



BETASHARES FUNDS  
**PRODUCT DISCLOSURE STATEMENT**

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BETASHARES  
**EURO ETF**  
**ASX CODE: EEU**

BETASHARES  
**BRITISH POUND ETF**  
**ASX CODE: POU**

BETASHARES  
**U.S. DOLLAR ETF**  
**ASX CODE: USD**

BetaShares Capital Ltd  
ABN 78 139 566 868 | AFSL 341181  
Dated: 29 September 2017



**BetaShares**  
Exchange Traded Funds

## IMPORTANT INFORMATION

### About this PDS

This Product Disclosure Statement (PDS) is dated 29 September 2017.

BetaShares Capital Ltd ABN 78 139 566 868 AFS Licence 341181 is the issuer of this PDS and is responsible for its contents. In this PDS references to the “Responsible Entity”, “BetaShares”, “we”, “our” and “us” refer to BetaShares Capital Ltd.

This PDS is the offer document for the following registered managed investment schemes: BetaShares U.S. Dollar ETF (147 517 280), BetaShares Euro ETF (ARSN 151 131 967), and BetaShares British Pound ETF (ARSN: 151 133 514). These are referred to in this PDS individually as “Fund” and collectively as “Funds” or “BetaShares Funds”.

A copy of this PDS has been lodged with the Australian Securities and Investments Commission (ASIC) on 29 September 2017. Neither ASIC nor ASX Limited takes any responsibility for the contents of this PDS.

BetaShares U.S. Dollar ETF commenced operations on 1 February 2011. BetaShares Euro ETF and BetaShares British Pound ETF commenced operations on 8 July 2011. An application was made to, and approved by, the ASX for Units in each Fund to be quoted for trading on the AQUA market of the ASX. The Units in these Funds are currently quoted for trading on the AQUA market of the ASX under the AQUA Rules.

The PDS is designed so that a number of BetaShares exchange traded funds may be offered under it over time. Additional funds may be added by the Responsible Entity issuing a supplementary PDS or a new PDS.

A copy of the latest PDS for the Funds being offered is available on the BetaShares website at [www.betashares.com.au](http://www.betashares.com.au) or by contacting BetaShares on (02) 9290 6888. A paper copy will be provided free of charge on request.

### The offer

The offer under this PDS is for persons who have been authorised as 'trading participants' under the ASX Operating Rules, called “Authorised Participants”. Certain sections of the PDS (particularly those relating to applications for and redemptions of Units in the normal course) are of direct relevance to such persons only.

Other investors cannot apply for Units under this PDS, but can buy Units on the ASX through a stockbroker, or via a financial adviser. Such investors may use this PDS for information purposes only.

The offer to which this PDS relates is available to Authorised Participants receiving the PDS (electronically or otherwise) in Australia

This PDS does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

No action has been taken to register or qualify the Funds in any jurisdiction outside Australia and New Zealand, although the Responsible Entity reserves the right to do so at any time. The distribution of this PDS outside Australia and New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

Units have not been registered under the United States Securities Act of 1933 (as amended) and except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulation S of such Act).

### PDS updates

Information in this PDS that is not materially adverse to investors is subject to change from time to time and may be updated by the Responsible Entity by publishing such information on the BetaShares website at [www.betashares.com.au](http://www.betashares.com.au). A paper copy of any updated information will be provided free of charge on request. Any new or updated information that is materially adverse to investors will be available to investors via a supplementary or new PDS accessible via the ASX Market Announcements Platform.

### Risks

An investment in the Units is subject to risk (refer to section 4 and the Product Supplement), which may include possible delays in repayment and loss of income and capital invested.

None of BetaShares Holdings Pty Ltd, BetaShares, or any of their related entities, directors or officers gives any guarantee or assurance as to the performance of, or the repayment of capital or income reinvested in, the Funds described in this PDS. BetaShares Holdings Pty Ltd and its related entities may invest in, lend to or provide other services to the Funds.

### Not personal advice

This PDS is prepared for general information only and is not financial product advice. It is not intended to be a recommendation by the Responsible Entity, any of the Responsible Entity's associates or any other person to invest in the Funds. In preparing this PDS, the Responsible Entity did not take into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, investors need to consider whether an investment in the Funds is appropriate to their needs, objectives and circumstances.

### Definitions

Certain terms used in this PDS are defined in the Glossary in section 8.

For further details on BetaShares Funds, please contact a stockbroker or financial adviser or visit [www.betashares.com.au](http://www.betashares.com.au).

## PRODUCT DISCLOSURE STATEMENT

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# 1 KEY FEATURES

## 1.1 ABOUT THE FUNDS

The Funds are exchange traded funds (or “ETFs”). ETFs are managed investment funds that are traded on a stock exchange, such as the ASX, much like listed shares.

Currency ETFs, such as the Funds, are designed to enable investors to earn a return that tracks the performance of specified foreign currencies, before fees and expenses.

The Funds seek to provide a simple and convenient investment alternative for investors interested in gaining exposure to the performance of certain foreign currencies, without the need to invest directly in the foreign exchange market.

The Funds use a “passive” approach to try to achieve their objectives.

This means they do not engage in activities designed to protect against, or profit from, fluctuations in the price of the specified currency.

In addition, because the Units of the Funds will be quoted on the ASX, investors can benefit from simple trading of their investment, including the ability to buy and sell during the course of the trading day, much like listed shares.

The Funds carry certain investment risks. For information on the risks applicable to the Funds, see section 4.

## 1.2 SUMMARY OF KEY INFORMATION

The following table briefly summarises some of the key information contained in this PDS. It is not a complete summary of this PDS and you should read the PDS in its entirety. You should seek your own professional investment advice before deciding to invest in the Funds.

TABLE 1.2: SUMMARY OF KEY INFORMATION

TOPIC	SUMMARY	SECTION
Investment Objective	<p>The investment objective of each Fund is to track the change in value of a specified foreign currency relative to the Australian Dollar, before taking into account fees and expenses.</p> <p>There are three Funds described in this PDS:</p> <p>BetaShares British Pound ETF, offering exposure to the performance of the British Pound;</p> <p>BetaShares Euro ETF, offering exposure to the performance of the Euro; and</p> <p>BetaShares U.S. Dollar ETF, offering exposure to the performance of the U.S. Dollar.</p> <p>Each of the Funds allows investors to gain exposure to the performance of the specified currency without the need to invest directly in the foreign exchange market.</p>	<b>1 and 2.3.1</b>
Investing	<p>The offer in this PDS is only available to Authorised Participants.</p> <p>Units can only be acquired in multiples of 75,000 under this PDS unless the Responsible Entity agrees otherwise. Every 75,000 Units represents one “Creation Unit”.</p> <p>Application amounts are payable in cash in the currency specified in the name of the relevant Fund, unless the Responsible Entity agrees otherwise. Applications are subject to an application fee described in section 3.</p> <p>Subject to market conditions, investors may purchase Units by trading on the ASX. The purchase of Units on the ASX is not governed by the terms of this PDS and therefore the minimum investment does not apply to purchases of Units on the ASX.</p>	<b>5</b>
Redemptions	<p>A Unitholder can only redeem Units if it is an Authorised Participant who is an Australian Resident.</p> <p>Units can only be redeemed in multiples of 75,000 under this PDS unless the Responsible Entity agrees otherwise.</p> <p>The amount payable to a Unitholder on redemption will be paid in cash in the currency specified in the name of the relevant Fund, unless the Responsible Entity agrees otherwise.</p> <p>In certain specified circumstances, redemption requests may be delayed or rejected. See section 6.2.7 for further information.</p> <p>Subject to market conditions, investors may sell their Units by trading on the ASX. The sale of Units on the ASX is not governed by the terms of this PDS and therefore the minimum redemption does not apply to sales of Units on the ASX.</p>	<b>5 and 6.2.7</b>

TOPIC	SUMMARY	SECTION
Distributions	In the event that any income earned by a Fund exceeds the sum of the Fund's fees and expenses, the net income will be converted into Australian Dollars at the prevailing market exchange rate and the Fund will distribute the income to Unitholders at least annually. There is no guarantee that the Fund will distribute any income to Unitholders.	2.4
Risks	There are a number of risks associated with investing in the Funds.  Before investing, investors should carefully consider the risks associated with an investment in the Funds and obtain financial advice on whether an investment in the Funds is suitable for their objectives, financial situation and needs.  For full details on the risks of investing, see section 4.	4
Fees and other costs	Fees and other costs as described in section 3 of this PDS will apply.	3
Tax	Tax information of a general nature is set out in section 7. Investors should seek their own professional tax advice which takes into account their particular circumstances.	7
Complaints	The Responsible Entity has a process in place to deal with complaints from Unitholders.	6.2.21
Responsible Entity	BetaShares Capital Ltd is the responsible entity of each Fund and is the issuer of this PDS.	1.3

### 1.3 ABOUT BETASHARES

BetaShares Capital Ltd is the responsible entity of the Fund and is responsible for the ongoing management of the Fund.

The Responsible Entity is an Australian asset management business located in Sydney which was established in 2009 to be a specialist provider of fund products that are exchange traded. The Responsible Entity launched its first funds in 2010. As at the date of this PDS, it manages over \$4.6 billion in assets and acts as responsible entity for more than 40 funds whose units are, or are expected to be, quoted for trading on the Australian Securities Exchange under the AQUA Rules. These funds provide exposure to the performance of specific equity strategies, equity indices, fixed income strategies, fixed income indices, currencies, commodities or commodity indices. The primary focus of the Responsible Entity's business is the operation of funds that are exchange traded.

The Responsible Entity is a member of the Mirae Asset Global Investments Group. Mirae Asset Global Investments Co., Ltd., which is the international asset management business within Mirae Asset Financial Group, is one of Asia's largest asset management firms, managing over US\$100 billion in assets globally as of 31 August 2017, including more than US\$10 billion in exchange traded funds.

No member of the Mirae Asset Global Investments Group, or any of its related entities, directors or officers gives any guarantee or assurance as to the performance of, or the repayment of capital invested in, the Fund.

The Responsible Entity has sufficient working capital to enable it to operate the Fund as outlined in this PDS.

### 1.4 ADMISSION TO TRADING UNDER THE AQUA RULES

Units in the Funds have been admitted to trading status on the ASX

under the AQUA Rules. The AQUA Rules form part of the ASX Operating Rules. The Funds will not be listed on the ASX under the ASX Listing Rules.

The AQUA Rules provide a tailored framework for the quotation of exchange traded funds, managed funds and structured products on the ASX.

In operational terms, the market for products quoted under the AQUA Rules operates in the same way that it does for listed equities, with continuous matching of bids and offers and an opening and closing auction.

#### AQUA Rules: fundamental difference

The key distinction between products admitted under the ASX Listing Rules and those quoted under the AQUA Rules is the level of control and influence that the issuer of the relevant product has over the value of the underlying assets of the product.

Under the ASX Listing Rules, listed equity securities typically reflect the value of the business operated by the issuer. By contrast, the value of a product quoted on AQUA typically reflects the performance of the underlying assets.

The following table highlights the key specific differences between the AQUA Rules and the ASX Listing Rules.

ASX LISTING RULES	AQUA RULES
<b>Continuous Disclosure</b>	
<p>Issuers are subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and Section 674 of the <i>Corporations Act</i>.</p>	<p>Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the <i>Corporations Act</i> but must disclose information about:</p> <ul style="list-style-type: none"> <li>• the Net Tangible Assets (“NTA”) or the Net Asset Value (“NAV”) of the funds;</li> <li>• distributions declared; and</li> <li>• any other information that is required to be disclosed to ASIC under section 675 of the <i>Corporations Act</i> must be disclosed via the ASX Market Announcements Platform at the same time it is disclosed to ASIC. The Responsible Entity also intends to post any such information on its website <a href="http://www.betashares.com.au">www.betashares.com.au</a> at the same time.</li> </ul> <p>AQUA Product issuers must also disclose to the ASX any information the non-disclosure of which may lead to the establishment of a false market in its products or would materially affect the price of its products.</p>
<b>Periodic Disclosure</b>	
<p>Issuers are required to disclose their half- yearly and annual financial information or annual reports to the ASX under Chapter 4 of the ASX Listing Rules.</p>	<p>Financial reports relating to the issuer itself are not required to be disclosed to the ASX. However, periodic financial reports relating to the AQUA Product must be disclosed to the ASX at the same time they are lodged with ASIC under Chapter 2M of the <i>Corporations Act</i>.</p>
<b>Corporate Control</b>	
<p>Requirements in the <i>Corporations Act</i> and the ASX Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors’ interests and substantial shareholdings, apply to companies and listed schemes.</p>	<p>These requirements do not apply to AQUA product issuers. Section 601FM of the <i>Corporations Act</i> continues to apply to the removal or change of the responsible entity. An extraordinary resolution would be required to change the responsible entity. An extraordinary resolution is a resolution passed by a majority of the total votes that may be cast by members entitled to vote on the resolution.</p>
<b>Related Party Transactions</b>	
<p>Chapter 10 of the ASX Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.</p>	<p>Chapter 10 of the ASX Listing Rules does not apply to AQUA Products. Products quoted under the AQUA Rules which are registered managed investment schemes remain subject to the related party requirements in Part 5C.7 and Chapter 2E of the <i>Corporations Act</i>.</p>
<b>Auditor Rotation Obligations</b>	
<p>There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the <i>Corporations Act</i>.</p>	<p>Issuers of products quoted under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the <i>Corporations Act</i>. A responsible entity of a registered managed investment scheme will continue to be required to undertake an independent audit of its compliance with the scheme’s compliance plan in accordance with Section 601HG of the <i>Corporations Act</i> and the auditor must not be the auditor of the scheme’s financial statements (but may be from the same firm).</p>
<b>Spread Requirements</b>	
<p>There are requirements under the ASX Listing Rules that issuers satisfy certain minimum spread requirements (i.e. a minimum number of holders each having a minimum parcel size).</p>	<p>These requirements do not apply to AQUA Product issuers. Under the AQUA Rules, unless and until a suitable spread of holders is achieved, an AQUA Product issuer must ensure a reasonable bid and volume is maintained for the AQUA Product on the ASX except in permitted circumstances, or have in place other arrangements which meet ASX’s requirements for providing liquidity, generally through the appointment of a market making agent.</p>

## 2 ABOUT THE FUNDS

### 2.1 RATIONALE FOR THE FUNDS

The purpose of the Funds is to provide investors with a cost-effective and convenient way to gain investment benefits similar to those that may come from investing directly in the relevant foreign currency. Potential advantages of investing in the Units may include:

Easily accessible. Units will be quoted on the ASX, providing investors with indirect exposure to the desired currency in an easily-accessible form.

Cost efficient. The Responsible Entity believes that, for many investors, the costs associated with the purchase of Units on the ASX and the payment of a Fund's ongoing costs and expenses will be lower than those associated with buying the relevant foreign currency directly from a bank.

Transparent. The value of each Fund's assets and Net Asset Value per Unit will be reported daily on the BetaShares website at [www.betashares.com.au](http://www.betashares.com.au).

### 2.2 THE FOREIGN EXCHANGE MARKET

#### Overview

In every economy, prices are expressed in units of currency. The value of the currency itself, however, can only be judged against an external reference. This reference – the exchange rate – is therefore the fundamental price in any economy.

Most often, the reference against which a currency's value is measured is other currencies. Determining the relative values of different currencies is the role of the foreign exchange market, and the foreign exchange market is therefore a critical foundation for all other financial markets.

The currency market is the largest and most liquid financial market in the world, with turnover in excess of US\$3 trillion per day.

Foreign exchange trading generally operates as an over-the-counter market, meaning participants negotiate directly with one another. The market is decentralised, with no central exchange or clearing house, although the biggest geographic trading centre is London, followed by New York. Markets for foreign exchange operate continuously 24 hours a day, excluding weekends.

#### Participants

The main participants in the foreign exchange market are banks (including central banks), investment banks, money managers, multinational corporations and institutional investors. These participants access the market for many reasons, including to facilitate the purchase of goods and services from abroad, to invest in assets denominated in foreign currency, to speculate on currency movements and, in the case of central banks, to influence exchange rates.

The most significant participants in the market are the major international commercial banks that act as both brokers and as dealers. In their dealer role, these banks seek to profit from changes in exchange rates. In their broker role, the banks handle buy and sell orders from commercial customers, such as multinational corporations.

A small number of large international banks accounts for a large proportion of currency dealing worldwide, with the ten most active traders accounting for more than 75% of trading volume. These banks provide the market with "bid" and "ask" prices on a continuous basis. The bid/ask spread is the difference between the price at which a bank will sell and the price at which it will buy from a customer. The

customer will buy at the higher "ask" price, and will sell at the lower "bid" price, thus giving up the spread as the cost of completing the trade.

The inter-bank market, which is characterised by high transaction volumes and very low spreads, is highly efficient. As transaction volumes decrease, the difference between bid and ask prices (and hence the effective cost of transacting) increases.

Retail traders (individuals) constitute a growing segment of the foreign exchange market. Currently, individuals participate indirectly through brokers or banks/dealers.

Brokers act as an agent of the customer by seeking the best price in the market for a retail order, and dealing on behalf of the retail customer. They charge a commission or mark-up in addition to the price obtained in the market. Banks and dealers, by contrast, typically act as principal in the transaction versus the retail customer, and quote a price they are willing to deal at. The spread quoted to retail customers is typically much wider than that which applies in the inter-bank market.

#### Supply and demand

Supply and demand for any given currency, and thus its value, are influenced by a wide range of economic and political factors, as well as by market sentiment.

Fluctuations in exchange rates are caused by actual monetary flows as well as by expectations of changes in monetary flows caused by changes in gross domestic product growth, inflation, interest rates, speculative activity, budget and trade deficits or surpluses, large cross-border M&A deals and other macroeconomic conditions.

#### How exchange rates are quoted

Currencies are traded against one another. The exchange rate between any two currencies can be expressed in two alternative but equivalent ways. For example, the exchange rate between the Euro and the Australian Dollar could be expressed either as (for example):

1 AUD = 0.75 Euro; or

1 Euro = 1.33 AUD

In this example, if the Australian Dollar was to decline in value relative to the Euro, 1 AUD would be worth less than

0.75 Euro and (equivalently), 1 Euro would be worth more than 1.33 AUD.

## 2.3 INVESTMENT POLICY

### Investment objective

The investment objective of each Fund is to track the change in value of a specified foreign currency relative to the Australian Dollar, before taking into account fees and expenses. The relevant currency for each Fund is:

FUND	RELEVANT CURRENCY
BetaShares British Pound ETF	British Pound Sterling
BetaShares Euro ETF	Euro
BetaShares U.S. Dollar ETF	U.S. Dollar

There is no assurance or guarantee that the returns of the Funds will meet their investment objectives.

### Investment strategy

The Funds use a “passive” investment strategy to try to achieve their objectives. This means they do not engage in activities designed to protect against, or profit from, fluctuations in the price of the relevant currency.

It is intended that each of the Funds will invest primarily in bank deposit accounts denominated in the relevant currency applicable to the Fund.

The Funds may also gain exposure to the relevant currency by investing in wholesale cash management trusts (denominated in the relevant currency) that offer daily liquidity and carry, at the time of investment, the highest credit rating from one of the major credit rating agencies.

As at the date of this PDS, deposit accounts have been established with the Sydney branch of JPMorgan Chase Bank N.A. The Responsible Entity will assess the risk and return characteristics of the deposit accounts which it holds from time to time and may in the future establish additional accounts, or close existing accounts. In selecting any additional or replacement banks, the Responsible Entity may have regard to a number of criteria, including but not limited to the requirement that a bank must be (or must be a subsidiary of) a reputable and regulated institution, subject to prudential supervision in Australia or elsewhere. The Responsible Entity may also, in its discretion, have regard to any other criteria it deems relevant in light of the then current market conditions, and having regard at all times to the best interests of Unitholders.

Any interest earned from holding assets will accrue to the benefit of the relevant Fund.

### Environmental, social and ethical considerations

The Responsible Entity does not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments.

### Performance

Performance information for each Fund, and the Net Asset Value for each Fund, will be published on the BetaShares website at [www.betashares.com.au](http://www.betashares.com.au). Information relating to past performance is not a reliable indicator of future performance.

### Changes to investment objectives and strategy

The Responsible Entity may from time to time vary the investment mandate for any Fund as set out in this PDS (i.e. the investment objective and strategy described in sections 2.3.1 and 2.3.2).

Any significant change to the investment mandate will be notified to investors and potential investors via a supplementary or new PDS accessible through the ASX Market Announcements Platform.

## 2.4 DISTRIBUTIONS

A Fund may earn income such as interest on foreign currency cash deposits held in the Fund. A Fund may also realise foreign currency gains or losses on the disposal of foreign currency held in the Fund. There is no guarantee that any income generated by a Fund will be greater than the Fund's fees and expenses. As such, there is no guarantee that a Fund will distribute any income to Unitholders.

In the event that the income earned by a Fund exceeds the sum of the Fund's fees and expenses, the net income will be converted into Australian Dollars at the prevailing market exchange rate (generally at or around the date of declaration of the distribution) and the Fund will distribute the income to Unitholders in accordance with the Constitution.

### Distributions

Unitholders holding Units in a Fund at the end of a distribution period are entitled to a pro-rata share of the distributable income (if any) for that period based on the number of Units held in the Fund at the end of the distribution period.

Any income of a Fund will be distributed at least annually in respect of the period ending on 30 June each year. The amount of distributable income at the end of any distribution period will be determined by the Responsible Entity.

Distributions will generally be paid within 15 business days of the end of the distribution period to which they relate by deposit to a Unitholder's nominated Australian bank, building society or credit union account.

The amount of the distribution paid by a Fund will vary from period to period, and there may be periods when a Fund will not pay a distribution.

The Net Asset Value of a Fund will fall at the end of a distribution period to reflect any distribution from the Fund. Unitholders who invest towards the end of a distribution period may find that they receive some of their capital as income via the distribution.

The Responsible Entity may, in its discretion, change the duration of a distribution period for a Fund (provided that distribution periods cannot be longer than one year).

Unitholders may also become entitled to the distributable income of a Fund on the redemption of their Units. See section 7.1.5 for further information.

Information about the timetable for each distribution and the declared distribution amount will be announced via the ASX Market Announcements Platform.

### Distribution statement

The Responsible Entity will, as soon as reasonably practicable after the end of each financial year, issue to each Unitholder who received an entitlement to the distributable income of a Fund during a financial year a statement which outlines the amount and composition of the taxable income of the Fund to which the Unitholder became entitled.

### **Distribution Reinvestment Plan**

The Responsible Entity has established a distribution reinvestment plan (DRP) for each of the Funds.

Participation in the DRP is subject to the terms and conditions of the DRP policy document, which is available at no charge by contacting BetaShares on 1300 487 577 (within Australia). Any DRP is currently available only to Unitholders who have a registered address in Australia or New Zealand, unless otherwise determined by the Responsible Entity.

Eligible Unitholders can choose to:

- participate in the DRP, meaning all distributions from the

Fund will be reinvested in additional Units in the Fund; or

- have the distributions paid directly to a nominated Australian bank, building society or credit union account.

Full or partial reinvestment is available. If no DRP election is made, the distributions will automatically be paid into the nominated Australian bank, building society or credit union account.

Eligible Unitholders can elect to participate in the DRP by completing an on-line form available on the Registrar's website or by contacting the Registrar (further information will be provided in the information pack sent to you when you become a Unitholder).

## 3 FEES AND OTHER COSTS

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

### 3.1 FEES AND OTHER COSTS

This PDS shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from each Fund's assets as a whole. Taxes are set out in another part of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TABLE 3.1: TABLE OF FEES AND OTHER COSTS

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE MANAGED INVESTMENT PRODUCT		
Establishment fee:	Nil	Not applicable.
The fee to open your investment		
Contribution fee:	If you are not an Authorised Participant - \$0	Payable only by Authorised Participants <sup>1</sup> .
The fee on each amount contributed to your investment	If you are an Authorised Participant - \$750	This fee will be payable by Authorised Participants together with the application amount at the time of the application.
Withdrawal fee:	If you are not an Authorised Participant - \$0	Payable only by Authorised Participants <sup>1</sup> .
The fee on each amount you take out of your investment	If you are an Authorised Participant - \$1,500	This fee will be deducted from the redemption proceeds at the time of the redemption
Exit fee:	Nil	Not applicable.
The fee to close your investment		
Management costs:	Capped (while this PDS is current) at 0.45% per annum of each Fund's Net Asset Value	As at the date of this PDS, the management costs of each Fund consist of the following components:  Management fee  0.45% per annum of each Fund's Net Asset Value.

The fees and costs for managing your investment	The management fee is calculated and accrued daily as a percentage of each Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from each Fund's assets monthly on or after the first day of the following month.
	Plus
	Recoverable expenses
	0.00% per annum of each Fund's Net Asset Value. <sup>2</sup>
	The recoverable expenses are calculated and accrued daily as a percentage of each Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from each Fund's assets monthly on or after the first day of the following month.
	Plus
	Indirect costs
	0.00% per annum of each Fund's Net Asset Value. <sup>3</sup>
	Indirect costs are accrued daily as a percentage of the Fund's Net Asset Value per Unit the amount is deducted from the Fund's assets as and when they arise.
Service fees	
Investment switching fee:	Nil
	Not applicable.
The fee for changing investment options	

<sup>1</sup>An Authorised Participant is a trading participant under the ASX Operating Rules who has entered into an agreement with the Responsible Entity in relation to Unit applications and redemptions. For an explanation of the contribution fees and withdrawal fees (also referred to in this PDS as application fees and redemption fees) please see section 3.3.6 "Application and Redemption Fees for Authorised Participants" in the "Additional Explanation of Fees and Costs".

<sup>2</sup> This figure reflects the recoverable expenses incurred by each Fund for the previous financial year ended 30 June 2017. Any expenses normally incurred in operating each Fund are paid by the Responsible Entity out of the management fee it receives. See "Recoverable expenses" in the "Additional Explanation of Fees and Costs" section below for more information.

<sup>3</sup> This figure reflects the indirect costs incurred by each Fund for the previous financial year ended 30 June 2017. For more information on the meaning and calculation of indirect costs, see "Indirect costs" in the "Additional Explanation of Fees and Costs" section below.

Certain additional costs apply, such as transactional and operational costs. See explanation of "Management costs" in the "Additional Explanation of Fees and Costs" section below for more information.

Each fee set out in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of "Differential fees, rebates and related payments" in the "Additional Explanation of Fees and Costs" section below.

All fees and costs in the table above include Goods and Services Tax (GST) net of any reduced input tax credits.

## 3.2 EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the fees and costs can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

TABLE 3.2: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE – all Funds in PDS	AMOUNT	BALANCE OF \$50,000 WITH A CASH CONTRIBUTION OF \$5,000 DURING THE YEAR
<b>CONTRIBUTION FEES</b>		For every additional \$5,000 you put in, you will be charged:
	\$0 if you are not an Authorised Participant; or	\$0 if you are not an Authorised Participant; or
	\$750 if you are an Authorised Participant	\$750 if you are an Authorised Participant.
<b>PLUS MANAGEMENT COSTS<sup>2</sup></b>  (management fee plus recoverable expenses plus indirect costs)	0.45% p.a. of each Fund's Net Asset Value	And, for every \$50,000 you have in the Fund you will be charged \$225 each year.
<b>EQUALS COST OF FUND</b>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 <sup>3</sup> during that year, you would be charged fees of \$225 (if you are not an Authorised Participant) or \$975 (if you are an Authorised Participant for the Fund).  <b>What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.</b>

An Authorised Participant who redeems Units directly will also be charged a withdrawal fee of \$750.

Each fee in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of "Differential fees, rebates and related payments" in the "Additional Explanation of Fees and Costs" section below.

<sup>1</sup> Please note the minimum investment in the Fund by an Authorised Participant is for 75,000 Units unless the Responsible Entity agrees otherwise.

<sup>2</sup> Management costs are made up of the management fee of 0.45% p.a., recoverable expenses of 0.00% p.a. and estimated indirect costs of 0.00% p.a., of each Fund's Net Asset Value. Certain additional costs may apply, such as transactional and operational costs. For more information, refer to "Management costs" in the "Additional Explanation of Fees and Costs" section below.

<sup>3</sup> Assumes the \$50,000 is invested for the entire year and the \$5,000 investment occurs on the last day of the year.

## 3.3 ADDITIONAL EXPLANATION OF FEES AND COSTS

### 3.3.1 Management costs

The management costs for each Fund incorporate all relevant ongoing fees and other costs involved in managing each Fund and deriving investment returns. The management costs comprise:

- Responsible Entity's management fee;
- recoverable expenses; and
- indirect costs.

Management costs do not include:

- transactional and operational costs, such as brokerage, transactional custodian fees, and other transaction fees associated with buying and selling the Fund's assets; and

- other costs that an investor would ordinarily incur when investing directly in each Fund's underlying assets.

(These costs are therefore not included in the management costs set out in Table 3.1 and Table 3.2 above, but they are paid out of the Fund's assets).

### 3.3.2 Management fee

The management fee is charged by the Responsible Entity for managing each Fund and making it available to investors. It is calculated and accrued daily as a percentage of each Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from each Fund's assets monthly on or after the first day of the following month.

### 3.3.3 Recoverable expenses

The expenses normally incurred in the day to day operation of each Fund include custodian, fund administration, unit registry, ASX and audit costs (other than transactional and operational costs

described above). These expenses normally incurred will be paid by the Responsible Entity out of the management fee it receives while this PDS is current. The Responsible Entity may withdraw or replace this PDS at any time.

The recoverable expenses normally incurred by each Fund for the previous financial year ended 30 June 2017 were 0.00% p.a. of the Fund's Net Asset Value, as these expenses were paid out of the Responsible Entity's management fee.

Extraordinary expenses are expenses that are not normally incurred in the day to day operation of a Fund and are not necessarily incurred in any given year. They may include costs associated with holding unitholder meetings, changing a Fund's constitution, or defending or pursuing legal proceedings. Extraordinary expenses will not be paid Responsible Entity out of the management fee it receives. Any such expenses will be recovered from the relevant Fund and reflected in its Net Asset Value per Unit. At the date of this PDS the estimate of extraordinary expenses of each Fund for the previous financial year ended 30 June 2017 were nil.

#### **3.3.4 Indirect costs**

Indirect costs are any amounts that we know or where required, reasonably estimate, will reduce a Fund's returns that are paid from the Fund's assets (other than the management fee, recoverable expenses, and transactional and operational costs described elsewhere in this section) or that are paid from the assets of any interposed vehicle (such as an underlying fund) in which the Fund may invest.

At the date of this PDS the indirect costs of each Fund for the previous financial year ended 30 June 2017 were 0.00% p.a. of the Net Asset Value of the Fund.

#### **3.3.5 Transactional and operational costs**

Each Fund may incur transactional and operational costs, such as transactional custodian fees, and other transaction fees associated with buying and selling the respective Fund's assets. Transactional and operational costs are an additional cost and are not included in the management costs.

The Fund's total transactional and operational costs for the previous financial year ended 30 June 2017 are estimated at 0.00% p.a. of the Fund's Net Asset Value. The transactional and operational costs are borne by the Fund.

Any transactional and operational costs are in addition to the management costs set out in Table 3.1 and Table 3.2 above.

The amount of these costs can be expected to vary from year to year depending on the volume and value of transactions undertaken.

#### **3.3.6 Application and redemption fees for Authorised Participants**

No application fees or redemption fees are payable by investors who buy and sell Units on the ASX. However, brokerage charges may apply.

Application fees and redemption fees will only be payable by Authorised Participants on an application for or redemption of Units directly with each Fund.

The applicable application and redemption fees are set out in Table 3.1 above and are paid by Authorised Participants to the Responsible Entity.

#### **3.3.7 Stockbroker fees**

Investors may incur customary brokerage fees and commissions when buying and selling Units on the ASX, as for any listed or quoted security. Please consult a stockbroker for more information in relation to their fees and charges.

#### **3.3.8 Can fees and costs change and what are the maximums?**

Yes, fees and costs can change subject to maximums in the respective Fund's Constitution.

The Constitution of each Fund limits the amount of the Responsible Entity's fee to a maximum of 3% p.a. of the Fund's Net Asset Value (plus GST).

The Constitution of each Fund provides for the following maximum application and redemption fees:

- a maximum application fee of 5% of the aggregate Issue Price of the Units applied for (plus GST);
- a maximum redemption fee of 5% of the aggregate Withdrawal Amount of the relevant Units (plus GST).

The Responsible Entity also has the right under each Fund's Constitution to recover from the respective Fund all expenses properly incurred in the performance of its duties.

As at the date of this PDS, the Responsible Entity does not have any intention to change the fees and costs described in this PDS, although it has the right to do so at any time. Any increase in the fees and costs for a Fund will be announced to the ASX via the Market Announcements Platform at least 30 days before it occurs.

Any estimates of fees and costs in this PDS are based on information available as at the date of this PDS. As such, the actual fees and costs may differ and are subject to change from time to time. Information in this PDS that is not materially adverse to investors is subject to change from time to time and may be updated by the Responsible Entity by publishing such information on the BetaShares website at [www.betashares.com.au](http://www.betashares.com.au). A paper copy of any updated information will be provided free of charge on request.

#### **3.3.9 Differential fees, rebates and related payments**

Clients to rebate or reduce some of the management or other fees on a case by case basis. The amount of fee reduction is at the Responsible Entity's discretion. The Responsible Entity will achieve these reductions and meet any rebates in relation to management fees by payments from its own resources. For more information, please contact the Responsible Entity.

Any reduction in management fees offered by the Responsible Entity to a wrap platform or master trust operator may be passed on to the clients of the operator or retained by the operator.

Subject to applicable law, the Responsible Entity may also pay one-off or annual product access payments to wrap platform or master trust operators for including the Fund in their offering. As of the date of this PDS, no product access payments have been made. The Responsible Entity would make any such payment from its own resources.

#### **3.3.10 Indirect investors**

Indirect investors investing through a wrap platform or master trust should note that the fees outlined in this section 3 are in addition to any other fees and costs imposed by the wrap platform or master trust operator.

## 4 RISKS

Unitholders in the Funds face a number of investment risks. There are risks associated with any investment. Generally, the higher the expected return of an investment, the higher the risk and the greater the variability of returns.

The market price and Net Asset Value per Unit can fluctuate within a wide range. When considering an investment in the Funds, personal tolerance for fluctuating market values should be taken into account.

The most common risks associated with investing in the Funds are described below, but there could be other risks that affect the performance of the Funds. The discussion below is general in nature.

The Responsible Entity does not provide assurances or guarantees on future profitability, returns, distributions or return of capital. An investment in a Fund could lose money over short or long periods.

You should seek your own professional advice on the appropriateness of this investment to your circumstances. You should also consider how an investment in the Funds fits into your overall investment portfolio.

### 4.1 MARKET RISK

Investment returns are influenced by the performance of financial markets as a whole. This means that the value of the Units can be affected by factors such as changes in interest rates, investor sentiment and global events, depending on which markets or asset classes you invest in. Markets are volatile and fluctuate from day-to-day. This volatility may cause the value of an investment in a Fund to decrease.

### 4.2 FOREIGN CURRENCY RISK

Investments denominated in foreign currencies and investments in securities or instruments that provide exposure to such currencies, currency exchange rates or interest rates are subject to foreign currency risk. Changes in currency exchange rates and the relative value of foreign currencies will affect the value of a Fund's investments and the value of Units. Because each Fund's Net Asset Value is determined on the basis of Australian Dollars, the Australian Dollar value of Units may go down if the value of the foreign currency which the Fund tracks depreciates against the Australian Dollar. Conversely, the Australian Dollar value of Units may go up if the value of the foreign currency appreciates against the Australian Dollar.

### 4.3 INTEREST RATE RISK

Financial crisis, recession, and deflation could contribute to declines in interest rates. In addition, in order to invest in higher quality, more liquid investments, the Funds may need to accept a lower return on investment. Rates may be such that the interest earned by a Fund's investments is insufficient to cover the expenses of the Fund. In these circumstances, a Fund may need to use available cash to compensate for this shortfall. This could cause a decline in the Net Asset Value of a Fund. While the Responsible Entity believes at the date of this PDS that the interest rates earned by a Fund on its bank deposit accounts or other cash investments are generally competitive, the interest rates may not be the best rates available. If the Responsible Entity forms the view that the interest rate is inadequate, it may close the relevant bank deposit account or other cash investment and open a substitute account with another financial institution. The value of money market securities that a Fund may have exposure to may change in response to changes in interest rates.

Generally, if interest rates rise, the value of money market securities is expected to decrease. In general, securities with longer maturities are more vulnerable to interest rate changes.

### 4.4 CONCENTRATION RISK

Each Fund invests a significant portion of its assets in currencies or

instruments linked to the currency of a foreign jurisdiction. As such, each Fund is likely to be impacted by economic conditions or events affecting the particular market reflected in its name. For example, political and economic conditions and changes in regulatory, tax or economic policy in a country or region could have a negative impact on the relevant Fund's performance. The value of the British Pound, the Euro and the U.S. dollar has each fluctuated widely over the past several years relative to the Australian Dollar.

Foreign exchange rates are influenced by the factors identified above and may also be influenced by: changing supply and demand for a particular currency; monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other countries); changes in balances of payments and trade; trade restrictions; and currency devaluations and revaluations. Also, governments from time to time intervene in the currency markets, directly and by regulation, in order to influence prices directly. These events and actions are unpredictable and could materially and adversely affect the value of Units.

No assurance can be given that either the British Pound or the Euro will continue indefinitely as an official currency. If any of these currencies should cease to exist, the Responsible Entity may then seek Unitholder approval to change the relevant Fund's investment policy or terminate the Fund.

### 4.5 GENERAL REGULATORY RISK

There is a risk that a government or regulator may introduce regulatory and/or tax changes, or a court makes a decision regarding the interpretation of the law, which affects the value of the Units or the tax treatment of the Fund and its Unitholders.

The Funds may be affected by changes to legislation or government policy or political developments both in Australia and in other countries. These changes are monitored by the

Responsible Entity and action is taken, where appropriate, to facilitate the achievement of the investment objectives of the Funds. The Responsible Entity may not always be in a position to take such action.

### 4.6 CREDIT RISK

It is intended that each of the Funds will invest primarily in bank deposit accounts. Whilst the bank or banks with which each Fund's assets are deposited will be assessed by the Responsible Entity against a number of criteria (for example, a requirement that they be, or be a subsidiary of, a reputable and regulated institution that is subject to prudential supervision in Australia or elsewhere), there is a risk that the relevant bank may not be in a financial position to pay interest or repay the deposit which may arise as a result of circumstances such as the bank's insolvency or other events of default.

The Funds may also invest in wholesale cash management trusts, which themselves invest in a diversified portfolio of money market and fixed income securities. The issuers of these money market and fixed income securities may not be in a financial position to pay interest or principal due on a security. This may cause a Fund to incur a loss. While any wholesale cash management trust that a Fund may invest in will have a credit rating at the time of acquisition in the highest ratings category of one of the major rating agencies, credit ratings can change quickly and may not accurately reflect the risk of an issuer. For general information about credit ratings, see

[www2.standardandpoors.com/aboutcreditratings/](http://www2.standardandpoors.com/aboutcreditratings/) or <http://v3.moodys.com/ratings-process/Ratings-Definitions/002002>

### 4.7 TAX RISK

Taxation law is complex and subject to changes by the Australian Government, possibly with retrospective effect.

As the circumstances of each investor are different, the Responsible Entity strongly recommends that investors obtain professional

independent tax advice relating to the tax implications of investing in and dealing in Units.

General information in relation to taxation matters is provided within this PDS in section 7.

#### **4.8 MANAGER RISK**

There is a risk that the Responsible Entity's investment strategy is not successful, or not successfully implemented, resulting in a Fund failing to meet its objectives. No assurance can be given that the trading systems and strategies utilised by the Responsible Entity will prove successful under all or any market conditions.

#### **4.9 FUND RISK**

There is a risk that a Fund could terminate, that fees and expenses could change or that the Responsible Entity could be replaced as responsible entity of a Fund.

If a Fund incurs expenses in Australian Dollars, the Fund would generally be required to sell the relevant foreign currency held by the Fund to pay these expenses. The sale of the Fund's foreign currency holding to pay expenses in Australian Dollars at a time of high Australian Dollar prices could adversely affect the value of the Units. The Responsible Entity will sell the relevant foreign currency held by the Fund to pay any Fund expenses incurred in Australian Dollars, irrespective of the then prevailing exchange rates.

The Fund is not actively managed and no attempt will be made to buy or sell a particular currency to protect against or to take advantage of fluctuations in the price of that currency.

#### **4.10 INAV RISK**

The iNAV published for a Fund is indicative only, may not be up to date and may not reflect the true value of a Unit.

#### **4.11 OPERATIONAL RISK**

A Fund's day to day operations may be adversely affected by circumstances beyond the reasonable control of the Responsible Entity, such as failure of technology or infrastructure, or natural disasters. A breakdown in administrative procedures and risk control measures implemented by the Responsible Entity or its service providers, including with respect to cyber-security, may also adversely affect the operation and performance of the Fund.

#### **4.12 FUND TRADING RISK**

In certain circumstances, the ASX may suspend trading of the Units of a Fund and therefore Unitholders will not be able to buy or sell Units of that Fund on the ASX. In these circumstances, the Responsible Entity may suspend the application and redemption process.

There may be other occasions where the Responsible Entity may suspend the application and redemption process, such as around the end of a distribution period or where other factors prevent the accurate calculation of Unit prices.

The ASX also imposes certain requirements for Units to continue to be quoted. The Responsible Entity will endeavour to meet these requirements at all times to ensure the Units remain quoted, although there can be no assurance that Units will remain quoted on the ASX. Under these circumstances, the Responsible Entity may take measures such as suspending the application and redemption process or potentially terminating the Fund.

#### **4.13 LIQUIDITY RISK**

Although the Units are quoted on the AQUA market of the ASX there can be no assurances that there will be a liquid market for Units. The Responsible Entity has in place market making arrangements to assist in maintaining liquidity for the Funds on the ASX. The Responsible

Entity cannot guarantee that a market maker will fulfil its obligations or that a market maker will continue to be appointed. The market making arrangements agreed by the Responsible Entity with each market maker also specify certain permitted circumstances where the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions, other events set out in the ASX Operating Rules the suspension or rejection of applications for Units or redemption requests, or the market maker not having ASIC relief to allow short selling of Units). If a market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker.

In addition, there is the risk that assets held by a Fund may be difficult or impossible to sell, preventing a Fund from closing out its position in a timely manner and at a fair price. This may be due to factors specific to that investment or to prevailing market conditions. A lack of liquidity could potentially result in the suspension of redemptions, which may cause a Fund's Units to be suspended from trading on the ASX.

#### **4.14 TRADING PRICE OF UNITS MAY DIFFER FROM NET ASSET VALUE PER UNIT**

As with any exchange traded fund, it is possible that the trading price of Units on the ASX may differ from the Net Asset Value per Unit. The trading price is dependent on a number of factors including the demand for and supply of Units, investor confidence, the availability of market maker services during the course of the trading day, and the bid-offer spread charged by a market maker. The application and redemption facility is designed to reduce the likelihood of Units trading at a significant discount or premium to the Net Asset Value per Unit. If the application or redemption facility for a Fund is closed on a particular day, the trading price might diverge further from the Net Asset Value per Unit.

Periods of increased market volatility or disruptions to the market making function may result in wider bid-offer spreads for Units and trading prices that differ significantly from a Fund's Net Asset Value per Unit. This risk may be higher in the period shortly after the ASX opens for trading and near the close of trading. If an investor purchases Units at a time when the market price is at a premium to the Net Asset Value per Unit or sells at a time when the market price is at a discount to the Net Asset Value per Unit, then the investor may sustain losses. Investors should consider placing "limit orders" to reduce the risk of trading at unfavourable prices.

#### **4.15 SETTLEMENT RISK**

The application and redemption processes associated with the issue or redemption of Units are subject to settlement procedures through CHESS. A Fund is exposed to some risk if an Authorised Participant or other market participant fails to comply with its settlement obligations. These risks are mitigated by the fact that Authorised Participants and other market participants are subject to usual ASX trading practices including ASX fail fees. A Fund may also suffer loss if an Authorised Participant fails to deliver the application consideration for Units, or redeliver Units in relation to a redemption, by the settlement time and the Fund has entered into transactions in reliance on delivery occurring.

#### **4.16 COUNTERPARTY RISK**

Counterparties used in connection with a Fund's investment activities may default on their obligations, for instance by failing to make a payment when due. This may be due to insolvency or other events of default. Such counterparties may include service providers and derivatives counterparties, as well as the Fund's custodian. Default on the part of a counterparty could result in financial loss to the Fund.

## 5 HOW TO BUY AND SELL UNITS

Only Authorised Participants may apply for Units directly through this PDS.

Other investors cannot apply for Units through this PDS. Such investors may buy and sell Units by trading on the ASX through a stockbroker, or via a financial adviser.

Prior to being issued Units, an Authorised Participant must execute an Authorised Participant Agreement that deals with, amongst other things, the rights and obligations of the Authorised Participant in relation to applying for Units. An Authorised Participant may only redeem Units if it is an Australian Resident. See section 6.3 for further information about the Authorised Participant Agreement.

To effect an application or redemption, Authorised Participants must complete the Application Form or Redemption Form attached to this PDS (or available on the BetaShares website [www.betashares.com.au](http://www.betashares.com.au)).

### 5.1 MINIMUM APPLICATIONS AND REDEMPTIONS

The minimum application and redemption amount is one Creation Unit. The number of Units that constitute a Creation Unit for each ETF is 75,000 Units, unless otherwise agreed with the Responsible Entity.

Applications and redemptions must be for whole multiples of Creation Units, unless otherwise agreed with the Responsible Entity.

Application and redemption amounts are payable or receivable (as applicable) in cash in the currency specified in the name of the relevant Fund, unless otherwise agreed with the Responsible Entity.

### 5.2 PROCESSING APPLICATIONS AND REDEMPTIONS

Application/Redemption forms received from Authorised Participants before the Dealing Deadline on an ASX Business Day are processed at the Issue Price/Withdrawal Amount (being the Net Asset Value per Unit) for the Fund applicable to that day.

Application/Redemption forms received from Authorised Participants after the Dealing Deadline on an ASX Business Day, or on a non-ASX Business Day, will be treated as being received on the next ASX Business Day.

### 5.3 APPLICATIONS AND REDEMPTIONS

For applications, Authorised Participants must deliver to the Responsible Entity or custodian an amount of cash, in the currency specified in the name of the relevant Fund, equal to the Issue Price for the relevant Units, plus the application fee in Australian Dollars. In return, they will receive the relevant Units.

For redemptions, Authorised Participants must deliver the relevant Units to the Responsible Entity or custodian, plus the redemption fee in Australian Dollars. In return, they will receive an amount of cash, in the currency specified in the name of the relevant Fund, equal to the Withdrawal Amount for the Units.

Foreign currency amounts payable pursuant to applications, or receivable upon redemptions, will be calculated by the Responsible Entity based on the same exchange rate used to calculate the Net Asset Value per Unit applicable to the effective date of the application or redemption. The relevant foreign currency amount that is payable or receivable will be notified to the Unitholder on the ASX Business Day following the effective date of the application or redemption.

An application received by the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the new Units in its CHESS account two ASX Business Days later (T+2), provided the Authorised Participant has paid the application proceeds and

application fee no later than 11.30am on T+2.

A redemption request received by the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the redemption proceeds two ASX Business Days later (T+2), provided the Authorised Participant has transferred the Units and the redemption fee by no later than 11.30am on T+2.

By signing an Authorised Participant Agreement, an Authorised Participant agrees to be bound by certain execution and settlement procedures in relation to applications for and redemptions of Units which are set out in the Authorised Participant Agreement. Settlement failure procedures apply if an Authorised Participant does not comply with its obligations under the procedures. The procedures allow the Responsible Entity to cancel an application or redemption in certain circumstances and to take certain other action. The Responsible Entity may also reject any application in whole or in part at any time, without giving reasons.

### 5.4 SUSPENSIONS OF APPLICATIONS AND REDEMPTIONS

There may be occasions where the Responsible Entity may suspend applications or delay or reject redemption requests. This may occur, for example, around the end of a distribution period when the Responsible Entity is calculating and paying the distributable income (if any) for the relevant period or where there are factors, as determined by the Responsible Entity, which prevent the accurate calculation of Unit prices. The Responsible Entity will advise Unitholders of any suspension of applications or delay or rejection of redemptions.

Where the Responsible Entity cannot accurately determine the Net Asset Value per Unit, the Responsible Entity may suspend applications for Units and/or delay or reject redemptions of Units.

See section 6.2.7 for further information.

### 5.5 VALUATIONS AND PRICING

After the Units are quoted, the amount per Unit payable by an Authorised Participant upon an application for Units is known as the Issue Price, and is equal to the Net Asset Value per Unit.

The amount per Unit to which an Authorised Participant is entitled on the redemption of Units is known as the Withdrawal Amount, and is equal to the Net Asset Value per Unit.

The Issue Price and the Withdrawal Amount are calculated in the same manner and will have the same value at any time. This value is determined by dividing the Net Asset Value of the Fund by the number of Units on issue in the Fund at the time the Issue Price and/or Withdrawal Amount are determined (the valuation time).

The valuation time for a Fund applicable to each ASX Business Day is generally 4pm London time, unless otherwise determined by the Responsible Entity. The Withdrawal Amount paid to a Unitholder on the redemption of Units may include an entitlement to the distributable income of the Fund. (Please refer to section 7.1.5 of this PDS for details regarding how this entitlement is determined).

The Net Asset Value of a Fund is calculated by deducting from the aggregate value of the assets of the Fund all accrued fees and other costs, liabilities and provisions relating to the Fund. Fees and other costs, including the Responsible Entity's fees, are accrued daily. The value of any assets or liabilities denominated in a foreign currency is converted to Australian Dollars using the WM/Reuters closing spot rate (the midpoint of closing bid and ask rates) as of 4pm London time.

Details of the daily Net Asset Value per Unit (and hence the Issue Price and Withdrawal Amount) will be made available on the BetaShares website at [www.betashares.com.au](http://www.betashares.com.au)

## 6 ADDITIONAL INFORMATION

### 6.1 THE ROLE OF CERTAIN ENTITIES IN REGARD TO THE FUNDS

There are a number of parties, in addition to the Responsible Entity, involved in the ongoing operation and administration of the Funds or who otherwise provide services in connection with the Fund:

#### 6.1.1 Custodian and Administrator

The custodian provides certain custodial services to the Responsible Entity, including holding the assets of the Funds. The custodian has a limited role and has no obligation to monitor whether the Responsible Entity is complying with its obligations as responsible entity of the Fund.

The administrator provides administration services to the Responsible Entity. These services include fund accounting, maintenance of books and records, calculating distribution amounts, valuing the Fund's assets and liabilities, calculating the Issue Price and Withdrawal Amount, and taxation and other services.

The Responsible Entity may change the custodian and administrator without prior notice to Unitholders.

As of the date of this PDS, the custodian and administrator is: RBC Investor Services Trust

Level 47  
2 Park Street  
Sydney NSW 2000

#### 6.1.2 Registrar

As for any quoted security, the role of the Registrar is to keep a record of the Unitholders in the Funds. This includes details such as the quantity of securities held and tax file numbers (if provided) and details of distribution reinvestment plan participation. The Responsible Entity may change the Registrar without prior notice to Unitholders.

As of the date of this PDS, the registrar is: Link Market Services

Level 12  
680 George Street  
Sydney NSW 2000

#### 6.1.3 Market maker

The role of a market maker is to provide liquidity in the market for Units and to satisfy supply and demand for Units. They do this by:

Subject to certain conditions, providing liquidity to the market through acting as the buyer and seller of Units during a significant part of the trading day; and

Creating and redeeming Units in the primary market pursuant to this PDS, which helps to ensure the number of Units on issue matches supply and demand.

The Responsible Entity seeks to appoint market making firms: that have experience in making markets in exchange-traded securities both in Australia and internationally; that have the necessary skill and expertise to perform market making functions; and that are ASX participants (or trade through an ASX participant). To qualify for admission as an ASX participant, a firm must meet admission requirements set out in the ASX Operating Rules, which require the firm to hold an Australian financial services licence that authorises it to carry on its business as a market participant and to satisfy ASX of various matters including organisational competence and business integrity.

Information about the market maker(s) selected by the Responsible Entity from time to time can be obtained by contacting the Responsible Entity.

The arrangements with the market maker specify certain permitted circumstances where the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions, other events set out in the ASX Operating Rules,

the suspension or rejection of applications for Units or redemption requests, or the market maker not having ASIC relief to allow short selling of Units). If a market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker. The arrangements with the market maker may also provide that the market maker has no liability or responsibility to Unitholders for any act or omission made in connection with the market making arrangements.

Unitholders should be aware that a market maker will retain for its own account any trading profit and bear any loss which may be generated by its market making activities. Subject to the AQUA Rules and the agreement with the market maker, the Responsible Entity may appoint or terminate a market maker in respect of a Fund. The Responsible Entity may determine to no longer appoint a market maker in respect of a Fund in circumstances where it is no longer required to do so under the AQUA Rules.

#### 6.1.4 Auditor

The Responsible Entity has appointed KPMG as the auditor of the financial statements of the Funds and of the Responsible Entity's compliance plan for the Funds.

#### 6.1.5 Monitoring of service providers

The Responsible Entity has procedures in place to monitor the performance of those service providers to whom functions have been outsourced. Monitoring methods include, where appropriate, daily observation of service provider performance, review of regular compliance and audit reports, regular meetings with service providers and performance assessments.

## 6.2 OTHER INFORMATION YOU NEED TO KNOW

### 6.2.1 BetaShares as the responsible entity

BetaShares, as the responsible entity, is responsible for the management and administration of the Funds. The Responsible Entity holds an Australian Financial Services Licence (AFSL 341181) that authorises it to act as the responsible entity of the Funds. The powers and duties of the Responsible Entity are set out in the Constitution of each Fund, the *Corporations Act* and general trust law.

The Responsible Entity has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with a Fund and, for the purpose of determining whether the Responsible Entity has properly performed its duties as responsible entity, the Responsible Entity is taken to have done (or failed to do) anything that the agent or person has done (or failed to do) because of the appointment or engagement, even if they were acting fraudulently or outside the scope of their authority or engagement.

### 6.2.2 The Constitution

Each Fund is a registered managed investment scheme governed by a Constitution Under the Constitution of each Fund, the Responsible Entity has all the powers it is possible to confer on a trustee as though it were the absolute owner of the Fund's assets and acting in its personal capacity. The Constitution for each Fund sets out the rights of the Unitholders and the obligations of the Responsible Entity, as responsible entity of the Fund. This PDS outlines some of the more important provisions of the Constitutions of the Funds, all of which are substantially identical in terms of their material provisions.

A copy of the Constitution in relation to a Fund may be inspected by Unitholders at the Responsible Entity's office, during business hours. The Responsible Entity will provide Unitholders with a copy of the Constitution upon request by contacting BetaShares on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia).

### 6.2.3 Amendments to the Constitution

The Responsible Entity may amend the Constitution of a Fund from time

to time, subject to the provisions of the Constitution and the *Corporations Act*. Generally, the Responsible Entity can only amend the Constitution where the Responsible Entity reasonably considers that the change will not adversely affect the rights of Unitholders. Otherwise the Constitution can only be amended if approved at a meeting of Unitholders by a resolution approved by at least 75% of the votes cast by Unitholders entitled to vote on the resolution.

#### 6.2.4 The compliance plan

The Responsible Entity has prepared and lodged a compliance plan for the Funds with ASIC. The compliance plan sets out the key criteria that the Responsible Entity will follow to ensure that it is complying with the *Corporations Act* and the Constitutions of the Funds. Each year the compliance plan, and the Responsible Entity's compliance with the compliance plan, will be independently audited, as required by the *Corporations Act*, and the auditor's report will be lodged with ASIC.

#### 6.2.5 The compliance committee

The Responsible Entity has established a compliance committee with a majority of members that are external to the Responsible Entity. The compliance committee's functions include:

- monitoring the Responsible Entity's compliance with the compliance plans and reporting its findings to the Responsible Entity;
- reporting breaches of the *Corporations Act* or the Constitutions to the Responsible Entity;
- reporting to ASIC if the committee is of the view that the Responsible Entity has not taken or does not propose to take appropriate actions to deal with breaches reported to it by the committee; and
- assessing the adequacy of the compliance plans, recommending any changes and reporting these to the Responsible Entity.

#### 6.2.6 Unit pricing policy

The Responsible Entity has documented its policy on how it exercises discretions when determining Unit prices for the Funds. The policy has been designed to meet the ASIC requirements and is available on request to all Unitholders and prospective Unitholders at no charge.

#### 6.2.7 Suspensions of applications and redemptions

The Constitution of each Fund allows the Responsible Entity to suspend the issue of Units in the Fund by publishing a notice to that effect. Application forms received during a period of suspension may be rejected or treated as received when the period of suspension ceases. The Responsible Entity may also reject any application in whole or in part at any time, without giving reasons.

The Constitution of each Fund provides that, in some circumstances, the period for satisfaction of redemption requests (generally two ASX Business Days) may be extended, or that redemption requests may be suspended or rejected for as long as the relevant circumstances apply. Those circumstances are where:

- i. the Responsible Entity has taken all reasonable steps to realise sufficient assets to pay amounts due in respect of Units to which a redemption request applies and is unable to do so due to circumstances outside its control, such as restricted or suspended trading in the market for an asset;
- ii. the Responsible Entity believes that it is impracticable or not possible to transfer, in the manner acceptable to the Responsible Entity, sufficient assets to satisfy the redemption request (for example, because of disruption to a settlement or clearing system);
- iii. the Responsible Entity believes that it is not practicable or desirable to carry out the calculations necessary to satisfy the redemption request (for example, because a relevant index, exchange rate or other reference price is not compiled or published, or it is impracticable or undesirable

to calculate the Net Asset Value because of restricted or suspended trading in the market for an asset or because the value of any asset cannot otherwise promptly or accurately be ascertained);

- iv. the quotation of any Units on the ASX is suspended or the trading of any Units is otherwise halted, interrupted or restricted by the ASX;
- v. the Units cease to be admitted to trading status on the ASX;
- vi. a redemption request is received in a financial year and the Responsible Entity determines that the date on which the completion of the redemption of the Units would otherwise occur would be in the next financial year;
- vii. a withdrawal request is received during any period before or after a distribution date which period the Responsible Entity determines to be necessary or desirable to facilitate the calculation and distribution of distributable income;
- viii. the Responsible Entity does not consider that it is in the best interests of Unitholders of the Fund taken as a whole to transfer or realise sufficient assets to satisfy the redemption request; or
- ix. the Responsible Entity believes that assets cannot be realised at prices that would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market.
- x. The redemption period may be extended for so long as the relevant circumstances apply.

#### 6.2.8 Non-Authorised Participant redemption request

If there are no Authorised Participants, the Responsible Entity may accept a redemption request from a person who is not an Authorised Participant, provided such person is an Australian Resident at the time of giving the redemption request.

#### 6.2.9 Information relating to redemptions

The information in section 5 relating to redemptions assumes that each Fund is liquid within the meaning of section 601KA of the *Corporations Act*. A Fund will be liquid if at least 80% of its assets, by value, are liquid assets under the *Corporations Act*. Broadly, liquid assets include money in an account or on deposit with a bank, bank accepted bills, marketable securities and other property which the Responsible Entity reasonably expects can be realised for its market value within the period specified in the Constitution for satisfying redemption requests. At the date of this PDS, the Responsible Entity expects that each Fund will be liquid under the *Corporations Act*. If a Fund is not liquid, a Unitholder will not have a right to redeem Units and can only redeem where the Responsible Entity makes a withdrawal offer to Unitholders in accordance with the *Corporations Act*. The Responsible Entity is not obliged to make such offers.

#### 6.2.10 Rights of a Unitholder

A Unit confers a beneficial interest on a Unitholder in the assets of a Fund but not an entitlement or interest in any particular part of the fund or any asset.

The terms and conditions of each Fund's Constitution are binding on each Unitholder in the Fund and all persons claiming through them respectively, as if the Unitholder or person were a party to the Constitution.

#### 6.2.11 Reimbursement of expenses

In addition to any other indemnity which the Responsible Entity may have under a Fund's Constitution or at law, the Responsible Entity is indemnified and entitled to be reimbursed out of, or paid from, the assets of the relevant Fund for all liabilities, losses and expenses incurred in relation to the proper performance of its duties as responsible entity of that Fund.

### 6.2.12 Retirement of BetaShares

BetaShares may retire as responsible entity of a Fund by calling a meeting of Unitholders to enable Unitholders to vote on a resolution to choose a company to be the new responsible entity. The Responsible Entity may be removed from office by an extraordinary resolution (i.e. at least 50% of the votes that may be cast by Unitholders entitled to vote on the resolution) passed at a meeting of Unitholders, in accordance with the *Corporations Act*.

### 6.2.13 Termination

The Responsible Entity may wind up a Fund at any time. Following winding up, the net proceeds will be distributed to Unitholders.

### 6.2.14 Limitation of liability of Unitholders

The Constitution of each Fund provides that the liability of each Unitholder is limited to the consideration (if any) which remains outstanding in relation their subscription subject to:

- i. the indemnities each Unitholder gives the Responsible Entity for losses or liabilities incurred by the Responsible Entity:
  - a. in relation to the Unitholder's failure to provide requested information;
  - b. for tax or user pays fees as a result of a Unitholder's action or inaction, any act or omission by the Unitholder or any matter arising in connection with the Units held by the Unitholder;
  - c. in relation to the Unitholder paying or failing to pay the issue price or application or redemption fees in accordance with the constitution or otherwise failing to comply with the constitution; and
- ii. execution and settlement procedures prescribed by the Responsible Entity that relate to the issue and redemption of Units.

Subject to the matters described above, a Unitholder is not required to indemnify the Responsible Entity or a creditor of the Responsible Entity against any liability of the Responsible Entity in respect of the Fund. However, no complete assurance can be given in this regard, as the ultimate liability of a Unitholder has not been finally determined by the courts.

### 6.2.15 Meeting of Unitholders

The Responsible Entity may convene a meeting of Unitholders of a Fund at any time, (e.g. to approve certain amendments to a Fund's Constitution or to wind up the Fund). The *Corporations Act* provides that Unitholders also have limited rights to call meetings and have the right to vote at any Unitholder meetings. Except where that Fund's Constitution provides otherwise, or the *Corporations Act* requires otherwise, a resolution of Unitholders must be passed by Unitholders who hold Units exceeding 50% in value of the total value of all Units held by Unitholders who vote on the resolution.

A resolution passed at a meeting of Unitholders held in accordance with a Fund's Constitution binds all Unitholders of the Fund.

### 6.2.16 Indemnities and limitation of liability of the Responsible Entity

The Responsible Entity is indemnified out of the assets of each Fund for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the *Corporations Act*, the indemnity includes any liability incurred by the Responsible Entity as a result of any act or omission of a delegate or agent appointed by the Responsible Entity.

The Responsible Entity is not liable in contract, tort or otherwise to Unitholders for any loss suffered in any way relating to the Fund except to the extent that the *Corporations Act* imposes such liability.

### 6.2.17 Defective applications

The Constitution of each Fund allows the Responsible Entity to cancel Units in certain circumstances including where the Responsible Entity determines that the applicant was not entitled to apply for or hold the Units, the application form was incorrectly executed or was otherwise defective or where the execution and settlement procedures were not complied with.

### 6.2.18 Discretionary redemptions

The Constitution of each Fund allows the Responsible Entity to redeem some or all of a Unitholder's Units at any time.

### 6.2.19 Information from Unitholders

The Constitution of each Fund provides that the Responsible Entity may request any information from Unitholders where it believes that such information is necessary to (a) comply with any law or regulatory request; or (b) lessen the risk of the Fund or any Unitholder suffering a material detriment. If a Unitholder fails to provide the requested information, the Unitholder must indemnify the Responsible Entity for any loss suffered by the Responsible Entity in relation to such failure.

### 6.2.20 Borrowings

Each Fund's Constitution places no formal limits on borrowing. It is not the Responsible Entity's intention to enter into borrowing for a Fund, except that temporary borrowings may be used occasionally to manage certain cash flows. Any borrowing may be on a secured or unsecured basis and any borrowing costs would be borne by the Fund.

### 6.2.21 If you have a complaint

If a Unitholder has a complaint regarding a Fund or services provided by the Responsible Entity, please contact Client Services on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia) from 9:00 am to 5:00 pm Sydney time, Monday to Friday.

If the complaint is not satisfactorily resolved within three business days, a Unitholder may refer the matter in writing to:

Manager Client Services BetaShares Capital Ltd  
Level 11, 50 Margaret Street  
Sydney NSW 2000

To expedite a resolution of the matter, copies of all relevant documentation and other materials supporting the complaint should be provided with the complaint.

The Responsible Entity will try to resolve complaints as soon as possible, but in any event, will provide a written response within 45 days of receiving the written complaint.

In the event that a Unitholder is not satisfied with the outcome of a complaint, the Unitholder has the right to request the Responsible Entity to review their decision or to refer the matter to an external complaints resolution scheme. The Responsible Entity is a member of the Financial Ombudsman Services (FOS). Unitholders can contact FOS on 1800 367 287, or at the following address:

Financial Ombudsman Service Limited GPO Box 3  
Melbourne VIC 3001 Email: info@fos.org.au

Information may also be obtained at [www.fos.org.au](http://www.fos.org.au). To be considered by FOS, the claim involved must fall within FOS's jurisdiction as set out in their Terms of Reference (published on the above website), including that any claim must not exceed \$500,000 (as may be amended by FOS from time to time).

### 6.2.22 Privacy policy

Privacy laws regulate, among other matters, the way organisations collect, use, disclose, keep secure and give people access to their personal information.

The Responsible Entity is committed to respecting the privacy of a Unitholder's personal information. The Responsible Entity's privacy policy states how the Responsible Entity manages personal

information.

The Responsible Entity collects personal information in the Application and Redemption Form, and may collect additional personal information in the course of managing a Fund. Some information must be collected for the purposes of compliance with the Anti-Money Laundering and Counter Terrorism Financing Act 2006.

The Responsible Entity may:

- provide personal information to a Unitholder's adviser if unitholder written consent is provided to the Responsible Entity;
- disclose personal information to authorities investigating criminal or suspicious activity and to the Australian Transaction Reports and Analysis Centre (AUSTRAC) in connection with anti-money laundering and counter-terrorism financing;
- provide a Unitholder's personal information to its service providers for certain related purposes (as described under the *Privacy Act 1988*) such as account administration and the production and mailing of statements;
- use a Unitholder's personal information and disclose it to its service providers to improve customer service (including companies conducting market research) and to keep Unitholders informed of the Responsible Entity's or its partners' products and services.

The Responsible Entity will assume consent to personal information being used for the purposes of providing information on services offered by the Responsible Entity and being disclosed to market research companies for the purposes of analysing the Responsible Entity's investment base unless otherwise advised.

To obtain a copy of the privacy policy, contact BetaShares on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia).

### 6.2.23 Anti-money laundering

The Responsible Entity is bound by laws regarding the prevention of money laundering and the financing of terrorism, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Laws). By completing the Application or Redemption form, the Unitholder agrees that:

- it does not subscribe to the Fund under an assumed name;
- any money used to invest in the Units is not derived from or related to any criminal activities;
- any proceeds of the investment will not be used in relation to any criminal activities;
- if the Responsible Entity requests, the Unitholder will provide to it any additional information that is reasonably required for the purposes of AML/CTF Laws (including information about the investor, any beneficial interest in the Units, or the source of funds used to invest);
- the Responsible Entity may obtain information about the Unitholder or any beneficial owner of a Unit from third parties if it is believed this is necessary to comply with AML/CTF Laws; and
- in order to comply with AML/CTF Laws, the Responsible Entity may be required to take action, including:
  - delaying or refusing the processing of any application or redemption; or
  - disclosing information that the Responsible Entity holds about the Unitholder or any beneficial owner of the Units to the Responsible Entity's related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether in or outside of Australia).

### 6.2.24 Interest on amounts awaiting investment or redemption

Amounts paid to a Fund may accrue interest in the Fund's accounts pending the issue of Units or the return of application monies. Similarly, amounts made available to satisfy a redemption request may also accrue interest pending payment. Any such interest will be retained by the Responsible Entity as an asset of the relevant Fund.

### 6.2.25 Other services

The Responsible Entity in its personal capacity, or companies related to the Responsible Entity, may invest in or provide services to a Fund. Any such services will be provided on terms that would be reasonable if the parties were dealing at arm's length.

### 6.2.26 Indicative Net Asset Value per Unit

The Responsible Entity may at its discretion make available, or may designate other persons to make available on its behalf, an estimated indicative Net Asset Value per Unit (iNAV) for a Fund from time to time. Such information, if made available on any ASX Business Day, will be calculated based upon information available to the Responsible Entity or its designate during the ASX Business Day or any portion of the ASX Business Day.

Any iNAV is not, and should not be taken to be or relied on as being, the value of a Unit or the price at which Units may be applied for or redeemed, or bought or sold on any stock exchange, and may not reflect the true value of a Unit.

Investors interested in applying for or redeeming Units, or buying or selling Units on a stock exchange, should not rely on any iNAV which is made available in making investment decisions but should consider other market information and relevant economic factors. Neither the Responsible Entity nor any designate or other service provider to the Responsible Entity shall be liable to any person who relies on the iNAV.

### 6.2.27 Foreign Account Tax Compliance Act (FATCA) & OECD Common Reporting Standard (CRS)

FATCA was enacted by the U.S. Congress to target non-compliance by US taxpayers using foreign accounts. In order to prevent FATCA withholding tax being applied to any US connected payments made to the Fund in Australia, the Fund is required to collect and report information to the Australian Taxation Office relating to certain U.S. accounts, which may be exchanged with the U.S. Internal Revenue Service.

Similar to FATCA, the CRS is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Australian financial institutions need to collect and report financial account information regarding non-residents to the Australian Taxation Office.

Accordingly, the Fund may request that you provide certain information about yourself (for individual investors) or your controlling persons (where you are an entity) in order for the Fund to comply with its FATCA or CRS compliance obligations.

### 6.2.28 Warning statement for New Zealand investors

The following disclosure is made to enable the Fund's Units to be offered by the Responsible Entity in New Zealand under the mutual recognition scheme between Australia and New Zealand:

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

#### 6.2.29 Currency exchange risk

1. The offer may involve a currency exchange risk. The currency for

the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

#### 6.2.30 Trading on financial product market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

#### 6.2.31 Dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

## 6.3 MATERIAL CONTRACTS

The Responsible Entity has entered into a number of contracts in relation to the Funds, as set out below

TABLE 6.3: MATERIAL CONTRACTS

CONTRACT AND PARTY	DESCRIPTION
<b>Custody agreement</b> RBC Investor Services Trust	This agreement sets out the services provided by the custodian on an ongoing basis together with the service standards.
<b>Investment administration agreement</b> RBC Investor Services Trust	This agreement sets out the services provided by the administrator (accountancy services, tax services and fund administration services including Unit price calculations), together with the service standards.
<b>Registry agreement</b> Link Market Services Limited	This agreement sets out the services provided by the Registrar on an ongoing basis together with the service standards.
<b>Authorised participant agreement</b> Authorised Participants	An Authorised Participant Agreement deals with execution and settlement procedures in relation to the application for and redemption of Units. The terms of each Authorised Participant Agreement may vary and each may be amended from time to time.  Under the Authorised Participant Agreement, the Authorised Participant makes certain representations to the Responsible Entity about its status as an appropriately licensed entity and agrees to comply with the Constitution and with the execution and settlement procedures.
Nominee deed poll RBC Investor Services Trust	Under this document, if applicable, the Applicant Nominee agrees to hold Units the subject of an application by an Authorised Participant as nominee for the Authorised Participant pending settlement.

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**Nominee terms**

Authorised participant

By signing the Application Form, if applicable, the Authorised Participant covenants for the benefit of the Applicant Nominee to be bound by the Nominee Terms under which the Applicant Nominee will hold Units for the Authorised Participant subject to a security interest in favour of the Responsible Entity pending settlement of the application. Under the Nominee Terms, if the Authorised Participant does not comply with its obligations relating to the issue of Units, the Responsible Entity may direct the Applicant Nominee that the Units not be transferred to the Authorised Participant, in which case the Units are to be held solely for the Responsible Entity.

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## 6.4 ASIC RELIEF

### 6.4.1 Equal Treatment Relief

ASIC has granted relief under section 601QA(1)(a) of the *Corporations Act* from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to allow the Responsible Entity to restrict eligibility to submit redemption requests in relation to Units to Authorised Participants who are Australian Residents. The Responsible Entity will not treat Unitholders of the same class equally to the extent that it restricts redemptions from the Fund to such Authorised Participants.

### 6.4.2 Ongoing Disclosure Relief

ASIC has granted relief under section 1020F(1)(a) of the *Corporations Act* from ongoing disclosure requirements in section 1017B of the *Corporations Act* on the condition that the Responsible Entity complies with the provisions of the *Corporations Act* that apply to unlisted disclosing entities as if the Fund was an unlisted disclosing entity. The Responsible Entity will comply with these continuous disclosure provisions as if the Fund was an unlisted disclosing entity.

### 6.4.3 Periodic Statements Relief

ASIC Class Order 13/1200 exempts the Responsible Entity from certain periodic statement requirements. In particular, the Responsible Entity is not required (and does not propose) to include in periodic statements details of the price at which an investor transacts in Units on the ASX, or information on the return on an investment in Units acquired on the ASX (for the year in which the Units are acquired), if the Responsible Entity is not able to calculate this and the periodic statement explains why the information was not included and how it can be obtained.

## 6.5 DOCUMENTS LODGED WITH ASIC

The Responsible Entity will comply with certain regular reporting and disclosure obligations in relation to each Fund as if the Fund was a "disclosing entity" under the *Corporations Act*. Copies of documents lodged with ASIC in relation to the Funds may be obtained from, or inspected at, an ASIC office.

As an investor in a Fund, a Unitholder may obtain the following documents from the Responsible Entity:

- the annual report most recently lodged with ASIC in respect of the Fund;
- any half-year financial report lodged with ASIC in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this Product Disclosure Statement; and
- any continuous disclosure notices given in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this PDS.

The Responsible Entity will send a requesting Unitholder a printed or electronic copy of any of the above documents free of charge within 5 business days of the request.

## 6.6 COOLING OFF

There is no cooling off period in relation to the subscription for Units

in the Funds. This means that once an application form is submitted, an applicant cannot decide to withdraw the application.

## 6.7 INDIRECT INVESTORS

When an investor invests through a master trust or wrap platform or an IDPS, the operator of the trust, platform or IDPS is investing on the investor's behalf. Consequently the operator (or the custodian of the platform), and not the investor as an indirect investor, holds the Units and therefore has the rights of a Unitholder in the Fund. For example, if an investor is an indirect investor they will not have rights to attend and vote at Unitholder meetings, to withdraw Units or receive distributions. Instead the platform operator will exercise those rights in accordance with their arrangements with the investor. For information about their investment, an investor should contact their platform operator.

## 6.8 INFORMATION AVAILABLE FROM BETASHARES

The Responsible Entity is subject to regular reporting and disclosure obligations, in its capacity as responsible entity of the Funds and issuer of the Units. The following information can be obtained from the Responsible Entity by visiting the BetaShares website at [www.betashares.com.au](http://www.betashares.com.au) or by contacting BetaShares on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia):

- The daily Net Asset Value (NAV) for the Funds;
- The daily NAV per Unit for the Funds;
- The Responsible Entity's Unit pricing policy;
- The latest PDS for the Funds;
- Copies of announcements made to the ASX via the ASX Company Announcements Platform (including continuous disclosure notices and distribution information);
- Information about distributions as soon as possible after they are declared;
- Annual Reports and Financial Statements for the Funds;
- Details of any Distribution Reinvestment Plan; and
- Information in relation to the Funds to enable Authorised Participants and market makers to estimate the Net Asset Value per Unit of the Funds during the course of a trading day.

## 6.9 DISCLAIMER

RBC Investor Services Trust ("RBC Investor Services") has been appointed as the custodian and administrator for the Funds. RBC Investor Services' role as custodian is limited to holding assets of the Funds. As administrator, RBC Investor Services is responsible for the day to day administration of the Funds. RBC Investor Services has no supervisory role in relation to the operation of the Funds and has no liability or responsibility to Unitholders for any act done or omission made in accordance with the custody and investment administration agreements.

RBC Investor Services was not involved in preparing, nor takes any responsibility for this PDS and RBC Investor Services makes no guarantee of the success of the Funds nor the repayment of capital or any particular rate of capital or income return.

# 7 TAXATION

The taxation information in this PDS is provided for general information only. It is a broad overview of some of the Australian tax consequences associated with investing in the Funds for a potential Australian resident investor.

It does not take into account the specific circumstances of each person who may invest in the Fund. It should not be used as the basis upon which potential investors make a decision to invest.

As the circumstances of each investor are different, the Responsible Entity strongly recommends that investors obtain professional independent tax advice relating to the tax implications of investing in and dealing in Units.

The taxation information in this PDS has been prepared based on tax laws and administrative interpretations of such laws available at the date of this PDS. These laws and interpretations may change.

## 7.1.1 Distributions from a Fund

Under existing taxation legislation, Funds that have not elected into AMIT as yet (see section 7.1.5 below), should not have to pay Australian income tax, provided Unitholders are presently entitled to all of the income of the relevant Fund in each year of income, which is intended to be the case.

The taxable income of a Fund, to which a Unitholder becomes entitled during a financial year, forms part of the Unitholder's assessable income for that year, even if payment of the entitlement does not occur until after the end of the financial year.

A Unitholder may receive an entitlement to the income of a Fund for a financial year if the Unitholder holds Units at the end of a distribution period, or if the Unitholder redeems any Unit during the financial year.

The tax impact for a Unitholder of receiving an entitlement to the income of a Fund depends upon the components of the distribution.

The components of the distribution (if any) are expected to consist of income amounts. This is because interest earned on cash and money market instruments and any realised foreign exchange gains and losses should generally be on revenue account.

Unitholders will be provided with distribution statements after the end of each financial year detailing the components, for tax purposes, of any income distributions received from the Fund during the financial year, including on the redemption of Units.

## 7.1.2 Selling or transferring Units

If a Unitholder disposes of Units by selling or transferring the Units to another person (e.g. selling on-market), the Unitholder may be liable for tax on any gains realised on that disposal of Units.

If a Unitholder is assessed otherwise than under the capital gains tax provisions on a disposal of Units (e.g. if the Unitholder is in the business of dealing in securities like Units), any profits made on the disposal of the Units should be assessable as ordinary income. Such Unitholders may be able to deduct any losses made on the disposal of Units.

If a Unitholder is assessed under the capital gains tax provisions on disposal of Units, the Unitholder may make a capital gain or loss on the disposal of those Units, in the year in which the contract for the disposal is entered into. Some Unitholders may be eligible for the CGT discount upon disposal of Units if the Units have been held for at least 12 months (excluding the acquisition and disposal dates) and the relevant requirements are satisfied. Unitholders should obtain professional independent tax advice about the availability of the CGT discount.

Any capital loss arising on a disposal of Units may be able to be offset against capital gains made in that year or in subsequent years.

## 7.1.3 Goods and Services Tax (GST)

The issue and redemption of Units should not be subject to GST. However, fees and expenses, such as management costs, incurred by a Fund would likely attract GST (at the rate of 10%).

Given the nature of the activities of the Funds, a Fund may not be entitled to claim input-tax credits for the full amount of the GST incurred. However, for the majority of the expenses, a Reduced Input-Tax Credit (RITC) may be able to be claimed.

The GST and expected RITC relating to fees and expenses is incorporated in the management cost for the Funds.

## 7.1.4 Applications for and redemptions of Units by Authorised Participants

A person will only be eligible to apply for and redeem Units if they are an Authorised Participant. In the case of redemptions, the Authorised Participant must be an Australian Resident.

This section seeks to provide a summary of the tax consequences for Authorised Participants who are assessed on the disposal of Units otherwise than under the capital gains tax provisions (e.g. because they are in the business of dealing in securities like Units).

Authorised Participants should obtain professional independent tax advice regarding the tax consequences of applying for and the redemption of their Units, particularly if they are assessed on the disposal of Units under the capital gains provisions.

### Applications

An Authorised Participant applies for Units by way of a cash payment in the relevant foreign currency (or in Australian Dollars if agreed with the Responsible Entity). In the event of a foreign currency application, an Authorised Participant applying for Units may be assessed on any gains (e.g. foreign exchange gains) arising from the transfer of the foreign currency, and may be entitled to deduct any losses arising from the transfer of the foreign currency.

The Units which an Authorised Participant acquires in connection with a foreign currency application should generally be taken to have been acquired at a cost equal to the value of the foreign currency transferred to the Fund on application (appropriately translated into Australian Dollars). The foreign currency rules are complex and Authorised Participants should obtain professional independent tax advice which takes into account their own particular facts and circumstances.

### Redemptions

An Authorised Participant who redeems Units will become entitled to receive the Withdrawal Amount on the redemption (less the redemption fee), which is satisfied by way of a cash payment.

The Withdrawal Amount may comprise a distribution of the income of the Fund as well as the payment of the redemption price for the Units which are to be redeemed.

The distribution of the income of a Fund received on the redemption of Units may include an entitlement to income realised by the Fund arising out of the redemption of the Units to the redeeming Authorised Participant. This may include a distribution of income realised by a Fund (such as foreign exchange gains) arising as a result of the redemption of the Units.

An Authorised Participant whose Units are redeemed should be assessed on any profit arising on the redemption of the Units. An Authorised Participant who redeems Units may be entitled to a deduction for any loss arising on the redemption of Units.

For the purposes of determining the profit or loss arising on the redemption, the redemption price (being the Withdrawal Amount less the distribution of income provided as part of the Withdrawal Amount) should be regarded as the proceeds received in respect of the disposal.

That part of the Withdrawal Amount that is a distribution of income

should also be assessable, based on the components of the distribution of income.

The split between the components of the Withdrawal Amount (that is, how much of it represents a distribution of the distributable income of the Fund and how much represents the price paid on redemption of the Units), and the composition of any income entitlement included in the Withdrawal Amount, will not be known until after the financial year end.

The Responsible Entity will notify persons who have redeemed Units during a financial year of the composition of the Withdrawal Amount and the composition of any income entitlement they received in connection with the redemption of Units during that year following the end of the financial year, once that information becomes available.

The distribution of income to an Authorised Participant who redeems Units aims to ensure that any taxable income that arises for the Fund as a result of the redemption by the Authorised Participant should be allocated to the Authorised Participant, rather than continuing investors in the Fund.

#### **7.1.5 Attribution Managed Investment Trust (AMIT) regime**

The Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016 introduced into taxation law the new Attribution Managed Investment Trust (AMIT) regime. An AMIT, in broad terms, is a managed investment trust (MIT) whose unitholders have clearly defined interests in relation to the income and capital of the trust and the responsible entity has made an irrevocable election to apply the regime.

The regime can apply to a trust from 1 July 2016, and had an optional early start date of 1 July 2015.

The AMIT rules contain a number of provisions that will impact on the taxation treatment of the Funds. The key features of the new tax system include:

- an attribution model for determining member tax liabilities, which allows amounts to retain their tax character as they flow through a MIT to its unitholders;
- the ability to carry forward understatements and overstatements of taxable income, instead of re-issuing investor statements;

- deemed fixed trust treatment under the income tax law;
- upwards cost base adjustments to units to address double taxation; and
- legislative certainty about the treatment of tax deferred distributions

BetaShares will monitor the impact of the AMIT rules on the Funds in order to determine if it should elect into the regime.

Reforms to the taxation of trusts are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes to assess their potential impact.

#### **7.1.6 Tax File Number (“TFN”) or Australian Business Number (“ABN”)**

Unitholders will be requested by the Funds to provide their TFN or ABN (if applicable) or claim an exemption in relation to their investment in the Fund. It should be noted that there is no obligation to provide a TFN, however, Unitholders who do not provide their TFN or ABN or claim an exemption may have tax deducted from distributions at the highest marginal rate.

#### **7.1.7 Other comments**

In all cases where Units are to be redeemed, the Authorised Participant must also be an Australian Resident as defined in the Constitution for the Fund. This means that the Fund should generally not be required to withhold any amounts from the Withdrawal Amount paid on redemption of Units on account of any distribution of income provided on redemption as part of the Withdrawal Amount.

A Unitholder will be an Australian Resident as defined in the Constitution of the Fund if they provide the Responsible Entity with an undertaking that they have been an Australian resident for tax purposes from the beginning of the financial year to the time of redemption, and will continue to be until the end of the financial year. A Unitholder will not be an Australian Resident even if they provide such an undertaking if they have at any time provided the Responsible Entity with an address outside Australia, or if they authorise the Responsible Entity to pay any amounts to them outside Australia.

## 8 GLOSSARY

These definitions are provided to assist investors in understanding some of the expressions used in this PDS:

Applicant Nominee	An entity which holds Units pending settlement on behalf of Authorised Participants applying for Units. As at the date of this PDS the Applicant Nominee is RBC Investor Services Trust. The Responsible Entity may determine that the Applicant Nominee is no longer to be appointed to hold Units pending settlement on behalf of Authorised Participants applying for Units.
AQUA Product	A product admitted under the ASX Operating Rules to the AQUA market of the ASX.
AQUA Rules	Schedule 10A of the ASX Operating Rules and related rules and procedures as amended, varied or waived from time to time.
ASX	ASX Limited or the Australian Securities Exchange, as the case requires.
ASX Business Day	A "Business Day" as defined in the ASX Operating Rules, unless determined otherwise by the Responsible Entity.
ASX Listing Rules or Listing Rules	The listing rules of the ASX as amended, varied or waived from time to time.
ASX Operating Rules	The operating rules of the ASX as amended, varied or waived from time to time.
Australian Dollar (AUD or \$)	The official currency of the Commonwealth of Australia.
Australian Resident	An Australian resident for tax purposes, as defined in the Constitution and as described in section 7.1.5.
Authorised Participant	A financial institution which is a trading participant under the ASX Operating Rules (or which has engaged a trading participant to act on its behalf), which has entered into an Authorised Participant Agreement with the Responsible Entity.
Authorised Participant Agreement	An agreement between the Responsible Entity and an Authorised Participant in relation to Unit applications and redemptions.
British Pound or British Pound Sterling	The official currency of the United Kingdom.
CHESS	The Clearing House Electronic Subregister System.
Constitution	In relation to a particular Fund, means the constitution governing the Fund, as amended or replaced from time to time.
Corporations Act	Corporations Act 2001 (Cth)
Creation Unit	75,000 Units of the Fund, or as otherwise determined by the Responsible Entity from time to time.
Dealing Deadline	4 pm Sydney time on each ASX Business Day (or such other time advised by the Responsible Entity), being the time by which an Application/Redemption form must be received by the Responsible Entity to be processed for that trading day.
Euro	The official currency of the Eurozone
Eurozone	The economic and monetary union of certain European Union member states that have adopted the euro as their common currency and sole legal tender. Also known as the "euro area".
Funds or ETFs	BetaShares British Pound ETF, BetaShares Euro ETF and BetaShares U.S. Dollar ETF, collectively.
Issue Price	The Net Asset Value divided by the number of Units on issue.
Net Asset Value	The net asset value for a Fund calculated in accordance with section 5.5.

Nominee Terms	In relation to an application for Units, the nominee terms made available by the Responsible Entity to applicants, as described in section 6.3.
PDS	This Product Disclosure Statement.
Registrar	Link Market Services Limited (ABN 54 083 214 537), or any other registry that the Responsible Entity appoints to maintain the register.
Tax Act	The Income Tax Assessment Act 1936 (Cth), the Income Tax Assessment Act 1997 (Cth) or both, as appropriate.
Unit	A unit in the relevant Fund.
Unitholder	A holder of a Unit.
U.S. Dollar	The official currency of the United States.
Withdrawal Amount	The Net Asset Value divided by the number of Units on issue in the relevant Fund.

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## FORMS

# APPLICATION FORM

BetaShares Exchange Traded Funds Product Disclosure Statement dated 29 September 2017 issued by BetaShares Capital Ltd, ABN 78 139 566 868, AFSL 341181 as Responsible Entity.

Please note: This form is for use by Authorised Participants. Other investors can buy Units on the ASX through a stockbroker or via a financial adviser.

It is important to read the Product Disclosure Statement (PDS) carefully. If this PDS was obtained electronically, a paper copy of this PDS (including any supplementary PDS) and the Application Form will be provided free of charge upon request. If you give another person access to the Application Form you must at the same time and by the same means give the other person access to this PDS and any supplementary PDS. Capitalised terms have the same meaning as in the PDS.

Please fax the completed Application Form to (02) 9262 4950 or scan and send by email to [orders@betashares.com.au](mailto:orders@betashares.com.au).

### APPLICANT DETAILS

Name \_\_\_\_\_

ACN/ABN \_\_\_\_\_

Postal address \_\_\_\_\_

Suburb \_\_\_\_\_

State \_\_\_\_\_ Postcode \_\_\_\_\_

Telephone (\_\_\_\_) \_\_\_\_\_

Fax (\_\_\_\_) \_\_\_\_\_

### NUMBER OF UNITS APPLIED FOR

This Applicant hereby applies to the Responsible Entity for Units as specified below.

Please note: The minimum application is the number of Units that constitute one Creation Unit. Applications must be made in whole multiples of Creation Units unless the Responsible Entity agrees otherwise.

Fund:

- BetaShares British Pound ETF (ASX Code: POU)
- BetaShares Euro ETF (ASX Code: EEU)
- BetaShares U.S. Dollar ETF (ASX Code: USD)

Number of Units: \_\_\_\_\_

### ACKNOWLEDGEMENTS

By signing this Application Form:

I/We confirm that the representations and warranties made and given in the Authorised Participant Agreement continue to be true and correct.

- I/We confirm that all of the information in this Application Form is true and correct.
- I/We represent and warrant that I/we have received the PDS (electronic or hard copy) in Australia.
- I/We declare I/we have read the PDS and agree to be bound by the terms and conditions of the PDS and the

Constitution of the Fund in which I/we are investing (as amended or replaced from time to time).

- I/We agree to the Applicant Nominee holding Units on the applicant's behalf pending settlement of this application in accordance with the Nominee Terms, if required, as determined by the Responsible Entity.
- I/We covenant, for the benefit of the Applicant Nominee, to be bound by the Nominee Terms, if applicable.
- I/We understand that none of BetaShares Holdings Pty Ltd, BetaShares Capital Ltd or their related entities, directors or officers guarantees the performance of, the repayment of capital invested in, or the payment of income from the Fund.
- I/We acknowledge that an investment in Units is subject to risk which may include possible delays in repayment and loss of income and capital invested.
- I/We declare that the applicant has the capacity and power to make an investment in accordance with the application.
- I/We declare that in making a decision to invest the only information and representations provided by the Responsible Entity are those contained in this PDS to which this application relates.
- I/We understand the risks of the investment and have obtained all professional financial and taxation advice independently of the Responsible Entity as we consider necessary prior to deciding to invest in the Fund.
- I/We acknowledge that I/we have read and understood the privacy disclosure statement in the PDS and agree to information about the applicant being collected, used and disclosed in accordance with that statement.
- If signed under power of attorney, the/each attorney verifies that no notice or revocation of that power has been received.
- I/We intend this Application Form to take effect as a deed poll.

### Applicant signatures

\_\_\_\_\_  
Signature of Authorised Person

\_\_\_\_\_  
Name of Authorised Person (block letters)

\_\_\_\_\_  
Position (block letters)

\_\_\_\_\_  
Signature of Authorised Person

\_\_\_\_\_  
Name of Authorised Person (block letters)

\_\_\_\_\_  
Position (block letters)

Date: \_\_\_\_\_

## FORMS

# REDEMPTION FORM

BetaShares Exchange Traded Funds Product Disclosure Statement dated 29 September 2017 issued by BetaShares Capital Ltd, ABN 78 139 566 868, AFSL 341181 as Responsible Entity.

Please note: This form is for use by Authorised Participants. Other investors can sell Units on the ASX through a stockbroker or via a financial adviser.

It is important to read the Product Disclosure Statement (PDS) carefully. If this PDS was obtained electronically, a paper copy of this PDS (including any supplementary PDS) and the Redemption Form will be provided free of charge upon request. Capitalised terms have the same meaning as in the PDS.

Please fax the completed Redemption Form to (02) 9262 4950 or scan and send by email to [orders@betashares.com.au](mailto:orders@betashares.com.au).

### UNITHOLDER DETAILS

Name \_\_\_\_\_

ACN/ABN \_\_\_\_\_

Postal address \_\_\_\_\_

Suburb \_\_\_\_\_

State \_\_\_\_\_

Postcode \_\_\_\_\_

Telephone ( ) \_\_\_\_\_

Fax ( ) \_\_\_\_\_

### NUMBER OF UNITS TO BE REDEEMED

We hereby request the Responsible Entity to redeem Units as specified below.

*Please note: The minimum redemption is the number of Units that constitute one Creation Unit. Redemptions must be made in whole multiples of Creation Units unless the Responsible Entity agrees otherwise. Redemptions shall be paid in the currency specified in the name of the relevant Fund, unless the Responsible Entity agrees otherwise.*

Fund:

BetaShares British Pound ETF (ASX Code: POU)

BetaShares Euro ETF (ASX Code: EEU)

BetaShares U.S. Dollar ETF (ASX Code: USD)

Number of Units: \_\_\_\_\_

### SIGNATURE BY REDEEMING UNITHOLDER

By signing this Redemption Form:

- If an Authorised Participant, I/we confirm that the representations and warranties made and given in the Authorised Participant Agreement in relation to redemption requests continue to be true and correct.
- I/We confirm that I/we am/are entitled to deliver or arrange delivery of the Units the subject of the redemption request to the Responsible Entity or its custodian.
- I/We agree to reimburse and indemnify the Responsible Entity for all taxes, duties and charges imposed against the Responsible Entity or its agents that may be assessed against the Responsible Entity as a result of my/our entitlement to the capital or distributable income of the Fund (Taxation Amount).
- I/We authorise the Responsible Entity to deduct from my/our income distributions payable from the Fund, on account of the Taxation Amount which the Responsible Entity is or may become liable to pay in respect of my/our entitlement to the capital or distributable income of the Fund.
- I/We confirm that I/we have read and understood the PDS as it relates to redemptions.  
If signed under power of attorney, the/each attorney verifies that no notice or revocation of that power has been received

### Applicant Signatures

\_\_\_\_\_  
Signature of Authorised Person

\_\_\_\_\_  
Name of Authorised Person (block letters)

\_\_\_\_\_  
Position (block letters)

\_\_\_\_\_  
Signature of Authorised Person

\_\_\_\_\_  
Name of Authorised Person (block letters)

\_\_\_\_\_  
Position (block letters)

Date: \_\_\_\_\_

# DIRECTORY

Responsible Entity  
BetaShares Capital Ltd  
Level 11  
50 Margaret Street  
Sydney NSW 2000  
Telephone: 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia)

Custodian & Fund Administrator  
RBC Investor Services  
Level 47  
2 Park Street  
Sydney NSW 2000

Registrar  
Link Market Services  
680 George Street  
Sydney NSW 2000

Solicitors to BetaShares  
MinterEllison  
Governor Macquarie Tower  
1 Farrer Place  
Sydney NSW 2000

Auditor  
KPMG  
Level 38  
Tower Three, International Towers Sydney  
300 Barangaroo Avenue  
Sydney NSW 2000