IMAP Webinar Series

Beyond 60:40 - Delivering portfolios for clients with Different Goals

New Economy – Investing in Thematic and Alternative Investments

Hugh Lam, Betashares
Chad Hitzeman, Global X
Michael McCorry, BlackRock
Moderated by
Daniel Stojanovski, Ventura Funds Management

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Upcoming events

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IMAP Advice in Action Conference
22nd July – Melbourne
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How to ask a Question

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Hugh Lam
Betashares

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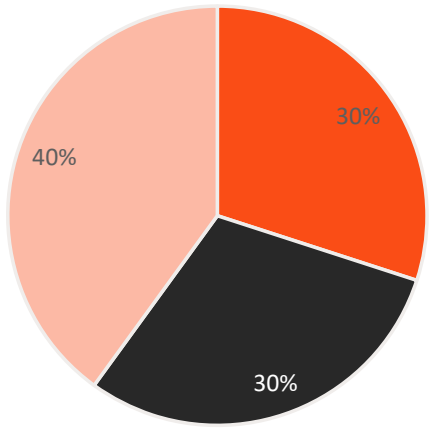
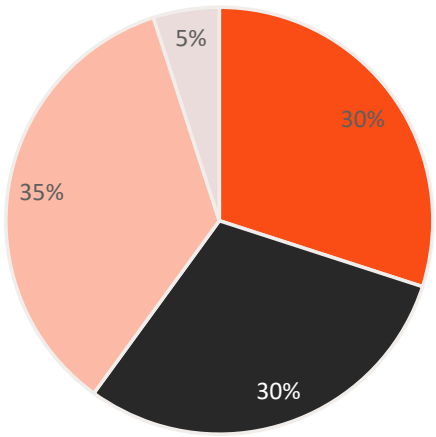
Alternative ETFs have the potential to improve portfolio outcomes

Traditional 60/40 Portfolio



Australian shares ■ Global shares ■ Australian fixed income

Traditional Portfolio with 5% Gold



Australian shares ■ Global shares ■ Australian fixed income ■ Gold - currency hedged

Historical simulated portfolio performance - Key characteristics for the 10-year period ending 30 April 2025

Key Characteristics

	Traditional 60/40 Portfolio	Traditional Portfolio with 5% Gold
Average Returns (p.a)	7.0062	7.3762
Volatility (p.a)	7.9462	7.8051
Max Drawdown (%)	12.6867	12.4140
Average Drawdown (%)	2.1923	2.0056
Sharpe Ratio	0.8817	0.9450

Source: Bloomberg, Betashares. Data relates to period from 30 April 2015 to 30 April 2025. Return, drawdown and volatility information based on underlying index performance (except for the currency-hedged gold allocation), net of the corresponding Betashares ETF management fee and costs, with the following indices used: (i) Australian shares - Solactive Australia 200 Index, the index that Betashares Australia 200 ETF (ASX: A200) seeks to track; (ii) Global shares - Solactive GBS Developed Markets ex Australia Large & Mid Cap Index, the index that Betashares Global Shares ETF (ASX: BGBL) seeks to track; and (iii) Australian fixed income - Bloomberg Australian Enhanced Yield Composite Bond Index, the index that Betashares Australian Composite Bond ETF (ASX: OZBD) seeks to track. For the currency-hedged gold allocation, the actual performance (net of management fee and costs) of Betashares Gold Bullion Currency Hedged ETF (ASX: QAU) is used, noting QAU does not track an index. Each Betashares ETF's management fee and costs are as follows: A200 - 0.04% p.a., BGBL - 0.08% p.a., OZBD - 0.19% p.a. and QAU - 0.59% p.a. Assumes each portfolio is rebalanced quarterly. You cannot invest directly in an index. **Past performance is not an indicator of future performance of any index or ETF.**

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betashares

Chad Hitzeman
Global X

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GLOBAL X
by Mirae Asset

Portfolio Impacts

Thematic Equities and Liquid Diversifiers

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GLOBAL X
by Mirae Asset

Chad Hitzeman
Head of Institutional

Chad joined Global X in 2017 prior to the acquisition by Global X and is responsible for coverage of superannuation firms, private banks, and asset consultants. Chad holds a Bachelor of Economics and a Bachelor of International Relations from Macquarie University.

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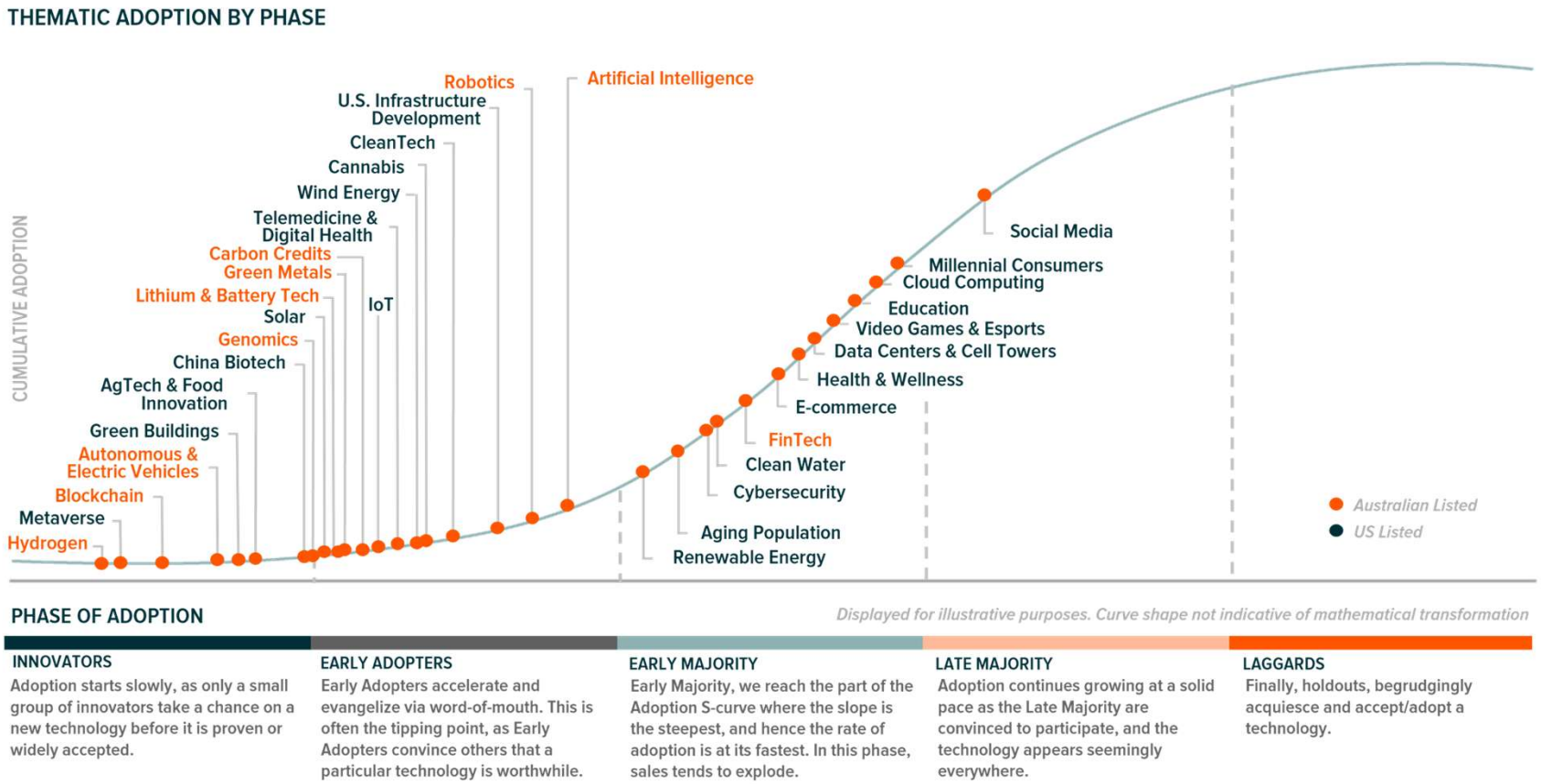
1. Thematic Equities for Growth Portfolios.

2. Liquid Diversifying Strategies for a Variety of Risk Profiles.

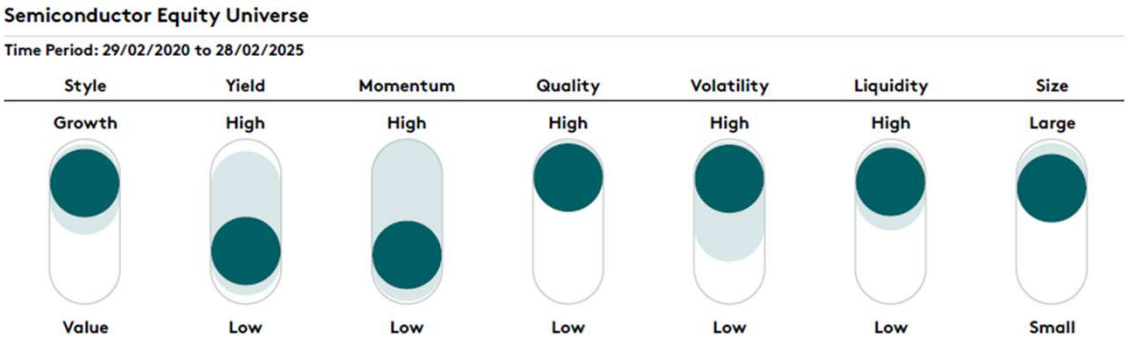
Thematic Opportunity Set



Source: Global X ETFs based on Bloomberg data. Accurate as of 21 Aug 2024. Past performance is not an indicator of future performance.

Portfolio Impacts

Thematic Equities: Stepping away from broader investable universes (e.g. MSCI World) to target equity areas tail-winded by growing addressable markets (e.g. artificial intelligence). Curating pockets in a portfolio with alpha-seeking thematic ETFs.



Portfolio Impacts

Liquid Diversifying Strategies: Using listed liquid precious metals to incorporate non-correlation into portfolio: Going beyond illiquid markets for alternative asset exposure.

Diversification Power: Long-Term Correlations (Weekly)

Time Period: Since Common Inception (21/12/2008) to 19/04/2025

Currency: Australian Dollar Source Data: Total, Weekly Return

	1	2	3	4	5	6
1 Global X Physical Gold	1.00					
2 Global X Physical Precious Metals Basket	0.80	1.00				
3 Global X Physical Silver	0.59	0.81	1.00			
4 MSCI World NR AUD	-0.10	0.03	0.02	1.00		
5 S&P 500 TR AUD	-0.08	0.01	-0.01	0.95	1.00	
6 S&P/ASX 200 TR AUD	-0.19	0.06	0.13	0.58	0.46	1.00

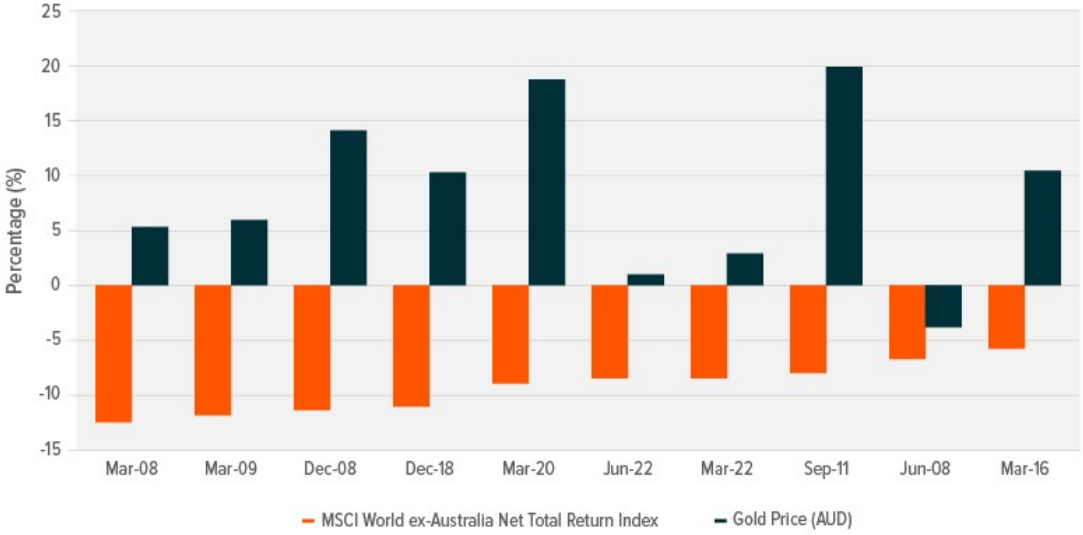
1.00 to 0.80 | 0.80 to 0.60 | 0.60 to 0.40 | 0.40 to 0.20 | 0.20 to 0.00
0.00 to -0.20 | -0.20 to -0.40 | -0.40 to -0.60 | -0.60 to -0.80 | -0.80 to -1.00

Liquid Diversifiers: Simple Solutions for Negative Correlation: Australian Dollar Gold

Gold historically has been a ballast in minimizing drawdown during equity dislocations.

GOLD'S PERFORMANCE DURING THE WORST QUARTERS FOR THE MSCI WORLD SINCE 2003

Source: Bloomberg. Data as of April 2024.



Source: Bloomberg. Past performance is not a reliable indicator of future performance.

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Michael McCorry
BlackRock

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Beyond The 70/30: Why now is the time for Hedge Funds

Michael McCorry, PhD
CIO of BlackRock Australia, Managing Director
BlackRock Multi-Asset Strategies & Solutions

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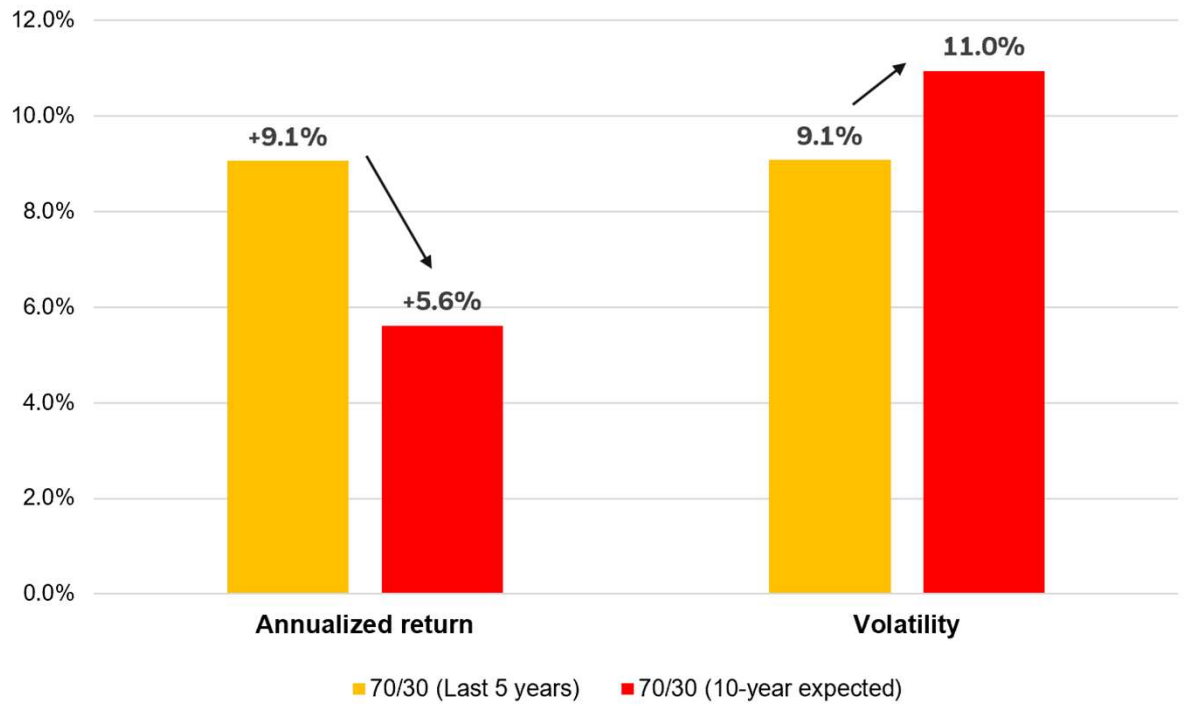
Traditional Portfolios Are Unlikely To Meet Objectives

We expect materially lower returns and higher volatility for the 70/30 portfolio over the next 10 years



Sources: BlackRock Investment Institute. Expected returns for the 70/30 portfolio is calculated using BlackRock's 10-Year Capital Market assumptions, with appropriate weights applied to the MSCI World-ex Australia (Aud), MSCI Australia index (Aud), and Barclays Global Agg index (Aud) indices. Historical return data (5-year) is as of March 2025 and utilizes the realized returns for the MSCI World (Aud) and Barclays Global Agg (Aud) indices. Past performance is not a reliable indicator of current or future results. We cannot guarantee the accuracy of results provided.. Index returns are for illustrative purposes only.

...Investors Are Embracing Alternatives As a Result

Alternative asset classes

Asset classes other than the traditional stocks, bonds, or cash, often illiquid.

Hedge Funds	Private Equity
Infrastructure	Private Credit
Real Estate	Commodities

Hedge Fund strategies

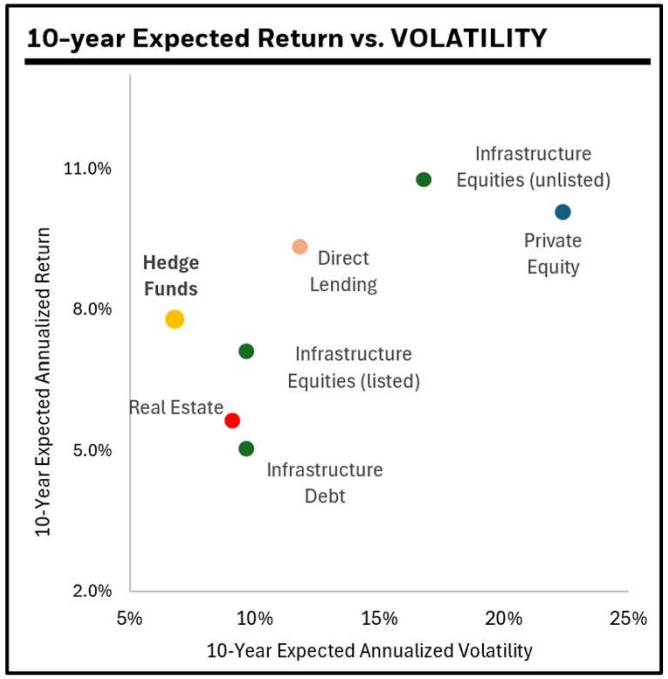
Investment strategies that go beyond traditional methods. Many strategies aim to provide low correlation to directional market moves, targeted protection during selloffs, or unique sources of alpha, often highly liquid.

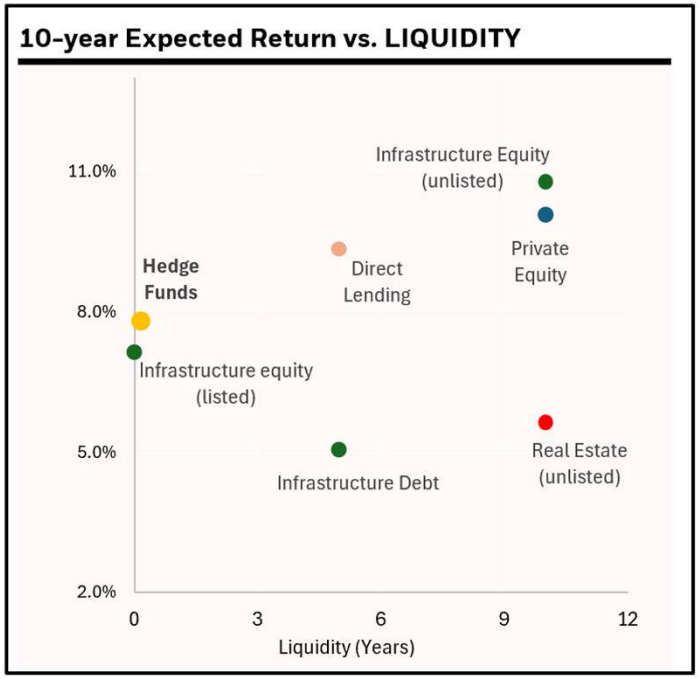
Equity Long / Short	Credit Long/short
Event driven	Multi-strategy
Market neutral	Global macro
Relative value/arbitrage	Fund of funds

Source: BlackRock, as of April 2025. For illustrative purposes only. Subject to change. This is not a recommendation to invest in any particular financial product.

Hedge Funds Expected To Provide High Returns, Liquidity And Ballast

Accessing High Quality Alpha In a Liquid Format Is Key For The Wealth Segment



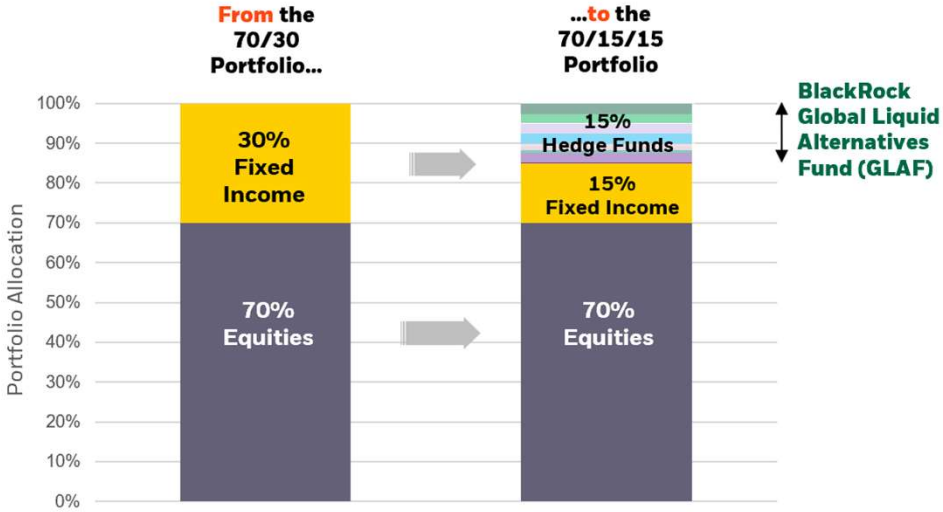


This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise – or even estimate – of future performance.
Source: BlackRock Investment Institute, February 2025. Data as of 31 December 2024. Return assumptions are total nominal returns. Our CMAs generate market, or beta, geometric return expectations. Asset return expectations are gross of fees. We combine the historical volatilities with the current factor makeup of each asset class to arrive at our forward-looking assumptions. Expected return estimates are subject to uncertainty and error. Expected returns for each asset class can be conditional on economic scenarios; in the event a particular scenario comes to pass, actual returns could be significantly higher or lower than forecasted. Australian dollar return expectations for all asset classes are shown in unhedged terms, with the exception of hedge funds. Liquidity assumptions across asset classes contain subjectivity and should not be assumed to be representative of the terms available across each asset class in practice.

Enhance Portfolio Outcomes with the 70/15/15

Diversify your diversifiers

Investors looking to incorporate more portfolio ballast as well as compelling expected returns could consider funding an allocation to Hedge Fund Strategies from their Fixed Income bucket



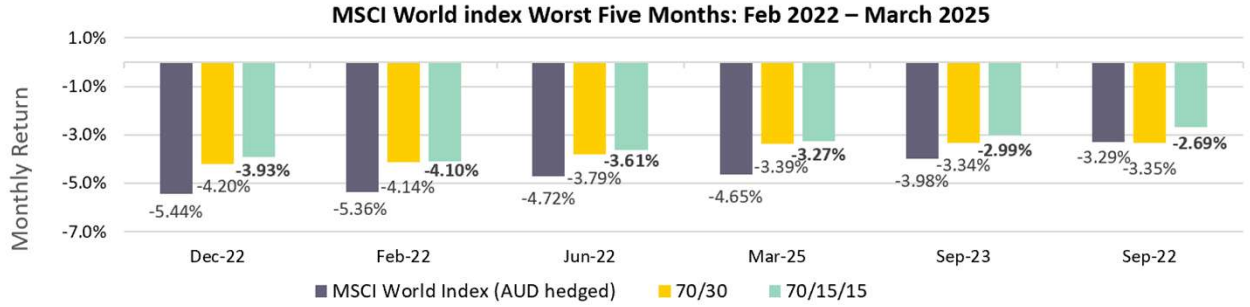
Achieve

Higher Return	10.1%	**11.6%** ↑
Lower Risk	9.3%	**8.9%** ↓
Higher Sharpe Ratio	0.71	**0.91** ↑

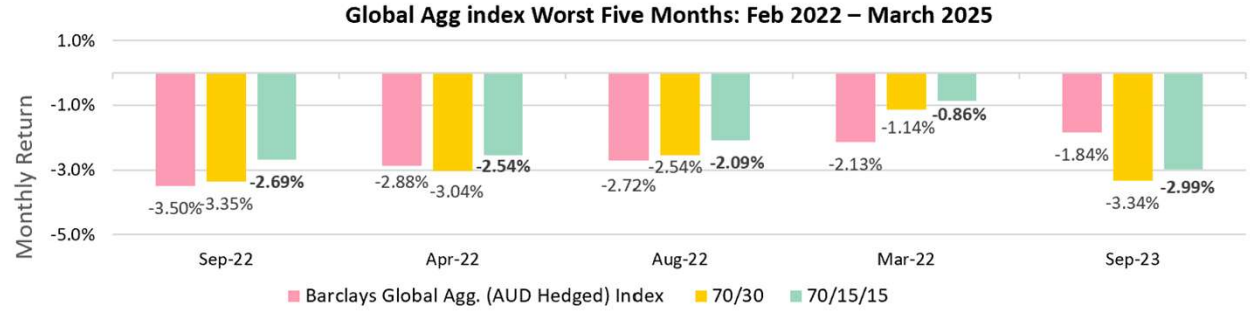
For illustrative purposes only. Diversification does not guarantee a profit or eliminate the risk for potential loss. Past performance is not a reliable indicator of current or future results and should not be the sole consideration when selecting a product or strategy. Source: BlackRock, as of 31 March 2025. Risk and return is calculated using 3-year historical performance. Stylized allocation to Hedge Fund Strategies is represented by the BlackRock Global Liquid Alternatives Fund (GLAF). Equities represented using MSCI World (AUD) Index, Fixed Income represented using Barclays Global Agg. (AUD Hedged) Index returns and Hedge Fund Strategies represented using GLAF. GLAF was incepted as of September 2023, however, the figures shown relate to simulated performance from Dec 2021 - Aug 2023 and live performance from Sept 2023 onwards.

Building Resilience for Periods of Market Stress

Fund performance when Global Equities sold off



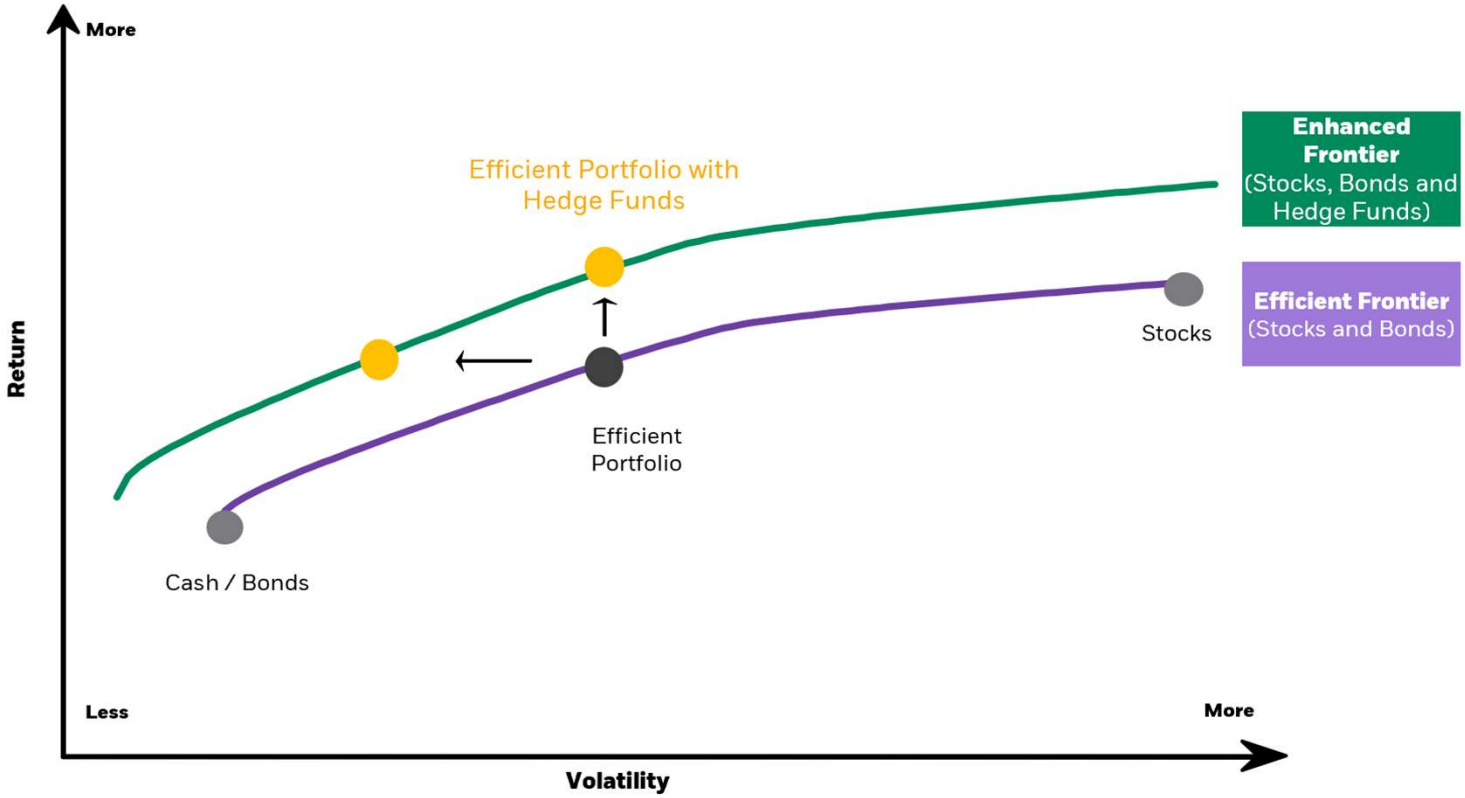
Fund performance when Global Fixed Income sold off



Source: BlackRock, as of 31 March 2025. Returns are shown per month, not annualized. Stylized allocation to Hedge Fund Strategies is represented by the Global Liquid Alternatives Fund. Equities represented using MSCI World (AUD) Index, Fixed Income represented using Barclays Global Agg. (AUD Hedged) Index returns and Hedge Fund Strategies represented using the Global Liquid Alternatives Fund (GLAF). GLAF was incepted as of September 2023, however, the figures shown relate to simulated performance from February 2022 - Aug 2023 and live performance from Sept 2023 onwards. Past performance is not a reliable indicator of future results. Material differences may exist between product, service or performance being compared. Index returns are for illustrative purposes only.

Shift Out The Efficient Frontier By Adding Hedge Funds

Achieve higher levels of return for the same amount risk



For illustrative purposes only. Subject to change. Source: BlackRock, April 2025

IMPORTANT INFORMATION

PERFORMANCE DATA

Performance figures represent past performance and are not indicative of future performance. Current performance may be higher or lower than that shown. Net performance figures are calculated after fund management fees and expenses, and assume reinvestment of distributions. Gross performance figures are calculated gross of ongoing fees and expenses. Unless otherwise stated, performance for periods greater than one year is annualised and performance calculated to the last business day of the month.

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Q&A

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