25 September 2026

Market Announcements Office
ASX Limited

ANNUAL FINANCIAL REPORT 2026

BETASHARES WESTERN ASSET AUSTRALIAN BOND ACTIVE ETF
ASX CODE: BNDS

Betashares Capital Ltd, the issuer of Betashares Western Asset Australian Bond Active ETF, is pleased to provide the Annual Financial Report in respect of the Funds for the period ending 30 June 2026.

Further information about the Fund can be obtained at www.betashares.com.au or by contacting Betashares Client Services on 1300 487 577.

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Booklet BNDS

Annual Financial Report

30 June 2026

Responsible Entity

Betashares Capital Ltd

(ABN 78 139 566 868)

Level 46, 180 George St, Sydney, NSW 2000

betashares.com.au

Betashares Western Asset Australian Bond Active ETF – ASX Code: BNDS

ARSN 608 058 493

Annual Financial Report – 30 June 2026

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Annual Financial Report - 30 June 2026

Contents | Page

Directors' report

The directors of Betashares Capital Ltd, the Responsible Entity of Betashares Western Asset Australian Bond Active ETF (the "Fund"), present their report together with the annual financial statements of the Fund for the financial year ended 30 June 2026 and the auditor's report thereon.

Responsible Entity

The Responsible Entity of the Betashares Western Asset Australian Bond Active ETF is Betashares Capital Ltd (ABN 78 139 566 868). The Responsible Entity's registered office and principal place of business is Level 46, 180 George Street, Sydney, NSW 2000.

Franklin Templeton Australia Limited is the Investment Manager of the Fund.

Principal activities

The principal activity of the Fund is to invest in accordance with the investment objective and guidelines as set out in the Fund's current Product Disclosure Statement and its Constitution.

The Fund did not have any employees during the financial year.

There were no significant changes in the nature of the Fund's activities during the financial year.

Directors

The following persons held office as directors of Betashares Capital Ltd during the financial year or since the end of the financial year and up to the date of this report:

Mr Alex Vynokur (appointed 21 September 2009)
Mr Jason Gellert (appointed 5 March 2021)
Mr Edward Sippel (appointed 5 March 2021)

Review and results of operations

During the financial year, the Fund continued to invest in accordance with target asset allocations as set out in the Fund's governing documents and in accordance with the provisions of the Fund's Constitution.

The results of operations of the Fund are disclosed in the statement of comprehensive income. The income distributions payable by the Fund are disclosed in the statement of financial position. The income distributions paid and payable by the Fund are disclosed in Note 4 to the financial statements.

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect:

(i) the operations of the Fund in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the state of affairs of the Fund in future financial years.

Directors' report (continued)

Likely developments and expected results of operations

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operation of the Fund and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Fund.

Indemnification and insurance of officers and auditor

No insurance premiums are paid out of the assets of the Fund in regard to insurance cover provided to either the officers of Betashares Capital Ltd or the auditor of the Fund. So long as the officers of Betashares Capital Ltd act in accordance with the Fund's Constitution and the law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund. The auditor of the Fund is in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Fund's property during the financial year are disclosed in Note 14 to the financial statements.

No fees were paid out of the Fund's property to the directors of the Responsible Entity during the financial year.

No interests in the Fund were held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 14 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the financial year is disclosed in Note 3 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

The operations of the Fund are not subject to any significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Compensation (ASIC Regulatory Guide 94 Unit pricing: Guide to good practice)

The Responsible Entity will apply a $20 minimum to compensation amounts in respect of any unit pricing errors for exited investors.

Directors' report (continued)

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.

Alex Vynokur
Director

Sydney
18 September 2026

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Betashares Capital Limited, the Responsible Entity for the Betashares Western Asset Australian Bond Active ETF:

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report of the Fund for the financial year ended 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Andrew Reeves
Partner
Sydney
18 September 2026

Statement of comprehensive income

		Year ended	
		30 June 2026	30 June 2025
	Notes	**$'000**	$'000
Investment income			
Interest income		**32,091**	27,586
Net gains/(losses) on financial instruments at fair value through profit or loss		**(14,493)**	30,250
Other operating income		**34**	94
Total net investment income/(loss)		**17,632**	57,930
Expenses			
Management fees	14	**3,578**	3,287
Transaction costs		**8**	11
Other operating expenses		**4**	5
Total operating expenses		**3,590**	3,303
Profit/(loss) for the financial year	3,8	**14,042**	54,627
Other comprehensive income		**–**	–
Total comprehensive income/(loss) for the financial year		**14,042**	54,627

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

	Notes	As at 30 June 2026 $'000	 30 June 2025 $'000
Assets			
Cash and cash equivalents		**9,324**	5,287
Cash held on collateral		**1,183**	451
Financial assets at fair value through profit or loss	5	**848,098**	839,535
Other receivables	6	**151**	2,528
Total assets		**858,756**	847,801
Liabilities			
Due to brokers - payable for securities purchased		**5,022**	1,151
Distributions payable	4	**3,534**	2,864
Other payables	7	**316**	316
Total liabilities (excluding net assets attributable to unitholders)		**8,872**	4,331
Net assets attributable to unitholders - equity	3	**849,884**	843,470

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Notes	Year ended 30 June 2026 $'000	30 June 2025 $'000
Total equity at the beginning of the financial year	3	**843,470**	686,228
Comprehensive income for the financial year			
Profit/(loss) for the financial year	3,8	**14,042**	54,627
Other comprehensive income		**–**	–
Total comprehensive income for the financial year		**14,042**	54,627
Transactions with unitholders			
Creations	3	**48,435**	159,840
Redemptions	3	**(19,909)**	(26,166)
Units issued upon reinvestment of distributions	3	**316**	275
Distributions to unitholders	3,4	**(36,470)**	(31,334)
Total transactions with unitholders		**(7,628)**	102,615
Total equity at the end of the financial year	3	**849,884**	843,470

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

	Notes	Year ended **30 June 2026 $'000**	30 June 2025 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**93,852**	102,077
Payments for purchase of financial instruments at fair value through profit or loss		**(113,037)**	(225,291)
Movements in cash held on collateral		**(732)**	668
Interest income received		**32,058**	27,633
Other operating income received		**34**	94
Management fees paid		**(3,563)**	(3,209)
Transaction costs paid		**(8)**	(11)
Other operating expenses paid		**(18)**	(20)
Net cash inflow/(outflow) from operating activities	8	**8,586**	(98,059)
Cash flows from financing activities			
Proceeds from creations by unitholders		**50,844**	157,431
Payments for redemptions by unitholders		**(19,909)**	(26,166)
Distributions paid		**(35,484)**	(30,316)
Net cash inflow/(outflow) from financing activities		**(4,549)**	100,949
Net increase/(decrease) in cash and cash equivalents		**4,037**	2,890
Cash and cash equivalents at the beginning of the financial year		**5,287**	2,397
Cash and cash equivalents at the end of the financial year		**9,324**	5,287
Non-cash financing activities			
Units issued upon reinvestment of distributions	3	**316**	275

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Contents Page

1 General information

These financial statements cover Betashares Western Asset Australian Bond Active ETF (the "Fund") as an individual entity. The Fund was registered on 11 September 2015 and commenced operations on 7 November 2018. The Responsible Entity cannot issue or redeem any units from the 80th anniversary of the day before the day the Fund commenced, if that issue or redemption would cause a contravention of the rule against perpetuities or any other rule of law or equity. The Fund may be terminated in accordance with the provisions of the Fund's Constitution. The Fund is domiciled in Australia.

The Responsible Entity of the Fund is Betashares Capital Ltd (the "Responsible Entity"). The Responsible Entity's registered office is Level 46, 180 George Street, Sydney, NSW 2000.

The financial statements were authorised for issue by the directors of the Responsible Entity on 18 September 2026. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all financial years presented unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia.

The Fund operated solely in one segment which is the business of investment management within Australia.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The financial statements are presented in Australian dollars, which is in the Fund's functional currency.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets at fair value through profit or loss and net assets attributable to unitholders.

Compliance with International Financial Reporting Standards

The financial statements of the Fund also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

New accounting standards and interpretations not yet adopted

There are no new accounting standards, interpretations or amendments to existing standards that are effective for the financial year beginning 1 July 2025 that had a material impact on the Fund.

AASB 18 *Presentation and Disclosure in Financial Statements*

AASB 18 was issued in June 2024 and replaces *AASB 101 Presentation of Financial Statements*. The new standard introduces new requirements for the statement of comprehensive income, including:

- new categories for the classification of income and expenses into operating, investing and financing categories, and
- presentation of subtotals for "operating profit" and "profit before financing and income taxes".

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual years beginning on or after 1 January 2027 and will first apply to the Fund for the financial year ending 30 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the statement of comprehensive income and statement of financial position line items are presented as well as some additional disclosures in the notes to the financial statements. The Fund is in the process of assessing the impact of the new standard.

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

AASB S2 Climate-related Disclosures

Under the new Australian Sustainability Reporting Standard (ASRS) S2 released in Australia in September 2024, the Fund has an increased responsibility to assess, manage, and disclose climate related risks.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses. However, it is expected to result in additional disclosures, as the standard requires the Fund to report on its approach to managing climate-related risks and opportunities within its operations and investment portfolios. The Fund is in the process of assessing the impact of the new standard and the climate risk reports outlining the information will likely be applicable to a Fund for the 30 June 2027 financial year and after as applicable.

Use of estimates and judgements

Management makes estimates and assumptions that affect the reported amounts in the financial statements. These estimates and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and regularly reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

Investment entity exception

The Fund meets the definition of an investment entity and therefore applies the investment entity amendments to AASB 10 *Consolidated Financial Statements* ("AASB 10"), AASB 12 *Disclosure of Interests in Other Entities* and AASB 127 *Separate Financial Statements*. AASB 10 is applicable to all investees; among other things, it requires the consolidation of an investee if the Fund controls the investee on the basis of de facto circumstances. An exception however exists where an entity meets the definition of an investment entity.

The Fund meets the definition of investment entity due to the following factors:

(a) the Fund obtains funds from one or more unitholders for the purpose of providing the unitholders with investment management services;
(b) the Fund commits to its unitholders that their business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
(c) the Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

In making the above assessments, the Fund has multiple investments and multiple investors. Its investors are generally unrelated parties of the Fund. Unitholders invest for returns from capital appreciation, investment income, or both. Directors of the Responsible Entity have concluded that the Fund meets the definition of investment entity.

Assessment of the Fund's investments as structured entities

The Fund has assessed whether the securities in which it invests are structured entities. The Fund has considered the voting rights and other similar rights afforded to investors in any managed investment funds in which they invest, including the rights to remove the fund manager or redeem holdings. The Fund has assessed whether these rights are the dominant factor in controlling the relevant funds, or whether the contractual agreement with the fund manager is the dominant factor in controlling such funds. The Fund has concluded that any managed investment funds in which it invests are not structured entities.

2 Summary of material accounting policies (continued)

(b) Financial instruments

(i) Classification

The Fund classifies its investments based on its business model for managing those financial assets and its contractual cash flow characteristics. The Fund's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund evaluates the information about its investments on a fair value basis together with other related financial information.

Equity securities and derivatives are measured at fair value through profit or loss.

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs are expensed in the statement of comprehensive income as incurred.

Subsequent to initial recognition, investments are measured at fair value. Gains and losses arising from changes in the fair value measurement are presented in the statement of comprehensive income within net gains/(losses) on financial instruments at fair value through profit or loss during the financial year.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Further details on how the fair value of the financial instruments is determined are disclosed in Note 11.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Net assets attributable to unitholders

The Fund considers its net assets attributable to unitholders as equity as the Fund had made an irrevocable choice to be an Attribution Managed Investment Trust ("AMIT"). Units are normally redeemable by unitholders at the unitholders' option. The units can be put back to the Fund at any time (subject to the *Corporations Act 2001* and the Fund's Constitution) for cash. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Fund. The net assets attributable to unitholders of the Fund met the criteria set out under *AASB* 132 *Financial Instruments: Presentation* and are classified as equity since inception.

Income not distributed is included in net assets attributable to unitholders. Where the Fund's units are classified as liabilities, movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. The carrying amount of cash approximates fair value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

2 Summary of material accounting policies (continued)

(e) Cash held on collateral

Cash held on collateral includes margin accounts. Margin accounts are cash held to cover derivative contracts deposits. These amounts are held by the relevant derivatives counterparties as securities. If losses are realised, the cash balances may be set off against these losses and if profits are realised on the close out of derivative contracts, the money is returned to the Fund.

(f) Investment income

Interest income earned on cash balances is recognised on an accrual basis in the statement of comprehensive income using the nominated interest rates available on the bank accounts held. Interest income earned from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities. Other changes in fair value for such instruments are recorded in accordance with the accounting policies described in Note 2(b).

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income and distribution income when the Fund’s right to receive payments is established.

Trust distribution income is recognised on an entitlements basis and stated net of foreign withholding tax.

(g) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

(h) Income tax

The Fund is not subject to income tax as all taxable income and other relevant amounts are attributed to unitholders in each financial year under the AMIT tax regime. Such amounts form part of unitholders' assessable incomes for the relevant financial year. The benefits of imputation credits and foreign tax paid are passed onto unitholders.

(i) Distributions

Distributions are payable, either by cash or reinvestment, as set out in the Fund’s Product Disclosure Statement and/or Fund’s Constitution.

The distributions are recognised in the statement of changes in equity as transactions with unitholders.

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the Fund’s financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and are regulated. The Australian dollar is also the Fund’s presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income on a net basis within net gains/(losses) on financial instruments held at fair value through profit or loss.

2 Summary of material accounting policies (continued)

(k) Due from/to brokers

Amounts due from/to brokers (if applicable) represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the financial year. Trades are recorded on trade date, and normally settled within two business days. These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

(l) Other receivables

Other receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(f) above. The Fund’s receivables are measured at amortised cost under AASB 9 *Financial Instruments* and the impact of any expected credit losses (ECL) is not significant as amounts are generally received within 30 days of being recorded as receivables. The carrying amount of receivables approximates fair value.

(m) Other payables

Other payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the end of each financial year is recognised separately in the statement of financial position when unitholders are presently entitled to the distributable income.

(n) Creations and redemptions

Creations received for units in the Fund are recorded net of any entry fees payable (if applicable) prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable (if applicable) after the cancellation of units redeemed. Creations receivable and redemptions payable are included under other receivables or other payables in the statement of financial position.

(o) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of 55% to 93%; hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST net of RITC. The net amount of GST recoverable from the ATO as a RITC is included in receivables in the statement of financial position.

(p) Rounding of amounts

The Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183*, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

3 Net assets attributable to unitholders

Units are normally redeemable by unitholders being Authorised Participants at the unitholders' option, however, creations and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units can be put back to the Fund at any time for cash, which is equal to a proportionate share of the Fund's net asset value attributable to the unitholders.

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Movements in the number of units and net assets attributable to unitholders during the financial year were as follows:

	As at			
	30 June 2026 Units '000	30 June 2025 Units '000	**30 June 2026 $'000**	30 June 2025 $'000
Net assets attributable to unitholders				
Opening balance	**35,154**	29,467	**843,470**	686,228
Creations	**2,050**	6,775	**48,435**	159,840
Redemptions	**(850)**	(1,100)	**(19,909)**	(26,166)
Units issued upon reinvestment of distributions	**14**	12	**316**	275
Distribution to unitholders	**–**	–	**(36,470)**	(31,334)
Profit/(loss) for the financial year	**–**	–	**14,042**	54,627
Closing balance	**36,368**	35,154	**849,884**	843,470

Capital risk management

The Fund considers its net assets attributable to unitholders as equity. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily creations and redemptions at the discretion of eligible unitholders.

Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject a creation for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

4 Distributions to unitholders

Distributions are payable as set out in the Fund's Product Disclosure Statement and/or Fund's Constitution. Such distributions are recognised as payable when they are determined by the Responsible Entity.

The distribution amounts and cents per unit (CPU) for the financial year were as follows:

	Year ended			
	30 June 2026 $'000	**30 June 2026 CPU**	30 June 2025 $'000	30 June 2025 CPU
Distributions paid - July	**2,916**	**8.12**	2,576	8.47
Distributions paid - August	**2,744**	**7.63**	2,433	7.86
Distributions paid - September	**3,022**	**8.39**	2,389	7.62
Distributions paid - October	**2,951**	**8.19**	2,377	7.44
Distributions paid - November	**2,645**	**7.30**	2,433	7.45
Distributions paid - December	**3,272**	**9.00**	2,760	8.25
Distributions paid - January	**2,968**	**8.17**	2,701	8.02
Distributions paid - February	**2,780**	**7.65**	2,475	7.24
Distributions paid - March	**3,293**	**9.09**	2,866	8.01
Distributions paid - April	**3,137**	**8.54**	2,727	7.85
Distributions paid - May	**3,208**	**8.77**	2,733	7.86
Distributions payable - June	**3,534**	**9.72**	2,864	8.15
Total distributions	**36,470**	**100.57**	31,334	94.22

The distribution information shown above refers to distributions paid by the Fund for the financial year. Under the AMIT tax rules, a Fund may distribute cash that is different to the taxable income attributed by the Fund to unitholders.

During the financial year, some distributions were satisfied by the issue of units (reinvestment). See Note 3.

5 Financial assets and liabilities at fair value through profit or loss

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

	As at	
	30 June 2026 $'000	30 June 2025 $'000
Financial assets at fair value through profit or loss		
Listed futures	**549**	11
Floating rate notes	**43,572**	39,446
Fixed interest securities	**802,664**	798,768
Money market securities	**1,313**	1,310
Total financial assets at fair value through profit or loss	**848,098**	839,535

An overview of the fair value measurements relating to financial instruments at fair value through profit or loss is included in Note 11 to the financial statements.

6 Other receivables

	As at	
	30 June 2026 $'000	30 June 2025 $'000
Creations receivable	**–**	2,409
Interest receivable	**90**	57
GST receivable	**61**	62
Total other receivables	**151**	2,528

7 Other payables

	As at	
	30 June 2026 $'000	30 June 2025 $'000
Management fees payable	**313**	298
Other payables	**3**	18
Total other payables	**316**	316

8 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended	
	30 June 2026 $'000	30 June 2025 $'000
Profit/(loss) for the financial year	**14,042**	54,627
Proceeds from sale of financial instruments at fair value through profit or loss	**93,852**	102,077
Payments for purchase of financial instruments at fair value through profit or loss	**(113,037)**	(225,291)
Net (gains)/losses on financial instruments at fair value through profit or loss	**14,493**	(30,250)
Movements in cash held on collateral	**(732)**	668
Net change in receivables and other assets	**(32)**	33
Net change in payables and other liabilities	**–**	77
Net cash inflow/(outflow) from operating activities	**8,586**	(98,059)

9 Financial risk management

The Fund is an exchange traded managed fund that primarily invests in a portfolio of Australian cash and cash equivalents, interest bearing securities and derivative instruments.

The Fund’s activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), counterparty/credit risk and liquidity risk. The Fund uses different methods to measure different types of risk to which it is exposed. Methods include sensitivity analysis in the case of price risk and foreign exchange risk.

The Fund’s overall risk management programme focuses on ensuring compliance with the Fund’s Product Disclosure Statement (PDS). Financial risk management is carried out by investment managers under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Fund’s risk management framework. The Fund’s overall risk management programme focuses on ensuring compliance with the Fund’s PDS and Investment Guidelines.

Compliance with the Fund’s PDS, Constitution and Investment Guidelines is reported to the Board on a regular basis.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity market prices will affect the Fund’s income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Included in the following analysis are tables that summarise the sensitivity of the operating profit and net assets attributable to unitholders to changes in market prices (e.g. equity prices, foreign exchange rates and interest rates). The analysis is based on reasonably possible movements in the specified risk variable with other variables held constant. Actual movements in the risk variables in any financial year may be greater or less than indicated. The market price risk information is intended to be a relative estimate of risk rather than a precise and accurate number. It represents a hypothetical outcome and is not intended to be predictive. The analysis is based on historical data and cannot take account of the fact that future market price movements (e.g. in times of market stress) may bear no relation to historical patterns.

(i) Price risk

The Fund holds cash (including cash denominated in currencies other than the Australian dollar) and interest bearing securities. These investments have exposure to interest rate risk and credit risk. The Fund's overall market position is reported to the Board on a regular basis.

Sensitivity analysis - price risk

An increase of 10% at the reporting date of the underlying investments' prices of the Fund would have increased profit from operating activities by $5,548,520 (2025: $1,222,000). A decrease of 10% would have an equal but opposite effect on the profit, on the basis that all other variables remain constant.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest bearing financial assets are exposed to fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. Financial instruments with variable interest rates expose the Fund to cash flow interest rate risk. Financial instruments with fixed interest rates expose the Fund to fair value interest rate risk. This risk is measured using sensitivity analysis.

9 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The tables below summarise the Fund's exposure to interest rate risks.

	Floating interest rate	**Fixed interest rate**	**Non-interest bearing**	**Total**
	30 June 2026	**30 June 2026**	**30 June 2026**	**30 June 2026**
	$'000	**$'000**	**$'000**	**$'000**
Assets				
Cash and cash equivalents	**9,324**	**–**	**–**	**9,324**
Cash held on collateral	**1,183**	**–**	**–**	**1,183**
Financial assets at fair value through profit or loss	**43,572**	**803,977**	**549**	**848,098**
Other receivables	**–**	**–**	**151**	**151**
Liabilities				
Due to brokers - payable for securities purchased	**–**	**–**	**(5,022)**	**(5,022)**
Distributions payable	**–**	**–**	**(3,534)**	**(3,534)**
Other payables	**–**	**–**	**(316)**	**(316)**
Net exposure	**54,079**	**803,977**	**(8,172)**	**849,884**

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	30 June 2025	30 June 2025	30 June 2025	30 June 2025
	$'000	$'000	$'000	$'000
Assets				
Cash and cash equivalents	5,287	–	–	5,287
Cash held on collateral	451	–	–	451
Financial assets at fair value through profit or loss	39,446	800,078	11	839,535
Other receivables	–	–	2,528	2,528
Liabilities				
Due to brokers - payable for securities purchased	–	–	(1,151)	(1,151)
Distributions payable	–	–	(2,864)	(2,864)
Other payables	–	–	(316)	(316)
Net exposure	45,184	800,078	(1,792)	843,470

9 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis – interest rate risk

The table below summarises the sensitivities of the interest rate risk. The analysis is based on the assumption that interest rates increase or decrease by "predetermined basis points" from the financial year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities. The "predetermined basis points" for 30 June 2026 and 30 June 2025 are noted in the table below. Management have considered the movements for each investment asset type to be reasonable given the Fund's economic environment.

	Impact on net assets attributable to unitholders			
Sensitivity rate (basis points)	**Increase 30 June 2026 $'000**	**Decrease 30 June 2026 $'000**	Increase 30 June 2025 $'000	Decrease 30 June 2025 $'000
100	**(39,635)**	**39,635**	(39,541)	39,541

(iii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary assets denominated in other currencies fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

The Fund is not directly subject to significant foreign exchange risk as securities held are predominantly domiciled in Australia.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

(i) Debt securities

The Fund invests in debt securities that are exposed to credit risk. An analysis of debt securities by rating of the issuer as per S&P is set out in the table below.

	As at	
Rating	**30 June 2026 $'000**	30 June 2025 $'000
AAA	**235,187**	237,443
AA+ to AA-	**322,851**	317,531
A+ to A-	**170,031**	163,020
BBB+ to BBB-	**119,480**	121,530
Total	**847,549**	839,524

(ii) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

9 Financial risk management (continued)

(b) Credit risk (continued)

(iii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is considered low as the Fund only invests its assets into bank deposit accounts held with banks that are regulated in Australia by the Australian Prudential Regulation Authority as authorised deposit taking institutions, and all counterparties have a credit rating of at least A.

The custody of the Fund's assets is mainly concentrated with one counterparty, namely Citigroup Pty Ltd. Citigroup Pty Limited is a subsidiary of a company listed on a major securities exchange, and at 30 June 2026 had a credit rating of A+ by Standard & Poor's (S&P) (30 June 2025: "A+" by S&P). At 30 June 2026, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by Citigroup Pty Ltd.

In accordance with the Fund's policy, the Responsible Entity monitors the Fund's credit position on a regular basis.

(iv) Other

The Fund is not materially exposed to credit risk on other financial assets.

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

The Fund is exposed to daily redemptions of redeemable units. The Fund's investments in cash and cash equivalents and debt securities are considered to be readily realisable and the Fund maintains adequate liquidity to pay withdrawals and distributions when required.

The Fund may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty.

The table below analyses the Fund's derivative and non-derivative financial liabilities into relevant maturity groupings based on the remaining financial period at the end of the financial period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	As at			
	On demand 30 June 2026 $'000	**Less than 6 months 30 June 2026 $'000**	**Greater than 6 months 30 June 2026 $'000**	**Total 30 June 2026 $'000**
Due to brokers - payable for securities purchased	**–**	**5,022**	**–**	**5,022**
Distributions payable	**–**	**3,534**	**–**	**3,534**
Other payables	**–**	**316**	**–**	**316**
Contractual cash flows (excluding net settled derivatives)	**–**	**8,872**	**–**	**8,872**

	As at			
	On demand 30 June 2025 $'000	Less than 6 months 30 June 2025 $'000	Greater than 6 months 30 June 2025 $'000	Total 30 June 2025 $'000
Due to brokers - payable for securities purchased	–	1,151	–	1,151
Distributions payable	–	2,864	–	2,864
Other payables	–	316	–	316
Contractual cash flows (excluding net settled derivatives)	–	4,331	–	4,331

10 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the first three columns of the tables below.

	Effects of offsetting on the statement of financial position			Related amounts not offset in the statement of financial position		
	Gross amounts of financial assets/ (liabilities)	**Gross amounts set off in the statement of financial position**	**Net amount of financial assets/ (liabilities) presented in the statement of financial position**	**Financial instruments (including non-cash collateral)**	**Stock and cash collateral pledged**	**Net amounts**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
As at 30 June 2026						
Financial assets						
Listed futures	**549**	**–**	**549**	**–**	**–**	**549**
Total	**549**	**–**	**549**	**–**	**–**	**549**
As at 30 June 2025						
Financial assets						
Listed futures	11	–	11	–	–	11
Total	11	–	11	–	–	11
Financial assets						

Agreements with over-the-counter derivative counterparties are based on the International Swaps and Derivatives Association (ISDA) Master Agreement. Under the terms of these arrangements, only when certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the statement of financial position but have been presented separately in the above table.

11 Fair value measurements

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical financial assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly (Level 2); and
- Inputs for the financial assets or liabilities that are not based on observable market data (unobservable inputs) (Level 3).

Fair value estimation

The carrying amounts of the Fund's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

(i) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 2. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Listed futures are measured by the quoted market prices, or binding dealer price quotations on the exchange where they are listed or held.

The fair value of units held in listed equity securities and ETFs are included within Level 1. The carrying value of the net assets attributable to unitholders for ETFs differs from its fair value due to differences in valuation inputs of ETFs, which are not valued at quoted market price.

(ii) Fair value in an inactive or unquoted market (Level 2)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Financial assets and liabilities that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include certain securities and over-the-counter derivatives.

(iii) Fair value in an inactive or unquoted market (Level 3)

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for instruments where risk gives rise to a significant unobservable adjustment. The fair value of financial assets and liabilities is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The carrying amounts of the Fund's assets and liabilities at the balance sheet date approximate their fair values.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

11 Fair value measurements (continued)

Fair value estimation (continued)

(iv) Recognised fair value measurements

The table below sets out the Fund’s financial assets and liabilities (by class) at fair value according to the fair value hierarchy as at 30 June 2026 and 30 June 2025.

	As at			
	Level 1 30 June 2026 $'000	**Level 2 30 June 2026 $'000**	**Level 3 30 June 2026 $'000**	**Total 30 June 2026 $'000**
Financial assets				
Financial assets at fair value through profit or loss:				
Listed futures	**549**	**–**	**–**	**549**
Floating rate notes	**–**	**43,572**	**–**	**43,572**
Fixed interest securities	**–**	**802,664**	**–**	**802,664**
Money market securities	**–**	**1,313**	**–**	**1,313**
Total	**549**	**847,549**	**–**	**848,098**

	As at			
	Level 1 30 June 2025 $'000	Level 2 30 June 2025 $'000	Level 3 30 June 2025 $'000	Total 30 June 2025 $'000
Financial assets				
Financial assets at fair value through profit or loss:				
Listed futures	11	–	–	11
Floating rate notes	–	39,446	–	39,446
Fixed interest securities	–	798,768	–	798,768
Money market securities	–	1,310	–	1,310
Total	11	839,524	–	839,535

(v) Transfer between levels

There were no transfers between levels during the financial year ended 30 June 2026 and 30 June 2025.

(vi) Movement in Level 3 instruments

There were no investments classified as Level 3 within the Fund as at 30 June 2026 and 30 June 2025.

(vii) Fair value of financial instruments not carried at fair value

The carrying value of receivables and payables approximate their fair values.

12 Derivative financial instruments

In the normal course of business the Fund may enter into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, listed futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund’s portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

Futures contracts

Listed futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange.

The following tables shows the Fund’s derivative instruments:

	Contract/ notional amount 30 June 2026 $'000	**Assets 30 June 2026 $'000**	**Liabilities 30 June 2026 $'000**	Contract/ Notional amount 30 June 2025 $'000	Assets 30 June 2025 $'000	Liabilities 30 June 2025 $'000
Listed futures	**55,485**	**549**	**–**	12,216	11	–
Total	**55,485**	**549**	**–**	12,216	11	–

13 Auditor's remuneration

During the financial year the following fees were paid or payable for services provided by the auditor of the Fund. Audit fees were borne by Betashares Holdings Pty Ltd, the parent entity of the Responsible Entity.

	Year ended	
	30 June 2026 $	30 June 2025 $
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Audit and other assurance services		
Audit and review of financial reports	**6,456**	**5,543**
Audit of compliance plan	**1,250**	**1,369**
Total remuneration for audit and other assurance services	**7,706**	**6,912**

14 Related party transactions

The Responsible Entity of the Fund is Betashares Capital Ltd (ABN 78 139 566 868), which is a wholly owned subsidiary of Betashares Financial Group Pty Ltd (ABN 58 646 305 517).

Key management personnel

The Fund does not employ personnel in its own right. However, the Fund is required to have an incorporated Responsible Entity to manage the activities and this is considered to be key management personnel. The directors of the Responsible Entity, which are key management personnel of the Responsible Entity, during or since the end of the financial year are:

(a) Directors

Mr Alex Vynokur (appointed 21 September 2009)
Mr Jason Gellert (appointed 5 March 2021)
Mr Edward Sippel (appointed 5 March 2021)

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.

Responsible Entity's management fees and other transactions

The Responsible Entity's fees are calculated in accordance with the Fund's Constitution. The Responsible Entity management fee is 0.42% p.a. (2025: 0.42%) (after taking account of GST and reduced input tax credits), which is calculated as a percentage of the net asset value of the Fund and is disclosed in the statement of comprehensive income.

	Year ended	
	30 June 2026 $	30 June 2025 $
Responsible Entity management fees expensed during the financial year	**3,578,000**	3,286,613
Responsible Entity management fees payable as at reporting date	**313,371**	297,969

Related party unit holdings

During the financial year, parties related to the Fund, including the Responsible Entity, its affiliates or other Funds managed by the Responsible Entity, held no units in the Fund during the financial year.

Investments

The Fund did not hold any investments in other Funds managed by the Responsible Entity or its related parties.

15 Events occurring after the financial year

No significant events have occurred since the end of the financial year which would impact on the financial position of the Fund disclosed in the statement of financial position as at 30 June 2026 or on the results and cash flows of the Fund for the financial year ended on that date.

16 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2026 and 30 June 2025.

Directors' declaration

In the opinion of the directors of Betashares Capital Ltd, the Responsible Entity of Betashares Western Asset Australian Bond Active ETF:

(a) the financial statements and notes set out on pages 6 to 27 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards, and interpretations issued by the Australian Accounting Standards Board and the *Corporations Regulations 2001*; and

(ii) giving a true and fair view of the Fund's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

(c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board.

Signed in accordance with a resolution of the directors of Betashares Capital Ltd.

Alex Vynokur
Director

Sydney
18 September 2026

Independent Auditor's Report

To the unitholders of Betashares Western Asset Australian Bond Active ETF:

Opinion

We have audited the ***Financial Report*** of Betashares Western Asset Australian Bond Active ETF (the Fund).

- In our opinion, the accompanying ***Financial Report*** of the Fund gives a true and fair view, including of the Fund's financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises the:

- Statement of financial position as at 30 June 2026
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes, including material accounting policies
- Directors' Declaration made by the Directors of Betashares Capital Limited (the Responsible Entity).

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audits of the Financial Report* section of our report.

We are independent of the Fund and the Responsible Entity in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the Fund in the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter we identified for Betashares Western Asset Australian Bond Active ETF is:

- Valuation and existence of financial assets at fair value through profit or loss.

<table>
<tr><th colspan="2">Valuation and existence of financial assets at fair value through profit or loss $848,098,000</th></tr>
<tr><td colspan="2">Refer to Notes 2(b), 5, 9, 11 and 12 to the Financial Report</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audits</th></tr>
<tr><td>
Financial assets at fair value through profit or loss comprise investments in Listed futures, floating rate notes, Fixed interest securities and Money market securities ("investments").
The Fund outsources certain processes and controls relevant to:

Executing the purchase and sale of investment transactions as instructed by the Responsible Entity and recording and valuing investments to the Fund's administrator; and
Maintaining custody and underlying records of investments to the custodian.

Valuation and existence of investments is a key audit matter due to the:

Size of the Fund's portfolio of investments. These investments represent a significant percentage of the Fund's total assets at period end; and
Importance of the performance of these investments in driving the Fund's investment income and capital performance of the Fund, as reported in the Financial Report.

As a result, this was the area with greatest effect on our overall audit strategy and allocation of resources in planning and performing our audit.
</td><td>
Our procedures included:

We assessed the appropriateness of the accounting policies applied by the Fund, including those relevant to the fair value of investments, against the requirements of the accounting standards.
We obtained and read the Fund's ASAE 3402 (Assurance Reports on Controls at a Service Organisation) and GS007 (Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment Management Services) assurance reports for the period from 1 July 2025 to 30 June 2026 to understand the processes and assess the controls relevant to the:

Fund administrator – to execute transactions, record and value the Fund's investments; and
Custodian – to maintain custody and underlying records of the Fund's investments.

We assessed the reputation, professional competence and independence of the auditors of the ASAE 3402 and GS007 assurance reports.
We checked the existence of investments, being the ownership and quantity held to independent confirmations from the custodian as at 30 June 2026
We checked the valuation of investments, as recorded in the general ledger, to independently sourced prices from relevant stock exchanges at 30 June 2026.
We evaluated the Fund's disclosures of investments, using our understanding obtained from our testing, against the requirements of the accounting standards.

</td></tr>
</table>

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Other Information

Other Information is financial and non-financial information in the Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of the Responsible Entity are responsible for the Other Information.

Our opinion on the Financial Report do not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001,* including giving a true and fair view of the financial position and performance of the Fund, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal controls to enable the preparation of a Financial Report in accordance with the *Corporations Act* 2001, including giving a true and fair view of the financial position and performance of the Fund, and that is free from material misstatement, whether due to fraud or error
- assessing the Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audits of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf This description forms part of our Auditor's Report.

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Andrew Reeves
Partner
Sydney
18 September 2026