



Booklet 6

# Condensed Interim Financial Report

31 December 2024

**Responsible Entity**

Betashares Capital Ltd

(ABN 78 139 566 868)

Level 46, 180 George St,  
Sydney, NSW 2000

[betashares.com.au](http://betashares.com.au)



**Booklet 6**

## **Betashares Geared Australian Equity Fund (hedge fund)**

**ASX Code: GEAR**

ARSN 150 081 691

## **Betashares U.S. Equities Strong Bear Hedge Fund - Currency Hedged**

**ASX Code: BBUS**

ARSN 602 663 918

## **Betashares Geared U.S. Equity Fund - Currency Hedged (hedge fund)**

**ASX Code: GGUS**

ARSN 602 666 615

## **Condensed Interim Financial Report for the half-year ended 31 December 2024**

**Booklet 6**

**Condensed Interim Financial Report  
For the half-year ended 31 December 2024**

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**Directors' report**

The directors of Betashares Capital Ltd, the Responsible Entity of the following managed investment funds (the "Funds"), present their report together with the condensed interim financial report of the Funds for the half-year ended 31 December 2024 and the auditor's report thereon.

<b>Fund name</b>	<b>Referred to in this document as</b>	<b>Financial reporting period</b>	<b>ARSN</b>
Betashares Geared Australian Equity Fund (hedge fund)	Geared Australian Equity Fund	1 July 2024 to 31 December 2024	150 081 691
Betashares U.S. Equities Strong Bear Hedge Fund - Currency Hedged	U.S. Equities Strong Bear Hedge Fund	1 July 2024 to 31 December 2024	602 663 918
Betashares Geared U.S. Equity Fund - Currency Hedged (hedge fund)	Geared U.S. Equity Fund	1 July 2024 to 31 December 2024	602 666 615

**Responsible Entity**

The Responsible Entity of the Funds is Betashares Capital Ltd (ABN 78 139 566 868). The Responsible Entity's registered office and principal place of business is Level 46, 180 George Street, Sydney NSW 2000 Australia.

**Principal activities**

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

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

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

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

Mr Alex Vynokur	Appointed 21 September 2009
Mr Jason Gellert	Appointed 5 March 2021
Mr Edward Sippel	Appointed 5 March 2021

**Review and results of operations**

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

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

**Significant changes in state of affairs**

The Responsible Entity of the Funds has changed the registered office and principal place of business from Level 11, 50 Margaret Street, Sydney NSW 2000 to Level 46, 180 George Street, Sydney NSW 2000, effective 1 September 2024.

The address change does not affect the Funds' financial position or results of operations. All future correspondence and filings should be directed to the new address.

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

**Directors' report (continued)**

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

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

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

**Likely developments and expected results of operations**

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

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

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

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

**Financial statements presentation**

The Funds are entities of the kind referred to by *ASIC Corporations (Related Scheme Reports) instrument 2015/839* and in accordance with that instrument, Funds with a common Responsible Entity (or related Responsible Entities) can include their condensed financial reports in adjacent columns in a single set of financial reports.

**Compensation (ASIC Regulatory Guide 94 Unit pricing: Guide to good practice)**

The Responsible Entity may apply a \$20 minimum to compensation amounts in respect of any unit pricing errors for exited investors.

**Auditor's independence declaration**

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

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



Alex Vynokur  
Director

Sydney  
7 March 2025



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

To the Directors of Betashares Capital Limited, the Responsible Entity for the following Funds:

Betashares Geared Australian Equity Fund (hedge fund)

Betashares U.S. Equities Strong Bear Hedge Fund - Currency Hedged

Betashares Geared U.S. Equity Fund - Currency Hedged (hedge fund)

I declare that, to the best of my knowledge and belief, in relation to the review of the Funds for the half-year ended 31 December 2024 there have been:

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

KPMG

Belinda Cicchiello

*Partner*

Sydney

7 March 2025

Condensed interim statements of comprehensive income

	Geared Australian Equity Fund		U.S. Equities Strong Bear Hedge Fund		Geared U.S. Equity Fund	
	31 December	31 December	31 December	31 December	31 December	31 December
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>						
Dividend and distribution income	17,150	19,874	-	-	3,680	2,910
Interest income	-	-	3,101	4,853	5,091	3,377
Net gains/(losses) on financial instruments at fair value through profit or loss	45,989	62,629	(22,629)	(22,406)	80,436	14,646
Net foreign exchange gains/(losses)	-	-	(76)	(12)	(43,790)	13,913
Other operating income	-	2	25	33	6	4
<b>Total net investment income/(losses)</b>	<b>63,139</b>	<b>82,505</b>	<b>(19,579)</b>	<b>(17,532)</b>	<b>45,423</b>	<b>34,850</b>
<b>Expenses</b>						
Management fees	3,734	3,552	875	1,445	2,005	1,450
Expense recoveries	212	288	92	145	169	123
Transaction costs	21	4	-	-	3	3
Other operating expenses	1	-	-	-	-	-
<b>Total operating expenses</b>	<b>3,968</b>	<b>3,844</b>	<b>967</b>	<b>1,590</b>	<b>2,177</b>	<b>1,576</b>
<b>Operating profit/(loss) before finance costs for the half-year</b>	<b>59,171</b>	<b>78,661</b>	<b>(20,546)</b>	<b>(19,122)</b>	<b>43,246</b>	<b>33,274</b>
<b>Finance costs</b>						
Finance costs - interest expense	(14,378)	(13,888)	(658)	(981)	(16,170)	(12,395)
<b>Profit/(loss) for the half-year</b>	<b>44,793</b>	<b>64,773</b>	<b>(21,204)</b>	<b>(20,103)</b>	<b>27,076</b>	<b>20,879</b>
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the half-year</b>	<b>44,793</b>	<b>64,773</b>	<b>(21,204)</b>	<b>(20,103)</b>	<b>27,076</b>	<b>20,879</b>

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

Condensed interim statements of financial position

	Notes	Geared Australian Equity Fund		U.S. Equities Strong Bear Hedge Fund		Geared U.S. Equity Fund	
		31 December	30 June	31 December	30 June	31 December	30 June
		2024	2024	2024	2024	2024	2024
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>							
Cash and cash equivalents		-	-	137,505	162,703	270,726	227,419
Financial assets at fair value through profit or loss	5	1,167,071	952,612	11,172	1,745	649,305	515,852
Other receivables		4,773	12,703	507	612	1,069	788
<b>Total assets</b>		<b>1,171,844</b>	<b>965,315</b>	<b>149,184</b>	<b>165,060</b>	<b>921,100</b>	<b>744,059</b>
<b>Liabilities</b>							
Borrowings	7	670,875	498,716	-	10,042	643,084	515,615
Cash held on collateral		-	-	5,869	247	-	-
Due to brokers - payables for securities purchased		7,398	18,084	-	-	-	-
Distributions payable	4	4,797	1,274	-	-	-	-
Interest payable	7	2,802	2,067	88	112	2,914	2,533
Other payables		780	619	1,160	4,028	421	327
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>686,652</b>	<b>520,760</b>	<b>7,117</b>	<b>14,429</b>	<b>646,419</b>	<b>518,475</b>
<b>Net assets attributable to unitholders - equity</b>	3	<b>485,192</b>	<b>444,555</b>	<b>142,067</b>	<b>150,631</b>	<b>274,681</b>	<b>225,584</b>

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



Condensed interim statements of changes in equity

	Notes	Geared Australian Equity Fund		U.S. Equities Strong Bear Hedge Fund		Geared U.S. Equity Fund	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>	3	<b>444,555</b>	405,732	<b>150,631</b>	271,762	<b>225,584</b>	163,490
<b>Comprehensive income for the half-year</b>							
Profit/(loss) for the half-year	3	<b>44,793</b>	64,773	<b>(21,204)</b>	(20,103)	<b>27,076</b>	20,879
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the half-year</b>		<b>44,793</b>	64,773	<b>(21,204)</b>	(20,103)	<b>27,076</b>	20,879
<b>Transactions with unitholders</b>							
Creations	3	<b>222,257</b>	149,073	<b>121,243</b>	84,506	<b>37,783</b>	24,821
Redemptions	3	<b>(221,843)</b>	(170,046)	<b>(108,603)</b>	(123,530)	<b>(15,762)</b>	(27,275)
Units issued upon reinvestment of distributions	3	<b>227</b>	776	-	-	-	-
Distributions to unitholders	3, 4	<b>(4,797)</b>	(9,124)	-	-	-	-
<b>Total transactions with unitholders</b>		<b>(4,156)</b>	(29,321)	<b>12,640</b>	(39,024)	<b>22,021</b>	(2,454)
<b>Total equity at the end of the half-year</b>	3	<b>485,192</b>	441,184	<b>142,067</b>	212,635	<b>274,681</b>	181,915

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

Condensed interim statements of cash flows

	Geared Australian Equity Fund		U.S. Equities Strong Bear Hedge Fund		Geared U.S. Equity Fund	
	31 December	31 December	31 December	31 December	31 December	31 December
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>						
Proceeds from sales of financial instruments at fair value through profit or loss	489,495	405,943	1,779	2,681	23,103	58,292
Payments for purchase of financial instruments at fair value through profit or loss	(668,651)	(408,055)	(33,835)	(25,751)	(76,120)	(61,997)
Movements in cash held on collateral	-	-	5,622	(9,736)	-	-
Dividends and distributions received	19,740	22,946	-	-	3,680	2,910
Interest received	-	-	3,192	5,073	4,830	3,248
Other operating income received	-	2	39	57	6	4
Management fees paid	(3,584)	(3,455)	(891)	(1,522)	(1,919)	(1,422)
Expense recoveries paid	(204)	(280)	(94)	(154)	(161)	(120)
Transactions costs paid	(21)	(4)	-	-	(3)	(3)
Other operating expenses paid	(11)	(23)	-	-	(20)	(8)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(163,236)</b>	<b>17,074</b>	<b>(24,188)</b>	<b>(29,352)</b>	<b>(46,604)</b>	<b>904</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings	859,366	599,482	174,362	286,268	174,763	131,451
Payments to borrowings	(687,207)	(599,522)	(184,404)	(290,260)	(47,294)	(116,715)
Proceeds from creations by unitholders	227,610	169,887	121,243	83,043	37,783	24,821
Payments for redemptions by unitholders	(221,843)	(170,046)	(111,453)	(123,530)	(15,762)	(27,275)
Distributions paid	(1,047)	(3,423)	-	-	-	-
Interest paid on borrowings	(13,643)	(13,452)	(682)	(1,079)	(15,789)	(12,127)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>163,236</b>	<b>(17,074)</b>	<b>(934)</b>	<b>(45,558)</b>	<b>133,701</b>	<b>155</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>(25,122)</b>	<b>(74,910)</b>	<b>87,097</b>	<b>1,059</b>
Cash and cash equivalents at the beginning of the half-year	-	-	162,703	284,793	227,419	149,920
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	(76)	(12)	(43,790)	13,913
<b>Cash and cash equivalents at the end of the half-year</b>	<b>-</b>	<b>-</b>	<b>137,505</b>	<b>209,871</b>	<b>270,726</b>	<b>164,892</b>
<b>Non-cash financing activities</b>						
Units issued upon reinvestment of distributions	227	776	-	-	-	-

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

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## 1 General information

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

Abbreviated Fund name	Registration date	Commencement date	Financial reporting period
Geared Australian Equity Fund	8 April 2011	30 April 2014	1 July 2024 to 31 December 2024
U.S. Equities Strong Bear Hedge Fund	10 November 2014	24 August 2015	1 July 2024 to 31 December 2024
Geared U.S. Equity Fund	10 November 2014	17 August 2015	1 July 2024 to 31 December 2024

The Responsible Entity of the Funds is Betashares Capital Ltd (the "Responsible Entity"). The Responsible Entity's registered office is Level 46, 180 George Street, Sydney NSW 2000 Australia.

The condensed interim financial statements were authorised for issue by the directors on 7 March 2025. The directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

## 2 Summary of material accounting policies

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

### (a) Basis of preparation

These general purpose condensed interim financial statements have been prepared in accordance with Australian Accounting Standards, AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Funds are for-profit unit trusts for the purpose of preparing the condensed interim financial statements. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements. The financial report of the Funds complies with International Financial Reporting Standards adopted by the International Accounting Standards Board. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any continuous disclosure requirements of the *Corporations Act 2001*.

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

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

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

#### *Use of estimates and judgements*

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

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

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

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

#### *Functional currency and presentation*

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

**2 Summary of material accounting policies (continued)**

**(b) Australian accounting standards and interpretations**

There are no new accounting standards, interpretations or amendments to existing standards that are effective for the half-year beginning 1 July 2024 that had a material impact on the Funds.

**(c) Cash held on collateral**

Cash held on collateral includes margin accounts. Margin accounts are cash held to cover derivative contracts deposits. These amounts are held by the relevant derivatives counterparties as securities. If losses are realised, the cash balances maybe set off against these losses and if profits are realised on the close out of derivative contracts, the money is returned to the Funds.

**(d) Rounding in amounts**

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

**3 Net assets attributable to unitholders**

Units are normally redeemable by unitholders being Authorised Participants at the unitholders' option, however, creations and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units can be put back to the Funds at any time for cash based on the redemption price, which is equal to a proportionate share of the Funds' net asset value attributable to the unitholders.

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

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

	Geared Australian Equity Fund				U.S. Equities Strong Bear Hedge Fund			
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	2024	2023	2024	2023	2024	2023	2024	2023
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
<b>Net assets attributable to unitholders</b>								
Opening balance	15,787	16,741	444,555	405,732	28,977	34,702	150,631	271,762
Creations	7,279	6,566	222,257	149,073	26,013	10,875	121,243	84,506
Redemptions	(7,300)	(6,900)	(221,843)	(170,046)	(23,475)	(14,850)	(108,603)	(123,530)
Units issued upon reinvestment of distributions	8	32	227	776	-	-	-	-
Distributions to unitholders	-	-	(4,797)	(9,124)	-	-	-	-
Profit/(loss) for the half-year	-	-	44,793	64,773	-	-	(21,204)	(20,103)
<b>Closing balance</b>	<b>15,774</b>	<b>16,439</b>	<b>485,192</b>	<b>441,184</b>	<b>31,515</b>	<b>30,727</b>	<b>142,067</b>	<b>212,635</b>

	Geared U.S. Equity Fund			
	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
	Units '000	Units '000	\$'000	\$'000
<b>Net assets attributable to unitholders</b>				
Opening balance	5,782	6,010	225,584	163,490
Creations	880	1,000	37,783	24,821
Redemptions	(390)	(978)	(15,762)	(27,275)
Profit/(loss) for the half-year	-	-	27,076	20,879
<b>Closing balance</b>	<b>6,272</b>	<b>6,032</b>	<b>274,681</b>	<b>181,915</b>

### 3 Net assets attributable to unitholders (continued)

#### Capital risk management

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

Under the terms of the Funds' Constitutions, the Responsible Entity has the discretion to reject an creation for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

### 4 Distributions to unitholders

Distributions are payable as set out in the Funds' Product Disclosure Statement and/or Funds' Constitution. Such distributions are recognised as payable when they are determined by the Responsible Entity.

The distribution amounts and cents per unit ("CPU") for the period were as follows:

	<b>Geared Australian Equity Fund</b>			
	<b>31 December 2024 \$'000</b>	<b>31 December 2024 CPU</b>	31 December 2023 \$'000	31 December 2023 CPU
<b>Distributions</b>				
Distributions payable - December	4,797	30.41	9,124	55.51
<b>Total distributions</b>	<b>4,797</b>	<b>30.41</b>	9,124	55.51

The distribution information shown above refers to distributions paid by the relevant Fund for the period. Under the AMIT tax rules, a Fund may distribute cash that is different to the taxable income attributed by the Fund to unitholders. During the half-year, some distributions were satisfied by the issue of units (reinvestment). See Note 3.

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

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis.

	<b>Geared Australian Equity Fund</b>		<b>U.S. Equities Strong Bear Hedge Fund</b>		<b>Geared U.S. Equity Fund</b>	
	<b>31 December 2024 \$'000</b>	30 June 2024 \$'000	<b>31 December 2024 \$'000</b>	30 June 2024 \$'000	<b>31 December 2024 \$'000</b>	30 June 2024 \$'000
<b>Financial assets at fair value through profit or loss</b>						
Listed securities	1,167,071	952,612	-	-	649,305	515,852
Listed futures	-	-	11,172	1,745	-	-
<b>Total financial assets at fair value through profit or loss</b>	<b>1,167,071</b>	<b>952,612</b>	<b>11,172</b>	<b>1,745</b>	<b>649,305</b>	<b>515,852</b>

An overview of the fair value measurements relating to financial instruments at fair value through profit or loss is included in Note 6 to the condensed interim financial statements.

## **6 Fair value measurements**

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

### **Fair value estimation**

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

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

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

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

The Funds value their investments in accordance with the accounting policies set out in the 30 June 2024 financial statements. For the majority of their investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

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

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

Index futures are measured by the quoted market prices, or binding dealer price quotations on the exchange where they are listed or held.

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

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

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

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

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Funds for similar financial instruments.

6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements

The tables below set out the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2024 and 30 June 2024.

	Geared Australian Equity Fund							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December 2024 \$'000	31 December 2024 \$'000	31 December 2024 \$'000	31 December 2024 \$'000	30 June 2024 \$'000	30 June 2024 \$'000	30 June 2024 \$'000	30 June 2024 \$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss								
Listed securities	1,167,071	-	-	1,167,071	952,612	-	-	952,612
<b>Total assets</b>	<b>1,167,071</b>	<b>-</b>	<b>-</b>	<b>1,167,071</b>	<b>952,612</b>	<b>-</b>	<b>-</b>	<b>952,612</b>
	U.S. Equities Strong Bear Hedge Fund							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December 2024 \$'000	31 December 2024 \$'000	31 December 2024 \$'000	31 December 2024 \$'000	30 June 2024 \$'000	30 June 2024 \$'000	30 June 2024 \$'000	30 June 2024 \$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss								
Listed futures	11,172	-	-	11,172	1,745	-	-	1,745
<b>Total assets</b>	<b>11,172</b>	<b>-</b>	<b>-</b>	<b>11,172</b>	<b>1,745</b>	<b>-</b>	<b>-</b>	<b>1,745</b>
	Geared U.S. Equity Fund							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December 2024 \$'000	31 December 2024 \$'000	31 December 2024 \$'000	31 December 2024 \$'000	30 June 2024 \$'000	30 June 2024 \$'000	30 June 2024 \$'000	30 June 2024 \$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss								
Listed securities	649,305	-	-	649,305	515,852	-	-	515,852
<b>Total assets</b>	<b>649,305</b>	<b>-</b>	<b>-</b>	<b>649,305</b>	<b>515,852</b>	<b>-</b>	<b>-</b>	<b>515,852</b>

(iv) Transfers between levels

There were no transfers between levels during the half-year ended 31 December 2024 and the year ended 30 June 2024.

(v) Movement in level 3 instruments

There were no investments classified as level 3 within the Funds as at 31 December 2024 and the year ended 30 June 2024.



## **6 Fair value measurements (continued)**

### **Fair value measurements using significant unobservable inputs (Level 3)**

An investment held in AVZ Minerals Ltd (ASX Code: AVZ) in Geared Australian Equity Fund was purchased during the year-ended 30 June 2022. AVZ was suspended from trading on the ASX on 11 May 2022. AVZ remained suspended from trading at 31 December 2024. Due to the uncertainty around the operations of AVZ, the investment was valued at zero as at 31 December 2024 and 30 June 2024. At 31 December 2024, the total cost of AVZ Minerals Ltd investment amounts to \$952,554 (30 June 2024: \$952,554).

### **Valuation processes**

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period and are disclosed in Note 6 (iv) above.

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

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

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

## **7 Borrowings**

The custodian/prime broker for each Fund is BNP Paribas.

Each Fund has a loan facility with its custodian/prime broker, BNP Paribas, pursuant to a prime brokerage agreement. BNP Paribas has the ultimate discretion as to the amount to lend under each facility. Amounts drawn are repayable on demand. The PDS for each Fund sets out whether, and for what purpose, borrowing may be undertaken by the Fund.

As security for the performance of its obligations under the prime brokerage agreement in relation to each Fund, the Responsible Entity has granted a charge to BNP Paribas over the relevant Fund's assets held by BNP Paribas. BNP Paribas, as the loan provider, has certain rights, including the right to take possession of, and in relation to each Fund, sell the relevant Fund's assets if an event of default occurs in relation to the Fund. An event of default includes (i) failure by the Fund to make any repayment under the loan when due (ii) breach of a material term of the prime brokerage agreement that is not remedied within three business days after receiving notice of the breach (iii) insolvency of the Fund (iv) the Responsibility Entity ceasing to be qualified to be the Responsible Entity of the Fund (v) where the Fund's gearing ratio on any day exceeds the maximum gearing ratio specified in the PDS and is not reduced to below the maximum gearing ratio by the next business day.

BNP Paribas is also entitled at any time to transfer to itself absolute ownership of a portion of the relevant Fund's securities having a value up to, but not exceeding, 100% of the loan amount outstanding from time to time (the "Transferred Securities Limit"). BNP Paribas may deal with any assets so transferred in its absolute discretion and for its own benefit (including selling or lending those assets to third parties). The Fund will have an unsecured, contractual right to the return (at the discretion of BNP Paribas) of either equivalent securities or the then current cash value of the transferred securities. If the Transferred Securities Limit is exceeded for any reason (such as market movements), the Responsible Entity will request that BNP Paribas promptly transfer to the Fund sufficient equivalent securities or cash value so as to comply with the Transferred Securities Limit.

## **8 Events occurring after the reporting period**

No significant events have occurred since the reporting period which would impact on the financial position of the Funds disclosed in the condensed interim statements of financial position as at 31 December 2024 or on the results and cash flows of the Funds for the half-year ended on that date.

**Directors' declaration**

Betashares Capital Ltd presents the Directors' Declaration in respect of the following funds:

Betashares Geared Australian Equity Fund (hedge fund)  
Betashares U.S. Equities Strong Bear Hedge Fund - Currency Hedged  
Betashares Geared U.S. Equity Fund - Currency Hedged (hedge fund)

In the opinion of the directors of Betashares Capital Ltd, the Responsible Entity of the Funds:

- (a) the condensed interim financial statements and notes set out on pages 5 to 15 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the Funds' financial position as at 31 December 2024 and of their performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of Betashares Capital Ltd.



Alex Vynokur  
Director

Sydney  
7 March 2025



# Independent Auditor's Review Report

To the respective unitholders of the following Funds:

Betashares Geared Australian Equity Fund (hedge fund)

Betashares U.S. Equities Strong Bear Hedge Fund – Currency Hedged

Betashares Geared U.S. Equity Fund – Currency Hedged (hedge fund)

For the purpose of this report, the term Fund and Funds denote the individual and distinct entity for which the financial information is prepared and upon which our review is performed. Each is to be read as a singular matter.

## Conclusion

We have reviewed the accompanying **Condensed Interim Financial Report** of the Funds.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Report of the Funds does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Funds' financial position as at 31 December 2024 and of their performance for the **Interim Period** ended on that date; and

- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Report** comprise:

- Condensed interim statements of financial position as at 31 December 2024;
- Condensed interim statements of comprehensive income, Condensed interim statements of changes in equity and Condensed interim statements of cash flows for the Interim Period ended on that date;
- Notes 1 to 8 including selected explanatory notes; and
- The Directors' Declaration.

The **Interim Period** is the 6 months ended on 31 December 2024.

## Basis for Conclusion

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

We are independent of the Funds and Betashares Capital Limited, the Responsible Entity of the Funds, in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audits of the financial report in Australia. We have also fulfilled our other

ethical responsibilities in accordance with these requirements.

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

The Directors of Betashares Capital Limited are responsible for:

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

### Auditor's Responsibilities for the review of the Condensed Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Funds' financial position as at 31 December 2024 and their performance for the Condensed Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of the Funds, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



KPMG



Belinda Cicchiello  
Partner  
Sydney  
7 March 2025



Betashares Capital Ltd (ABN 78 139 566 868 AFSL 341181) is the issuer. Investors should read the relevant fund PDS and TMD (available at [www.betashares.com.au](http://www.betashares.com.au)) and consider whether the fund is appropriate for them. Past performance is not indicative of future returns. Investing involves risk.