

BetaShares Geared Australian Equity Fund (hedge fund) Annual Hedge Fund Report

as at 29 December 2023

Fund's investment objective	To provide unitholders with geared exposure to the returns of the Australian share market.	
The Fund's actual asset allocation:	Australian listed equities: 100%	
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 borrowings for gearing purposes, which are repayable on demand.	Maturity: 0-3 days 3+ days	Percentage of Fund: 54.07% 0%
The Fund's gearing (leverage) ratio: (The gearing ratio is defined as the total amount borrowed expressed as a percentage of the total assets of the Fund).	54.07%	
Derivative counterparties engaged:	None. The Fund did not use derivatives in implementing its investment strategy.	
The Fund's investment returns (period ending 29 December 2023)*:	1 year: 5 years: Since inception: (30 April 2014)	20.92% 15.83%p.a. 9.82%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 gearing ratio will generally vary between 50% and 65% on a given day. This means that the Fund's geared exposure is anticipated to vary between 200% and 286% of the Fund's Net Asset Value on a given day. The Fund's portfolio exposure is actively monitored and adjusted to stay within this range. The Fund's returns will not necessarily be in this range 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 geared return range. This effect on returns over time can be expected to be more pronounced the more volatile the broad Australian sharemarket 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 broad Australian sharemarket 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. Investors in geared strategies should be willing to accept higher levels of investment volatility and potentially large moves (both up and down) in the value of their investment. Geared investments involve significantly higher risk than non-geared investments. An investment in the Fund is very high risk in nature.

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