

Betashares Funds

Product Disclosure Statement

Betashares Geared Long Australian Government Bond Fund (hedge fund)

ASX: **GGAB**

Betashares Geared Short Australian Government Bond Fund (hedge fund)

ASX: **BBAB**

Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund)

ASX: **GGFD**

Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)

ASX: **BBFD**



IMPORTANT INFORMATION

About this PDS

This Product Disclosure Statement (**PDS**) is dated 24 November 2023.

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 Geared Long Australian Government Bond Fund (hedge fund) (ARSN: 670 076 123), Betashares Geared Short Australian Government Bond Fund (hedge fund) (ARSN: 670 076 294), Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund) (ARSN: 670 076 918) and Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund) (ARSN: 670 076 409). These are referred to in this PDS individually as "Fund" and collectively as "Funds" or "Betashares Bond Futures Funds".

A copy of this PDS has been lodged with the Australian Securities and Investments Commission (**ASIC**) on 24 November 2023. Neither ASIC nor ASX Limited takes any responsibility for the contents of this PDS.

At the time of lodgement of this PDS with ASIC, the Units in each Fund are yet to be quoted for trading on the ASX. An application has been made to the ASX for Units in each Fund issued pursuant to this PDS to be quoted for trading on the AQUA market of the ASX under the AQUA Rules.

No applications for Units in the Funds will be accepted until the exposure period for the PDS has expired. The exposure period for the PDS expires seven days after lodgement of this PDS with ASIC, subject to possible extension by ASIC for a further period of up to seven days.

The PDS is designed so that one or 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 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 certain financial institutions, 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 Authorised Participants 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, or in certain overseas jurisdictions by direct arrangement with the Responsible Entity.

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. 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 Fund. 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 Fund is appropriate to their needs, objectives and circumstances.

Investors should consult a professional financial adviser and ensure they understand the risks of the Fund before investing.

Definitions

Certain terms used in this PDS are defined in the Glossary in section 8. All references to dollar amounts in this PDS are to Australian dollars unless otherwise stated.

For further details on the Betashares Bond Futures Funds, please contact a stockbroker or financial adviser or visit www.betashares.com.au.

PRODUCT DISCLOSURE STATEMENT

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1 KEY FEATURES

1.1 INTRODUCTION TO THE BETASHARES BOND FUTURES FUNDS

The Betashares Bond Futures Funds are managed investment funds whose units will trade on the ASX.

The following Funds are offered under this PDS:

1. Betashares Geared Long Australian Government Bond Fund (hedge fund) (ASX: GGAB);
2. Betashares Geared Short Australian Government Bond Fund (hedge fund) (ASX: BBAB);
3. Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund) (ASX: GGFD); and
4. Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund) (ASX: BBFD).

The Betashares Geared Long Australian Government Bond Fund (hedge fund) and Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund) are collectively referred to in this PDS as the “**Long Funds**”.

The Betashares Geared Short Australian Government Bond Fund (hedge fund) and Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund) are collectively referred to in this PDS as the “**Short Funds**”.

The Betashares Geared Long Australian Government Bond Fund (hedge fund) and Betashares Geared Short Australian Government Bond Fund (hedge fund) are collectively referred to in this PDS as the “**Australian Funds**”.

The Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund) and Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund) are collectively referred to in this PDS as the “**US Funds**”.

The Long Funds use an active investment strategy that aims to help investors profit from an increase in the value of the bond futures the Long Funds hold. Conversely, the Short Funds use an active investment strategy that aims to help investors profit from a decrease in the value of the bond futures the Short Funds hold.

The bond futures held in respect of the Australian Funds are the ASX 10 Year Australian Treasury Bond Futures. These futures reflect the returns of a notional 10 Year Australian Treasury Bond which is based on a reference basket of actual Australian Treasury Bonds with terms to maturity of approximately 10 years. For the purposes of this PDS, this notional bond is referred to as the “reference bond” of the futures held in respect of the Australian Funds.

The bond futures held in respect of the US Funds are the CME Ultra 10-Year US Treasury Note Futures. These futures reflect the returns of an underlying US Treasury Bond with a term to maturity of approximately 10 years. For the purposes of this PDS, this underlying bond is referred to as the “reference bond” of the futures held in respect of the US Funds.

The Long Funds seek to generate magnified returns that are positively correlated with the returns of the relevant reference bond. The Responsible Entity anticipates that the Long Funds’ geared long

exposure to the relevant reference bond will generally vary between +250% and +300% of each Long Fund’s Net Asset Value on a given day.

The Short Funds seek to generate magnified returns that are negatively correlated with the returns of the relevant reference bond. The Responsible Entity anticipates that the Short Funds’ geared short exposure to the relevant reference bond will generally vary between -250% and -300% of each Short Fund’s Net Asset Value on a given day.

Each Fund’s returns will not necessarily be in the relevant target range over periods longer than a day, due to the effects of rebalancing the Fund’s investment exposure from time to time to maintain the daily target short exposure range and the compounding of investment returns over time. Therefore, each Fund’s returns over periods longer than one day may differ in amount and possibly direction from the daily target return range. This effect on returns over time can be expected to be more pronounced the more volatile the relevant bond market and the longer an investor’s holding period.

Investors in a Fund should actively monitor their investment, as frequently as daily, to ensure it continues to meet their investment objectives, and should consider whether to limit their holding period or rebalance their investment to maintain their desired level of exposure and mitigate the effects of compounding.

Each Fund’s strategy of seeking to generate magnified returns means both investment gains and losses can be expected to be magnified, and consequently significant variations, both up and down, in the value of the Fund’s investments can be expected. Each Fund therefore involves risks that are not present in ungeared bond funds. Potential investors in a Fund should consider their particular investment objectives and circumstances, including their tolerance for investing in an extremely high risk fund, in consultation with a professional financial adviser before making an investment decision.

Suitability

Each Fund may be suitable for use as a small component of a broader portfolio for an investor seeking capital growth who has an extremely high risk/return profile for that part of their portfolio and a short investment timeframe.

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.

The PDS is designed so that a number of Betashares funds may be offered under it over time. These are referred to in this PDS individually as “Fund” and collectively as “Funds” or “Betashares Bond Futures Funds”. Additional Funds may be added by the Responsible Entity issuing a supplementary PDS or a new PDS.

Sections 1 to 8 of this PDS contain general information concerning the common features of all of the Funds that may be offered under the PDS. The Product Supplement appearing after section 8 contains information specific to each Fund being offered.

TABLE 1.2: SUMMARY OF KEY INFORMATION

TOPIC	SUMMARY	SECTION
Investment objective	<p>Long Funds</p> <p>The investment objective of the Long Funds is to provide geared long exposure to the returns of the relevant reference bond. The Long Funds seek to generate magnified returns that are positively correlated to the returns of the relevant reference bond.</p> <p>As at the date of this PDS, the Responsible Entity intends to implement the investment strategy by investing the assets of each Long Fund into cash and cash equivalents and buying futures contracts in respect of the relevant reference bond.</p> <p>The Product Supplement sets out information specific to each Long Fund, including the investment objective and strategy applicable to the Fund.</p> <p>There is no assurance or guarantee that the returns of the Long Funds will meet their investment objective.</p> <p>Short Funds</p> <p>The investment objective of the Short Funds is to provide geared short exposure to the returns of the relevant reference bond. The Short Funds seek to generate magnified returns that are negatively correlated to the returns of the relevant reference bond.</p> <p>As at the date of this PDS, the Responsible Entity intends to implement the investment strategy by investing the assets of each Short Fund into cash and cash equivalents and selling futures contracts in respect of the relevant reference bond.</p> <p>The Product Supplement sets out information specific to each Short Fund, including the investment objective and strategy applicable to the Fund.</p> <p>There is no assurance or guarantee that the returns of the Short Funds will meet their investment objective.</p>	2.1 and Product Supplement
Investing	<p>The offer in this PDS is only available to Authorised Participants.</p> <p>Units can only be acquired in whole multiples of a "Creation Unit" unless the Responsible Entity agrees otherwise. The number of Units in a Creation Unit for the Fund is determined by the Responsible Entity and notified to Authorised Participants.</p> <p>Application amounts are payable in cash in Australian dollars, unless the Responsible Entity agrees otherwise. Applications are subject to an application fee described in section 3.</p> <p>Units in each Fund will be quoted on the ASX under the AQUA Rules. Once quoted (and 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>	5
Redemptions	<p>A Unitholder can generally only redeem Units if it is an Authorised Participant.</p> <p>Units can only be redeemed in whole multiples of a Creation Unit unless the Responsible Entity agrees otherwise. The number of Units that constitute a Creation Unit for the Fund is determined by the Responsible Entity and notified to Authorised Participants.</p> <p>The amount payable to a Unitholder on redemption will be paid in cash in Australian dollars, unless the Responsible Entity agrees otherwise. Redemptions are subject to a withdrawal fee described in section 3.</p> <p>In certain specified circumstances, redemption requests may be delayed, rejected or scaled down. See section 6.2.7, 6.2.8 and 6.2.9 for further information.</p> <p>Units in each Fund will be quoted on the ASX under the AQUA Rules. Once quoted (and subject to market conditions), investors may sell their Units by trading on the</p>	5, 6.2.7, 6.2.8, 6.2.9

TOPIC	SUMMARY	SECTION
	<p>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> <p>A Unitholder who is not an Authorised Participant can only redeem Units in the special circumstances described in section 5.4.</p>	
Distributions	<p>The Responsible Entity may declare distributions at least annually in respect of the period ending on 30 June of each year.</p> <p>There is no guarantee that the Funds will distribute any income to Unitholders.</p>	2.2 and Product Supplement
Risks	<p>There are a number of risks associated with investing in the Funds. The key risks include the following:</p> <ul style="list-style-type: none"> • Investment objective risk - there is no guarantee a Fund's investment objective will be successful or that the investment objective will be achieved. • Market risk - a Fund's investment returns will be influenced by the performance of the bond market to which the Fund is exposed. Changes in the yield of the relevant reference bond may result in a loss in the value of the bond futures held by a Fund and in the value of Units. • Interest rate risk - the value of the bond futures contracts held by a Fund will fluctuate as a result of changes in interest rates, particularly changes in longer term yields. • Credit risk - the Funds are exposed to the creditworthiness of the issuer of the relevant reference bond represented in the bond futures held by a Fund. • Leverage risk - the Funds' use of leverage magnifies, and increases the volatility of, both gains and losses from the Funds' investments. The Funds are therefore riskier than funds that are not leveraged. • Derivatives risk - the use of derivatives carries certain risks and can cause a Fund to incur losses. • Rebalancing and compounding risk - a Fund's returns will not necessarily be in the target range (+250% to +300% of the Fund's Net Asset Value for the Long Funds and -250% to -300% of the Fund's Net Asset Value for the Short Funds) over periods longer than a day due to the effects of rebalancing the Fund's investment exposure and compounding of investment returns over time. A Fund's returns over periods longer than one day may differ in amount and possibly direction from the daily target return range. • Counterparty risk - there is a risk of loss due to a counterparty defaulting on their obligations. Counterparties include a Fund's trading counterparties, deposit-taking banks, custodian, administrator and unit registrar. • Liquidity risk - although the Units are quoted on the ASX under the AQUA Rules, there can be no assurance that there will be a liquid market for Units. • Trading risk - in certain circumstances, the ASX may suspend trading of the Units of a Fund and in that event Unitholders would not be able to buy or sell Units of that Fund on the ASX. • Trading price risk - the trading price of Units on the ASX may differ from the Net Asset Value per Unit. <p>This is not a comprehensive summary of all the risks of investing in the Funds. Before investing in the Funds, 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 further details of the risks of investing, see section 4 and the Product Supplement.</p>	4 and Product Supplement
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

TOPIC	SUMMARY	SECTION
Complaints	The Responsible Entity has a process in place to deal with complaints from Unitholders.	6.2.22
Responsible Entity	Betashares Capital Ltd is the responsible entity of each Fund and is the issuer of this PDS.	1.4

1.3 DISCLOSURE BENCHMARKS & DISCLOSURE PRINCIPLES

Each disclosure benchmark and disclosure principle set out in the following tables identifies a key area that ASIC considers investors should understand before making a decision to invest in the relevant Fund. Where a responsible entity does not meet a particular disclosure benchmark, ASIC requires that the responsible entity explain why the benchmark is not met and what alternative measures it has in place to mitigate the concern underlying the benchmark.

Disclosure Benchmarks

BENCHMARK	DESCRIPTION	DISCLOSURE SUMMARY	SECTION FOR FURTHER INFORMATION
Valuation of assets	This benchmark addresses whether valuations of any non-exchange traded assets are provided by an independent administrator or an independent valuation service provider.	<p>Each Fund meets this benchmark.</p> <p>Each Fund's assets only comprise exchange-traded assets and cash or cash equivalents. The Responsible Entity has appointed an independent, external fund administrator, Citigroup Pty Limited, to value all of the Fund's assets and to calculate the total value of the Fund's assets and Net Asset Value per Unit using these valuations.</p> <p>Each Fund's assets reflect their market value. The valuation methods applied to value each Fund's assets must be consistent with the range of ordinary commercial practice for valuing them.</p>	5.6, 6.1.1
Periodic reporting	This benchmark addresses whether the Responsible Entity will provide periodic disclosure to investors of certain key information.	<p>Each Fund meets this benchmark, except as stated below.</p> <p>The Responsible Entity has in place and implements a policy to provide periodic reports on certain key information about the Fund, as set out in section 2.1.6.</p> <p>The benchmark is not met only in the respect that the names of a Fund's derivatives counterparties (being clearing brokers which the Fund uses to buy or sell exchange-traded derivatives) are not disclosed in the Fund's periodic reporting to investors, because this information may change from time to time and is considered commercial-in-confidence. The Responsible Entity only deals in exchange-traded derivatives (being futures contracts in respect of the reference bond) with counterparties which are licensed market participants. The Responsible Entity's criteria for selecting counterparties include that they must have, as a minimum, a long-term investment grade credit rating from a major credit ratings agency. The central counterparty for clearing ASX 10 Year Australian Treasury Bond futures contracts is ASX Clearing Corporation (or a subsidiary). The central counterparty for clearing CME Ultra 10-Year US Treasury Note futures contracts is Chicago Mercantile Exchange (CME) (or a subsidiary).</p>	2.1.6

PRINCIPLE	DISCLOSURE SUMMARY	SECTION FOR FURTHER INFORMATION
Investment strategy	<p data-bbox="459 282 584 309">Long Funds</p> <p data-bbox="459 338 1286 506">As at the date of this PDS, the Responsible Entity intends to implement the investment strategy by investing the assets of each Long Fund into cash and cash equivalents and buying bond futures contracts that reflect the returns of the relevant reference bond. Buying bond futures can generally be expected to generate a positive return when the yield of the relevant reference bond declines on a given day (and a negative return when the yield of the relevant reference bond increases on a given day).</p> <p data-bbox="459 539 1286 696">The Responsible Entity expects to use exchange-traded derivatives (i.e. buying ASX 10 Year Australian Treasury Bond Futures for Betashares Geared Long Australian Government Bond Fund (hedge fund) and CME Ultra 10-Year US Treasury Note Futures for Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund) in implementing the investment strategy. See “Derivatives” below for more information.</p> <p data-bbox="459 730 1286 887">While each Long Fund will not borrow for the purposes of gearing, it will use futures to obtain a magnified (or “geared”) exposure. The Responsible Entity anticipates that each Long Fund’s exposure to the relevant reference bond will generally vary between +250% and +300% of the Long Fund’s Net Asset Value on a given day. Gearing is possible with futures because futures require minimal investment to gain exposure to markets.</p> <p data-bbox="459 920 1286 999">Gearing can be expected to magnify both investment gains and losses, and consequently significant variations in the value of each Long Fund’s investments can be expected. See “Leverage” below for more information.</p> <p data-bbox="459 1032 1286 1088">In respect of Betashares Geared Long Australian Government Bond Fund (hedge fund), all assets will be located in Australia and denominated in Australian dollars.</p> <p data-bbox="459 1122 1286 1223">In respect of Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund), all assets will be located in Australia and the United States and denominated in Australian and US dollars. CME Ultra 10-Year US Treasury Note Futures contracts are traded on a US exchange and denominated in US dollars.</p> <p data-bbox="459 1256 1286 1335">Investors will receive returns from (1) the change in the value of a Long Fund’s portfolio of cash/cash equivalents and futures contracts, which will be reflected in the daily Net Asset Value per Unit and (2) any distributions paid to investors, at least annually.</p> <p data-bbox="459 1368 1286 1525">The strategy’s ability to produce investment returns is largely dependent on general Australian (for Betashares Geared Long Australian Government Bond Fund (hedge fund)) and US (for Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund)) bond market conditions (to which the Long Funds have exposure via buying relevant futures contracts), and may be influenced by the risks described in section 4.</p> <p data-bbox="459 1559 1286 1615">Each Long Fund does not have specific diversification guidelines or limits, but does have target asset allocation ranges set out in section 2.1.2.</p> <p data-bbox="459 1648 1286 1727">Specific risks associated with each Long Fund’s investment strategy are described in section 4 and the Fund’s Product Supplement, and include market risk, interest rate risk, gearing risk and derivatives risk.</p> <p data-bbox="459 1760 1286 1955">Key aspects of the Responsible Entity’s risk management strategy comprise: (1) daily monitoring of the level of each Long Fund’s geared exposure to the relevant reference bond with the aim of maintaining geared exposure between +250% and +300% of the Long Fund’s Net Asset Value on any given day; and (2) the Responsible Entity intends that each Long Fund will only invest in liquid assets that are generally able to be liquidated on a daily basis (subject to normal settlement cycles that generally do not exceed two business days).</p>	2.1.2, 2.1.3, 2.1.4, 2.1.7 and Product Supplement

The Responsible Entity may from time to time vary the investment strategy as set out in this PDS. Any significant change will be notified to investors via the ASX Market Announcements Platform.

For the avoidance of doubt, the Long Funds do not engage in any short selling activity.

Short Funds

As at the date of this PDS, the Responsible Entity intends to implement the investment strategy by investing the assets of each Short Fund into cash and cash equivalents and selling bond futures contracts that reflect the returns of the relevant reference bond. Selling bond futures can generally be expected to generate a positive return when the yield of the relevant reference bond increases on a given day (and a negative return when the yield of the relevant reference bond declines on a given day). Selling futures contracts in this way may be considered a form of "short selling", which is an investment strategy that seeks to profit from the fall in the price of an asset. See "Short selling" below for more information.

The Responsible Entity expects to use exchange-traded derivatives (i.e. selling ASX 10 Year Australian Bond Futures for Betashares Geared Short Australian Government Bond Fund (hedge fund) and Ultra 10-Year US Treasury Note Futures for Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)) in implementing the investment strategy. See "Derivatives" below for more information.

While each Short Fund will not borrow for the purposes of gearing, it will use futures to obtain a magnified (or "geared") exposure. The Responsible Entity anticipates that each Short Fund's exposure to the relevant reference bond will generally vary between -250% and -300% of the Short Fund's Net Asset Value on a given day. Gearing is possible with futures because futures require minimal investment to gain exposure to markets.

Gearing can be expected to magnify both investment gains and losses, and consequently significant variations in the value of each Short Fund's investments can be expected. See "Leverage" below for more information.

In respect of Betashares Geared Short Australian Government Bond Fund (hedge fund), all assets will be located in Australia and denominated in Australian dollars.

In respect of Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund), all assets will be located in Australia and the United States and denominated in Australian and US dollars. Ultra 10-Year US Treasury Note Futures contracts are traded on a US exchange and denominated in US dollars.

Investors will receive returns from (1) the change in the value of a Short Fund's portfolio of cash/cash equivalents and futures contracts, which will be reflected in the daily Net Asset Value per Unit and (2) any distributions paid to investors, at least annually.

The strategy's ability to produce investment returns is largely dependent on general Australian (for Betashares Geared Short Australian Government Bond Fund (hedge fund)) and US (for Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)) bond market conditions (to which the Short Funds have exposure via selling relevant bond futures contracts), and may be influenced by the risks described in section 4.

Each Short Fund does not have specific diversification guidelines or limits, but does have target asset allocation ranges set out in section 2.1.2.

Specific risks associated with each Short Fund's investment strategy are described in section 4 and the Short Fund's Product Supplement, and include risk associated with negatively correlated returns, market risk, interest rate risk, gearing risk and derivatives risk.

Key aspects of the Responsible Entity's risk management strategy comprise: (1) daily monitoring of the level of each Short Fund's geared exposure to the relevant reference bond with the aim of maintaining geared exposure between -250% and -300% of the Short Fund's Net Asset Value on any given day; and (2) the Responsible Entity intends that each Short Fund will only invest in liquid assets that are generally able to be

PRINCIPLE	DISCLOSURE SUMMARY	SECTION FOR FURTHER INFORMATION
	<p>liquidated on a daily basis (subject to normal settlement cycles that generally do not exceed two business days).</p> <p>The Responsible Entity may from time to time vary the investment strategy as set out in this PDS. Any significant change will be notified to investors via the ASX Market Announcements Platform.</p>	
Investment manager	<p>The Responsible Entity's Chief Investment Officer, Louis Crous, is head of the portfolio management team, which is responsible for implementing each Fund's investment strategy. Mr Crous is adequately qualified and experienced to perform this role. Mr Crous devotes all of his business time to the Responsible Entity's business, which includes responsibility for managing and executing the investment strategy of each Fund.</p>	1.4
Fund structure	<p>Each Fund is an Australian registered managed investment scheme structured as a unit trust, whose Units will trade on the ASX.</p> <p>For a diagram showing the flow of investment money through the structure, see section 2.3.</p> <p>For the names of the key service providers involved in the operation of each Fund, and a description of their services, see section 6.1. All key service providers are domiciled in Australia.</p> <p>Citigroup Pty Limited provides both custody services and fund administration services for each Fund. The Responsible Entity in its personal capacity, or companies related to the Responsible Entity, may invest in a Fund or provide services to a Fund. See section 6.2.25.</p> <p>The Responsible Entity seeks to ensure compliance of service providers with their service agreement obligations through various monitoring methods that include, where appropriate, daily observation of service provider performance, review of regular compliance and audit reports, regular meetings with service providers and performance assessments.</p> <p>The risks associated with each Fund's structure are described in section 4. As an exchange-traded managed fund, there is the risk of a Fund's Units being suspended from trading, of a lack of a liquid market for Units, and of the trading price of Units differing from Net Asset Value per Unit. As the Responsible Entity outsources key operational functions, namely custody, fund administration (including valuations and unit pricing) and unit registry, to third party service providers, there is the risk that service providers will default in performing their obligations (whether intentionally or unintentionally) and cause loss to a Fund.</p>	2.3, 4, 6.1, 6.2.25
Valuation, location and custody of assets	<p>Each Fund's assets and liabilities will be valued, and the Net Asset Value calculated, on each Dealing Day by the fund administrator. Assets or liabilities denominated in U.S. dollars will be converted to Australian dollars using 4pm London time currency exchange rates. Each Fund's assets reflect their market value. See section 5.6 for a summary of each Fund's valuation policy.</p> <p>Each Fund may invest in cash and cash equivalent investments and exchange-traded derivatives. The target allocation range for each of these asset types is shown in section 2.1.2.</p> <p>In respect of the Australian Funds, all assets of the Fund are expected to be located in Australia.</p> <p>In respect of the US Funds, all assets of the Fund are expected to be located in Australia and the United States.</p> <p>Each Fund's cash and cash equivalents, other than cash posted as collateral for futures positions, will be held by the Fund's custodian. See section 6.1 for more information.</p>	2.1.2, 5.6, 6.1

PRINCIPLE	DISCLOSURE SUMMARY	SECTION FOR FURTHER INFORMATION
Liquidity	<p>The Responsible Entity intends that each Fund will only invest in liquid assets that it reasonably expects will be able to liquidated on a daily basis (subject to normal settlement cycles that generally do not exceed two business days).</p> <p>Therefore, the Responsible Entity can reasonably expect to realise substantially all of a Fund's assets, at the value ascribed to those assets (that is, their market value) when calculating the Fund's Net Asset Value, within 10 days.</p>	2.1.2
Leverage	<p>Leverage is the use of debt (such as borrowing) or financial products (such as futures) to magnify the exposure of capital to an investment.</p> <p>While each Fund will not borrow for the purposes of leverage, it will use leverage as a central part of its investment strategy. It will do this through the use of bond futures to obtain a magnified (or "geared") long or short exposure to the returns of the reference bond. See "Derivatives" below for more information.</p> <p>Long Funds</p> <p>The Responsible Entity anticipates that each Long Fund's exposure to the relevant reference bond on a given day will generally vary between +250% and +300% of the Long Fund's Net Asset Value, subject to adjustment as described in section 2.1.3. The maximum long exposure that the Responsible Entity will intentionally adopt on a given day is +300% (this means that the Long Fund will have a maximum gross exposure to movements in the relevant reference bond equal to +300% of the Net Asset Value on a given day).</p> <p>A worked example showing the impact of leverage on investment gains and losses, assuming the maximum anticipated level of leverage, is provided in section 2.1.3.</p> <p>Short Funds</p> <p>The Responsible Entity anticipates that each Short Fund's exposure to the relevant reference bond on a given day will generally vary between -250% and -300% of the Short Fund's Net Asset Value, subject to adjustment as described in section 2.1.4. The maximum short exposure that the Responsible Entity will intentionally adopt on a given day is -300% (this means that the Short Fund will have a maximum gross exposure to movements in the relevant reference bond equal to -300% of the Net Asset Value on a given day).</p> <p>A worked example showing the impact of leverage on investment gains and losses, assuming the maximum anticipated level of leverage, is provided in section 2.1.4.</p>	2.1.2, 2.1.3, 2.1.4
Derivatives	<p>The Responsible Entity expects to use exchange-traded derivatives in implementing the investment strategy, in order to obtain geared long exposure (for the Long Funds) and geared short exposure (for the Short Funds) in respect of the relevant reference bond. As at the date of this PDS, this is expected to be in the form of buying bond futures contracts for the Long Funds (i.e. 10 Year Australian Bond Futures for Betashares Geared Long Australian Government Bond Fund (hedge fund) and Ultra 10-Year US Treasury Note Futures for Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund)) and selling bond futures contracts for the Short Funds (i.e. 10 Year Australian Bond Futures for Betashares Geared Short Australian Government Bond Fund (hedge fund) and Ultra 10-Year US Treasury Note Futures for Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)).</p> <p>The Responsible Entity's criteria for selecting futures clearing brokers include that they must have, as a minimum, a long-term investment grade credit rating from a major credit ratings agency.</p> <p>The central counterparty for clearing 10 Year Australian Bond Futures is ASX Clearing Corporation (or a subsidiary). The central counterparty for clearing Ultra 10-Year US Treasury Note Futures is Chicago Mercantile Exchange (CME) (or a subsidiary).</p> <p>The risks associated with the use of exchange-traded derivatives are described in section 4.</p>	2.1.2, 4

PRINCIPLE	DISCLOSURE SUMMARY	SECTION FOR FURTHER INFORMATION
Short selling	Long Funds	2.1.2, 2.1.4, 4.6
	<p>The Long Funds do not engage in any form of short selling.</p>	
	Short Funds	
	<p>As at the date of this PDS, the Responsible Entity intends to implement the Short Funds' investment strategy by investing the assets of the Short Funds into cash and cash equivalents and selling bond futures contracts (i.e. 10 Year Australian Bond Futures for Betashares Geared Short Australian Government Bond Fund (hedge fund) and Ultra 10-Year US Treasury Note Futures for Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)). Selling futures contracts in this way may be considered a form of “short selling”, which is an investment strategy that seeks to profit from the fall in the price of an asset. Selling bond futures contracts is central to each Short Fund's investment strategy as it is the primary means by which each Short Fund can generally be expected to generate a positive return when the yield of the relevant reference bond increases on a given day (it can also generally be expected to generate a negative return when the yield of the relevant reference bond declines on a given day).</p>	
	<p>The primary risk associated with any short selling is the risk of incurring substantial losses in excess of the initial amount invested. See section 4.6 for the risks associated with selling futures contracts. The Responsible Entity will manage this risk by monitoring any derivatives exposure daily and adjusting any short exposure in response to market movements with the objective of ensuring that each Short Fund's short exposure stays within the target range set out in section 2.1.2.</p>	
	<p>As an example of how short-selling works in a Short Fund, assume that on a given day the Short Fund's exposure to movements in the relevant reference bond, as measured by the futures contracts held in the Short Fund, is -275% (this means it has a “short exposure” of -275%). If the price of the relevant reference bond goes down 1% that day, the Short Fund's value would generally be expected to go up 2.75% that day, before fees and expenses. Conversely, if the price of the relevant reference bond goes up 1% that day, the Short Fund's value would generally be expected to go down 2.75% that day, before fees and expenses. Each Short Fund is actively managed and the portfolio exposure will change on a daily basis, affecting returns over time.</p>	
	<p>Each Short Fund's returns will not necessarily be in the range -250% to -300% of the Short Fund's Net Asset Value over periods longer than a day, due to the effects of rebalancing the Short Fund's investment exposure and compounding of investment returns over time. Investors should actively monitor their investment, as frequently as daily, to ensure it continues to meet their investment objectives, and should consider whether to limit their holding period or rebalance their investment to maintain their desired level of exposure and mitigate the effects of compounding.</p>	
Withdrawals	<p>All Unitholders may sell their Units by trading on the ASX. A Unitholder can generally only redeem Units if it is an Authorised Participant.</p>	5, 6.2.7, 6.2.8, 6.2.9
	<p>Units can only be redeemed in whole multiples of a Creation Unit unless the Responsible Entity agrees otherwise. The number of Units that constitute a Creation Unit for the Fund is determined by the Responsible Entity and notified to Authorised Participants.</p>	
	<p>In certain specified circumstances, redemption requests may be delayed, rejected or scaled down. See sections 6.2.7, 6.2.8 and 6.2.9 for further information.</p>	
	<p>A Unitholder who is not an Authorised Participant can only redeem Units in the special circumstances described in section 5.4.</p>	
	<p>The Responsible Entity will notify investors of any material changes to their withdrawal rights via the ASX Market Announcements Platform.</p>	

1.4 ABOUT BETASHARES

Betashares Capital Ltd is the responsible entity of the Funds and is responsible for the ongoing management of the Funds.

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 \$30 billion in assets and acts as responsible entity for more than 80 funds whose units are 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.

Neither Betashares Capital Ltd nor 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 Funds.

As at the date of this PDS, the Responsible Entity's Chief Investment Officer, Louis Crous, has responsibility for investment decisions relating to the Funds. Louis has over 15 years' experience managing investments, including listed equities and derivatives. Louis has been responsible for managing all of the Responsible Entity's funds since 2010. Before joining Betashares, Louis was a Senior Investment Product Specialist at nabInvest. Prior to nabInvest, he worked on the Equity Derivatives desk for Rand Merchant Bank in Sydney, London and Johannesburg, and was responsible for the Structured Investment Products business in Australia. Louis holds a professional qualification as a Chartered Accountant (CA (SA)) and is also a CFA Charterholder. He has a Bachelor of Business Science (First Class Hons) and Post Graduate Diploma in Accounting from the University of Cape Town, South Africa. Louis devotes all of his business time to the Responsible Entity's business, which includes responsibility for managing and executing the investment strategy of the Funds.

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

1.5 ADMISSION TO TRADING UNDER THE AQUA RULES

An application has been made for the Units in the Funds to be 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 managed funds, exchange traded 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 under the AQUA Rules 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
Control	
<p>An issuer of an entity listed under the ASX Listing Rules:</p> <ul style="list-style-type: none"> controls the value of its own securities and the business it runs; and the value of those securities is directly influenced by the equity issuer's performance and conduct. <p>For example, the management and board of a listed company generally control the fate of the business and, therefore, have direct influence over the share price.</p>	<p>An issuer of a product quoted under the AQUA Rules:</p> <ul style="list-style-type: none"> does not control the value of the assets underlying its products, but offers products that give investors exposure to the underlying assets – such as shares, indices, currencies or commodities. <p>The value (price) of products quoted under the AQUA Rules is dependent upon the performance of the underlying assets rather than the financial performance of the issuer itself e.g. a managed fund issuer does not control the value of the securities it invests in.</p>
Continuous Disclosure	
<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"> the Net Tangible Assets ("NTA") or the Net Asset Value ("NAV") of the fund; distributions declared;

ASX LISTING RULES	AQUA RULES
	<ul style="list-style-type: none"> • redemptions; and • 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 www.betashares.com.au at the same time. <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>
Periodic Disclosure	
<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>
Corporate Control	
<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>
Related Party Transactions	
<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>
Auditor Rotation Obligations	
<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>

2 ABOUT THE FUNDS

2.1 INVESTMENT POLICY

2.1.1 Investment objective

Long Funds

The investment objective of the Long Funds is to provide geared long exposure to the returns of the relevant reference bond. The Long Funds seek to generate magnified returns that are positively correlated to the returns of the relevant reference bond.

When the values of two investments or assets tend to move in the same direction, this relationship is referred to as "positive correlation".

As at the date of this PDS, the Responsible Entity intends to implement the investment strategy by investing the assets of each Long Fund into cash and cash equivalents and buying futures contracts that reflect the value of the relevant reference bond.

The Product Supplement sets out information specific to each Long Fund, including the investment objective of that Long Fund, the relevant reference bond and bond futures, whether the Long Fund is currency hedged, and Fund specific risk factors.

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

Short Funds

The investment objective of the Short Funds is to provide geared short exposure to the returns of the relevant reference bond. The Short Funds seek to generate magnified returns that are negatively correlated to the returns of the relevant reference bond.

When the values of two investments or assets tend to move in opposite directions, this relationship is referred to as "negative correlation".

As at the date of this PDS, the Responsible Entity intends to implement the investment strategy by investing the assets of each Short Fund into cash and cash equivalents and selling futures contracts that reflect the value of the relevant reference bond.

The Product Supplement sets out information specific to each Short Fund, including the investment objective of that Short Fund, the relevant reference bond and bond futures, whether the Short Fund is currency hedged, and Fund specific risk factors.

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

2.1.2 Investment strategy

Long Funds

As at the date of this PDS, the Responsible Entity intends to implement the investment strategy of the Long Funds by investing the assets of each Long Fund into cash and cash equivalents and buying bond futures contracts in respect of the relevant reference bond. Buying bond futures can generally be expected to generate a positive return when the yield of the relevant reference bond declines on a given day (and a negative return when the yield of the relevant reference bond increases on a given day).

The Responsible Entity anticipates that each Long Fund's geared long exposure to the relevant reference bond will generally vary between +250% and +300% of the Long Fund's Net Asset Value on a given day.

The Product Supplement sets out information specific to each Long Fund, including the relevant reference bond and bond futures and, for Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund), the Fund's currency hedging strategy.

Short Funds

As at the date of this PDS, the Responsible Entity intends to implement the investment strategy of the Short Funds by investing the assets of each Short Fund into cash and cash equivalents and selling bond futures contracts in respect of the relevant reference bond. Selling bond futures can generally be expected to generate a positive return when the yield of the relevant reference bond increases on a given day (and a negative return when the yield of the relevant reference bond declines on a given day).

The Responsible Entity anticipates that each Short Fund's geared short exposure to the relevant reference bond will generally vary between -250% and -300% of the Short Fund's Net Asset Value on a given day.

Selling futures contracts in the way described above may be considered a form of "short selling", which is an investment strategy that seeks to profit from the fall in the price of an asset.

Although each Short Fund is expected to engage in short-selling of futures contracts (ie exchange-traded derivatives), as at the date of this PDS each Short Fund does not intend to engage in any short-selling of bonds (the practice of selling borrowed securities with the aim of making a profit by buying the securities back later at a lower price) or enter into any "over the counter" derivatives arrangements, although it may do so in the future provided that any such change is notified in advance to investors and potential investors via a supplementary or new PDS accessible through the ASX Market Announcements Platform.

The Product Supplement sets out information specific to each Short Fund, including the relevant reference bond and bond futures and, for Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund), the Fund's currency hedging strategy.

Long Funds and Short Funds

While the Funds will not borrow for the purposes of gearing, they will use bond futures to obtain a magnified (or "geared") exposure. Gearing is possible with futures because futures require minimal investment to gain exposure to markets. Gearing can be expected to magnify both investment gains and losses, and consequently significant variations in the value of the Fund's investments can be expected. See section 4 of this PDS (in particular sections 4.4, 4.5 and 4.6) for further information on the risks associated with using futures to obtain a geared exposure in this way.

The Responsible Entity may change how the investment strategy is implemented from time to time.

Each Fund does not have specific diversification guidelines or limits, but does have target asset allocation ranges set out in the table below.

The target asset allocation ranges of each Fund are as follows:

Cash and cash equivalents:	85% or more of the Fund's net asset value
Exchange traded derivatives (being the relevant bond futures contracts):	15% or less of the Fund's net asset value

The above are target ranges only and the actual ranges may differ.

The relative weighting within the portfolio of each Fund's investments may vary over time. The Responsible Entity will publish information about the Fund's portfolio composition on a daily basis on its website www.betashares.com.au.

The Responsible Entity intends that the Fund will only invest in liquid assets that are generally able to be liquidated on a daily basis (subject to normal settlement cycles that generally do not exceed two business days).

Cash and cash equivalent investments may comprise directly-held bank deposits and/or cash trusts that invest in money market instruments or bank deposits (which may include ASX-quoted cash trusts managed by the Responsible Entity), or cash held as collateral for futures positions.

Since all of the futures trading is done within the Funds, investors are not exposed to the requirement to pay "margin calls" in the event that the futures positions incur losses.

2.1.3 How the Long Funds' geared long position is managed and how the exposure works

The aim of buying futures contracts in respect of the relevant reference bond is to generate positive return when the yield of the reference bond declines on a given day (and a negative return when the yield of the reference bond increases).

The Responsible Entity anticipates that each Long Fund's geared long exposure to the relevant reference bond will generally vary between +250% and +300% of the Long Fund's Net Asset Value on a given day.

The maximum long exposure that the Responsible Entity will intentionally adopt on a given day is +300% (this means that each Long Fund will have a maximum long exposure to movements in the relevant reference bond equal to +300% of the Net Asset Value).

Subject always to the maximum long exposure of +300%, the Responsible Entity may adjust the anticipated range of a Long Fund's long exposure set out in this PDS and nominate a target rate within the anticipated range by publishing this information in the "Key Facts" section of the Long Fund's product page on the Responsible Entity's website at www.betashares.com.au.

The level of each Long Fund's geared long exposure is reviewed daily by the Responsible Entity. The Responsible Entity can change the long position within the anticipated range by increasing or decreasing the number of futures contracts bought at any time. The long position will also change on a daily basis as a result of market movements. Increases in the price of the relevant reference bond will generally reduce the long exposure as a percentage of the Long Fund's Net Asset Value. When the price of the relevant reference bond increases, the Long Fund's value increases, while the number of long futures contracts held remains the same. The futures position as a proportion of the greater Fund size therefore results in reduced long exposure to the relevant reference bond. Conversely, decreases in the price of the relevant reference bond will generally increase the long exposure. A

Long Fund's long position may also change as a result of applications and withdrawals.

If through market movements the long exposure exceeds +300% on a given day, the Responsible Entity will promptly bring the exposure back below +300% by reducing its outstanding futures positions. This is known as "rebalancing".

The Responsible Entity will disclose each Long Fund's approximate long exposure on a daily basis on the Fund's product page at the Responsible Entity's website www.betashares.com.au.

The following examples illustrate the way in which establishing geared long exposure to the relevant reference bond, using futures, can affect investment gains and losses. The examples are for illustrative purposes only and are not intended to be indicative of the actual performance of a Long Fund.

As the examples below show, if a Long Fund maintained a long position equal to +300% of the Long Fund's Net Asset Value on a given day (being the maximum anticipated long exposure the Long Fund will adopt), then a 10% rise (or fall) in the price of the relevant reference bond on that day could translate into a 30% rise (or fall) in the value of the Long Fund. The examples exclude any fund management costs, which would have the effect of reducing returns, whether positive or negative. Of relevance to Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund), the examples also exclude the impact of any currency movements (and the impact of that Fund's currency hedging strategy).

Initial Investment	\$10,000
Fund "long" exposure (as % of initial investment)	300%
Fund "long" exposure in \$	\$30,000

If the price of the reference bond rises by 10%	
Initial Investment	\$10,000
Gain on long position (being 10% x \$30,000)	\$3,000
Value of investment	\$13,000
Return %	30.0%

If the price of the reference bond falls by 10%	
Initial Investment	\$10,000
Loss on short position (being -10% x \$30,000)	-\$3,000
Value of investment	\$7,000
Return %	-30.0%

Notwithstanding that each Long Fund's long exposure to the relevant reference bond will generally vary between +250% and +300% of the Long Fund's Net Asset Value on a given day, the return earned on an investment over any longer period will not necessarily be equivalent to +250% to +300% of the return of the relevant reference bond over that period, due to the effects of rebalancing the Long Fund's investment exposure from time to time to maintain the daily target long exposure range and the compounding of investment returns over time.

Each Long Fund's returns over periods longer than one day may differ in amount and possibly direction from the daily target return range. This effect on returns over time can be expected to be more pronounced the more volatile the relevant bond market and the longer an investor's holding period.

2.1.4 How the Short Funds' geared short position is managed and how the exposure works

The aim of selling futures contracts in respect of the relevant reference bond is to generate positive return when the yield of the reference bond increases on a given day (and a negative return when the yield of the reference bond declines on a given day).

The Responsible Entity anticipates that each Short Fund's geared short exposure to the relevant reference bond will generally vary between -250% and -300% of the Short Fund's Net Asset Value on a given day.

The maximum short exposure that the Responsible Entity will intentionally adopt on a given day is -300% (this means that each Short Fund will have a maximum short exposure to movements in the relevant reference bond equal to -300% of the Net Asset Value).

Subject always to the maximum short exposure of -300%, the Responsible Entity may adjust the anticipated range of a Short Fund's short exposure set out in this PDS and nominate a target rate within the anticipated range by publishing this information in the "Key Facts" section of the Short Fund's product page on the Responsible Entity's website at www.betashares.com.au.

The level of each Short Fund's geared short exposure is reviewed daily by the Responsible Entity. The Responsible Entity can change the short position within the anticipated range by increasing or decreasing the number of futures contracts sold at any time. The short position will also change on a daily basis as a result of market movements. Increases in the price of the relevant reference bond will generally increase the short exposure as a percentage of the Short Fund's Net Asset Value. When the price of the relevant reference bond increases, the Short Fund's value decreases, while the number of short futures contracts held remains the same. The futures position as a proportion of the reduced Fund size therefore results in greater short exposure to the relevant reference bond. Conversely, decreases in the price of the relevant reference bond will generally reduce the short exposure. A Short Fund's short position may also change as a result of applications and withdrawals.

If through market movements the short exposure exceeds -300% on a given day, the Responsible Entity will promptly bring the exposure back below -300% by reducing its outstanding futures positions. This is known as "rebalancing".

The Responsible Entity will disclose each Short Fund's approximate short exposure on a daily basis on the Short Fund's product page at the Responsible Entity's website www.betashares.com.au.

The following examples illustrate the way in which establishing geared short exposure to the relevant reference bond, using futures, can affect investment gains and losses. The examples are for illustrative purposes only and are not intended to be indicative of the actual performance of a Short Fund.

As the examples below show, if a Short Fund maintained a short position equal to -300% of the Short Fund's Net Asset Value on a given day (being the maximum anticipated short exposure the Short Fund will adopt), then a 10% fall (or rise) in the price of the relevant reference bond on that day could translate into a 30% rise (or fall) in the value of the Short Fund. The examples exclude any fund management costs, which would have the effect of reducing returns, whether positive or negative. Of relevance to Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund), the examples also exclude the impact of any currency movements (and the impact of that Fund's currency hedging strategy).

Initial Investment	\$10,000
Fund "short" exposure (as % of initial investment)	300%
Fund "short" exposure in \$	\$30,000

If the price of the reference bond falls by 10%	
Initial Investment	\$10,000
Gain on short position (being 10% x \$30,000)	\$3,000
Value of investment	\$13,000
Return %	30.0%

If the price of the reference bond rises by 10%	
Initial Investment	\$10,000
Loss on short position (being -10% x \$30,000)	-\$3,000
Value of investment	\$7,000
Return %	-30.0%

Notwithstanding that each Short Fund's short exposure to the relevant reference bond will generally vary between -250% and -300% of the Short Fund's Net Asset Value on a given day, the return earned on an investment over any longer period will not necessarily be equivalent to -250% to -300% of the return of the relevant reference bond over that period, due to the effects of rebalancing the Short Fund's investment exposure from time to time to maintain the daily target short exposure range and the compounding of investment returns over time.

Each Short Fund's returns over periods longer than one day may differ in amount and possibly direction from the daily target return range. This effect on returns over time can be expected to be more pronounced the more volatile the relevant bond market and the longer an investor's holding period.

2.1.5 Labour standards and 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.

The Funds do not pursue a sustainable investment strategy or have a sustainable investment objective, nor will they be marketed as sustainability-related products. The Funds are not designed for investors who wish to screen out particular types of companies or investments or are looking for funds that meet specific environmental, social (which includes labour standards) and governance ("ESG") goals.

2.1.6 Performance and other information

Performance information for each Fund, net of fees, costs and taxes payable by a Fund, will be published on the Betashares website at www.betashares.com.au, updated monthly. Information relating to past performance is not a reliable indicator of future performance.

The information about each Fund available at www.betashares.com.au will also include:

- Net Asset Value of the Fund and Net Asset Value per Unit (upon which the Withdrawal Amount is based), updated daily;
- the Fund's portfolio composition, updated daily;
- the Fund's geared exposure as a percentage of the Fund's Net Asset Value and the gearing multiple, which show the Fund's approximate geared exposure to movements in the relevant reference bond, updated daily;
- any material change in the Fund's investment strategy or risk profile, updated monthly; and

- any change in the individuals playing a key role in the Fund's investment decisions or key service providers to the Fund, updated monthly.

The following information will be provided to investors on an annual basis as soon as practicable after 31 December via each Fund's "Resources" section at www.betashares.com.au:

- the actual allocation to each asset type;
- liquidity profile of the Fund's assets;
- maturity profile of the Fund's liabilities;
- monthly or annual investment returns over at least a five-year period or since inception (where the Fund has been operating for less than five years); and
- changes to key service providers of the Fund during the year.

2.1.7 Changes to investment objectives and strategy

The Responsible Entity may from time to time vary the investment mandate (i.e. the investment objective and strategy as described in sections 2.1.1, 2.1.2, 2.1.3, 2.1.4 and the Product Supplement) for a Fund as set out in this PDS.

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. 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 (see "PDS updates" on page 1).

2.2 DISTRIBUTIONS

Each Fund may earn income such as interest on cash held in the Fund and may also realise gains or losses in relation to futures contracts held in the Fund, or derive other assessable income. There is no guarantee that any income generated by a Fund will be greater than that Fund's fees and expenses. As such, there is no guarantee that a Fund will distribute any income to Unitholders.

Investors should be aware that a Fund may realise large income gains from its futures positions (for example, if the relevant Australian or US bond futures were to experience a large increase in the case of a Long Fund), which would be required to be distributed to Unitholders at the end of the financial year. In such circumstances, investors who hold Units as at the end of the financial year (including those investors who enter the Fund after the realisation of these income gains and after the associated rise in the Fund's Unit price) may receive a large taxable income distribution.

2.2.1 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 that 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. Under the AMIT tax rules, a Fund may make cash distributions that differ from taxable income attributed by that Fund to Unitholders. See section 7 for further information.

A Fund's NAV per Unit will normally fall after the end of each distribution period if a distribution is payable. Consequently, if you

invest just before the end of a distribution period, some of your capital may be returned to you as income in the form of a distribution.

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 may vary from period to period, and there may be periods when a Fund will not pay a 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 7.1.6 for further information.

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

2.2.2 Tax statements

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 and/or who was attributed taxable income of the Fund during a financial year, a tax statement which outlines the amount and composition of the taxable income to which the Unitholder became entitled and/or was attributed. Where the Fund is an Attribution Managed Investment Trust ("AMIT") for the financial year, the tax statement is referred to as an AMIT member annual statement ("AMMA").

2.2.3 Distribution Reinvestment Plan

The Responsible Entity has established a distribution reinvestment plan ("DRP") for each Fund.

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). The DRP is currently available only to Unitholders who have a registered address in Australia or New Zealand, unless otherwise determined by the Responsible Entity.

Unitholders can choose to:

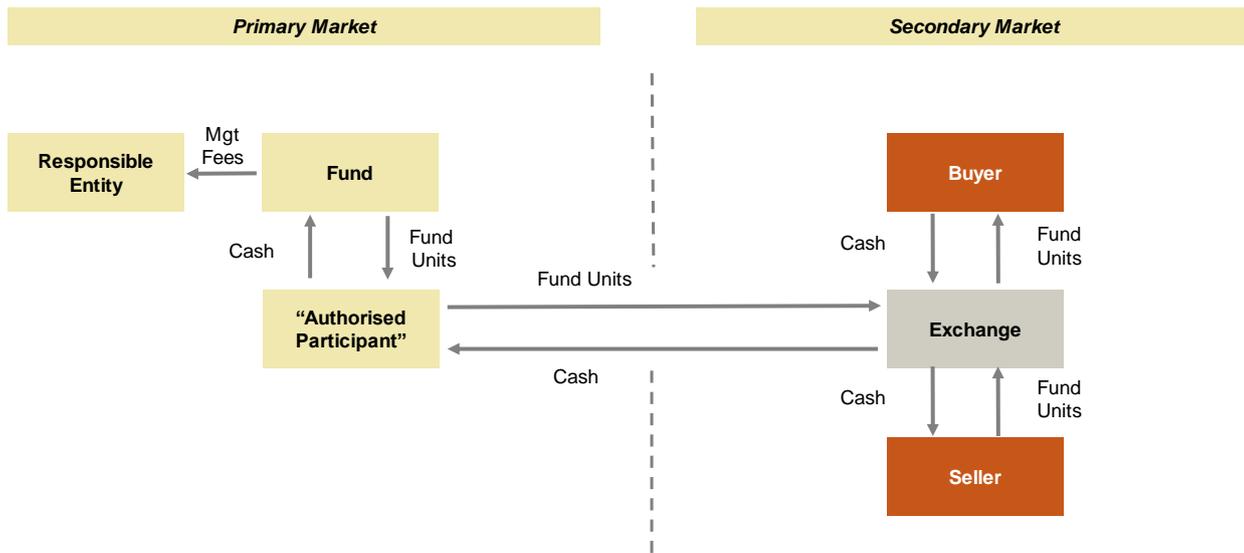
- if eligible, participate in the DRP, meaning distributions from a Fund will be reinvested in additional Units in that Fund; or
- have the distributions paid directly to a nominated Australian bank, building society or credit union account.

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.

2.3 FUND STRUCTURE

The following diagram shows the structure of each Fund and the flow of investment money through the structure:



The diagram shows how Units are created by Authorised Participants in the primary market (i.e. directly with a Fund) and then offered for sale in the secondary market (i.e. on the ASX). Only Authorised Participants may apply for Units directly with a Fund. Retail and other investors may buy (or sell) Units via the secondary market (i.e. by trading on the ASX).

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 fees. 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)** Moneysmart website (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 section 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 the assets of the managed investment scheme 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: FEES AND COSTS SUMMARY

Betashares Geared Long Australian Government Bond Fund (hedge fund), Betashares Geared Short Australian Government Bond Fund (hedge fund), Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund), Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Ongoing annual fees and costs		
<i>Management fees and costs:</i>	Betashares Geared Long Australian Government Bond Fund (hedge fund)	
The fees and costs for managing your investment	Betashares Geared Short Australian Government Bond Fund (hedge fund)	
	Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund)	
	Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)	
	0.99% per annum of each Fund's Net Asset Value	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.
	As at the date of this PDS, the management fees and costs of these Funds consist of the following components:	
	<ul style="list-style-type: none"> Management fee - 0.99% per annum of each Fund's Net Asset Value; Plus Recoverable expenses - estimated at 0.00% per annum of each Fund's Net Asset Value;¹ Plus Indirect costs - estimated at 0.00% per annum of each Fund's Net Asset Value.² 	Any expenses normally incurred in operating each Fund are paid as and when they arise by the Responsible Entity out of its own resources. Any extraordinary expenses are deducted from each Fund's assets as and when they arise.
		Any indirect costs 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 as and when incurred.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<p><i>Performance fees:</i></p> <p>Amounts deducted from your investment in relation to the performance of the product</p>	Nil.	Not applicable.
<p><i>Transaction costs:</i></p> <p>The costs incurred by the scheme when buying or selling assets</p>	<p>Betashares Geared Long Australian Government Bond Fund (hedge fund)</p> <p>Estimated at 0.06% per annum of the Fund's Net Asset Value.³</p> <p>Betashares Geared Short Australian Government Bond Fund (hedge fund)</p> <p>Estimated at 0.06% per annum of the Fund's Net Asset Value.³</p> <p>Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund)</p> <p>Estimated at 0.06% per annum of the Fund's Net Asset Value.³</p> <p>Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)</p> <p>Estimated at 0.06% per annum of the Fund's Net Asset Value.³</p>	<p>Transaction costs reduce each Fund's Net Asset Value. How and when they are paid varies depending on the type of transaction cost. Certain costs, eg brokerage, are added to or deducted from the amounts payable from each Fund's assets or receivable by the Fund at the time of settlement in respect of investments purchased or sold for the Fund. Other costs, eg transactional custodian fees, are invoiced to each Fund and paid from the Fund's assets according to a regular monthly or quarterly cycle.</p>
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
<p><i>Establishment fee:</i></p> <p>The fee to open your investment</p>	Nil.	Not applicable.
<p><i>Contribution fee:</i></p> <p>The fee on each amount contributed to your investment</p>	<p>If you are not an Authorised Participant - \$0.</p> <p>If you are an Authorised Participant - \$250 plus 0.01% of the application amount for cash applications.⁵</p>	<p>Payable only by Authorised Participants.⁴</p> <p>This fee will be payable by Authorised Participants together with the application consideration at the time of applying for Units, for cash applications.</p>
<p><i>Buy-sell spread:</i></p> <p>An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	Nil. ⁶	Not applicable.
<p><i>Withdrawal fee:</i></p> <p>The fee on each amount you take out of your investment</p>	<p>If you are not an Authorised Participant - \$0.</p> <p>If you are an Authorised Participant - \$250 plus 0.01% of the redemption amount for cash redemptions.⁵</p>	<p>Payable only by Authorised Participants.⁴</p> <p>This fee will be deducted from the redemption proceeds at the time of the redemption, for cash redemptions.</p>
<p><i>Exit fee:</i></p> <p>The fee to close your investment</p>	Nil.	Not applicable.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<i>Switching fee:</i>	Nil.	Not applicable.
The fee for changing investment options		

¹ As each Fund is newly established, this figure reflects the recoverable expenses that the Responsible Entity, at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). For more information on recoverable expenses, please see section 3.3.3 in the "Additional Explanation of Fees and Costs" section below.

² As each Fund is newly established, this figure reflects the indirect costs that the Responsible Entity, at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). For more information on the meaning and calculation of indirect costs, see "Indirect costs" under the heading "Additional Explanation of Fees and Costs".

³ As each Fund is newly established, this figure reflects the transaction costs that the Responsible Entity, at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). This estimate is net of estimated transaction costs for which the Responsible Entity reimburses that Fund out of the application and redemption fees it receives from Authorised Participants, as described in section 3.3.6. For more information on transaction costs and the application and redemption fees (also referred to in this PDS as contribution fees and withdrawal fees) payable by Authorised Participants see "Transaction costs" and "Application and redemption fees for Authorised Participants" under the heading "Additional Explanation of Fees and Costs".

⁴ An Authorised Participant is 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 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" section. Unitholders who are not Authorised Participants may be charged a redemption fee if they redeem Units pursuant to their right to redeem in the special circumstances described in section 5.4 - see "Additional Explanation of Fees and Costs" section below for more information.

⁵ In-kind applications and redemptions are only available if agreed by the Responsible Entity. Additional contribution and withdrawal fees may apply in the case of an in-kind application or redemption as agreed with the Responsible Entity from time to time.

⁶ While each Fund does not charge a buy-sell spread, as each Fund is traded on a securities exchange, investors may incur a bid-offer spread when trading on the exchange.

Certain additional costs may apply. See 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 and any applicable stamp duty and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity or the extent to which any tax deduction may be passed on to unitholders.

3.2 EXAMPLE OF ANNUAL FEES AND COSTS

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

TABLE 3.2.1: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE - BETASHARES GEARED LONG AUSTRALIAN GOVERNMENT BOND FUND (HEDGE FUND)	AMOUNT	BALANCE OF \$50,000 WITH A CASH CONTRIBUTION OF \$5,000 ¹ DURING THE YEAR
CONTRIBUTION FEES	\$0 if you are not an Authorised Participant; or \$250 plus 0.01% of the application amount for cash applications if you are an Authorised Participant.	For every additional \$5,000 you put in, you will be charged: \$0 if you are not an Authorised Participant; or \$250.50 if you are an Authorised Participant.
PLUS MANAGEMENT FEES AND COSTS²	0.99% p.a. of the Fund's Net Asset Value	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$495 each year.
PLUS PERFORMANCE FEES⁵	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year.
PLUS TRANSACTION COSTS³	Estimated at 0.06% of the Fund's Net Asset Value	And , you will be charged or have deducted from your investment \$30 in transaction costs
EQUALS COST OF FUND		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 ⁴ during that year, you would be charged fees and costs of \$525 (if you are not an Authorised Participant) or \$775.50 (if you are an Authorised Participant for the Fund). What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.

TABLE 3.2.2: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE - BETASHARES GEARED SHORT AUSTRALIAN GOVERNMENT BOND FUND (HEDGE FUND)	AMOUNT	BALANCE OF \$50,000 WITH A CASH CONTRIBUTION OF \$5,000 ¹ DURING THE YEAR
CONTRIBUTION FEES	\$0 if you are not an Authorised Participant; or \$250 plus 0.01% of the application amount for cash applications if you are an Authorised Participant.	For every additional \$5,000 you put in, you will be charged: \$0 if you are not an Authorised Participant; or \$250.50 if you are an Authorised Participant.
PLUS MANAGEMENT FEES AND COSTS²	0.99% p.a. of the Fund's Net Asset Value	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$495 each year.
PLUS PERFORMANCE FEES⁵	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year.

PLUS TRANSACTION COSTS³	Estimated at 0.06% of the Fund's Net Asset Value	And , you will be charged or have deducted from your investment \$30 in transaction costs
EQUALS COST OF FUND		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 ⁴ during that year, you would be charged fees and costs of \$525 (if you are not an Authorised Participant) or \$775.50 (if you are an Authorised Participant for the Fund). What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.

TABLE 3.2.3: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE - BETASHARES GEARED LONG U.S. TREASURY BOND FUND – CURRENCY HEDGED (HEDGE FUND)	AMOUNT	BALANCE OF \$50,000 WITH A CASH CONTRIBUTION OF \$5,000 ¹ DURING THE YEAR
CONTRIBUTION FEES	\$0 if you are not an Authorised Participant; or \$250 plus 0.01% of the application amount for cash applications if you are an Authorised Participant.	For every additional \$5,000 you put in, you will be charged: \$0 if you are not an Authorised Participant; or \$250.50 if you are an Authorised Participant.
PLUS MANAGEMENT FEES AND COSTS²	0.99% p.a. of the Fund's Net Asset Value	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$495 each year.
PLUS PERFORMANCE FEES⁵	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year.
PLUS TRANSACTION COSTS³	Estimated at 0.06% of the Fund's Net Asset Value	And , you will be charged or have deducted from your investment \$30 in transaction costs
EQUALS COST OF FUND		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 ⁴ during that year, you would be charged fees and costs of \$525 (if you are not an Authorised Participant) or \$775.50 (if you are an Authorised Participant for the Fund). What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.

TABLE 3.2.4: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE - BETASHARES GEARED SHORT U.S. TREASURY BOND FUND – CURRENCY HEDGED (HEDGE FUND)	AMOUNT	BALANCE OF \$50,000 WITH A CASH CONTRIBUTION OF \$5,000 ¹ DURING THE YEAR
CONTRIBUTION FEES	\$0 if you are not an Authorised Participant; or \$250 plus 0.01% of the application amount for cash applications if you are an Authorised Participant.	For every additional \$5,000 you put in, you will be charged: \$0 if you are not an Authorised Participant; or \$250.50 if you are an Authorised Participant.

PLUS MANAGEMENT FEES AND COSTS²	0.99% p.a. of the Fund's Net Asset Value	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$495 each year.
PLUS PERFORMANCE FEES⁵	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year.
PLUS TRANSACTION COSTS³	Estimated at 0.06% of the Fund's Net Asset Value	And , you will be charged or have deducted from your investment \$30 in transaction costs
EQUALS COST OF FUND		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 ⁴ during that year, you would be charged fees and costs of \$525 (if you are not an Authorised Participant) or \$775.50 (if you are an Authorised Participant for the Fund). What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.

Additional fees may apply. An Authorised Participant who redeems Units directly will also be charged a withdrawal fee of \$250 plus 0.01% of the redemption amount for a cash redemption based on a balance of \$50,000. Withdrawal fees for in-kind redemptions may be higher than for cash redemptions. Unitholders who are not Authorised Participants may be charged a redemption fee if they redeem Units pursuant to their right to redeem in the special circumstances described in section 5.4 - see "Additional Explanation of Fees and Costs" section below for more information.

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.

¹ Please note the minimum investment in a Fund by an Authorised Participant is for one Creation Unit, unless the Responsible Entity agrees otherwise.

² Management fees and costs are made up of the management fee, recoverable expenses and indirect costs. As each Fund is newly established, the figures used in the example above represent the amounts that the Responsible Entity, as at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). For more information, refer to the "Additional Explanation of Fees and Costs" section below.

³ As each Fund is newly established, this figure reflects the transaction costs that the Responsible Entity, as at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). This estimate is net of estimated transaction costs for which the Responsible Entity reimburses that Fund out of the application and redemption fees it receives from Authorised Participants, as described in section 3.3.6. For more information on transaction costs and the application and redemption fees payable by Authorised Participants see "Transaction costs" and "Application and redemption fees for Authorised Participants" under the heading "Additional Explanation of Fees and Costs".

⁴ Assumes the \$50,000 is invested for the entire year and the \$5,000 investment occurs on the last day of the year and therefore the fees and costs in this example are calculated using the \$50,000 balance only.

⁵ Each Fund does not charge, and there is no right for the Responsible Entity to charge, a performance fee.

3.3 ADDITIONAL EXPLANATION OF FEES AND COSTS

3.3.1 Management fees and costs

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

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

Management fees and costs do not include:

- transaction costs, such as brokerage, transactional custodian fees, and other transaction fees associated with buying and selling the relevant Fund's assets; and
- other costs that an investor would ordinarily incur when investing directly in the relevant Fund's underlying assets.

(These costs are therefore not included in the management fees and costs set out in Table 3.1 and Table 3.2 above, but they are paid out of the relevant 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 the relevant Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the relevant Fund's assets monthly on or after the first day of the following month.

3.3.3 Recoverable expenses

The recoverable expenses represent the operating expenses incurred in the operation of each Fund. A Fund's Constitution allows all properly incurred expenses to be recovered from the Fund and does not place any limit on the amount or types of expenses that can be recovered.

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 transaction costs described above). These expenses normally incurred and charged to a Fund will be paid by the Responsible Entity out of its own resources 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 that will apply for the current financial year (adjusted to reflect a 12 month period) will be 0.00%p.a. of the relevant Fund's Net Asset Value, as these expenses will be paid out of the Responsible Entity's own resources as and when they arise.

Extraordinary expenses are expenses that are not normally incurred in the day to day operation of each Fund and are not necessarily incurred in any given year. They may include costs associated with holding unitholder meetings, changing the Fund's constitution, or defending or pursuing legal proceedings. Extraordinary expenses will not be paid out of the Responsible Entity's own resources. Any such expenses will be recovered from the relevant Fund and reflected in its Net Asset Value per Unit. The Responsible Entity, as at the date of this PDS, reasonably estimates that the extraordinary expenses of each Fund that will apply for the current financial year (adjusted to reflect a 12 month period) will be 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 relevant Fund's assets (other than the management fee, recoverable expenses, and transaction costs described elsewhere in this section) or that are paid from the assets of any interposed vehicle (such as an underlying fund) in which a Fund may invest.

The Funds may incur indirect costs to the extent they invest in any ETFs as described in section 2.1.2, which would be accrued and paid in the ETF and reflected in the value of the Fund's holding in that ETF. The Responsible Entity, as at the date of this PDS, reasonably estimates that the indirect costs of each Fund that will apply for the current financial year (adjusted to reflect a 12 month period) will be nil as any such expenses will be reimbursed to relevant Fund out of the Responsible Entity's own resources.

3.3.5 Transaction costs

Each Fund incurs transaction costs, such as brokerage, clearing costs, transactional custodian fees, and other transaction fees associated with buying and selling a Fund's assets. Transaction costs also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by the Fund. Transaction costs are an additional cost to investors (to the extent they are not offset by the application and redemption fees charged by the Responsible Entity to Authorised Participants) and are not included in the management fees and costs shown in Table 3.1.

Transaction costs reduce a Fund's Net Asset Value. How and when they are paid varies depending on the type of transaction cost. Certain costs, eg brokerage, are added to or deducted from the amounts payable from a Fund's assets or receivable by the Fund at the time of settlement in respect of investments purchased or sold for the Fund. Other costs, eg transactional custodian fees, are invoiced and paid from a Fund's assets according to a regular monthly or quarterly cycle.

The table below sets out our reasonable estimate, as at the date of this PDS, of each Fund's total transaction costs that will apply for the current financial year (adjusted to reflect a 12 month period). However, the Responsible Entity reimburses the Fund for certain transaction costs out of the application and redemption fees it receives, as described in section 3.3.6. Our estimate of the net transaction costs of each Fund (representing the total gross transaction costs minus the transaction costs reimbursed to the Fund out of the application and redemption fees) that will apply for the

current financial year (adjusted to reflect a 12 month period) are also set out in the table below. The net transaction costs are borne by the Fund.

	Estimated total gross transaction costs - % p.a. of the Fund's Net Asset Value	Estimated net transaction costs - % p.a. of the Fund's Net Asset Value
Betashares Geared Long Australian Government Bond Fund (hedge fund)	0.06%	0.06% (or \$30 for every \$50,000 you have in the Fund)
Betashares Geared Short Australian Government Bond Fund (hedge fund)	0.06%	0.06% (or \$30 for every \$50,000 you have in the Fund)
Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund)	0.06%	0.06% (or \$30 for every \$50,000 you have in the Fund)
Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)	0.06%	0.06% (or \$30 for every \$50,000 you have in the Fund)

The transaction costs estimate shown in the fees and costs summary in Table 3.1 is shown net of any amount for which the Responsible Entity reimburses each Fund out of the application and redemption fees it receives from Authorised Participants.

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.

Subject to section 3.3.7 below, application fees and redemption fees will only be payable by Authorised Participants on an application for or redemption of Units directly with a 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. Out of these fees, the Responsible Entity pays directly, or reimburses each Fund for, the estimated transaction costs associated with the application or redemption.

The application and redemption fees payable by Authorised Participants seek to ensure that the transaction costs associated with applications and redemptions are borne by the transacting Authorised Participants and not by other investors.

3.3.7 Redemption fees for other Unitholders

Unitholders who are not Authorised Participants may be charged a redemption fee if they redeem Units pursuant to their right to redeem in the special circumstances described in section 5.4. The redemption fee per Unit will not be greater than the redemption fee per Unit that would be payable by an Authorised Participant for a cash redemption when withdrawing the minimum parcel of Units.

3.3.8 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.

3.3.9 Can fees and costs change and what are the maximums?

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

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

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

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

The Responsible Entity also has the right under the Constitution to recover from a 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 without investor consent. Any increase in the fees for a Fund will be announced to the ASX via the Market Announcements Platform at least 30 days before it occurs.

As each Fund is newly established, 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. A paper copy of any updated information will be provided free of charge on request.

3.3.10 Differential fees, rebates and related payments

The Responsible Entity may, from time to time, agree with wholesale 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 at the address specified in the 'Directory' section of this PDS.

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 Funds 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.

3.3.11 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.

3.3.12 Financial advisers

Additional fees may be paid to a financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out.

3.3.13 Taxation

Information in relation to taxation is set out in section 7 of this PDS.

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 Fund. The discussion below is general in nature. You should also read the Product Supplement for a discussion of any additional risks that are relevant to each specific Fund.

The Responsible Entity does not provide assurances or guarantees on future profitability, returns, distributions or return of capital. An investment in the 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 Fund fits into your overall investment portfolio.

The Funds' strategy of seeking to generate magnified returns means both investment gains and losses can be expected to be magnified, and consequently significant variations in the value of the Funds' investments can be expected. The Funds therefore involve risks that are not present in ungeared bond funds.

Potential investors in the Funds should consider their particular investment objectives and circumstances, including their tolerance for investing in an extremely high risk geared bond fund, in consultation with a professional financial adviser before making an investment decision.

An investment in the Funds should only be considered as a component of an investor's overall portfolio.

Investors in the Funds should actively monitor their investment, as frequently as daily, to ensure it continues to meet their investment objectives, and should consider whether to limit their holding period or rebalance their investment to maintain their desired level of exposure and mitigate the effects of compounding.

4.1 MARKET RISK

A Fund's investment returns will be influenced by the performance of the relevant bond markets. Changes in the yield of the relevant reference bond may result in a loss in value of a Fund's Units. Therefore, the market factors that drive changes in the yield of the relevant reference bond, including changes in interest rates, global events (such as natural disasters, wars and other conflicts, and outbreaks of infectious diseases), general economic conditions and investor sentiment can be expected to influence the value of the Units. Markets are volatile and fluctuate from day-to-day. This volatility may cause the value of an investment in the Units to decrease.

4.2 INTEREST RATE RISK

The value of the relevant bond futures contracts held by a Fund will fluctuate as a result of changes in interest rates, particularly changes in longer term yields. For the Australian Funds, the relevant interest

rate is the 10-year Australian Commonwealth Government bond yield. For the US Funds, the relevant interest rate is the 10-year US Treasury yield.

Typically, bond prices fall when interest rates rise, and conversely bond prices rise when interest rates fall. The degree of change in bond prices depends on the term of the bond. Generally, longer term bonds are more impacted by interest rate risk than shorter term bonds.

The Funds may experience increased volatility relative to shorter term fixed income exposures, particularly during periods where interest rates are fluctuating.

4.3 CREDIT RISK

A Fund is exposed to the creditworthiness of the issuer of the relevant reference bond represented in the bond futures contracts held by a Fund (as well as issuers of bank deposit accounts held by a Fund). Creditworthiness refers to the ability of an issuer to meet its obligations to make regular coupon payments and to repay the principal sum at maturity.

The value of a Fund will be affected by the perceived or actual creditworthiness of a Fund's reference bond. A perceived or actual deterioration of the credit quality of a Fund's reference bond (which may be associated with a credit rating downgrade, or a perceived risk of a downgrade) will adversely impact the value of the reference bond and, as a result, the value of the Fund.

The reference bonds typically have credit ratings. Such ratings merely reflect the opinion of a particular ratings agency, and do not provide any assurance regarding the reference bond issuer's ability to meet its payment obligations in relation to a reference bond. Credit ratings are not intended to be an investment recommendation or used as a basis for assessing investment merit. They are limited in scope and may be changed or withdrawn at any time.

There is a risk that an issuer of the reference bond may default on its obligations in respect of those securities. This would cause a Fund to suffer losses.

4.4 GEARING RISK

While the Funds will not borrow for investment purposes, the Funds use gearing (though the use of futures) as a central part of their investment strategy. This gearing magnifies, and increases the volatility of, both gains and losses from the Fund's investments. Each Fund is therefore riskier than a fund that does not provide a geared exposure.

Investors should note that a Fund's gearing level will fluctuate from day to day and may differ materially from the gearing level applicable at the time their Units were acquired.

A Fund's returns for intra-day periods may differ from the target exposure range.

Long Funds

If the returns of the relevant reference bond are negative on a given day, a geared long exposure will significantly underperform an equivalent ungeared long exposure. If the returns of the relevant reference bond are flat or only slightly positive on a given day, a

geared long exposure may also underperform (ie Fund returns may be negative) due to the impact of Fund management fees and other costs.

The Responsible Entity anticipates that a Long Fund's long exposure to the relevant reference bond will generally vary between +250% and +300% of the Long Fund's Net Asset Value on a given day, subject to adjustment as described in section 2.1.3. The maximum long exposure that the Responsible Entity will intentionally adopt on a given day is +300%.

This means that a Long Fund should not be exposed to investment losses that exceed its value, except if the value of the relevant reference bond were to fall by more than 33.3% in one day (assuming the Long Fund was geared to its maximum anticipated level of gearing, being +300% of the Long Fund's Net Asset Value, on such a day). In any event, investors are not exposed to the risk of paying "margin calls", as all gearing obligations are met within the Long Fund.

Short Funds

If the returns of the relevant reference bond are positive on a given day, a geared short exposure will significantly underperform an equivalent ungeared short exposure. If the returns of the relevant reference bond are flat or only slightly negative on a given day, a geared short exposure may also underperform (ie Fund returns may be negative) due to the impact of Fund management fees and other costs.

The Responsible Entity anticipates that a Short Fund's short exposure to the relevant reference bond will generally vary between -250% and -300% of the Fund's Net Asset Value on a given day, subject to adjustment as described in section 2.1.4. The maximum short exposure that the Responsible Entity will intentionally adopt on a given day is -300%.

This means that a Short Fund should not be exposed to investment losses that exceed its value, except if the value of the relevant reference bond were to rise by more than 33.3% in one day (assuming the Short Fund was geared to its maximum anticipated level of gearing, being -300% of the Short Fund's Net Asset Value, on such a day). In any event, investors are not exposed to the risk of paying "margin calls", as all gearing obligations are met within the Short Fund.

4.5 REBALANCING AND COMPOUNDING RISK

Notwithstanding that a Fund's geared exposure will generally vary within the specified daily target long/short exposure range (as applicable to the Fund) on a given day, the return earned on an investment over any longer period will not necessarily be within that range over that longer period, due to the effects of rebalancing the Fund's investment exposure from time to time to maintain the daily target long / short exposure range and the compounding of investment returns over time.

A Fund's returns over periods longer than one day will be the result of its return for each day compounded over the period, and may differ in amount and possibly direction from the daily target return range.

Compounding of investment returns over time affects all investments, but has a more significant impact on Funds with geared investment exposure.

The frequency of rebalances and the effect of compounding on returns over time can be expected to be more pronounced the more volatile the market for the relevant reference bond and the longer an investor's holding period. It is therefore possible, at times, that:

- a Long Fund's return over certain time periods may be negative even if the relevant reference bond price increases over the same period; and

- a Short Fund's return over certain time periods may be negative even if the relevant reference bond price decreases over the same period.

This is illustrated in the hypothetical example show below for both Long Funds and Short Funds.

Due to the effects of rebalancing and compounding of investment returns over time, investors should not expect a Fund's Net Asset Value to be at a particular level for a given value of the bond futures held by a Fund at any point in time.

Investors should actively monitor their investment, as frequently as daily, to ensure it continues to meet their investment objectives, and should consider whether to limit their holding period or rebalance their investment to maintain their desired level of exposure and mitigate the effects of compounding.

Long Funds

Assume that the starting reference bond price is 100, the Long Fund's NAV is \$100 and the Long Fund's futures long exposure is +275%. On day 1 the reference bond price falls 10%. At the end of day 1 the Fund's long exposure has increased as a percentage of the Fund's Net Asset Value beyond the target long exposure range and is rebalanced back to +275%. On day 2 the reference bond price rises 13%. Over the entire period the reference bond price has increased by 1.7%, while the Long Fund's NAV has decreased by 1.54%, notwithstanding that the Long Fund's long exposure on each day was maintained within the target long exposure range. This outcome over a period longer than one day is due to the effects of rebalancing and compounding of investment returns.

	Reference bond price	Reference bond daily performance	Fund daily performance	Fund Net Asset Value
Start	100			\$100
Day 1: Reference bond price decreases 10%	90	-10%	-27.5% ie -10% x +275%	\$72.50 ie \$100 x -27.5%
Day 2: Reference bond price increases 13%	101.7	+13%	+35.8% ie +13% x +275%	\$98.46 ie \$72.50 x +35.8%
Total return over entire period	+1.7%			-1.54%

The hypothetical example above is not intended to be indicative of the actual performance of a Long Fund.

Short Funds

Assume that the starting reference bond price is 100, the Short Fund's NAV is \$100 and the Short Fund's futures short exposure is -275%. On day 1 the reference bond price rises 10%. At the end of day 1 the Short Fund's short exposure has increased as a percentage of the Short Fund's Net Asset Value beyond the target short exposure range and is rebalanced back to -275%. On day 2 the reference bond price falls 12%. Over the entire period the reference bond price has decreased by 3.2%, while the Short Fund's NAV has also decreased by 3.6%, notwithstanding that the Short Fund's short exposure on each day was maintained within the target short exposure range. This outcome over a period longer than one day is due to the effects of rebalancing and compounding of investment returns.

	Reference bond price	Reference bond daily performance	Fund daily performance	Fund Net Asset Value
Start	100			\$100
Day 1: Reference bond price increases 10%	110	+10%	-27.5% ie +10% x -275%	\$72.50 ie \$100 x -27.5%
Day 2: Reference bond price decreases 12%	96.8	-12%	+33% ie -12% x -275%	\$96.43 ie \$72.50 x +33%
Total return over entire period	-3.2%			-3.6%

The hypothetical example above is not intended to be indicative of the actual performance of a Short Fund.

4.6 DERIVATIVES RISK

The Funds will use exchange traded bond futures to provide geared exposure to the relevant reference bond. The primary risks associated with the use of such derivative contracts are:

- the values of the derivative failing to maintain their expected relationship to movements in the underlying reference bond, which may result in a Fund failing to meet its investment objective;
- the potential lack of liquidity of the derivative;
- the potential to incur substantial losses in excess of the initial amount invested;
- the possibility that the derivative position is difficult or costly to manage or reverse;
- a Fund may not be able to meet payment obligations as they arise, including any requirements to make margin or collateral payments to the futures clearing broker;
- the collateral obligations in respect of margin requirements on derivative contracts can cause liquidity issues if insufficient collateral is available.
- any assets of a Fund held by the futures clearing broker as margin or collateral may be combined with assets of other clients of the broker and held in a single account. Should any client's trading activity result in a default, then the combined assets in the account may be used by the broker to meet the default;
- the counterparties involved in trading derivatives (the central clearing house or the futures clearing broker) may not meet their contractual obligations; and
- the electronic platforms on which such derivatives are traded are subject to risks related to system access, varying response times, security and system failure.

Any of the above factors could cause a Fund to incur losses, suffer increased costs, fail to realise gains or fail to achieve its investment objective.

Derivatives will only be used in the Funds for the purpose of establishing exposures consistent with the Funds' investment objective of generating magnified returns that are positively correlated (for Long Funds) or negatively correlated (for Short Funds) to the returns of the relevant reference bond. The Responsible Entity will monitor the

derivatives exposure daily and will adjust any exposure in response to market movements with the objective of ensuring that a Fund's exposure to market movements stays within the target range set out in section 2.1.2 on a given day.

The Responsible Entity will aim to ensure that there is sufficient cash and other liquid assets available in the Funds at all times to meet any payment obligations under derivatives.

4.7 FUTURES EXCHANGE CLOSING RISK

Unanticipated closings of an exchange on which futures contracts held by a Fund are traded, or trading halts imposed by an exchange, may result in a Fund being unable to trade futures on that day or at certain times of the day. If the relevant exchange is closed or in a trading halt when a Fund needs to execute trades (for example, in order to rebalance the Fund's investment exposure or to implement application or redemption requests), the relevant Fund may incur trading losses and may not be able to achieve its investment objective. Any trading halt on a relevant futures exchange may result in wider bid-offer spreads for Units and trading prices that differ significantly from a Fund's Net Asset Value per Unit.

4.8 RISK ASSOCIATED WITH INVESTMENTS IN CASH & CASH EQUIVALENTS

Returns from a Fund's holdings of cash will be affected positively by increases in interest rates and negatively by decreases in interest rates. A Fund's holdings of cash equivalent investments may include cash trusts that invest in money market instruments. These instruments are exposed to a degree of interest rate risk as the investment value or future returns of a money market instrument may be adversely impacted by changes in interest rates. While considered to have relatively low risk of capital variability, capital gains may be earned in a falling interest rate environment, and capital losses can occur in a rising interest rate environment. Certain instruments are also exposed to credit risk, as a change in the creditworthiness of the issuer of a money market instrument may adversely affect its value. Creditworthiness refers to the ability of an issuer, whether that be actual or perceived, to meet its payment obligations.

4.9 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, derivatives counterparties, deposit-taking banks to which the Fund may have direct or indirect exposure, as well as the Fund's custodian. Default on the part of a counterparty could result in financial loss to the Fund.

4.10 DISTRIBUTIONS RISK

Investors should be aware that a Fund may realise large income gains from its futures positions, which would be required to be distributed to Unitholders at the end of the financial year. In such circumstances, investors who hold Units as at the end of the financial year (including those investors who enter the Fund after the realisation of these income gains and after the associated rise in the Fund's Unit price) may receive a large taxable income distribution.

4.11 REGULATORY RISK

This is the 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 a Fund and its Unitholders.

The Funds may be affected by changes to legislation or government policy in Australia or in overseas 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 able to take such action.

4.12 TAX RISK

Taxation law is complex and subject to changes by government authorities, 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.

Unitholders redeeming their Units should note the risk of potentially adverse tax implications where the Units are not held as trading stock or as revenue assets and should seek their own advice in this regard. The tax implications of redemption may be different to selling Units on the ASX. These and other taxation matters are dealt with in section 7 of this PDS.

4.13 MANAGER RISK

This is the 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.

4.14 FUND RISK

There is a risk that a Fund could terminate, that fees and expenses or a Fund's investment strategy could change, or that the Responsible Entity may not be able to continue to act, for example if it loses its Australian financial services licence (in which case it could be replaced as responsible entity of a Fund or that Fund could be wound up). Any replacement responsible entity might achieve different results for investors, positive or negative, than would otherwise be the case.

4.15 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 may also adversely affect the operation and performance of a Fund. As the Responsible Entity outsources certain operational functions, there is a risk that its service providers will default in performing their obligations and cause loss to a Fund.

4.16 FUND TRADING RISK

In certain circumstances, the ASX may suspend trading of the Units of a Fund and in that event Unitholders would 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, such as the suspension or restriction of trading in securities held by a Fund. This may cause the Fund's Units to be suspended from trading on the ASX.

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 a Fund.

4.17 LIQUIDITY RISK

Although the Units are quoted on the ASX under the AQUA Rules 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 a market maker also specify certain permitted circumstances where the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions (including those which make the market maker's ability to perform the market making function impossible, impracticable or unduly onerous such as an unusually volatile or "fast market"), 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, although the futures contracts held by a Fund will be exchange-traded, there is the risk that such contracts may be difficult or impossible to sell, preventing that Fund from closing out its position or rebalancing in a timely manner and at a fair price. This may be due to prevailing market conditions, suspension of normal trading on the relevant exchange, or other reasons. A lack of liquidity could potentially result in the suspension of redemptions, which may cause the Fund's Units to be suspended from trading on the ASX. The bid-offer spread for Units can be expected to increase if there is decreased liquidity for the futures contracts held by a Fund.

The Funds' monthly average bid-offer spread will be reported in the ASX Investment Products Monthly Update, which can be viewed on the ASX's website at www.asx.com.au.

4.18 TRADING PRICE OF UNITS MAY DIFFER FROM NET ASSET VALUE PER UNIT

As with any exchange traded managed 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 trading price may be affected if there is a suspension of the application and redemption process. 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.

4.19 SETTLEMENT RISK

The application and redemption processes associated with the issue or redemption of Units are subject to the normal settlement procedures through CHES. 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 CHES trading practices including sanctions for failure to comply with obligations. 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.

4.20 INVESTMENT OBJECTIVE RISK

There is no guarantee that a Fund's investment objective will be achieved. There is no guarantee that an investment in a Fund will earn any positive return in the short or long-term. The value of the Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting a Fund's investments. All

prospective Unitholders should consider an investment in a Fund within the overall context of their investment policies. Investment policy considerations should include, but are not limited to, setting objectives, defining risk/return constraints and considering time horizons.

4.21 CYBER-SECURITY RISK

With the increased use of technology to conduct business, the Responsible Entity, the Funds and their service providers can be susceptible to information security and related risks including cyber-security attacks or incidents.

Cyber incidents can result from deliberate attacks or unintentional events, and include gaining unauthorised access to digital systems, networks or devices for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users).

Cyber-security breaches may cause disruptions to a Fund's operations, potentially resulting in financial loss.

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. See section 6.3 for further information about the Authorised Participant Agreement.

Unitholders who are not Authorised Participants may only redeem Units in the special circumstances described in section 5.4. However, all Unitholders may normally sell their Units by trading on the ASX.

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 at www.betashares.com.au).

Applications for, and redemptions of, Units will be settled through the CHESSE system.

5.1 MINIMUM APPLICATIONS AND REDEMPTIONS

The minimum application and redemption amount is one Creation Unit, unless otherwise agreed with the Responsible Entity. The number of Units that constitute a Creation Unit for each Fund is determined by the Responsible Entity and notified to Authorised Participants.

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 Australian dollars, 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 a Dealing Day are processed at the Issue Price/Withdrawal Amount (being the Net Asset Value per Unit) for a Fund applicable to that day.

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

5.3 APPLICATIONS AND REDEMPTIONS

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

For redemptions, Unitholders must deliver, or arrange for delivery of, the relevant Units to the Responsible Entity or custodian. In return, they will receive an amount of Australian dollars equal to the Withdrawal Amount for the Units, less the redemption fee.

Amounts payable pursuant to applications, or receivable upon redemptions, will be notified to the Unitholder by the ASX Business Day following the effective date of the application or redemption.

An application received before the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the new Units in its CHESSE account in accordance with the standard CHESSE settlement period (two ASX Business Days later (T+2) as at the date of this PDS), provided the Authorised Participant has paid the application consideration and application fee by no later than the standard CHESSE settlement cut-off time (11.30am as at the date of this PDS) on that settlement day or as otherwise agreed with the Authorised Participant.

It is expected that there will be no period during which the Responsible Entity or custodian will hold application money before the Units are issued.

Units will generally be issued on the ASX Business Day after the trade date and quoted with effect from the settlement of the issue of the relevant Units through CHESSE.

A redemption request received by the Dealing Deadline (on day T) will generally enable the Authorised Participant Unitholder to receive the redemption payment (less the redemption fee) two ASX Business Days later (T+2), provided the Authorised Participant has transferred the Units by no later than the standard CHESSE settlement cut-off time (11:30am as at the date of this PDS) on T+ 2 or as otherwise agreed with the Authorised Participant.

The relevant settlement period for applications and redemptions may be extended to accommodate applicable overseas public holidays or other days on which an exchange, on which a Fund's portfolio of investments is traded, is closed on the ASX Business Day or during the settlement period.

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 UNITHOLDER REDEMPTIONS IN SPECIAL CIRCUMSTANCES

All Unitholders may normally sell their Units by trading on the ASX. Unitholders who are not Authorised Participants will not normally have a right to redeem their Units directly with the Fund. However, all Unitholders will have a right to a cash redemption and to receive payment within a reasonable time if Units are suspended from quotation on the ASX for more than five consecutive trading days, unless:

- the relevant Fund is being wound up;
- the relevant Fund is not "liquid" as defined in the *Corporations Act*; or
- the Responsible Entity has suspended redemptions in accordance with the Constitution for a Fund.

Unitholders may redeem in these circumstances by completing the Redemption Form attached to this PDS. They will receive cash in Australian dollars equal to the aggregate Withdrawal Amount for the relevant Units (less any redemption fee).

No minimum redemption amount will apply.

5.5 SUSPENSIONS OF APPLICATIONS AND REDEMPTIONS

There may be occasions where the Responsible Entity may suspend the issue of Units 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.

The Responsible Entity may also scale down redemptions in certain circumstances.

See section 6.2.7 and 6.2.8 for further information.

5.6 VALUATIONS AND PRICING

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 (or other Unitholder as described in section 5.4) 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 relevant Fund by the number of Units on issue in that Fund at the time the Issue Price and/or Withdrawal Amount are determined (the valuation time).

The assets held by a Fund are normally valued at the "closing price" for the day for the relevant security on its relevant market, and in respect of the US Funds are converted to Australian dollars using 4pm London time exchange rates for currency markets, unless otherwise determined by the Responsible Entity.

The Withdrawal Amount paid to a Unitholder on the redemption of Units may include a distribution of the distributable income of the Fund. Please refer to section 7.1.6 for information 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 liabilities such as accrued fees and other costs, and provisions relating to the Fund. Fees and other costs, including the Responsible Entity's fees, are normally accrued daily. A Fund's assets reflect their market value. The valuation methods applied by the Responsible Entity to value a Fund's assets and liabilities must be consistent with the range of ordinary commercial practice for valuing them.

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.

6 ADDITIONAL INFORMATION

6.1 THE ROLE OF CERTAIN ENTITIES IN REGARD TO THE FUND

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 Funds:

6.1.1 Custodian and Administrator

The custodian provides custodial services to the Responsible Entity, including holding the assets of the Funds. The custodian may, from time to time, appoint sub-custodians. 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 a Fund.

The administrator provides administration services to the Responsible Entity. These services include fund accounting, maintenance of books and records, calculating distribution amounts, valuing a 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 for the Funds is:

Citigroup Pty Limited
Level 23
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 Units held, 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 for the Funds 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 the 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 (including those which make the market maker's ability to perform the market making function impossible, impracticable or unduly onerous such as an unusually volatile or "fast market"), 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 that 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 that 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 relevant Constitution upon request.

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 each Fund 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 relevant Constitution 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 plan, 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 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 a 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:

- 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;
- 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);
- the Responsible Entity believes that it is not practicable to carry out the calculations necessary to satisfy the redemption request (for example, because it is impracticable 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);
- 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, or the trading of any Units is subject to a period of deferred settlement, or there is a period during which the Units are subject to a consolidation or division;
- the Units cease to be admitted to trading status on the ASX;
- 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;
- a redemption 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;
- the Responsible Entity does not consider that it is in the best interests of Unitholders of the relevant Fund taken as a whole to transfer or realise sufficient assets to satisfy the redemption request; or
- 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.

6.2.8 Spreading redemption requests

The Constitution of each Fund provides that, if the Responsible Entity receives one or more redemption requests in respect of a particular valuation time that seek the redemption in aggregate of more than 10% of the total number of Units on issue in that Fund, the Responsible Entity may scale down pro rata each redemption request so that no more than 10% of the number of Units on issue will be redeemed in respect of that valuation time. If a redemption request is

scaled down in this way, the relevant Unitholder shall be deemed to have made a redemption request with respect to the unsatisfied balance of the Units the subject of the redemption request and that request will be deemed to have been received immediately following the first valuation time. The balance of such unsatisfied redemption request will be satisfied in priority to any subsequently received redemption request and will generally be satisfied in full no later than the 10th valuation time following the first valuation time.

6.2.9 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.

6.2.10 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.

6.2.11 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 that Fund or any asset.

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

6.2.12 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.

6.2.13 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. a resolution passed by at least 50% of the total 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*.

6.2.14 Termination

The Responsible Entity may wind up a Fund at any time. Following winding up, the net proceeds will be distributed to Unitholders pro-rata according to the number of Units they hold.

6.2.15 Limitation of liability of Unitholders

The Constitution of each Fund provides that the liability of each Unitholder is limited to the amount subscribed, or agreed to be subscribed, by the Unitholder 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 of that Fund or otherwise failing to comply with the Constitution of that Fund; 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 a 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.

6.2.16 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 that Fund.

6.2.17 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 that 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 a Fund except to the extent that the *Corporations Act* imposes such liability.

6.2.18 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.

6.2.19 Discretionary redemptions

The Constitution of each Fund allows the Responsible Entity to redeem some or all of a Unitholder's Units at any time. The Responsible Entity will give the Unitholder at least 60 days' notice of such redemption, unless the Unitholder is not entitled to hold Units under any applicable law.

6.2.20 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 that 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.

6.2.21 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 overdrafts 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.

6.2.22 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, or refer the matter in writing to:

complaints@betashares.com.au; or

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

A copy of the complaints handling policy can be obtained at no charge by contacting the Responsible Entity.

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

The Responsible Entity will try to resolve complaints as soon as possible, but in any event, will inform the Unitholder in writing of its determination regarding the complaint within 30 days of receiving the initial 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 its decision or to refer the matter to an external complaints resolution scheme. The Responsible Entity is a member of the Australian Financial Complaints Authority ("AFCA"). AFCA provides independent financial services complaint resolution that is free to consumers. Unitholders can contact AFCA on:

Website: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678 (free call)
In writing to: Australian Financial Complaints Authority Ltd
GPO Box 3, Melbourne VIC 3001

Certain eligibility requirements apply for AFCA to hear a complaint, as set out in AFCA's complaint resolution scheme rules. AFCA is only available to retail clients.

6.2.23 Protecting your privacy

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 may collect personal information in the course of managing the 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 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, or to their financial adviser or broker to provide financial advice and ongoing service.

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 investor base unless otherwise advised.

Unitholders may request access to the personal information held about them at any time and ask the Responsible Entity to correct this information if it is incomplete, incorrect or out of date.

To obtain a copy of the privacy policy at no charge, contact the Responsible Entity on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia).

6.2.24 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).

6.2.25 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 U.S. connected payments made to a Fund in Australia, that 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, a 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 that Fund to comply with its FATCA or CRS compliance obligations.

6.2.26 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.

6.2.27 Warning statement for New Zealand investors

The following disclosure is made to enable a 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 a financial advice provider.

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.

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.

Dispute resolution process

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

6.2.28 No minimum Unit holding requirement

The Responsible Entity does not require an investor who invests through an Australian securities exchange to hold a minimum number of Units in the Funds and therefore permits such an investor to establish a holding in a Fund of one Unit or more. The Responsible Entity may, after giving at least 60 days' notice to Unitholders, update this PDS to specify a minimum number of Units which must be held at any time. Where a minimum holding amount has been set for a Fund and an existing Unitholder's holding is below the minimum holding amount, in accordance with that Fund's Constitution we may choose to redeem that Unitholder's holding, after giving 60 days' notice to the Unitholder.

This does not affect the minimum application and redemption amounts applicable to Authorised Participants who apply for, or redeem, Units directly with a Fund.

6.3 MATERIAL CONTRACTS

The Responsible Entity (or the Responsible Entity's holding company) has entered into (or will enter into prior to the date Units are first issued in the Fund) a number of contracts in relation to the offer of the Fund, as set out below.

TABLE 6.3: MATERIAL CONTRACTS

CONTRACT AND PARTY	DESCRIPTION
Custody agreement Citigroup Pty Limited	This agreement sets out the services provided by the custodian on an ongoing basis together with service standards.
Administration services agreement Citigroup Pty Limited	This agreement sets out the services provided by the administrator (accountancy services, tax services and fund administration services including Unit price calculations), together with service standards.
Registry agreement Link Market Services Limited	This agreement sets out the services provided by the Registrar on an ongoing basis together with service standards.
Authorised participant agreement 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 Citigroup Pty Limited	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.
Nominee terms Authorised Participants	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 application 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.

6.4 ASIC RELIEF

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. The Responsible Entity will not treat Unitholders of the same class equally to the extent that it restricts redemptions from a Fund to such Authorised Participants. Relief is granted subject to certain conditions, including that all Unitholders will have a right to a cash redemption if Units are suspended from quotation on the ASX for more than five consecutive trading days, unless:

- the relevant Fund is being wound up;
- the relevant Fund is not "liquid" as defined in the *Corporations Act*; or
- the Responsible Entity has suspended redemptions in accordance with the relevant Fund's Constitution.

If such a redemption occurs, any redemption fee per Unit payable by Unitholders who are not Authorised Participants must not be greater than the redemption fee per Unit that would generally be payable on

redemption by an Authorised Participant for a cash redemption when withdrawing the minimum parcel of Units.

Ongoing Disclosure Relief

ASIC Class Order 13/721 exempts the Responsible Entity from the ongoing disclosure requirements in section 1017B of the *Corporations Act* on the condition that the Responsible Entity complies with the continuous disclosure provisions of the *Corporations Act* that apply to an unlisted disclosing entity as if a Fund were an unlisted disclosing entity. The Responsible Entity will comply with these continuous disclosure provisions as if each Fund was an unlisted disclosing entity.

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

As a disclosing entity, each Fund is subject to certain regular reporting and disclosure obligations as if it were an unlisted “disclosing entity” under the Corporations Act. We will comply with our continuous disclosure obligations under the law by publishing material information on our website in accordance with ASIC’s good practice guidance for website disclosure.

As an investor in a Fund, a Unitholder may obtain the following documents from the Responsible Entity (as at the date of this PDS, no such documents have been lodged with ASIC):

- 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 PDS; 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.

Copies of documents lodged with ASIC in relation to a Fund may be obtained from, or inspected at, an ASIC office.

6.6 COOLING OFF

There is no cooling off period in relation to the subscription for Units in any of 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 relevant 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 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 portfolio holdings for the Funds, updated daily;
- the Responsible Entity’s Unit pricing policy;
- the latest PDS for the Funds;
- copies of announcements made to the ASX via the ASX Market Announcements Platform (including continuous disclosure notices and distribution information);
- information about distributions as soon as possible after they are declared;
- information about redemptions from the Fund;
- annual and any half-year reports and financial statements for the Funds;
- details of any Distribution Reinvestment Plan;
- 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; and
- the Target Market Determination for each Fund prepared by the Responsible Entity pursuant to the “design and distribution” obligations set out in Part 7.8A of the Corporations Act, which sets out the class of consumers that comprise the target market for the Fund.

6.9 DISCLAIMER

Citigroup Pty Limited (“Citigroup”) has been appointed as the custodian and administrator for the Funds. Citigroup’s role as custodian is limited to holding the assets of each Fund. As administrator, Citigroup is responsible for the day to day administration of each Fund. Citigroup 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 administration services agreements.

Citigroup and the Funds’ registrar, Link Market Services, were not involved in preparing, nor take any responsibility for this PDS and Citigroup and Link Market Services make no guarantee of the success of a Fund 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 a 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 Taxation of the Funds

The Responsible Entity intends to manage the Funds such that the Funds are not subject to Australian tax. The AMIT regime is an elective taxation regime that is available to certain eligible management investment trusts. It became generally available from 1 July 2016, with the existing tax rules for managed funds applying unless an election is made to enter the regime.

As at the date of this PDS, the Responsible Entity intends that an irrevocable election for each Fund to enter the AMIT regime will be in effect from the financial year in which the relevant Fund is launched.

The Responsible Entity does not generally expect the Funds to be subject to tax on the income of the Funds, as it is intended that:

- for eligible funds that enter the AMIT regime: all taxable income and other relevant amounts will be “attributed” to the Unitholders in each financial year; and
- for funds that have not entered the AMIT regime or cease to be eligible to be AMITs: Unitholders will be presently entitled to all the income of a fund in each financial year, with the existing non-AMIT tax rules for managed funds continuing to apply.

Instead, Unitholders pay tax on their share of a Fund’s income. Under the AMIT regime, a Fund may make cash distributions that differ from taxable income attributed by that Fund to Unitholders.

7.1.2 Taxation of Australian resident Unitholders

The taxable income of a Fund which is attributed to Unitholders, or 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, or the proceeds are reinvested in more of a Fund’s Units.

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.

7.1.3 Taxable income of the Fund

The tax impact for a Unitholder of receiving an entitlement to the income of a Fund depends upon the nature of the Fund’s income.

Types of income

A Fund can derive various types of income, depending on the types of investments it makes. A Fund can derive income in the form of interest, gains on the disposal of investments and other types of income.

Generally, such income derived by a Fund is taxable, although tax credits may be available to Unitholders to offset some or all of any resulting tax liability. For example, income received by a Fund from foreign sources may be subject to tax in the country of source, and Australian tax resident investors may be entitled to claim a foreign income tax offset against their Australian tax liability in respect of their share of the foreign tax paid.

Capital gains and losses

A trust that qualifies as a managed investment trust (“MIT”) can elect to treat its gains and losses on disposal of certain investments as capital gains and losses. Each Fund intends to make this election, where eligible.

Any assessable capital gains derived by a Fund to which a Unitholder becomes entitled or which is attributed to a Unitholder forms part of the Unitholder’s assessable income.

A Unitholder may be eligible for the 50% CGT discount (where the Unitholder is an individual or trust) or a 33 1/3% CGT discount (where the Unitholder is a complying superannuation fund) in respect of the gain that forms part of that Unitholder’s assessable income, depending on the Unitholder’s circumstances. Unitholders should seek professional advice in relation to the availability of any CGT concession.

Tax deferred / non-assessable amounts

A Fund may distribute “tax deferred amounts” for non-AMITs, or other non-assessable amounts (other non-attributable amounts) for AMITs, relating to distributions of capital by the Fund, which are generally non-assessable for tax purposes. Where non-assessable, tax deferred amounts / non-assessable amounts reduce the capital gains tax (“CGT”) cost base of a Unitholder’s Units, and may increase the capital gain or reduce the capital loss subsequently realised on disposal of the Units. Where the total tax deferred amounts / non-assessable amounts received by a Unitholder have exceeded the cost base of their Units, the excess is treated as a capital gain to the Unitholder.

Taxation of Financial Arrangements (“TOFA”)

The TOFA rules may apply to “financial arrangements” (e.g. cash settled futures and debt securities) held by a Fund. Under the TOFA rules, there are different methods available for a Fund to recognise gains and losses from financial arrangements in its taxable income calculation. A Fund may determine an appropriate method to use on the basis of its investment strategy.

For Unitholders who hold Units as trading stock, distributions from a Fund including capital gains and tax deferred / non-assessable amounts may be fully taxable as ordinary income, depending on the Unitholder’s particular circumstances.

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

7.1.4 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 CGT 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 CGT 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.

7.1.5 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 the Fund would likely attract GST (at the rate of 10%).

Given the nature of the activities of the Funds, it 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 costs for the Funds.

7.1.6 Applications and redemptions

A person will generally only be eligible to apply for and redeem Units if they are an Authorised Participant.

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 CGT 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

The Units which an Authorised Participant acquires on an application for Units should be taken to have been acquired at a cost equal to the purchase price of those Units.

Redemptions

An Authorised Participant who redeems Units will become entitled to receive the Withdrawal Amount on the redemption (this may be reduced by the redemption fee).

The redemption of Units by an Authorised Participant may result in the Authorised Participant being assessed on some of the taxable income of a Fund, through a distribution of income or an attribution under the AMIT regime. This includes, but is not limited to, income and other gains realised by a Fund to fund the redemption of Units by the Authorised Participant, and potentially, where fair and reasonable, a portion of undistributed income or gains for the year as at the time of the redemption.

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

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

The Responsible Entity will notify persons who have redeemed Units during a financial year of the composition of the Withdrawal Amount, including 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.

7.1.7 Tax reform

Tax reform activity that affects trusts is generally ongoing, and such reforms may impact on the tax position of a Fund and its investors. Accordingly, Unitholders should monitor the progress of any proposed legislative changes or judicial developments, and seek their own professional advice, specific to their own circumstances, in relation to the taxation implications of investing in the Funds.

7.1.8 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 a 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.

7.1.9 Other comments

In cases where Units are to be redeemed by a Unitholder that is an Australian resident for tax purposes, a Fund should generally not be required to withhold any amounts from the Withdrawal Amount paid on redemption of Units.

Distributions to non-resident Unitholders (including on redemption) may have tax withheld by the Responsible Entity.

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 Citigroup Pty Limited. 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.
ASIC	Australian Securities and Investments Commission.
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	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.
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.
CHESS	The Clearing House Electronic Sub-Register System or any system that replaces it.
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	A particular number of Units of a Fund, as determined by the Responsible Entity from time to time and notified to Authorised Participants.
Dealing Day	A day that is both (a) an ASX Business Day and (b) a day on which the relevant exchange on which the Fund's assets or derivatives are traded are open for trading, unless the Responsible Entity determines otherwise.
Dealing Deadline	For cash applications/redemptions, 2.30 pm Sydney time on each Dealing 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 Dealing Day.
Fund	The relevant fund or funds offered under this PDS, as the context requires.
Issue Price	The Net Asset Value divided by the number of Units on issue in the relevant Fund.
Net Asset Value or NAV	The net asset value of a Fund calculated in accordance with section 5.6.
Nominee Terms	In relation to an application for Units, the nominee terms made available by the Responsible Entity to the applicant, as described in section 6.3.
PDS	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.

Unit	A unit in the relevant Fund.
Unitholder	A holder of a Unit.
Withdrawal Amount	The Net Asset Value divided by the number of Units on issue in the relevant Fund.

PRODUCT SUPPLEMENT

Betashares Geared Long Australian Government Bond
Fund (hedge fund)

ASX CODE: GGAB

Betashares Geared Short Australian Government Bond
Fund (hedge fund)

ASX CODE: BBAB

Betashares Geared Long U.S. Treasury Bond Fund -
Currency Hedged (hedge fund)

ASX CODE: GGFD

Betashares Geared Short U.S. Treasury Bond Fund -
Currency Hedged (hedge fund)

ASX CODE: BBFD

PRODUCT SUPPLEMENT

BETASHARES GEARED LONG AUSTRALIAN GOVERNMENT BOND FUND (HEDGE FUND)

INVESTMENT OBJECTIVE

The investment objective of the Betashares Geared Long Australian Government Bond Fund (hedge fund) is to provide Unitholders with geared long exposure to the returns of Australian Treasury Bonds with a term to maturity of approximately 10 years ("10 Year Australian Treasury Bonds").

The Responsible Entity will seek to achieve the Fund's investment objective in all market conditions. This means that when prices of 10 Year Australian Treasury Bonds are falling, investors should not expect the Fund's investments to be repositioned or the level of gearing to be reduced below the anticipated gearing range, as described in this PDS, in an attempt to avoid or reduce losses.

GENERAL INFORMATION

ASX code	GGAB
Periodic distributions	The Responsible Entity intends to make distributions at least annually. Information about the timetable for distributions and any declared distribution amount will be announced via the ASX Market Announcements Platform. For further information, see "Distributions" in section 2.2 of the PDS.
Distribution Reinvestment Plan	Available. For further information, see "Distribution Reinvestment Plan" in section 2.2.3 of the PDS.

INVESTMENT STRATEGY

As at the date of this PDS, the Responsible Entity intends to implement the investment strategy by investing the assets of the Fund into cash and cash equivalents and buying ASX 10 Year Australian Treasury Bond futures contracts. These futures contracts reflect the returns of a notional 10 Year Australian Treasury Bond which is based on a reference basket of actual 10 Year Australian Treasury Bonds. For the purposes of this PDS, this notional bond is referred to as the "reference bond" of these futures contracts traded in respect of the Australian Funds.

Buying ASX 10 Year Australian Treasury Bond futures can generally be expected to generate a positive return when the yield of 10 Year Australian Treasury Bonds declines on a given day (and a negative return when the yield of 10 Year Australian Treasury Bonds increases on a given day).

The Responsible Entity anticipates that the Fund's geared long exposure to a notional 10 Year Australian Treasury Bond will generally vary between +250% and +300% of the Fund's Net Asset Value on a given day.

SPECIFIC RISK FACTORS

There are no additional risks relevant to the Fund in addition to the risk factors set out in section 4 of the PDS.

SUITABILITY

The Fund may be suitable for use as a small component of a broader portfolio for an investor seeking capital growth who has an extremely high risk/return profile for that part of their portfolio and a short investment timeframe.

PRODUCT SUPPLEMENT

BETASHARES GEARED SHORT AUSTRALIAN GOVERNMENT BOND FUND (HEDGE FUND)

INVESTMENT OBJECTIVE

The investment objective of the Betashares Geared Short Australian Government Bond Fund (hedge fund) is to provide Unitholders with geared short exposure to the returns of Australian Treasury Bonds with a term to maturity of approximately 10 years ("10 Year Australian Treasury Bonds").

The Responsible Entity will seek to achieve the Fund's investment objective in all market conditions. This means that when prices of 10 Year Australian Treasury Bonds are rising, investors should not expect the Fund's investments to be repositioned or the level of gearing to be reduced below the anticipated gearing range, as described in this PDS, in an attempt to avoid or reduce losses.

GENERAL INFORMATION

ASX code	BBAB
Periodic distributions	The Responsible Entity intends to make distributions at least annually. Information about the timetable for distributions and any declared distribution amount will be announced via the ASX Market Announcements Platform. For further information, see "Distributions" in section 2.2 of the PDS.
Distribution Reinvestment Plan	Available. For further information, see "Distribution Reinvestment Plan" in section 2.2.3 of the PDS.

INVESTMENT STRATEGY

As at the date of this PDS, the Responsible Entity intends to implement the investment strategy by investing the assets of the Fund into cash and cash equivalents and selling ASX 10 Year Australian Treasury Bond futures contracts. These futures contracts reflect the returns of a notional 10 Year Australian Treasury Bond which is based on a reference basket of actual 10 Year Australian Treasury Bonds. For the purposes of this PDS, this notional bond is referred to as the "reference bond" of these futures contracts traded in respect of the Australian Funds.

Selling ASX 10 Year Australian Treasury Bond futures can generally be expected to generate a positive return when the yield of 10 Year Australian Treasury Bonds increases on a given day (and a negative return when the yield of 10 Year Australian Treasury Bonds declines on a given day).

The Responsible Entity anticipates that the Fund's geared short exposure to a notional 10 Year Australian Treasury Bond will generally vary between -250% and -300% of the Fund's Net Asset Value on a given day.

SPECIFIC RISK FACTORS

In addition to the risk factors set out in section 4 of the PDS, the following additional risks are relevant to the Fund.

Risks associated with negatively correlated returns

If the Fund's investment strategy is successful, an increase in the yield of the notional 10 Year Australian Treasury bond on a given day will generally result in an increase in the value of the Fund. Conversely, a decline in the yield of the notional 10 Year Australian Treasury Bond on a given day will generally result in a decrease in the value of the Fund. This result is the opposite of traditional managed funds providing exposure to bonds. In addition, changes in the value of the Fund will generally be magnified by the effects of gearing – see section 4.4 above.

SUITABILITY

The Fund may be suitable for use as a small component of a broader portfolio for an investor seeking capital growth who has an extremely high risk/return profile for that part of their portfolio and a short investment timeframe.

PRODUCT SUPPLEMENT

BETASHARES GEARED LONG U.S. TREASURY BOND FUND – CURRENCY HEDGED (HEDGE FUND)

INVESTMENT OBJECTIVE

The investment objective of the Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund) is to provide Unitholders with geared long exposure to the returns of US Treasury Bonds with a term to maturity of approximately 10 years (“10 Year US Treasury Bonds”), hedged to Australian dollars.

The Responsible Entity will seek to achieve the Fund’s investment objective in all market conditions. This means that when prices of 10 Year US Treasury Bonds are falling, investors should not expect the Fund’s investments to be repositioned or the level of gearing to be reduced below the anticipated gearing range, as described in this PDS, in an attempt to avoid or reduce losses.

GENERAL INFORMATION

ASX code	GGFD
Periodic distributions	The Responsible Entity intends to make distributions at least annually. Information about the timetable for distributions and any declared distribution amount will be announced via the ASX Market Announcements Platform. For further information, see “Distributions” in section 2.2 of the PDS.
Distribution Reinvestment Plan	Available. For further information, see “Distribution Reinvestment Plan” in section 2.2.3 of the PDS.

INVESTMENT STRATEGY

As at the date of this PDS, the Responsible Entity intends to implement the investment strategy by investing the assets of the Fund into cash and cash equivalents and buying CME Ultra 10-Year US Treasury Note Futures contracts. These futures contracts reflect the returns of an underlying 10 Year US Treasury Bond. For the purposes of this PDS, this underlying bond is referred to as the “reference bond” of these futures contracts traded in respect of the US Funds.

Buying CME Ultra 10-Year US Treasury Note Futures can generally be expected to generate a positive return when the yield of 10 Year US Treasury Bonds declines on a given day (and a negative return when the yield of 10 Year US Treasury Bonds increases on a given day).

The Responsible Entity anticipates that the Fund’s geared long exposure to an underlying 10 Year US Treasury Bond will generally vary between +250% and +300% of the Fund’s Net Asset Value on a given day.

Currency Exposure

As the Fund’s futures contracts are traded on a US exchange, the futures are denominated in US dollars, exposing the Fund to AUD / USD exchange rate movements which may increase or decrease the value of the Fund in Australian dollars. The Responsible Entity intends to hedge such currency exposure by converting US dollar gains on futures positions back to Australian dollars (thereby reducing the Fund’s level of exposure to the US dollar) and vice versa, that is, offsetting US dollar losses on futures positions by converting Australian dollars to US dollars. While this approach seeks to substantially reduce the impact of currency fluctuations on Fund returns, it does not necessarily eliminate the Fund’s exposure to the US dollar.

SPECIFIC RISK FACTORS

In addition to the risk factors set out in section 4 of the PDS, the following additional risks are relevant to the Fund.

Foreign exchange risk

Foreign exchange risk is the risk that the Australian dollar value of Fund assets or liabilities denominated in a foreign currency (i.e. the US dollar) will increase or decrease as a result of exchange rate fluctuations. The Responsible Entity intends to hedge the Fund’s currency exposure with the objective of substantially offsetting the Fund’s exposure to movements in the US dollar. While this approach seeks to minimise the impact of currency fluctuations on Fund returns, it does not necessarily eliminate exposure to all currency fluctuations and it may not prove effective.

Non-concurrent US futures market trading hours risk

The CME bond futures market operates almost continuously, six days a week, and therefore continues to operate during non-ASX trading hours. The level of the Fund’s long investment exposure at the start of the ASX trading day is based on the level of the US futures market at that time. As a result, if there is heightened US futures market volatility in the overnight period, it is possible that a US Fund’s investment exposure at the start of

the ASX trading day may be outside the target exposure range. Any rebalancing of a US Fund's investment exposure will normally only occur after the close of the ASX trading day.

SUITABILITY

The Fund may be suitable for use as a small component of a broader portfolio for an investor seeking capital growth who has an extremely high risk/return profile for that part of their portfolio and a short investment timeframe.

PRODUCT SUPPLEMENT

BETASHARES GEARED SHORT U.S. TREASURY BOND FUND – CURRENCY HEDGED (HEDGE FUND)

INVESTMENT OBJECTIVE

The investment objective of the Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund) is to provide Unitholders with geared short exposure to the returns of US Treasury Bonds with a term to maturity of approximately 10 years (“10 Year US Treasury Bonds”), hedged to Australian dollars.

The Responsible Entity will seek to achieve the Fund’s investment objective in all market conditions. This means that when prices of 10 Year US Treasury Bonds are rising, investors should not expect the Fund’s investments to be repositioned or the level of gearing to be reduced below the anticipated gearing range, as described in this PDS, in an attempt to avoid or reduce losses.

GENERAL INFORMATION

ASX code	BBFD
Periodic distributions	The Responsible Entity intends to make distributions at least annually. Information about the timetable for distributions and any declared distribution amount will be announced via the ASX Market Announcements Platform. For further information, see “Distributions” in section 2.2 of the PDS.
Distribution Reinvestment Plan	Available. For further information, see “Distribution Reinvestment Plan” in section 2.2.3 of the PDS.

INVESTMENT STRATEGY

As at the date of this PDS, the Responsible Entity intends to implement the investment strategy by investing the assets of the Fund into cash and cash equivalents and selling CME Ultra 10-Year US Treasury Note Futures contracts. These futures contracts reflect the returns of an underlying 10 Year US Treasury Bond. For the purposes of this PDS, this underlying bond is referred to as the “reference bond” of these futures contracts traded in respect of the US Funds.

Selling CME Ultra 10-Year US Treasury Note Futures can generally be expected to generate a positive return when the yield of 10 Year US Treasury Bonds increases on a given day (and a negative return when the yield of 10 Year US Treasury Bonds declines on a given day).

The Responsible Entity anticipates that the Fund’s geared short exposure to an underlying 10 Year US Treasury Bond will generally vary between -250% and -300% of the Fund’s Net Asset Value on a given day.

Currency Exposure

As the Fund’s futures contracts are traded on a US exchange, the futures are denominated in US dollars, exposing the Fund to AUD / USD exchange rate movements which may increase or decrease the value of the Fund in Australian dollars. The Responsible Entity intends to hedge such currency exposure by converting US dollar gains on futures positions back to Australian dollars (thereby reducing the Fund’s level of exposure to the US dollar) and vice versa, that is, offsetting US dollar losses on futures positions by converting Australian dollars to US dollars. While this approach seeks to substantially reduce the impact of currency fluctuations on Fund returns, it does not necessarily eliminate the Fund’s exposure to the US dollar.

SPECIFIC RISK FACTORS

In addition to the risk factors set out in section 4 of the PDS, the following additional risks are relevant to the Fund.

Risks associated with negatively correlated returns

If the Fund’s investment strategy is successful, an increase in the yield of the reference 10 Year US Treasury bond on a given day will generally result in an increase in the value of the Fund. Conversely, a decline in the yield of the reference 10 Year US Treasury bond on a given day will generally result in a decrease in the value of the Fund. This result is the opposite of traditional managed funds providing exposure to bonds. In addition, changes in the value of the Fund will generally be magnified by the effects of gearing – see section 4.4 above.

Foreign exchange risk

Foreign exchange risk is the risk that the Australian dollar value of Fund assets or liabilities denominated in a foreign currency (i.e. the US dollar) will increase or decrease as a result of exchange rate fluctuations. The Responsible Entity intends to hedge the Fund’s currency exposure with the

objective of substantially offsetting the Fund's exposure to movements in the US dollar. While this approach seeks to minimise the impact of currency fluctuations on Fund returns, it does not necessarily eliminate exposure to all currency fluctuations and it may not prove effective.

Non-concurrent US futures market trading hours risk

The CME bond futures market operates almost continuously, six days a week, and therefore continues to operate during non-ASX trading hours. The level of the Fund's short investment exposure at the start of the ASX trading day is based on the level of the US futures market at that time. As a result, if there is heightened US futures market volatility in the overnight period, it is possible that a US Fund's investment exposure at the start of the ASX trading day may be outside the target exposure range. Any rebalancing of a US Fund's investment exposure will normally only occur after the close of the ASX trading day.

SUITABILITY

The Fund may be suitable for use as a small component of a broader portfolio for an investor seeking capital growth who has an extremely high risk/return profile for that part of their portfolio and a short investment timeframe.

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FORMS

APPLICATION FORM

Product Disclosure Statement dated 24 November 2023 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 it and send it by email to 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 (as described in the PDS). Applications must be made in whole multiples of Creation Units unless the Responsible Entity agrees otherwise.

Fund:

- ASX: GGAB
- ASX: BBAB
- ASX: GGFD
- ASX: BBFD

Number of Units:	
Application method – cash/in-kind (in-kind by agreement only):	
Market maker name (if applicable):	

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

Product Disclosure Statement dated 24 November 2023 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 (and other Unitholders where they have a right to redeem Units as described in the PDS). Unitholders can also 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 it and send it by email to 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, unless the PDS provides otherwise. Redemptions must be made in whole multiples of Creation Units unless the Responsible Entity agrees otherwise.*

Fund:

- ASX: GGAB
- ASX: BBAB
- ASX: GGFD
- ASX: BBFD

Number of Units:	
Redemption method – cash/in-kind (in-kind by agreement only):	
Market maker name (if applicable):	

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 6
50 Margaret Street
Sydney NSW 2000
Telephone: 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia)

Custodian & Fund Administrator

Citigroup Pty Limited
Level 23
2 Park Street
Sydney NSW 2000

Registrar

Link Market Services
Level 12
680 George Street
Sydney NSW 2000

Solicitors to Betashares

MinterEllison
Governor Macquarie Tower
Level 40
1 Farrer Place
Sydney NSW 2000

Auditor

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