

**Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund) Annual
Hedge Fund Report**

as at 29 December 2023

Fund's investment objective:	To provide unitholders with geared short exposure to the returns of US Treasury Bonds with a term to maturity of approximately 10 years, hedged to Australian dollars.	
The Fund's actual asset allocation:	Cash equivalent investments: 100% Exchange traded derivatives (short 10-year US Treasury Bonds exposure): -280.9%	
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 short 10-year US Treasury Bonds.	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 does not borrow for investment purposes, it uses futures to obtain a magnified (or "geared") short exposure. The Responsible Entity anticipates that the Fund's short exposure to the relevant US Treasury Bond will generally vary between -250% and -300% of the Fund's net asset value. As at 29 December 2023, the Fund's short exposure was -280.9% 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 only deals in exchange-traded derivatives with counterparties which are licensed market participants. The Responsible Entity's criteria for selecting counterparties 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 CME Ultra 10-Year US Treasury Note futures contracts is Chicago Mercantile Exchange (CME) (or a subsidiary) – this central clearing service is intended to reduce counterparty risk.	

The Fund's investment returns (period ending 29 December 2023)*:	1 year: 5 years: Since inception: (4 December 2023)	n/a n/a -8.99%
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.

Investors should note that the Fund's returns will not necessarily be in the range -250% to -300% over periods longer than a day, due to the effects of rebalancing the Fund's investment exposure from time to time to maintain the daily target short exposure range and the compounding of investment returns over time. Therefore, 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 US Treasury Bond market and the longer an investor's holding period.

Investors in the Fund should actively monitor and manage their investment on a frequent basis to ensure it continues to meet their investment objectives and should consider whether to limit their holding period or rebalance their investment to maintain their desired level of exposure and mitigate the effects of compounding.

The Fund's strategy of seeking returns that are negatively correlated to market returns is the opposite of most managed funds. Also, seeking to generate magnified returns means both investment gains and losses can be expected to be magnified, and consequently significant variations in the value of the Fund's investments can be expected. The Fund therefore involves risks that are not present in ungeared bond funds.

Potential investors in the Fund should consider their particular investment objectives and circumstances, including their tolerance for investing in a higher risk fund, in consultation with a professional financial adviser before making an investment decision.

An investment in the Fund should only be considered as a component of an investor's overall portfolio.

The Fund does not track a published benchmark.

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.