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Past performance information is for illustrative purposes only

and is not a reliable indicator of future performance.

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The Funds may invest in instruments that reference a market determined rate such as LIBOR. Current and future regulatory developments may lead to the cessation of some of these rates. This may adversely impact the value and/or liquidity of these instruments.

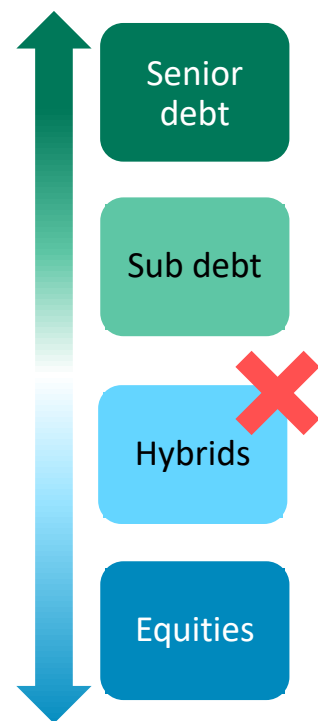
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# Hybrids are phasing **out**, subordinated debt is **in**

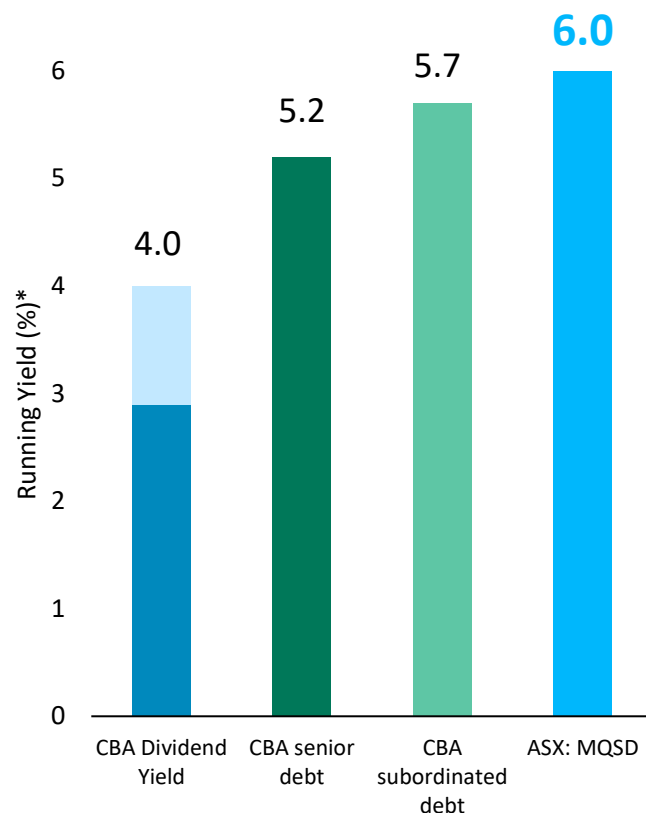
## Capital structure

Lower risk



Higher risk

## Yield comparison



Past performance is not a reliable indicator of future performance. Source: Bloomberg and Westpac. Data as at 30 April 2026. \*^Running yield is the expected effective interest rate or income yield of the Fund. It is calculated as the current coupon rate divided by price. Yields are pre-fee. Returns are net of fees to 30 April 2026

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# Why invest in subordinated debt for income?



**Liquidity &  
Access**

Large institutional market now available to all via ETFs such as **ASX: MQSD**



**Stable  
income**

Lower risk than hybrids, invested in **high quality** companies, mainly banks



**Yield!**

MQSD delivered a 1-year return of **7.1%** and has a current yield of 6%

**ASX:  
MQSD**

Macquarie Subordinated Debt Active ETF A potential hybrid alternative

Management fee: **0.29%**

# Significant risks of the Macquarie Subordinated Debt Active ETF

## Investment risk



The Fund seeks to generate higher returns than traditional cash investments. The risk of an investment in the Fund is higher than an investment in a typical bank account or term deposit. Amounts distributed to unitholders may fluctuate, as may the Fund's unit price. The unit price may vary by material amounts, even over short periods of time, including during the period between a redemption request being made and the time the redemption unit price is calculated.

## Manager risk



There is no guarantee that the Fund will achieve its performance objectives, produce returns that are positive, or compare favourably against its peers. The manager may change its investment strategies and internal trading guidelines over time, and there is no guarantee that such changes would produce favourable outcomes.

## Income securities risk



The Fund may have exposure to a range of income securities, including high yield, emerging markets and structured securities. The value of these securities may fall, for example due to market volatility, interest rate movements, perceptions of credit quality, supply and demand pressures, market sentiment, or issuer default. These risks may be greater for securities offering higher returns, for example high yield or emerging market securities. Income security risk may cause unit price volatility and/or financial loss to the Fund.

## Default risk



Issuers or entities upon which the Fund's investments depend may default on their obligations, for instance by failing to make a payment due on a security or by failing to return principal. Such parties can include the issuers of securities held by the Fund (or those referenced in credit derivative transactions), and may include sovereigns, supranational entities, governments and states, as well as corporations. Counterparties to the Fund may default on a contractual commitment to the Fund. Counterparties may include over-the-counter derivatives counterparties, brokers (including clearing brokers of exchange traded instruments), repurchase agreement counterparties, foreign exchange counterparties, as well as the Fund's custodian. Default on the part of an issuer or counterparty could result in a financial loss to the Fund.

## Credit risk



The value of the Fund's investments may be sensitive to changes in market perceptions of credit quality, both of individual issuers and of the credit markets in general. The Fund invests in credit related securities and takes credit risk in order to achieve its investment objectives. However, the value of such securities, and therefore the Fund's unit price, may be impacted by changes in the market's perception of credit quality.

## Liquidity risk



Investments may be difficult or impossible to sell, either due to factors specific to that security, or to prevailing market conditions, resulting in a loss to the Fund or delays in redemption processing or even the suspension of redemptions. A large redemption or application may result in the exposure of the Fund to particular investments, sectors or asset classes being altered significantly due to the security sales or purchases required.

**More information on the risks of investing in the Fund is contained in the Product Disclosure Statement, which should be considered before deciding to invest in the Fund.**

Some of the significant risks of the Fund are described above, but there could be other risks that adversely affect the Fund.