

Booklet 1

BetaShares Australian Bank Senior Floating Rate Bond ETF - ASX Code: QPON (ARSN 613 694 385)

BetaShares Australian Government Bond ETF - ASX Code: AGVT (ARSN 631 805 153)

BetaShares Australian High Interest Cash ETF - ASX Code: AAA (ARSN 143 219 961)

BetaShares Australian Investment Grade Corporate Bond ETF - ASX Code: CRED (ARSN 623 815 752)

BetaShares British Pound ETF - ASX Code: POU (ARSN 151 133 514)

BetaShares Euro ETF - ASX Code: EEU (ARSN 151 131 967)

BetaShares Global Government Bond 20+ Year ETF - Currency Hedged - ASX Code: GGOV (ARSN 636 987 730)

BetaShares Sustainability Leaders Diversified Bond ETF - ASX Code: GBND (ARSN 631 805 484)

BetaShares U.S. Dollar ETF - ASX Code: USD (ARSN 147 517 280)

Annual Financial Report

30 June 2020

Booklet 1
Annual Financial Report
30 June 2020

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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 annual financial report of the Funds for the period ended 30 June 2020 and the auditor's report thereon.

Fund name	Referred to in this document as	Financial reporting period	ARSN
BetaShares Australian Bank Senior Floating Rate Bond ETF	Australian Bank Senior Floating Rate Bond ETF	1 July 2019 to 30 June 2020	613 694 385
BetaShares Australian Government Bond ETF	Australian Government Bond ETF	1 July 2019 to 30 June 2020 (comparatives: 4 March 2019 to 30 June 2019)	631 805 153
BetaShares Australian High Interest Cash ETF	Australian High Interest Cash ETF	1 July 2019 to 30 June 2020	143 219 961
BetaShares Australian Investment Grade Corporate Bond ETF	Australian Investment Grade Corporate Bond ETF	1 July 2019 to 30 June 2020 (comparatives: 22 January 2018 to 30 June 2019)	623 815 752
BetaShares British Pound ETF	British Pound ETF	1 July 2019 to 30 June 2020	151 133 514
BetaShares Euro ETF	Euro ETF	1 July 2019 to 30 June 2020	151 131 967
BetaShares Global Government Bond 20+ Year ETF - Currency Hedged	Global Government Bond 20+ Year ETF	1 November 2019 to 30 June 2020	636 987 730
BetaShares Sustainability Leaders Diversified Bond ETF (formerly BetaShares Investment Fund No. 45) ¹	Sustainability Leaders Diversified Bond ETF	1 July 2019 to 30 June 2020 (comparatives: 4 March 2019 to 30 June 2019)	631 805 484
BetaShares U.S. Dollar ETF	U.S. Dollar ETF	1 July 2019 to 30 June 2020	147 517 280

¹On 18 September 2019 the Fund changed its name from BetaShares Investment Fund No. 45 to BetaShares Sustainability Leaders Diversified Bond ETF.

Responsible Entity

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

Principal activities

Australian Government Bond ETF, Global Government Bond 20+ Year ETF and Sustainability Leaders Diversified Bond ETF have commenced operations during the period. Please refer to Note 1 for further detail.

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

The Funds did not have any employees during the period.

There were no significant changes in the nature of the Fund's activities during the period.

Directors' report (continued)

Directors

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

David Nathanson (appointed 21 September 2009)
Alex Vynokur (appointed 21 September 2009)
Jungho Rhee (appointed 1 September 2018)
Thomas Park (appointed 12 August 2015, resigned 6 February 2020)
Young Hwan Kim (appointed 7 February 2020)

Review and results of operations

During the period, the Funds continued to invest in accordance with target asset allocations as set out in their governing documents and in accordance with the provisions of the Funds'

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

Since the World Health Organisation declared COVID-19 a global pandemic in March 2020, there has been significant disruption to the economy and society. The Directors and management of the Responsible Entity have instigated a response plan to maintain business continuity and continue to deliver services to Fund investors. The Responsible Entity has been taking steps to ensure that the principle activities of the Fund align to PDSs and it continues to monitor and review valuations and the liquidity position of the Fund on a regular basis. Management have taken into account the impacts of the pandemic when preparing these financial statements.

Significant changes in state of affairs

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

Matters subsequent to the end of the financial period

Since balance date, there continues to be uncertainty and volatility in the market due to the ongoing COVID-19 global pandemic. Management are closely monitoring and consider that there has been no material change in the assets & liabilities presented. No matter or circumstance has arisen since 30 June 2020 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.

Directors' report (continued)

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.

Indemnification and insurance of officers and auditors

No insurance premiums are paid out of the assets of the Funds in regard to insurance cover provided to either the officers of BetaShares Capital Ltd or the auditor of the Funds. So long as the officers of BetaShares Capital Ltd act in accordance with the Funds' Constitutions and the law, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds. The auditor of the Funds is in no way indemnified out of the assets of the Funds.

Fees paid to and interests held in the Funds by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of the Funds' property during the period are disclosed in Note 12 to the financial statements.

No fees were paid out of the Funds' property to the directors of the Responsible Entity during the period.

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial period are disclosed in Note 12 to the financial statements.

Interests in the Funds

The movement in units on issue in the Funds during the period is disclosed in Note 3 to the financial statements.

The value of the Funds' assets and liabilities is disclosed on the statements of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

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 financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Directors' report (continued)

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 6.

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



David Nathanson
Director

Sydney
22 September 2020



Alex Vynokur
Director



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

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

BetaShares Australian Bank Senior Floating Rate Bond ETF

BetaShares Euro ETF

BetaShares Australian Government Bond ETF

BetaShares Global Government Bond 20+ Year ETF - Currency Hedged

BetaShares Australian High Interest Cash ETF

BetaShares Sustainability Leaders Diversified Bond ETF

BetaShares Australian Investment Grade Corporate Bond ETF

BetaShares U.S. Dollar ETF

BetaShares British Pound ETF

I declare that, to the best of my knowledge and belief, in relation to the audit of the Schemes for the financial year ended 30 June 2020 there have been:

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



KPMG



Nicholas Buchanan
Partner
Sydney

22 September 2020

Booklet 1
Statements of comprehensive income
For the period ended 30 June 2020

Statements of comprehensive income

	Australian Bank Senior Floating Rate Bond ETF		Australian Government Bond ETF ²		Australian High Interest Cash ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Investment income						
Interest income	12,423	9,905	359	-	23,414	28,957
Dividend/distribution income	99	161	-	-	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss	1,654	3,128	367	-	-	-
Net foreign exchange gains/(losses)	-	-	-	-	-	-
Other operating income	597	132	33	-	-	-
Total net investment income/(loss)	14,773	13,326	759	-	23,414	28,957
Expenses						
Management fees	12 1,327	659	27	-	3,199	2,388
Expense recoveries	12 212	106	4	-	-	-
Transaction costs	-	2	-	-	-	-
Other operating expenses	1	1	1	-	-	-
Total operating expenses	1,540	768	32	-	3,199	2,388
Profit/(loss) for the period	13,233	12,558	727	-	20,215	26,569
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	13,233	12,558	727	-	20,215	26,569

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

² There was no comparative amounts for BetaShares Australian Government Bond ETF as it was dormant. The Fund commenced trading on 9 July 2019.

Booklet 1
Statements of comprehensive income
For the period ended 30 June 2020
(continued)

Statements of comprehensive income	Australian Investment Grade Corporate Bond ETF ³		British Pound ETF		Euro ETF	
	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income						
Interest income	12,059	4,053	90	110	-	-
Dividend/distribution income	109	21	-	-	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss	(3,517)	13,020	-	-	-	-
Net foreign exchange gains/(losses)	-	-	(235)	323	(312)	195
Other operating income	1,619	323	-	-	-	-
Total net investment income/(loss)	10,270	17,417	(145)	433	(312)	195
Expenses						
Management fees	12 754	229	94	85	32	28
Expense recoveries	12 105	31	-	-	-	-
Transaction costs	-	1	-	-	-	-
Interest expenses	-	-	-	-	30	-
Other operating expenses	1	2	-	-	-	-
Total operating expenses	860	263	94	85	62	28
Profit/(loss) for the period	9,410	17,154	(239)	348	(374)	167
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	9,410	17,154	(239)	348	(374)	167

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

³ The comparison period for BetaShares Australian Investment Grade Corporate Bond ETF was 22 January 2018 to 30 June 2019.

Booklet 1
Statements of comprehensive income
For the period ended 30 June 2020
(continued)

Statements of comprehensive income		Global Government	Sustainability Leaders	U.S.	
		Bond 20+ Year ETF ⁴	Diversified Bond ETF ⁵	Dollar ETF	
		30 June	30 June	30 June	30 June
		2020	2020	2020	2019
	Notes	\$ ⁶	\$'000	\$'000	\$'000
Investment income					
Interest income		4,067	656	-	8,435
Dividend/distribution income		-	-	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss		(12,567)	553	-	-
Net foreign exchange gains/(losses)		(382)	(109)	-	21,747
Other operating income		3,406	146	-	-
Total net investment income/(loss)		(5,476)	1,246	-	30,182
Expenses					
Management fees	12	556	108	-	1,733
Expense recoveries	12	88	28	-	-
Transaction costs		-	-	-	-
Other operating expenses		-	1	-	-
Total operating expenses		644	137	-	1,733
Profit/(loss) for the period		(6,120)	1,109	-	28,449
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		(6,120)	1,109	-	28,449

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

⁴ There was no comparative amounts for BetaShares Global Government Bond 20+ Year ETF. The Fund commenced trading on 7 May 2020.

⁵ There was no comparative amounts for BetaShares Sustainability Leaders Diversified Bond ETF as it was dormant. The Fund commenced trading on 26 November 2019.

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

Booklet 1
Statements of financial position
As at 30 June 2020

Statements of financial position

	Notes	Australian Bank Senior Floating Rate Bond ETF		Australian Government Bond ETF ²		Australian High Interest Cash ETF	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents		913	1,150	28	-	1,967,987	1,492,849
Financial assets at fair value through profit or loss	5	708,560	495,264	18,661	-	-	-
Other receivables		1,054	1,632	97	-	1,323	16,484
Total assets		710,527	498,046	18,786	-	1,969,310	1,509,333
Liabilities							
Distributions payable	4	340	782	30	-	1,157	2,245
Due to brokers - payables for securities purchased		-	-	-	-	-	-
Other payables		149	95	4	-	314	228
Total liabilities (excluding net assets attributable to unitholders)		489	877	34	-	1,471	2,473
Net assets attributable to unitholders - equity	3	710,038	497,169	18,752	-	1,967,839	1,506,860

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

² There was no comparative amounts for BetaShares Australian Government Bond ETF as it was dormant. The Fund commenced trading on 9 July 2019.

Booklet 1
Statements of financial position
As at 30 June 2020
(continued)

Statements of financial position	Australian Investment		British		Euro	
	Grade Corporate		Pound ETF		ETF	
	Bond ETF³					
	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2019	2020	2019	2020	2019
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents	2,824	958	16,186	17,766	11,553	6,105
Financial assets at fair value through profit or loss	343,419	239,962	-	-	-	-
Other receivables	2,849	6,428	2	11	1	1
Total assets	349,092	247,348	16,188	17,777	11,554	6,106
Liabilities						
Distributions payable	3,303	1,126	84	89	-	-
Due to brokers - payables for securities purchased	-	3,404	-	-	-	-
Other payables	98	53	8	8	9	3
Total liabilities (excluding net assets attributable to unitholders)	3,401	4,583	92	97	9	3
Net assets attributable to unitholders - equity	345,691	242,765	16,096	17,680	11,545	6,103

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

³ The comparison period for BetaShares Australian Investment Grade Corporate Bond ETF was as at 30 June 2019.

Booklet 1
Statements of financial position
As at 30 June 2020
(continued)

Statements of financial position

		Global Government Bond 20+ Year ETF⁴	Sustainability Leaders Diversified Bond ETF⁵		U.S. Dollar ETF	
		30 June 2020	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Notes	\$ ⁶	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents		26,143	3,658	-	295,725	311,317
Financial assets at fair value through profit or loss	5	1,957,745	59,234	-	-	-
Other receivables		10,404	392	-	90	496
Total assets		1,994,292	63,284	-	295,815	311,813
Liabilities						
Distributions payable	4	42,302	88	-	3,104	7,273
Due to brokers - payables for securities purchased		-	-	-	-	-
Other payables		412	27	-	127	121
Total liabilities (excluding net assets attributable to unitholders)		42,714	115	-	3,231	7,394
Net assets attributable to unitholders - equity	3	1,951,578	63,169	-	292,584	304,419

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

⁴ There was no comparative amounts for BetaShares Global Government Bond 20+ Year ETF. The Fund commenced trading on 7 May 2020.

⁵ There was no comparative amounts for BetaShares Sustainability Leaders Diversified Bond ETF as it was dormant. The Fund commenced trading on 26 November 2019.

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

Booklet 1
Statements of changes in equity
For the period ended 30 June 2020

Statements of changes in equity

	Notes	Australian Bank Senior Floating Rate Bond ETF		Australian Government Bond ETF ²		Australian High Interest Cash ETF	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the period	3	497,169	-	-	-	1,506,860	-
Reclassification as equity due to AMIT tax regime implementation*	3	-	236,101	-	-	-	1,308,654
Comprehensive income for the period							
Profit/(loss) for the period		13,233	12,558	727	-	20,215	26,569
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income/(loss) for the period		13,233	12,558	727	-	20,215	26,569
Transactions with unitholders							
Applications	3	356,826	294,337	28,506	-	1,329,543	699,091
Redemptions	3	(146,578)	(36,600)	(10,306)	-	(869,635)	(502,060)
Units issued upon reinvestment of distributions	3	176	189	2	-	1,335	1,515
Distributions to unitholders	3,4	(10,788)	(9,416)	(177)	-	(20,479)	(26,909)
Total transactions with unitholders		199,636	248,510	18,025	-	440,764	171,637
Total equity at the end of the period	3	710,038	497,169	18,752	-	1,967,839	1,506,860

* Effective from 1 July 2018, Funds that had a prior financial reporting period had their units reclassified from financial liability to equity. As a result, equity transactions including distributions have been disclosed in the above statements for the period ended 30 June 2020 and 30 June 2019.

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

² There was no comparative amounts for BetaShares Australian Government Bond ETF as it was dormant. The Fund commenced trading on 9 July 2019.

Booklet 1
Statements of changes in equity
For the period ended 30 June 2020
(continued)

	Notes	Australian Investment Grade Corporate Bond ETF ³		British Pound ETF		Euro ETF	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Statements of changes in equity							
Total equity at the beginning of the period	3	242,765	-	17,680	-	6,103	-
Reclassification as equity due to AMIT tax regime implementation*	3	-	-	-	20,985	-	8,266
Comprehensive income for the period							
Profit/(loss) for the period		9,410	17,154	(239)	348	(374)	167
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income/(loss) for the period		9,410	17,154	(239)	348	(374)	167
Transactions with unitholders							
Applications	3	209,198	230,161	19,227	1,339	7,007	-
Redemptions	3	(99,410)	-	(20,494)	(4,911)	(1,191)	(2,330)
Units issued upon reinvestment of distributions	3	338	43	6	8	-	-
Distributions to unitholders	3,4	(16,610)	(4,593)	(84)	(89)	-	-
Total transactions with unitholders		93,516	225,611	(1,345)	(3,653)	5,816	(2,330)
Total equity at the end of the period	3	345,691	242,765	16,096	17,680	11,545	6,103

* Effective from 1 July 2018, Funds that had a prior financial reporting period had their units reclassified from financial liability to equity. As a result, equity transactions including distributions have been disclosed in the above statements for the period ended 30 June 2020 and 30 June 2019.

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

³ The comparison period for BetaShares Australian Investment Grade Corporate Bond ETF was 22 January 2018 to 30 June 2019.

Booklet 1
Statements of changes in equity
For the period ended 30 June 2020
(continued)

Statements of changes in equity

		Global Government Bond 20+ Year ETF⁴	Sustainability Leaders Diversified Bond ETF⁵	U.S. Dollar ETF		
		30 June 2020	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Notes	\$ ⁶	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the period	3	-	-	-	304,419	-
Reclassification as equity due to AMIT tax regime implementation*	3	-	-	-	-	459,135
Comprehensive income for the period						
Profit/(loss) for the period		(6,120)	1,109	-	2,112	28,449
Other comprehensive income		-	-	-	-	-
Total comprehensive income/(loss) for the period		(6,120)	1,109	-	2,112	28,449
Transactions with unitholders						
Applications	3	2,000,000	72,287	-	112,630	35,040
Redemptions	3	-	(9,977)	-	(123,882)	(211,109)
Units issued upon reinvestment of distributions	3	-	-	-	409	177
Distributions to unitholders	3,4	(42,302)	(250)	-	(3,104)	(7,273)
Total transactions with unitholders		1,957,698	62,060	-	(13,947)	(183,165)
Total equity at the end of the period	3	1,951,578	63,169	-	292,584	304,419

* Effective from 1 July 2018, Funds that had a prior financial reporting period had their units reclassified from financial liability to equity. As a result, equity transactions including distributions have been disclosed in the above statements for the period ended 30 June 2020 and 30 June 2019.

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

⁴ There was no comparative amounts for BetaShares Global Government Bond 20+ Year ETF. The Fund commenced trading on 7 May 2020.

⁵ There was no comparative amounts for BetaShares Sustainability Leaders Diversified Bond ETF as it was dormant. The Fund commenced trading on 26 November 2019.

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

Booklet 1
Statements of cash flows
For the period ended 30 June 2020

Statements of cash flows

	Australian Bank Senior Floating Rate Bond ETF		Australian Government Bond ETF ²		Australian High Interest Cash ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments at fair value through profit or loss	625,055	411,494	12,747	-	-	-
Payments for purchase of financial instruments at fair value through profit or loss	(836,697)	(669,245)	(31,041)	-	-	-
Dividends/distributions received	108	152	-	-	-	-
Interest income received	13,008	9,316	263	-	24,552	28,825
Other operating income received	597	134	34	-	-	-
Management fees paid	(1,295)	(675)	(25)	-	(3,128)	(2,571)
Expense recoveries paid	(206)	(109)	(4)	-	-	-
Transaction costs paid	-	(2)	-	-	-	-
Other operating expenses paid	(1)	(1)	(1)	-	-	-
Net cash inflow/(outflow) from operating activities	(199,431)	(248,936)	(18,027)	-	21,424	26,254
Cash flows from financing activities						
Proceeds from applications by unitholders	356,826	294,337	28,506	-	1,343,581	702,103
Payments for redemptions by unitholders	(146,578)	(36,600)	(10,306)	-	(869,635)	(502,060)
Distributions paid	(11,054)	(8,943)	(145)	-	(20,232)	(25,322)
Net cash inflow/(outflow) from financing activities	199,194	248,794	18,055	-	453,714	174,721
Net increase/(decrease) in cash and cash equivalents	(237)	(142)	28	-	475,138	200,975
Cash and cash equivalents at the beginning of the financial period	1,150	1,292	-	-	1,492,849	1,291,874
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	-	-	-	-
Cash and cash equivalents at the end of the financial period	913	1,150	28	-	1,967,987	1,492,849
Non-cash financing activities						
Units issued upon reinvestment of distributions	176	189	2	-	1,335	1,515

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

² There was no comparative amounts for BetaShares Australian Government Bond ETF as it was dormant. The Fund commenced trading on 9 July 2019.

Booklet 1
Statements of cash flows
For the period ended 30 June 2020
(continued)

Statements of cash flows	Australian Investment		British		Euro	
	Grade Corporate		Pound ETF		ETF	
	Bond ETF³					
	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2019	2020	2019	2020	2019
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments at fair value through profit or loss	261,697	31,196	-	-	-	-
Payments for purchase of financial instruments at fair value through profit or loss	(372,075)	(254,734)	-	-	-	-
Dividends/distributions received	121	6	-	-	-	-
Interest income received	11,288	1,998	99	107	-	-
Other operating income received	1,630	329	-	-	-	-
Management fees paid	(733)	(197)	(94)	(95)	(30)	(32)
Interest expenses paid	-	-	-	-	(26)	-
Expense recoveries paid	(102)	(27)	-	-	-	-
Transaction costs paid	-	(1)	-	-	-	-
Other operating expenses paid	(1)	(1)	-	-	-	-
Net cash inflow/(outflow) from operating activities	(98,175)	(221,431)	5	12	(56)	(32)
	6					
Cash flows from financing activities						
Proceeds from applications by unitholders	213,546	225,813	19,227	1,339	7,007	-
Payments for redemptions by unitholders	(99,410)	-	(20,494)	(4,911)	(1,191)	(2,330)
Distributions paid	(14,095)	(3,424)	(83)	(75)	-	-
Net cash inflow/(outflow) from financing activities	100,041	222,389	(1,350)	(3,647)	5,816	(2,330)
Net increase/(decrease) in cash and cash equivalents	1,866	958	(1,345)	(3,635)	5,760	(2,362)
Cash and cash equivalents at the beginning of the financial period	958	-	17,766	21,078	6,105	8,272
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	(235)	323	(312)	195
Cash and cash equivalents at the end of the financial period	2,824	958	16,186	17,766	11,553	6,105
Non-cash financing activities						
Units issued upon reinvestment of distributions	338	43	6	8	-	-

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

³ The comparison period for BetaShares Australian Investment Grade Corporate Bond ETF was 22 January 2018 to 30 June 2019.

Booklet 1
Statements of cash flows
For the period ended 30 June 2020
(continued)

Statements of cash flows

	Global Government Bond 20+ Year ETF⁴	Sustainability Leaders Diversified Bond ETF⁵		U.S. Dollar ETF	
	30 June 2020	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Notes	\$ ⁶	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss	57,402	17,049	-	-	-
Payments for purchase of financial instruments at fair value through profit or loss	(2,027,660)	(75,831)	-	-	-
Dividends/distributions received	-	-	-	-	-
Interest income received	(6,283)	271	-	4,409	8,245
Other operating income received	3,406	146	-	-	-
Management fees paid	(247)	(93)	-	(1,301)	(1,972)
Expense recoveries paid	(39)	(24)	-	-	-
Transaction costs paid	-	-	-	-	-
Other operating expenses paid	-	-	-	-	-
Net cash inflow/(outflow) from operating activities	(1,973,421)	(58,482)	-	3,108	6,273
Cash flows from financing activities					
Proceeds from applications by unitholders	2,000,000	72,287	-	112,630	35,040
Payments for redemptions by unitholders	-	(9,977)	-	(123,882)	(211,109)
Distributions paid	-	(162)	-	(6,864)	(3,488)
Net cash inflow/(outflow) from financing activities	2,000,000	62,148	-	(18,116)	(179,557)
Net increase/(decrease) in cash and cash equivalents	26,579	3,666	-	(15,008)	(173,284)
Cash and cash equivalents at the beginning of the financial period	-	-	-	311,317	462,854
Effects of foreign currency exchange rate changes on cash and cash equivalents	(436)	(8)	-	(584)	21,747
Cash and cash equivalents at the end of the financial period	26,143	3,658	-	295,725	311,317
Non-cash financing activities					
Units issued upon reinvestment of distributions	-	-	-	409	177

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

⁴ There was no comparative amounts for BetaShares Global Government Bond 20+ Year ETF. The Fund commenced trading on 7 May 2020.

⁵ There was no comparative amounts for BetaShares Sustainability Leaders Diversified Bond ETF as it was dormant. The Fund commenced trading on 26 November 2019.

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

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1 General information

These 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	Registered date	Commenced date	Financial reporting period
Australian Bank Senior Floating Rate Bond ETF	26 July 2016	1 June 2017	1 July 2019 to 30 June 2020
Australian Government Bond ETF	4 March 2019	9 July 2019	1 July 2019 to 30 June 2020 (comparatives: 4 March 2019 to 30 June 2019)
Australian High Interest Cash ETF	3 May 2010	6 March 2012	1 July 2019 to 30 June 2020
Australian Investment Grade Corporate Bond ETF	22 January 2018	31 May 2018	1 July 2019 to 30 June 2020 (comparatives: 22 January 2018 to 30 June 2019)
British Pound ETF	9 June 2011	8 July 2011	1 July 2019 to 30 June 2020
Euro ETF	9 June 2011	8 July 2011	1 July 2019 to 30 June 2020
Global Government Bond 20+ Year ETF - Currency Hedged	1 November 2019	7 May 2020	1 November 2019 to 30 June 2020
Sustainability Leaders Diversified Bond ETF (formerly BetaShares Investment Fund No. 45) ¹	4 March 2019	26 November 2019	1 July 2019 to 30 June 2020 (comparatives: 4 March 2019 to 30 June 2019)
U.S. Dollar ETF	3 December 2010	1 February 2011	1 July 2019 to 30 June 2020

¹On 18 September 2019 the Fund changed its name from BetaShares Investment Fund No. 45 to Sustainability Leaders Diversified Bond ETF.

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

The financial statements were authorised for issue by the directors of the Responsible Entity on 22 September 2020. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

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

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these 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 financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia.

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

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

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The statement 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 liabilities at fair value through profit or loss and net assets attributable to unitholders.

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

Compliance with International Financial Reporting Standards

The financial statements of the Funds also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Use of estimates and judgement

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

While the COVID-19 pandemic has caused uncertainty and market volatility during the period, the Responsible Entity has continued to follow its established policies and process (as set out in the Financial Risk Management note 7) for managing risk, determining fair values and classifying assets and liabilities in the fair value hierarchy for disclosure purposes as at the reporting date.

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.

Investment entity exception

The Funds meet the definition of an investment entity and therefore apply the investment entity amendments to AASB 10 *Consolidated Financial Statements* ("AASB 10"), AASB 12 *Disclosure of Interests in Other Entities* and AASB 127 *Separate Financial Statements*. AASB 10 is applicable to all investees; among other things, it requires the consolidation of an investee if the Funds control the investee on the basis of de facto circumstances. An exception however exists where an entity meets the definition of an investment entity.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The Funds meet the definition of investment entity due to the following factors:

- (a) the Funds obtain funds from one or more unitholders for the purpose of providing the unitholders with investment management services;
- (b) the Funds commit to their unitholders that their business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) the Funds measure and evaluate the performance of substantially all of their investments on a fair value basis.

In making the above assessments, the Funds have multiple investments and multiple investors. Their investors are generally unrelated parties of the Funds. Unitholders invest for returns from capital appreciation, investment income, or both. Directors of the Responsible Entity have concluded that the Funds meet the definition of investment entity.

Assessment of the Funds' investments as structured entities

The Funds have assessed whether the securities in which they invest are structured entities. The Funds have considered the voting rights and other similar rights afforded to investors in these funds, including the rights to remove the fund manager or redeem holdings. The Funds have assessed whether these rights are the dominant factor in controlling the funds, or whether the contractual agreement with the fund manager is the dominant factor in controlling these funds. The Funds have concluded that the managed investment funds in which they invest are not structured

(b) Australian accounting standards and interpretations

There are no new accounting standards that are not yet effective and that are expected to have a material impact on the Funds in the prior periods, or will affect the current or future reporting periods, or will have an impact on foreseeable future transactions.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

(c) Financial instruments

(i) Classification

The Funds classify their investments based on their business model for managing those financial assets and their contractual cash flow characteristics. The Funds' portfolios of financial assets are managed and their performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds evaluate the information about their investments on a fair value basis together with other related financial information.

Equity securities and derivatives are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however, they are neither held for collecting contractual cash flows nor held for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model objective. Consequently, the debt securities are measured at fair value through profit or loss.

2 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) Recognition/derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Funds have transferred substantially all risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Funds measure a financial asset or liability at its fair value. Transaction costs are expensed in the statements of comprehensive income as incurred.

Subsequent to initial recognition, all financial assets and liabilities are measured at fair value. Gains and losses arising from changes in the fair value measurement are presented in the statements of comprehensive income within net gains/(losses) on financial instruments at fair value through profit or loss during the financial period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

- Fair value in an active market

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

- Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques used may include the use of comparable recent arms-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models or any other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2 Summary of significant accounting policies (continued)

(d) Net assets attributable to unitholders

The Schemes consider their net assets attributable to unitholders as equity as each Scheme had made an irrevocable choice to be an Attribution Managed Investment Trust ("AMIT"). Units are normally redeemable only by unitholders being Authorised Participants at the unitholders' option (other unitholders only have a right to redeem units in special circumstances). The units can be put back to the Funds at any time (subject to the *Corporations Act 2001* and the Funds' Constitutions) for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Funds.

(e) Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. The carrying amount of cash approximates fair value.

(f) Investment income

Interest income earned on cash balances is recognised on an accrual basis in the statements of comprehensive income using the nominated interest rates available on the bank accounts held. Interest income earned from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities. Other changes in fair value for such instruments are recorded in accordance with the accounting policies described in note 2(c).

Trust distributions are recognised on an entitlements basis and stated net of foreign withholding tax.

(g) Expenses

All expenses are recognised in the statements of comprehensive income on an accruals basis.

(h) Income tax

The Funds are not subject to income tax as unitholders are presently entitled to the taxable income (including assessable realised capital gains) of the Funds.

The benefit of foreign tax paid is passed on to unitholders.

(i) Distributions

In accordance with the Funds' Constitutions, the Funds distribute income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment.

The distributions are recognised in the statements of changes in equity as transactions with unitholders.

2 Summary of significant accounting policies (continued)

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and is regulated. The Australian dollar is also the Funds' presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statements of comprehensive income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

(k) Due from/to brokers

Amounts due from/to brokers (if applicable) represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the period. Trades are recorded on trade date, and for equities normally settled within three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Funds will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

(l) Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(f) above. The Funds' receivables are measured at amortised cost under AASB 9 and the impact of any expected credit losses (ECL) is not material as amounts are generally received within 30 days of being recorded as receivables. The carrying amount of receivables approximates fair value.

(m) Payables

Payables include liabilities and accrued expenses owing by the Funds which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately in the statements of financial position when unitholders are presently entitled to the distributable income.

2 Summary of significant accounting policies (continued)

(n) Applications and redemptions

Applications received for units in the Funds are recorded net of any entry fees payable (if applicable) prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable (if applicable) after the cancellation of units redeemed.

(o) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as custodial services and investment management fees have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits (RITC) at a rate of 55% to 85%; hence investment management fees, custodial fees and other expenses have been recognised in the statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statements of financial position. Cash flows relating to GST are included in the statements of cash flows on a gross basis.

(p) Rounding of amounts

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

3 Net assets attributable to unitholders

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

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

	Australian Bank Senior Floating Rate Bond ETF				Australian Government Bond ETF			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
Net assets attributable to unitholders								
Opening balance	19,370	9,282	497,169	236,101	-	-	-	-
Applications	13,840	11,520	356,826	294,337	560	-	28,506	-
Redemptions	(5,750)	(1,440)	(146,578)	(36,600)	(200)	-	(10,306)	-
Units issued upon reinvestment of distributions	7	8	176	189	-	-	2	-
Distributions to unitholders	-	-	(10,788)	(9,416)	-	-	(177)	-
Profit/(loss) for the period	-	-	13,233	12,558	-	-	727	-
Closing balance	27,467	19,370	710,038	497,169	360	-	18,752	-

	Australian High Interest Cash ETF				Australian Investment Grade Corporate Bond ETF			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
Net assets attributable to unitholders								
Opening balance	30,096	26,136	1,506,860	1,308,654	8,962	-	242,765	-
Applications	26,540	13,950	1,329,543	699,091	7,600	8,960	209,198	230,161
Redemptions	(17,360)	(10,020)	(869,635)	(502,060)	(3,690)	-	(99,410)	-
Units issued upon reinvestment of distributions	27	30	1,335	1,515	12	2	338	43
Distributions to unitholders	-	-	(20,479)	(26,909)	-	-	(16,610)	(4,593)
Profit/(loss) for the period	-	-	20,215	26,569	-	-	9,410	17,154
Closing balance	39,303	30,096	1,967,839	1,506,860	12,884	8,962	345,691	242,765

3 Net assets attributable to unitholders (continued)

	British Pound ETF				Euro ETF			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders								
Opening balance	996	1,196	17,680	20,985	390	540	6,103	8,266
Applications	1,000	75	19,227	1,339	425	-	7,007	-
Redemptions	(1,075)	(275)	(20,494)	(4,911)	(75)	(150)	(1,191)	(2,330)
Units issued upon reinvestment of distributions	-	-	6	8	-	-	-	-
Distributions to unitholders	-	-	(84)	(89)	-	-	-	-
Profit/(loss) for the period	-	-	(239)	348	-	-	(374)	167
Closing balance	921	996	16,096	17,680	740	390	11,545	6,103

	Global Government Bond 20+ Year ETF		Sustainability Leaders Diversified Bond ETF			
	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Units ⁶	\$ ⁶	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders						
Applications	80,000	2,000,000	2,880	-	72,287	-
Redemptions	-	-	(400)	-	(9,977)	-
Distributions to unitholders	-	(42,302)	-	-	(250)	-
Profit/(loss) for the period	-	(6,120)	-	-	1,109	-
Closing balance	80,000	1,951,578	2,480	-	63,169	-

⁶Rounded to the nearest whole dollar/unit as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars/units.

3 Net assets attributable to unitholders (continued)

	U.S. Dollar ETF			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
Net assets attributable to unitholders				
Opening balance	22,179	35,015	304,419	459,135
Applications	7,175	2,550	112,630	35,040
Redemptions	(8,450)	(15,400)	(123,882)	(211,109)
Units issued upon reinvestment of distributions	30	14	409	177
Distributions to unitholders	-	-	(3,104)	(7,273)
Profit/(loss) for the period	-	-	2,112	28,449
Closing balance	20,934	22,179	292,584	304,419

Capital risk management

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

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

4 Distributions to unitholders

The distributions for the period were as follows:

	Australian Bank Senior Floating Rate Bond ETF				Australian Government Bond ETF			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - July	1,038	4.77	588	6.08	5	4.34	-	-
Distributions paid - August	862	3.61	611	5.74	10	6.21	-	-
Distributions paid - September	1,025	4.13	586	5.05	8	4.94	-	-
Distributions paid - October	1,079	3.95	747	5.94	8	4.10	-	-
Distributions paid - November	1,050	3.73	760	5.49	10	5.04	-	-
Distributions paid - December	1,130	3.86	870	6.04	23	5.26	-	-
Distributions paid - January	1,260	4.05	999	6.15	22	5.00	-	-
Distributions paid - February	1,158	3.50	808	5.26	20	4.55	-	-
Distributions paid - March	926	3.07	847	5.42	16	5.00	-	-
Distributions paid - April	550	1.95	869	5.15	11	4.58	-	-
Distributions paid - May	370	1.34	949	4.90	14	5.00	-	-
Distributions payable - June	340	1.24	782	4.04	30	8.29	-	-
Total distributions	10,788		9,416		177			

4 Distributions to unitholders (continued)

	Australian High Interest Cash ETF				Australian Investment Grade Corporate Bond ETF			
	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - June 2018	-	-	-	-	-	-	12	7.29
Distributions paid - July	2,133	6.35	2,171	8.89	644	6.05	27	8.28
Distributions paid - August	2,117	6.20	2,137	8.63	610	5.45	82	7.90
Distributions paid - September	2,319	6.39	1,912	7.80	790	6.67	177	7.13
Distributions paid - October	2,003	5.42	2,368	9.11	825	6.41	226	8.09
Distributions paid - November	1,776	5.01	2,147	8.32	1,069	8.00	316	7.74
Distributions paid - December	1,919	5.37	2,213	8.60	1,490	10.58	354	8.19
Distributions paid - January	1,887	5.15	2,252	8.52	1,500	10.13	357	7.69
Distributions paid - February	1,798	4.64	2,096	7.73	2,177	14.46	365	7.36
Distributions paid - March	1,366	4.07	2,148	8.04	1,402	10.97	433	7.85
Distributions paid - April	1,056	3.02	2,524	8.82	1,400	11.51	536	7.79
Distributions paid - May	948	2.80	2,696	8.48	1,400	11.00	582	7.66
Distributions payable - June	1,157	2.95	2,245	7.46	3,303	25.64	1,126	12.56
Total distributions	20,479		26,909		16,610		4,593	

	British Pound ETF				Euro ETF			
	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions payable - June	84	9.15	89	8.94	-	-	-	-
Total distributions	84		89		-		-	

4 Distributions to unitholders (continued)

	Global Government Bond 20+ Year ETF		Sustainability Leaders Diversified Bond ETF			
	30 June 2020 \$ ⁶	30 June 2020 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - March	-	-	162	6.75	-	-
Distributions payable - June	42,302	52.88	88	3.53	-	-
Total distributions	42,302		250			

	U.S. Dollar ETF			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions payable - June	3,104	14.83	7,273	32.79
Total distributions	3,104		7,273	

5 Financial assets at fair value through profit or loss

	Australian Bank Senior Floating Rate Bond ETF		Australian Government Bond ETF		Australian Investment Grade Corporate Bond ETF		Global Government Bond 20+ Year ETF
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$ ⁶
Financial assets at fair value through profit or loss							
Foreign currency contracts	-	-	-	-	-	-	67,446
Listed unit trusts	-	6,008	-	-	4,005	10,013	-
Floating rate notes	708,560	489,256	-	-	-	-	-
Fixed interest securities	-	-	18,661	-	339,414	229,949	1,890,299
Total financial assets at fair value through profit or loss	708,560	495,264	18,661		343,419	239,962	1,957,745

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

5 Financial assets at fair value through profit or loss (continued)

	Sustainability Leaders Diversified Bond ETF	
	30 June 2020 \$'000	30 June 2019 \$'000
	Financial assets at fair value through profit or loss	
Foreign currency contracts	828	-
Bond futures	5	-
Fixed interest securities	58,401	-
Total financial assets at fair value through profit or loss	59,234	-

6 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Australian Bank Senior Floating Rate Bond ETF		Australian Government Bond ETF		Australian High Interest Cash ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
	Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities					
Profit/(loss)	13,233	12,558	727	-	20,215	26,569
Proceeds from sale of financial instruments at fair value through profit or loss	625,055	411,494	12,747	-	-	-
Payments for the purchase of financial instruments at fair value through profit or loss	(836,697)	(669,245)	(31,041)	-	-	-
Net (gains)/losses on financial instruments at fair value through profit or loss	(1,654)	(3,128)	(367)	-	-	-
Net change in dividends/distributions receivable	9	(9)	-	-	-	-
Net change in interest receivable	585	(589)	(96)	-	1,138	(132)
Net change in receivables and other assets	(16)	(9)	(1)	-	(15)	(7)
Net change in payables and other liabilities	54	(8)	4	-	86	(176)
Net cash inflow/(outflow) from operating activities	(199,431)	(248,936)	(18,027)	-	21,424	26,254

6 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	Australian Investment Grade Corporate Bond ETF		British Pound ETF		Euro ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Profit/(loss)	9,410	17,154	(239)	348	(374)	167
Proceeds from sale of financial instruments at fair value through profit or loss	261,697	31,196	-	-	-	-
Payments for the purchase of financial instruments at fair value through profit or loss	(372,075)	(254,734)	-	-	-	-
Net (gains)/losses on financial instruments at fair value through profit or loss	3,517	(13,020)	-	-	-	-
Net change in dividends/distributions receivable	12	(15)	-	-	-	-
Net change in interest receivable	(771)	(2,055)	9	(3)	-	-
Net change in receivables and other assets	(10)	(10)	-	1	-	-
Net foreign exchange (gains)/losses	-	-	235	(323)	312	(195)
Net change in payables and other liabilities	45	53	-	(11)	6	(4)
Net cash inflow/(outflow) from operating activities	(98,175)	(221,431)	5	12	(56)	(32)

	Global Government Bond 20+ Year ETF		Sustainability Leaders Diversified Bond ETF		U.S. Dollar ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$ ⁶		\$'000	\$'000	\$'000	\$'000
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Profit/(loss)	(6,120)		1,109	-	2,112	28,449
Proceeds from sale of financial instruments at fair value through profit or loss	57,402		17,049	-	-	-
Payments for the purchase of financial instruments at fair value through profit or loss	(2,027,660)		(75,831)	-	-	-
Net (gains)/losses on financial instruments at fair value through profit or loss	12,567		(553)	-	-	-
Net change in interest receivable	(10,350)		(385)	-	404	(190)
Net change in receivables and other assets	(54)		(7)	-	2	15
Net foreign exchange (gains)/losses	382		109	-	584	(21,747)
Net change in payables and other liabilities	412		27	-	6	(254)
Net cash inflow/(outflow) from operating activities	(1,973,421)		(58,482)	-	3,108	6,273

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

7 Financial risk management

The Funds are exchange traded managed funds that primarily invest in a portfolio of Australian and foreign cash and cash equivalents and interest bearing securities.

The Funds' activities expose them to a variety of financial risks which may include: market risk (including price risk, foreign exchange risk and interest rate risk), counterparty/credit risk and liquidity risk. The Funds use different methods to measure different types of risk to which they are exposed. Methods include sensitivity analysis in the case of price risk.

The Funds' overall risk management programs focus on ensuring compliance with the Funds' Product Disclosure Statements (PDSs) and seek to maximise the returns derived for the level of risk to which the Funds are exposed. Financial risk management is carried out by an investment manager under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Funds' risk management framework. The Funds' overall risk management programs focus on ensuring compliance with the Funds' PDSs and investment guidelines.

Compliance with the Funds' PDSs, Constitutions and investment guidelines are reported to the Board on a regular basis.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity market prices will affect the Funds' income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Included in the following analysis are tables that summarise the sensitivity of the operating profit and net assets attributable to unitholders to changes in market prices (e.g. equity prices, foreign exchange rates and interest rates). The analysis is based on reasonably possible movements in the specified risk variable with other variables held constant. Actual movements in the risk variables in any period may be greater or less than indicated. The market price risk information is intended to be a relative estimate of risk rather than a precise and accurate number. It represents a hypothetical outcome and is not intended to be predictive. The analysis is based on historical data and cannot take account of the fact that future market price movements (e.g. in times on market stress) may bear no relation to historical patterns.

(i) Price risk

Due to the nature of the Funds' investments, the Funds are not expected to be exposed to significant direct price risk. The Funds hold cash (including cash denominated in currencies other than the Australian dollar) and interest bearing securities. Certain investments have exposure to interest rate risk, credit risk and/or foreign exchange risk. These market risks are described below.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest bearing financial assets are exposed to fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. Financial instruments with variable interest rates expose Funds to cash flow interest rate risk. Financial instruments with fixed interest rates expose Funds to fair value interest rate risk. The risk is measured using sensitivity analysis.

7 Financial risk management (continued)

(ii) Interest rate risk (continued)

The tables below summarises the Funds' exposure to interest rate risks.

Australian Bank Senior Floating Rate Bond ETF	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	913	-	-	913	1,150	-	-	1,150
Financial assets at fair value through profit or loss	708,560	-	-	708,560	489,256	-	6,008	495,264
Other receivables	-	-	1,054	1,054	-	-	1,632	1,632
Liabilities								
Distributions payable	-	-	(340)	(340)	-	-	(782)	(782)
Other payables	-	-	(149)	(149)	-	-	(95)	(95)
Net exposure	709,473	-	565	710,038	490,406	-	6,763	497,169

Australian Government Bond ETF	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	28	-	-	28	-	-	-	-
Financial assets at fair value through profit or loss	-	18,661	-	18,661	-	-	-	-
Other receivables	-	-	97	97	-	-	-	-
Liabilities								
Distributions payable	-	-	(30)	(30)	-	-	-	-
Other payables	-	-	(4)	(4)	-	-	-	-
Net exposure	28	18,661	63	18,752	-	-	-	-

7 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2019 \$'000	30 June 2019 \$'000	30 June 2019 \$'000
Australian High Interest Cash ETF								
Assets								
Cash and cash equivalents	1,917,987	50,000	-	1,967,987	1,442,849	50,000	-	1,492,849
Other receivables	-	-	1,323	1,323	-	-	16,484	16,484
Liabilities								
Distributions payable	-	-	(1,157)	(1,157)	-	-	(2,245)	(2,245)
Other payables	-	-	(314)	(314)	-	-	(228)	(228)
Net exposure	1,917,987	50,000	(148)	1,967,839	1,442,849	50,000	14,011	1,506,860
Australian Investment Grade Corporate Bond ETF								
	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2019 \$'000	30 June 2019 \$'000	30 June 2019 \$'000
Assets								
Cash and cash equivalents	2,824	-	-	2,824	958	-	-	958
Financial assets at fair value through profit and loss	-	339,414	4,005	343,419	-	229,949	10,013	239,962
Other receivables	-	-	2,849	2,849	-	-	6,428	6,428
Liabilities								
Distributions payable	-	-	(3,303)	(3,303)	-	-	(1,126)	(1,126)
Due to brokers - payables for securities purchased	-	-	-	-	-	-	(3,404)	(3,404)
Other payables	-	-	(98)	(98)	-	-	(53)	(53)
Net exposure	2,824	339,414	3,453	345,691	958	229,949	11,858	242,765

7 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2019 \$'000	30 June 2019 \$'000	30 June 2019 \$'000
British Pound ETF								
Assets								
Cash and cash equivalents	16,186	-	-	16,186	17,766	-	-	17,766
Other receivables	-	-	2	2	-	-	11	11
Liabilities								
Distributions payable	-	-	(84)	(84)	-	-	(89)	(89)
Other payables	-	-	(8)	(8)	-	-	(8)	(8)
Net exposure	16,186	-	(90)	16,096	17,766	-	(86)	17,680
Euro ETF								
Assets								
Cash and cash equivalents	11,553	-	-	11,553	6,105	-	-	6,105
Other receivables	-	-	1	1	-	-	1	1
Liabilities								
Other payables	-	-	(9)	(9)	-	-	(3)	(3)
Net exposure	11,553	-	(8)	11,545	6,105	-	(2)	6,103

7 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Global Government Bond 20+ Year ETF	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	30 June 2020 \$ ⁶			
Assets				
Cash and cash equivalents	26,143	-	-	26,143
Financial assets at fair value through profit and loss	-	1,890,299	67,446	1,957,745
Other receivables	-	-	10,404	10,404
Liabilities				
Distributions payable	-	-	(42,302)	(42,302)
Other payables	-	-	(412)	(412)
Net exposure	26,143	1,890,299	35,136	1,951,578

Sustainability Leaders Diversified Bond ETF	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2019 \$'000	30 June 2019 \$'000	30 June 2019 \$'000
Assets								
Cash and cash equivalents	3,658	-	-	3,658	-	-	-	-
Financial assets at fair value through profit and loss	-	58,406	828	59,234	-	-	-	-
Other receivables	-	-	392	392	-	-	-	-
Liabilities								
Distributions payable	-	-	(88)	(88)	-	-	-	-
Other payables	-	-	(27)	(27)	-	-	-	-
Net exposure	3,658	58,406	1,105	63,169	-	-	-	-

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

7 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

U.S. Dollar ETF	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2019 \$'000	30 June 2019 \$'000	30 June 2019 \$'000
Assets								
Cash and cash equivalents	295,725	-	-	295,725	311,317	-	-	311,317
Other receivables	-	-	90	90	-	-	496	496
Liabilities								
Distributions payable	-	-	(3,104)	(3,104)	-	-	(7,273)	(7,273)
Other payables	-	-	(127)	(127)	-	-	(121)	(121)
Net exposure	295,725	-	(3,141)	292,584	311,317	-	(6,898)	304,419

Sensitivity analysis - Interest rate risk

The table below summarises the sensitivities of the interest rate risk. The analysis is based on the assumption that interest rates increase or decrease by a "predetermined basis points" from the period end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities. The "predetermined basis points" for 30 June 2020 are noted in the table below (30 June 2019: 100bps). Management have considered the movements for each investment asset type to be reasonable given the Funds' economic environment.

	Currencies	Impact on net assets attributable to unitholders and profit/(loss)					
		Sensitivity rate (basis points)	Increase	Decrease	Sensitivity rate (basis points)	Increase	Decrease
		30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019
Australian Bank Senior Floating Rate Bond ETF (\$000)	Australian Dollars	25	1,560	(1,560)	100	4,232	(4,232)
Australian Government Bond ETF (\$000)	Australian Dollars	25	(326)	326	100	-	-
Australian High Interest Cash ETF (\$000)	Australian Dollars	25	4,920	(4,920)	100	14,928	(14,928)
Australian Investment Grade Corporate Bond ETF (\$'000)	Australian Dollars	25	(5,244)	5,244	100	(13,541)	13,541
British Pound ETF (\$000)	British pounds	25	40	(40)	100	178	(178)
Euro ETF (\$000)	Euros	25	29	(29)	100	61	(61)
Global Government Bond 20+ Year ETF (\$) ⁶	Australian Dollars	25	(74,698)	74,698	100	-	-
Sustainability Leaders Diversified Bond ETF (\$000)	Australian Dollars	25	(893)	893	100	-	-
U.S. Dollar ETF (\$000)	U.S. Dollars	25	739	(739)	100	3,113	(3,113)

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

7 Financial risk management (continued)

(a) Market risk (continued)

(iii) Foreign exchange risk

The Funds may hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. Foreign exchange risk arises as the value of monetary assets denominated in other currencies fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

The tables below summarise the Funds' assets and liabilities, monetary and non-monetary, that are denominated in a currency other than the Australian dollar (calculated after the affect of associated foreign currency derivatives). The disclosures below represent the significant currency exposures of Funds at each respective reporting date.

	British Pound ETF				Euro ETF			
	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	Currency	\$'000	Currency	\$'000	Currency	\$'000	Currency	\$'000
Net foreign currency exposure	GBP*	<u>16,179</u>	GBP*	<u>17,773</u>	EUR**	<u>11,546</u>	EUR**	<u>6,104</u>
		<u>16,179</u>		<u>17,773</u>		<u>11,546</u>		<u>6,104</u>

	Global Government Bond 20+ Year ETF		Sustainability Leaders Diversified Bond ETF				
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	
	Currency	\$ ⁶	Currency	\$'000	Currency	\$'000	
	USD	17,517		USD	151	USD	-
	JPY	(12,365)		EUR	49	EUR	-
	GBP	(9,913)					
Net foreign currency exposure	Others	<u>1,446</u>			<u>200</u>		<u>-</u>
		<u>(3,315)</u>					

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

* This Fund only has GBP exposure.

** This Fund only has EUR exposure.

7 Financial risk management (continued)

(a) Market risk (continued)

(iii) Foreign exchange risk (continued)

		U.S. Dollar ETF			
30 June 2020 Currency	30 June 2020 \$'000	30 June 2019 Currency	30 June 2019 \$'000		
	USD***	295,779		USD***	311,687
Net foreign currency exposure	<u>295,779</u>			<u>311,687</u>	

*** This Fund only has USD exposure.

Sensitivity analysis - Foreign exchange risk

The tables below summarise the sensitivity of the Funds' monetary assets and liabilities to foreign exchange risk.

	British Pound ETF		Euro ETF		Global Government Bond 20+ Year ETF		Sustainability Leaders Diversified Bond ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$ ⁶	30 June 2020 \$'000	30 June 2019 \$'000	
Impact on profit/(loss) from operating activities and net assets attributable to unitholders								
10% AUD appreciation against foreign currency (2019: 10%)	(1,618)	(1,777)	(1,155)	(610)	(192,277)	(3,084)		-

		U.S. Dollar ETF	
30 June 2020 \$'000	30 June 2019 \$'000		
Impact on profit/(loss) from operating activities and net assets attributable to unitholders			
10% AUD appreciation against foreign currency (2019: 10%)	<u>(29,578)</u>	(31,169)	

10% AUD depreciation against foreign currency would have an equal, but opposite effect to the amounts shown in the table above.

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

7 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds.

The main concentration of credit risk to which the Funds are exposed arise from the Funds' investment in cash and cash equivalents, and investment in debt securities.

(i) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is considered low as the Funds only invest their assets into bank deposit accounts held with banks that are regulated in Australia by Australian Prudential Regulatory Authority as authorised deposit taking institutions, and all counterparties have a credit rating of at least A.

In accordance with the Funds' policy, the Responsible Entity monitors the Funds' credit position on a regular basis.

(ii) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

(iii) Debt securities

Certain Funds invest in debt securities. An analysis of debt securities by rating of the issuer is set out in the table below for Funds which have such securities.

Rating	Australian Bank Senior Floating Rate Bond ETF		Australian Government Bond ETF		Australian Investment Grade Corporate Bond ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
	AAA	-	-	16,443	-	2,317
AAA to AA-	573,423	390,126	2,218	-	24,825	17,737
A+ to A-	65,128	56,857	-	-	112,143	89,957
BBB+ to BBB-	70,009	42,273	-	-	200,129	122,255
Non Rated	-	-	-	-	-	-
Total	708,560	489,256	18,661	-	339,414	229,949

7 Financial risk management (continued)

(b) Credit risk (continued)

(iii) Debt securities (continued)

Rating	Global Government Bond 20+ Year ETF	Sustainability Leaders Diversified Bond ETF	
	30 June 2020 \$ ⁶	30 June 2020 \$'000	30 June 2019 \$'000
AAA to AA-	1,350,916	47,272	-
A+ to A-	416,436	6,021	-
BBB+ to BBB-	122,947	4,744	-
Non Rated	-	364	-
Total	1,890,299	58,401	-

(iv) Other

The custody of the Funds' assets is mainly concentrated with one counterparty, namely RBC Investor Services Trust. RBC Investor Services Trust is a subsidiary of a company listed on a major securities exchange, and at 30 June 2020 had a credit rating of AA- by Standard & Poor's (S&P) (30 June 2019 AA-/A-1+ (Stable) by Standard & Poor's (S&P)). At 30 June 2020, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by RBC Investor Services Trust.

(c) Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities.

The Funds are exposed to daily cash redemptions of redeemable units. The Funds' investments in cash and cash equivalents and debt securities are considered to be readily realisable and the Funds maintain adequate liquidity to pay withdrawals and distributions when required.

Certain Funds may invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Funds may not be able to quickly liquidate their investments in these instruments at an amount close to their fair value to meet their liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty.

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

7 Financial risk management (continued)

(c) Liquidity risk (continued)

The following tables analyse the Funds' non-derivative and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

	Australian Bank Senior Floating Rate Bond ETF							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months		30 June	6 months	6 months	
	2020	30 June	30 June	2020	30 June	30 June	30 June	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Distributions payable	-	340	-	340	-	782	-	782
Other payables	-	149	-	149	-	95	-	95
Contractual cash flows (excluding net settled derivatives)	-	489	-	489	-	877	-	877

	Australian Government Bond ETF							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months		30 June	6 months	6 months	
	2020	30 June	30 June	2020	30 June	30 June	30 June	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Distributions payable	-	30	-	30	-	-	-	-
Other payables	-	4	-	4	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	-	34	-	34	-	-	-	-

	Australian High Interest Cash ETF							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months		30 June	6 months	6 months	
	2020	30 June	30 June	2020	30 June	30 June	30 June	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Distributions payable	-	1,157	-	1,157	-	2,245	-	2,245
Other payables	-	314	-	314	-	228	-	228
Contractual cash flows (excluding net settled derivatives)	-	1,471	-	1,471	-	2,473	-	2,473

7 Financial risk management (continued)

(c) Liquidity risk (continued)

	Australian Investment Grade Corporate Bond ETF							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months		30 June	6 months	6 months	
	2020	30 June	30 June	30 June	2019	30 June	30 June	30 June
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Distributions payable	-	3,303	-	3,303	-	1,126	-	1,126
Due to brokers - payables for securities purchased	-	-	-	-	-	3,404	-	3,404
Other payables	-	98	-	98	-	53	-	53
Contractual cash flows (excluding net settled derivatives)	-	3,401	-	3,401	-	4,583	-	4,583

	British Pound ETF							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months		30 June	6 months	6 months	
	2020	30 June	30 June	30 June	2019	30 June	30 June	30 June
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Distributions payable	-	84	-	84	-	89	-	89
Other payables	-	8	-	8	-	8	-	8
Contractual cash flows (excluding net settled derivatives)	-	92	-	92	-	97	-	97

	Euro ETF							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months		30 June	6 months	6 months	
	2020	30 June	30 June	30 June	2019	30 June	30 June	30 June
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Other payables	-	9	-	9	-	3	-	3
Contractual cash flows (excluding net settled derivatives)	-	9	-	9	-	3	-	3

7 Financial risk management (continued)

(c) Liquidity risk (continued)

	Global Government Bond 20+ Year ETF			
	On demand	Less than 6 months	Greater than 6 months	Total
	30 June 2020	30 June 2020	30 June 2020	30 June 2020
	\$ ⁶	\$ ⁶	\$ ⁶	\$ ⁶
Distributions payable	-	42,302	-	42,302
Other payables	-	412	-	412
Contractual cash flows (excluding net settled derivatives)	-	42,714	-	42,714

	Sustainability Leaders Diversified Bond ETF							
	On demand	Less than 6 months	Greater than 6 months	Total	On demand	Less than 6 months	Greater than 6 months	Total
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	88	-	88	-	-	-	-
Other payables	-	27	-	27	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	-	115	-	115	-	-	-	-

	U.S. Dollar ETF							
	On demand	Less than 6 months	Greater than 6 months	Total	On demand	Less than 6 months	Greater than 6 months	Total
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	3,104	-	3,104	-	7,273	-	7,273
Other payables	-	127	-	127	-	121	-	121
Contractual cash flows (excluding net settled derivatives)	-	3,231	-	3,231	-	7,394	-	7,394

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

8 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the statements of financial position are disclosed in the first three columns of the tables below.

	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		Net amounts
	Gross amounts of financial assets/(liabilities)	Gross amounts set off in the statements of financial position	Net amount of financial assets/(liabilities) presented in the statements of financial position	Financial instruments (including non-cash collateral)	Stock and cash collateral pledged	
Global Government Bond 20+ Year ETF						
	\$ ⁶	\$ ⁶	\$ ⁶	\$ ⁶	\$ ⁶	\$ ⁶
As at 30 June 2020						
Financial assets						
Foreign currency contracts	67,446	-	67,446	-	-	67,446
Total	67,446	-	67,446	-	-	67,446
	Gross amounts of financial assets/(liabilities)	Gross amounts set off in the statements of financial position	Net amount of financial assets/(liabilities) presented in the statements of financial position	Financial instruments (including non-cash collateral)	Stock and cash collateral pledged	Net amounts
Sustainability Leaders Diversified Bond ETF						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2020						
Financial assets						
Foreign currency contracts	832	(4)	828	-	-	828
Bond futures	5	-	5	-	-	5
Total	837	(4)	833	-	-	833
As at 30 June 2019						
Financial assets						
Foreign currency contracts	-	-	-	-	-	-
Bond futures	-	-	-	-	-	-
Total	-	-	-	-	-	-

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

9 Fair value measurements

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

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

Fair value estimation

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

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in 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 Note 2. 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 is the last traded price. Where the last traded price does not fall within the bid-ask spread, an assessment is performed by management to determine the appropriate valuation price to use that is most representative of fair value.

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

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

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

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

9 Fair value measurements (continued)

Fair value estimation (continued)

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

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

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

(iii) Recognised fair value measurements

The tables below set out the Australian Bank Senior Floating Rate Bond ETF and the Australian Investment Grade Corporate Bond ETF financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy:

		Australian Bank Senior Floating Rate Bond ETF							
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
		2020	2020	2020	2020	2019	2019	2019	2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets									
Financial assets at fair value through profit or loss:									
	Listed unit trusts	-	-	-	-	6,008	-	-	6,008
	Floating rate notes	-	708,560	-	708,560	-	489,256	-	489,256
Total		-	708,560	-	708,560	6,008	489,256	-	495,264
		Australian Government Bond ETF							
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
		2020	2020	2020	2020	2019	2019	2019	2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets									
Financial assets at fair value through profit or loss:									
	Fixed interest securities	-	18,661	-	18,661	-	-	-	-
Total		-	18,661	-	18,661	-	-	-	-

9 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Australian Investment Grade Corporate Bond ETF							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2019	2019	2019	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed unit trusts	4,005	-	-	4,005	10,013	-	-	10,013
Fixed interest securities	-	339,414	-	339,414	-	229,949	-	229,949
Total	4,005	339,414	-	343,419	10,013	229,949	-	239,962

	Global Government Bond 20+ Year ETF			
	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June
	2020	2020	2020	2020
	\$ ⁶	\$ ⁶	\$ ⁶	\$ ⁶
Financial assets				
Financial assets at fair value through profit or loss:				
Foreign currency contracts	-	67,446	-	67,446
Fixed interest securities	-	1,890,299	-	1,890,299
Total	-	1,957,745	-	1,957,745

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

9 Fair value measurements (continued)

Fair value estimation (continued)

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

	Sustainability Leaders Diversified Bond ETF							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2019	2019	2019	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Foreign currency contracts	-	828	-	828	-	-	-	-
Bond futures	5	-	-	5	-	-	-	-
Fixed interest securities	-	58,401	-	58,401	-	-	-	-
Total	5	59,229	-	59,234	-	-	-	-

(iv) *Transfers between levels*

There were no transfers between levels during the period ended 30 June 2020 and 30 June 2019.

(v) *Movement in level 3 instruments*

There were no investments classified as Level 3 within the Fund as at 30 June 2020 and 30 June 2019.

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

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

10 Derivative financial instruments

In the normal course of business certain Funds may enter into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

10 Derivative financial instruments (continued)

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Funds' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Funds.

The following Funds held derivative instruments:

		Global Government Bond 20+ Year ETF					
		Contract/ 30 June 2020 \$⁶	Assets 30 June 2020 \$⁶	Liabilities 30 June 2020 \$⁶			
Foreign currency contracts		1,993,521	67,446	-			
		<u>1,993,521</u>	<u>67,446</u>	<u>-</u>			
		Sustainability Leaders Diversified Bond ETF					
		Contract/ notional 30 June 2020 \$'000	Assets 30 June 2020 \$'000	Liabilities 30 June 2020 \$'000	Contract/ notional 30 June 2019 \$'000	Assets 30 June 2019 \$'000	Liabilities 30 June 2019 \$'000
Foreign currency contracts		31,474	828	-	-	-	-
Bond futures		1,952	5	-	-	-	-
Total		<u>33,426</u>	<u>833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

⁶ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

11 Auditor's remuneration

During the period the following fees were paid or payable for services provided by the auditor of the Funds. Audit fees were borne by the Responsible Entity:

	Australian Bank Senior Floating Rate Bond ETF		Australian Government Bond ETF		Australian High Interest Cash ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
KPMG	\$	\$	\$	\$	\$	\$
<i>Audit and other assurance service</i>						
Audit and review of financial reports	4,982	4,982	4,982	1,025	4,982	4,982
Audit of compliance plan	1,230	1,230	1,230	308	1,230	1,230
Total remuneration of audit and other assurance services	6,212	6,212	6,212	1,333	6,212	6,212

	Australian Investment Grade Corporate Bond ETF		British Pound ETF		Euro ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
KPMG	\$	\$	\$	\$	\$	\$
<i>Audit and other assurance service</i>						
Audit and review of financial reports	4,982	4,982	4,982	4,982	4,982	4,982
Audit of compliance plan	1,230	1,230	1,230	1,230	1,230	1,230
Total remuneration of audit and other assurance services	6,212	6,212	6,212	6,212	6,212	6,212

	Global Government Bond 20+ Year ETF		Sustainability Leaders Diversified Bond ETF		U.S. Dollar ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
KPMG	\$	\$	\$	\$	\$	\$
<i>Audit and other assurance service</i>						
Audit and review of financial reports	3,752		3,752	1,025	4,982	4,982
Audit of compliance plan	1,230		1,230	308	1,230	1,230
Total remuneration of audit and other assurance services	4,982		4,982	1,333	6,212	6,212

12 Related party transactions

Responsible Entity

The Responsible Entity of the Funds is BetaShares Capital Ltd.

Key management personnel

The Funds do not employ personnel in their own right. However, the Funds are required to have an incorporated Responsible Entity to manage the activities and this is considered to be key management personnel. The directors of the Responsible Entity, which are key management personnel of the Responsible Entity, during or since the end of the financial period are:

(a) Directors

Executive Directors:

David Nathanson (appointed 21 September 2009)
 Alex Vynokur (appointed 21 September 2009)

Non-Executive Directors:

Jungho Rhee (appointed 1 September 2018)
 Thomas Park (appointed 12 August 2015, resigned 6 February 2020)
 Young Hwan Kim (appointed 7 February 2020)

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Funds, directly or indirectly during the financial period.

Responsible Entity's management fees and other transactions

The Responsible Entity's fees are calculated in accordance with the Funds' Constitutions. The Responsible Entity's fees comprise a management fee and (if applicable) expense recoveries (after taking account of GST and reduced input tax credits), which are calculated as a percentage of the net asset value of the Funds and are disclosed in the statements of comprehensive income. The following table discloses the Responsible Entity's fees for 30 June 2020 and 30 June 2019:

Funds	Management Fee		Expense Recoveries	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	%	%	%	%
Australian Bank Senior Floating Rate Bond ETF	0.19	0.19	0.03	0.03
Australian Government Bond ETF	0.19	-	0.03	-
Australian High Interest Cash ETF	0.18	0.18	-	-
Australian Investment Grade Corporate Bond ETF	0.22	0.22	0.03	0.03
British Pound ETF	0.45	0.45	-	-
Euro ETF	0.45	0.45	-	-
Global Government Bond 20+ Year ETF ⁷	0.19	N/A	0.03	N/A
Sustainability Leaders Diversified Bond ETF	0.39	-	0.10	-
U.S. Dollar ETF	0.45	0.45	-	-

⁷ There was no comparative percentage for BetaShares Global Government Bond 20+ Year ETF. The Fund commenced trading on 7 May 2020.

12 Related party transactions (continued)

(b) Other key management personnel (continued)

The related party transactions during the period and amounts payable at period end were as follows:

	Australian Bank Senior Floating Rate Bond ETF		Australian Government Bond ETF		Australian High Interest Cash ETF	
	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$	30 June 2019 \$
Management fees expensed to the Responsible Entity	1,327,153	658,554	26,872	-	3,198,691	2,388,360
Management fees payable to the Responsible Entity at reporting date	126,084	76,773	2,996	-	304,335	219,928
Expense recoveries expensed to the Responsible Entity	212,341	106,354	4,243	-	-	-
Expense recoveries payable to the Responsible Entity at reporting date	19,908	12,122	473	-	-	-
Management fees rebate received from the Responsible Entity	17,674	15,703	-	-	-	-
Management fees rebate receivable from the Responsible Entity	-	712	-	-	-	-
	Australian Investment Grade Corporate Bond ETF		British Pound ETF		Euro ETF	
	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$	30 June 2019 \$
Management fees expensed to the Responsible Entity	753,854	229,429	94,287	85,263	32,179	28,195
Management fees payable to the Responsible Entity at reporting date	70,630	40,761	7,108	6,599	4,870	2,256
Expense recoveries expensed to the Responsible Entity	105,023	31,299	-	-	-	-
Expense recoveries payable to the Responsible Entity at reporting date	9,631	5,558	-	-	-	-
Management fees rebate received from the Responsible Entity	16,314	1,196	-	-	-	-
Management fees rebate receivable from the Responsible Entity	593	1,097	-	-	-	-

12 Related party transactions (continued)

(b) Other key management personnel (continued)

	Global Government Bond 20+ Year ETF	Sustainability Leaders Diversified Bond ETF		U.S. Dollar ETF	
	30 June 2020 \$	30 June 2020 \$	30 June 2019 \$	30 June 2020 \$	30 June 2019 \$
Management fees expensed to the Responsible Entity	556	108,356	-	1,309,269	1,733,382
Management fees payable to the Responsible Entity at reporting date	356	21,139	-	124,720	117,623
Expense recoveries expensed to the Responsible Entity	88	27,784	-	-	-
Expense recoveries payable to the Responsible Entity at reporting date	56	5,420	-	-	-

Related party unitholdings

Parties related to the Funds (including BetaShares Capital Ltd and other schemes managed by BetaShares Capital Ltd), held units in the Funds during the financial period as follows:

Australian Bank Senior Floating Rate Bond ETF

2020

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
BetaShares Capital Limited	80,000	80,000	2,068,000	0.29	-	-	31,354
BetaShares Diversified Balanced ETF	-	5,658	146,264	0.02	6,070	412	1,017
BetaShares Diversified Conservative Income ETF	-	40,920	1,057,817	0.15	43,700	2,780	5,953
BetaShares Diversified Growth ETF	-	3,828	98,957	0.01	4,250	422	788
Total	80,000	130,406	3,371,038	0.47	54,020	3,614	39,112

2019

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
BetaShares Capital Limited	80,000	80,000	2,053,142	0.41	-	-	52,312
Total	80,000	80,000	2,053,142	0.41	-	-	52,312

12 Related party transactions (continued)

Related party unitholdings (continued)

Australian Government Bond ETF

2020

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
BetaShares Diversified Balanced ETF	-	5,483	285,568	1.52	6,150	667	2,036
BetaShares Diversified Growth ETF	-	3,710	193,226	1.03	4,284	574	1,512
BetaShares Diversified High Growth ETF	-	6,063	315,776	1.68	7,034	971	1,844
Total	-	15,256	794,570	4.23	17,468	2,212	5,392

Australian High Interest Cash ETF

2020

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
BetaShares Active Australian Hybrids Fund	270,406	409,000	20,490,900	1.04	842,135	703,541	163,830
BetaShares Australian Bank Senior Floating Rate Bond ETF	120,000	-	-	-	1,280,000	1,400,000	98,797
BetaShares Australian Equities Bear Hedge Fund	655,000	1,360,000	68,093,095	3.46	705,000	-	449,841
BetaShares Australian Investment Grade Corporate Bond ETF	200,000	80,000	4,005,476	0.20	290,000	410,000	108,988
BetaShares Diversified Balanced ETF	-	4,461	223,355	0.01	5,167	706	1,222
BetaShares Diversified Conservative Income ETF	-	10,151	508,245	0.03	11,343	1,192	2,278
BetaShares Diversified Growth ETF	-	2,230	111,653	0.01	2,671	441	677
BetaShares Diversified High Growth ETF	-	2,021	101,188	0.01	2,789	768	465
Total	1,245,406	1,867,863	93,533,912	4.76	3,139,105	2,516,648	826,098

12 Related party transactions (continued)

Related party unitholdings (continued)

Australian High Interest Cash ETF

2019

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
BetaShares Active Australian Hybrids Fund	49,901	270,406	13,537,219	0.90	220,505	-	126,095
BetaShares Australian Bank Senior Floating Rate Bond ETF	-	120,000	6,007,519	0.40	920,000	800,000	161,180
BetaShares Australian Equities Bear Hedge Fund	655,000	655,000	32,791,041	2.18	-	-	657,575
BetaShares Australian Investment Grade Corporate Bond ETF	-	200,000	10,012,532	0.66	200,000	-	21,710
Total	704,901	1,245,406	62,348,311	4.14	1,340,505	800,000	966,560

Australian Investment Grade Corporate Bond ETF

2020

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
BetaShares Diversified Balanced ETF	-	5,410	145,155	0.04	5,644	234	4,911
BetaShares Diversified Conservative Income ETF	-	39,137	1,050,081	0.30	40,679	1,542	31,412
BetaShares Diversified Growth ETF	-	3,661	98,227	0.03	3,936	275	3,579
Total	-	48,208	1,293,463	0.37	50,259	2,051	39,902

13 Events occurring after the reporting period

Since balance date, there continues to be uncertainty and volatility in the market due to the ongoing COVID-19 global pandemic. Management are closely monitoring and consider that there has been no material change in the assets & liabilities presented. No significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the statements of financial position as at 30 June 2020 or on the results and cash flows of the Funds for the period ended on that date.

14 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2020 and 30 June 2019.

Directors' declaration

BetaShares Capital Ltd present the Directors' Declaration in respect of the following funds:

BetaShares Australian Bank Senior Floating Rate Bond ETF
BetaShares Australian Government Bond ETF
BetaShares Australian High Interest Cash ETF
BetaShares Australian Investment Grade Corporate Bond ETF
BetaShares British Pound ETF
BetaShares Euro ETF
BetaShares Global Government Bond 20+ Year ETF - Currency Hedged
BetaShares Sustainability Leaders Diversified Bond ETF
BetaShares U.S. Dollar ETF

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

- (a) the financial statements and notes set out on pages 7 to 60 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, and interpretations issued by the Australian Accounting Standards Board and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Funds' financial positions as at 30 June 2020 and of their performance for the financial period 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; and
- (c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

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



David Nathanson
Director

Sydney
22 September 2020



Alex Vynokur
Director



Independent Auditor's Report

To the respective unitholders of the following Schemes:

BetaShares Australian Bank Senior Floating Rate Bond ETF

BetaShares Australian Government Bond ETF

BetaShares Australian High Interest Cash ETF

BetaShares Australian Investment Grade Corporate Bond ETF

BetaShares British Pound ETF

BetaShares Euro ETF

BetaShares Global Government Bond 20+ Year ETF- Currency Hedged

BetaShares Sustainability Leaders Diversified Bond ETF

BetaShares U.S. Dollar ETF

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

Opinions

We have audited each of the **Financial Reports** of the Schemes.

In our opinion, the accompanying Financial Report of each Scheme is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of that Scheme's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The respective **Financial Reports** of the individual Schemes comprise:

- Statements of financial position as at 30 June 2020;
- Statements of comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration made by the Directors' of BetaShares Capital Limited (the Responsible Entity).

Basis for opinions

We conducted our audits in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audits of the Financial Reports* section of our report.

We are independent of the Schemes and the Responsible Entity in accordance with 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 Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our respective audits of the Financial Reports of each Scheme in the current period.

These matters were addressed in the context of our audits of each of the Financial Reports as a whole, and in forming our opinions thereon, and we do not provide a separate opinion on these matters.



The **Key Audit Matter** we identified for BetaShares Australian Bank Senior Floating Rate Bond ETF, BetaShares Australian Government Bond ETF, BetaShares Australian Investment Grade Corporate Bond ETF, BetaShares Global Government Bond 20+ Year ETF- Currency Hedged and BetaShares Sustainability Leaders Diversified Bond ETF is:

- Valuation and existence of financial instruments.

The **Key Audit Matter** we identified for BetaShares Australian High Interest Cash ETF, BetaShares British Pound ETF, BetaShares Euro ETF and BetaShares U.S. Dollar ETF is:

- Existence of cash and cash equivalents.

Valuation and existence of financial instruments (BetaShares Australian Bank Senior Floating Rate Bond ETF \$708,560,000, BetaShares Australian Government Bond ETF \$18,661,000, BetaShares Investment Grade Corporate Bond ETF \$343,419,000, BetaShares Global Government Bond 20+ Year ETF-Currency Hedged \$1,957,745, BetaShares Sustainability Leaders Diversified Bond ETF \$59,234,000).	
Refer to Note 5 to the Financial Report.	
The Key Audit Matter	How the matter was addressed in our audits
<p>Financial instruments at fair value through profit or loss comprise investments in listed securities, debt securities and derivatives (“investments”).</p> <p>The Scheme outsources certain processes and controls relevant to:</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the accounting policies applied by the Scheme, including those relevant to the fair value of investments, against the requirements of the accounting standards.

<ul style="list-style-type: none"> • Executing transactions as instructed by the Responsible Entity and recording and valuing investments to the Scheme administrator;; recording and valuing investments to the Scheme administrator; • Maintaining custody and underlying records of investments to the custodian; <p>Valuation and existence of investments is a key audit matter due to the:</p> <ul style="list-style-type: none"> • Size of the Scheme’s portfolio of investments. These investments represent a significant percentage of the Scheme’s total assets at year end; and • Importance of the performance of these investments in driving the Scheme’s investment income and capital performance, as reported in the Financial Report. <p>As a result, this was the area with greatest effect on our overall audit strategy and allocation of resources in planning and performing our audit.</p>	<ul style="list-style-type: none"> • We obtained and read the Scheme’s Service Provider’s ASAE 3402 Assurance Reports on Controls at a Service Organisation and GS007 (Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment Management Services) assurance reports to understand the processes and assess the controls relevant to the: <ul style="list-style-type: none"> - Scheme administrator – to execute transactions, record and value the Scheme’s investments; - Custodian – to maintain custody and underlying records of the Scheme’s investments; • We obtained and read the custodians bridging letter over the period not covered by the ASAE3402 and GS007 assurance reports. We have checked that there were no instances of non-compliance over controls in place at the service provider. • We assessed the reputation, professional competence and independence of the auditors of the ASAE 3402 and GS007 assurance reports.
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	<ul style="list-style-type: none"> • We checked the existence of investments, being the ownership and quantity held to external sources such as independent confirmations for derivative investments as at 30 June 2020. • We checked the valuation of investments, as recorded in the general ledger, to independently sourced prices as at 30 June 2020. • We evaluated the Scheme’s disclosures of investments, using our understanding obtained from our testing, against the requirements of the accounting standards.
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<ul style="list-style-type: none"> • Maintaining custody and underlying records of cash balances to the custodian; <p>Existence of cash is a key audit matter due to the size of the Scheme’s portfolio of cash. These cash balances represent a significant percentage of the Scheme’s total assets at year end.</p> <p>As a result, this was the area with greatest effect on our overall audit strategy and allocation of resources in planning and performing our audit.</p>	<p>processes and assess the controls relevant to the:</p> <ul style="list-style-type: none"> - Custodian – to maintain custody and underlying records of the Scheme’s cash balances. • We obtained and read the custodians’ bridging letter over the period not covered by the ASAE3402 and GS007 assurance reports. We have checked that there were no instances of non-compliance over controls in place at the service provider. • We assessed the reputation, professional competence and independence of the auditors of the ASAE 3402 and GS007 assurance reports. • We requested independent confirmations from the relevant financial institutions of the balance of the deposits held at call for the Scheme at 30 June 2020 and checked to the Scheme’s cash balances, as recorded in the general ledger.
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Existence of cash and cash equivalents (BetaShares High Interest Cash ETF \$1,967,987,000, BetaShares British Pound ETF \$16,186,000, BetaShares Euro ETF \$11,553,000, BetaShares U.S. Dollar ETF \$295,725,000).

The Key Audit Matter	How the matter was addressed in our audits
<p>Cash and cash equivalents comprise deposits held at call with financial institutions (“cash”).</p> <p>The Scheme outsources certain processes and controls relevant to:</p> <ul style="list-style-type: none"> • Recording cash transactions to the Scheme administrator; 	<p>Our procedures included:</p> <ul style="list-style-type: none"> • We obtained and read the Service Provider’s ASAE 3402 <i>Assurance Reports on Controls at a Service Organisation</i> and GS007 (<i>Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment Management Services</i>) assurance reports to understand the



Other Information

Other Information is financial and non-financial information in the respective Scheme's annual reporting which is provided in addition to the Financial Reports and the Auditor's Report. The Directors of the Responsible Entity are responsible for the Other Information.

Our opinions on the Financial Reports do not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audits of the Financial Reports, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Reports

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Reports that give a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal controls to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing each Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the respective Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audits of the Financial Reports

Our objective is:

- to obtain reasonable assurance about whether each of the Financial Reports as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinions.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Reports.

A further description of our responsibilities for the audits of the Financial Reports is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our Auditor's Report.

KPMG

Nicholas Buchanan

Partner

Sydney

22 September 2020

The BetaShares Australian Bank Senior Floating Rate Bond ETF, BetaShares Investment Grade Corporate Bond ETF and BetaShares Sustainability Leaders Diversified Bond ETF – Currency Hedged are not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Solactive Australian Bank Senior Floating Rate Bond Index, Solactive Australian Investment Grade Corporate Bond Select TR Index and Solactive Australian and Global Select Sustainability Leaders Bond TR Index – AUD Hedged at any time or in any other respect. Each Index is calculated and published by Solactive AG. Neither publication of each Index by Solactive AG nor the licensing of Index for the purpose of use in connection with the relevant Fund constitutes a recommendation by Solactive AG to invest capital in the Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the Fund.

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