

# **BETASHARES AUSTRALIAN EQUITIES BEAR HEDGE FUND**

## **SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT**

**DATED:** 24 MARCH 2014  
**ARSN:** 143 219 774  
**ASX CODE:** BEAR  
**ISSUER:** BETASHARES CAPITAL LTD  
**ABN:** 78 139 566 868  
**AFS LICENCE:** 341181

This supplementary product disclosure statement ("SPDS") is supplemental to the BetaShares Australian Equities Bear Hedge Fund product disclosure statement dated 31 January 2014 ("PDS"). The PDS and this SPDS should be read together.

A copy of this SPDS has been lodged with the Australian Securities and Investments Commission (ASIC) on 24 March 2014. Neither ASIC nor ASX Limited takes any responsibility for the contents of this SPDS.

Terms defined in the PDS have the same meanings when used in this SPDS.

The purpose of this SPDS is to update the PDS as follows:

### **MINIMUM REDEMPTION AMOUNT**

The minimum redemption amount has been reduced to whole multiples of 1,500 Units (or the redemption must be for the Unitholder's entire unit account balance if the Unitholder holds less than 1,500 Units) unless the Responsible Entity agrees otherwise.

As a consequence, the PDS is amended as follows:

1. In Table 1.2 on page 4, the section "Redemptions" is amended by deleting the second paragraph and replacing it with the following paragraph:

"Units can only be redeemed directly with the Fund in whole multiples of 1,500 under this PDS (or the redemption must be for the Unitholder's entire unit account balance if the Unitholder holds less than 1,500 Units) unless the Responsible Entity agrees otherwise. Every 1,500 Units represents one "Redemption Unit"."

2. In the table of Disclosure Principles on page 9, the section "Withdrawals" is amended by deleting the second paragraph and replacing it with the following paragraph:

"Units can only be redeemed directly with the Fund in whole multiples of 1,500 under this PDS (or the redemption must be for the Unitholder's entire unit account balance if the Unitholder holds less than 1,500 Units) unless the Responsible Entity agrees otherwise. Every 1,500 Units represents one "Redemption Unit"."

3. Section 5.1 "MINIMUM APPLICATIONS AND REDEMPTIONS" on page 19 is amended by deleting the first two paragraphs and replacing them with the following paragraphs:

"The minimum application amount is one Creation Unit (the number of Units that constitute a Creation Unit is 50,000 Units, unless otherwise agreed with the Responsible Entity).

The minimum redemption amount is one Redemption Unit (the number of Units that constitute a Redemption Unit is 1,500 Units, unless otherwise agreed with the Responsible Entity), or the Unitholder's entire unit account balance if the Unitholder holds less than a Redemption Unit.

Applications and redemptions must be for whole multiples of Creation Units or Redemption Units (or must be for the Unitholder's entire unit account balance if the Unitholder holds less than a Redemption Unit), unless otherwise agreed with the Responsible Entity."

### **WITHDRAWAL FEE**

As the minimum redemption amount has been reduced, the withdrawal fee if units are redeemed directly with the Fund has been changed from \$3,000 to the lower of \$3,000 and 3% of the withdrawal amount.

As a consequence, the PDS is amended as follows:

1. By deleting Table 3.1: Table of Fees or Costs in section 3 and replacing it with the following:

**TABLE 3.1: TABLE OF FEES OR COSTS**

| TYPE OF FEE OR COST  | AMOUNT  | HOW AND WHEN PAID  |
|--|---|--|
| <b>FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND</b>  |   |  |
| <b>Establishment fee:</b><br><br>The fee to open your investment                                       | Nil   | Not applicable   |
| <b>Contribution fee:</b><br><br>The fee on each amount contributed to your investment                  | Authorised Participants: \$750<br><br>Investors who buy Units on the ASX: Not applicable  | Payable only by Authorised Participants together with the application amount at the time of applying for Units. This fee is not payable if Units are bought on the ASX.  |
| <b>Withdrawal fee:</b><br><br>The fee on each amount you take out of your investment                   | The lower of \$3,000 and 3% of the withdrawal amount if Units are redeemed directly with the Fund<br><br>Investors who sell Units on the ASX: Not applicable                                  | Payable by Unitholders at the time of the redemption. The fee will be deducted from the redemption proceeds. This fee is not payable if Units are sold on the ASX.   |
| <b>Termination fee:</b><br><br>The fee to close your investment  | Nil   | Not applicable   |
| <b>Management costs:</b><br><br>The fees and costs for managing your investment                        | <b>Management fee</b><br><br>1.19% per annum of the Fund's Net Asset Value<br><br><b>Plus</b><br><br><b>Expense recoveries</b><br><br>Capped at 0.19% per annum of the Fund's Net Asset Value | Calculated and accrued daily as a percentage of the Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the Fund's assets monthly on or after the first day of the following month.<br><br>Calculated and accrued daily as a percentage of the Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted monthly from the Fund's assets on or after the first day of the following month. |
| <b>Service fees</b><br><b>Investment switching fee:</b><br><br>The fee for changing investment options | Nil   | Not applicable   |

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

Each fee set out in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of "Differential fees, rebates and related payments" in the "Additional Explanation of Fees and Costs" section below. All fees and costs in the table above include Goods and Services Tax (GST) net of any input tax credits.

2. By deleting the first sentence under Table 3.2: Example of Annual Fees and Costs in section 3 and replacing it with the following:

"A Unitholder who redeems Units directly will also be charged a withdrawal fee of the lower of \$3,000 and 3% of the withdrawal amount for a redemption."

## NEW APPLICATION FORM AND REDEMPTION FORM

Please note that the attached Application Form and Redemption Form replace the corresponding forms attached to the PDS. The Application Form and Redemption Form attached to this SPDS must be used from 24 March 2014 onwards.

## FORMS

# APPLICATION FORM

**BetaShares Australian Equities Bear Hedge Fund Product Disclosure Statement dated 31 January 2014 and Supplementary Product Disclosure Statement dated 24 March 2014 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 BetaShares Australian Equities Bear Hedge Fund Product Disclosure Statement and Supplementary Product Disclosure Statement (together, the PDS) carefully. If this PDS was obtained electronically, a paper copy of this PDS and the Application Form will be provided free of charge upon request. Capitalised terms have the same meaning as in the PDS.*

Please fax the completed Application Form to (02) 9262 4950.

### APPLICANT DETAILS

Name \_\_\_\_\_

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

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

Suburb \_\_\_\_\_

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

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

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

### NUMBER OF UNITS APPLIED FOR

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

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

Fund: BetaShares Australian Equities Bear Hedge Fund

ASX code: BEAR

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

### ACKNOWLEDGEMENTS

By signing this Application Form:

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

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

### Applicant signatures

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

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

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

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

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

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

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

# FORMS

## REDEMPTION FORM

**BetaShares Australian Equities Bear Hedge Fund Product Disclosure Statement dated 31 January 2014 and Supplementary Product Disclosure Statement dated 24 March 2014 issued by BetaShares Capital Ltd, ABN 78 139 566 868, AFSL 341181 as Responsible Entity.**

*Please note: This form is for use by Unitholders (including Authorised Participants). Unitholders can also sell Units on the ASX through a stockbroker or via a financial adviser. It is anticipated that a Unitholder that is not an Authorised Participant will normally sell their Units by trading on the ASX rather than by redeeming their Units.*

*It is important to read the BetaShares Australian Equities Bear Hedge Fund Product Disclosure Statement and Supplementary Product Disclosure Statement (together, the PDS) carefully. If this PDS was obtained electronically, a paper copy of this 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.

### 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 Redemption Unit or the Unitholder's entire unit account balance if the Unitholder holds less than a Redemption Unit. Redemptions must be made in whole multiples of Redemption Units (or must be for the Unitholder's entire unit account balance if the Unitholder holds less than a Redemption Unit) unless the Responsible Entity agrees otherwise. Redemptions shall be paid in Australian dollars, unless the Responsible Entity agrees otherwise.

Fund: BetaShares Australian Equities Bear Hedge Fund

ASX code: BEAR

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

### SIGNATURE BY REDEEMING UNITHOLDER

By signing this Redemption Form:

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

### Applicant signatures

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

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

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

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

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

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

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