and loss of income and principal invested. Neither Betashares Capital Ltd nor Betashares Holdings Pty Ltd guarantees the performance of any Fund or the repayment of capital or any particular rate of return. Past performance is not an indication of future performance.