

**Booklet 8**

**BetaShares Global Quality Leaders ETF - Currency Hedged - ASX Code: HQLT** (ARSN 640 191 108)

**BetaShares Global Sustainability Leaders ETF - Currency Hedged - ASX Code: HETH** (ARSN 635 315 114)

**BetaShares NASDAQ 100 ETF - Currency Hedged - ASX Code: HNDQ** (ARSN 613 693 771)

**Condensed Interim Financial Report**

**for the half-year ended 31 December 2020**

# Booklet 8 Condensed Interim Financial Report for the half-year ended 31 December 2020

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## Directors' report

The directors of BetaShares Capital Ltd, the Responsible Entity of the following managed investment fund (the "Funds"), present their report together with the condensed interim financial report of the Funds for the half-year ended 31 December 2020 and the auditor's report thereon.

Fund name	Referred to in this document as	Financial reporting period	ARSN
BetaShares Global Quality Leaders ETF - Currency Hedged	Global Quality Leaders ETF - Currency Hedged	1 July 2020 to 31 December 2020	640 191 108
BetaShares Global Sustainability Leaders ETF - Currency Hedged	Global Sustainability Leaders ETF - Currency Hedged	1 July 2020 to 31 December 2020 (comparatives: 19 August 2019 to 31 December 2019)	635 315 114
BetaShares NASDAQ 100 ETF - Currency Hedged	NASDAQ 100 ETF - Currency Hedged	1 July 2020 to 31 December 2020	613 693 771

## Responsible Entity

The Responsible Entity of the Funds is BetaShares Capital Ltd (ABN 78 139 566 868). The Responsible Entity's registered office and principal place of business is Level 11, 50 Margaret Street, Sydney, NSW 2000.

## Principal activities

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

The Funds did not have any employees during the half-year.

There were no significant changes in the nature of the Funds' activities during the half-year.

## Directors

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

### Executive directors:

Mr David Nathanson (appointed 21 September 2009, resigned 5 March 2021)  
Mr Alex Vynokur (appointed 21 September 2009)  
Mr Jason Gellert (appointed 5 March 2021)

### Non-Executive directors:

Mr Jungho Rhee (appointed 1 September 2018, resigned 5 March 2021)  
Mr Young Hwan Kim (appointed 7 February 2020, resigned 5 March 2021)  
Mr Edward Sippel (appointed 5 March 2021)

## **Directors' report (continued)**

### **Review and results of operations**

During the half-year, the Funds continued to invest in accordance with target asset allocations as set out in its governing documents and in accordance with the provisions of the Funds' Constitution.

The results of operations of the Funds are disclosed in the condensed interim statement of comprehensive income. The income distribution payable by the Funds are disclosed in the condensed interim statement of financial position. The income distribution paid and payable by the Funds are disclosed in Note 4 to the condensed interim financial statements.

Since the World Health Organisation declared COVID-19 as a global pandemic in March 2020, there has been a significant impact to both local and global economies and to society. As at the reporting date, the resulting impact on the global and domestic market remains uncertain. Management have taken into account the impacts of the pandemic when preparing these financial statements reflected in the valuation of the investments and the financial results for the half-year ended 31 December 2020.

### **Significant changes in state of affairs**

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

### **Matters subsequent to the end of the financial half-year**

The uncertainty around COVID-19 continues to present social and economic challenges and the resulting impact on the global and domestic market remains uncertain. Since the reporting date, there have been no significant changes to the valuation of the Fund's investments as a result of COVID-19.

Since the end of the reporting period, BetaShares Holdings Pty Ltd undertook a change of control transaction through an investment from TA Associates ('TA'), a leading global private equity firm. As part of the transaction, TA acquired the shares held by Mirae Asset Financial Group and other minority investors in BetaShares Holdings Pty Ltd.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Funds in future financial years.

### **Likely developments and expected results of operations**

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

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

**Directors' report (continued)**

**Rounding of amounts to the nearest thousand dollars**

The Funds are entity of the kind referred to in ASIC Corporations (*Rounding in Financial/Directors' Reports*) Instrument 2016/191 and in accordance with that instrument, amounts in the condensed interim financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

**Auditor's independence declaration**

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

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



Alex Vynokur  
Director

Sydney  
10 March 2021



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

To the Directors of BetaShares Capital Limited, the Responsible Entity for the Schemes:

BetaShares Global Quality Leaders ETF - Currency Hedged

BetaShares Global Sustainability Leaders ETF - Currency Hedged

BetaShares NASDAQ 100 ETF - Currency Hedged

I declare that, to the best of my knowledge and belief, in relation to the review of the Schemes for the half-year ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Nic Buchanan

Partner

Sydney

10 March 2021

Condensed interim statements of comprehensive income  
For the half-year ended 31 December 2020

Condensed interim statements of comprehensive income	Global Quality Leaders ETF - Currency Hedged <sup>1</sup>		Global Sustainability Leaders ETF - Currency Hedged <sup>2</sup>		NASDAQ 100 ETF - Currency Hedged <sup>3</sup>	
	31 December 2020 \$'000	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2020 \$'000
<b>Investment income</b>						
Dividend/distribution income	22	149	-	48	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss	909	7,007	-	6,455	-	-
Other operating income	-	2	-	1	-	-
<b>Total net investment income/(loss)</b>	<b>931</b>	<b>7,158</b>	-	<b>6,504</b>	-	-
<b>Expenses</b>						
Management fees	1	7	-	5	-	-
Transaction costs	1	3	-	4	-	-
<b>Total operating expenses</b>	<b>2</b>	<b>10</b>	-	<b>9</b>	-	-
<b>Profit/(loss) for the half-year</b>	<b>929</b>	<b>7,148</b>	-	<b>6,495</b>	-	-
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>	<b>929</b>	<b>7,148</b>	-	<b>6,495</b>	-	-

The above condensed interim statements of comprehensive income should be read in conjunction with the accompanying notes.

<sup>1</sup> There was no comparative amounts for BetaShares Global Quality Leaders ETF - Currency Hedged. The Fund was registered on 17 April 2020 and commenced trading on 9 June 2020.

<sup>2</sup> There was no comparative amounts for BetaShares Global Sustainability Leaders ETF - Currency Hedged as it was dormant. The Fund commenced trading on 20 July 2020.

<sup>3</sup> There was no comparative amounts for BetaShares NASDAQ 100 ETF - Currency Hedged as it was dormant. The Fund commenced trading on 20 July 2020.

Condensed interim statements of financial position  
As at 31 December 2020

	Global Quality Leaders ETF - Currency Hedged		Global Sustainability Leaders ETF - Currency Hedged <sup>2</sup>		NASDAQ 100 ETF - Currency Hedged <sup>3</sup>	
	31 December 2020 \$'000	30 June 2020 \$'000	31 December 2020 \$'000	30 June 2020 \$'000	31 December 2020 \$'000	30 June 2020 \$'000
<b>Assets</b>						
Cash and cash equivalents	10	7	236	-	10	-
Financial assets at fair value through profit or loss	10,824	2,948	87,517	-	52,307	-
Other receivables	22	68	150	-	49	-
<b>Total assets</b>	<b>10,856</b>	<b>3,023</b>	<b>87,903</b>	-	<b>52,366</b>	-
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	-	13	-	-	-	-
Due to brokers - payable for securities purchased	250	-	2,340	-	1,661	-
Distributions payable	36	-	142	-	43	-
Other payables	-	-	2	-	2	-
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>286</b>	<b>13</b>	<b>2,484</b>	-	<b>1,706</b>	-
<b>Net assets attributable to unitholders - equity</b>	<b>10,570</b>	<b>3,010</b>	<b>85,419</b>	-	<b>50,660</b>	-

The above condensed interim statements of financial position should be read in conjunction with the accompanying notes.

<sup>2</sup> There was no comparative amounts for BetaShares Global Sustainability Leaders ETF - Currency Hedged as it was dormant. The Fund commenced trading on 20 July 2020.

<sup>3</sup> There was no comparative amounts for BetaShares NASDAQ 100 ETF - Currency Hedged as it was dormant. The Fund commenced trading on 20 July 2020.



Condensed interim statements of changes in equity  
For the half-year ended 31 December 2020

Condensed interim statements of changes in equity	Notes	Global Quality Leaders ETF - Currency Hedged <sup>1</sup>		Global Sustainability Leaders ETF - Currency Hedged <sup>2</sup>		NASDAQ 100 ETF - Currency Hedged <sup>3</sup>	
		31 December		31 December		31 December	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Total equity at the beginning of the half-year</b>	3	3,010	-	-	-	-	-
<b>Comprehensive income for the half-year</b>							
Profit/(loss) for the half-year		929	-	-	-	6,495	-
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income for the half-year</b>		<b>929</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,495</b>	<b>-</b>
<b>Transactions with unitholders</b>							
Applications	3	6,667	-	80,674	-	50,099	-
Redemptions	3	-	-	(2,261)	-	(5,891)	-
Distributions to unitholders	3,4	(36)	-	(142)	-	(43)	-
<b>Total transactions with unitholders</b>		<b>6,631</b>	<b>-</b>	<b>78,271</b>	<b>-</b>	<b>44,165</b>	<b>-</b>
<b>Total equity at the end of the half-year</b>	3	<b>10,570</b>	<b>-</b>	<b>85,419</b>	<b>-</b>	<b>50,660</b>	<b>-</b>

The above condensed interim statements of changes in equity should be read in conjunction with the accompanying notes.

<sup>1</sup> There was no comparative amounts for BetaShares Global Quality Leaders ETF - Currency Hedged. The Fund was registered on 17 April 2020 and commenced trading on 9 June 2020.

<sup>2</sup> There was no comparative amounts for BetaShares Global Sustainability Leaders ETF - Currency Hedged as it was dormant. The Fund commenced trading on 20 July 2020.

<sup>3</sup> There was no comparative amounts for BetaShares NASDAQ 100 ETF - Currency Hedged as it was dormant. The Fund commenced trading on 20 July 2020.

Condensed interim statements of cash flows  
For the half-year ended 31 December 2020

Condensed interim statements of cash flows	Global Quality Leaders ETF - Currency Hedged <sup>1</sup>		Global Sustainability Leaders ETF - Currency Hedged <sup>2</sup>		NASDAQ 100 ETF - Currency Hedged <sup>3</sup>	
	31 December 2020 \$'000	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2019 \$'000
<b>Cash flows from operating activities</b>						
Proceeds from sale of financial instruments at fair value through profit or loss	522	5,756	-	9,058	-	-
Payments for purchase of financial instruments at fair value through profit or loss	(7,252)	(83,926)	-	(53,249)	-	-
Dividends/distributions received	68	-	-	-	-	-
Other operating income received	-	2	-	1	-	-
Management fees paid	(1)	(6)	-	(4)	-	-
Transaction costs paid	(1)	(3)	-	(4)	-	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(6,664)</b>	<b>(78,177)</b>	-	<b>(44,198)</b>	-	-
<b>Cash flows from financing activities</b>						
Proceeds from applications by unitholders	6,667	80,674	-	50,099	-	-
Payments for redemptions by unitholders	-	(2,261)	-	(5,891)	-	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>6,667</b>	<b>78,413</b>	-	<b>44,208</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3</b>	<b>236</b>	-	<b>10</b>	-	-
Cash and cash equivalents at the beginning of the half-year	7	-	-	-	-	-
<b>Cash and cash equivalents at the end of the half-year</b>	<b>10</b>	<b>236</b>	-	<b>10</b>	-	-

The above condensed interim statements of cash flows should be read in conjunction with the accompanying notes.

<sup>1</sup> There was no comparative amounts for BetaShares Global Quality Leaders ETF - Currency Hedged. The Fund was registered on 17 April 2020 and commenced trading on 9 June 2020.

<sup>2</sup> There was no comparative amounts for BetaShares Global Sustainability Leaders ETF - Currency Hedged as it was dormant. The Fund commenced trading on 20 July 2020.

<sup>3</sup> There was no comparative amounts for BetaShares NASDAQ 100 ETF - Currency Hedged as it was dormant. The Fund commenced trading on 20 July 2020.

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## 1 General information

These condensed interim financial statements cover the following managed investment fund (the "Funds"). The Funds are registered managed investment scheme under the *Corporations Act 2001*. The Responsible Entity cannot issue or redeem any units from the 80th anniversary of the day before the day the Funds commenced if that issue or redemption would cause a contravention of the rule against perpetuities or any other rule of law or equity. The Funds may be terminated in accordance with the provisions of its Constitutions. The Funds are domiciled in Australia.

Abbreviated Fund name	Registered date	Commenced date	Financial reporting period
Global Quality Leaders ETF - Currency Hedged	17 April 2020	9 June 2020	1 July 2020 to 31 December 2020
Global Sustainability Leaders ETF - Currency Hedged	19 August 2019	20 July 2020	1 July 2020 to 31 December 2020 (comparatives: 19 August 2019 to 31 December 2019)
NASDAQ 100 ETF - Currency Hedged	26 July 2016	20 July 2020	1 July 2020 to 31 December 2020

The Responsible Entity of the Funds is BetaShares Capital Ltd (the "Responsible Entity"). The Responsible Entity's registered office is Level 11, 50 Margaret Street, Sydney, NSW 2000.

The condensed interim financial statements were authorised for issue by the directors of the Responsible Entity on 10 March 2021. The directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

The condensed interim financial statements are presented in Australian dollars, which is the Funds' functional currency.

## 2 Summary of significant accounting policies

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

### (a) Basis of preparation

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

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any continuous disclosure requirements of the *Corporations Act 2001*.

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

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

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

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

#### *Use of estimates and judgement*

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

Management have taken into account the impacts of the COVID-19 pandemic on the estimates and assumptions used in the valuation and presentation of the Funds' investments and its operating environment when preparing this financial report.

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

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

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

### (b) Australian accounting standards and interpretations

The accounting policies in these condensed interim financial statements are the same as those applied in the Funds' financial statements for the year ended 30 June 2020.

There are no other standards that are not yet effective and that are expected to have a material impact on the Funds in the current or future half-year and on foreseeable future transactions.

### (c) Rounding of amounts

The Funds are an entity of the kind referred to in ASIC Corporations (*Rounding in Financial/Directors' Reports*) Instrument 2016/191, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

### 3 Net assets attributable to unitholders

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

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

	Global Quality Leaders ETF - Currency Hedged		Global Sustainability Leaders ETF - Currency Hedged			
	31 December 2020 Units '000	31 December 2020 \$'000	31 December 2020 Units '000	31 December 2020 \$'000	31 December 2019 Units '000	31 December 2019 \$'000
<b>Net assets attributable to unitholders</b>						
Opening balance	150	3,010	-	-	-	-
Applications	300	6,667	7,500	80,674	-	-
Redemptions	-	-	(200)	(2,261)	-	-
Distribution to unitholders	-	(36)	-	(142)	-	-
Profit/(loss) for the half-year	-	929	-	7,148	-	-
<b>Closing balance</b>	<b>450</b>	<b>10,570</b>	<b>7,300</b>	<b>85,419</b>	-	-

#### NASDAQ 100 ETF - Currency Hedged

	NASDAQ 100 ETF - Currency Hedged	
	31 December 2020 Units '000	31 December 2020 \$'000
<b>Net assets attributable to unitholders</b>		
Opening balance	-	-
Applications	1,900	50,099
Redemptions	(200)	(5,891)
Distribution to unitholders	-	(43)
Profit/(loss) for the half-year	-	6,495
<b>Closing balance</b>	<b>1,700</b>	<b>50,660</b>

#### Capital risk management

The Funds consider their net assets attributable to unitholders as equity. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of eligible unitholders.

The daily issues and withdrawals of units are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' governing rules, the Responsible Entity may suspend the issue or withdrawal of units in certain circumstances.

#### 4 Distributions to unitholders

The distributions for the half-year were as follows:

	Global Quality Leaders ETF - Currency Hedged		Global Sustainability Leaders ETF - Currency Hedged			
	31 December 2020 \$'000	31 December 2020 CPU	31 December 2020 \$'000	31 December 2020 CPU	31 December 2019 \$'000	31 December 2019 CPU
Distributions payable - December	36	8.06	142	1.95	-	-
Total distributions	36	8.06	142	1.95	-	-

#### NASDAQ 100 ETF -

	Currency Hedged		31 December		31 December	
	31 December 2020 \$'000	31 December 2020 CPU	2019 \$'000	2019 CPU		
Distributions payable - December	43	2.51	-	-		
Total distributions	43	2.51	-	-		

#### 5 Financial assets at fair value through profit or loss

	Global Quality Leaders ETF - Currency Hedged		Global Sustainability Leaders ETF - Currency Hedged		NASDAQ 100 ETF - Currency Hedged	
	31 December 2020 \$'000	30 June 2020 \$'000	31 December 2020 \$'000	30 June 2020 \$'000	31 December 2020 \$'000	30 June 2020 \$'000
Financial assets at fair value through profit or loss						
Listed securities	10,476	2,948	84,634	-	50,254	-
Foreign currency contracts	348	-	2,883	-	2,053	-
Total financial assets at fair value through profit or loss	10,824	2,948	87,517	-	52,307	-
Financial liabilities at fair value through profit or loss						
Foreign currency contracts	-	13	-	-	-	-
Total financial liabilities at fair value through profit or loss	-	13	-	-	-	-

## 6 Fair value measurements

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

### Fair value estimation

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

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

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

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

The Funds value their investments in accordance with the accounting policies set out in Note 2. For the majority of its investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

The quoted market price used for financial assets and liabilities is the last traded price. Where the last traded price does not fall within the bid-ask spread, an assessment is performed by management to determine the appropriate valuation price to use that is most representative of fair value.

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

#### (ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.



## 6 Fair value measurements (continued)

### Fair value estimation (continued)

(ii) *Fair value in an inactive or unquoted market (Level 2 and Level 3) (continued)*

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

(iii) *Recognised fair value measurements*

The tables below set out the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy:

	Global Quality Leaders ETF - Currency Hedged							
	Level 1		Level 2		Level 3		Total	
	31 December 2020	31 December 2020	31 December 2020	31 December 2020	31 December 2020	31 December 2020	31 December 2020	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	10,476	-	-	-	10,476	-	2,948	
Foreign currency contracts	-	348	-	-	348	-	-	
<b>Total</b>	<b>10,476</b>	<b>348</b>	<b>-</b>	<b>-</b>	<b>10,824</b>	<b>2,948</b>	<b>2,948</b>	

### Financial liabilities

Financial liabilities at fair value through profit or loss:

Foreign currency contracts

	-	-	-	-	-	13	13
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>13</b>

	Global Sustainability Leaders ETF - Currency Hedged							
	Level 1		Level 2		Level 3		Total	
	31 December 2020	31 December 2020	31 December 2020	31 December 2020	31 December 2020	31 December 2020	31 December 2020	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	84,634	-	-	-	84,634	-	-	
Foreign currency contracts	-	2,883	-	-	2,883	-	-	
<b>Total</b>	<b>84,634</b>	<b>2,883</b>	<b>-</b>	<b>-</b>	<b>87,517</b>	<b>-</b>	<b>-</b>	

**6 Fair value measurements (continued)**

**Fair value estimation (continued)**

(iii) *Recognised fair value measurements (continued)*

	NASDAQ 100 ETF - Currency Hedged						
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
	31 December 2020 \$'000	31 December 2020 \$'000	31 December 2020 \$'000	31 December 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000
<b>Financial assets</b>							
Financial assets at fair value through profit or loss:							
Listed securities	50,254	-	-	50,254	-	-	-
Foreign currency contracts	-	2,053	-	2,053	-	-	-
<b>Total</b>	<b>50,254</b>	<b>2,053</b>	<b>-</b>	<b>52,307</b>	<b>-</b>	<b>-</b>	<b>-</b>

(iv) *Transfers between levels*

There were no transfers between levels during the half-year ended 31 December 2020 and 30 June 2020.

(v) *Movement in level 3 instruments*

There were no investments classified as Level 3 within the Funds as at 31 December 2020 and 30 June 2020.

(vi) *Fair value of financial instruments not carried at fair value*

The carrying values of financial instruments not carried at fair values are assumed to approximate their fair values.

Net assets attributable to unitholders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current half-year.

## 7 Related party transactions

### Related party unitholdings

The table below provides details in relation to the investments held by certain Funds in related parties for the relevant financial period:

#### *Global Quality Leaders ETF - Currency Hedged*

31 December 2020

Unitholder in the below fund:

	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
BetaShares Global Quality Leaders ETF	152,677	504,322	10,476,115	9.58	365,467	13,822	21,729
Total	152,677	504,322	10,476,115	9.58	365,467	13,822	21,729

#### *Global Sustainability Leaders ETF - Currency Hedged*

31 December 2020

Unitholder in the below fund:

	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
BetaShares Global Sustainability Leaders ETF	-	7,851,446	84,634,403	7.94	8,372,845	521,399	149,237
Total	-	7,851,446	84,634,403	7.94	8,372,845	521,399	149,237

#### *NASDAQ 100 ETF - Currency Hedged*

31 December 2020

Unitholder in the below fund:

	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
BetaShares NASDAQ 100 ETF	-	1,819,610	50,253,934	3.46	2,107,643	288,033	48,082
Total	-	1,819,610	50,253,934	3.46	2,107,643	288,033	48,082

## 8 Events occurring after the reporting period

The uncertainty around COVID-19 continues to present social and economic challenges and the resulting impact on the global and domestic market remains uncertain. Since the reporting date, there have been no significant changes to the valuation of the Fund's investments as a result of COVID-19. Since the end of the reporting period, BetaShares Holdings Pty Ltd undertook a change of control transaction through an investment from TA Associates ('TA'), a leading global private equity firm. As part of the transaction, TA acquired the shares held by Mirae Asset Financial Group and other minority investors in BetaShares Holdings Pty Ltd. No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the statements of financial position as at 31 December 2020 or on the results and cash flows of the Funds for the period ended on that date.

## 9 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2020 and 30 June 2020.

### Directors' declaration

BetaShares Capital Ltd presents the Directors' Declaration in respect of the following fund:

BetaShares Global Quality Leaders ETF - Currency Hedged  
BetaShares Global Sustainability Leaders ETF - Currency Hedged  
BetaShares NASDAQ 100 ETF - Currency Hedged

In the opinion of the directors of BetaShares Capital Ltd, the Responsible Entity of the Fund:

- (a) the condensed interim financial statements and notes set out on pages 6 to 19 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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



Alex Vynokur  
Director

Sydney  
10 March 2021



## Independent Auditor's Review Report

To the unitholders of following Schemes (the "Schemes"):  
BetaShares Global Quality Leaders ETF - Currency Hedged  
BetaShares Global Sustainability Leaders ETF - Currency Hedged  
BetaShares NASDAQ 100 ETF - Currency Hedged

### Conclusion

We have reviewed the accompanying **Condensed Interim Financial Reports** of the Schemes.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Reports of the Schemes are not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Schemes' financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Reports** comprise:

- Condensed interim statements of financial position as at 31 December 2020.
- Condensed interim statements of comprehensive income, Condensed interim statements of changes in equity and Condensed interim statements of cash flows for the half-year ended on that date
- Notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Interim Period** is the 6 months ended on 31 December 2020.

### Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Schemes in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



### Responsibilities of the Directors for the Condensed Interim Financial Reports

The Directors of BetaShares Capital Limited (the Responsible Entity) are responsible for:

- the preparation of the Condensed Interim Financial Reports that give a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Reports that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility for the review of the Condensed Interim Financial Reports

Our responsibility is to express a conclusion on the Condensed Interim Financial Reports based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Reports do not comply with the *Corporations Act 2001* including giving a true and fair view of the Scheme's financial position as at 31 December 2020 and its performance for the Half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Interim Financial Reports consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG

Nicholas Buchanan

Partner

Sydney

10 March 2021