

A new approach to investment gearing



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Gearing magnifies gains and losses and may not be a suitable strategy for all investors. Geared investments involve significantly higher risk than non-g geared investments. An investment in each Beta shares Wealth Builder Fund is very high risk in nature.

About Beta shares

Our mission

Beta shares provides investment solutions to help Australian investors build their wealth.

\$42B+

In assets under
management

1 million

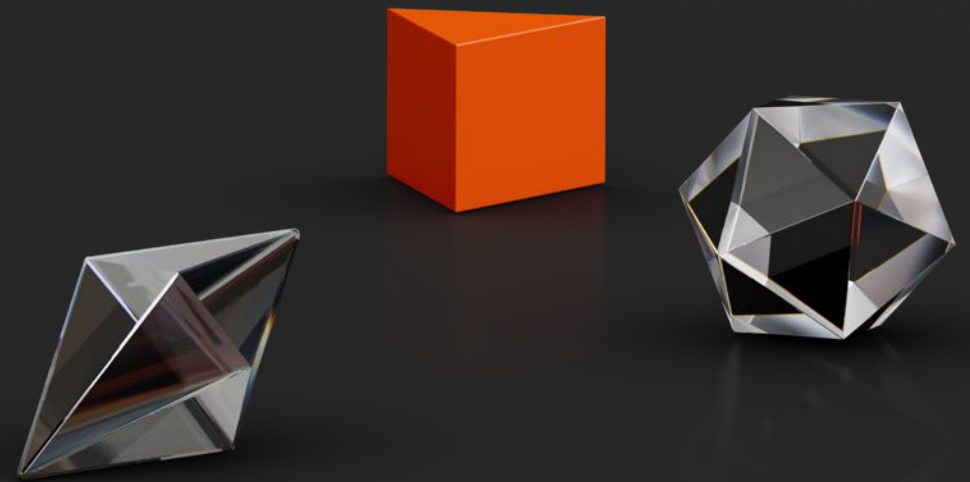
Investors in
our funds

90+ funds

Widest range
of exchange traded
products on the ASX

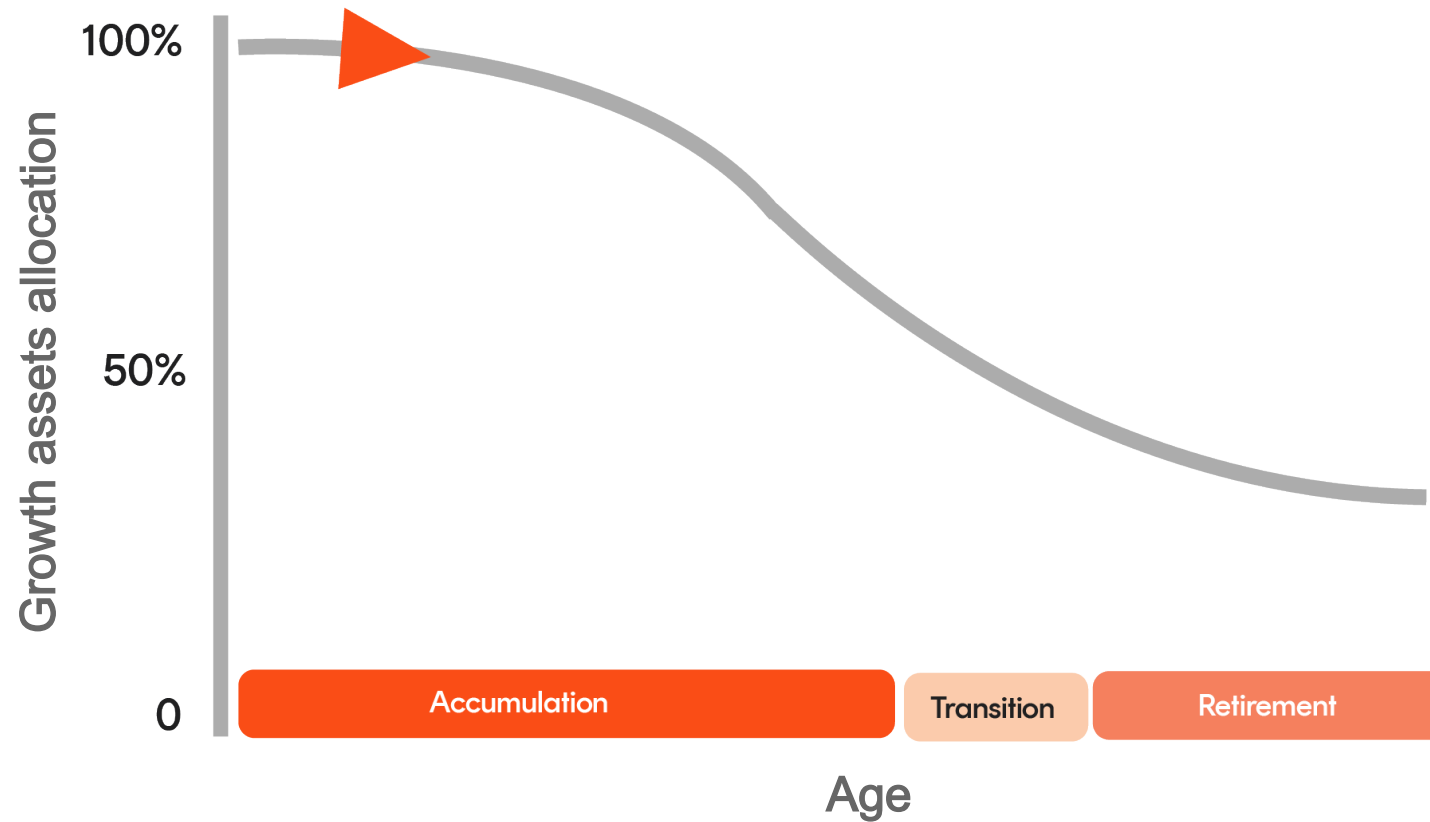


01. Why consider a geared investment approach?



Conventional wisdom on age-based asset allocation... ..but should you follow this approach?

Investment asset allocation 'glide path'



Glide path investment allocation approach provided for illustrative purposes only. Not a recommendation to invest or adopt any investment strategy.

02. Different investment strategies using gearing



Examples of investment strategies using gearing:

- Boosting your investment in Super beyond the concessional cap
- Enhancing after-tax income
- Efficient use of capital and paying down non-deductible debt
- Managing your portfolio and entitlement to a government pension in retirement

Gearing magnifies gains and losses and may not be a suitable strategy for all investors. Geared investments involve significantly higher risk than ungeared investments. The applicability of these strategies will depend on your personal circumstances.

03. The outperformance potential of gearing



Beta shares Geared ETFs | GEAR & GGUS

GEAR and GGUS were the first geared ETFs launched in Australia, in 2014 and 2015 respectively.

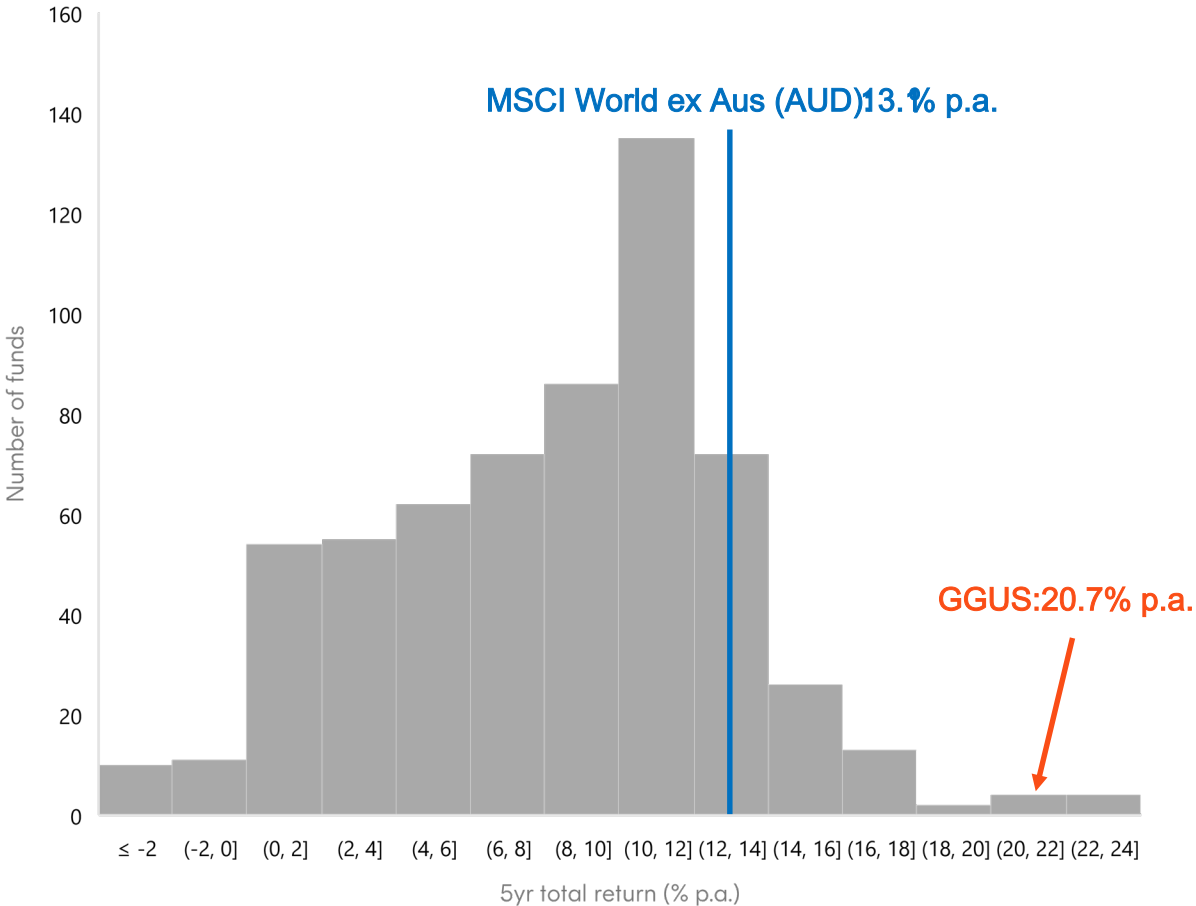
Exposure	Australian equities	US equities
Fund	Beta shares Geared Australian Equity Fund (hedge fund)	Beta shares Geared US Equity Fund - Currency Hedged (hedge fund)
ASX Code	GEAR	GGUS
Underlying portfolio	200 largest ASX-listed companies	500 largest S&P 500 listed companies
Management fees and costs	0.80% p.a. of Gross Asset Value	0.80% p.a. of Gross Asset Value
Loan to value ratio range	50-65%	50-65%
Geared exposure range	2x - 2.86x on a given day	2x - 2.86x on a given day

Each Fund's returns will not necessarily be in the stipulated geared exposure range over periods longer than a day, primarily due to the effects of rebalancing to maintain the Fund's daily target geared exposure range and the compounding of investment returns over time, as well as the impact of fees and costs. Each Fund's returns over periods longer than one day may differ in amount and possibly direction from the daily target geared return range.

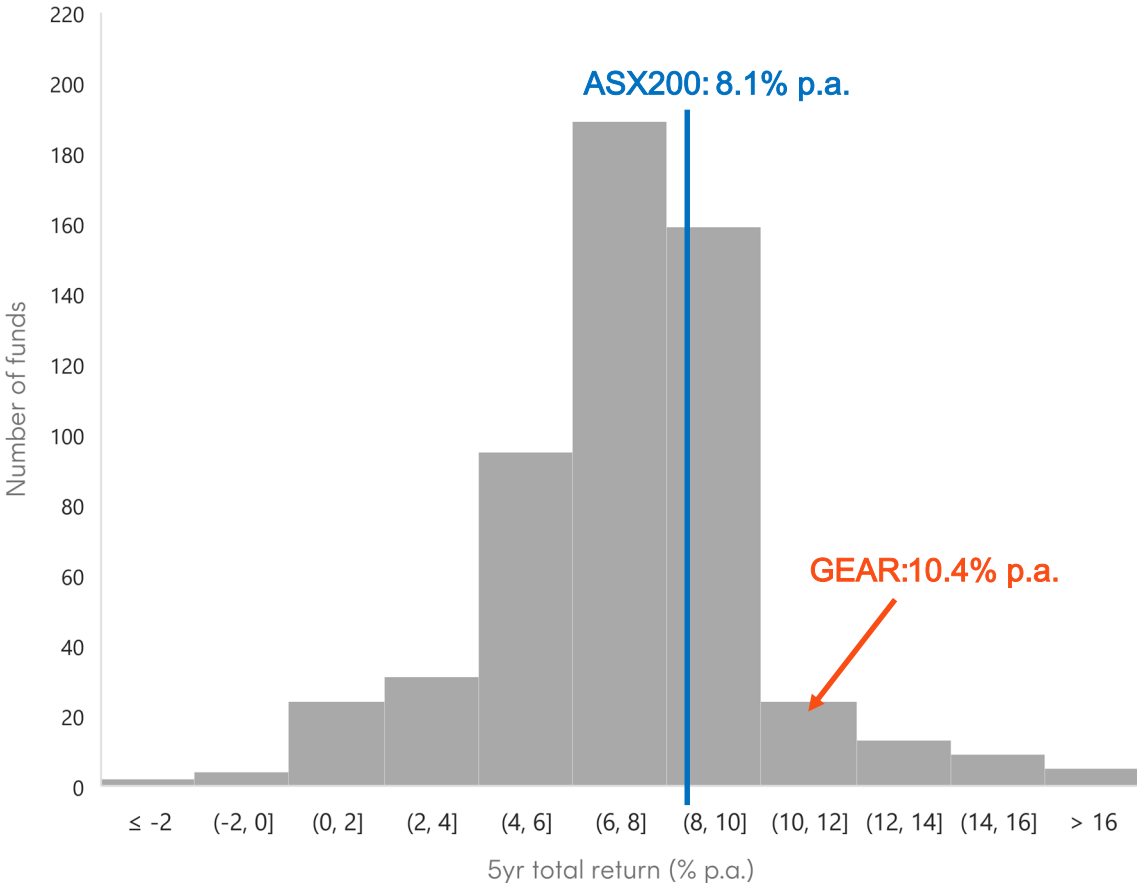
Investors in geared strategies should be willing to accept higher levels of investment volatility and potentially large moves (both up and down) in the value of their investment. Neither fund tracks a published benchmark. **Gearing magnifies gains and losses and may not be a suitable strategy for all investors. Geared investments involve significantly higher risk than non-geared investments. An investment in each fund is very high risk in nature.**

GGUS and GEAR performance versus peer groups over last 5 years

Histogram of global equity fund returns
5 years to August 2024 (% p.a.)



Histogram of Australian equity fund returns
5 years to August 2024 (% p.a.)



Source: Morningstar Direct. As at 31 August 2024. Australian equity funds universe includes all 555 Australian domiciled equity funds within the Morningstar category "Australia Fund Equity Australia" and with five years' of return data. Global equity funds universe includes all 606 Australian domiciled equity funds except for those within a Morningstar category of "Australia Fund Equity Australia" and with five years' of return data. The returns for all funds are shown after fees and costs. **Past performance is not indicative of future performance of any index or fund. Gearing magnifies gains and losses and may not be a suitable strategy for all investors.**

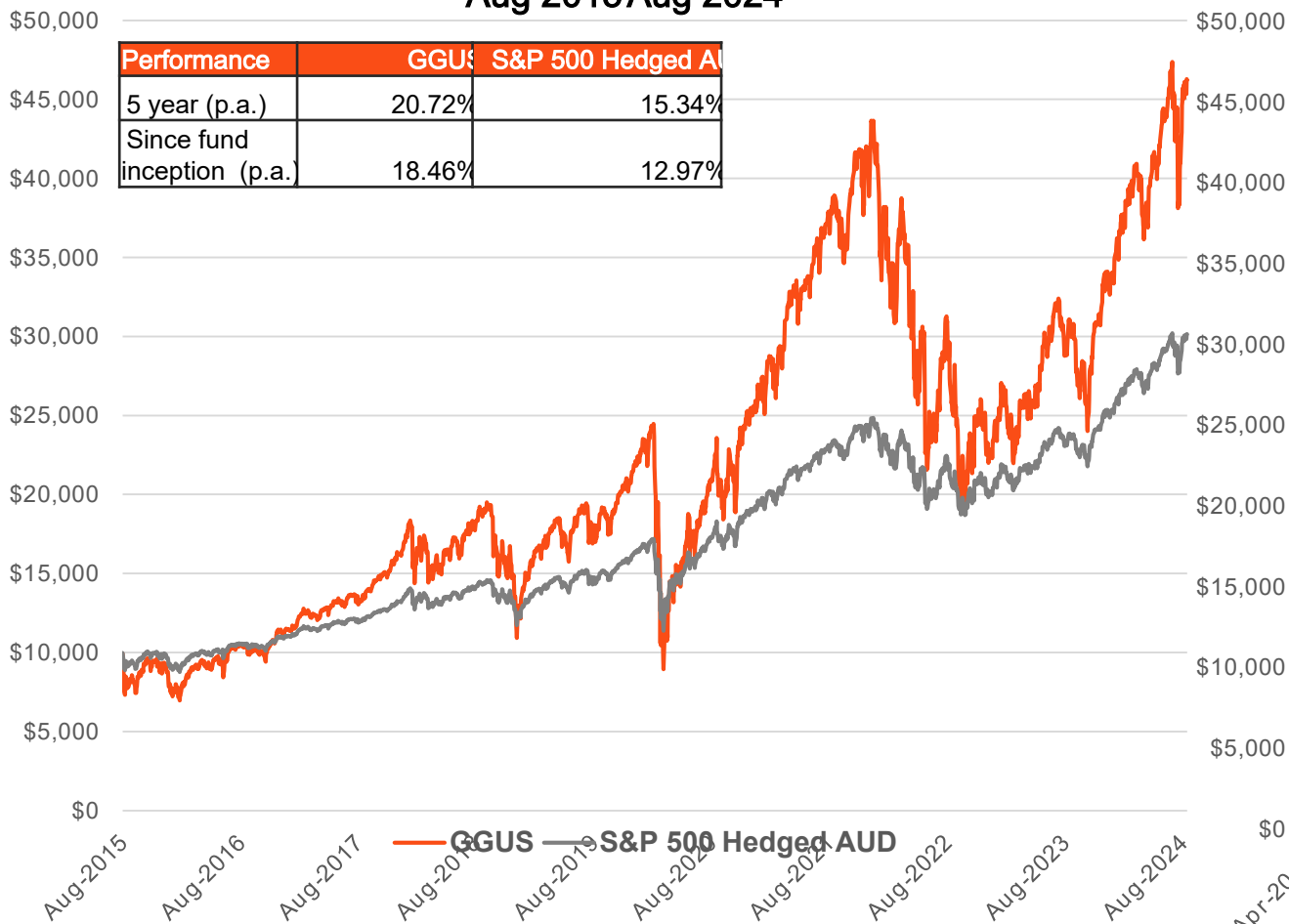
Geared investments involve significantly higher risk than non-g geared investments. An investment in each fund is very high risk in nature



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Historical performance illustration using \$10,000 investment

GGUS vs US equities (AUD hedged) Total return comparison:
Aug 2015 Aug 2024



GEAR vs Australian equities Total return comparison:
Apr 2014 Aug 2024

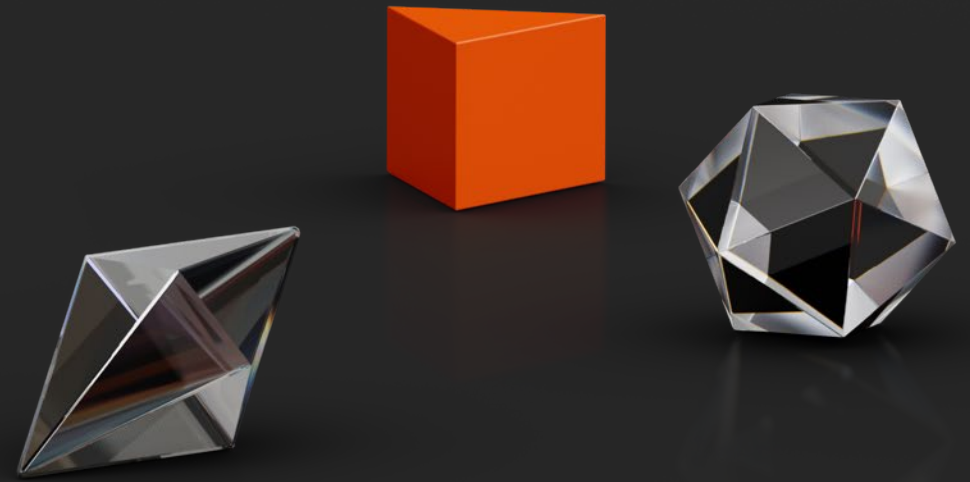


Source: Bloomberg, Betashares. As at 30 August 2024. You cannot invest directly in an index. The information provided is not a recommendation or offer to make any investment or to adopt any particular investment strategy. Performance series begins at each Fund's respective inception date. Since inception returns calculated as at 30 August 2024. **Past performance is not indicative of future performance of any index or ETF.**

Gearing magnifies gains and losses and may not be a suitable strategy for all investors. Geared investments involve significantly higher risk than non-gear investments.

An investment in each fund is very

03. Risks and challenges

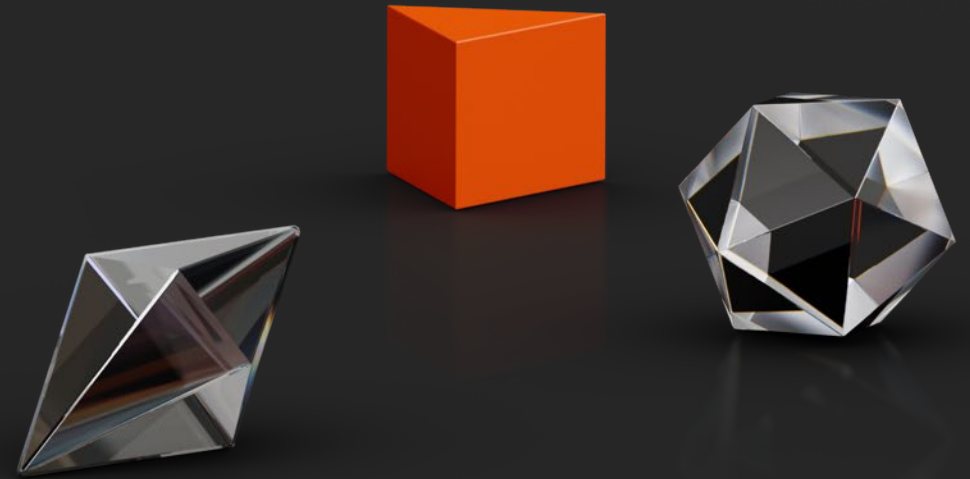


If gearing can be so powerful, why don't more people use it?

What are the risks of using gearing?

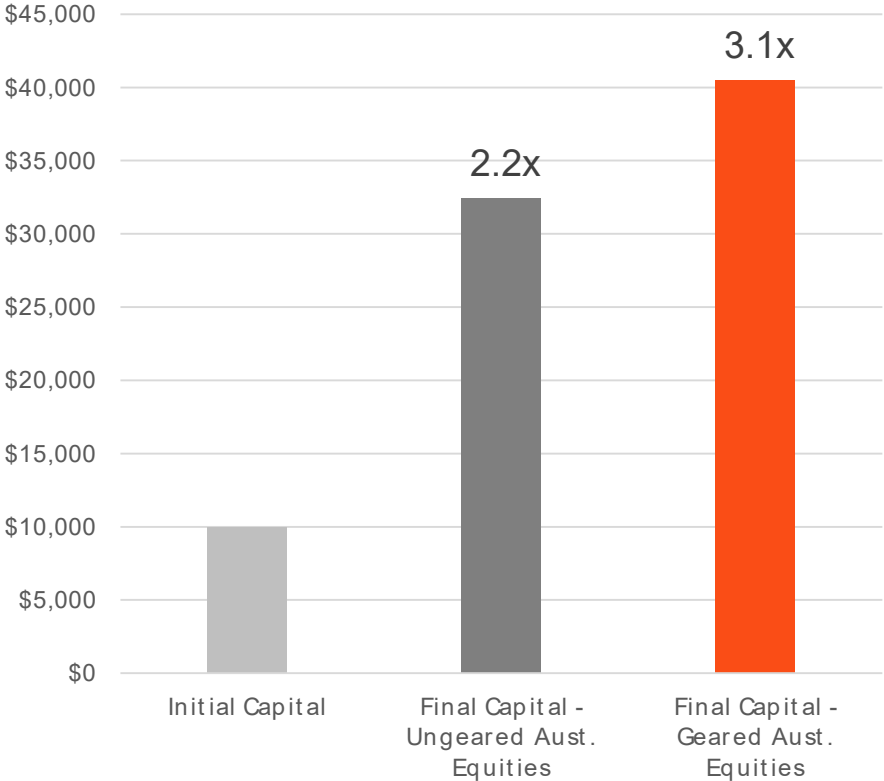
- Higher volatility – Gearing magnifies gains and losses and may not be a suitable strategy for all investors
- Additional cost – Need underlying investment to go up (and exceed borrowing costs) for geared exposure to outperform an ungeared exposure
- Complexity and additional administration
- Risk of margin call and impact of rebalance on long term performance

03. Introducing Beta shares Wealth Builder ETFs

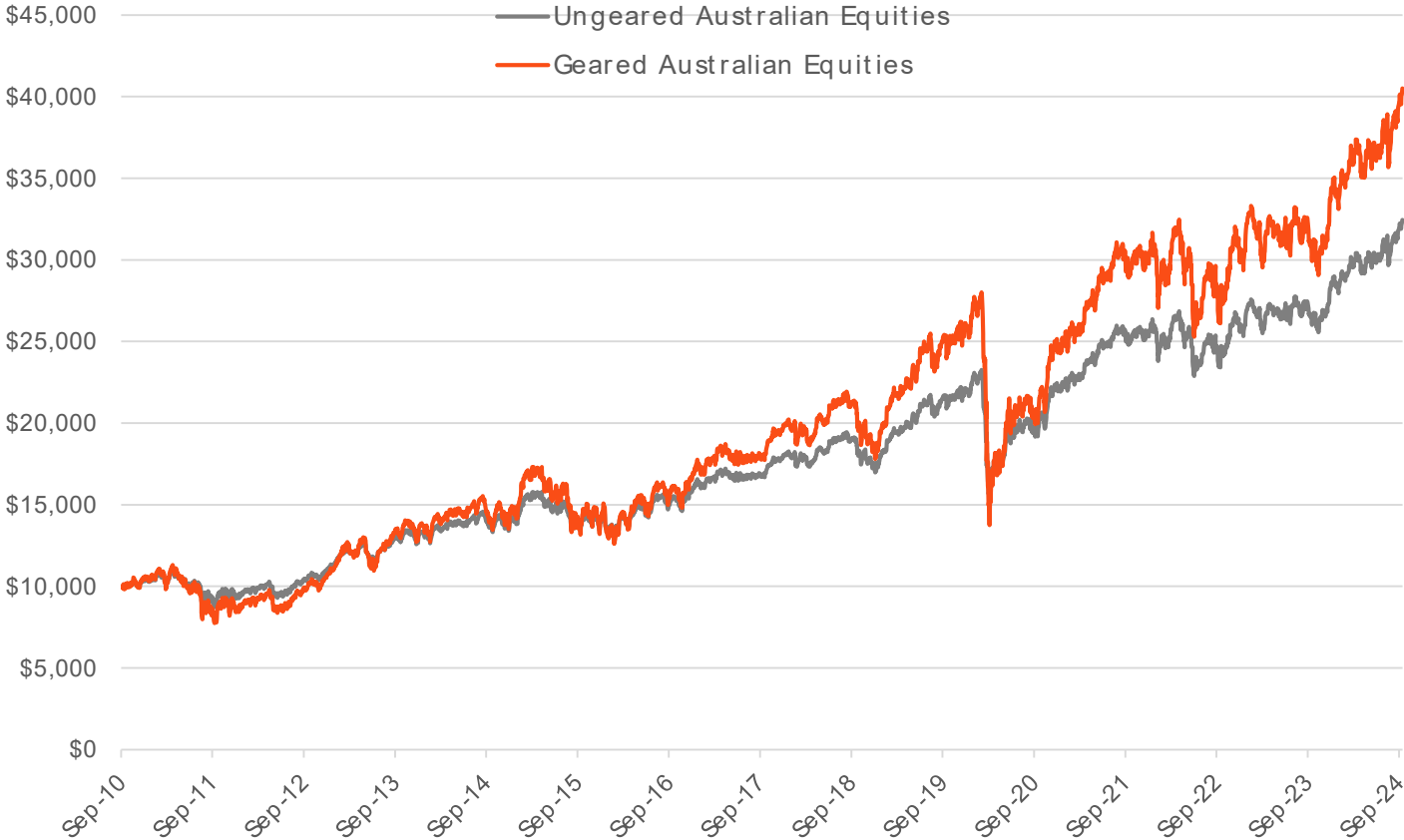


Moderately geared Australian equities strategy v ungeared strategy: Simulated performance illustration using \$10,000 investment

Growth in invested capital:
Sep 2010 - Sep 2024



Total return comparison: Sep 2010 - Sep 2024



Source: Bloomberg, Betashares. As at 30 September 2024. Important information and key assumptions in prior slide. This information is provided for illustrative purposes only and is not representative of actual fund performance. Actual outcomes may differ materially. You cannot invest directly in an index. The information provided is not a recommendation or offer to make any investment or to adopt any particular investment strategy. Simulated past performance is not indicative of future performance of any fund or strategy.

Simulated historical strategy performance illustration – Australian equities

Important information and assumptions

Important information

- The following information shows simulated historical performance of a geared strategy for a broad market Australian equities exposure (as measured by the Solactive Australia 200 Index) compared to an ungeared strategy over the same exposure for the period from September 2010 to September 2024. It is based on certain assumptions (see below) and is subject to certain inherent limitations. It is provided for **illustrative purposes only** and is not representative of actual fund performance. Actual outcomes may differ materially.
- You cannot invest directly in an index.
- The information provided is not a recommendation or offer to make any investment or to adopt any particular investment strategy.
- Future results are inherently uncertain. This information may include forward-looking statements which are subject to various risks and uncertainties. Forward-looking statements are based on certain assumptions which may not be correct.
- **Simulated past performance is not indicative of future performance of any fund or strategy.**

Key assumptions

- Simulated strategy performance is shown net of management fee and costs, being 0.04% p.a. of net asset value (for ungeared strategy) and 0.35% p.a. of gross asset value (for geared strategy).
- For the geared strategy, a gearing ratio of 30-40% is applied, with the ratio brought back to the midpoint (35%) at end of day if the ratio moves outside of this range.
- Borrowing costs are based on the rates/margins agreed with the prime broker for G200.
- All returns assume reinvestment of distributions. Does not take into account transaction costs.

Beta shares Wealth Builder ETFs | G200 & GHHF

The Wealth Builder ETFs provide investors with the potential to build long-term wealth through diversified exposure to Australian and global shares using a ‘moderate’ level of gearing.

Exposure	Australian Equities	Australian and global equities	Nasdaq 100
Fund	Betashares Wealth Builder Australia 200 Geared (30-40% LVR) Complex ETF	Betashares Wealth Builder Diversified All Growth Geared (30-40% LVR) Complex ETF	Betashares Wealth Builder Nasdaq 100 Geared (30-40% LVR) Complex ETF
ASX Code	G200	GHHF	GNDQ
Underlying portfolio	200 largest ASX-listed companies	Diversified basket of Australian and global developed and emerging markets equities	100 of the largest non-financial companies listed on the Nasdaq
Management fee	0.35% p.a. of Gross Asset Value	0.35% p.a. of Gross Asset Value	0.50% p.a. of Gross Asset Value
Loan to value ratio range	30-40%	30-40%	30-40%
Geared exposure range	1.43x - 1.67x on a given day	1.43x - 1.67x on a given day	1.43x - 1.67x on a given day

Each Fund's returns will not necessarily be in the stipulated geared exposure range over periods longer than a day, primarily due to the effects of rebalancing to maintain the Fund's daily target geared exposure range and the compounding of investment returns over time, as well as the impact of fees and costs. Each Fund's returns over periods longer than one day may differ in amount and possibly direction from the daily target geared return range.

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Simulated historical strategy performance/risk comparison

Comparison period: September 2010 – September 2024

Risk Metrics	Ungear Australian Equities	Gear Australian Equities	"SMSF Top Stocks" portfolio ¹
Volatility (p.a.)	14.73%	22.47%	18.58%
Max drawdown	-36%	-51%	-44%
Days to recover from drawdown	412	445	604

Source: Bloomberg, Betashares. As at 30 September 2024. **Refer to earlier slides for important information and key assumptions** This information is provided for illustrative purposes only and is not representative of actual fund performance. Actual outcomes may differ materially. You cannot invest directly in an index. The information provided is not a recommendation or offer to make any investment or to adopt any particular investment strategy. **Simulated past performance is not indicative of future performance of any fund or strategy.**

1. Source: Morningstar, Class Benchmark Report 2023. As at October 2023. "SMSF Top Stocks" portfolio is an equally weighted portfolio of the top 6 stocks held by SMSFs, according to the Class Benchmark Report 2023, being BHP Group, Woodside, Westpac, CBA, NAB, ANZ. The portfolio is assumed to be rebalanced daily, with dividends reinvested on the ex-date.

In Conclusion

Gearing in 'moderation' may be suitable for a range of investors, provided they are comfortable with the risk associated with gearing and have the view that equity markets will generally appreciate over time.

Betashares Wealth Builder ETFs provide a choice of diversified exposures to different share markets, utilising a relatively 'moderate' level of gearing.

- Potential for accelerated wealth creation
- Access to low-cost funding
- Convenience
- Enhanced franking credits (for G200 and GHHF)

Australian Equities

G200

Australian and Global Equities

GHHF

Nasdaq 100

GNDQ

Gearing magnifies gains and losses and may not be a suitable strategy for all investors. Geared investments involve significantly higher risk than non-geared investments. An investment in each fund is very high risk in nature.

1. Not all Australian investors will be able to receive the full value of franking credits.

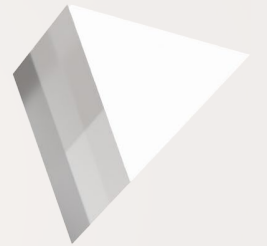
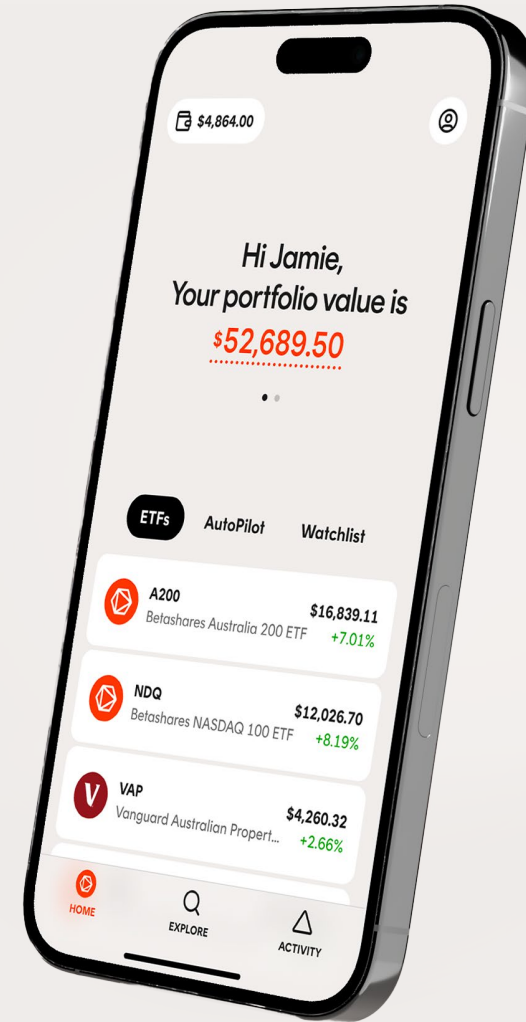
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Things to consider

- **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 each Fund is high risk in nature.
- **Investment risk:** There are risks associated with an investment in each Fund, including market risk, underlying ETF risk, gearing risk, rebalancing and compounding risk and lender risk, as well as (for GHF) asset allocation risk and currency risk. Investment value can go up and down. An investment in each Fund should only be made after considering your particular circumstances, including your tolerance for risk.
- **No guarantees:** Future outcomes are uncertain— desired returns may not be achieved.
- **General information only:** Today's discussion does not take into account any person's individual circumstances and is not personal financial advice.
- **Research:** See the PDS and Target Market Determination (TMD) at www.betashares.com.au for more information about risks and other features of each Fund.

Better investing Beta shares Direct

Betashares Direct is the new kind of investing platform designed to help you build wealth, your way.



Refer to the PDS for information on interest retained by Betashares on cash balances and Managed Portfolio fees.

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Questions?

