betashares

How to double your income from your portfolio



With Tom Wickenden, CFA,
Director - Investment Strategist

ASX Investor Day - November 2026

For Australian investors, income comes first

betashares

Australian investors' top investment goal

31%

Building a reliable income stream
the number one goal

27%

Growing capital
the second goal

Income also leads among SMSF investors (32%), advised investors (33%) and high-value portfolios (34%).

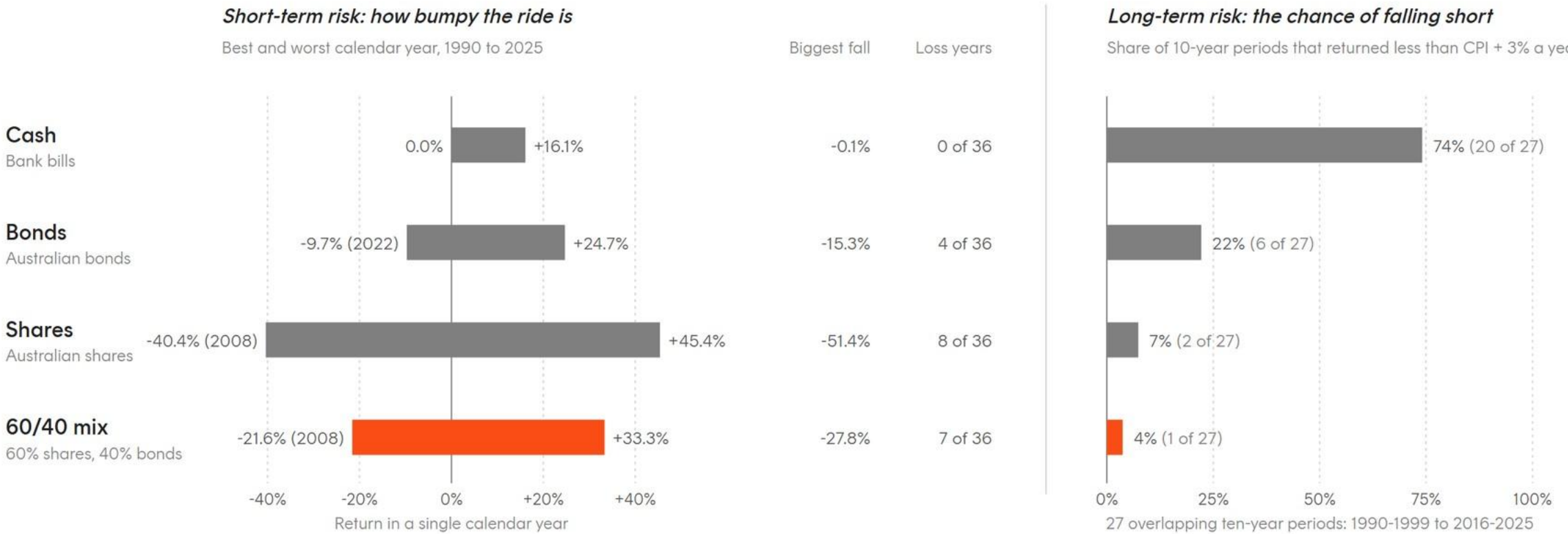
The challenge is earning it without giving up growth.

Source: ASX Australian Investor Study 2026. Share of investors naming each as their top investment goal.

Which risk matters depends on how long you invest for

betashares

Australian cash, bonds and shares, and a 60/40 mix of shares and bonds, calendar years 1990 to 2025. Over a year, risk is the size of the bumps; over a decade, it is not reaching your goal.



Cash had the smoothest single year of any asset here, and fell short of CPI + 3% in **74%** of 10-year periods. Shares had the roughest single year and fell short in **7%** of them. The 60/40 mix had a smoother ride than shares and fell short least often of all.

Source: Bloomberg, ABS, Betashares. Index data December 1989 to December 2025. Cash is the Bloomberg AusBond Bank Bill Index, bonds the Bloomberg AusBond Composite Bond Index, shares the All Ordinaries Accumulation Index; the 60/40 mix is 60% shares and 40% bonds rebalanced monthly. Biggest fall is the largest peak-to-trough decline, from daily data (month-end for the 60/40 mix). The long-term test compares the annualised return over each ten-calendar-year period (1990-1999 to 2016-2025) with headline CPI plus 3% a year. Index returns before fees and taxes. Returns shown include reinvested dividends, distributions and interest, where applicable. Past performance is not an indicator of future performance. You cannot invest directly in an index.

Important information

This presentation has been prepared by Betashares Capital Limited ABN 78 139 566 868, AFSL 341181 (Betashares), the issuer of the Betashares Funds and Betashares Invest (available through Betashares Direct). The information is general in nature only and does not take into account any person's financial objectives, situation or needs. Investors should consider its appropriateness taking into account such factors and seek financial advice. It is not a recommendation to make any investment decision or adopt any investment strategy.

Investments in Betashares Funds are subject to investment risk and investors may not get back the full amount originally invested. Future outcomes are inherently uncertain. Actual outcomes may differ materially from those contemplated in any opinions, estimates or other forward-looking statements given in this presentation.

This presentation may include opinions, views, estimates and other forward-looking statements which are subject to various risks and uncertainties. Actual results or events may differ materially. Any opinions expressed are not necessarily those of Betashares and are subject to change without notice. In preparing this information, Betashares has relied on, without verification, data sourced from external parties. Betashares does not warrant the accuracy or completeness of this information. To the extent permitted by law, Betashares accepts no liability for any loss arising from reliance on the information herein.

Past performance is not indicative of future performance.

Any Betashares Fund that seeks to track the performance of a particular financial index is not sponsored, endorsed, issued, sold or promoted by the index provider. No index provider makes any representations in relation to the Betashares Funds or bears any liability in relation to the Betashares Funds.

Any person wishing to invest in a Betashares Fund or open a Betashares Invest account should obtain a copy of the relevant Product Disclosure Statement from www.betashares.com.au and consider whether the product is appropriate. A Target Market Determination (TMD) for each Betashares Fund is also available at www.betashares.com.au/target-market-determinations and a TMD for Betashares Invest is available at www.betashares.com.au/direct.

What we will cover

betashares

1. Where most of us look today, and where it falls short

2. There are more sources of income than you might realise

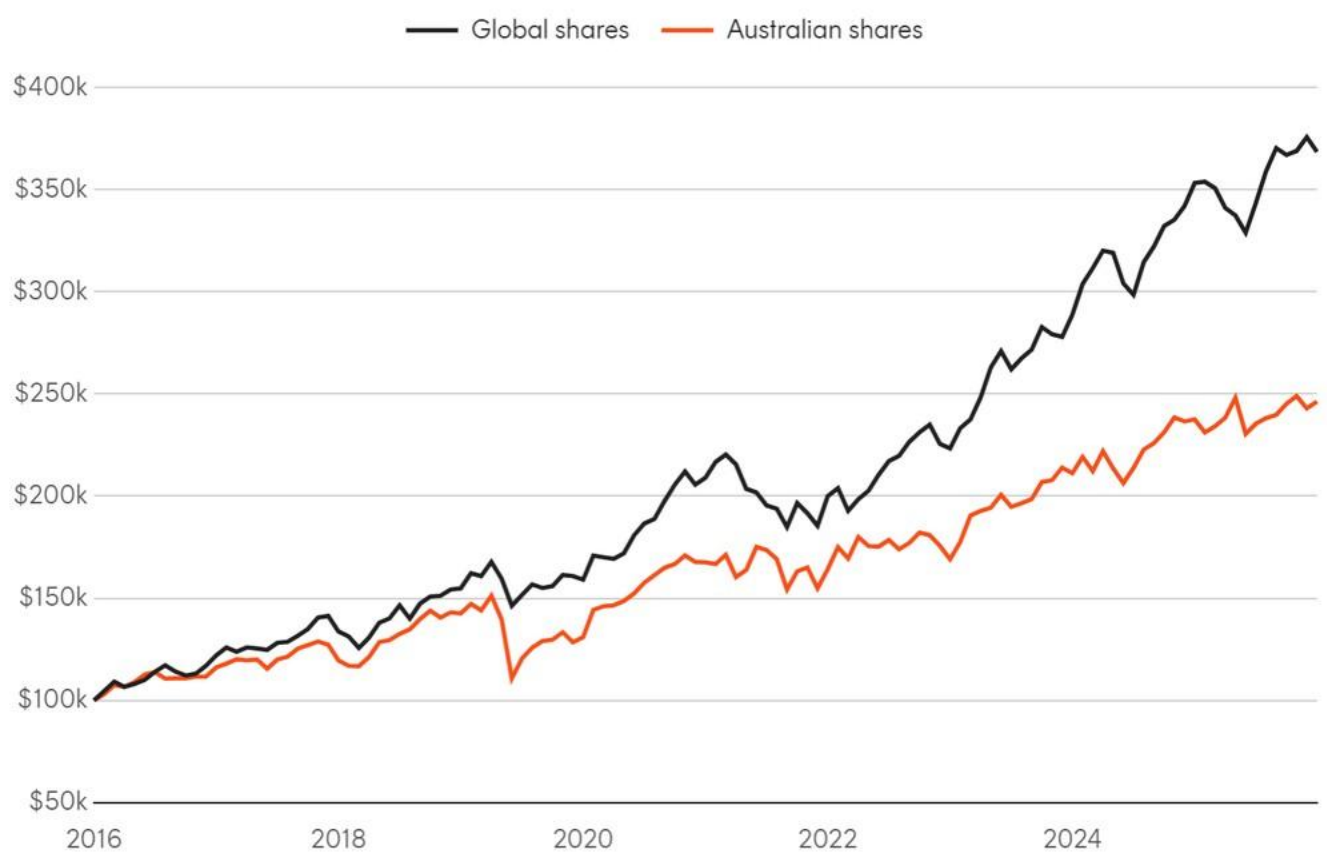
3. Investors today have easy-to-access options to spread their income risk

Australian shares paid more income, but grew less over the past 10 years

betashares

$100,000 invested ten years ago

Total return, 31 October 2016 to 31 October 2026



From $100,000 over the 10 years

Income (ex franking credits)

Australian shares	Global shares
$62,000	**$32,000**

Total returns

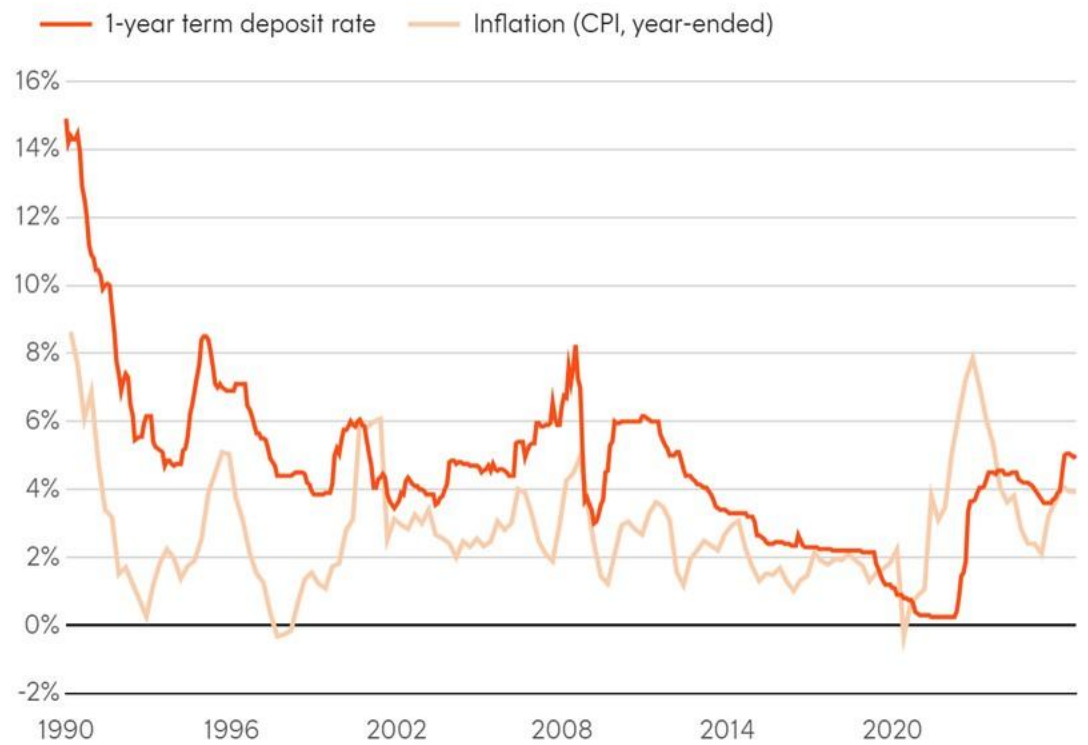
Australian shares	Global shares
$246,000	**$368,000**

Source: Bloomberg, MSCI. 31 October 2016 to 31 October 2026. Australian shares represented by S&P/ASX 200 Accumulation Index; global shares represented by MSCI World ex Australia Net Total Return Index in A$. Income: each month's income return (total return less price return) on the balance at the start of the month; global shares' income return is MSCI World's. Income excludes franking credits. Returns shown include reinvested dividends. Past performance is not an indicator of future performance. You cannot invest directly in an index.

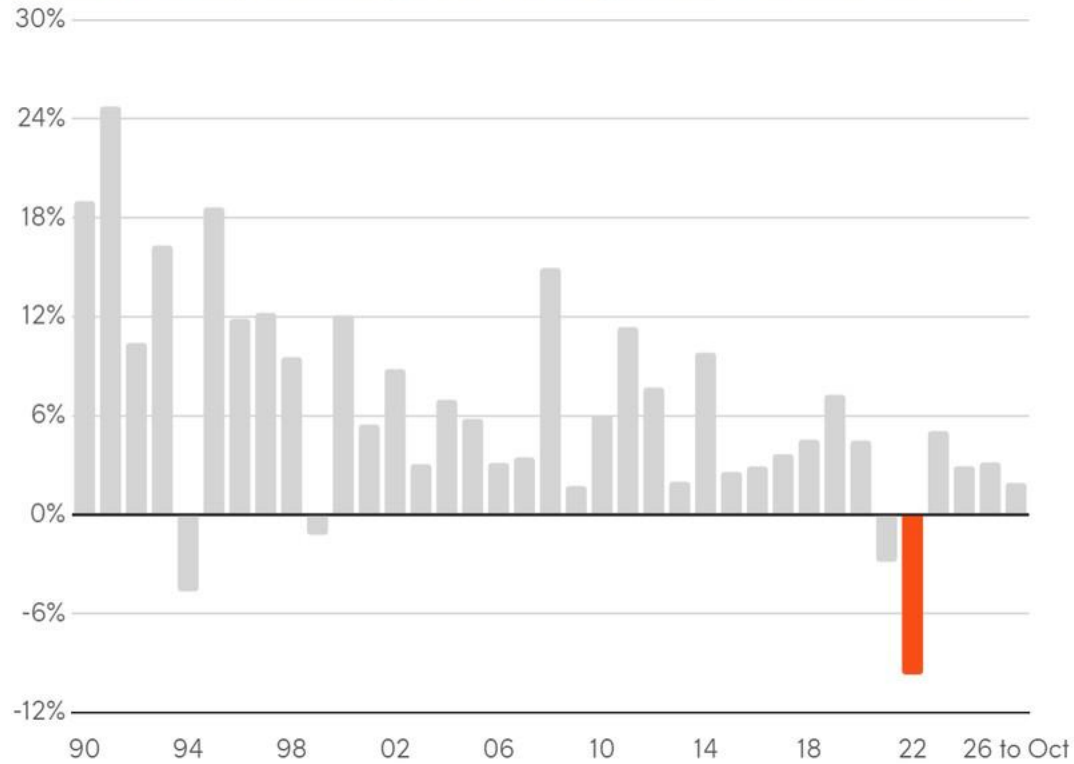
Term deposits and fixed-rate bonds

betashares

Banks' 1-year term deposit rate and inflation, 1990 to September 2026



Australian bonds, calendar-year total return, 1990 to 31 October 2026



$100,000 rolled in 12-month term deposits over the past 10 years would have grown to **$125,400**, but due to inflation is worth about **$92,400** in today's money.

Bond volatility, particularly in 2022, put a lot of investors off.

Source: RBA (banks' 1-year term deposit rate, $10,000, monthly, to September 2026), ABS (CPI, year-ended, quarterly, to the September quarter 2026), Bloomberg (AusBond Composite 0+ Yr Index, calendar-year total returns, 2026 to 31 October). Term deposit example: each June's 1-year rate earned for 12 months, June 2016 to June 2026, interest reinvested, before tax; today's money is June 2026 dollars. Returns shown include reinvested interest. Past performance is not an indicator of future performance. You cannot invest directly in an index.

There are more sources of income than you might think

betashares

Three from shares, three from bonds. Each earns its income a different way.

Shares

Income from owning companies

1

Dividends, here and overseas

Companies screened for dividends they are expected to keep paying.

2

Covered call strategy

Own the shares and sell some of their future rise for income today.

3

Royalties

A share of someone else's sales: mines, medicines, music, chips.

Bonds

Income from lending

4

Fixed-rate bonds

Lend to governments and borrowers at a set rate.

5

Corporate bonds

The extra companies pay to borrow.

6

Bank bonds

Bank hybrids are being phased out, but there are alternatives.

1 in 2 investors say they **aren't diversified, or don't know**. The mistake can be relying on any one source by itself.

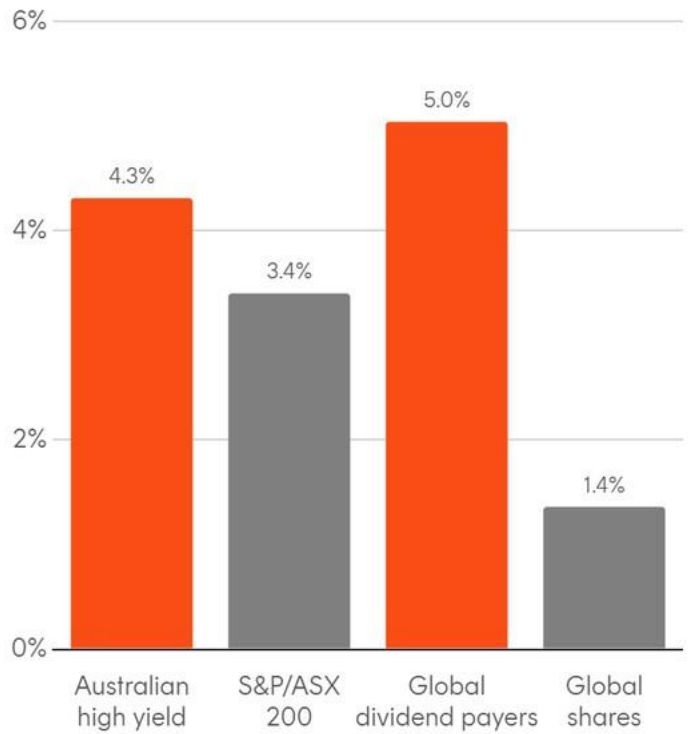
Source: ASX Australian Investor Study 2026. 34% say they are not adequately diversified and 15% are unsure.

Three sources of income from shares

betashares

1. Dividends

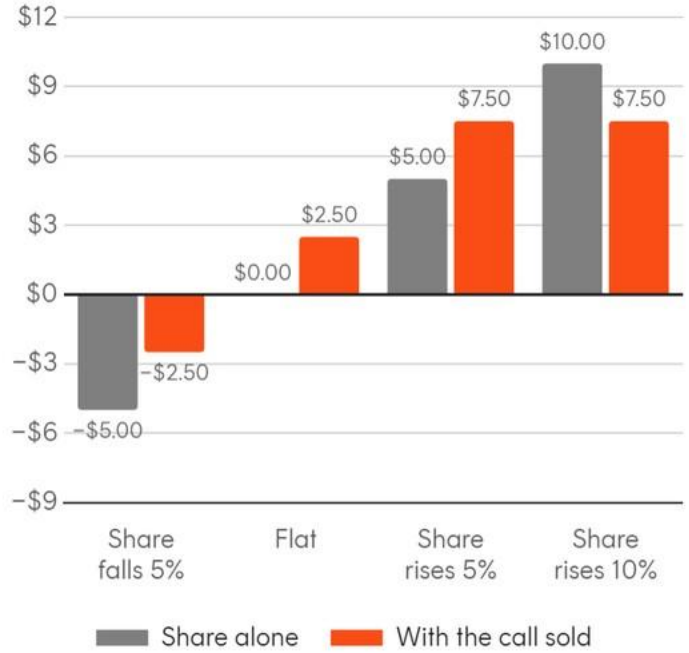
Companies sharing their profits



Screening for high-dividend-paying companies, without falling into dividend traps, in Australia and overseas.

2. Covered calls

Selling some of the upside for income



Sell someone the rise above $105 this month, for **$2.50 paid today**. Keep the share, and some of the upside.

Hypothetical figures used for illustrative purposes only.

3. Royalties

Paid income when others use the asset

Mining streams
A share of a mine's gold or silver, for the life of the mine

Land and energy
Paid on the oil and gas others pump

Medicines
A slice of a drug's sales

Chip designs
A fee on every chip shipped

Music
Paid each time a song plays

Unique, capital-light business models that produce income.

Source: Betashares, 12-month distribution yields as at 30 September 2026 (Australian high yield: HYLD; global dividend payers: INCM). Bloomberg, MSCI: S&P/ASX 200 and MSCI World trailing 12-month income return at 31 October 2026, excluding franking. Covered call example: hypothetical figures used for illustrative purposes only: one month, a $100 share with a call sold at $105 (5% above) for $2.50; ignores dividends, fees and tax; not a forecast, and not how any fund sets its calls. Yields will vary. Past performance is not an indicator of future performance.

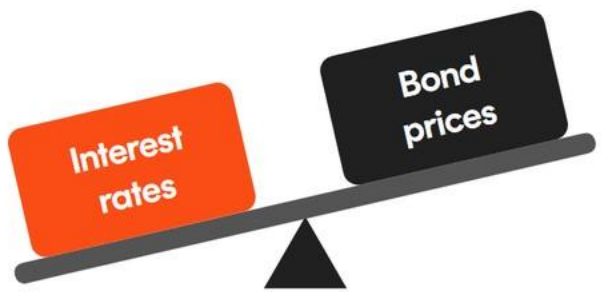
Three sources of income from bonds

betashares

4. Fixed-rate bonds

A set income, with prices on a seesaw

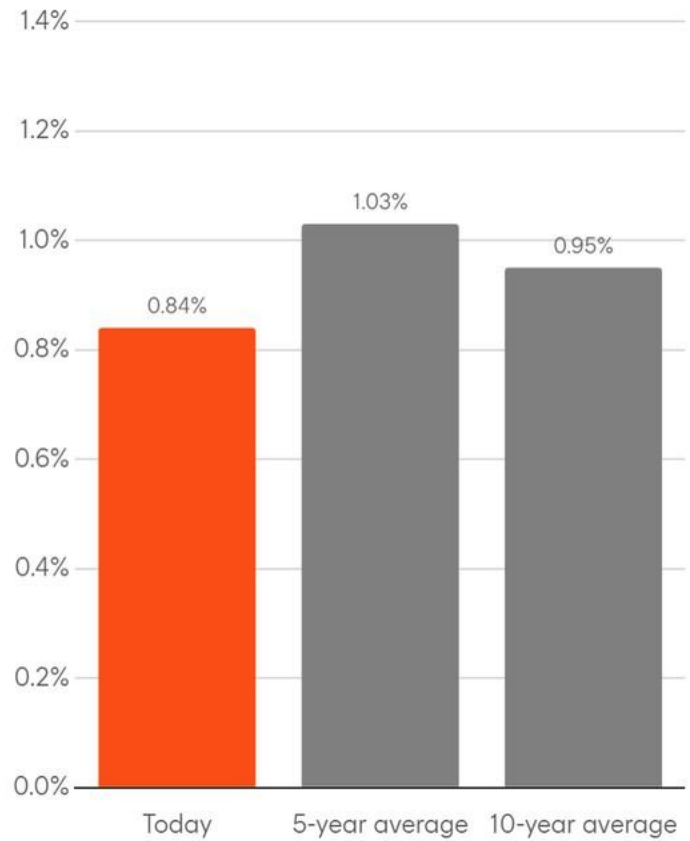
When one goes down, the other goes up



A $1,000 bond paying 5%: if new bonds pay 6%, it sells for about **$965**. After the fall, new money earns the higher rate.

5. Corporate bonds

The extra for lending to companies



Companies pay more than governments to borrow.

6. Bank bonds

Hybrids are going. Bank bonds remain

Repaid first, lower risk

1 **Deposits and senior bonds**
First in line

2 **Subordinated bonds**
More risk than senior bonds, so typically higher income

3 ~~**Hybrids**~~
Phased out by APRA, 2027 to 2032

4 **Shares**
Last in line

Repaid last, higher risk

Source: Betashares (bond example: illustrative five-year $1,000 bond with a 5% coupon, one year after issue; not a forecast). Bloomberg (AusBond Credit 0+ Yr Index option-adjusted spread over government bonds, daily, to 31 October 2026). APRA. Subordinated bonds can be converted to shares or written off if APRA decides a bank would otherwise be non-viable. Past performance is not an indicator of future performance.

On your own, each source has a barrier

betashares

Each takes time, money or access that most individual investors don't have.

Shares

Income from owning companies

1
Dividends, here and overseas

Pick and monitor 40-50 companies yourself

2
Covered call strategy

An options account, and writing calls every month

3
Royalties

Identifying the right companies, and overseas brokers

Bonds

Income from lending

4
Fixed-rate bonds

Most bonds trade in wholesale parcels, often $500,000 or more

5
Corporate bonds

Most bonds trade in wholesale parcels, often $500,000 or more

6
Bank bonds

Bank debt sold mainly to wholesale investors

Today, each is one ASX trade

betashares

Shares

Income from owning companies

1 Dividends, here and overseas

HYLD
Betashares S&P Australian Shares High Yield ETF

INCM
Betashares S&P Global High Dividend Aristocrats ETF

2 Covered call strategy

UMAX
Betashares S&P 500 Yield Maximiser Complex ETF

QMAX
Betashares Nasdaq 100 Yield Maximiser Complex ETF

YMAX
Betashares Australian Top 20 Equities Yield Maximiser Complex ETF

3 Royalties

ROYL
Betashares Global Royalties ETF

Bonds

Income from lending

4 Fixed-rate bonds

OZBD
Betashares Australian Composite Bond ETF

WBND
Betashares Global Aggregate Bond Currency Hedged ETF

5 Corporate bonds

HCRD
Betashares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF

6 Bank bonds

BSUB
Betashares Australian Major Bank Subordinated Debt ETF

Source: Betashares. For illustration only; not a recommendation to invest in any fund. See the PDS and TMD for each fund at www.betashares.com.au.

ETFs can offer not just access, but also expertise

betashares

1. Dividends

Steering around dividend traps

- Ranks companies on forecast dividends, not last year's
- Leaves out the 10% with the weakest price momentum
- Caps forecast yields at 12%: higher is treated as too good to be true

Betashares S&P Australian Shares High Yield ETF (HYLD)

2. Covered calls

The options strategy, run by experts

- Calls written for you following a rules-based approach, not by you

Betashares Australian Top 20 Equities Yield Maximiser Complex ETF (YMAX)
Betashares S&P 500 Yield Maximiser Complex ETF (UMAX)
Betashares Nasdaq 100 Yield Maximiser Complex ETF (QMAX)

3. Royalties

A global niche in one trade

- Global royalty companies identified and selected based on company reporting
- No overseas broker account needed

Betashares Global Royalties ETF (ROYL)

4. Fixed-rate bonds

Bonds without the $500,000 parcel

- Australian and global government and high-grade bonds
- Normally traded in wholesale parcels

Betashares Australian Composite Bond ETF (OZBD)
Betashares Global Aggregate Bond Currency Hedged ETF (WBND)

5. Corporate bonds

Access to a basket of Australian corporate bonds

- Investment-grade company bonds
- Some ETFs use bond futures to offset most of the interest-rate risk, so are mostly just exposed to the company risk

Betashares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF (HCRD)

6. Bank bonds

Wholesale bank debt, opened up

- The big four banks' subordinated bonds, usually wholesale only
- Floating rate: the income moves with interest rates

Betashares Australian Major Bank Subordinated Debt ETF (BSUB)

Source: Betashares. HYLD, UMAX, QMAX, YMAX, ROYL, OZBD, WBND, HCRD and BSUB product disclosure statements and fund descriptions. Option strikes vary with market volatility, which limits upside potential. Refer to the relevant Product Disclosure Statement and Target Market Determination for each fund for further information.

Diversified income sources can provide diversified portfolio returns

betashares

Calendar-year returns of each income source, 2020 to 2026 (year to date), after fees

Source	2020	2021	2022	2023	2024	2025	2026 to Oct
Australian dividends S&P/ASX 200 High Yield Select Index, less 0.25% (HYLD), simulated	+0.2%	+18.5%	+9.9%	+12.9%	+10.4%	+15.5%	+12.3%
Global dividends S&P World Ex-Australia High Yield Dividend Aristocrats Select Index, less 0.39% (INCM), simulated	−6.3%	+26.7%	−2.1%	+13.3%	+24.8%	+9.8%	+12.5%
Australian covered calls YMAX fund returns, after fees	−2.6%	+15.3%	+3.3%	+13.3%	+8.8%	+3.0%	+6.6%
US covered calls UMAX fund returns, after fees	−5.8%	+29.3%	−8.9%	+19.0%	+35.2%	+3.6%	+4.2%
Royalties Solactive Global Royalties Index, less 0.69% (ROYL), simulated	−6.0%	+28.3%	+21.8%	−2.7%	+25.3%	+25.8%	+15.4%
Fixed-rate bonds Bloomberg Australian Enhanced Yield Composite Bond Index, less 0.19% (OZBD), simulated	+6.0%	−3.9%	−12.6%	+6.8%	+3.8%	+3.5%	+1.6%
Rate-hedged corporate bonds Solactive Australian Investment Grade Corporate Bond Select DH Index, less 0.29% (HCRD), simulated	+4.6%	−0.3%	−1.6%	+9.2%	+8.8%	+6.5%	+2.6%
Bank subordinated bonds Solactive Australian Major Bank Subordinated FRN Index, less 0.29% (BSUB), simulated	+3.0%	+1.9%	+0.3%	+7.3%	+7.2%	+5.5%	+4.1%

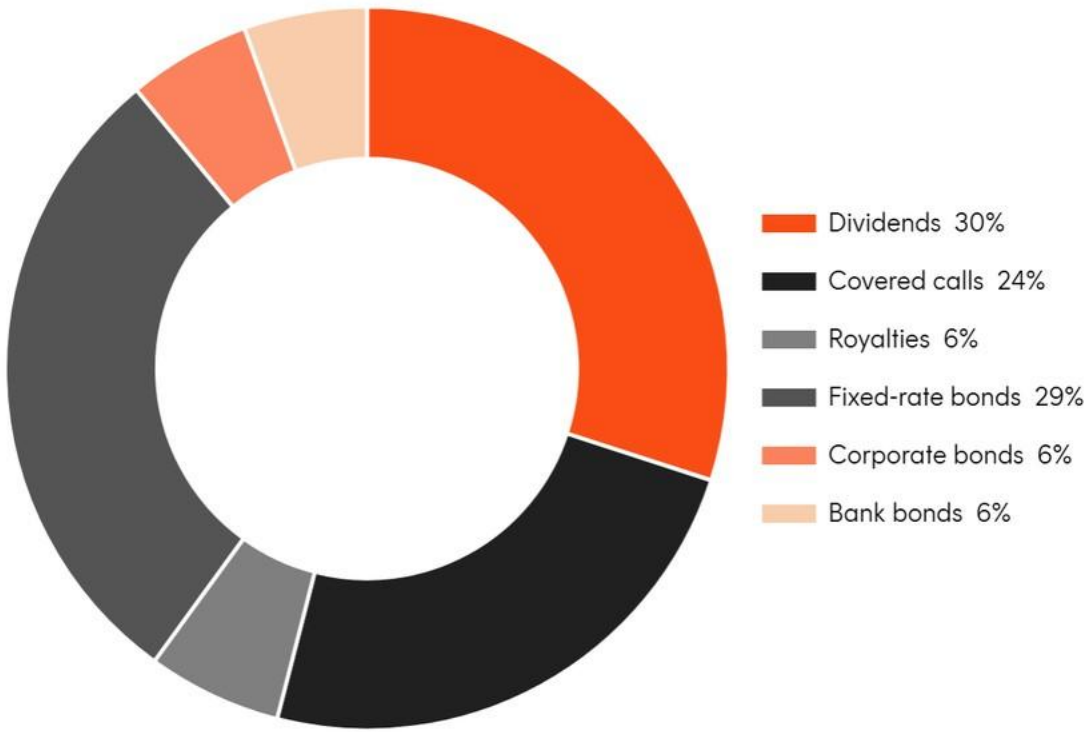
Source: Bloomberg, S&P, Solactive, Betashares. Calendar-year total returns in A$, 2026 to 30 October. Covered calls: fund returns after fees. Other rows are simulated: the index each ETF tracks less the ETF's current management fee, as shown (pro rata in 2026); these ETFs did not all exist, or track these indices, over the whole period. Funds: Betashares S&P Australian Shares High Yield ETF (HYLD); Betashares S&P Global High Dividend Aristocrats ETF (INCM); Betashares Australian Top 20 Equities Yield Maximiser Complex ETF (YMAX); Betashares S&P 500 Yield Maximiser Complex ETF (UMAX); Betashares Global Royalties ETF (ROYL); Betashares Australian Composite Bond ETF (OZBD); Betashares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF (HCRD); Betashares Australian Major Bank Subordinated Debt ETF (BSUB). For illustrative purposes only and not representative of actual fund performance. Actual outcomes may differ materially. Returns shown include reinvested dividends, distributions and interest, where applicable. Actual or simulated past performance is not indicative of future performance of any fund or strategy. You cannot invest directly in an index.

Bringing it all together: Betashares Direct Passive Income managed portfolio

A diversified portfolio containing each income source, managed by Betashares investment professionals

Where the money sits, by source

60% growth assets, 40% defensive



ETF	Weight
HYLD Australian high yield	24.0%
INCM Global dividend aristocrats	6.0%
YMAX Australian top 20 covered calls	12.0%
UMAX S&P 500 covered calls	6.0%
QMAX Nasdaq-100 covered calls	6.0%
ROYL Global royalties	6.0%
OZBD Australian bonds	15.5%
WBND Global bonds (hedged)	13.5%
HCRD Rate-hedged corporate bonds	5.5%
BSUB Major bank subordinated debt	3.5%
QPON Major bank senior floating rate bonds	2.0%

Source: Betashares Direct, Passive Income managed portfolio, target weights as shown at 5 November 2026; weights change over time. Managed portfolio fee: $3 a month up to $10,000, then 0.20% to 0.14% a year depending on the balance, plus each ETF's management fees and costs. Not a recommendation; consider your own circumstances, the Betashares Invest PDS and TMD at www.betashares.com.au/direct, and the PDS and TMD of each fund.

Same sources, your mix

betashares

Sam, 32

Saving, decades to go



75% growth	25% defensive
Invested	**$100,000**
Income, last 12 months	**5.2%**
Income a year	**$5,160**
Standard portfolio, same mix	**$2,600**

A 75/25 mix of the same ETFs, income reinvested

Mark, 60

Five years from retirement

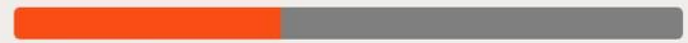


60% growth	40% defensive
Invested	**$500,000**
Income, last 12 months	**5.0%**
Income a year	**$24,880**
Standard portfolio, same mix	**$14,270**

Holds Passive Income as it is

Helen, 70

Retired, drawing a pension



40% growth	60% defensive
Invested	**$1,000,000**
Income, last 12 months	**4.7%**
Income a year	**$47,370**
Standard portfolio, same mix	**$31,950**

A 40/60 mix of the same ETFs; pays most of her 5% pension minimum

The yield falls as the mix gets safer, **but the income grows with the balance.**

Source: Betashares. Hypothetical investors for illustration only. Mark holds the Passive Income portfolio's target weights; Sam's and Helen's mixes scale its growth and defensive sleeves to 75/25 and 40/60. 12-month yields at 30 September 2026, covered calls on a 12-month basis. Standard portfolio: the underlying dividend and interest income of the holdings of the Betashares Diversified Growth ETF (DVGR, 75/25; holdings at 15 October 2026), re-mixed to the same growth/defensive split; not DVGR's own distributions. Before fees and tax, excluding franking. Pension minimum: 5% a year at ages 65-74 (ATO). Not a recommendation. Yields will vary.

Important information about simulated historical strategy performance

betashares

The figures on the next slide are a backcast to illustrate strategy performance over a longer period of time: today's portfolio weights applied to past markets.

Actual or simulated past performance is not representative of future performance of any fund or strategy.

A backcast of today's portfolio

Passive Income's target weights at 5 November 2026 are applied to every month from February 2019, the first month every index is available. The 75/25 and 40/60 mixes rescale the same growth and defensive ETFs. No investor held these portfolios over that period.

Recent changes applied to the past

Passive Income launched in December 2024 with some different ETFs. Today's ETFs, including HYLD, INCM and WBND, which listed in 2025, are held throughout. QMAX (6%), with no index history before it listed in October 2022, is left out and its weight spread across the other growth ETFs.

How returns are calculated

Where an ETF lacks history, its index's returns less the ETF's current management fee stand in; YMAX, UMAX and QPON use their own returns. Portfolios are rebalanced monthly, after management fees and a 0.20% a year managed portfolio fee, distributions reinvested, before tax.

Comparison with a standard portfolio

Built from the indices behind the holdings of the Betashares Diversified Growth ETF (DVGR) at the same mix, less DVGR's 0.19% fee. DVGR listed in August 2026, so this is simulated too. Shown for comparison only. It differs from the portfolio in objective, holdings, fees and risk.

For illustrative purposes only

Not representative of actual fund performance. Actual outcomes may differ materially. The information is not a recommendation or offer to make any investment or to adopt any particular investment strategy.

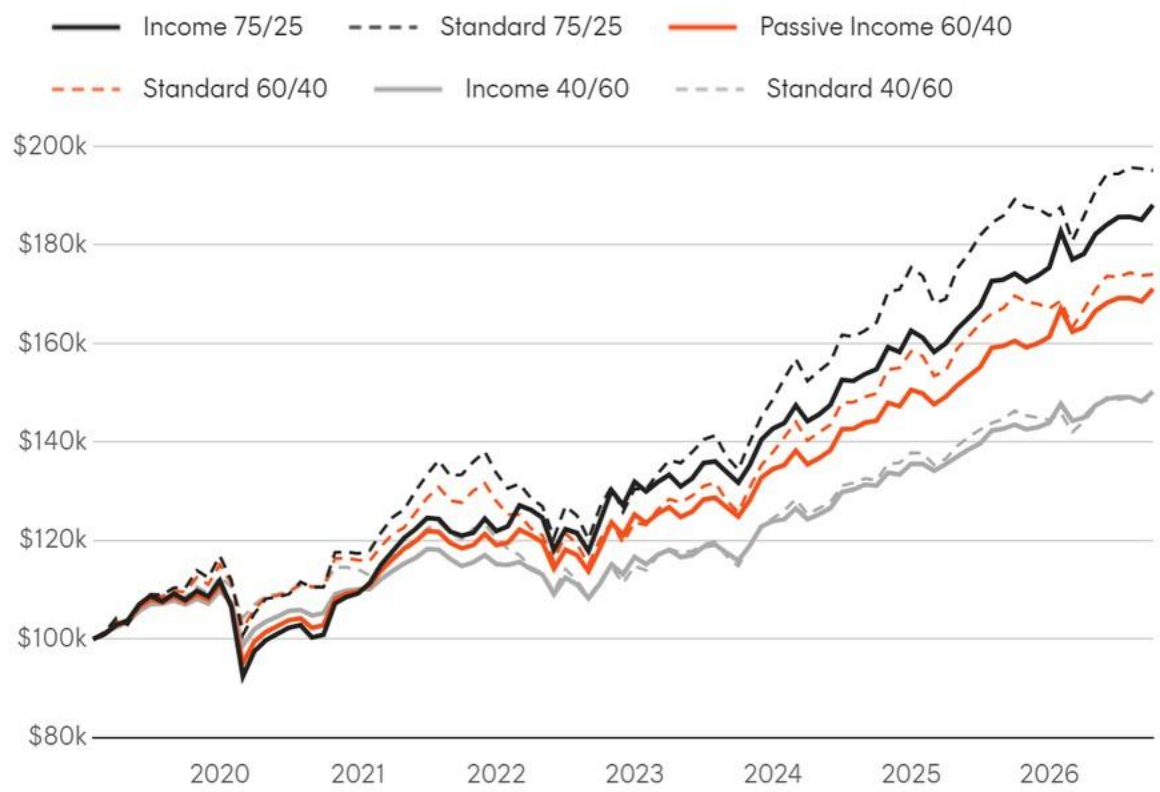
Source: Betashares, Bloomberg, S&P, MSCI, Solactive, to 31 October 2026. You cannot invest directly in an index.

Simulated standard and income-orientated historical returns at different risk profiles

betashares

Simulated historical strategy performance: $100,000, income reinvested

February 2019 to October 2026, after fees. Mixes shown as growth/defensive. Solid: income portfolio; dashed: standard portfolio, same mix



Simulated returns a year to 31 October 2026, after fees

	1 year	3 years	5 years	Since Feb 2019
Income 75/25 (Sam)	8.0%	12.6%	9.2%	8.6%
Standard 75/25	3.1%	13.2%	7.9%	9.1%
Passive Income 60/40 (Mark)	6.6%	11.1%	7.6%	7.3%
Standard 60/40	2.5%	11.4%	6.4%	7.5%
Income 40/60 (Helen)	4.7%	9.0%	5.5%	5.5%
Standard 40/60	1.8%	9.1%	4.4%	5.3%

Over the whole period, growth at each mix was close to a standard portfolio's, with 1.5 to 2.0 times the income.

Source: Betashares, Bloomberg, S&P, MSCI, Solactive. Refer to the previous slide for important information and key assumptions. Simulated, February 2019 (the first month all indices exist) to October 2026, rebalanced monthly, before tax. Income portfolios: Passive Income target weights at 5 November 2026, sleeves re-mixed for 75/25 and 40/60; QMAX (6%, no index) spread across the growth ETFs; YMAX, UMAX and QPON fund returns, other ETFs their index less fees; less a 0.20% a year portfolio fee. Standard portfolio: the indices behind DVGR's holdings at the same mix (S&P/ASX 200, MSCI World ex Australia A$, AusBond Composite, Global Aggregate A$ hedged), less DVGR's 0.19% fee. Returns over 3 years, 5 years and since February 2019 are a year (annualised); all to 31 October 2026. The standard portfolio is shown for comparison purposes only. For illustrative purposes only and not representative of actual portfolio performance. Actual outcomes may differ materially. Returns shown include reinvested dividends, distributions and interest, where applicable. Actual or simulated past performance is not indicative of future performance of any fund or strategy. You cannot invest directly in an index.

Higher income does not need to mean sacrificing all of the growth

betashares

1. Australian shares, term deposits and bonds can all play a part. Relying on just one or two is the usual mistake.

2. ETFs can provide investors with many sources of income across shares and bonds

3. Generating higher income from a portfolio does not have to come at the cost of all of the capital returns

Stability comes from spreading your income

betashares

73%

of investors prefer **guaranteed or stable returns**

1 in 2

say they **aren't diversified**, or don't know

Stability rarely comes from one safe source. **It comes from several that don't all fall at once.**

Source: ASX Australian Investor Study 2026. 73% prefer guaranteed or stable returns; 34% say they are not adequately diversified and 15% are unsure.

Things to consider

betashares

Investment risk

The value of an investor's portfolio can go down as well as up. Depending on the fund, risks may include:

- Market risk with equities.
- Currency risk with international investments.
- Interest rate risk and credit risk with fixed income funds.
- Gearing risk with geared funds.

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. It is not a recommendation to make any investment decision or adopt any investment strategy.

Not tax advice

Betashares is not a tax adviser. This information should not be construed or relied on as tax advice and investors should obtain professional, independent tax advice before making an investment decision.

Research

See the relevant Product Disclosure Statement (PDS) and Target Market Determination (TMD) at www.betashares.com.au for more information about risks and other features of each fund.

betashares

Questions?