

ETFs US Quality ETF

BEST

June 2025

Objective

BEST gives investors exposure to 100 large US companies that have superior quality characteristics, based on free cash flow margin (FCF), and return on invested capital (ROIC).

Benefits

Quality Focus

Invest in companies with strong free cash flow (FCF) and consistent return on invested capital (ROIC) both of which are key indicators of financial health and operational efficiency.

Diversified Exposure to leading US Companies

A diversified exposure across a variety of sectors and market caps.

Resilience during Economic Uncertainty

Companies with strong cash flows tend to better withstand economic shocks, potentially providing stronger investment outcomes during bear markets or recessions.

Performance

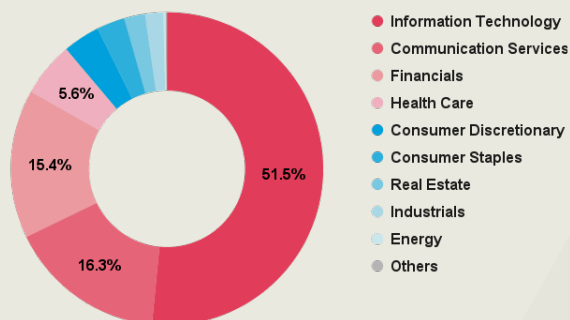
Total return (%)*	1M	YTD	1Y	3Y	5Y	Since inception
Fund	3.78	None	None	None	None	10.21
Benchmark	3.81	1.89	20.68	29.66	21.92	10.27
Tracking Diff.	-0.03	0.00	0.00	0.00	0.00	-0.07

* Total return in Australian dollar terms. Returns for periods greater than one year are annualised. Fund inception date 2 May 2025. Note that index and fund returns shown are 'net total return', meaning dividends are reinvested net of any withholding taxes across the entire index in proportion to prevailing index weights. Solactive United States Quality Cash Flow Index was launched in Feb 2025. Performance prior to this date is simulated. Index returns are theoretical and do not include the impact of fees or costs of investing. Past performance is not a reliable indicator of future results.

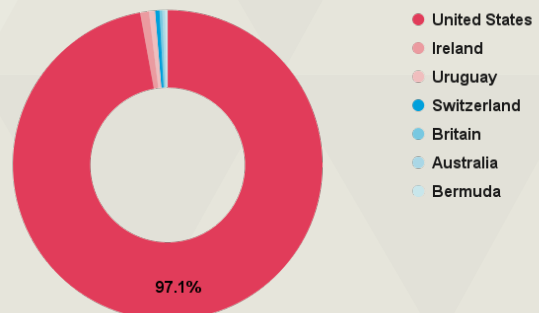
Fund Information

Exchange Code	BEST
IRESS	BEST.CXA
ISIN	AU0000393381
Index	Solactive United States Quality Cash Flow Index
Currency Hedged	no
Inception Date	02 May 2025
Mgt. Fee (%p.a.)	0.29
Fund Size(\$mn)	7.44
NAV per Unit (\$)	11.02
Distribution Frequency	annually
Rebalancing Frequency	semi-annually
Distribution Yield (%)	0.05

Sector breakdown



Country Breakdown



ETFs US Quality ETF

BEST

June 2025

Top 10 Holdings (%)

NVIDIA CORP	11.77	VISA INC-CLASS A	4.39
MICROSOFT CORP	10.84	ALPHABET INC-A	4.28
APPLE INC	8.79	MASTERCARD INC-A	3.79
BROADCOM INC	7.74	ALPHABET INC-C	3.79
META PLATFORMS-A	7.47	ABBVIE INC	1.92

Fundamentals

Number of holdings	100
P/E ratio	34.6
P/B ratio	11.4

Benchmark Description

The Index aims to measure the performance of 100 large US companies on a modified market capitalisation weighted basis. Companies must have had positive free cash flow (FCF) for the last 10 consecutive years and have higher FCF margins and higher FCF return on invested capital than their peers.

Construction of the Index starts with the companies in the Solactive GBS United States 500 Index. Only companies that have generated positive free cash flow (FCF) in the past 10 consecutive years are eligible for inclusion.

Companies are scored on two quality characteristics:

FCF margin = Free cash flow / Sales

FCF return on invested capital (FCF ROIC) = Free cash flow / (Total debt + Total shareholder equity)

Each score is calculated using values for the past five years.

To prevent extreme one-off values from distorting scores, companies' scores are winsorised at 3%. This means scores above the 97th percentile are adjusted down to the 97th percentile, and those below the 3rd percentile are adjusted up to the 3rd percentile.

Then, to make comparison easier, the scores of each company are standardised using z-scores. Z-scores measure how far a value is from the average and provide an easy way to compare peers. Z-scores are capped between -3, for those with the worst quality scores and +3, for those with the best scores. To smooth fluctuations, the 5-year average z-score is calculated for both FCF margin and FCF ROIC.

These two scores are then adjusted:

- If the score is positive: Final score = 1 + score
- If the score is negative: Final score = 1 / (1 - score)

The final quality score is the average of these two adjusted 5-year scores. Every company's score will fall between 0.25 and 4. The top 100 companies with the highest scores are selected for Index inclusion.

How companies are weighted within the Index

Company's weights are determined by multiplying their free-float market capitalisation by their final quality score. At each rebalance, a 10% cap is applied to prevent excessive concentration in any single company.

ETF Shares Management Limited ("ETF Shares") (operates under AFSL: 562 766) is the product issuer. Offers of interests in any retail product will only be made in, or accompanied by, a Product Disclosure Statement (PDS). For each retail product, ETF Shares has prepared a target market determination (TMD). Each PDS and TMD is available at www.etfshares.com.au. The information provided is general in nature and does not take into account your personal objectives, financial situation, or needs. Before acting on any information, you should consider its appropriateness with regard to your objectives, financial situation, and needs and seek independent financial, legal, and tax advice tailored to your circumstances. Any investment decision should only be made after reviewing and considering the relevant PDS and TMD. Investments in any product issued by ETF Shares are subject to investment risk, including possible delays in repayment, and loss of income and principal invested. The value or return of investments may fluctuate, and investors may lose some or all of their capital. Past performance is not a reliable indicator of future performance.

Contact Us

✉ info@etfshares.com.au

☎ (02) 8201 9400